

STATE BUDGET AND CONTROL BOARD

Meeting of Tuesday, September 20, 2011 -- 9:00 A. M.

Room 252, Edgar A. Brown Building

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AGENCY: State Budget Division

SUBJECT: Permanent Improvement Projects

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

Establish Project for A&E Design

- (a) Summary 2-2012: JBRC Item 1. Clemson University
Project: 9895, Wastewater Treatment Plant Upgrade
Funding Source: \$95,230 Institutional Capital Project Funds, which are defined as excess debt service funds that must be applied to capital projects.
Request: Establish project and budget for \$95,230 (Other, Institutional Capital Project Funds) to begin design work to upgrade the wastewater treatment plant at Clemson. The work will include constructing a new influent pump station and headwork, replacing the associated electrical system, upgrading the emergency power, replacing the primary clarifier equipment, and upgrading the beginning control system automation. The wastewater treatment facility serves the entire campus and is more than 45 years old. The improvements are needed to meet regulatory requirements for water quality and to address deferred maintenance and reliability issues at the plant.
- (b) Summary 2-2012: JBRC Item 2. Clemson University
Project: 9896, Littlejohn Coliseum Annex Addition
Funding Source: \$274,320 Other, Private funds, which are private donations received by the Clemson Athletics Department.
Request: Establish project and budget for \$274,320 (Other, Private funds) to begin design work to construct an approximately 65,000 square foot annex addition to Littlejohn Coliseum at Clemson. The addition will include two practice gyms and offices for the men's and women's basketball programs. Littlejohn Coliseum hosts commencements, events and activities for Clemson students and the community, which hinders the ability of the basketball teams to hold regular practices. In addition, the coliseum's existing gym has significant size limitations and the coaches' offices are located in another building, limiting their interaction with players outside of practice. Locating offices and practice facilities adjacent to players' locker rooms and the coliseum will allow for greater efficiencies in practice schedules and program oversight from the basketball coaches.

AGENCY: State Budget Division

SUBJECT: Permanent Improvement Projects

- (c) Summary 2-2012: JBRC Item 3. College of Charleston
Project: 9648, Dixie Plantation Field Stations Construction
Funding Source: \$31,500 Other, College Fee funds, which are that portion of the student bill not specifically earmarked/dedicated for debt service, auxiliary enterprises or student clubs and activities, generated through charges for course credit and charges for labs, transcripts and other miscellaneous items.
Request: Establish project and budget for \$31,500 (Other, College Fee funds) to begin design work to construct two field stations at the Dixie Plantation for the College of Charleston. The work will include constructing two 3,000 square foot field stations to accommodate 24 to 30 students and faculty each from the undergraduate and graduate programs in environmental studies, biology and archaeology. Dixie Plantation, which is located on the Stono River and leased long-term from the college's foundation, has no educational or research facilities. The proposed field stations will provide space for students and faculty to better utilize the 881-acre ecological laboratory to position the college for national distinction in environmental education and sustainability studies. The source of funds is college fees which are currently available and will not result in a student fee increase.
- (d) Summary 2-2012: JBRC Item 4. University of South Carolina
Project: 6089, Williams-Brice Stadium Video Board Support Construction
Funding Source: \$37,500 Other, Private funds, which are donations or gifts to the USC Athletics Department.
Request: Establish project and budget for \$37,500 (Other, Private funds) to begin design work to install a new video board at Williams-Brice Stadium for USC. The work will include constructing the structural support and electrical and data infrastructure to install a new video board above the north end zone of the stadium. The video board will be larger than the existing board and will have high definition quality to provide better visibility throughout the stadium. It will allow both live action and instant replays to be viewed and will serve as the official scoreboard.
- (e) Summary 2-2012: JBRC Item 5. Budget and Control Board
Project: 9903, McEachern Parking Facility Waterproofing
Funding Source: \$17,508 Other, Depreciation Reserve funds, which are derived from the rent account which receives rent charges from agencies.
Request: Establish project and budget for \$17,508 (Other, Depreciation Reserve funds)

AGENCY: State Budget Division

SUBJECT: Permanent Improvement Projects

to begin design work to waterproof the McEachern Parking Facility. The work will include repairing cracks and leaks at the underground connections to the buildings of the Capitol Complex, applying waterproof sealants, installing corrosion inhibitors, constructing covers over stairwells, and installing underdrain drainage. The facility was constructed in phases between 1970 and 1975 and leaks. The leaks contribute to the corrosion of steel reinforcing the concrete walls, which will ultimately weaken the structure if not addressed.

Establish Construction Budget

- (f) Summary 2-2012: JBRC Item 6. Clemson University
Project: 9891, Freeman Hall Expansion
Funding Source: \$97,500 Other, Institutional Capital Project Funds, which are defined as excess debt service funds that must be applied to capital projects and \$6,402,500 Other, Operating Revenues, which are derived from an online Master of Engineering in Industrial Engineering Program.
Request: Increase budget to \$6,500,000 (add \$6,402,500 Other, Operating Revenue funds) to construct an addition to Freeman Hall at Clemson. The project was established in October 2010 for pre-design work which is now complete. The 23,695 square foot addition will add office and classroom space to Freeman Hall, which houses the Industrial Engineering Department. Additional space is needed due to growth in the department at the undergraduate and graduate levels, the addition of a Master of Engineering in Industrial Engineering program, and significant enrollment increases in the College. The expansion will be constructed to LEED Silver certification and include sustainable sites, water efficiency, energy and atmosphere, and indoor environmental quality measures. The LEED cost benefit analysis shows a positive cost benefit of \$550,829 over 30 years. The agency reports the total projected cost of this project is \$6.5 million and additional annual operating costs ranging from \$92,500 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 June 2012 and for completion of construction is June 2013. (See Attachment 1 for additional annual operating costs.)

AGENCY: State Budget Division

SUBJECT: Permanent Improvement Projects

- (g) Summary 2-2012: JBRC Item 7. Francis Marion University
Project: 9562, Office Services Building Replacement
Funding Source: \$710,000 Other, Capital/Maintenance Reserve funds, which are funded by a \$100 fee per fulltime student per semester set aside as a resource for capital projects and maintenance of existing buildings and infrastructure.
Request: Increase budget to \$710,000 (add \$700,100 Other, Capital/Maintenance Reserve funds) to construct an approximately 3,600 square foot building to house mail and printing services at Francis Marion. The project was established in December 2010 for pre-design work which is now complete. The new facility will include a mail room, a print operations area, staff offices, restrooms, a storage area and a loading dock. The existing facility is dilapidated and hazardous to employees due to the deteriorated exterior, the lack of proper mechanical ventilation for printing fumes, and inadequate safety clearances around equipment from lack of space. The existing facility cannot be renovated due to the excessive cost to bring the electrical and mechanical systems up to current building codes. Energy savings and conservation measures will include the installation of energy efficient mechanical equipment, lighting and plumbing fixtures and the day-lighting advantages from an open floor plan and numerous windows. The agency reports the total projected cost of this project is \$710,000 and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is July 2012 and for completion of construction is August 2013.
- (h) Summary 2-2012: JBRC Item 8. State Board for Technical and Comprehensive Education
Project: 6027, Spartanburg - Downtown Campus Renovation
Funding Source: \$5,440,601 Other, College Plant funds, which are derived from four funding sources including a portion of a \$158 student capital fee and \$2.9 million in private donations; \$3,550,000 Other, Spartanburg County funds; and \$1,500,000 Other, City of Spartanburg funds.
Request: Increase budget to \$10,490,601 (add \$10,363,101 - \$5,313,101 Other, College Plant, \$3,550,000 Other, Spartanburg County and \$1,500,000 Other, City of Spartanburg funds) to renovate the recently acquired Evans Building for Spartanburg Community College. The project was established in December 2010 for pre-design work which is now complete. The renovation will include reconfiguring spaces to create classrooms, science labs and offices, adding restrooms, installing fire protection, renovating the mechanical and electrical

AGENCY: State Budget Division

SUBJECT: Permanent Improvement Projects

systems, and installing new finishes. The project is a City, County, College and citizen effort to provide educational and job skill development programs convenient to city residents and to assist in the City's redevelopment efforts by providing a modern educational facility in a historically significant 89 year-old building, last renovated in 1980. The renovation will be constructed to LEED Silver certification and include sustainable sites, water efficiency, energy and atmosphere, materials and resources, and indoor environmental quality measures. The LEED cost benefit analysis shows a positive cost benefit of \$231,458 over 30 years. The agency reports the total projected cost of this project is \$10,490,601 and additional annual operating costs ranging from \$340,000 to \$375,000 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is May 2012 and for completion of construction is March 2013. (See Attachment 2 for additional annual operating costs.)

- (i) Summary 2-2012: JBRC Item 9. Office of the Adjutant General
Project: 9751, Allendale Readiness Center Expansion
Funding Source: \$4,462,755 Federal funds, which are appropriated through the Federal National Guard Bureau and \$1,500,000 Other, Allendale County funds, which are funds approved by Allendale County Council.
Request: Increase budget to \$5,962,755 (add \$5,584,585 - \$4,084,585 Federal and \$1,500,000 Other, Allendale County funds) to expand the Allendale Readiness Center for the National Guard. The project was established in December 2009 for pre-design work and increased in June 2010 to continue design, which is now complete. The expansion of the center will include constructing a 12,630 square foot addition and renovating 6,066 existing square feet to meet the needs of the National Guard's Quarter Master unit and Allendale County's emergency units which will share the facility. The unit has a deficit of more than 13,000 square feet in the existing facility, which lacks adequate classroom, simulations, kitchen, administrative and other spaces that impact the unit's readiness, recruiting and retention. The expansion will be constructed to LEED Silver certification and include sustainable sites, water efficiency, energy and atmosphere, and materials and resources measures. The LEED cost benefit analysis shows a positive cost benefit of \$712,130 over 30 years. The agency reports the total projected cost of this project is \$5,962,755 and additional annual operating costs ranging from \$12,000 to \$13,230 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is September 2012 and for

AGENCY: State Budget Division

SUBJECT: Permanent Improvement Projects

completion of construction is May 2014. (See Attachment 3 for additional annual operating costs.)

Increase Budget

- (j) Summary 2-2012: JBRC Item 10. University of South Carolina
Project: 6069, Darla Moore School of Business Construction
Funding Source: \$15,000,000 State Institution Bonds; \$65,000,000 Revenue Bonds; \$16,350,000 Other, Private funds from a Donor Trust administered by the USC Educational Foundation; \$8,650,000 Other, Gift of A&E Services; and \$1,500,000 Other, Institutional funds.
Request: Increase budget to \$106,500,000 (add \$15,000,000 Other, Private funds) to revise the scope for construction of the Darla Moore School of Business for USC. The pre-design project was established in December 2009 and the full design and construction budget was approved in December 2010. Additional needs have been identified during the design process that have led to a revised project budget. The proposed budget increase will fund fundamental design modifications that will support programmatic and facility presentation needs, including modifications to the street level floor plan, the addition of a conference center and an increase to the building's food service program. Interior ceiling heights will also be raised and additional natural light brought into the building to relieve energy requirements. The building will be constructed to at least LEED Silver certification and include sustainable sites, energy and atmosphere, indoor environmental quality and other conservation measures. The LEED cost benefit analysis shows a positive cost benefit of \$12,260,720 over 30 years. The agency reports the total projected cost of this project is \$106.5 million and additional annual operating costs from the scope revisions of \$19,575 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is February 2012 and for completion of construction is December 2013. (See Attachment 4 for additional annual operating costs.)

BOARD ACTION REQUESTED:

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

ATTACHMENTS: Attachments

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

1. AGENCY CODE: H12 NAME: Clemson University

2. PROJECT #: 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) 2014-15	\$92,500			\$92,500
2) 2015-16	\$94,200			\$94,200
3) 2016-17	\$96,100			\$96,100

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

6. Will the additional costs be absorbed into your existing budget? Yes No
If no, how will 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 2014</u>	<u>\$29,040.00</u>
2. <u>Maintenance per year starting in 2014</u>	<u>\$63,460.00</u>
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>\$92,500.00</u>

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

9. Submitted By: John McEntire 8/11/11 Date
Signature of Authorized Official and Title
John McEntire, Director Capital Projects

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

1. AGENCY
Code: H59 Name Spartanburg Community College

2. PROJECT
Project # 6027 Name Spartanburg Downtown Campus Renovation

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	\$	\$	\$ 340,000	\$ 340,000
2 2014-15	\$	\$	\$ 357,000	\$ 357,000
3 2015-16	\$	\$	\$ 375,000	\$ 375,000

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

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. Building Insurance	11,000
2. Information Technology	20,000
3. Maintenance Equipment/Supplies	20,000
4. Utilities	172,000
5. Janitorial	64,000
6. Security Services	46,500
7. Contract Services	6,500
8. _____	_____
TOTAL	\$340,000

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

9. Submitted By: *[Signature]* 8/18/11
Signature of Authorized Official and Title Date

ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS RESULTING FROM PERMANENT IMPROVEMENT PROJECT

1. AGENCY:

Code: E24 Name: SC Military Department/Office of the Adjutant General

2. PROJECT:

Project # 9751 Name: Allendale Readiness Center Expansion

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

COSTS SAVINGS NO CHANGE

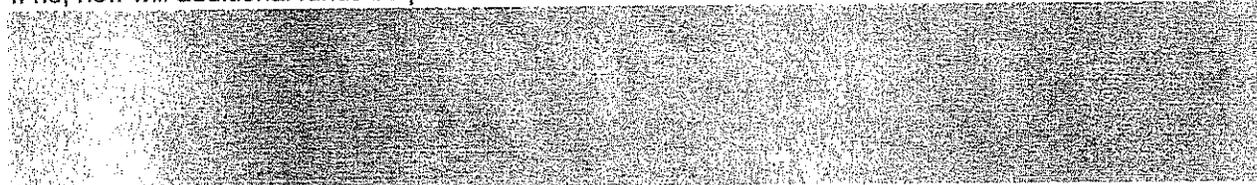
4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal Funds	Other Funds	Total Funds
1) 2011-2012	\$6,000	\$6,000	\$0	\$12,000
2) 2011-2012	\$6,300	\$6,300	\$0	\$12,600
3) 2012-2013	\$6,615	\$6,615	\$0	\$13,230

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



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



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

	<u>COST FACTORS</u>	<u>AMOUNT</u>
1.	<u>Electricity/Gas</u>	<u>\$7,250</u>
2.	<u>Water / Sewer</u>	<u>\$4,750</u>
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____
	TOTAL	<u>\$12,000.00</u>

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

9. Submitted By: Gary B. Grant 15Aug11
Signature of Authorized Official and Title Date

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

1. AGENCY
Code H27 Name USC Columbia

2. PROJECT
Project # 6069 Name Darla Moore School of Business Construction

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

COSTS SAVINGS NO CHANGE

NOTE: Increased costs associated with requested scope and budget increase.

4.

TOTAL ADDITIONAL OPERATING COSTS/SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1) 2013/14 (partial year)	\$9,797.76	\$0.00	\$0.00	\$9,797.76
2) 2014/15	\$19,575.50	\$0.00	\$0.00	\$19,575.50
3) 2015/16	\$19,575.50	\$0.00	\$0.00	\$19,575.50

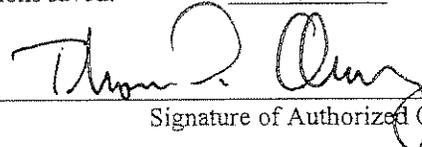
5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

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

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

<u>COST FACTORS</u>	<u>AMOUNT</u>
1. <u>Power</u>	<u>3,972.68</u>
2. <u>Water</u>	<u>633.33</u>
3. <u>Maintenance</u>	<u>5,181.75</u>
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
TOTAL	<u>9,787.76</u>

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:  8/19/11
Signature of Authorized Official and Title Date

Permanent Improvement Project Information for September 20, 2011 B&CB Meeting

Agency/ Project No.	Agency/Project Name	Original Approved Budget	Date of Original Approval	Phase I Amount	Date of Phase I Approval	Included in CIP	Total Projected Project Cost
H12-9895	Clemson - Wastewater Treatment Plant Upgrade	\$95,230 for pre-design	9/20/11	\$95,230	9/20/11	2011 CIP Year 1	To Be Determined
H12-9896	Clemson - Littlejohn Coliseum Annex Addition	\$274,320 for pre-design	9/20/11	\$274,320	9/20/11	No	To Be Determined
H15-9648	College of Charleston - Dixie Plantation Field Stations Construction	\$31,500 for pre-design	9/20/11	\$31,500	9/20/11	No	To Be Determined
H27-6089	University of South Carolina - Williams-Brice Stadium Video Board Support Construction	\$37,500 for pre-design	9/20/11	\$37,500	9/20/11	2011 CIP Year 1	To Be Determined
F03-9903	Budget and Control Board - McEachern Parking Facility Waterproofing	\$17,508 for pre-design	9/20/11	\$17,508	9/20/11	No	To Be Determined
H12-9891	Clemson - Freeman Hall Expansion	\$97,500 for pre-design	9/29/10	\$97,500	9/29/10	No	\$6,500,000
H18-9562	Francis Marion - Office Services Building Replacement	\$9,900 for pre-design	12/14/10	\$9,900	12/14/10	2009 CIP Year 2	\$710,000
H59-6027	Spartanburg Community College - Downtown Campus Renovation	\$127,500 for pre-design	12/14/10	\$127,500	12/14/10	2010 CIP Year 1	\$10,490,601
E24-9751	Adjutant General - Allendale Readiness Center Expansion	\$90,000 for pre-design	12/15/09	\$378,170 for design	6/30/10	No	\$5,962,755
H27-6069	University of South Carolina - Darla Moore School of Business Construction	\$1,350,000 for pre-design	12/15/09	\$9,750,000 for design	6/30/10	2010 CIP Year 1	\$106,500,000

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF September 20, 2011

ITEM NUMBER 2

AGENCY: Winthrop University

SUBJECT: Not Exceeding \$2,600,000 General Obligation State Institution Bonds, Series 2011F, of Winthrop University

The Board is asked to adopt a resolution to provide for the issuance and sale of Not Exceeding \$2,600,000 General Obligation State Institution Bonds, Series 2011F, issued on behalf of Winthrop University.

The proceeds of the bonds will be used to undertake improvements to (i) address deferred maintenance and up-fit the Dacus Library at an estimated cost of \$900,000; (ii) repurpose the Dinkins Building at an estimated cost of \$450,000; (iii) enlarge Archives facilities at an estimated cost of \$500,000; and (iv) repair roofs on several campus buildings at an estimated cost of \$650,000.

BOARD ACTION REQUESTED:

Adopt a resolution to provide for the issuance and sale of Not Exceeding \$2,600,000 General Obligation State Institution Bonds, Series 2011F, issued on behalf of Winthrop University.

ATTACHMENTS:

Shytle 8/29/11 memo to B&CB members; Shytle 8/30/11 letter; Resolution

MEMORANDUM

TO: South Carolina State Budget and Control Board
CC: File
FROM: B. Eric Shytle
DATE: August 29, 2011 **CLIENT-MATTER NO.:** 4734.102
RE: Winthrop University State Institution Bonds, Series 2011F

Winthrop University ("Winthrop") has requested that the South Carolina State Budget and Control Board (the "Board") consider the authorization of not exceeding \$2.6 million of State Institution Bonds at its meeting on September 20, 2011.

Security. State Institution Bonds are payable first from tuition fees received by the State Institution and deposited with the State Treasurer. The applicable debt limit provides that maximum annual debt service on all State Institution Bonds issued on behalf of a State Institution may not exceed 90% of the tuition fees received and deposited in the prior fiscal year. The bonds are additionally secured by a pledge of the full faith and credit of the State.

Projects. Winthrop proposes to apply the State Institution Bond proceeds to (a) perform deferred maintenance and up-fit the Dacus library at an estimated cost of \$900,000; (b) repurpose the Dinkins Building at an estimated cost of \$450,000; (iii) enlarge the archives facilities within the Dacus Library at an estimated cost of \$500,000; and (iv) repair roofs on several campus buildings at an estimated cost of \$650,000.

Details of Bonds. Winthrop has initially suggested a 10-year term for the bonds. The State Treasurer would retain the right to adjust the term, based on market conditions, provided in any event that (a) the maximum term does not exceed the 20-year maximum term established by State law, and (b) the aggregate debt service on all Winthrop State Institution Bonds complies with the constitutional and statutory debt limit. There are currently outstanding approximately \$52,730,000 of State Institution Bonds issued on behalf of Winthrop University.

As contemplated by State law, the resolution shows tuition fees pledged for State Institution Bond purposes. For your convenience, I attach a schedule of total tuition fees for the 2001-12 academic year.

Please contact me if you have additional questions.

WINTHROP UNIVERSITY, SOUTH CAROLINA

Schedule of Fees – Fall 2011 / Spring 2012

Academic Charges	Undergraduate Per Semester	Graduate Per Semester
Full Time, In-State	\$6,328	\$6,093
Full Time, Out-of-State	\$11,898	\$11,396
Full Time, In-State Grad Certification		\$6,093
Full Time, Out-of-State Grad Certification		\$8,945
Part-Time, In-State (Per Hour)	\$528	\$511
Part-Time, Out-of-State (Per Hour)	\$992	\$952
Part-Time, In-State Certification		\$511
Part-Time, Out-of-State Certification		\$745
Other Fees (Per Semester)		
Safety Fee *	\$25	\$25
Library Fee **	\$25	\$25
Post Office Box Rental ***	\$20	\$20

* Applicable to Students living on Campus

** Applicable to Sophomores, Juniors and Seniors

*** Applicable to all students living on campus

COLUMBIA CHARLESTON FLORENCE GREENVILLE

Haynsworth
Sinkler Boyd, P.A.

ATTORNEYS AND COUNSELORS AT LAW

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August 30, 2011

VIA HAND DELIVERY

Mr. Delbert H. Singleton, Jr., Board Secretary
South Carolina State Budget & Control Board
604 Wade Hampton Building
Columbia, South Carolina 29201

Re: Not exceeding \$2,600,000 General Obligation State Institution Bonds (Issued on Behalf of Winthrop University), Series 2011F (the "State Institution Bonds")

Dear Delbert:

On behalf of the Office of the State Treasurer of the State of South Carolina, I enclose the following with respect to the above-captioned State Institution Bonds in preparation for the meeting of the South Carolina State Budget and Control Board (the "State Board") on September 20, 2011:

1. One copy of the resolution of the Board of Trustees of Winthrop University, adopted on August 22, 2011, requesting the issuance of the State Institution Bonds;
2. Seven copies of the proposed State Board resolution regarding the issuance of the State Institution Bonds; and
3. One copy of an executive summary of the proposed bond issue.

If you need anything further or have any questions, please let me know.

Very truly yours,



B. Eric Shytle

Enclosures

cc: F. Richard Harmon, Office of State Treasurer

STATE BUDGET AND CONTROL BOARD
MEETING OF September 20, 2011

REGULAR SESSION
ITEM NUMBER 3

AGENCY: Lander University

SUBJECT: Approval of a Housing Allowance for the President of Lander University

Section 89.17 of the 2011-2012 Appropriation Act requires the approval of the Budget and Control Board for a state institution of higher learning to provide a housing allowance.

BOARD ACTION REQUESTED:

Consider the request from Lander University for a housing allowance for the President of Lander University in the amount of \$40,000 per year.

ATTACHMENTS:

Letter of Request from the Lander University; Fact Sheet; Section 89.17 of the 2011-2012 Appropriation Act



founded in 1872

LANDER UNIVERSITY

Vice President for Business and Administration

TO: Honorable Governor Nikki Haley
State Treasurer Curtis Loftis
Comptroller General Richard Eskstrom
Chairman Hugh Leatherman
Chairman W. Brian White

FROM: Glenda E. Ridgely, Vice President
Business and Administration

SUBJECT: Presidential Housing Allowance for Dr. Daniel W. Ball

DATE: September 7, 2011

Lander University requests consideration by the Budget and Control Board of the enclosed presidential housing allowance for Dr. Daniel W. Ball. We have discovered that our President's house is in danger of collapse. Approximately 25 years ago the home was renovated and load bearing walls were removed to provide additional open space. Structural beams were placed in the ceiling as substitutes for one (1) exterior wall and two (2) interior walls; however, there were no vertical supports installed to support the beams and structure. Our engineers tell us that the exterior as well as interior walls of the home have started to shift inward. For the safety of our President, he and his wife will be vacating the premises.

By September 16th, we hope to have a comprehensive assessment of the structural damage to the residence, estimated repair costs, and timeline for repairs. This information will be used to prepare a cost benefit analysis for the future use of the residence. At the present time, we anticipate that the residence will have to be vacated for at least six (6) months and perhaps permanently depending on the outcome of the cost benefit analysis. In accordance with proviso 89.17 Allowance for Residences and Compensation Restrictions we request that we be allowed to approach the Budget and Control Board to request a housing allowance for our President. The duration of the housing allowance will hinge on our future decision to either repair or demolish the residence.

I have enclosed the following for your consideration:

- **Presidential Housing Allowance Request** – The University is requesting an annual housing allowance of \$40,000 to cover housing, utility, and staffing services for Dr. Ball. The President's current residence has approximately 6000 square feet of living space plus extensive outdoor patios and gardens. As detailed on the attached "President House Events Schedule", the President's home is used throughout the year to host a minimum of sixty-two University functions. The Greenwood community has a limited number of executive homes of comparable size. Most of the home owners want to sell their property not lease it. Over the past week, we have become aware of at least one comparable residence that could be leased for \$2,500 per month. Based on this finding, the requesting housing allowance will provide \$2,500 per month or \$30,000 annually to cover the cost of leasing this or another residence. As discussed in the comparative market analysis section below, the estimated annual mortgage and interest payment for the President to purchase a comparable home in the Greenwood area would be \$34,374 based on a thirty (30) year mortgage at 4% interest. Since the proposed leased property will have approximately 6000 square feet of living space, the utility component is based on FY 2011 cost of \$840 per month or approximately \$10,000 annually for the current residence at 304 Durst Avenue. The University will use existing University staffing to address general maintenance, grounds upkeep and housekeeping services at the proposed replacement property for as long as Dr. Ball remains President of Lander University.
- **Comparative Market Analysis** – This analysis was prepared on September 6, 2011 by Ms. Kimberly Clark of Greenwood Realty Inc. Based on comparable pricing of both closed and active properties in the Greenwood Association of Realtors MLS system, the replacement value of the President's residence located at 304 Durst Street would be \$600,000. The estimated annual mortgage and interest payment for the President to purchase a comparable home in the Greenwood area would be \$34,374 based on a thirty (30) year mortgage at 4% interest.
- **Lander University Board of Trustee's Chair's Endorsement of Housing Allowance Request for Dr. Daniel W. Ball** – Enclosed is a signed statement of endorsement by our Lander Board Chair, Mr. Raymond D. Hunt.

Thank you for consideration of this time sensitive request. Please let me know if you need additional clarification.

Enclosures

C: Dr. Daniel W. Ball
Mr. Raymond D. Hunt
Ms. Donna Foster
Ms. Laura Fuller
Ms. Heather Pope

**Lander University
President House Events Schedule**

MINIMUM OF 62 EVENTS PER YEAR

- President's Council, Deans & Chairs Reception – September
- International Student Ice Cream Social – September
- Board of Trustees Reception and Dinner – September
- Faculty Garden Party – September/October
- Arbor Day Campus Reception – December
- Reception for Donors prior to University Singers – December
- Reception for Donors prior to Jazz Ensemble – December
- Student Assistant Christmas Thank you Dinner – December
- Student Christmas Card Party – December
- Christmas Tea – December
- President's Council Dinner – December
- Breakfast Meetings with International Guests – March & June
- Senior Picnic – April
- Study Abroad Tea – March/April & September/October
- Board of Trustees Retreat Dinner – June
- Private Donor Dinners – twice a month
- Palladian Club – Women's Study Group - Lander University a Closer Look – monthly
- Community Garden Club Tours – once a quarter
- PEO – Philanthropic Educational Organization – yearly
- Morning Glory Garden Club – yearly

**Lander University
 Presidential Housing Allowance Request
 Prepared September 7, 2011**

1. Allowance for Annual Housing Costs

Based on comparable pricing of both closed and active properties in the Greenwood Association of Realtors MLS system, the replacement value of the President's residence located at 304 Durst Street would be \$600,000. The Greenwood community has only a limited number of residence comparable to the President's residence. Most local home owners want to sell their executive homes not lease them. Over the past week, we have become aware of at least one comparable residence that could be leased for \$2,500 per month. The requesting housing allowance will provide \$2,500 per month or \$30,000 annually to cover the cost of leasing this or another residence. The estimated annual mortgage and interest payment for the President to purchase a comparable home in the Greenwood area would be \$34,374 based on a thirty (30) year mortgage at 4% interest.

Annual Costs	Monthly Allowance	Description
\$ 30,000.00	\$ 2,500.00	Monthly lease of comparable property in Greenwood Community

2. Allowance for Annual Utility Costs

Since the proposed replacement property is approximately the same square footage as the President's Residence at 304 Durst Street, the utility allowance is based FY 2011 costs for the current residence.

Annual Costs	Monthly Allowance	Description
3,600.00	300	Electricity
1,900.00	160	Gas
700.00	60	Sewer
400.00	30	Water
1,500.00	130	Cable \ Internet
1,900.00	160	Telephone Service (Includes Long Distance Calls Made Last Year from Residence)
\$ 10,000.00	\$ 840.00	Allowance for Annual Utility Costs

3. Allowance for General Maintenance, Grounds, and Housekeeping Services

Existing University staffing will be provided to address general maintenance, grounds upkeep and housekeeping services at the proposed replacement property for as long as Dr. Bail remains President of Lander University.

