

**SOUTH CAROLINA CONSERVATION BANK
SPECIAL CALLED BOARD MEETING
Wednesday, December 03, 2008 at 11:00 am
Rembert Dennis Building
1000 Assembly Street
Columbia, South Carolina**

MINUTES

The special called meeting of the Board of the South Carolina Conservation Bank (SCCB) was held at 11:00 am on Wednesday, December 03, 2008. Chairman Lane presided at the meeting.

Board members present: Charles Lane, Chairman; Thomas Miller, Vice Chairman; Weston Adams, III; Andrea Clark; Ben Keys; Thomas C. Taylor; Frank A. McLeod, III for SC Forestry Commission; and Phil Gaines for SCPRT. Members William L. Snow and Michael G. McShane for SCDNR teleconferenced into the meeting. George Bailey, attorney for the Conservation Bank and Marvin Davant, Executive Director of the Conservation Bank was also present.

Board members absent: Elliott Close and James W. Roquemore

1. Call to Order

The Chairman called the meeting to order and announced that the Freedom of Information Act requirements have been met. Chairman Lane welcomed the members of the Board, staff and guests. This is a difficult meeting as we like evaluating grant requests and conserving land; but in this particular meeting we will spend a lot of our time in Executive Session going over exactly where we are and then come back into the regular meeting