\$ -	\$ -	Allowance for Staff
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Total Housing Allowance Requested

\$ 40,000.00	\$ 3,340.00	Housing Allowance Totals
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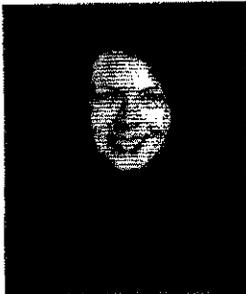


Comparative Market Analysis

Prepared For
Lander University

September 06, 2011

304 Durst Avenue



KIMBERLY CLARK
GREENWOOD REALTY INC.
225 BYPASS 72W SUITE C
Greenwood, SC 29649
Contact # (864)910-5168
Home (864)388-0202
theclarks926@yahoo.com



Information Herein Believed to be Accurate but Not Guaranteed
This analysis has not been performed in accordance with uniform standards of professional practice which require valuers to act as an unbiased, disinterested third party with impartiality, objectivity and independence and without accommodation of personal interest. It is not to be construed as an appraisal and may not be used as such for any purpose.



Service, Experience, Results



From the Desk of **Kim Clark**

Tuesday, September 06, 2011

To: Glenda Ridgely
Business and Administration
Lander University
gridgely@lander.edu

The attached CMA is based on both closed and active properties in the Greenwood Association of Realtors MLS system. There is only one excellent comp for the subject property at 304 Durst in terms of function/ability to entertain as a President's Home. All other properties would require renovation/updating. As any good appraiser will tell you, comparables are almost non-existent thanks to the current economic situation. Further, Lake Greenwood waterfront properties are not included because of land cost. Certainly proximity to Lander University is an important criterion, along with the current scale and condition of homes.

Based on the above circumstances, I believe you are looking at a replacement value of at least \$600,000.

Please let me know how I can assist further.

With Sincere Appreciation,
Kim Clark
Greenwood Realty, Inc.
Realtor, CSP International

A handwritten signature in black ink, appearing to read "Kim Clark".

Greenwood Realty, Inc. 225 By-Pass 72 NW Ste. C Greenwood, SC 29649
Phone: 864.388.0202 Fax: 864.223.6685 Mobile: 864.910.5168
e-mail: theclarks926@yahoo.com Website: www.WelcomeToGreenwood.com

Comparable Pricing

Subject Property

Address	City	Suggested List Price
304 Durst Avenue	Greenwood	\$531,180.00

Active Comparables

Address	City	List Price	Adjusted Price	SP/LP	DOM
150 Amherst Drive	Greenwood	\$525,000	\$525,000.00	0%	202
65 Timberland Trail	Abbeville	\$579,000	\$579,000.00	0%	42
104 Parkwood Road	Greenwood	\$599,900	\$599,900.00	0%	79
106 Winchester Court	Greenwood	\$620,000	\$620,000.00	0%	149

Lowest List Price	Highest List Price	Average List Price
\$525,000	\$620,000	\$580,975
Lowest Adjusted Price	Highest Adjusted Price	Average Adjusted Price
\$525,000	\$620,000	\$580,975
Lowest Day on Market	Highest Day on Market	Average Day on Market
42	202	118

Closed Comparables

Address	City	List Price	Sold Price	Adjusted Price	SP/LP	DO
600 Tranquil Road	Greenwood	\$450,000	\$332,000	\$332,000.00	74%	805

Lowest List Price	Highest List Price	Average List Price
\$450,000	\$450,000	\$450,000
Lowest Selling Price	Highest Selling Price	Average Selling Price
\$332,000	\$332,000	\$332,000
Lowest Adjusted Price	Highest Adjusted Price	Average Adjusted Price
\$332,000	\$332,000	\$332,000
Lowest Day on Market	Highest Day on Market	Average Day on Market
805	805	805

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KIMBERLY CLARK

9/6/2011

Information Herein Believed to be Accurate but Not Guaranteed

Side by Side Comparison

				
	Subject	Comparable 1	Comparable 2	Comparable 3
MLS Number:		RR102280A	RR103145A	RR102928A
Address:	304 Durst Avenue Greenwood, SC	150 Amherst Drive Greenwood, SC 29649	65 Timberland Trail Abbeville, SC 29620	104 Parkwood Road Greenwood, SC 29648
Suggested List Price:	\$531,180.00			
Adjusted Price:		\$525,000.00	0.00% \$579,000.00	0.00% \$599,900.00
List/Sell Price:		\$525,000	\$579,000	\$599,900
Sold Date:				
Misc Adjustments:				
Property Type:	RR	RR	RR	RR
List Price:	\$600,000	\$525,000	\$579,000	\$599,900
Original List Price:	\$0	\$525,000	\$579,000	\$599,900
Area:		Greenwood 1N	Abbeville County - Abbeville	Greenwood 4W
County:	Greenwood	Greenwood	Abbeville	Greenwood
Apx Total Acreage:		2	7.44 <i>Adjusted</i>	0.64
Acreage Range:		1 to 5 Acres	5 to 10 Acres	Up to 1 Acre
Bedrooms:		5	4	5
Half Baths:		1	1	1
Apx SqFt Range:	6000+	4600-4999	3800-3899	5000-5499
Fireplace:	No	Yes	Yes	Yes
Price Per SQFT:	0	0 1130	0 1480	0

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KIMBERLY CLARK

9/6/2011

Information Herein Believed to be Accurate but Not Guaranteed

Side by Side Comparison



4 excellent *VERY dated / POOR CONDITION*

	Subject	Comparable 4	Comparable 5
MLS Number:		RR102536A	RR87464C
Address:	304 Durat Avenue Greenwood, SC	106 Winchester Court Greenwood, SC 29648	600 Tranquil Road Greenwood, SC 29648
Suggested List Price:	\$531,180.00	\$620,000.00	0.00% \$332,000.00
Adjusted Price:		\$920,000	0.00% \$332,000
List/Sell Price:			1/26/2011
Sold Date:			
Misc Adjustments:			
Property Type:	RR	RR	RR
List Price:	\$600,000	\$620,000	\$450,000
Original List Price:	\$0	\$620,000	\$750,000
Area:		Greenwood 4W Greenwood	Greenwood 4W Greenwood
County:	Greenwood	Greenwood	Greenwood
Apx Total Acreage:		1.11	0
Acreage Range:		1 to 5 Acres	5 to 10 Acres
Bedrooms:		4	4
Half Baths:		2	1
Apx SqFt Range:	6000+	4800-4999	4200-4599
Fireplace:	No	Yes	Yes
Price Per SQFT:	0	0 130	0

Require major Renovation

Copyright GREENWOOD REALTY INC.

KIMBERLY CLARK

9/6/2011

Information Herein Believed to be Accurate but Not Guaranteed



To: Honorable Governor Nikki Haley
State Treasure Curtis Loftis
Comptroller General Richard Eckstrom
Chairman Hugh Leatherman
Chairman W. Brian White

From: Raymond D Hunt
Chairman, Lander University Board of Trustee

Subject: Presidential Housing Allowance for Dr. Daniel W. Ball

I fully support the request for a temporarily housing allowance for Dr. Ball due to the unforeseen structural issues of his current residence.

Thank you for consideration of this time sensitive request.

Sincerely,

A handwritten signature in black ink, appearing to read "Ray D Hunt", with a long horizontal flourish extending to the right.

Ray D Hunt

BIRMINGHAM

CHARLOTTE

COLUMBIA

D I X O N W E L L S . C O M

Fact Sheet

Lander University

Section 89.17 of the 2011-2012 Appropriation Act requires the final approval of the Budget and Control Board for any state institution of higher learning to provide a housing allowance to the president in lieu of a residence.

President:	Dr. Daniel Ball
Salary:	\$145,166
Request:	To pay Dr. Ball \$40,000 housing allowance in lieu of university-provided housing.

Comparable Housing Allowances

<i>Agency</i>	<i>Director</i>	<i>Housing Allowance</i>
Coastal Carolina	Decenzo, D.	\$40,000
MUSC	Greenberg, R.	\$40,000
SC State	Cooper, G.	\$25,000

89.17. (GP: Allowance for Residences & Compensation Restrictions) That salaries paid to officers and employees of the State, including its several boards, commissions, and institutions shall be in full for all services rendered, and no perquisites of office or of employment shall be allowed in addition thereto, but such perquisites, commodities, services or other benefits shall be charged for at the prevailing local value and without the purpose or effect of increasing the compensation of said officer or employee. The charge for these items may be payroll deducted at the discretion of the Comptroller General or the chief financial officer at each agency maintaining its own payroll system. This shall not apply to the Governor's Mansion, nor for department-owned housing used for recruitment and training of Mental Health Professionals, nor to guards at any of the state's penal institutions and nurses and attendants at the Department of Mental Health, and the Department of Disabilities and Special Needs, and registered nurses providing clinical care at the MUSC Medical Center, nor to the Superintendent and staff of John de la Howe School, nor to the cottage parents and staff of Wil Lou Gray Opportunity School, nor to full-time or part-time staff who work after regular working hours in the SLED Communications Center or Maintenance Area, nor to adult staff at the Governor's School for Science and Mathematics who are required to stay on campus by the institution because of job requirements or program participation. The presidents of those state institutions of higher learning authorized to provide on-campus residential facilities for students may be permitted to occupy residences on the grounds of such institutions without charge.

Any state institution of higher learning may provide a housing allowance to the president in lieu of a residential facility, the amount to be approved by the Budget and Control Board.

That the following may be permitted to occupy residences owned by the respective departments without charge: the Director of the Department of Mental Health; the Farm Director, Farm Managers, and Specialists employed at the Wateree River Correctional Institution; the South Carolina State Commission of Forestry fire tower operators, forestry aides, and caretaker at central headquarters; the Department of Natural Resources' Game Management Personnel, Fish Hatchery Superintendents, Lake Superintendent, and Fort Johnson Superintendent; the Department of Parks, Recreation and Tourism field personnel in the State Parks Division; Director of Wil Lou Gray Opportunity School; President of the School for the Deaf and the Blind; houseparents for the Commission for the Blind; South Carolina Department of Health and Environmental Control personnel at the State Park Health Facility and Camp Burnt Gin; Residence Life Coordinators at Lander University; Residence Life Directors, temporary and transition employees, student interns, and emergency personnel at Winthrop University; Farm Superintendent at Winthrop University; Residence Hall Directors at the College of Charleston; Clemson University's Head Football Coach; the Department of Disabilities and Special Needs' physicians and other professionals at Whitten Center, Clemson University Off-Campus Agricultural Staff and Housing Area Coordinators; and University of South Carolina's Manager of Bell Camp Facility, Housing Maintenance Night Supervisors, Residence Life Directors, temporary and transition employees, and emergency medical personnel; TriCounty Technical College's Bridge to Clemson Resident and Area Directors. Except in the case of elected officials, the fair market rental value of any residence furnished to a state employee shall be reported by the state agency furnishing the residence to the Agency Head Salary Commission, and the Division of Budget and Analyses by October first, of each fiscal year.

All salaries paid by departments and institutions shall be in accord with a uniform classification and compensation plan, approved by the Budget and Control Board, applicable to all personnel of the State Government whose compensation is not specifically fixed in this act. Such plan shall include all employees regardless of the source of funds from which payment for personal service is drawn. The Division of Budget and Analyses of the Budget and Control Board is authorized to approve temporary salary adjustments for classified and unclassified employees who perform temporary duties which are limited by time and/or funds. When approved, a temporary salary adjustment shall not be added to an employee's base salary and shall end when the duties are completed and/or the funds expire. Academic personnel of the institutions of higher learning and other individual or group of positions that cannot practically be covered by the plan may be excluded therefrom but their compensations as approved by the Division of Budget and Analyses shall, nevertheless, be subject to review by the Budget and Control Board. Salary appropriations for employees fixed in this act shall be in full for all services rendered, and no supplements from other sources shall be permitted or approved by the Budget and Control Board. With the exception of travel and subsistence, legislative study committees shall not compensate any person who is otherwise employed as a full-time state employee. Salaries of the heads of all agencies of the State Government shall be specifically fixed in this act and no salary shall be paid any agency head whose salary is not so fixed. Commuter mileage on nonexempt state vehicles shall be considered as income and reported by the Comptroller General in accordance with IRS regulations. As long as there is no impact on appropriated funds, state agencies and institutions shall be allowed to spend public funds and/or other funds for designated employee award programs which shall have written criteria approved by the agency governing board or commission. For purposes of this section, monetary awards, if any, shall not be considered a part of an employee's base salary, a salary supplement, or a perquisite of employment. The names of all employees receiving monetary awards and the amounts received shall be reported annually to the South Carolina Division of Budget and Analyses.

In the case of lodging furnished by certain higher education institutions to employees, the prevailing local rate does not apply if the institution meets the exceptions for inadequate rent described in the current Internal Revenue Code Section 119(d)(2). To meet the exception, rental rates must equal the lesser of five percent of the appraised value of the qualified campus lodging, or the average of the rentals paid by individuals (other than employees or students of the educational institution) during the calendar year for lodging provided by the educational institution which is comparable to the qualified campus lodging provided to the employee, over the rent paid by the employee for the qualified campus lodging during the calendar year. The appraised value shall be determined as of the close of the calendar year in which the taxable year begins, or, in the case of a rental period not greater than one year, at any time during the calendar year in which the period begins.

STATE BUDGET AND CONTROL BOARD
MEETING OF September 20, 2011

REGULAR SESSION
ITEM NUMBER 4

AGENCY: Budget and Control Board

SUBJECT: Personnel Matter – Appointment of Interim Director for the Second Injury Fund

Section 42-7-310(a) of the South Carolina Code of Laws provides that the director of the Second Injury Fund be appointed by the Board to administer the fund. The Board is asked to appoint Steve Elliott as the interim director of the Second Injury Fund.

BOARD ACTION REQUESTED:

Appoint Steve Elliott as interim director of the Second Injury Fund.

ATTACHMENTS:

Section 42-7-310(a)

ARTICLE 3.

SECOND INJURY FUND

SECTION 42-7-310. Establishment, purpose, administration, funding and staff of Second Injury Fund.

(a) There is hereby established, under the Budget and Control Board, the Second Injury Fund for the purpose of making payments in accordance with the provisions of Section 42-9-400, Section 42-9-410, and this section. The fund shall be administered by a director appointed by the State Budget and Control Board. The State Treasurer shall be the custodian of the fund, and all monies and securities in the fund shall be held in a separate and distinct trust account by the State Treasurer.

STATE BUDGET AND CONTROL BOARD
MEETING OF September 20, 2011

REGULAR SESSION
ITEM NUMBER 5

AGENCY: Budget and Control Board

SUBJECT: South Carolina Deferred Compensation Commission Appointment

Members of the South Carolina Deferred Compensation Commission are appointed for three-year terms by the State Budget and Control Board pursuant to SC Code of Laws §8-23-20. Commissioner Robert C. Toomey was last appointed in August of 2009 for three year term expiring in August of 2012. Commissioner Toomey, however, was appointed Director of the SCDAODAS by Governor Haley earlier in 2011 and has resigned from the Commission. It is necessary, therefore, for the Budget and Control Board to appoint a Commissioner to fill the unexpired term Commissioner Toomey.

BOARD ACTION REQUESTED:

Consider appointment of a Commissioner to the S.C. Deferred Compensation Program to fill the unexpired term (August 2012) of Commissioner Robert C. Toomey.

ATTACHMENTS:

Code §8-23-20

SECTION 8-23-20. Deferred Compensation Commission established; investments.

A Deferred Compensation Commission is established consisting of seven members which includes the Director of the South Carolina Retirement System, the Executive Director of the State Employees' Association, and five other public employees to be appointed by the State Budget and Control Board, at least two of whom must be state employees and one must be a retired public employee. The appointed members shall serve for terms of three years and until their successors are appointed and qualify. The Budget and Control Board shall designate the chairman.

The commission shall establish such rules and regulations as it deems necessary to implement and administer the Deferred Compensation Program. The commission shall make such administrative appointments and contracts as are necessary to carry out the purpose and intent of this chapter and in the administration of account assets. For purposes of administering this program an individual account shall be maintained in the name of each employee.

The commission shall select, through competitive bidding and contracts, plans for purchase of fixed and variable annuities, savings, mutual funds, insurance and such other investments as the commission may approve which are not in conflict with the State Constitution and with the advice and approval of the State Treasurer.

Costs of administration may be paid from the interest earnings of the funds accrued as a result of deposits or as an assessment against each account.

STATE BUDGET AND CONTROL BOARD
MEETING OF September 20, 2011

REGULAR SESSION
ITEM NUMBER 6

AGENCY: Budget and Control Board

SUBJECT: Future Meeting

The next regular meeting of the Budget and Control Board will be held at 10:00 a.m. on Thursday, November 3, 2011, in Room 252, Edgar A. Brown Building.

Schedule of Remaining Meetings in 2011

December 15

BOARD ACTION REQUESTED:

Agree to meet at 10:00 a.m. on Thursday, November 3, 2011, in Room 252, Edgar A. Brown Building.

ATTACHMENTS:

AGENCY: State Treasurer

SUBJECT: Bond Counsel Selection

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

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

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$8,600,000 SC JEDA	LowCountry BioMass, LLC	Haynsworth Sinkler Boyd	Pope Zeigler
\$18,000,000 SC JEDA	WUREF Development, LLC	Haynsworth Sinkler Boyd	Howell, Linkous & Nettles
\$120,000,000 SC JEDA	Bon.Secours/St. Francis Hospital	Jones Day	Haynsworth Sinkler Boyd
\$35,850,000 SC JEDA	South Georgia Tissue, LLC	Haynsworth Sinkler Boyd	McGuire Woods
\$15,000,000 SC JEDA	Rolling Green Village	Haynsworth Sinkler Boyd	Nexsen Pruet
\$37,500,000 SC JEDA	Converse College	Haynsworth Sinkler Boyd	McNair Law Firm

BOARD ACTION REQUESTED:

Approve the referenced bond counsel assignment.

ATTACHMENTS:

Bond Counsel Selection Approved by the State Treasurer's Office

Items for September 20, 2011 Budget & Control Board Meeting
 Bond Counsel and Issuer Counsel Selections by the State Treasurer's Office are as follows:

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

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel	Date STO Approved
\$8,600,000 SC JEDA	LowCountry BioMass, LLC	Haynsworth Sinkler Boyd	Pope Zeigler	8/18/2011
\$18,000,000 SC JEDA	WUREF Development, LLC	Haynsworth Sinkler Boyd	Howell, Linkous & Nettles	8/25/2011
\$120,000,000 SC JEDA	Bon Secours/St. Francis Hospital	Jones Day	Haynsworth Sinkler Boyd	8/25/2011
\$35,850,000 SC JEDA	South Georgia Tissue, LLC	Haynsworth Sinkler Boyd	McGuire Woods	8/26/2011
\$15,000,000 SC JEDA	Rolling Green Village	Haynsworth Sinkler Boyd	Nexsen Pruet	8/30/2011
\$37,500,000 SC JEDA	Converse College	Haynsworth Sinkler Boyd	McNair Law Firm	8/30/2011

OTHER REVENUE ISSUES:

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

SPECIAL ASSIGNMENT OF BOND COUNSEL:

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

AGENCY: State Treasurer's Office

SUBJECT: Department of Transportation Cash Flow

BOARD ACTION REQUESTED:

The Secretary of the Department of Transportation is requested to provide the Budget and Control Board members and the Board Secretary with the following information in a written report no later than October 14, 2011. The Secretary of the Department of Transportation is further requested to attend the November 3, 2011, Board meeting to make a brief and concise report.

1. As of August 15, 2011, what were the totals of all DOT outstanding payables due to all parties and entities, including contractors, consultants and the State Infrastructure Bank, that were overdue by 30 days, 45 days, 60 days and 90 days?
2. What were the sources and amounts of the financial "infusion" from all sources utilized by DOT to assist in resolving the DOT cash flow deficiency, including but not limited to the \$12m from the State Infrastructure Bank projects which were "under runs", the \$52m advance from the Federal government, interdepartmental "borrowing" from other projects and programs not in need of current funding and delayed and/or postponed projects or programs?
3. Identify each project and program that has been delayed or postponed, the dollar amount from each that will assist in resolving the cash flow problem, the location of each delayed or postponed project and program and the length of the delay or postponement.
4. What are DOT's current cash flow forecasts by month for the next 12 and 24 months?
5. A discussion of the State's capacity for and the Department's April, 2011, action to pursue issuance of up to \$344 million General Obligation State Highway Bonds, with particular emphasis on the following considerations:
 - a. How much of the Department's capacity will be depleted, and for what period of time, following issuance of this indebtedness?
 - b. Are each of the projects to be funded from the proceeds of this issuance included in the Department's Statewide Transportation Improvement Plan, and if so, what is each project's priority ranking?
 - c. In view of recent concerns about the Department's cash flow, and particularly in view of observations that tax revenues that would be pledged to the bonds are declining, what is the impact of debt service associated with the bonds on the cash flow of the

AGENCY: State Treasurer's Office

SUBJECT: Department of Transportation Cash Flow

operation of the Department, and what comfort can be given that the Department is in a position to absorb this additional, ongoing liability? What effect does this have on road and bridge maintenance and repair, as well as repaving?

6. A discussion of the State Transportation Infrastructure Bank's capacity and its collaboration with the Department of Transportation's Statewide Transportation Improvement Plan, and particularly:
1. What is the Bank's current capacity to issue additional revenue indebtedness, and when does the Bank anticipate that additional capacity will become available?
 2. What process does the Bank follow in prioritizing its funding commitments? Is the Bank's approval process collaborative or otherwise integrated with the Statewide Transportation Improvement Plan?
 3. What is the total value of projects approved by the Bank for funding, both in terms of those that have present commitments to funding, and those that have been approved but are not funded because of limited bank resources?
 4. What portion of the Bank's financial resources are dependent on its funding and reimbursement agreements with the Department of Transportation, and how does or would the Bank address delays or disruptions in those reimbursements over the short and longer term?

ATTACHMENTS:

STATE BUDGET AND CONTROL BOARD
Meeting of September 20, 2011 -- 9:00 A. M.
Room 252, Edgar A. Brown Building
BLUE AGENDA INDEX

<u>Item</u>	<u>Agency</u>	<u>Subject</u>
1.	State Treasurer	Bond Counsel Selection
2.	State Treasurer	Department of Transportation Cash Flow
3.	Division of General Services	Easements
4.	Division of General Services	Medical University of South Carolina Sublease to CareAlliance Health Services at Courtenay Drive Parking Garage in Charleston
5.	Division of General Services	Real Property Conveyances
6.	South Carolina Energy Office	Barnwell County Economic Development Fund – Project Funding Request
7.	Executive Director	Housing Authority of the City of Greenville Multifamily Housing Revenue Bonds Series 2006 – Roosevelt Heights
8.	Executive Director	Revenue Bonds
9.	Executive Director	Economic Development (2011 Ceiling Allocation)

AGENCY: Division of General Services

SUBJECT: Easements

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

- (a) County Location: Georgetown
From: Budget and Control Board
To: Georgetown County Water & Sewer District
Consideration: \$700
Description/Purpose: To grant a 0.38 acre easement for the construction, installation, operation and maintenance of a water line across the Black River.

- (b) County Location: Kershaw
From: Budget and Control Board
To: City of Camden
Consideration: \$700
Description/Purpose: To grant a 0.11 acre easement for the installation, operation and maintenance of an effluent diffuser into the Wateree River.

The Division of General Services requests that the Board concur and acquiesce in granting the following easement in accordance with SC Code of Laws:

- (c) County Location: Lexington
From: Midlands Technical College
To: Harbison Community Association, Inc.
Consideration: \$100
Description/Purpose: To approve the grant of a 9'x10' easement for the purpose of installing and maintaining an entrance sign for a subdivision within the Harbison community on property of Midlands Technical College's Harbison Campus.

BOARD ACTION REQUESTED:

Approve the referenced easements.

ATTACHMENTS:

Agenda item worksheet; SC Code of Laws Sections 1-11-80, 1-11-90, 1-11-100 and 10-1-130

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: September 20, 2011

Blue Agenda

1. Submitted by:

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


Carla Griffin, Deputy Director

2. Subject: EASEMENTS

3. Summary Background Information:

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

- (a) County Location: Georgetown
From: Budget and Control Board
To: Georgetown County Water & Sewer District
Consideration: \$700
Description/Purpose: To grant a 0.38 acre easement for the construction, installation, operation and maintenance of a water line across the Black River.
- (b) County Location: Kershaw
From: Budget and Control Board
To: City of Camden
Consideration: \$700
Description/Purpose: To grant a 0.11 acre easement for the installation, operation and maintenance of an effluent diffuser into the Wateree River.

The Division of General Services requests that the Board concur and acquiesce in granting the following easement in accordance with SC Code of Laws:

- (c) County Location: Lexington
From: Midlands Technical College
To: Harbison Community Association, Inc.
Consideration: \$100
Description/Purpose: To approve the grant of a 9'x10' easement for the purpose of installing and maintaining an entrance sign for a subdivision within the Harbison community on property of Midlands Technical College's Harbison Campus.

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

5. **What is recommendation of Board Division involved?** Recommend approval of the referenced easements.

6. **List of Supporting Documents:**
SC Code of Laws Sections 1-11-80, 1-11-90, 1-11-100 and 10-1-130

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 1-11-90. Board authorized to grant rights of way over State marshlands for roads or power or pipe lines to State agencies or political subdivisions.

The State Budget and Control Board may grant to agencies or political subdivisions of the State, without compensation, rights of way through and over such marshlands as are owned by the State for the construction and maintenance of roads, streets and highways or power or pipe lines, if, in the judgment of the Budget and Control Board, the interests of the State will not be adversely affected thereby.

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.

SECTION 10-1-130. State institutions and agencies may grant easements and rights of way on consent of Budget and Control Board.

The trustees or governing bodies of State institutions and agencies may grant easements and rights of way over any property under their control, upon the concurrence and acquiescence of the State Budget and Control Board, whenever it appears that such easements will not materially impair the utility of the property or damage it and, when a consideration is paid therefor, any such amounts shall be placed in the State Treasury to the credit of the institution or agency having control of the property involved.

AGENCY: Division of General Services

SUBJECT: Medical University of South Carolina Sublease to CareAlliance Health Services at Courtenay Drive Parking Garage in Charleston

At its February 24, 2009 meeting, the Budget and Control Board granted the Medical University of South Carolina (MUSC) approval to lease from Parking Garage Associates, LLC the Courtenay Drive Parking Garage consisting of 1,525 parking spaces and 3,846 square feet of office space located at 21 Courtenay Drive in Charleston. Parking Garage Associates, LLC is a South Carolina Limited Liability Company whose sole member is the Medical University of South Carolina Foundation. MUSC's annual rent is \$1,800,892 fixed for the thirty year term of the lease. MUSC is additionally responsible for operating costs of approximately \$206,078 annually. Allocating the total annual cost to the garage's parking only, MUSC's monthly rate per parking space is \$109.67 per space.

As part of the lease of the Courtenay Drive Parking Garage, MUSC assumed the role as sub-landlord of several subleases with various entities who rent parking and office space at the garage. CareAlliance Health Services (CareAlliance) has leased parking spaces at the Courtenay Drive Parking Garage from various owners and sub-landlords since 2001. CareAlliance currently leases 400 parking spaces at an annual cost of \$577,480.85, or \$120.31 (rounded) per parking space monthly. Under the present agreement, which expires March 31, 2014, rent increases annually in an amount equal to the percent change in the Consumer Price Index (CPI) or 3%, whichever is less.

CareAlliance has also leased 300 parking spaces from MUSC at the Bee Street Parking Garage located at 122 Bee Street in Charleston since 2008, which lease was approved by the Budget and Control Board at its September 23, 2008 meeting. CareAlliance's current annual rent is \$425,482.47, or \$118.19 (rounded) per parking space monthly. Under the present agreement, which expires April 30, 2014, rent increases annually in an amount equal to the percent change in CPI or 3%, whichever is less.

MUSC requests approval of a new sublease with CareAlliance for 700 parking spaces at the Courtenay Drive Parking Garage. CareAlliance's parking spaces will be consolidated at the Courtenay Drive Parking Garage and the existing leases at the Courtenay Drive Parking Garage and Bee Street Parking Garage will be terminated September 30, 2011. The new lease term will be five years commencing October 1, 2011, with two optional renewal terms of one year each. Rent will be \$84,215.96 per month or \$1,010,591.52 annually (\$120.31 rounded per parking space monthly) for the first year of the lease; thereafter, rent increases annually for the remainder of the term and each extended term, if exercised, in an amount equal to the percent change in CPI or 4.5%, whichever is less. The lease was approved by Lisa P. Montgomery, Vice President for Finance and Administration on behalf of the Medical University of South Carolina, and by Matthew J. Severance, CEO of Roper Hospital for CareAlliance Health Services.

BOARD ACTION REQUESTED:

Approve the proposed five year lease and two optional renewal terms of one year each between the Medical University of South Carolina and CareAlliance Health Services for 700 parking spaces at the Courtenay Drive Parking Garage located at 21 Courtenay Drive in Charleston.

ATTACHMENTS: Agenda item worksheet; Letter from the Medical University of South Carolina dated August 25, 2011; SC Code of Laws Sections 1-11-55 and 1-11-56

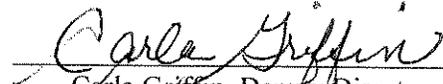
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: September 20, 2011

Blue Agenda

1. Submitted by:

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


Carla Griffin, Deputy Director

Subject: Medical University of South Carolina Sublease to CareAlliance Health Services at Courtenay Drive Parking Garage in Charleston

2. Summary Background Information:

At its February 24, 2009 meeting, the Budget and Control Board granted the Medical University of South Carolina (MUSC) approval to lease from Parking Garage Associates, LLC the Courtenay Drive Parking Garage consisting of 1,525 parking spaces and 3,846 square feet of office space located at 21 Courtenay Drive in Charleston. Parking Garage Associates, LLC is a South Carolina Limited Liability Company whose sole member is the Medical University of South Carolina Foundation. MUSC's annual rent is \$1,800,892 fixed for the thirty year term of the lease. MUSC is additionally responsible for operating costs of approximately \$206,078 annually. Allocating the total annual cost to the garage's parking only, MUSC's monthly rate per parking space is \$109.67 per space.

As part of the lease of the Courtenay Drive Parking Garage, MUSC assumed the role as sub-landlord of several subleases with various entities who rent parking and office space at the garage. CareAlliance Health Services (CareAlliance) has leased parking spaces at the Courtenay Drive Parking Garage from various owners and sub-landlords since 2001. CareAlliance currently leases 400 parking spaces at an annual cost of \$577,480.85, or \$120.31 (rounded) per parking space monthly. Under the present agreement, which expires March 31, 2014, rent increases annually in an amount equal to the percent change in the Consumer Price Index (CPI) or 3%, whichever is less.

CareAlliance has also leased 300 parking spaces from MUSC at the Bee Street Parking Garage located at 122 Bee Street in Charleston since 2008, which lease was approved by the Budget and Control Board at its September 23, 2008 meeting. CareAlliance's current annual rent is \$425,482.47, or \$118.19 (rounded) per parking space monthly. Under the present agreement, which expires April 30, 2014, rent increases annually in an amount equal to the percent change in CPI or 3%, whichever is less.

MUSC requests approval of a new sublease with CareAlliance for 700 parking spaces at the Courtenay Drive Parking Garage. CareAlliance's parking spaces will be consolidated at the Courtenay Drive Parking Garage and the existing leases at the Courtenay Drive Parking Garage and Bee Street Parking Garage will be terminated September 30, 2011. The new lease term will be five years commencing October 1, 2011, with two optional renewal terms of one year each. Rent will be \$84,215.96 per month or \$1,010,591.52 annually (\$120.31 rounded per parking space monthly) for the first year of the lease; thereafter, rent increases annually for the remainder of the term and each extended term, if exercised, in an amount equal to the percent change in CPI or 4.5%, whichever is less. The lease was approved by Lisa P. Montgomery, Vice President for Finance and Administration on behalf of the Medical University of South Carolina, and by Matthew J. Severance, CEO of Roper Hospital for CareAlliance Health Services.

4. **What is the Board asked to do?** Approve the proposed five year lease and two optional renewal terms of one year each between the Medical University of South Carolina and CareAlliance Health Services for 700 parking spaces at the Courtenay Drive Parking Garage located at 21 Courtenay Drive in Charleston.
-

5. **What is recommendation of the Division of General Services?** Approval of the proposed five year lease and two optional renewal terms of one year each between the Medical University of South Carolina and CareAlliance Health Services for 700 parking spaces at the Courtenay Drive Parking Garage located at 21 Courtenay Drive in Charleston.
-

6. **Supporting Documents:**

- (a) Letter from the Medical University of South Carolina dated August 25, 2011
- (b) SC Code of Laws Sections 1-11-55 and 1-11-56



Office of Integrated Planning
and Assessment
28 Ehrhardt Street
MSC 205
Charleston, SC 29425-2050
Tel 843 792 5995
Fax 843 792 5992
www.musc.edu

August 25, 2011

Lisa H. Catalanotto
South Carolina State Budget and
Control Board
General Services Division
1200 Senate Street, Suite 460
Columbia, SC 29201

RE: 21 Courtenay Garage, Lease-out (CareAlliance Health Services)

Dear Mrs. Catalanotto:

The Medical University of South Carolina requests BCB approval of the following Lease-out Agreement to CareAlliance Health Services (Roper Hospital).

The Medical University of South Carolina currently leases 400 parking spaces to Roper Hospital in the 21 Courtenay Drive Garage. It is requested that the current Lease-out Agreement (#800978) be terminated and replaced with a new Lease-out Agreement. It is also requested that the number of parking spaces be increased to 700. This increase is necessary to accommodate the termination of the Lease-out Agreement at the 122 Bee Street Garage for 300 parking spaces that will be effective 10/1/2011.

This property is owned by the Medical University of South Carolina Foundation and leased in its entirety by the Medical University of South Carolina. This property is managed by Parking Management and used by an equal mix of patients/visitors and employees/students in addition to Lease-out Agreements. Parking Management is responsible for the assignment of the total 1,525 parking spaces within the garage.

The Office of Parking Management's vision is to effectively carry out its leadership role in the University's on-going effort to create a parking system which meets the University's myriad and complex needs.

Lease-out Terms:

The per space per month rate for this lease is \$120.31(rounded). The monthly rental rate will be \$84,215.96; resulting in an annual rent amount of \$1,010,591.52. The rent shall increase

annually the lesser of the CPI index or 4.5%. The information below displays the maximum rent amount should the annual rent increase to 4.5%.

Initial Term: Five Years [10/1/2011-9/30/2016]
Amount per Parking Space: \$120.31 [Annual increase/max 4.5%]
Annualized Lease Amount: \$1,010,591.49
Year 2 \$1,056,068.11
Year 3 \$1,103,591.17
Year 4 \$1,153,252.77
Year 5 \$1,205,149.14
Total Amount of Lease Term: \$5,528,652.68

Extended Term: Two (2) terms of one (1) year each [10/1/2016-9/30/2018]
Year 6 \$1,259,380.85
Year 7 \$1,316,052.99
Total Amount of Extended Terms: \$2,575,433.84

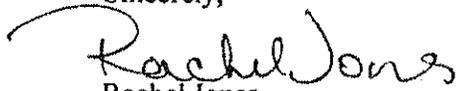
Total Amount Including Extended Terms: \$8,104,086.52

Total Annual Operating Costs for Building

Maintenance \$111,967.00
Utilities \$94,111.00

Please review the attached documents and let me know if you have any questions or need additional information.

Sincerely,


Rachel Jones
Leasing Manager
Medical University of
South Carolina

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.

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

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

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

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

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

- (1) assessing and evaluating agency needs, including the authority to require agency justification for any request to lease public or private space;
- (2) establishing standards for the quality and quantity of space to be leased by a requesting agency;
- (3) devising and requiring the use of a standard lease form (approved by the Attorney General) with provisions which assert and protect the state's prerogatives including, but not limited to, a right of cancellation in the event of:
 - (a) a nonappropriation for the renting agency,
 - (b) a dissolution of the agency, and
 - (c) the availability of public space in substitution for private space being leased by the agency;
- (4) rejecting an agency's request for additional space or space at a specific location, or both;
- (5) directing agencies to be located in public space, when available, before private space can be leased;
- (6) requiring the agency to submit a multi-year financial plan for review by the board's budget office with copies sent to Ways and Means Committee and Senate Finance Committee, before any new lease for space is entered into; and requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period; and
- (7) requiring prior review by the Joint Bond Review Committee and the requirement of Budget and Control Board approval before the adoption of any new lease that commits more than one million dollars in a five-year period.

AGENCY: Division of General Services

SUBJECT: Real Property Conveyances

The Division of General Services recommends approval of the following property conveyances:

- (a) **Agency:** **Budget and Control Board (Department of Mental Health)**
Acreage: 0.04± acre
Location: 1135 Gregg Highway, Aiken
County: Aiken
Purpose: To sell real property to the Department of Transportation for road improvements.
Appraised Value: \$1,500 as of 8/17/11
Price/Transferred To: \$2,170 (\$1,500 plus \$670 for survey to re-establish front property pins)/Department of Transportation
Disposition of Proceeds: To be divided between Budget and Control Board and Department of Mental Health pursuant to Proviso 80A.33.
- (b) **Agency:** **Budget and Control Board (Forestry Commission)**
Acreage: 9± acres
Location: 2305 North Highway 301, Dillon
County: Dillon
Purpose: To dispose of surplus property previously used by the Forestry Commission as a fire tower site.
Appraised Value: \$76,000 as of 8/1/11
Price/Transferred To: \$76,000/Connor H. Bracey
Disposition of Proceeds: To be retained by Forestry Commission pursuant to Proviso 80A.33.
Additional Information: Forestry owns 10 acres consisting of two parcels in Dillon County known collectively as the Dillon Fire Tower Site. One parcel containing 1± acre is located ½ mile from the second larger parcel containing 9± acres. Dillon County leases a 0.936 acre lot within the 9-acre parcel for use as a recycling center. Mr. Bracey is the sole owner of all adjoining land. As a condition of the sale, Mr. Bracey agrees to donate the 0.936 acre lot to Dillon County for its continued use of the property.

AGENCY: Division of General Services

SUBJECT: Real Property Conveyances

(c) Agency:	Budget and Control Board (Forestry Commission)
Acreage:	5.1± acres
Location:	142 Firetower Circle, Jenkinsville
County:	Fairfield
Purpose:	To dispose of surplus property previously used by the Forestry Commission as a fire tower site.
Appraised Value:	\$31,000 as of 8/2/11
Price/Transferred To:	\$31,000/Fairfield County
Disposition of Proceeds:	To be retained by Forestry Commission pursuant to Proviso 80A.33.
Additional Information:	Since July 1996, Fairfield County has leased a portion of the Jenkinsville Tower Site for use as a recycling center. Fairfield County is planning to expand its operation at this site and desires to purchase the entire tract.

BOARD ACTION REQUESTED:

Approve the property conveyances as requested.

ATTACHMENTS:

Agenda item worksheet and attachments

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: September 20, 2011

Blue Agenda

1. Submitted by:

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


Carla Griffin, Deputy Director

2. Subject: REAL PROPERTY CONVEYANCES

3. Summary Background Information:

- (a) **Agency:** Budget and Control Board (Department of Mental Health)
Acreage: 0.04± acre
Location: 1135 Gregg Highway, Aiken
County: Aiken
Purpose: To sell real property to the Department of Transportation for road improvements.
Appraised Value: \$1,500 as of 8/17/11
Price/Transferred To: \$2,170 (\$1,500 plus \$670 for survey to re-establish front property pins)/Department of Transportation
Disposition of Proceeds: To be divided between Budget and Control Board and Department of Mental Health pursuant to Proviso 80A.33.
- (b) **Agency:** Budget and Control Board (Forestry Commission)
Acreage: 9± acres
Location: 2305 North Highway 301, Dillon
County: Dillon
Purpose: To dispose of surplus property previously used by the Forestry Commission as a fire tower site.
Appraised Value: \$76,000 as of 8/1/11
Price/Transferred To: \$76,000/Connor H. Bracey
Disposition of Proceeds: To be retained by Forestry Commission pursuant to Proviso 80A.33.
Additional Information: Forestry owns 10 acres consisting of two parcels in Dillon County known collectively as the Dillon Fire Tower Site. One parcel containing 1± acre is located ½ mile from the second larger parcel containing 9± acres. Dillon County leases a 0.936 acre lot within the 9-acre parcel for use as a recycling center. Mr. Bracey is the sole owner of all adjoining land. As a condition of the sale, Mr. Bracey agrees to donate the 0.936 acre lot to Dillon County for its continued use of the property.

(c) **Agency:** Budget and Control Board (Forestry Commission)
Acreage: 5.1± acres
Location: 142 Firetower Circle, Jenkinsville
County: Fairfield
Purpose: To dispose of surplus property previously used by the Forestry Commission as a fire tower site.
Appraised Value: \$31,000 as of 8/2/11
Price/Transferred To: \$31,000/Fairfield County
Disposition of Proceeds: To be retained by Forestry Commission pursuant to Proviso 80A.33.
Additional Information: Since July 1996, Fairfield County has leased a portion of the Jenkinsville Tower Site for use as a recycling center. Fairfield County is planning to expand its operation at this site and desires to purchase the entire tract.

4. What is Board asked to do? Approve the property conveyances as requested.

5. What is recommendation of Board Division involved? Recommend approval of the property conveyances as requested.

6. List of Supporting Documents:

1. SC Code of Laws Section 1-11-65
2. 2011-2011 Appropriations Bill H.3700, Part 1B, Proviso 80A.33
3. (a) Budget and Control Board (Department of Mental Health) – Aiken County
(b) Budget and Control Board (Forestry Commission) – Dillon County
(c) Budget and Control Board (Forestry Commission) – Fairfield County

SECTION 1-11-65. Approval and recordation of real property transactions involving governmental bodies.

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board. Upon approval of the transaction by the Budget and Control Board, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the board's approval of the transaction. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The board may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution.

South Carolina General Assembly
119th Session, 2011-2012

H. 3700

General Appropriations Bill for fiscal year 2011-2012
As Ratified by the General Assembly

PART IB

OPERATION OF STATE GOVERNMENT

SECTION 80A - F03-BUDGET AND CONTROL BOARD

80A.33. (BCB: Sale of Surplus Real Property) Up to 50% of the proceeds, net of selling expenses, from the sale of surplus real properties shall be retained by the Budget and Control Board and used for the deferred maintenance of state-owned buildings. The remaining 50% of the net proceeds shall be returned to the agency that the property is owned by, under the control of, or assigned to and shall be used by that agency for non-recurring purposes. This provision applies to all state agencies and departments except: institutions of higher learning; the Public Service Authority; the Ports Authority; the MUSC Hospital Authority; the Myrtle Beach Air Force Redevelopment Authority; the Department of Transportation; the Columbia State Farmers Market; the Department of Agriculture's Columbia Metrology Lab building and property; the Charleston Naval Complex Redevelopment Authority; the Department of Commerce's Division of Public Railways; the Midlands Technical College Enterprise Campus Authority; the Trident Technical College Enterprise Campus Authority; the Commissioners residence at the Department of Corrections and the Educational Television Commission's Key Road property.

The Educational Television Commission shall be authorized to retain the net proceeds from the sale of its property on Key Road, and such proceeds shall only be used for the renovation of the ETV Telecommunications Center. If it is determined that sufficient net proceeds are not to be derived from the sale of its property on Key Road to cover the cost of all renovations of the Telecommunications Center, the property on Key Road shall not be sold. Any proposed sale hereunder shall, prior to said sale, be submitted to the Budget and Control Board for approval as being in compliance with the requirements of this subsection.

The Department of Corrections shall be authorized to retain the net proceeds from the sale of the residence provided for the Commissioner of the Department of Corrections and use such proceeds for deferred maintenance needs at the Department of Corrections.

The Forestry Commission shall be authorized to retain the net proceeds from the sale of surplus land for use in firefighting operations and replacement of firefighting equipment.

The Department of Natural Resources shall be authorized to retain the net proceeds from the sale of existing offices originally purchased with a federal grant or with restricted revenue from hunting and fishing license sales for the improvement, consolidation, and/or establishment of regional offices and related facilities.

The Department of Agriculture, the Educational Television Commission, the Department of Corrections, the Department of Natural Resources, and the Forestry Commission shall annually submit a report, within sixty days after the close of the fiscal year, to the Senate Finance Committee and the House Ways and Means Committee on the status of the sale of the identified property and a detailed accounting on the expenditure of funds resulting from such sale.

This provision is comprehensive and supersedes any conflicting provisions concerning disposition of state owned real property whether in permanent law, temporary law or by provision elsewhere in this act.

Any unused portion of these funds may be carried forward into succeeding fiscal years and used for the same purposes.

**(a) Budget and Control Board (Department of Mental Health)
Aiken County**

List of Supporting Documents:

1. Letter from Department of Mental Health
2. Letter from Department of Transportation
3. Maps



State of South Carolina
Department of Mental Health

MENTAL HEALTH COMMISSION:

Alison Y. Evans, PsyD, Chair
Joan Moore, Vice Chair
Jane B. Jones
Everard Rutledge, PhD
J. Buxton Terry

2414 Bull Street • P.O. Box 485
Columbia, SC 29202
Information: (803) 898-8581

John H. Magill
State Director of Mental Health

Office of General Counsel
(803) 898-8557
Facsimile (803) 898-8554

August 18, 2011

Lisa H. Catalanotto, Esq.
South Carolina Budget and Control Board
Division of General Services
Real Property Services
1200 Senate Street, Suite 460
Columbia, SC 29201

Re: Request for Approval of Easement and Sale of Real Estate

Dear Lisa:

Attached are documents the Department is requesting be placed on the September agenda for the Board.

The documents relate to a temporary construction easement and the conveyance of 0.04 acre of the 16.47 acre tract occupied by the Department of Mental Health's Aiken-Barnwell Mental Health Center to the South Carolina Department of Transportation (SCDOT) for the improvement of the intersection of S-2-895 (Gregg Highway) and S.C. 118 (Bell Parkway).

MISSION STATEMENT

To support the recovery of people with mental illnesses.



We have not yet had the opportunity to review these documents, but will advise no later than next week if we have any corrections.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Mark W. Binkley', written in a cursive style.

Mark W. Binkley
General Counsel



South Carolina
Department of Transportation

August 17, 2011

Ms. Linda M. Gordon
Real Property Services
Division of General Services
Budget and Control Board
Wade Hampton Building
Suite 460
1200 Senate Street
Columbia, South Carolina 29201

RE: South Carolina Department of Mental Health

Dear Ms. Gordon:

The intersection of SC 118 (Robert Bell Highway) and S-895 (Gregg Highway) was selected for safety improvements through the South Carolina Department of Transportation's Highway Safety Improvement Program (HSIP). The HSIP provides federal funding to identify and improve locations with high crash rates or patterns on all public roadways in the state.

Project selection of this intersection was based on a statewide review and analysis of crash data that indicated both a high crash frequency and severity rate. Based on the crash data reported, signalization of the intersection was determined to be the appropriate countermeasure to mitigate these crash types and patterns. Additional improvements include construction of left turn lanes on all approaches and channelized right turn lanes on both approaches of SC 118.

We are confident that this project will serve to significantly improve the traffic operations and safety at this location. If you have any questions, please call me at 803-737-3582.

Sincerely,

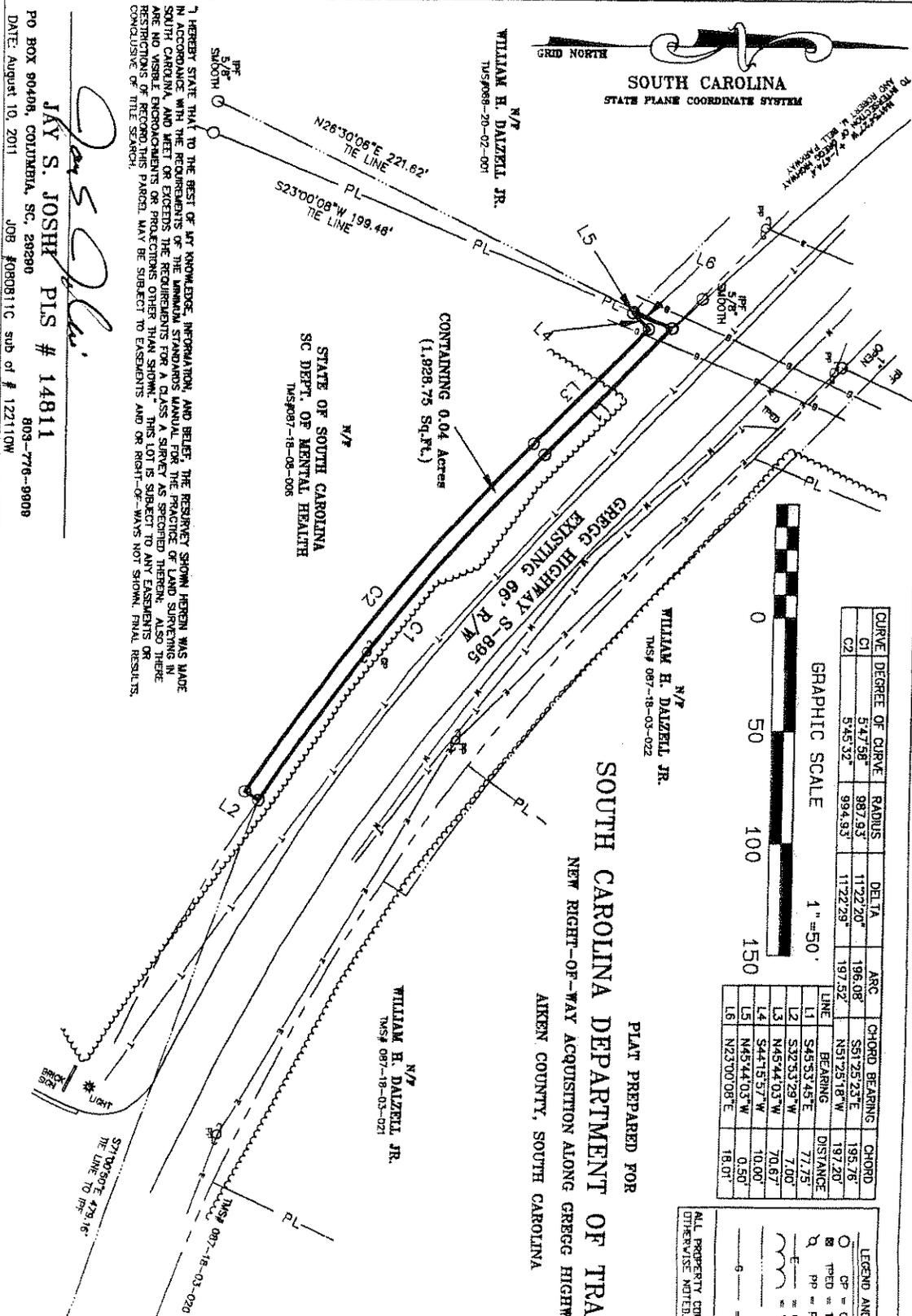
Jbey D. Riddle, P.E.
Safety Program Engineer

JDR:tmo
File: TE/JDR





SOUTH CAROLINA
STATE PLANE COORDINATE SYSTEM



CURVE	DEGREE OF CURVE	RADIUS	DELTA	ARC	CHORD BEARING	CHORD
C1	54.738°	987.93'	1122.20°	196.08'	S51.25.231E	195.76'
C2	54.532°	994.93'	1122.29°	197.52'	N51.25.187W	197.20'



LINE	BEARING	DISTANCE
L1	S45.53.45E	77.75'
L2	S32.53.29W	7.00'
L3	N45.44.03W	70.67'
L4	S44.75.57W	10.00'
L5	N45.44.03W	0.50'
L6	N23.00.08E	18.01'

LEGEND AND ABBREVIATIONS:

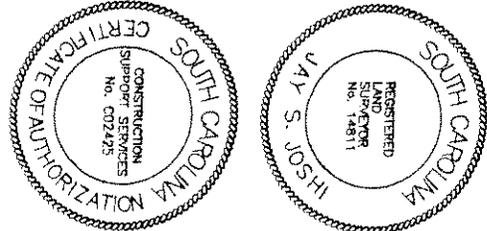
- CP = CALCULATED POINT
- ⊙ TPED = TELEPHONE PEDestal
- PP = POWER POLE
- E— OVERHEAD POWER LINE
- W— WOODLINE
- NR— NEW RIGHT-OF-WAY
- G— GAS LINE
- EX— EXISTING RIGHT-OF-WAY

ALL PROPERTY DIMENSIONS ARE 1/2" REBAR UNLESS OTHERWISE NOTED.

PLAT PREPARED FOR
SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION
NEW RIGHT-OF-WAY ACQUISITION ALONG GREGG HIGHWAY S-2-895
AIKEN COUNTY, SOUTH CAROLINA

WE HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, THE RESURVEY SHOWN HEREIN WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE MANNING STANDARDS MANUAL FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA, AND MET OR EXCEEDS THE REQUIREMENTS FOR A CLASS A SURVEY AS SPECIFIED THEREIN. ALSO THERE ARE NO VISUAL ENCUMBRANCES OR PROJECTS OTHER THAN SHOWN. THIS LOT IS SUBJECT TO ANY EASEMENTS OR RESTRICTIONS OF RECORD THIS PARCEL MAY BE SUBJECT TO EASEMENTS AND OR RIGHT-OF-WAYS NOT SHOWN. FINAL RESULTS CONCLUSIVE OF TITLE SEARCH.

Jay S. Joshi
JAY S. JOSHI PLS # 14811
803-776-9908
PO BOX 80408, COLUMBIA, SC, 29280
DATE: August 10, 2011 JOB #080811C sub of # 122110W

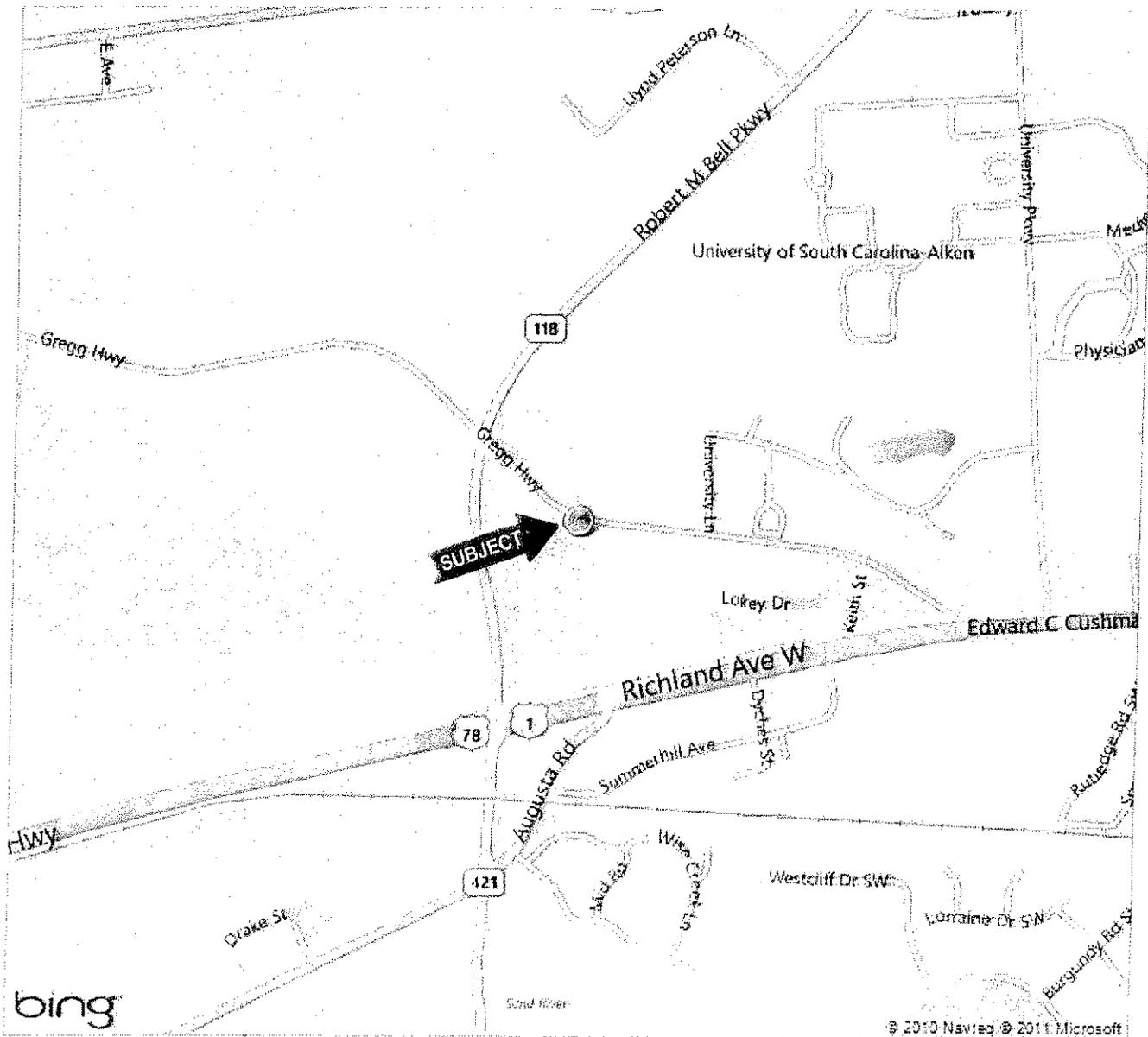
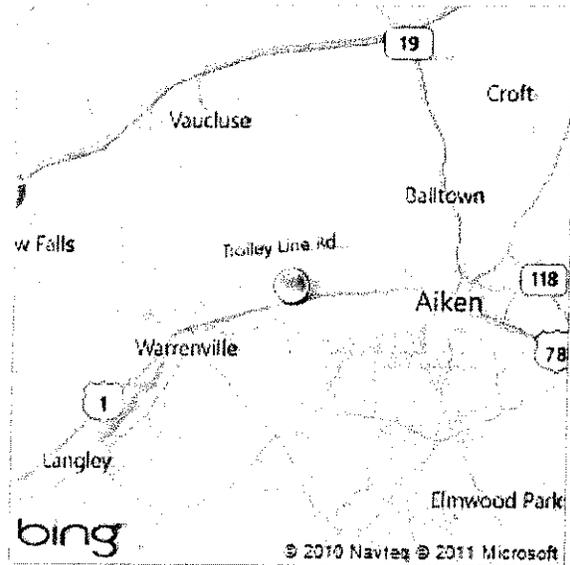


bing Maps

1135 Gregg Hwy, Aiken, SC 29801-6341

My Notes

FREE! Use Bing 411 to find movies, businesses & more: 800-BING-411



**(b) Budget and Control Board (Forestry Commission)
Dillon County**

List of Supporting Documents:

1. Letter from Forestry Commission
2. Letter from Curry & Byrd Law Firm, P.A. on behalf of Conner Bracey
3. Letter from Dillon County Council
4. Maps



PO Box 21707
Columbia, SC 29221
(p) 803.896.3800
(f) 803.798.8097
www.trees.sc.gov

Henry E. (Gene) Kodama, State Forester

July, 13, 2001

Lisa Catalonotto
1200 Senate St., Suite 460
Columbia, SC 29201

Re: Dillon Tower Site

Dear Lisa,

I am writing you in regards to the Dillon Tower Site which is located at 2305 North Highway 301 in Dillon S.C. This is a 10 acre tract that is divided in to 2 lots. The one acre tract is located approximately ½ mile down Hwy 301 which the Forestry Commission wishes to retain and surplus the remaining 9 acres. In 1995 the Forestry Commission entered in to a lease agreement with Dillon County to allow them to place a "Convenience Center" on a .94 acre located within the 9+/- acres that we will be asking to surplus. The current lease expired on June 30, 2011. Mr. Connor Bracey, the adjacent landowner has asked to be allowed to purchase this tract and if allowed to purchase the property he will donate the .94 acre parcel to Dillon County. I am including a letter from Dillon County which indicates they will be willing to accept this donation from Mr. Bracey.

Please accept this letter as our official request to surplus this property. The Forestry Commission also respectfully asks that Mr. Connor Bracey be allowed to purchase this property with the understanding that he must donate the .94 acre parcel to Dillon County. We understand that our request is contingent upon the approval of the SC Budget & Control Board.

Please contact me with any questions you may have on this.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Owen", written over a horizontal line.

David Owen
Program Manager
Construction & Real Property

CURRY & BYRD LAW FIRM, P.A.

107 South Third Avenue
P. O. Drawer 191
Dillon, South Carolina 29536

JUL 05 2011

Telephone (843) 774-9075
Fax (843) 774-9072

Charles E. Curry

Janet Altman Byrd

June 30, 2011

Mr. Gene Kodama
South Carolina Forestry Commission
P. O. Box 21707
Columbia, SC 29221

Dear Mr. Kodama:

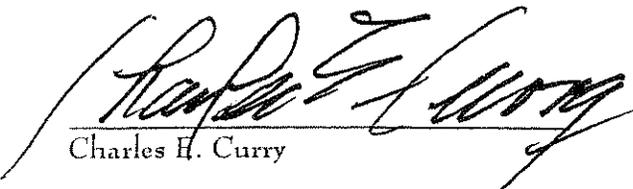
I represent Mr. Conner Bracey who is attempting to purchase a tract of land in Dillon County which is presently owned by The South Carolina Forestry Commission. I am enclosing a plat of the property and on which the tract is shown as Lot No. 1, containing 7.38 acres and Lot No 2, containing 0.936 acre. I believe Rep. Jackie Hayes has discussed this matter with you or with someone else in your office.

Presently The SC Forestry Commission is negotiating with Dillon County for the purchase of Lot Number 2 as shown on the enclosed plat. Mr. Bracey has agreed to donate this lot to Dillon County should he be able to purchase the entire tract. I am enclosing a letter from Dillon County stating that Dillon County is willing to accept Lot No. 2 from Conner Bracey by way of absolute gift.

Mr. Bracey presently is the sole owner of all adjoining land on the northeast and northwest. The remaining sides are bounded by public roads.

Please let me know what we need to do in order purchase the property.

Yours truly


Charles H. Curry

cc: Conner H. Bracey
Dillon County
Rep. Jackie Hayes

COUNCIL MEMBERS

DIST. 1 MACIO WILLIAMSON, DILLON
DIST. 2 BOBBY K. MOODY, LAKE VIEW
DIST. 3 ARCHIE SCOTT, DILLON
DIST. 4 ARON R. GANDY, LATTA
DIST. 5 HAROLD MOODY, HAMER
DIST. 6 ANDREW D. GRAVES, DILLON
DIST. 7 JOE JOHNSON, DILLON



COUNTY ADMINISTRATOR
W. CLAY YOUNG
CLERK TO COUNCIL
LISA B. GRAY

Dillon County Council

P.O. BOX 449
DILLON, SOUTH CAROLINA 29536
TELEPHONE: 843-774-1400
FAX: 843-774-1443

July 1, 2011

David Owen

SC Forestry Commission

Construction & Property Manager

PO Box 21701

Columbia, SC 29221

RE: ONE ACRE TRACT LOCATED AT 232 SANDY RIDGE ROAD, HAMER SC

Dear Mr. Owen:

The purpose of this letter is to inform you that Dillon County agrees to accept as a donation (gift) Lot No. 2 containing 0.936 acre as shown on that plat for Connor H. Bracey dated June 24, 2011 by Leeson Survey Co. in the event Conner H. Bracey purchases Lot No. 1 and Lot No. 2 (as shown on the above referenced plat) from the S.C. Forestry Commission.

Use and ownership of Lot No. 2 is necessary for Dillon County. Dillon County requests that any sale of the leased property contain the requirement that marketable title to Lot No. 2 be conveyed to Dillon County by way of a donation (gift).

Please feel free to contact me if you have any questions.

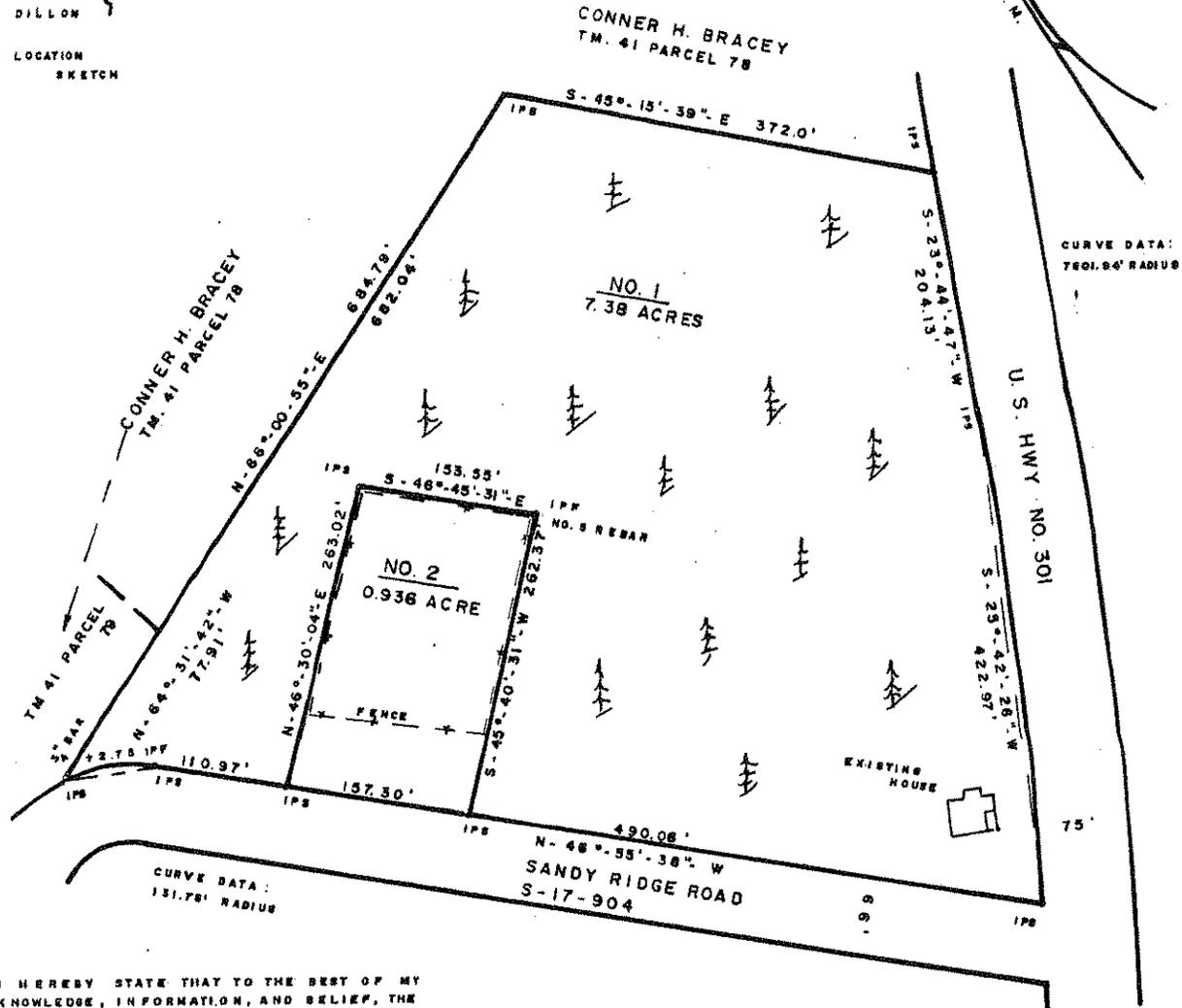
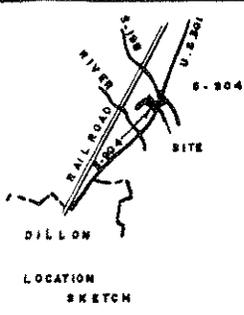
Sincerely,

W. Clay Young

County Administrator

WCY/lg

Enclosure



I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREIN WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE MINIMUM STANDARDS MANUAL FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS E SURVEY AS SPECIFIED THEREIN.

NOTE: IRON PIN SET NO. 6 REBAR

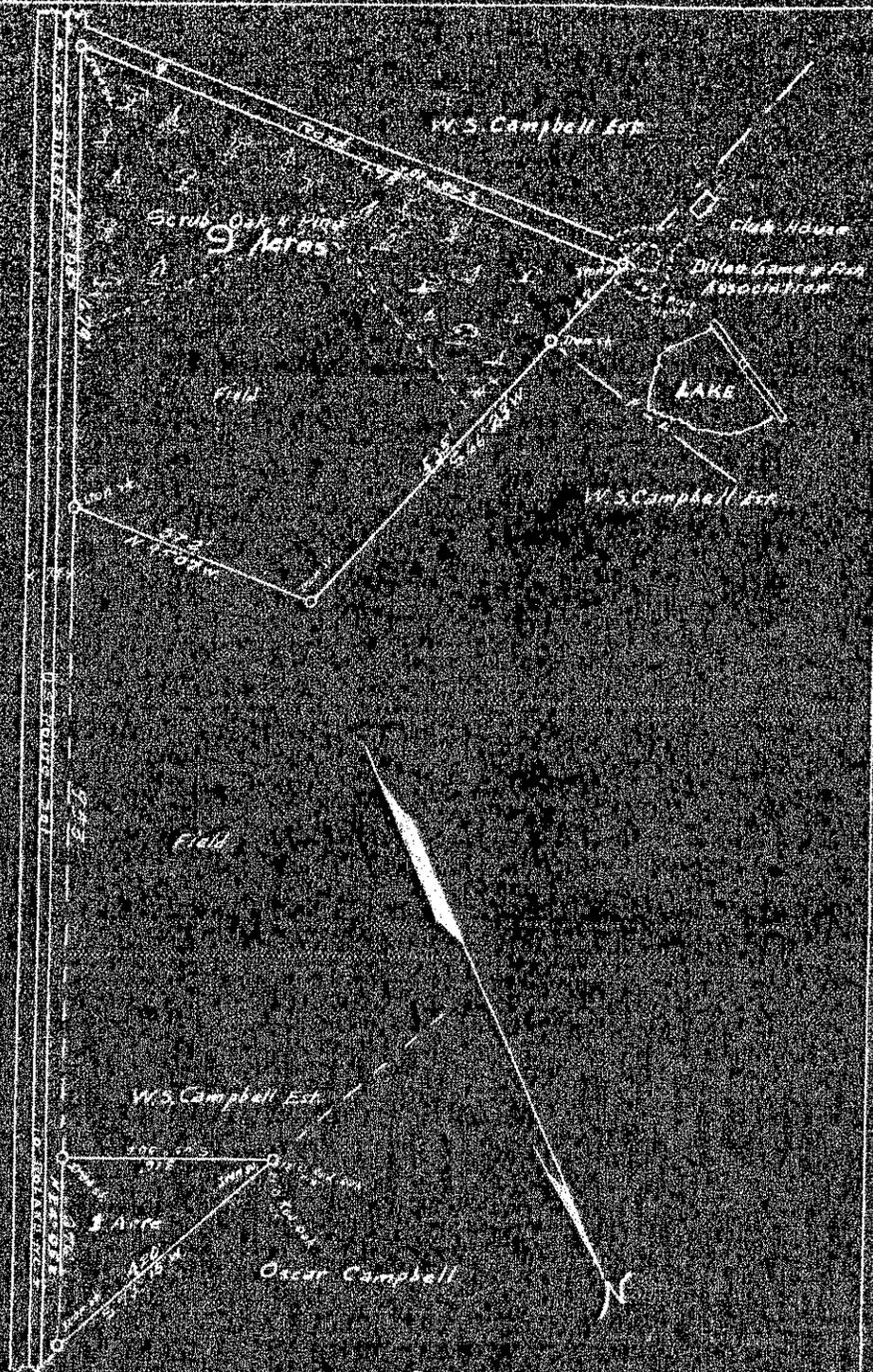
CR
P.L.S. OF SOUTH CAROLINA NO. 6616



MAAP
OF PROPERTY SURVEYED FOR
CONNER H. BRACEY
NEAR DILLON, DILLON COUNTY, S.C.

LEESON SURVEY CO.
201 TOM GASQUE AVE MARION, S.C.
PHCNE NO. 843-423-9871
FILE: 29-914 SCALE 1" = 100' DATE: JUNE 24, 2011 NOTEBOOK: 619 PAGE: 38 R. 34-23B

Dillon



MAP

PROPOSED S.C. STATE COMMISSION OF FORESTRY
DILLON TOWER SITE
Situate 3.5 mi North Town of Dillon on U.S. Route 301
Formerly the Property of W.S. Campbell
Dillon County, South Carolina
Contains 10 Acres as Shown
Survey and Map By Van O. Smithers, June 19, 1935
Scale 1" = 200'

**(c) Budget and Control Board (Forestry Commission)
Fairfield County**

List of Supporting Documents:

5. Letter from Forestry Commission
6. Letter from Fairfield County Council
7. Maps



PO Box 21707
Columbia, SC 29221
(p) 803.896.3800
(f) 803.798.8097
www.trees.sc.gov

Henry E. (Gene) Kodama, State Forester

August 11, 2011

SC Budget & Control Board
Attn: Lisa Cattalanotto
1200 Senate St., Suite 460
Columbia, SC 29201

Re: Jenkinsville Tower Site

Dear Lisa,

I am writing you in regards to the Jenkinsville Tower site. This is a 5.1 acre tract that is located in Fairfield County. We have leased 2.0 acres of this tract to Fairfield County since 1996 for the operation of a Recycling Center. The current lease just recently expired. Fairfield County has asked to purchase the entire tract as they are planning to expand their operation at this site. The Forestry Commission has reviewed this and feels that giving up this tract would have no impact on our day to day operations in that county.

Please accept this letter as our official request to surplus this property. We would ask that upon approval of the SC Budget & Control Board this 5.1 acre tract be sold to Fairfield County. Please contact me with any questions you may about this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "D.P.O.", is written over the typed name.

David P. Owen
Construction & Property Manager
SC Forestry Commission
803-896-8829

Fairfield County Council
P. O. Drawer 60
Winnsboro, South Carolina 29180
(803) 635-1415
Fax: (803) 635-5969

Council Members:

DAVID L. FERGUSON, SR., Chairman
DWAYNE PERRY, SR., Vice Chairman
R. DAVID BROWN
MARY LYNN KINLEY
KAMAU MARCHARIA
CAROLYN B. ROBINSON
MIKEL TRAPP

PHILIP L. HINELY
County Administrator

SHRYLL M. BROWN
Clerk to Council

July 19, 2011

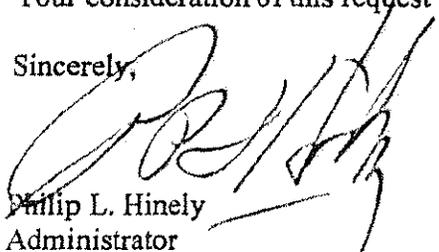
Mr. David Owen
South Carolina Forestry Commission
P. O. Box 21707
Columbia, S.C. 29221

Dear Mr. Owen:

Fairfield County would like to purchase the 5.1 acre tract of land located at the old Jenkinsville Fire Tower site. We have been leasing 2 acres of this tract from the South Carolina Forestry Commission since July 1, 1996 for the use of a Recycling Center for solid waste. However, we are currently in the middle of remodeling all of our Recycling Centers and would like to purchase the entire tract to remodel this site. The lease agreement between Fairfield County and the Forestry Commission will expire this year.

Your consideration of this request would be very much appreciated.

Sincerely,


Philip L. Hinely
Administrator

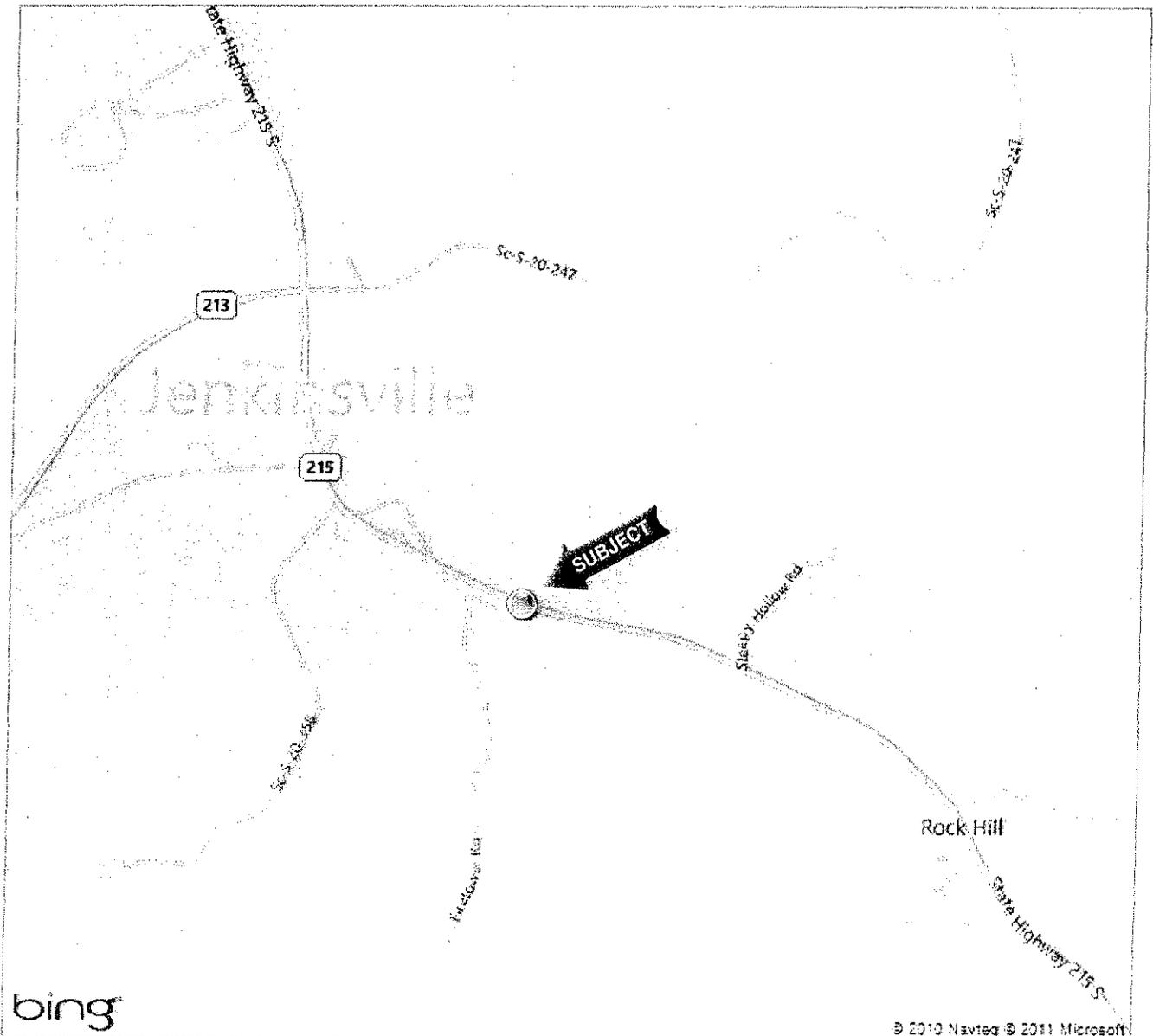
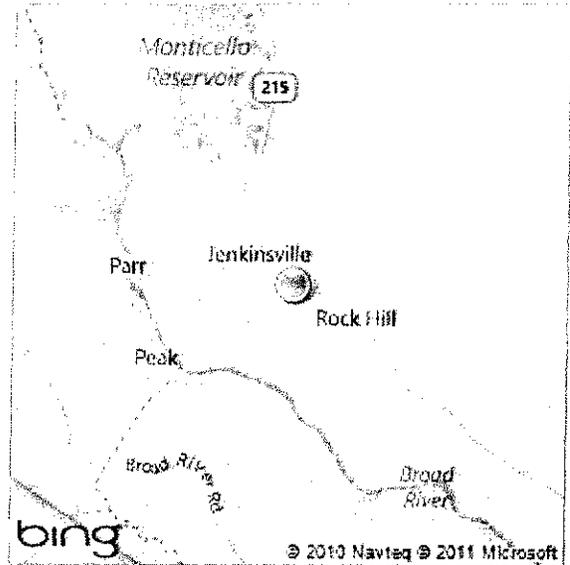
/sc

bing Maps

Firetower Cir, Jenkinsville, SC 29065

My Notes

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AGENCY: South Carolina Energy Office

SUBJECT: Barnwell County Economic Development Fund – Project Funding Request

The South Carolina Energy Office advises of the following project funding request:

<i>Recipient:</i>	Barnwell County Economic Development Corporation
<i>Funding Request:</i>	\$167,085
<i>Purpose/Description:</i>	Barnwell County Economic Development Corporation (BCEDC) is requesting funds for the construction of sewer infrastructure on a 30 acre tract in the SC Advanced Technology Park in Barnwell County. This sewer infrastructure will support “SC Tissue”, a \$140 million project announced in November 2010 which will create 200 jobs over a three year period. Construction will begin fourth quarter 2011 and be completed by first quarter 2013. Amounts subject to this funding request will be repaid by the City of Barnwell to Barnwell County’s economic development fund over a period not to exceed five years.
<i>Project Impact:</i>	Completion of this project will provide sewer infrastructure of “SC Tissue” which will create 200 jobs over the next three years.
<i>Cost of Project:</i>	\$3,310,135
<i>SCEO recommendation:</i>	\$167,085 Local, state (CDBG), federal (EDA) and provide (SCANA) funds will provide the remainder.

BOARD ACTION REQUESTED:

Approve the following project request as recommended by the South Carolina Energy Office: Barnwell County Economic Development Corporation, \$167,085.

ATTACHMENTS:

Agenda item worksheet; Barnwell County Economic Development Fund application and budget

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: September 20, 2011

Agenda: Blue

1. Submitted By:

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

(b) Authorized Official Signature: _____



2. Subject:

Barnwell County Economic Development Fund – project funding request

3. Summary and Background Information:

Recipient: Barnwell County Economic Development Corporation

Funding Request: \$167,085.00

Purpose/Description: Barnwell County Economic Development Corporation (BCEDC) is requesting funds for the construction of sewer infrastructure on a 30 acre tract in the SC Advanced Technology Park in Barnwell County. This sewer infrastructure will support "SC Tissue", a \$140 million project announced in November 2010 which will create 200 jobs over a three year period. Construction will begin fourth quarter 2011 and be completed by first quarter 2013. Amounts subject to this funding request will be repaid by the City of Barnwell to Barnwell County's economic development fund over a period not to exceed five years.

Project Impact: Completion of this project will provide sewer infrastructure of "SC Tissue" which will create 200 jobs over the next three years.

Cost of Project: \$ 3,310,135.00

SCEO recommendation: \$167,085 Local, state (CDBG), federal (EDA) and private (SCANA) funds will provide the remainder

4. What is Board asked to do?

Approve request in the amount of \$167,085.00.

5. What is recommendation of Board Division involved?

Approve request in the amount of \$167,085.00.

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

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents

(a) List Those Attached:

Barnwell County Economic Development Fund application and budget attached

(b) List Those Not Attached But Available From Submitter:



Fax: (803) 541-1104

Barnwell County Administration
County Administration Building
57 Wall St., Room 126
Barnwell, SC 29812
Phone: (803) 541-1000

Pickens Williams, Jr.
County Administrator
Kim A. Futrell
Administrative Assistant

August 11, 2011

Marcia Adams, Executive Director
SC Budget & Control Board
1200 Senate Street, 6th Floor
Wade Hampton Building
Columbia, SC 29201

Dear Ms. Adams:

I will appreciate the release of \$167,085 from the Barnwell County Economic Development Fund as requested by the attached application for project "SC Tissue". Barnwell County Council has approved this request and will appreciate your having it added to the Budget & Control Board's agenda as soon as possible.

I will appreciate your letting me know the date of the meeting since we would like to have representatives there to answer questions if any arise.

Sincerely,

Pickens Williams, Jr.
Pickens Williams, Jr.
Barnwell County Administrator

PWJ/kaf

c: Barnwell County Council
Marty Martin, Executive Director-Barnwell County EDC
Wendy Gibson, Barnwell County Treasurer

Barnwell County Economic Development Fund Application

Date Submitted: July 25, 2011

Section 1

Project Name: **SC Tissue**

Applicant: **Barnwell County Economic Development Corporation**

Contact Person: **Marshall L. Martin, Jr.**

Title: **Executive Director**

Address: **367 Fuldner Road, P.O. Box 898, Barnwell, SC 29812**

Telephone: **803-259-1263**

Fax: **803-259-0030**

Type of Project: **City of Barnwell Sewer Project**

Scope: Project Tissue is a \$140MM project announced in November 2010, which will create 200 jobs over a three year period. The project will be located on a 30 acre tract in the SC Advanced Technology Park with construction expected to begin fourth quarter 2011 and completed by first quarter 2013.

Section 2

Financial Participation

Applicant: **None**

Local Government: **\$43,050**

State Government: **\$1.4Million (CDBG)**

Federal Government: **\$1.5 Million (EDA)**

Other Private Sources: **\$200,000 (SCANA)**

Barnwell County
Economic Dev. Fund: **\$167,085****

Total Project Budget: **\$3,310,135**

****City of Barnwell will be obligated to repay this \$167,085 to the EDF over no more than a 5 year period with annual payments of approximately \$34,000**

Cost Estimate
Wastewater System Improvements
for
Project Tissus and SC Advanced Technology Park
Barnwell County

<u>Item</u>	<u>Qty.</u>	<u>Unit</u>	<u>Description</u>	<u>Unit Price</u>	<u>Total</u>
1	26,000	LF	16" PVC Force Main	\$50.00	\$1,300,000
2	2,550	LF	16" Restrained Joint PVC Force Main	\$65.00	\$165,750
3	2,100	LF	18" Force Main Installed by HDD	\$150.00	\$315,000
4	0	LF	24" Steel Casing Installed by Bore & Jack	\$250.00	\$0
5	0	LF	16" RJ Force Main Installed in Steel Casing	\$80.00	\$0
6	6	EA	Air Release Valve w/Manhole	\$6,200.00	\$37,200
7	16	TON	Fittings	\$12,000.00	\$192,000
8	3	EA	16" Plug Valves	\$12,000.00	\$36,000
9	500	LF	Cut and Replace Asphalt w/ Flowable Fill	\$60.00	\$30,000
10	1,900	LF	Cut and Replace Asphalt w/o Flowable Fill	\$45.00	\$85,500
11	1,200	LF	Cut and Replace Asphalt Driveways	\$38.00	\$45,600
12	3,000	SY	Asphalt Resurfacing	\$12.00	\$36,000
13	1	LS	New Pump Station (2 MGD)	\$700,000.00	\$700,000

Wastewater System Improvements Subtotal: \$2,943,050
Engineering Design, Permitting, & Construction Services: \$367,085

Wastewater System Improvements Total: \$3,310,135

AGENCY: Executive Director

SUBJECT: Housing Authority of the City of Greenville Multifamily Housing Revenue Bonds Series 2006—Roosevelt Heights

On September 19, 2006, the Board adopted a resolution approving the issuance of \$9,000,000 Tax-Exempt Multifamily Housing Revenue Bonds by the Housing Authority of the City of Greenville for its Roosevelt Heights project. The bonds provided financing for a portion of the costs of renovation and rehabilitation of Roosevelt Heights, a 168 unit apartment complex with related and ancillary facilities. The bonds are governed, among other documents, by the Agreement as to Restrictive Covenants (Roosevelt Heights) dated December 20, 2006. Section 9 of the Agreement as to Restrictive Covenants states in part the following:

9. Management Agreements. The Borrower acknowledges that the appointment of management for the Project is subject to approval by the State Budget and Control Board as set forth in the Enabling Act or related regulations....No such change in the Manager shall be valid unless and until the Borrower delivers written approval of the change in Manager by the State Budget and Control Board.

The Borrower on the project is Three Hundred Nichol Street, LP. SunAmerica Housing Fund 1422, an affiliate of SunAmerica Affordable Housing Partners, and the Housing Authority of the City of Greenville are current and continuing limited partners of the Borrower. Pursuant to Section 9 of the Agreement as to Restrictive Covenants the Board is asked to approve a new Manager which has been selected by the Borrower and approved by the Authority. The property has been managed by Riverstone Residential Group. The new Manager that has been selected is McCormack Baron Ragan Management Services, Inc. (MBR). MBR specializes in low-income and mixed-income properties and currently manages 106 properties with 12,678 units in nineteen states. Audited financial statements for MBR for 2010 are attached.

BOARD ACTION REQUESTED:

Approve the requested management change for the Roosevelt Heights project for the Housing Authority of the City of Greenville.

ATTACHMENTS:

Staudhammer 8/25/11 letter with attachments; Raymond 9/9/11 letter; BCB regulation 19-104.1; Agreement as to Restrictive Covenants (Roosevelt Heights)



August 25, 2011

South Carolina State Budget and Control Board
P.O. Box 12444
Columbia, SC 29211

Attn: Mr. Delbert H. Singleton Jr.
Office of the Executive Director

Re: Roosevelt Heights (Three Hundred Nichol Street, LP)

Dear Members of the State Budget and Control Board:

Three Hundred Nichol Street, LP (the "Borrower") is the Borrower of \$9,000,000 (original par) aggregate principal amount of Multifamily Housing Revenue Bonds (Roosevelt Heights) Series 2006 (the "Bonds"), which provide financing for a portion of the costs of renovation and rehabilitation of Roosevelt Heights, a 168 unit apartment complex with related and ancillary facilities (the "Project"). SunAmerica Housing Fund 1422, an affiliate of SunAmerica Affordable Housing Partners, is a current and continuing limited partner of the Borrower. The Housing Authority of the City of Greenville, South Carolina (the "Authority") is also a current and continuing limited partner of the Borrower.

The Bonds are governed by, among other documents, the Agreement as to Restrictive Covenants (Roosevelt Heights) dated December 20, 2006 among the Authority, The Bank of New York Trust Company, N.A., as Trustee, and the Borrower. Section 9 of the Agreement as to Restrictive Covenants reads as follows:

9. Management Agreements. The Borrower acknowledges that the appointment of management for the Project is subject to approval by the State Budget and Control Board as set forth in the Enabling Act or related regulations. In the event that the Borrower enters into any agreement for the management of the Project (the "Manager"), such agreement shall contain provisions authorizing the termination thereof and removal of the Manager at the direction of the Authority solely for cause; cause shall be deemed to exist upon the Authority's determination in writing of the failure of such Manager to comply with any material provision hereof. The Authority shall provide the Borrower written notice of its intention to remove the Manager and its reasons for removing the Manager at least 30 days prior to exercising its removal rights under this Section. Upon receipt of such notification, the Borrower shall make arrangements satisfactory to the Authority for the continuing proper management of the Project. No such change in the Manager shall be valid unless and until the Borrower delivers written approval of the change in Manager by the State Budget and Control Board.

(Emphasis added.)

This letter is written to seek the State Budget and Control Board's approval to a new Manager which has been selected by the Borrower and approved by the Authority. The new property

management contract contains the required provisions authorizing termination and removal of the Manager at the direction of the Authority as set forth above.

The property has been managed by Riverstone Residential Group. The Manager was changed to McCormack Baron Ragan Management Services, Inc. ("MBR") effective August 1, 2011. MBR has taken over management of several properties where an affiliate of The Communities Group ("TCG") is exiting the partnerships. The four former TCG properties located in Greenville, South Carolina total 438 units. MBR specializes in low-income and mixed-income properties. MBR currently manages 106 properties with 12,678 units in nineteen states.

MBR is an affiliate of McCormack Baron Salazar ("MBS"), a St. Louis-based developer focused on community development and urban renewal. In the past thirty-seven years, MBS has closed 138 projects with development costs of \$2.1 billion and has developed 15,350 housing units and one million square feet of retail/commercial space. Over the decades, MBS has created long-term partnerships with housing authorities, local governments, key institutions, and employers. An affiliate of MBS will be admitted as the new general partner of Borrower.

Attached is a copy of the Authority's consent to the change in general partner. Although their express consent is not required for the change in Manager and thus was not sought, the Authority supports the change in Manager. Also attached are the 2010 audited financial statements for MBR, and a comprehensive list of references for MBS.

We understand that the State Budget and Control Board will next meet on September 20, 2011. We respectfully request that you approve the change of Manager at the Project to MBR.

Please call me at 310-772-6063 if you have any questions.

Sincerely,



Anne Staudhammer
Vice President and Managing Director

Roosevelt SC Budget and Control Board Consent

Cc: Hillary Zimmerman, McCormack Baron Salazar
Michael J. Raymond, Housing Authority of the City of Greenville, South Carolina
Ellen Kauffmann, Ballard Spahr
Bruce Nii, SunAmerica Affordable Housing Partners

SUNAMERICA HOUSING FUND 1422,
A NEVADA LIMITED PARTNERSHIP
c/o SAIFG Retirement Services, Inc.
1 SunAmerica Center, Century City
Los Angeles, California 90067-6022

June 21, 2011

REC'D JUN 22 2011

Via Overnight Delivery

Executive Director
Housing Authority of the City of Greenville,
South Carolina
511 Augusta Street
Greenville, South Carolina 29605

Re: Roosevelt Heights, a/k/a Evergreen Place, Greenville, South Carolina

Ladies and Gentlemen:

SunAmerica Housing Fund 1422, A Nevada Limited Partnership ("SHF"), is a limited partner of Three Hundred Nichol Street, LP, a South Carolina limited partnership (the "Partnership"). The Partnership is governed by the Amended and Restated Agreement of Limited Partnership dated as of December 20, 2006 (the "Partnership Agreement"). Capitalized terms used in this Notice but not defined herein have the meanings given to them in the Partnership Agreement.

The Partnership, as Tenant, and Housing Authority of the City of Greenville, South Carolina ("HACG"), as Landlord, have entered into a certain Ground Lease dated as of December 20, 2006 (the "Ground Lease"). In addition, HACG, as Lender, and the Partnership, as Borrower, have entered into certain instruments, documents and agreements pursuant to which HACG has made a loan of HOPE VI funds to the Partnership evidenced by a certain Promissory Note, HOPE VI Funds, dated as of December 20, 2006, from the Partnership payable to the order of HACG in the original principal amount of \$8,299,068.00, and HACG has made a loan to the Partnership evidenced by a certain Promissory Note, Program Income, dated as of December 20, 2006, from the Partnership payable to the order of HACG in the original principal amount of \$485,350.00 (collectively, the "Loan").

Pursuant to the requirements of Section 5.8 of the Ground Lease and Section 3.18 of the Authority Loan Agreement dated as of December 20, 2006, between the Partnership and HACG with respect to the Loan (the "Loan Agreement"), SHF hereby notifies HACG that Roosevelt Rental, LLC, a South Carolina limited liability company ("TCG GP"), which is the General Partner of the Partnership, has breached its covenants and obligations under the Partnership Agreement. Section 8.3(a)(i) of the Partnership Agreement specifically provides that a breach of any representations, warranties, covenants or other obligations of TCG GP under the Partnership Agreement which is not cured within 30 days of Notice of default shall constitute a "Conversion Event". On May 4, 2011, SHF sent Notice of default to TCG GP detailing certain of the defaults of TCG GP under the Partnership Agreement (the "Default Notice").

Housing Authority of the City of Greenville,
South Carolina
June 21, 2011
Page 2

TCG GP failed to cure the defaults detailed in the Default Notice within the cure period provided in the Partnership Agreement. Such failure entitles SHF to exercise its remedies under the Partnership Agreement, including, but not limited to, Conversion of TCG GP's general partner Interest in the Partnership to a special limited partner Interest.

This letter is to notify you that SHF intends to convert the general partner Interest of TCG GP in the Partnership to a special limited partner Interest upon satisfaction of all conditions precedent to such Conversion, including receipt of HACG's and HUD's consent as required by the Ground Lease and the Loan Documents. Concurrently with the Conversion, a Substitute GP will be admitted to the Partnership. SHF anticipates that the Substitute GP will be MBS GP 195, L.L.C., a Delaware limited liability company ("MBS GP"), an entity controlled by and affiliated with McCormack Baron Salazar, Inc., a Missouri corporation. MBS GP's contact information is as follows:

MBS GP 195, L.L.C.
c/o McCormack Baron Salazar, Inc.
720 Olive Street, Suite 2500
St. Louis, Missouri 63101
Attention: Hillary B. Zimmerman
Direct Phone: (314) 335-2890
Direct Fax: (314) 335-2891
E-mail: Hillary.Zimmerman@mccormackbaron.com

Upon the Conversion of TCG GP's Interest and admission of MBS GP, TCG GP will have an additional period of 90 days from Conversion within which to cure the defaults detailed in the Default Notice. If TCG GP does not cure the defaults within the additional cure period, SHF will have the right to remove TCG GP from the Partnership as provided in Section 8.6 of the Partnership Agreement. SHF expects to exercise its right of removal if TCG GP does not cure the defaults within the additional cure period.

SHF believes it is in the best interests of the Partnership and the Project to proceed with Conversion of the TCG GP and admission of the MBS GP as quickly as possible to facilitate turning the Project into a performing property and prevent any further defaults under the Partnership Agreement. In this regard, we would appreciate receiving your consent to the Conversion of the TCG GP, admission of the MBS GP and, if applicable, removal of the TCG GP as described above no later than July 5, 2011.

By separate letter to HUD, SHF is also requesting the consent of HUD to the transactions outlined above.

If you need additional information regarding this request, please contact Bruce Nij at 310-772-6183 or bnij@sunamerica.com. If no additional information is needed, please acknowledge your

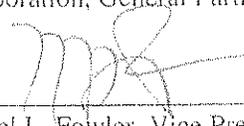
Housing Authority of the City of Greenville,
South Carolina
June 21, 2011
Page 3

consent to the transactions detailed above by signing this letter below and returning a copy of the signed letter to Bruce Nii, either by fax to 310-772-6776 or by email to bnii@sunamerica.com.

Very truly yours,

SUNAMERICA HOUSING FUND 1422, A
NEVADA LIMITED PARTNERSHIP

By: SAFG RETIREMENT SERVICES, INC., a
Delaware corporation, General Partner

By: 
Michael L. Fowler, Vice President

ACKNOWLEDGED AND CONSENTED TO this
28TH day of JUNE, 2011

HOUSING AUTHORITY OF THE CITY OF GREENVILLE,
SOUTH CAROLINA

By: 
Name: MICHAEL J. RAYMOND
Title: EXECUTIVE DIRECTOR

cc: Nixon Peabody LLP
401 9th Street, NW
Washington, DC 20004
Attn: Patrice Harris Talbott, Esq.

Greg McIntosh, SunAmerica Affordable Housing Partners, Inc.
Farzaneh Azouri, SunAmerica Affordable Housing Partners, Inc.
Bruce Nii, SunAmerica Affordable Housing Partners, Inc.
Wayne H. Hykan, Ballard Spahr LLP
Ellen O'Brien Kauffmann, Ballard Spahr LLP
Hillary B. Zimmerman, McCormack Baron Salazar, Inc.
David S. Lang, Rosenblum, Goldenhersh, Silverstein & Zafft, PC

References – McCormack Baron Salazar

Community Organizations

Blumeyer Village Tenant Association
801 North Compton Avenue
Saint Louis, Missouri 63106
Phone: 314-534-6082
Fax: 314-534-4421

Ms. Paula Foster
President

Contractor

Adolfson & Peterson Construction
5002 South Ash
Tempe, Arizona 85282-6843
Phone: 602-309-6804
Fax: 480-345-8755

Alissa Riggle
Project Manager

Financial

Bank of America
800 Market Street, 13th Floor
Saint Louis, Missouri 63102
Phone: 314-466-5170
Fax: 314-466-1919

Ms. Jennifer Kelly-Saeger
Senior Vice President

Gershman Investment Company
7 North Bemiston Avenue
Saint Louis, Missouri 63105
Phone: 314-889-0655
Fax: 314-854-9599

Mr. Jack Sheredano

Goldman Sachs Urban Investment Group
85 Broad Street
New York, New York 10004
Phone: 212-902-7351
Fax: 212-357-5505

Ms. Alicia Glen
Managing Director

PNC Multifamily Capital
620 Liberty Avenue, Suite 2050
Pittsburgh, Pennsylvania 15222
Phone: 412-762-5530
Fax: 412-705-2020

Mr. Peter Kaplan
Vice President, Acquisitions

SunAmerica Affordable Housing Partners
One SunAmerica Center, 37th Floor

Mr. Michael Fowler
President

Los Angeles, California 90067
Phone: 310-772-6000
Fax: 310-772-6794

**U.S. Bancorp Community Development
Coroporation**

1307 Washington Avenue, Suite 200
Saint Louis, Missouri 63103
Phone: 314-418-0880
Fax: 314-418-0899

Mr. Zachary Boyers
President

Foundations

Annie E. Casey Foundation

701 St. Paul Street
Baltimore, Maryland 21202
Phone: 410-547-6600
Fax: 410-547-6624

Mr. Roger Williams
Senior Fellow

Community Foundation Land Trust

445 South Figueroa Street, Suite 3400
Los Angeles, California 90071
Phone: 213-413-4130
Fax: 213-622-2969

Ms. Anne Sewill
President

Hyde Family Foundation

17 West Pontotoc Avenue, Suite 200
Memphis, Tennessee 38103
Phone: 901-685-3400

Ms. Teresa Sloyan
Executive Director

The John S. and James L. Knight Foundation

Wachovia Financial Center
200 South Biscayne Boulevard, Suite 3300
Miami, Florida 33131
Phone: 305-908-2600
Fax: 786-924-2932

Legal

***Bocarsly Emden Cowan Esmail Parker and Arndt
LLP***

*Liberty Tower
6333 West 5th Street, 70th Floor
Los Angeles, California 90071
Phone: 213-239-8000
Fax: 213-239-0410*

Mr. Lance Bocarsly
Partner

Nixon Peabody

*401 9th Street, NW, Suite 900
Washington, District of Columbia 20004
Phone: 202-585-8000
Fax: 202-585-8080*

Ms. Monica Sussman
Partner

Mr. Herbert Stevens
Partner

Mr. Michael Reardon
Partner

SNR Denton

*One Metropolitan Square
211 North Broadway, Suite 3000
Saint Louis, Missouri 63102
Phone: 314-259-2000
Fax: 314-259-5959*

Mr. Joseph Colagiovanni
Partner

Public Entities

***California Department of Housing and
Community Development***

*1800 Third Street, Room 430
Sacramento, California 95811
Phone: 916-324-1565
Fax: 916-327-2643*

Mr. Craig Morrow
Loan Officer / Underwriter

City of Dallas Office of Economic Development

*1500 Marilla Street, Room 5CS
Dallas, Texas 75201
Phone: 214-670-5140
Fax: 214-670-0158*

Mr. Karl Zavitkovsky
Director

City of Phoenix Housing Department

*251 West Washington Street, 4th Floor
Phoenix, Arizona 85003
Phone: 602-534-3577
Fax: 602-534-4668*

Ms. Kim Dorney
Director

The City of Phoenix engaged McCormack Baron Salazar as the lead developer of the Matthew Henson HOPE VI and on the Krohn West HOPE VI. At Matthew Henson, through a HOPE VI community engagement process, McCormack Baron Salazar, in conjunction with Master Planner, William Hezmalhalch Architects, developed and implemented a master plan that consists of five phases of housing; a senior component, three rental phases and the last phase will provide for-sale housing to residents. At Krohn West, a similar community engagement process was followed, leading to the construction of a new 83-unit mixed income rental community.

**Community Development Commission of the
County of Los Angeles**

2 Coral Circle
Monterey Park, California 91755
Phone: 323-890-7001

Ms. Lois Storr
Director, Housing Development and
Preservation Division

**Community Redevelopment Agency of the City of
Los Angeles**

6255 Sunset Boulevard, Suite 2206
Los Angeles, California 90028
Phone: 213-977-1822
Fax: 213-461-1487

Ms. Leslie Lambert
Regional Administrator

Housing Authority of the City of Atlanta

230 John Wesley Dobbs Avenue, NE
Atlanta, Georgia 30303
Phone: 404-892-4700
Fax: 404-332-0100

Ms. Renee Lewis Glover
Executive Director

Housing Authority of the City of Los Angeles

2600 Wilshire Boulevard
Los Angeles, California 90057
Phone: 213-252-1810
Fax: 213-252-1811

Mr. Rudolf Montiel
President and CEO

Housing Authority of the City of Saint Louis

3520 Page Boulevard
Saint Louis, Missouri 63106
Phone: 314-531-4770
Fax: 314-531-0184

Ms. Cheryl Lovell
Executive Director

The Housing Authority of the City of St. Louis and McCormack Baron Salazar have successfully partnered on the redevelopment of two former public housing sites that required the involvement and engagement of the residents and community stakeholders in order to develop and implement a master plan. The Murphy Park Development, located on the former Vaughn public housing site consists of three phases of rental housing and a fourth senior housing phase. Renaissance Place at Grand, which is on the former Blumeyer public housing site, consists of rental housing, a general occupancy component, and a senior phase, plus the new St. Louis Housing Authority Office Building.

City of Los Angeles Housing Department

1200 West 7th Street, 9th Floor
Los Angeles, California 90017
Phone: 213-808-8640
Fax: 213-808-8616

Mr. Rushmore Cervantes
Interim General Manager

Yolanda Chavez
Executive Officer

Los Angeles County Metropolitan Transportation Authority

One Gateway Plaza
Mail Stop: 99-22-2
Los Angeles, California 90012
Phone: 213-922-3076
Fax: 213-922-3005

Mr. Roger Moliere
Executive Officer, Real Property

Memphis Housing Authority

700 Adams Avenue
Memphis, Tennessee 38105
Phone: 901-576-7300
Fax: 901-576-7318

Mr. Robert Lipscomb
Executive Director

McCormack Baron Salazar was contracted by the City of Memphis and the Memphis Housing Authority as the lead developer for two former public housing sites, Lamar Terrace and Dixie Homes. In the initial planning stages of both of these HOPE VI developments a number of public meetings were held to engage residents and community stakeholders for purpose of developing a Master Plan, which the McCormack Baron Salazar development team is implementing. University Place (formerly Lamar Terrace) consists one phase of senior housing and two multi-family rental phases. Legends (former Dixie Homes) consists of three phases of multi-family housing and a mixed-use building.

Urban Redevelopment Authority of Pittsburgh

200 Ross Street, 10th Floor
Pittsburgh, Pennsylvania 15219
Phone: 412-255-6670
Fax: 412-255-6645

Mr. Tom Cummings
Director, Dept. of Housing

Missouri Housing Development Commission

3435 Broadway
Kansas City, Missouri 64111
Phone: 816-759-6600
FAX: 816-759-6828

Mr. William Ulm
Chief Underwriter

Missouri Housing Development Commission, the state housing finance agency, and McCormack Baron Salazar have worked together on numerous developments dating back more than twenty years. McCormack Baron Salazar's use of LIHTC credits, through the Missouri Housing Development Commission, has contributed to the successful development of nineteen mixed-income, mixed finance projects; some of which include a mixed-use component.

**MCCORMACK BARON RAGAN
MANAGEMENT SERVICES, INC.**
FINANCIAL STATEMENTS
DECEMBER 31, 2010

McCORMACK BARON

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RubinBrown LLP
Certified Public Accountants
& Business Consultants

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Saint Louis, MO 63105

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Independent Auditors' Report

Board of Directors
McCormack Baron Ragan Management Services, Inc.
St. Louis, Missouri

We have audited the accompanying balance sheet of McCormack Baron Ragan Management Services, Inc. (the Company) as of December 31, 2010 and 2009, and the related statements of income, stockholder's equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of McCormack Baron Ragan Management Services, Inc. as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2, the Company restated its 2009 financial statements.

RubinBrown LLP

April 25, 2011

MCCORMACK BARON RAGAN MANAGEMENT SERVICES, INC.

BALANCE SHEET

Page 1 Of 2

Assets

	December 31,	
		2009
		(As Restated -
	2010	Note 2)
Current Assets		
Cash and cash equivalents	\$ 570,169	\$ 465,929
Cash - restricted (Note 3)	3,597,920	4,471,299
Accounts receivable (Note 4)	605,948	660,755
Loans and advances receivable - related parties (Note 5)	2,378	10,891
Due from related parties (Note 3)	71,218	—
Prepaid expenses	22,196	35,175
Deferred income tax asset (Note 8)	573,463	362,697
Total Current Assets	5,443,292	6,006,746
Long-Term Assets		
Loans and advances receivable - related parties (Note 5)	3,650	3,650
Deferred income tax asset (Note 8)	—	64,017
Equipment and leasehold improvements (Note 6)	1,198,641	28,930
Total Long-Term Assets	1,202,291	96,597
	\$ 6,645,583	\$ 6,103,343

MCCORMACK BARON RAGAN MANAGEMENT SERVICES, INC.

BALANCE SHEET

Page 2 Of 2

Liabilities And Stockholder's Equity

	December 31,	
		2009
		(As Restated -
	2010	Note 2)
Current Liabilities		
Accounts payable and accrued expenses (Note 7)	\$ 162,613	\$ 145,467
Deferred lease incentive (Note 11)	29,016	—
Due to related parties (Note 3)	3,639,470	4,438,845
Due to Parent Company	378,813	185,350
Total Current Liabilities	4,209,912	4,769,662
Long-Term Liabilities		
Deferred rent (Note 11)	24,227	—
Deferred lease incentive (Note 11)	278,071	—
Deferred income tax liability (Note 8)	184,743	—
Total Long-Term Liabilities	487,041	—
Stockholder's Equity		
Common stock:		
Par value \$1 per share, authorized 30,000 shares; issued 500 shares	500	500
Additional paid-in capital	112,031	112,031
Retained earnings	1,836,099	1,221,150
Total Stockholder's Equity	1,948,630	1,333,681
	\$ 6,645,583	\$ 6,103,343

MCCORMACK BARON RAGAN MANAGEMENT SERVICES, INC.

STATEMENT OF INCOME

	For The Years	
	Ended December 31,	
	2010	2009
	(As Restated - Note 2)	
Income		
Management fees	\$ 5,353,878	\$ 5,084,038
Partnership service fees	378,488	322,118
Interest income	—	1,654
Gain on termination of lease, net (Note 11)	337,896	—
Other income	—	4,134
Total Income	6,070,262	5,411,944
Expenses		
General and administrative	5,063,536	4,816,469
Loss on disposal of assets	954	—
Interest expense	—	839
Total Expenses	5,064,490	4,817,308
Income Before Provision For Income Taxes	1,005,772	594,636
Provision For Income Taxes	390,823	234,316
Net Income	\$ 614,949	\$ 360,320

MCCORMACK BARON RAGAN MANAGEMENT SERVICES, INC.

STATEMENT OF STOCKHOLDER'S EQUITY
For The Years Ended December 31, 2010 And 2009

	Common Stock	Additional Paid-In Capital	Retained Earnings	Total Stockholder's Equity
Balance - January 1, 2009	\$ 500	\$ 112,031	\$ 9,307	\$ 121,838
Prior Period Adjustment (Note 2)	—	—	910,289	910,289
Balance - January 1, 2009 (As Restated)	500	112,031	919,596	1,032,127
Net Income (As Restated - Note 2)	—	—	360,320	360,320
Dividends Paid To Parent Company, Net	—	—	(58,766)	(58,766)
Balance - December 31, 2009	500	112,031	1,221,150	1,333,681
Net Income	—	—	614,949	614,949
Balance - December 31, 2010	\$ 500	\$ 112,031	\$ 1,836,099	\$ 1,948,630

MCCORMACK BARON RAGAN MANAGEMENT SERVICES, INC.

STATEMENT OF CASH FLOWS

	For The Years Ended December 31,	
		2009
	2010	(As Restated - Note 2)
Cash Flows From Operating Activities		
Net income	\$ 614,949	\$ 360,320
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	63,223	21,596
Loss on disposal of property	954	—
Deferred income taxes	37,994	(109,734)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	54,807	(60,830)
Decrease in prepaid expenses	12,979	19,274
Increase (decrease) in accounts payable and accrued expenses	17,146	(158,482)
Increase in deferred rent	24,227	—
Increase in deferred lease incentive	307,087	—
Increase in due to Parent Company	193,463	326,230
Net Cash Provided By Operating Activities	1,326,829	398,374
Cash Flows From Investing Activities		
Net (deposits to) withdrawals from restricted cash	873,379	(140,861)
Payments for equipment and leasehold improvements	—	(6,020)
Net Cash Provided By (Used In) Investing Activities	873,379	(146,881)
Cash Flows From Financing Activities		
Advances from (payments to) related parties - net	(862,080)	122,510
Dividends paid to Parent Company, net	(1,233,888)	(58,766)
Net Cash Provided By (Used In) Financing Activities	(2,095,968)	63,744
Net Increase In Cash And Cash Equivalents	104,240	315,237
Cash And Cash Equivalents - Beginning Of Year	465,929	150,692
Cash And Cash Equivalents - End Of Year	\$ 570,169	\$ 465,929
Supplemental Disclosure Of Cash Flow Information		
Noncash investing and financing activities (Note 12)		
Interest paid	\$ —	\$ 839
Income taxes paid - net	159,366	17,820

MCCORMACK BARON RAGAN MANAGEMENT SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2010 And 2009

1. Organization And Summary Of Significant Accounting Policies

Operations

McCormack Baron Ragan Management Services, Inc. (MBR or the Company) provides property management services to over 16,000 units nationally. The Company considers its strong property management program vital to the long-term success of each development. The Company is a wholly-owned subsidiary of MBA Properties, Inc. (the Parent Company).

Estimates And Assumptions

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates. The most significant estimate relates to the estimated allowance for doubtful accounts receivable.

Cash And Cash Equivalents

The Company considers all investment instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides an allowance for doubtful accounts equal to the estimated collection losses that will be incurred in collection of all receivables. The estimated losses are based on historical collection experience coupled with a review of the current status of the existing receivables. In addition, all accounts that are greater than 120 days past due are reserved for in the allowance for doubtful accounts. Accounts receivable are generally not written off until the property is no longer under management.

Loans And Advances

The Company has made noninterest-bearing loans and advances to certain partnerships to provide working capital. The Company provides an allowance for potentially uncollectible loans and advances, if deemed necessary by management. This analysis is made based upon a specific analysis of each loan and advance.

MCCORMACK BARON RAGAN MANAGEMENT SERVICES, INC.

Notes To Financial Statements *(Continued)*

Equipment And Leasehold Improvements

Equipment and leasehold improvements are carried at cost, less accumulated depreciation and amortization, computed using straight-line and accelerated methods. The assets are depreciated and amortized over the shorter of their estimated lives, or the underlying lease term for leasehold improvements. Estimated useful lives range from three to eleven years.

Deferred Lease Incentive

A lease incentive was deferred as a liability and is being amortized on a straight-line basis over the life of the lease as a reduction of corresponding rent expense.

Management Fees

The Company earns fees from the properties it manages. Substantially all of the properties are urban residential communities. Most fees are based on a percentage of rents generated by the properties. Some fee arrangements include payment terms that are contractually subordinated to other obligations of the properties. These fees are generally paid out of the properties' operating cash flow and are recognized by the Company as the related properties' rental income is earned, assuming collection is deemed probable. If management determines that collection is not probable, fees are not recognized as income until they are received.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of accounts receivable, equipment and leasehold improvements, accrued expenses, deferred lease incentive, and deferred rent for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be deductible or taxable when the assets and liabilities are recovered or settled. Deferred tax assets and liabilities are reflected at income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. If it is more likely than not that some portion or all of a deferred tax asset will not be realized, a valuation allowance is recognized.

The Company files consolidated income tax returns with the Parent Company and other wholly owned subsidiaries of the Parent Company and records its share of the consolidated provision for income taxes on a separate return basis.

MCCORMACK BARON RAGAN MANAGEMENT SERVICES, INC.

Notes To Financial Statements (Continued)

The Company issued accounting rules for uncertain income tax positions, which require financial statement recognition of the impact of a tax position if a position is more likely than not of being sustained on audit, based on the technical merits of the position. The rules also provide guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, transition, and disclosure requirements for uncertain tax positions. The Parent Company's consolidated federal, state and city tax returns for tax years 2007 and later remain subject to examination by taxing authorities.

Reclassifications

Certain amounts on the 2009 financial statements were reclassified to conform to the 2010 financial statements.

Subsequent Events

Management has evaluated subsequent events through April 25, 2011, the date which the financial statements were available for issue.

2. Prior Period Adjustment

The accompanying financial statements for 2009 have been restated to properly reflect the Company's share of the consolidated provision for income taxes on a separate return basis. As a result of this restatement, beginning retained earnings at January 1, 2009 was increased by \$910,289. Further, at December 31, 2009, deferred tax assets increased by \$426,714, and due to Parent Company decreased by \$406,838. The provision for income taxes for the year ended December 31, 2009 increased by \$76,737.

3. Restricted Cash

Restricted cash consists of the following:

	2010	2009
Concentration cash account restricted for use in funding related party obligations	\$ 3,455,424	\$ 4,262,591
Cash restricted for use in funding project insurance reserves	114,408	179,722
Cash restricted for use in funding the employees' flexible benefit cafeteria plan	28,088	28,986
	<u>\$ 3,597,920</u>	<u>\$ 4,471,299</u>

MCCORMACK BARON RAGAN MANAGEMENT SERVICES, INC.

Notes To Financial Statements (Continued)

Various partnerships managed by the Company transfer their operating cash to a concentration cash account held and maintained by the Company. For providing the cash management services, the Company collects the interest earned on the account, net of bank charges.

At December 31, 2010, deficit balances in the concentration cash account amounted to \$71,218 and are included in Due from Related Parties on the balance sheet. Balances in the concentration cash account held on behalf of related partnerships amounted to \$3,526,642 and \$4,262,591 at December 31, 2010 and 2009, respectively, and are included in Due to Related Parties on the balance sheet.

The Company coordinates and administers property and liability insurance obtained from third party insurance companies for the benefit of the Company's managed properties. Additionally, the Company collects additional funds from its managed properties to serve as a reserve for deductibles, in the event of claims. The funds are included in restricted cash and the related liability amounts to \$112,828 and \$176,254 at December 31, 2010 and 2009, respectively, and is included in Due to Related Parties on the balance sheet.

4. Accounts Receivable

Accounts receivable consist of:

	2010	2009
Administrative fees receivable	\$ 11,102	\$ 10,570
Lease-up fee receivable	—	45,033
Management fees receivable	1,972,124	1,511,918
Miscellaneous accounts receivable	66,394	19,819
Allowance for doubtful amounts	(1,443,672)	(926,585)
	<u>\$ 605,948</u>	<u>\$ 660,755</u>

Amounts are due primarily from related parties.

MCCORMACK BARON RAGAN MANAGEMENT SERVICES, INC.

Notes To Financial Statements (Continued)

The changes in the allowance for doubtful accounts during the years ended December 31, 2010 and 2009 are summarized as follows:

	2010	2009
Balance - beginning of year	\$ 926,585	\$ 596,747
Adjustments to management and partnership service fees	517,087	329,838
	<u>\$ 1,443,672</u>	<u>\$ 926,585</u>

5. Loans And Advances Receivable - Related Parties

Loans and advances receivable from related parties consist of:

	2010	2009
Loans and advances	\$ 6,028	\$ 14,541
Less: Current portion	2,378	10,891
	<u>\$ 3,650</u>	<u>\$ 3,650</u>

6. Equipment And Leasehold Improvements

Equipment and leasehold improvements consist of:

	2010	2009
Equipment (net of accumulated depreciation of \$718,701 in 2010 and \$715,907 in 2009)	\$ 144,252	\$ 21,022
Leasehold improvements (net of accumulated amortization of \$53,475 in 2010 and \$442,052 in 2009)	1,054,389	7,908
	<u>\$ 1,198,641</u>	<u>\$ 28,930</u>

Depreciation and amortization charged against income amounted to \$63,223 in 2010 and \$21,596 in 2009.

MCCORMACK BARON RAGAN MANAGEMENT SERVICES, INC.

Notes To Financial Statements (Continued)

7. Accounts Payable And Accrued Expenses

Accounts payable and accrued expenses consist of:

	2010	2009
Accounts payable - trade	\$ 24,587	\$ 20,189
Cafeteria plan liability	28,088	28,986
Accrued salaries	22,567	10,515
Accrued vacation	87,371	85,777
	<u>\$ 162,613</u>	<u>\$ 145,467</u>

8. Income Taxes

The Company files its income tax returns as a member of a consolidated group and records its share of the consolidated provision for income taxes on a separate return basis. The Company's income tax provision consists of the following:

	2010	2009
Federal income taxes	\$ 297,060	\$ 289,669
Current state and city income taxes	55,769	54,381
	<u>352,829</u>	<u>344,050</u>
Deferred tax expense (benefit)	37,994	(109,734)
	<u>\$ 390,823</u>	<u>\$ 234,316</u>

The tax provisions differ from amounts that would be calculated by applying federal statutory rates to income before income taxes because no tax benefits have been recognized for certain nondeductible operating expenses, state income taxes, and the effect of graduated rates.

The Company receives or remits tax amounts to the Parent Company. The Company's balance sheet as of December 31, 2010 and 2009 reflects incomes taxes payable to the Parent Company of \$378,813 and \$185,350 at December 31, 2010 and 2009, respectively.

MCCORMACK BARON RAGAN MANAGEMENT SERVICES, INC.

Notes To Financial Statements (Continued)

The net deferred tax assets in the accompanying balance sheet include the following components:

	2010	2009
Deferred tax assets	\$ 726,696	\$ 467,715
Deferred tax liabilities	(337,976)	(41,001)
Net deferred tax assets	\$ 388,720	\$ 426,714
Current deferred tax asset consists of:		
Deferred tax asset	\$ 573,463	\$ 362,697
Noncurrent deferred tax assets (liabilities) consist of:		
Deferred tax asset	\$ —	\$ 64,017
Deferred tax liability	(184,743)	—
Net deferred tax assets (liabilities)	\$ (184,743)	\$ 64,017
Net deferred tax assets	\$ 388,720	\$ 426,714

9. Deferred Compensation Plan

The Company participates in McCormack Baron Salazar, Inc.'s 401(k) savings plan. McCormack Baron Salazar, Inc. (MBS) is another wholly owned subsidiary of the Parent Company. This plan covers eligible full-time employees. The 401(k) feature of the plan allows participants to defer a portion of eligible compensation on a tax-deferred basis. This safe harbor plan provides for a contribution of 3% of base salary to all eligible full-time employees. The contribution amounted to \$101,970 and \$89,785 in 2010 and 2009, respectively.

10. Related Party Transactions

The Company receives various fees for management and supervision of rental properties of partnerships in which an affiliate is a general partner. A substantial portion of all fees earned is from entities in which the Company or its stockholders have a financial interest.

The Company has advanced and loaned funds to related parties, including various partnerships. Interest is not charged on these advances. Advances to entities in the operational stage are typically repaid from available cash subject to applicable regulatory agreements.

The Company shares office space leased by MBS. MBS has allocated a portion of leasehold improvements and rent expense to the Company, using the Company's estimated occupied space compared to the total occupied space as the allocation factor.

Certain employees of related entities perform services for the Company. Salaries and related benefits are allocated to the Company based on estimates of each employee's time spent on matters relating to the Company.

11. Commitments And Contingencies

Contingent Liabilities

The Company is involved in litigation concerning a variety of matters occurring in the normal course of business. Management believes that the ultimate resolution of all outstanding litigation will not materially affect the financial position or operations of the Company.

Long-Term Leases

In August 2009, MBS entered into an agreement to terminate its office lease effective July 31, 2010. In exchange for the early termination of the lease, MBS received a cash payment to fund relocation costs and leasehold improvements at MBS's new office. Since the Company shared this office space with MBS and was allocated a portion of the related lease costs over the life of the lease, MBS allocated \$397,700 of these funds to the Company, as well as \$59,804 of relocation costs. The Company recorded a net gain on termination of lease in 2010 of \$337,896.

In February 2010, MBS entered into a new lease agreement. Consistent with previous leases, since the Company shares this office space with MBS, the Company will continue to be allocated rent expense related to the portion of the space occupied. This new lease agreement, which expires in 2021, includes escalating rents and various rent concessions. As such, rental payments associated with this lease have been recognized on a straight-line basis over the lease term. Deferred rent related to the Company's allocated portion of the lease amounted to \$24,227 at December 31, 2010. In addition, the landlord provided MBS with a construction allowance to fund leasehold improvements. MBS allocated \$319,177 of this allowance to the Company. This construction allowance has been deferred and will be recognized over the lease term as a reduction in the corresponding rent expense. Deferred lease incentives amounted to \$307,087 at December 31, 2010.

MCCORMACK BARON RAGAN MANAGEMENT SERVICES, INC.

Notes To Financial Statements (Continued)

MBS also leases office and parking space in other cities under lease agreements which expire in 2011. A portion of the rent related to these leases has been allocated to the Company based on the total space occupied.

Rent expense allocated to the Company for office and parking space amounted to \$238,709 and \$264,294 in 2010 and 2009, respectively.

MBS leases office equipment under leases expiring in July 2015 at annual rentals of \$19,271. These leases provide that MBS pays taxes, maintenance, insurance and certain other operating expenses applicable to the leased items. Based on the Company's usage of this equipment, rent expense for computer and office equipment allocated to the Company amounted to \$51,345 and \$49,189 in 2010 and 2009, respectively.

The future minimum rental commitments of the Company required under these noncancellable operating leases are as follows:

<u>Year</u>	<u>Amount</u>
2011	\$ 123,837
2012	207,180
2013	245,348
2014	266,428
2015	281,473
Thereafter	1,585,736
	<u>\$ 2,710,002</u>

12. Supplemental Cash Flow Information

In 2010, \$1,233,888 of equipment and leasehold improvements were contributed to the Company by the Parent Company.



RubinBrown LLP
Certified Public Accountants
& Business Consultants

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Saint Louis, MO 63105

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Independent Auditors' Report On Supplementary Information

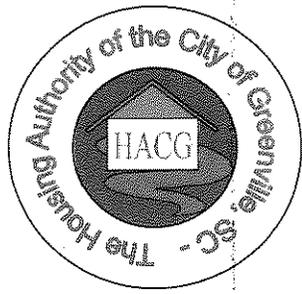
Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary schedule of general and administrative expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

RubinBrown LLP

April 25, 2011

MCCORMACK BARON RAGAN MANAGEMENT SERVICES, INC.
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES

	For The Years	
	Ended December 31,	
	2010	2009
Salaries	\$ 3,345,788	\$ 3,145,631
Payroll taxes	244,114	235,030
Profit sharing plan contributions	101,970	89,785
Advertising and promotion	11,159	8,779
Contributions	3,100	1,900
Depreciation and amortization	63,223	21,596
Dues and subscriptions	8,667	9,875
Education expense	17,994	25,156
Employee benefits	181,856	183,378
Equipment rental	51,345	49,189
Insurance - general	5,944	29,195
Insurance - life of officer	20,849	19,151
Miscellaneous	25,172	27,055
Outside services	14,946	44,890
Office expense - general	89,517	88,236
Professional services	216,929	136,663
Rent	238,709	264,294
Repairs and maintenance	2,361	1,282
Taxes and licenses	23,131	17,541
Technology expenses	60,492	90,640
Telephone	76,590	73,596
Travel and entertainment	259,680	253,607
	\$ 5,063,536	\$ 4,816,469



The Housing Authority of the City of Greenville

511 Augusta Street
Post Office Box 10047
Greenville, South Carolina 29603
Tel. (864) 467-4250

FAX (864) 467-3088
TDD (864) 467-4229

Michael J. Raymond
Executive Director

Commissioners

W. Andrew Arnold
Chairman

Ron Vergnolle
Vice Chairman

Frederick F. Carpenter

Camille Chapman

Princella Bridges

Mamie L. Hudson

Felsie Harris

September 9, 2011

South Carolina State Budget and Control Board
P.O. Box 12444
Columbia, SC 29211

Attn: Mr. Delbert H. Singleton Jr.
Office of the Executive Director

**Re: Roosevelt Heights (Three Hundred Nichol Street, LP),
a.k.a. Evergreen Place, Greenville, South Carolina**

Dear Members of the State Budget and Control Board:

I am the Executive Director of the Housing Authority of the City of Greenville, South Carolina ("HACG"). HACG is the Landlord under the ground lease relating to the captioned property. HACG is also the Lender under an AHP loan totaling \$485,350, which is secured by the captioned property.

I am sending this letter to confirm HACG's support of the change in property manager at the Roosevelt Heights property. We support the selection of McCormack Baron Ragan as property manager.

Sincerely,

Michael J. Raymond
Executive Director



19-103.07. Lapse of Filing.

Whenever any filing as provided in Reg. 19-103.06 hereof precedes the date of issue of the Bonds by more than ten (10) business days, such filing shall be void and a new filing shall be required prior to the issuance of the bonds.

19-103.08. Time Limits of Allocations.

(a) Any allocation of the State Ceiling approved by the Budget and Control Board before October 1 shall be valid only for the calendar year in which it was approved, unless specified to the contrary in the Board Secretary's allocation certification required by Reg. 19-103.06 hereof.

(b) Board approval of allocations on and after October 1 must specify the calendar year in which the allocation is valid and this information must be indicated in the certificate of the Board's Secretary.

(c) Unless specified to the contrary, each allocation shall expire automatically if the bonds for which such allocation has been approved are not issued within ninety (90) days following the approval by the Budget and Control Board; provided that the entity which filed the Authorized Request must advise the Board's Secretary of the status of the issuance within sixty (60) days and again within seventy-five (75) days from the Board's approval if the Internal Revenue Service Form 8038 has not been filed before those points in time.

19-103.09. Termination of This Regulation.

These Regulations shall be of no force and effect upon the earlier of the rescission by Congress or declaration of unconstitutionality of Section 621 of the Act, or any portion thereof, by the U.S. Supreme Court.

19-103.10. Future Changes and Evaluation of Regulations.

(a) Prior to January 1, 1986, the Joint Bond Review Committee will conduct a review and evaluation of these Regulations.

19-104. Approval Procedure for City, County and Regional Housing Authority Bond Issues for Multifamily Housing Projects.**Editor's Note**

The following regulations, unless noted otherwise, became effective May 22, 1987.

19-104.01. Securing Approval; Documents Required.

To secure approval of the issue and sale of bonds or notes (hereafter bonds) by a city, county or regional housing authority (hereafter local housing authority) to finance multifamily housing projects, as provided in Act 369 of 1986, the following must be submitted to the Budget and Control Board (Board):

A. An executed original and a copy of the petition of the local housing authority governing body describing a proposed project, requesting Board approval of the issue and sale of a specified amount of bonds to finance the project and, including, if appropriate, a request for an allocation of a portion of the State Ceiling to the bonds and the project;

B. Two executed copies of the resolution or ordinance of the local housing authority governing body authorizing the petition to the Board;

C. Two sets of the documents providing for the issuance and securing of the bonds or drafts thereof in substantially final form;

D. Two sets of audited financial statements of the entity obligated to pay the bonds covering at least the three prior fiscal years except that, in any case where the bonds are to be sold privately, a representation from the person or institution purchasing the bonds that satisfactory financial information has been provided by that entity and that the bonds are being purchased for investment rather than resale purposes may be submitted in lieu of audited financial statements;

E. The original of a resolution approving the bond issue proposed by the local housing authority governing body for adoption by the Board and copies of that resolution to be certified by the Board Secretary;

F. Two copies of statements disclosing:

(1) the results of any market study or other analysis of the multifamily housing needs in the proposed project area which was the basis upon which a determination was made by the local housing authority to issue the bonds to finance the project together with a complete description of the project;

(2) the principal amount of the bonds proposed to be issued;

(3) the purpose or purposes for which the proceeds of such bonds are to be expended;

(4) the maturity schedule of the bonds proposed to be issued;

(5) the rate of interest expected on the bonds proposed to be issued;

(6) a schedule showing (a) the annual debt service requirements of all outstanding bonds of the local housing authority proposing the bonds; (b) the annual debt service requirements of the proposed bonds; and (c) the aggregate annual debt service requirements of the outstanding and proposed bonds;

(7) a schedule showing the amount and source of revenues available annually for the payment of the annual debt service requirements established by the schedule required by (6), above;

(8) the method to be employed in selling the proposed bonds;

(9) evidence of compliance with applicable provisions of State and federal law prior to the issuance of the bonds;

(10) evidence that the project or projects financed by the bonds will be managed and operated in compliance with applicable provisions of State and federal law including, in those instances determined by the Board, subjecting the project to restrictive covenants to ensure such compliance;

(11) evidence that each bond financing proposed is structured to protect the interests of prospective bondholders and the local housing authority by meeting the following requirements, as a minimum:

BUDGET AND CONTROL BOARD

(a) With respect to bonds to be offered at public sale:

(1) the issue must be rated no less than "investment grade" by one of the national rating agencies; and

(2) in addition, one or more of the following conditions must be met:

(aa) There must be in effect for the bonds to be issued a federal program which provides assistance in the payment of the principal and interest when due to bondholders.

(bb) The lendable proceeds of the bond sale must be used to acquire either federally-insured mortgages or mortgages insured by a private mortgage insurance company authorized to do business in South Carolina.

(cc) The payment of principal and interest when due to bond purchasers and bondholders must be insured by the maintenance of adequate reserves or by insurance or by a guaranty by a responsible entity.

(b) With respect to bonds sold or placed as "Mortgage bonds sold as a unit" or in "Transactions with banks, institutional buyers, etc . . .", as provided in Code § 35-1-320, the documents pursuant to which bonds are issued must permit the local housing authority to avoid any default by it by completing an assignment of or foregoing its rights with respect to any collateral or security pledged to secure the bonds.

(c) With respect to any bonds offered for sale upon the representation that the interest paid thereon by the issuer is exempt from federal income taxation, the documents pursuant to which bonds are issued must require the mandatory redemption of the bonds at par value if the interest paid thereon is determined to be subject to federal income taxation.

(12) ~~evidence that every official statement, preliminary official statement, and any other document used in the sale of any bond issued by a local housing authority includes the following disclaimer:~~

No representation is made by or on behalf of the State of South Carolina or the State Budget and Control Board as to the creditworthiness of the securities hereby offered. Neither the State of South Carolina nor any of its agencies is obligated for the payment of any principal or interest due or to become due on the securities hereby offered for sale.

(13) the local housing authority's agreement that the management agent for any project approved by the Budget and Control Board must also be approved by the Board.

19-104.02. --Review by Office of the Attorney General, by Office of State Auditor and by Office of Executive Director.

Before the Board will grant final approval in whole or in part to a petition by the governing body of a local housing authority to issue bonds,

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

AGREEMENT AS TO
RESTRICTIVE COVENANTS
(ROOSEVELT HEIGHTS)

WHEREAS, Three Hundred Nichol Street, LP, a South Carolina limited partnership (the "Borrower"), has requested the Housing Authority of the City of Greenville, South Carolina (the "Authority"), to issue its \$9,000,000 aggregate principal amount of Multifamily Housing Revenue Bonds (Roosevelt Heights) Series 2006 (the "Bonds") to assist it under the provisions of Title 31, Chapters 3 and 13 of the Code of Laws of South Carolina 1976, as amended, particularly Sections 31-13-90 and 31-13-190 thereof, and Sections 31-3-20(15) and (17) and 31-3-540 of the Code of Laws of South Carolina 1976, as amended (the "Enabling Act") by providing financing for a portion of the costs of renovation and rehabilitation of Roosevelt Heights, an existing multifamily rental property, by the development of approximately 168 units consisting of 1-bedroom, 2-bedroom, and 3-bedroom walkup garden apartments with related and ancillary facilities (the "Project"); and

WHEREAS, the Borrower is the owner of the Project which is located on the parcel of land described in Exhibit A attached hereto, and, by reference incorporated herein (the "Land"); and

WHEREAS, the Borrower has requested the Authority, and the Authority has agreed, as set forth and subject to the terms and conditions in relevant definitive documentation, to provide funds for the making of a construction loan and a permanent mortgage loan (the "Loan") to develop and construct the Project in order to provide rental housing for occupancy by persons and families of low or moderate to low income as defined in the Enabling Act (the "Beneficiary Classes"); and

WHEREAS, the Authority has issued the Bonds in the aggregate amount of \$9,000,000 pursuant to the terms of the Trust Indenture, dated as of December 1, 2006 (the "Indenture"), between the Authority and The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), the proceeds of which will be used to fund the Loan to the Borrower pursuant to the terms of the Loan Agreement, dated as of December 1, 2006 (the "Loan Agreement"), among the Authority, the Borrower, and the Trustee (the Indenture and the Loan Agreement are collectively referred to herein as the "Financing Agreements"); and

WHEREAS, in order to induce the Authority to make the Loan for the Project, and to satisfy the requirements under Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), and the Regulations of the Department of the Treasury promulgated with respect thereto (the "Regulations"), the Borrower is willing to subject the Project to certain conditions and restrictions contained in this Agreement; and

WHEREAS, the Borrower also will use federal low income housing tax credits to provide additional funds for the construction of the Project.

NOW, THEREFORE, in consideration of the assistance to be provided by the Authority and in compliance with the requirements of the Enabling Act and the Code, the Borrower hereby agrees and covenants with the Authority and Trustee as follows:

1. Provision of Rental Housing. The Borrower agrees to provide and operate the Project for the purpose of providing housing for rental to members of the general public. This provision does not apply to any unit designated for occupancy by a resident manager or maintenance personnel employed by the Borrower.

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FILED IN GREENVILLE COUNTY, SC

The Borrower hereby declares that the Project, including the Land, and every part thereof is and shall be owned (legally and beneficially), leased, or otherwise conveyed, transferred, developed, rehabilitated, improved, built upon, occupied, or otherwise used, subject to the covenants and restrictions set forth herein (collectively, the "Covenants").

2. Binding Upon Project. The Borrower acknowledges that this Agreement is for the benefit of the Project and is in the nature of a covenant that runs with the Land and every part thereof so as to be binding upon it and all property owners, tenants, licensees, occupants, and their successors in interests with respect to the Land throughout the term specified in Section 10 hereof. The Borrower agrees to take such steps as are requested of it by the Authority to assure the intent of this paragraph, including, without limitation, the execution and recording of any instruments requested of it by the Authority and the inclusion of references hereto in any contract of sale or conveyance of the Project or any interest therein or management thereof.

3. Survival. Subject to Section 10 hereof, the Covenants of the Borrower set forth herein shall survive a sale, transfer, or other disposition of the Project, including the Land, by the Borrower or the repayment of the Loan given by the Authority to the Borrower from any portion of the proceeds of the Bonds, but shall cease to apply to the Project, including the Land, in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in federal law, or an action of a federal agency which prevents the Authority from enforcing the requirements herein, even though compensated by insurance, provided that the Bonds are retired within a reasonable period after such involuntary loss or substantial destruction. The Covenants of the Borrower, however, shall survive a foreclosure, transfer of title by deed in lieu of foreclosure, or similar event if, at any time during the period beginning on the first day on which ten (10%) percent of the residential units in the Project are occupied and ending on the latest of (i) the date which is 10 years after the date on which fifty (50%) percent of the residential units in the Project are occupied; or (ii) the first day on which no tax-exempt private activity bond issued with respect to the Project is outstanding (the "Qualified Project Period"), the Borrower or a "related person" (within the meaning of Section 147(a)(2) of the Code) obtains an ownership interest in the Project.

4. The Project. The Project shall consist of the Land and all improvements thereon and the renovation and rehabilitation of the improvements and facilities described in the initial recital of this Agreement.

(a) Components of the Project. - The Project will consist of an apartment complex, consisting of a building or structure or several proximate and interrelated buildings or structures and facilities functionally related and subordinated thereto and:

- (i) each containing one or more similarly constructed units, having separate and complete facilities for living, sleeping, eating, cooking, and sanitation for a single person or a family, and facilities which are functionally related and subordinate to such units; and
- (ii) all of the units of which will, on a continuous basis, be rented or available on a non-transient basis for rental to members of the general public.

(b) Construction and Completion. - The Borrower will use the proceeds of the Loan to purchase, renovate, and rehabilitate the Project.

(c) Change of Project. - The Borrower will make no change in the nature, size (including number of units), or location of the Project from that which was described in a Notice of Public Hearing published on August 3, 2006, without the consent of the Authority.

5. Rental Procedures.

(a) Applications. The Borrower shall require all applicants for rental of any unit in the Project to provide information on forms approved by the Authority as to the aggregate gross income of all of the occupants of such unit. The Borrower shall adopt procedures specified or approved by the Authority to verify the accuracy of the information contained on such applications. Applications shall be required of any occupant upon the conclusion of the maximum lease term permitted hereunder, as if such occupant were a new tenant.

(b) Rental to Qualified Low Income Tenants: Suitability for Occupancy. (i) During the term of these Covenants, one hundred percent (100%) of the units within the Project, and the applicable fraction of each of the buildings (as established by Section 42(c)(1)(B) of the Code), shall be leased and rented to members of the general public who qualify as Low Income Tenants (or otherwise qualify for the occupancy of low income units) under the applicable election specified in Section 42(g) of the Code. Section 42(h)(6)(B)(iv) prohibits the refusal to lease to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 (the "Housing Act of 1937") because of the status of the prospective tenant as such holder. The Borrower covenants and agrees to comply with the provisions of Section 42(h)(6)(B)(iv) of the Code.

(ii) The Borrower covenants and agrees that during the term of these Covenants each unit within the Project will remain suitable for occupancy and will be used other than on a transient basis.

(c) Low or Moderate Income Occupancy Requirement. (i) One hundred percent (100%) of the completed dwelling units in the Project shall be occupied continuously, during the longer of the Qualified Project Period or as long as any of the Bonds remain outstanding, by individuals or families ("Federal Low Income Tenants") whose total aggregate income at the time of initial occupancy does not exceed 60% of the Area Median Gross Income ("Federal Income Test"). "Area Median Gross Income" means the median income in the geographic area in which the Project is located, as determined annually by the Secretary of the Treasury of the United States of America in a manner consistent with the Housing Act of 1937 (or, if programs under Section 8 are terminated, under such program in effect immediately before such termination).

(ii) However, if all the occupants of a residential unit are Students, no one of whom is entitled to file a joint return under Section 6013 of the Code, such individuals may not be treated as Federal Low Income Tenants. "Student" means any individual who during each of five (5) calendar months during the calendar year is a full-time student at an organization that normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance at the place where its educational activities are regularly carried on, as described in Section 170(b)(1)(A)(ii) of the Code (an "Educational Organization") or such persons are pursuing a full time course of institutional on-farm training under the supervision of an accredited agent of an Educational Organization or of a state or political subdivision thereof, as described in Section 151(c)(4) of the Code.

(iii) A unit occupied by an individual or family who, at the commencement of the occupancy, was a Federal Low Income Tenant shall be treated as occupied by Federal Low Income Tenants during such individual's or family's tenancy in such unit, even though the individual or family subsequently ceases to meet Federal Income Test. The preceding sentence shall cease to apply to any tenant(s) whose income as of the most recent annual determination exceeds 140% of the Federal Income Test if, after such

determination, but before the next determination, any residential unit of comparable or smaller size in the Project is occupied by a new resident whose income exceeds the Federal Income Test. In addition, a vacant unit shall be treated as occupied by a Federal Low Income Tenant until re-occupied, other than for a temporary period, by another occupant, at which time the character of the unit shall be re-determined by the new occupant's income. In no event shall a temporary period exceed 31 days. In order to comply with the provisions hereof, it is understood that it may become necessary to hold a unit vacant until it can be re-occupied by a Federal Low Income Tenant.

(d) Provisions in Leases.

(i) Every agreement pursuant to which any unit as leased or to be occupied shall contain a requirement that the tenant notify the Borrower of any change in the number of persons occupying such unit.

(ii) Every agreement pursuant to which any unit is leased to or occupied by a person or family of low to moderate income shall contain additional provisions substantially as follows:

- (1) The unit covered hereby shall not be subleased nor shall this lease be assigned. This lease shall be subject to termination in accordance with applicable State Law.
- (2) The tenant acknowledges that occupancy of this unit is restricted to persons or families who at the time of initial occupancy are of low or moderate income. In the event the tenant is discovered not to have met such limitation at the date of initial occupancy, this lease shall be terminated by the landlord or the Authority in accordance with applicable state law. The Tenant agrees to provide the landlord and, upon written request, the Authority with a statement of current income at least annually and to provide such evidence as may be deemed necessary and appropriate to document such statement of income.

(e) Certification of Income. As a condition of occupancy, each Federal Low Income Tenant shall be required to sign and deliver to the Borrower a Certification of Adjusted Income, in the form provided by the Authority, and the Borrower shall, promptly upon receipt (or within five business days thereafter), file a copy of such certification with the Authority. Such tenant shall also be required to provide whatever other information, documents, or certifications are deemed necessary by the Borrower or the Authority to substantiate the certification. All certifications of adjusted income with respect to each Federal Low Income Tenant in the Project during the immediately preceding calendar year shall be maintained on file at the main business office of the Project.

(f) Marketing - Waiting Lists. The Borrower agrees to take reasonable steps to notify the public that units in the Project are available for Federal Low Income Tenants and to maintain a waiting list of applicants who are Federal Low Income Tenants for the purpose of ensuring maximum occupancy of the Project by Federal Low Income Tenants.

(g) No Partial Disposition. The Borrower covenants it will not dispose of any portion of any Project building to any person unless all of such Project building is disposed of to the same person at the same time.

6. Record Keeping, Reporting and Inspection. (a) The Borrower covenants that it will maintain records at the Project regarding compliance with these Covenants and will file or cause to be filed all reports required to be filed by the owner and operator of the Project under the Code and the Regulations.

Such records shall be maintained in the format prescribed by the Authority and shall contain such information as to the occupants of the units designated for Federal Low Income Tenants as may be necessary to determine compliance with the provisions of the Code as well as compliance with the Enabling Act. The Borrower acknowledges that failure to file such certification with the Secretary of the Treasury shall subject the Borrower to penalty, as provided by the Code.

(b) The Authority shall be permitted to inspect such records and the Project at all reasonable times. Such inspection shall be for the purpose of verifying the accuracy of such records and the reports made to the Authority and for compliance herewith.

(c) The Borrower shall report to the Authority monthly with the information about the Project, its occupants, and the income of its occupants, as necessary, to enable the Authority to monitor compliance with these Covenants, including without limitation, compliance with Section 142(d) of the Code, as well as compliance with the Enabling Act. Such reports shall be in such form as is prescribed by the Authority. The Borrower agrees that the Authority may contact any tenant in the Project for the purpose of verifying the accuracy of such records.

(d) At the time of any proposed rent increase pursuant to Section 8 of this Agreement, the Borrower shall furnish financial records to the Authority containing information on revenues and expenditures of the Project, including information relating to the effect of such increase, in such form as the Authority may reasonably require. The Borrower shall provide the Authority an annual financial report as to the Borrower containing a balance sheet and a statement of income and expenses, all prepared in conformity with generally accepted accounting principles.

7. Default; Corrective Action. In the event the Authority detects noncompliance with Section 5 hereof and the Borrower or the manager of the Project does not immediately upon notification by the Authority take steps to correct such noncompliance, the Authority may terminate, in accordance with applicable State law, any lease resulting in such noncompliance and require the Borrower or its manager to relet or arrange for the releasing of any dwelling unit necessary to re-establish compliance herewith.

8. Rents and Other Charges.

(a) The maximum monthly rental for any unit required to be occupied by Federal Low Income Tenants shall not exceed the maximum monthly rent permitted to be charged pursuant to Section 42 of the Code for a rental unit containing the same number of bedrooms.

(b) At or before the execution hereof, the Borrower shall provide the Authority with a schedule of the rents expected to be charged for each unit in the Project to be occupied by the Federal Low Income Tenants. The Borrower may thereafter change the schedule of rents from time to time only upon giving not less than thirty days written notice to the Authority accompanied by a certification that rents per unit under the proposed rent schedule will not exceed the maximum amounts provided for in these Covenants and that all statements contained in the notification are true and correct.

(c) The rental charged to any particular tenant or the occupants of any unit shall not be changed during the term of any lease thereof (treating each extension as a separate lease) unless the unit covered by any particular lease is vacated during the term thereof.

9. Management Agreements. The Borrower acknowledges that the appointment of management for the Project is subject to the approval by the State Budget and Control Board as set forth in the Enabling Act or related regulations. In the event that the Borrower enters into any agreement for the management of the Project (the "Manager"), such agreement shall contain provisions authorizing the

termination thereof and removal of the Manager at the direction of the Authority solely for cause; cause shall be deemed to exist upon the Authority's determination in writing of the failure of such Manager to comply with any material provision hereof. The Authority shall provide the Borrower written notice of its intention to remove the Manager and its reasons for removing the Manager at least 30 days prior to exercising its removal rights under this Section. Upon receipt of such notification, the Borrower shall make arrangements satisfactory to the Authority for the continuing proper management of the Project. No such change in the Manager shall be valid unless and until the Borrower delivers written approval of the change in Manager by the State Budget and Control Board.

10. Duration and Modification.

(a) Duration. These Covenants shall commence on the first day of the Compliance Period (as defined by Section 42 of the Code) on which any building in the Project is placed in service and shall end on the latest of (i) the date which is 15 years after the close of the Compliance Period, (ii) the date on which the last of the indebtedness represented by the Bonds used to finance the Project has been paid, or (iii) the end of the Qualified Project Period. Notwithstanding the following provision, the Borrower shall comply with the provisions of Section 42 of the Code relating to extended use for an additional 15 years, provided, however, that the extended use period for any building shall terminate on the date any such building is acquired by foreclosure (or by any instrument in lieu of foreclosure), or on the last day of the one year period beginning on the date (after the 14th year of the Compliance Period) the Borrower submits a written request that the Authority find a person to acquire the Borrower's interest in any such building who will agree to continue to operate such building as a qualified Low Income building, and the Authority has been unable to locate such a purchaser. Provided, further, that the rent restrictions contained in Section 42 of the Code shall continue for the extended use period and for a period of three years following the termination of the extended use period pursuant to the preceding sentence. During the extended use period and for the three year period thereafter, no Low Income tenant residing in such building shall be evicted other than for good cause and the gross rent charged for any Low Income unit shall not be increased above the maximum allowed under the Code for such Low Income unit.

(b) Early Termination. Subject to the provisions stated in (a) above, the requirements of these Covenants shall cease to apply to the Project in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law, or an action of a federal agency after the date of issue of the Bonds which prevents the Authority from enforcing the Regulations or these Covenants, or condemnation or similar event but only if, within a reasonable period, the Bonds are retired. The termination provision of the first sentence of this Section 10(b) shall cease to apply in the event of foreclosure, transfer of title by deed in lieu of foreclosure, or similar event, if, at any time during that part of the Qualified Project Period subsequent to such event, the Borrower or other "obligor on the acquired purpose obligation" (within the meaning of Section 1.103-13(b)(iv)(4)(A) of the Regulations) or a "related person" (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for tax purposes.

(c) Modification or Release. Upon payment in full of the Bonds and upon expiration of the Qualified Project Period, and expiration of the term of these covenants under Section 10(a) or 10(b) above, the Authority shall execute an instrument in recordable form to such effect, as evidence of termination of this Agreement. Otherwise, these Covenants may only be modified, amended, altered, or released by an instrument in writing executed by the Authority.

11. Special Tax Covenants. (a) It is the intention of the Borrower and the Authority that interest on the Bonds shall be and remain excluded from gross income for federal income tax purposes, and to that end the covenants and agreements of the Borrower in this Section are for the benefit of each and every owner of a Bond. The Borrower and the Authority each covenants that it will comply with its

respective requirements contained in the Tax Certificates (as defined in the Financing Agreements). Without limiting the foregoing and notwithstanding anything to the contrary in this Agreement, the Borrower will not take, or permit to be taken on its behalf, any action which would cause interest on the Bonds to be included in gross income for federal income tax purposes and will take such reasonable action as may be necessary to continue such exclusion from gross income, including:

(i) the Borrower will not use the proceeds of the Bonds, or any other funds which may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code, which will cause the Bonds to be "arbitrage bonds" within the meaning of such Section, and will comply with the requirements of such Section throughout the term of the Bonds; and

(ii) the Borrower will pay to the United States any amount required to be paid by the Authority or the Borrower pursuant to Section 148(f) of the Code, at the times, in the amounts and at the places required in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(b) The Borrower agrees to and will prepare and file, at the Borrower's expense, any statements required to be filed by it in order to maintain such exclusion and upon Borrower's written request, the Authority will cooperate with the Borrower as required by law (in Bond Counsel's opinion) in the preparation of, execution of, or filing of, as applicable, any statements required to be so prepared, executed, or filed by the Authority in order to maintain such exclusion, all at the Borrower's expense. The Authority shall be entitled to indemnification and reimbursement from the Borrower with respect to performance of any of its obligations or discretionary actions under this Section.

(c) In the event the Borrower fails to take any action necessary to continue the exclusion from gross income on the Bonds (including any actions described above) or takes and refuses to timely remedy any action which may trigger such inclusion (all in Bond Counsel's opinion), the Authority shall have the right, in its sole and absolute discretion, but shall be under no duty whatsoever, to take and direct any actions necessary or desirable to continue such exclusion from gross income, all at the Borrower's expense.

(d) The Borrower agrees it will file or record such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the Authority, the Borrower, and the Trustee, in order to ensure that the requirements and restrictions of this Agreement will be binding upon all owners of the Project, including, but not limited to, the execution and recordation of this Agreement in the real property records of the county in which the Project is located.

(e) The Borrower shall notify the Trustee and the Authority of the occurrence of any event of which the Borrower has notice and which event, to the knowledge of the Borrower, would cause the interest on the Bonds to become subject to federal income taxation.

12. Legal Action Upon Violation. Violation of any of these Covenants may be enjoined, abated, restrained, or otherwise remedied by appropriate legal or equitable proceedings. Any individual who qualifies as a Low Income Tenant (or otherwise qualify for the occupancy of low income units) (whether prospective, present, or former occupant) shall be entitled, for the breach of the provisions hereof, and in addition to all other remedies provided by law or equity, to enforce specific performance by the Borrower of its obligations under this Agreement in a court of competent jurisdiction. In the event of proceedings brought by any party or parties to enforce or restrain violation of any of these Covenants, or to determine the rights or duties of any person hereunder, the prevailing party in such proceedings may recover reasonable attorney's fees to be fixed by the court, in addition to court costs and any other relief awarded by the court in such proceedings. However, enforcement of these Covenants shall not result in any claim

against the mortgaged property, the proceeds of the Loan, any reserve or deposit made with the Trustee or any other person or entity in connection with the Loan, or against the rents or other income or revenues from the Project, the Project, or any assets, income, or other property of the Borrower or any of its partners.

13. Enforceability. The Covenants shall bind the Borrower and its successors and assigns, and shall inure to the benefit of and be enforceable by the Authority and its successors and assigns. The failure of the Authority to enforce any of the Covenants shall not be deemed a waiver of the right to enforce the same thereafter. There shall be no waiver of any of the Covenants except in accordance with Section 10(c) hereof. The Borrower and the Authority each acknowledges that a primary purpose for requiring compliance by the Borrower with this Agreement is to preserve the excludability from gross income for federal income tax purposes of interest on the Bonds, and that the Trustee, on behalf of the holders of the Bonds, who are declared to be third party beneficiaries of this Agreement, shall upon any breach of the provisions hereof, be entitled to exercise the remedies available in this Agreement.

14. Grantee's Covenants. Each grantee accepting a deed, lease, or other instrument conveying any interest in the Project, including the Land, whether or not the same incorporates or refers to this Agreement, covenants for himself, his heirs, successors, and assigns to observe, perform, and be bound by the Covenants and to incorporate the same by reference in any instrument of conveyance; provided, however, that this covenant shall not bind a grantee upon involuntary conveyance (including, but not limited to, a deed in lieu of foreclosure) of the Land or Project.

15. Certain Transferees Not Bound. Any person who acquires the Project, including the Land, or any part thereof as a consequence of a foreclosure of the Loan or after a deed in lieu of foreclosure, or after an early termination as described in Section 10(b) hereof shall take free and clear of the Covenants, as provided in Section 10.

16. Change in Regulations. The Borrower acknowledges that this Agreement is based upon the Code or Regulations as they exist on the date hereof and that the Code or Regulations may be subsequently modified or interpreted by the federal government in a manner which is inconsistent with the Covenants set forth herein. The Borrower agrees to comply with any additional covenant and restriction which the Authority believes upon the written advice of counsel furnished to the Borrower and the Authority is necessary to maintain the tax-exempt status of the interest on the Bonds and which is communicated in writing to the Borrower, even though such covenant or restriction is not a part of this Agreement as originally executed; provided, however, that if counsel for the Borrower disagrees with the advice of counsel for the Authority, the Borrower shall have the right at its own expense to proceed with obtaining a favorable ruling from the Internal Revenue Service or such court interpretation which the Borrower deems advisable and in its best interest and the Authority agrees to cooperate with the Borrower in this regard, so long as the Borrower bears the Authority's expense in obtaining such ruling or interpretation. In such event, such additional covenant or restriction shall be considered a material part of this Agreement as if it had been originally included herein.

17. Recording of Agreement. The Borrower shall cause this Agreement, and all amendments and supplements hereto, to be recorded and filed in the conveyance and real property records of the county in which the Project is located and in such other place as the Authority may reasonably request. The Borrower shall pay all fees and charges incurred in connection with any such recording.

18. State Law. These Covenants shall be construed in accordance with and governed by the laws of the State of South Carolina.

19. [Reserved.]

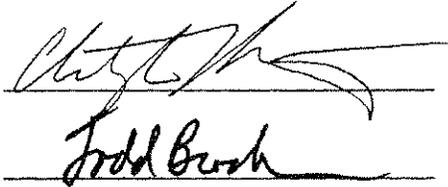
20. Gender and Number; Definitions. All pronouns used herein shall be deemed to include the masculine, the feminine, and non-personal entities, as well as the singular and plural wherever the context requires or permits. Unless the context clearly indicates otherwise, any terms not defined in this Agreement but defined in the Financing Agreements shall have the meanings given such terms in the Financing Agreements, or if defined in the Code or the Regulations shall have the meanings given such terms in the Code or the Regulations thereunder.

21. Effect of Headings. These heading of the sections herein are for convenience only and shall not affect the meanings of interpretation of the contents thereof.

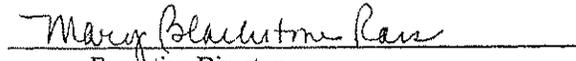
Executed and delivered this 20th day of December, 2006.

Witnesses:

HOUSING AUTHORITY OF THE CITY OF GREENVILLE, SOUTH CAROLINA



Todd Bush

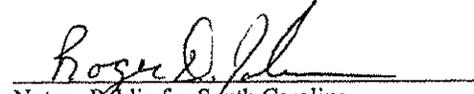


Executive Director

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

ACKNOWLEDGMENT

Before me, the undersigned Notary Public, personally appeared Mary Blackstone-Ross, Executive Director of the Housing Authority of the City of Greenville, South Carolina this ___ day of December 2006, who executed the foregoing instrument, and acknowledged that they executed the same.



Notary Public for South Carolina
My Commission Expires: 2-29-2012

Exhibit A

LEGAL DESCRIPTION

Parcel 1: 0.06 ACRE TRACT (TMS: 67.7-02-PT 02)

ALL THAT CERTAIN PIECE, PARCEL, OR TRACT OF LAND SITUATE, LYING AND BEING IN GREENVILLE COUNTY, THE STATE OF SOUTH CAROLINA, CONTAINING 0.06 ACRES AS SHOWN ON A PLAT ENTITLED, "ALTA/ ACSM LAND TITLE SURVEY", PREPARED BY SITE DESIGN, INC., DATED 11-27-06, AND HAVING ACCORDING TO SAID PLAT THE FOLLOWING METES AND BOUNDS TO WIT:

BEGINNING AT AN IRON PIN OLD 1" CRIMP TOP LOCATED ON THE WESTERN RIGHT OF WAY OF ROOSEVELT AVENUE AT IT'S INTERSECTION WITH THE NORTHERN RIGHT OF WAY OF ROOSEVELT AVENUE AND ALSO THE END OF SUMLAR DRIVE. THENCE RUNNING ALONG SAID RIGHT OF WAY OF ROOSEVELT AVENUE, S 62-35-09 W, 63.50' TO AN IRON PIN OLD 1" CRIMP TOP (BENT). THENCE S 80-47-09 W, 38.79' TO A POINT LOCATED AT THE COMMON CORNER WITH MIGUEL A. FERNANDEZ PROPERTY, N/F. THENCE LEAVING SAID RIGHT OF WAY AND RUNNING ALONG THE COMMON LINE WITH SAID MIGUEL A. FERNANDEZ, N 08-31-38 W, 45.65' TO A POINT LOCATED AT THE COMMON CORNER WITH A 0.38 ACRE TRACT AS SHOWN ON SAID PLAT, CROSSING OVER A REFERENCE IRON PIN OLD ¾" OPEN TOP AT 3.31'. THENCE RUNNING ALONG THE COMMON LINE WITH SAID 0.38 ACRE TRACT, S 82-44-51 E, 102.74' TO THE POINT OF BEGINNING.

Parcel 2: 0.38 ACRE TRACT (TMS: 67.7-02-03)

ALL THAT CERTAIN PIECE, PARCEL, OR TRACT OF LAND SITUATE, LYING AND BEING IN GREENVILLE COUNTY, THE STATE OF SOUTH CAROLINA, CONTAINING 0.38 ACRES AS SHOWN ON A PLAT ENTITLED, "ALTA/ ACSM LAND TITLE SURVEY", PREPARED BY SITE DESIGN, INC., DATED 11-27-06, AND HAVING ACCORDING TO SAID PLAT THE FOLLOWING METES AND BOUNDS TO WIT:

BEGINNING AT AN IRON PIN OLD 5/8" REBAR (BENT) LOCATED ON THE WESTERN RIGHT OF WAY OF ROOSEVELT AVENUE AT IT'S INTERSECTION WITH THE SOUTHERN RIGHT OF WAY OF ELEANOR STREET, THENCE RUNNING ALONG SAID RIGHT OF WAY OF ROOSEVELT AVENUE, S 07-28-25 W, 96.55' TO AN IRON PIN OLD 1" CRIMP TOP. THENCE S 33-02-37 W, 37.34' TO AN IRON PIN OLD 1" CRIMP TOP LOCATED AT THE COMMON CORNER WITH A 0.06 ACRE TRACT AS SHOWN ON SAID PLAT. THENCE LEAVING SAID RIGHT OF WAY AND RUNNING ALONG THE COMMON LINE WITH SAID 0.06 ACRE TRACT, N 82-44-51 W, 102.74' TO A POINT LOCATED ON THE COMMON LINE WITH MIGUEL A. FERNANDEZ PROPERTY, N/F. THENCE RUNNING ALONG THE COMMON LINE WITH SAID MIGUEL A. FERNANDEZ, N 07-21-58 E, 38.29' TO AN IRON PIN OLD 1" OPEN TOP LOCATED AT THE COMMON CORNER WITH A 3.26 ACRE TRACT AS SHOWN ON SAID PLAT. THENCE RUNNING ALONG THE COMMON LINE WITH SAID 3.26 ACRE TRACT, N 07-21-58 E, 101.71' TO AN IRON PIN OLD ¾" CRIMP TOP LOCATED ON THE SOUTHERN RIGHT OF WAY AND END OF ELEANOR STREET. THENCE RUNNING ALONG SAID RIGHT OF WAY, S 83-00-56 E, 108.99' TO AN IRON PIN OLD 5/8" REBAR. THENCE AROUND A CURVE TO THE RIGHT HAVING A RADIUS OF 10.00', A CHORD BEARING AND DISTANCE OF S

37-02-55 E, 14.45' TO THE POINT OF BEGINNING.

Parcel 3: 0.44 ACRE TRACT (TMS: 67.7-02-01)

ALL THAT CERTAIN PIECE, PARCEL, OR TRACT OF LAND SITUATE, LYING AND BEING IN GREENVILLE COUNTY, THE STATE OF SOUTH CAROLINA, CONTAINING 0.44 ACRES AS SHOWN ON A PLAT ENTITLED, "ALTA/ ACSM LAND TITLE SURVEY", PREPARED BY SITE DESIGN, INC., DATED 11-27-06, AND HAVING ACCORDING TO SAID PLAT THE FOLLOWING METES AND BOUNDS TO WIT:

BEGINNING AT AN IRON PIN SET 5/8" REBAR LOCATED ON THE WESTERN RIGHT OF WAY AND SOUTHERN END OF ELEANOR STREET, SAID IRON PIN ALSO BEING LOCATED ON THE COMMON LINE WITH A 3.26 ACRE TRACT AS SHOWN ON SAID PLAT, THENCE LEAVING SAID RIGHT OF WAY AND RUNNING ALONG THE COMMON LINE WITH SAID 3.26 ACRE TRACT, S 82-27-18 W, 123.94' TO AN IRON PIN OLD 3/4" CRIMP TOP LOCATED ON THE COMMON LINE WITH BETTY LOU C. WALLACE PROPERTY, N/F. THENCE RUNNING ALONG THE COMMON LINE WITH SAID BETTY LOU C. WALLACE, AND ALSO ALONG THE COMMON LINE WITH DEBRAH P. JONES PROPERTY, N/F, N 24-59-48 W, 127.03' TO AN IRON PIN OLD 1" CRIMP TOP LOCATED ON THE SOUTHERN RIGHT OF WAY OF NICHOL STREET, CROSSING OVER AN IRON PIN OLD 1/2" REBAR AT 52.99'. THENCE RUNNING ALONG SAID RIGHT OF WAY, N 65-30-12 E, 28.90' TO AN IRON PIN SET 5/8" REBAR. THENCE N 73-48-46 E, 63.94' TO AN IRON PIN SET 5/8" REBAR. THENCE N 82-27-18 E, 53.30' TO AN IRON PIN SET 5/8" REBAR LOCATED AT ITS INTERSECTION OF THE WESTERN RIGHT OF WAY OF ELEANOR STREET. THENCE RUNNING ALONG SAID WESTERN RIGHT OF WAY OF ELEANOR STREET AROUND A CURVE TO THE RIGHT HAVING A RADIUS OF 10.00', A CHORD BEARING AND DISTANCE OF S 57-24-42 E, 13.70' TO AN IRON PIN SET 5/8" REBAR. THENCE S 10-47-42 E, 130.60' TO THE POINT OF BEGINNING.

Parcel 4: 2.36 ACRE TRACT (TMS: 67.7-04-01)

ALL THAT CERTAIN PIECE, PARCEL, OR TRACT OF LAND SITUATE, LYING AND BEING IN GREENVILLE COUNTY, THE STATE OF SOUTH CAROLINA, CONTAINING 2.36 ACRES AS SHOWN ON A PLAT ENTITLED, "ALTA/ ACSM LAND TITLE SURVEY", PREPARED BY SITE DESIGN, INC., DATED 11-27-06, AND HAVING ACCORDING TO SAID PLAT THE FOLLOWING METES AND BOUNDS TO WIT:

BEGINNING AT A NEW MAG NAIL LOCATED ON THE EASTERN RIGHT OF WAY OF ROOSEVELT AVENUE AT ITS INTERSECTION WITH THE NORTHERN RIGHT OF WAY OF SUMLAR DRIVE, THENCE RUNNING ALONG SAID EASTERN RIGHT OF WAY OF ROOSEVELT AVENUE, N 07-21-01 E, 480.79' TO AN IRON PIN OLD 5/8" REBAR (BENT). THENCE N 02-18-35 W, 100.86' TO AN IRON PIN SET 5/8" REBAR. THENCE N 11-58-12 W, 152.10' TO AN IRON PIN SET 5/8" REBAR. THENCE AROUND A CURVE TO THE RIGHT HAVING A RADIUS OF 10.00', A CHORD BEARING AND DISTANCE OF N 35-21-48 E, 14.70' TO AN IRON PIN SET 5/8" REBAR LOCATED AT ITS INTERSECTION OF THE SOUTHERN RIGHT OF WAY OF NICHOL STREET. THENCE RUNNING ALONG SAID RIGHT OF WAY, N 82-40-49 E, 114.18' TO AN IRON PIN OLD 3/4" SOLID ROD LOCATED AT THE COMMON CORNER WITH BOBBY COPELAND PROPERTY, N/F. THENCE LEAVING SAID RIGHT OF WAY AND RUNNING ALONG THE COMMON LINE WITH SAID BOBBY COPELAND, S 16-57-12 E, 212.72' TO AN IRON PIN OLD 1"

CRIMP TOP LOCATED AT THE COMMON CORNER WITH WATKINS-GARRETT-WOODS MORTUARY PROPERTY, N/F. THENCE RUNNING ALONG THE COMMON LINE WITH SAID WATKINS-GARRETT-WOODS MORTUARY, S 08-12-33 W, 576.16' TO AN IRON PIN SET 5/8" REBAR LOCATED ON THE NORTHERN RIGHT OF WAY OF SUMLAR DRIVE. THENCE RUNNING ALONG SAID RIGHT OF WAY, N 80-44-12 W, 129.10' TO THE POINT OF BEGINNING.

Parcel 6: 3.79 ACRE TRACT (TMS: 67.7-05-02)

ALL THAT CERTAIN PIECE, PARCEL, OR TRACT OF LAND SITUATE, LYING AND BEING IN GREENVILLE COUNTY, THE STATE OF SOUTH CAROLINA, CONTAINING 3.79 ACRES AS SHOWN ON A PLAT ENTITLED, "ALTA/ ACSM LAND TITLE SURVEY", PREPARED BY SITE DESIGN, INC., DATED 11-27-06, AND HAVING ACCORDING TO SAID PLAT THE FOLLOWING METES AND BOUNDS TO WIT:

BEGINNING AT AN IRON PIN OLD 1" CRIMP TOP LOCATED ON THE NORTHERN RIGHT OF NICHOL STREET AT THE COMMON CORNER WITH CAROLINA RENTALS, INC. PROPERTY, N/F, THENCE LEAVING SAID RIGHT OF WAY AND RUNNING ALONG THE COMMON LINE WITH SAID CAROLINA RENTALS, INC., N 25-00-42 W, 89.60' TO AN IRON PIN SET. THENCE LEAVING THE COMMON LINE WITH SAID CAROLINA RENTALS, INC., N 64-28-00 E, 622.85' TO AN IRON PIN OLD 1.25" OPEN TOP (BENT). THENCE S 80-21-08 E, 328.38' TO AN IRON PIN OLD 3/4" CRIMP TOP (BENT) LOCATED ON THE COMMON LINE WITH ELIZABETH J. STONE PROPERTY, N/F. THENCE RUNNING ALONG THE COMMON LINE WITH SAID ELIZABETH J. STONE, S 18-26-03 E, 166.38' TO AN IRON PIN OLD 3/4" REBAR (BENT), LOCATED ON THE NORTHERN RIGHT OF WAY OF NICHOL STREET. THENCE RUNNING ALONG SAID RIGHT OF WAY, S 82-40-49 W, 794.60' TO AN IRON PIN OLD 5/8" REBAR (BENT). THENCE S 74-41-05 W, 89.23' TO AN IRON PIN SET 5/8" REBAR. THENCE S 65-30-12 W, 28.90' TO THE POINT OF BEGINNING.

Parcel 7: 4.28 ACRE TRACT (TMS: 67.7-03-01)

ALL THAT CERTAIN PIECE, PARCEL, OR TRACT OF LAND SITUATE, LYING AND BEING IN GREENVILLE COUNTY, THE STATE OF SOUTH CAROLINA, CONTAINING 4.28 ACRES AS SHOWN ON A PLAT ENTITLED, "ALTA/ ACSM LAND TITLE SURVEY", PREPARED BY SITE DESIGN, INC., DATED 11-27-06, AND HAVING ACCORDING TO SAID PLAT THE FOLLOWING METES AND BOUNDS TO WIT:

BEGINNING AT AN IRON PIN OLD 3/4" CRIMP TOP (BENT), LOCATED ON THE NORTHERN RIGHT OF WAY AND WESTERN END OF ELEANOR STREET, SAID IRON PIN ALSO BEING LOCATED AT THE COMMON CORNER WITH A 3.26 ACRE TRACT AS SHOWN ON SAID PLAT. THENCE LEAVING SAID RIGHT OF WAY AND RUNNING ALONG THE COMMON LINE WITH SAID 3.26 ACRE TRACT, N 07-23-51 E, 100.10' TO AN IRON PIN OLD 3/4" CRIMP TOP. THENCE N 83-15-31 W, 100.75' TO AN IRON PIN OLD 3/4" CRIMP TOP. THENCE N 60-46-20 W, 90.00' TO AN IRON PIN OLD 1" OPEN TOP. THENCE N 39-49-36 W, 136.92' TO AN IRON PIN SET 5/8" REBAR. THENCE N 30-30-42 W, 97.30' TO AN IRON PIN OLD 3/4" CRIMP TOP (BENT). THENCE S 82-27-18 W, 72.96' TO AN IRON PIN SET 5/8" REBAR LOCATED ON THE EASTERN RIGHT OF WAY AND SOUTHERN END OF ELEANOR STREET. THENCE RUNNING ALONG SAID RIGHT OF WAY, N 10-47-42 W, 129.40' TO AN IRON PIN SET 5/8" REBAR. THENCE AROUND A

CURVE TO THE RIGHT HAVING A RADIUS OF 10.00', A CHORD BEARING AND DISTANCE OF N 35-49-18 E, 14.50' TO AN IRON PIN SET 5/8" REBAR LOCATED AT ITS INTERSECTION OF THE SOUTHERN RIGHT OF WAY OF NICHOL STREET. THENCE RUNNING ALONG SAID RIGHT OF WAY, N 82-47-27 E, 504.71' TO AN IRON PIN OLD 5/8" REBAR (BENT). THENCE AROUND A CURVE TO THE RIGHT HAVING A RADIUS OF 10.00', A CHORD BEARING AND DISTANCE OF N 54-46-09 W, 13.40' TO AN IRON PIN SET 5/8" REBAR LOCATED AT ITS INTERSECTION OF THE WESTERN RIGHT OF WAY OF ROOSEVELT AVENUE. THENCE RUNNING ALONG SAID RIGHT OF WAY, S 12-06-09 E, 156.10' TO AN IRON PIN SET 5/8" REBAR. THENCE S 02-26-09 E, 83.96' TO AN IRON PIN OLD 5/8" REBAR (BENT). THENCE S 07-12-51 W, 299.59' TO AN IRON PIN OLD 5/8" REBAR (BENT). THENCE AROUND A CURVE TO THE RIGHT HAVING A RADIUS OF 10.00', A CHORD BEARING AND DISTANCE OF S 50-12-35 W, 13.37' TO AN IRON PIN SET 5/8" REBAR LOCATED AT ITS INTERSECTION WITH THE NORTHERN RIGHT OF WAY OF ELEANOR STREET. THENCE RUNNING ALONG SAID RIGHT OF WAY N 83-00-56 W, 110.00' TO THE POINT OF BEGINNING.

This is a portion of the same property conveyed to the Grantor herein by a deed from Roosevelt, Inc., dated December 20, 2006, and recorded in the Office of the Register of Deeds for Greenville County, SC on December 28, 2006 in Deed Book 2244 at Page 193. See also quitclaim deed from Robert E. Hughes, Jr., and Phillip R. Hughes dated December 20, 2006, recorded in the Office of the Register of Deeds for Greenville County, SC on December 28, 2006 in Deed Book 2244 at Page 189.

FILED FOR RECORD IN GREENVILLE COUNTY, SC ROD
 2006125647 Book: DE 2244 Page: 220-234
 December 28, 2006 04:09:01 PM
Timothy J. Hanney

AGENCY: Executive Director

SUBJECT: Revenue Bonds

The required reviews on the following proposals to issue revenue bonds has been completed with satisfactory results. The project requires approval under State law. Ceiling allocation requests are included in a separate agenda item.

- a. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: \$3,250,000 Economic Development Revenue Bonds
Allocation Needed: \$3,250,000
Name of Project: C. R. Jackson, Inc.
Employment Impact: retaining approximately 20 employees
Project Description: to acquire, construct and equip a manufacturing facility in Orangeburg County, which will be used primarily to manufacture asphalt for use in paving industry and to pay, as needed, certain costs related to the financing.
Note: *negotiated private sale*
Bond Counsel: April C. Lucas, Nexsen Pruet, LLC.
- b. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$37,500,000 Economic Development Refunding Revenue Bonds (\$24,000,000 refunding bonds)
Allocation Needed: -0-
Name of Project: Converse College
Employment Impact: maintain 220 full-time jobs
Project Description: improvements to student residences, including equipment and furnishing therefor, construction of athletic facilities, and refunding of outstanding Series 2009 bonds.
Note: *private sale*
Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, P.A.
- c. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: \$120,000,000 Economic Development Revenue Bonds
Allocation Needed: -0-
Name of Project: St. Francis Hospital, Inc. and Bon Secours Health Systems, Inc.
Employment Impact: maintain 3,715 employees in Greenville County and adjacent areas
Project Description: to (i) defray the cost of acquiring by purchase certain building improvements and renovations, machinery, equipment and other assets for the hospital facilities of St. Francis and the Borrower located in Greenville; (ii) refund all or a portion of the outstanding principal amount of the South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds, Series 2008A; (iii) finance a termination payment for a certain

AGENCY: Executive Director

SUBJECT: Revenue Bonds -- Continued

interest rate hedge agreement relating to the Series 2008A bonds; (iv) establish debt service reserve funds for the benefit of the bonds, if deemed necessary or desirable by BSHSI; and (v) pay a portion of the interest on the bonds, if deemed necessary or desirable by BSHSI; and (vi) pay certain costs incurred in connection with the issuance of the bonds and the refunding of the Series 2008A bonds.

Note:

private sale

Bond Counsel:

Amy Cobb Curran, Jones Day

- d. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$35,850,000 Economic Development Revenue Bonds
Allocation Needed: \$35,850,000
Name of Project: South Georgia Tissue, LLC.
Employment Impact: add 99 jobs within 12 months
Project Description: acquiring land, buildings (new construction), improvements, equipment and furnishings of 4 buildings (tissue machine building, deinking building, raw materials building, and roll storage building) for the processing of waste paper and pulp for the purposes of producing jumbo parent rolls of tissue, towels, and napkins

Note:

private sale (or underwriting)

Bond Counsel:

Tiger Wells, Haynsworth, Sinkler Boyd

BOARD ACTION REQUESTED:

Adopt resolutions approving the referenced proposals to issue revenue bonds.

ATTACHMENTS:

Resolutions

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH A NEGOTIATED PRIVATE SALE OF NOT EXCEEDING \$3,250,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (C.R. JACKSON, INC. PROJECT) SERIES 2011, PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43 OF SOUTH CAROLINA CODE (1976), AS AMENDED, AND SPECIFICALLY SECTION 41-41-110 THEREOF.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore under and pursuant to the provisions of Title 41, Chapter 43 of South Carolina Code (1976), as amended, and specifically Section 41-43-100 thereof, (the "Act") requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (C.R. Jackson, Inc. Project) Series 2011, in the aggregate principal amount of not exceeding \$3,250,000 (the "Bonds") through a negotiated private sale, which the Authority has determined to be most advantageous; and

WHEREAS, the Authority represents to the State Budget and Control Board that the Bonds will be limited obligations of the Authority payable solely from loan repayments received by the Authority from C.R. Jackson, Inc., a corporation organized and existing under the laws of the State of South Carolina, and that a financial institution acceptable to the Authority shall purchase the Bonds for its own account in a negotiated private sale.

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

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

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through a negotiated private sale, be and the same is hereby in all respects approved, including changes in the details of said financing which do not materially affect the undertaking of the Authority.

Section 3. This Resolution shall take effect immediately.

September 1, 2011

VIA ELECTRONIC DELIVERY

Delbert Singleton, Jr.,
Assistant Executive Director and Secretary
South Carolina Budget & Control Board
Post Office Box 12444
Columbia, SC 29211

Re: \$3,250,000 Principal Amount South Carolina Jobs-Economic
Development Authority Economic Development Revenue Bond
(C.R. Jackson, Inc. Project) 2011

Dear Delbert:

Charleston
Charlotte

As you requested, I am writing to provide you with an executive summary of the
above-referenced bond transaction.

Columbia
Greensboro
Greenville
Hilton Head
Myrtle Beach
Raleigh

Issuer: South Carolina Jobs-Economic Development Authority

Authority: Title 41, Chapter 43, Code of Laws of South Carolina, 1976, as
Amended, particularly Section 41-43-110 thereof.

Repayment Source: Payments by Borrower under Loan Agreement among
Authority, Borrower and Bond Purchaser

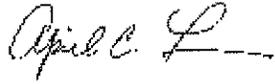
Borrower: C.R. Jackson, Inc., a South Carolina corporation headquartered
in Columbia, SC, whose principal business is road construction;
CEO-C.R. Jackson; **Principal Contact**-Mike Fowke, Controller/Chief
Financial Officer

Bond Purchaser: GE Government Finance, Inc.

Purpose: To finance a portion of the cost of acquiring an asphalt plant to be
located in Orangeburg, South Carolina.

Delbert Singleton, Jr.,
September 1, 2011
Page 2

Best regards,

A handwritten signature in cursive script that reads "April C. Lucas". The signature is written in black ink and includes a horizontal line at the end.

April C. Lucas

ACL/acl

cc: Harry Huntley
Mike Fowke

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$37,500,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (CONVERSE COLLEGE) SERIES 2011, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "*Authority*") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "*Act*"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (Converse College) Series 2011, in the aggregate principal amount of not exceeding \$37,500,000 (the "*Bonds*"), through private sale which the Authority has determined to be most advantageous; and

WHEREAS, the Authority represents to the State Budget and Control Board that the Bonds will be placed by a financial institution through a private placement acceptable to the Authority;

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

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

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through private sale to a financial institution be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

b.

EXECUTIVE SUMMARY

TO: Paul Koch, Esq.
State Budget and Control Board

FROM: Kathleen C. McKinney

DATE: August 29, 2011

RE: Not Exceeding \$37,500,000 South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds (Converse College) Series 2011 (the "Bonds")

Pursuant to Title 41, Chapter 43, Code of Laws of South Carolina 1976, as amended (the "Act"), the South Carolina Jobs-Economic Development Authority (the "Authority") has the power to issue bonds through public or private sale in order to provide funds for any program authorized by the Act and to secure payment of such bonds. The Bonds are not an obligation of the Authority nor do they constitute an indebtedness of the Authority or the State of South Carolina but are payable solely from a revenue producing source and secured by a pledge of said revenues. The Act requires that the following language must be stated on the face of each Bond:

THIS BOND AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED BY THE ISSUER PURSUANT TO THE AGREEMENT AND FROM PAYMENTS ON THE BORROWER NOTE, WHICH REVENUES AND RECEIPTS HAVE BEEN PLEDGED AND ASSIGNED TO SECURE PAYMENT THEREOF WHICH OBLIGATIONS CONSTITUTE AN INDEBTENESS PAYABLE ONLY FROM A REVENUE-PRODUCING PROJECT OR SPECIAL SOURCE WITHIN THE MEANING OF ARTICLE X, SECTION 13(9) OF THE CONSTITUTION OF THE STATE OF SOUTH CAROLINA, WHICH SOURCE DOES NOT INCLUDE REVENUES FROM ANY TAX OR LICENSE. THIS BOND AND THE INTEREST HEREON DO NOT AND SHALL NEVER CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE ISSUER OR OF THE STATE OF SOUTH CAROLINA WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND DO NOT AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER OR THE STATE OF SOUTH CAROLINA OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER OR THE STATE OF SOUTH CAROLINA OR AGAINST THE TAXING POWER OF THE STATE OF SOUTH CAROLINA. THE ISSUER DOES NOT HAVE TAXING POWER.

The Bonds will be issued for two purposes:

1. Defray the cost of improvements to student residence facilities, together with equipment and furnishings therefor, and construction of athletic facilities to be located on the campus of Converse College (the "College") at 580 East Main Street, Spartanburg, South Carolina.

Paul Koch
August 29, 2011
Page 2

2. Refund the Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning Variable Rate Educational Facilities Revenue Bonds (Converse College) Series 2009, of which \$22,120,000 is currently outstanding. There is a significant debt service savings to refunding the bonds since interest rates are considerably lower.

Because the refunding portion of the bond issue is rate sensitive, the College would like to close the bond issue in early October following final approval by the Authority.

BUDGET AND CONTROL BOARD RESOLUTION

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$120,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS, SERIES 2011 (BON SECOURS HEALTH SYSTEM, INC.), PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore, under and pursuant to the provisions of Title 41, Chapter 43, Code of Laws of South Carolina, 1976, as amended, particularly Section 41-43-110 (the "Act"), filed a petition (the "Petition") requesting approval by the State Budget and Control Board (the "Board") of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds, Series 2011 (Bon Secours Health System, Inc.), in the aggregate principal amount of not exceeding \$120,000,000 (the "Bonds") for the benefit of St. Francis Hospital, Inc., a South Carolina nonprofit corporation ("St. Francis"), and Bon Secours Health System, Inc., a Maryland nonstock nonprofit membership corporation (the "Borrower"), through a private negotiated sale, which the Authority has determined to be most advantageous; and

WHEREAS, the Authority represents to the Board that the Bonds will be secured under the provisions of the Bond Trust Indenture between the Authority and Wells Fargo Bank, N.A., as bond trustee, and the Loan Agreement by and between the Borrower or St. Francis and the Authority, and are payable solely from the revenues of the Borrower, St. Francis and certain related corporations received by the Authority, and that the Authority finds such security for payment of the Bonds to be acceptable;

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

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

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through a private negotiated sale be and the same is hereby in all respects approved, including changes in the details of said financing which do not materially affect the undertaking of the Authority.

Section 3. This Resolution shall take effect immediately.

JP000676
719070-171023

September 1, 2011

VIA E-MAIL

Delbert H. Singleton, Jr.
Assistant Executive Director and
Budget and Control Board Secretary
Office of the Executive Director
Post Office Box 12444
Columbia, SC 29211

Re: Not to Exceed \$120,000,000
South Carolina Jobs-Economic Development Authority
Economic Development Revenue Bonds, Series 2011
(Bon Secours Health System, Inc.) (the "Bonds")

Dear Mr. Singleton:

At your request, the following is a summary relating to the above-referenced Bonds to be issued by the South Carolina Jobs-Economic Development Authority (the "Authority") pursuant to the provisions of Title 41, Chapter 43, of the Code of Laws of South Carolina 1976, as amended (the "Act"). Pursuant to the Act, the Authority is authorized to utilize any of its program funds to establish loan programs in order to promote and develop the business and economic welfare of the State of South Carolina (the "State") and thereby provide opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State. The Authority is further authorized by the Act to issue revenue bonds and revenue refunding bonds payable by the Authority solely from a revenue-producing source or project and secured by a pledge of said revenues in order to provide funds for any purpose authorized by the Act.

The proceeds of the proposed Bonds will be loaned to St. Francis Hospital, Inc. ("St. Francis"), a South Carolina nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), or Bon Secours Health System, Inc. (the "Borrower" or "BSHSI"), a Maryland nonstock membership corporation and an organization described in Section 501(c)(3) of the Code. St. Francis owns and operates St. Francis Hospital and St. Francis Women's and Family Hospital in Greenville, South Carolina, which together employ approximately 3,715 employees. The proceeds of the Bonds will be used to: (i) defray the cost of acquiring by purchase certain building improvements and renovations, machinery, equipment and other assets for the hospital facilities of St. Francis and the Borrower (the "Project"), (ii) refund all or a portion of the outstanding principal amount of the Authority's Economic Development Revenue Bonds, Series 2008A (Bon Secours Health

Delbert H. Singleton, Jr.
September 1, 2011
Page 2

System, Inc.) (the "Series 2008A Bonds"), (iii) finance a termination payment for a certain interest rate hedge agreement relating to the Series 2008A Bonds, (iv) establish debt service reserve funds for the benefit of the Bonds, if deemed necessary or desirable by BSHSI, (v) pay a portion of the interest on the Bonds, if deemed necessary or desirable by BSHSI, and (vi) pay certain costs incurred in connection with the issuance of the Bonds and the refunding of the Series 2008A Bonds, all as permitted under the Act.

The Bonds will be special, limited obligations of the Authority, and the principal of and interest on the Bonds will be payable solely out of the revenues derived by the Authority pursuant to the Loan Agreement pursuant to which the proceeds of the Bonds are loaned to St. Francis or the Borrower and other funds expressly pledged under the Bond Indenture pursuant to which the Bonds are issued. **The Bonds and the principal and interest on the Bonds will not constitute a general obligation or indebtedness of the Authority or of the State within the meaning of any state constitutional provision or statutory limitation and will not constitute or give rise to a pecuniary liability of the Authority or the State or a charge against the general credit of the Authority or the State or against the taxing power of the State.**

If you or the members of the Budget and Control Board require any additional information regarding the Bonds, St. Francis or BSHSI, please do not hesitate to contact me.

Thank you for consideration of this matter.

Very truly yours,

Amy Cobb Curran

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE (OR UNDERWRITING) OF NOT EXCEEDING \$35,850,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (SOUTH GEORGIA TISSUE, LLC PROJECT) SERIES 2011, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "*Authority*") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "*Act*"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (South Georgia Tissue, LLC Project) Series 2011, in the aggregate principal amount of not exceeding \$35,850,000 (the "*Bonds*"), through private sale (or underwriting) which the Authority has determined to be most advantageous; and

WHEREAS, the Authority represents to the State Budget and Control Board that the Bonds will be placed by a financial institution through a private placement (or underwriting) acceptable to the Authority;

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

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

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through private sale (or underwriting) acceptable to the Authority be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

d.

Executive Summary

Re: JEDA Revenue Bonds to defray cost of South Georgia Tissue, LLC (“South Georgia”) project.

The South Carolina Jobs-Economic Development Authority (“JEDA”) seeks approval from the South Carolina Budget and Control Board (“Budget and Control”) to issue \$35,850,000 in revenue bonds, secured solely by loan payments pledged by South Georgia in return for a loan from JEDA of even amount.

No State Liability: Though the South Carolina Jobs-Economic Development Fund Act, requires that JEDA obtain Budget and Control approval before the above-referenced revenue bonds can be sold at public or private sale, such bonds do not constitute an indebtedness of the State or JEDA, nor do they give rise to any pecuniary liability for the State or JEDA.

Statutory Authority: South Carolina Code annotated, Title 41, Chapter 43 (1976), as amended, at Section 41-43-110, empowers JEDA to utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to business enterprises which meet eligibility requirements of Section 41-43-150 and for other purposes described in Section 41-43-160. Section 41-43-110 also allows JEDA to issue revenue bonds, secured solely by pledged loan payments. South Georgia satisfies the requirements of Section 41-43-150 because it 1) is a corporation, 2) is located within the State, 3) will create approximately 99 jobs, and 4) otherwise satisfies any applicable requirements set forth by JEDA.

Use of Proceeds: South Georgia is a new company formed to develop, construct and operate a tissue paper mill located in Barnwell County, South Carolina. The proceeds of the revenue bond will be used to defray the cost of constructing the mill, and the purchasing of equipment and furnishings that will be placed in service within the mill. In addition to the \$35,850,000 loan from JEDA, which will be secured by mill revenue, South Georgia also comes to the table with approximately \$13,975,139.27 in owner’s equity and approximately \$22,000,000 in additional loans or grants from other sources. Nearly 100 jobs will be created during this Phase I project, and a second phase is planned.

The key members of South Georgia’s management team have over 30 combined years of experience in the pulp and paper industry. The company will process waste paper and pulp, and will convert the same into jumbo parent rolls of tissue, towels, and napkins to be sold in the regional market. As a dedicated supplier of high quality jumbo roll tissue to independent and integrated convertors, South Georgia will be the only supplier of its kind with state of the art equipment and the capability to supply grades with fiber blends specific to customers’ requirements. South Georgia will sell 100% of its output to a third party, an international company with prior experience in marketing tissue, under a long term take-or-pay contract.

Payment: The JEDA bonds will be secured solely by loan payments from South Georgia to JEDA. Ekman and Co. Inc., shall provide an irrevocable standby letter of credit to guarantee capacity payments. The capacity payments are equal to the total monthly cost of the JEDA bonds and subordinated debt plus 20%.

AGENCY: Executive Director

SUBJECT: Economic Development (2011 Ceiling Allocations)

The initial balance of the 2011 state ceiling allocation is \$439,409,580. In accord with Code Section 1-11-520, \$175,763,832 (40% of the total) was designated as the state pool and \$263,645,748 (60% of the total) was designated as the local pool. There is presently a state ceiling balance of \$423,909,580 remaining for 2011. Allocation requests for 2011 totaling \$57,207,000 have been received thus far.

The recommendation from the Department of Commerce for allocations for this cycle total \$39,100,000. The Department of Commerce makes the following recommendations for allocation from the local pool:

JEDA C.R. Jackson, Inc., \$3,250,000 (Orangeburg County); and
JEDA South Georgia Tissue, LLC, \$35,850,000 (Barnwell County).

If the Board approves the recommended request, this will leave an unexpended state ceiling balance of \$384,809,580 (state pool - \$175,763,832; local pool - \$209,045,748) to be allocated later in the calendar year.

BOARD ACTION REQUESTED:

In accord with Code Section 1-11-500 et seq. and upon the recommendation of the Department of Commerce, grant the following tentative ceiling allocations from the local pool and defer all remaining ceiling allocation requests:

JEDA C.R. Jackson, Inc., \$3,250,000 (Orangeburg County); and
JEDA South Georgia Tissue, LLC, \$35,850,000 (Barnwell County).

ATTACHMENTS:

2011 Ceiling Allocation Requests; Young 09/08/11 memo; Code Section 1-11-500 et seq.

2010 Ceiling Allocation Requests

Recd.	Issuing Authority	Project	Request	Cumulative	Bond Counsel	Request Alloc St.Law	Location	NOTES
1	01/28/11	Marion County Supremes, LLC	2,607,000	2,607,000	Benjamin T. Zeigler	x	Marion County	
2	07/19/11	JEDA Ace Environmental Processing, LLC	15,500,000	18,107,000	Kathleen C. McKinney	x	Anderson County	
3	08/24/11	JEDA C.R. Jackson, Inc.	3,250,000	21,357,000	April Lucas	x	Orangeburg County	
4	08/29/11	JEDA South Georgia Tissue, LLC	35,850,000	57,207,000	Tiger Wells	x	Barnwell County	

2011 South Carolina State Ceiling Allocations

Summary, CY 2011

2011 State Ceiling 439,409,580
 Initial Allocations 57,207,000
 Expired/Relinquished 2,607,000
 Actual Allocations 54,600,000
 Certified for Issue 0
 Carried Forward 0

Balance Available: 384,809,580

Issuer	Name of Project	Expiration	Allocation Amount	Expired/Relinquished	Certified for Issue	Issue Date	Attorney
Allocation: 2/8/11							
Marion County	Supremes, LLC	5/9/11	2,607,000	2,607,000			Zeigler
Allocation: 8/9/11							
JEDA	Ace Environmental Processing, LLC	11/7/11	15,500,000				McKinney
Allocation: 9/20/11							
JEDA	C.R. Jackson, Inc.	12/19/11	3,250,000				Lucas
JEDA	South Georgia Tissue, Inc.		35,850,000				Wells

2011 South Carolina State Ceiling

Balance remaining as of September 20, 2011, if allocation request is granted

State Pool (40%) 175,763,832
Total State Pool (40%) 175,763,832

Local Pool (60%) 263,645,748
Total Local Pool (60%) 263,645,748
439,409,580

Certified State Ceiling 2011

Date Allocated	Governmental Unit	Name of Project	Pool Total	Amount Allocated	Balance Available	Certified for Issue	Issue Date	Attorney
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01/04/11	STATE POOL		175,763,832					
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TOTAL, STATE POOL

175,763,832	0	175,763,832	0
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01/04/11	LOCAL POOL							
02/08/11	Marion County	Suprames, LLC	263,645,748	0		0	expired	Zeigler
08/09/11	JEDA	Ace Environmental Processing, LLC		15,500,000				McKinney
09/20/11	JEDA	C.R. Jackson, Inc.		3,250,000				Lucas
09/20/11	JEDA	South Georgia Tissue, LLC		35,850,000				Wells

TOTAL, LOCAL POOL

263,645,748	54,600,000	209,045,748	0
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GRAND TOTAL

439,409,580	54,600,000	384,809,580	0
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Nikki R. Haley
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Robert M. Hitt III
Secretary

MEMORANDUM

To: Delbert Singleton
From: Daniel Young
Date: September 8, 2011
Re: September 20, 2011 meeting

Upon the request of the Budget & Control Board, the South Carolina Department of Commerce evaluates allocation requests that pertain to economic development.

After review of those seeking allocation at this time, Commerce recommends approval and Economic Development bonds for the following project at the September 20th Budget & Control Board meeting:

Name	Amount	Score	County
C.R. Jackson	3,250,000	3	Orangeburg
South Georgia Tissue	35,850,000	6	Barnwell
Total	\$39,100,000		

Please let me know if you have any questions.

Thank you.

ARTICLE 3.

ALLOCATION OF STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

SECTION 1-11-500. Calculation and certification of state ceiling.

The state ceiling on the issuance of private activity bonds as defined in Section 146 of the Internal Revenue Code of 1986 (the Code) established in the act must be certified annually by the Budget and Control Board secretary based upon the provisions of the act. The board secretary shall make this certification as soon as practicable after the estimates of the population of the State of South Carolina to be used in the calculation are published by the United States Bureau of the Census but in no event later than February first of each calendar year.

SECTION 1-11-510. Allocation of bond limit amounts.

- (A) The private activity bond limit for all issuing authorities must be allocated by the board in response to authorized requests as described in Section 1-11-530 by the issuing authorities.
- (B) The aggregate private activity bond limit amount for all South Carolina issuing authorities is allocated initially to the State for further allocation within the limits prescribed herein.
- (C) Except as is provided in Section 1-11-540, all allocations must be made by the board on a first-come, first-served basis, to be determined by the date and time sequence in which complete authorized requests are received by the board secretary.

SECTION 1-11-520. Private activity bond limits and pools.

- (A) The private activity bond limit for all state government issuing authorities now or hereafter authorized to issue private activity bonds as defined in the act, to be known as the "state government pool", is forty percent of the state ceiling less any amount shifted to the local pool as described in subsection (B) of this section or plus any amount shifted from that pool.
- (B) The private activity bond limit for all issuing authorities other than state government agencies, to be known as the "local pool", is sixty percent of the state ceiling plus any amount shifted from the state government pool or less any amount shifted to that pool.
- (C) The board, with review and comment by the Joint Bond Review Committee, may shift unallocated amounts from one pool to the other at any time.

SECTION 1-11-530. Authorized requests for allocation of bond limit amounts.

- (A) For private activity bonds proposed for issue by other than state government issuing authorities, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a copy of the Inducement Contract, Inducement Resolution, or other comparable preliminary approval entered into or adopted by the issuing authority, if any, relating to the bonds. The board shall forward promptly to the committee a copy of each petition received.
- (B) For private activity bonds proposed for issue by any state government issuing authority, an authorized request is a request included in a petition to the board that a specific amount of the state ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a bond resolution or comparable action by the issuing authority authorizing the issuance of the bonds. The board shall forward promptly to the committee a copy of each petition received.
- (C) Each authorized request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project.

SECTION 1-11-540. Limitations on allocations.

(A) The board, with review and comment by the committee, may disapprove, reduce, or defer any authorized request. If it becomes necessary to exercise this authority, the board and the committee shall take into account the public interest in promoting economic growth and job creation.

(B) Authorized requests for state ceiling allocations of more than ten million dollars for a single project are deferred until after July first unless the board, after review and comment by the committee, determines in any particular instance that the positive impact upon the State of approving an allocation of an amount greater than ten million dollars is of such significance that approval of the allocation is warranted.

SECTION 1-11-550. Certificates by issuing authority and by board.

(A) An allocation of the state ceiling approved by the board is made formal initially by a certificate which allocates tentatively a specific amount of the state ceiling to the bonds for which the allocation is requested. This tentative allocation certificate must specify the state ceiling amount allocated, the issuing authority and the project involved, and the time period during which the tentative allocation is valid. This certificate must remind the issuing authority that the tentative allocation is made final after the issuing authority chairman or other duly authorized official or agent of the issuing authority, before the issue is made, certifies the issue amount and the projected date of issue, as is required by subsection (B) of this section. It also may include other information considered relevant by the board secretary.

(B) The chairman or other authorized official or agent of an issuing authority issuing any private activity bond for which a portion of the state ceiling has been allocated tentatively shall execute and deliver to the board secretary an issue amount certificate setting forth the exact amount of bonds to be issued and the projected bond issue date which date must not be more than ten business days after the date of the issue amount certificate and it must be before the state ceiling allocation involved expires. The issue amount certificate may be an executed copy of the appropriate completed Internal Revenue Service form to be submitted to the Internal Revenue Service on the issue or it may be in the form of a letter which certifies the exact amount of bonds to be issued and the projected date of the issue.

(C) In response to the issuing authority's issue amount certificate required by subsection (B) of this section, the board secretary is authorized to issue and, as may be necessary, to revise a certificate making final the ceiling allocation approved previously by the board on a tentative basis, if the secretary determines that:

- (1) the issuing authority's issue amount certificate specifies an amount not in excess of the approved tentative ceiling allocation amount;
- (2) the issue amount certificate was received prior to the issue date projected and that the certificate is dated not more than ten days prior to the issue date projected;
- (3) the issue date projected is within the time period approved previously for the tentative ceiling allocation; and
- (4) the bonds when issued and combined with the total amount of bonds requiring a ceiling allocation included in issue amount certificates submitted previously to the board by issuing authorities do not exceed the state ceiling for the calendar year. Except under extraordinary circumstances, the board secretary shall issue this certificate within two business days following the date the issue amount certificate is received.

(D) In accordance with Section 149(e)(2)(F) of the Code, the secretary of the Budget and Control Board is designated as the state official responsible for certifying, if applicable, that certain bonds meet the requirements of Section 146 of the Code relating to the volume cap on private activity bonds.

(E) Any tentative or final state ceiling allocation granted by the board before the effective date of this act remains valid as an allocation of a portion of the volume cap for South Carolina provided under Section 146 of the Code. The allocations expire in accordance with the regulations under which they were granted or extended and their validity may be extended or reinstated in accordance with the provisions of Sections 1-11-500 through 1-11-570.

SECTION 1-11-560. Time limits on allocations.

(A) Any state ceiling allocation approved by the board is valid only for the calendar year in which it is approved, unless eligible and approved for carry-forward election or unless specified differently in the board certificates required by Section 1-11-550.

(B) Unless eligible and approved for carry-forward election or unless specified differently in board certificates required by Section 1-11-550, each state ceiling allocation expires automatically if the bonds for which the allocation is made are not issued within ninety consecutive calendar days from the date the allocation is approved by the board.

(C) In response to a written request by the chairman or other duly authorized official or agent of an issuing authority, the board, acting during the period an approved allocation is valid, may extend the period in which an allocation is valid in a single calendar year by thirty-one consecutive calendar days to a total of not more than one hundred twenty-one consecutive calendar days.

(D) In response to a written request by the chairman or other authorized official or agent of an issuing authority, the board may reinstate for a period of not more than thirty-one consecutive calendar days in any one calendar year part or all of an allocation approved but not extended previously in accordance with subsection (C) of this section in that same calendar year which has expired. The reinstatement request must certify that the authorized request submitted previously is still true and correct or a new authorized request must be submitted.

(E) A tentative ceiling allocation is canceled automatically if the chairman or other authorized official or agent of the issuing authority involved fails to deliver the issue amount certificate required by Section 1-11-550 to the board secretary before the bonds for which the allocation is made are issued.

(F) The chairman or other authorized official or agent of an issuing authority shall advise the board secretary in writing as soon as is practicable after a decision is made not to issue bonds for which a portion of the state ceiling has been allocated. All notices of relinquishment of ceiling allocations must be entered promptly in the board's records by the board secretary.

(G) Ceiling allocations which are eligible and approved for carry-forward election are not subject to the validity limits of this section. The board shall join with the issuing authorities involved in carry-forward election statements to meet the requirements of the Internal Revenue Service.

SECTION 1-11-570. Budget and Control Board to adopt policies and procedures.

The Budget and Control Board, after review and comment by the committee, may adopt the policies and procedures it considers necessary for the equitable and effective administration of Sections 1-11-500 through 1-11-570.

SECTION 1-11-580. Budget and Control Board to make quarterly payments on certain insurance contracts.

The Budget and Control Board shall make quarterly payments on insurance contracts where the annual premium exceeds fifty thousand dollars. The board shall undertake necessary negotiations to implement this requirement. Where fees may be incurred for quarterly rather than annual payments, the Budget and Control Board shall determine whether the investment income opportunity is greater or less than proposed fees and shall make the decision which best benefits South Carolina.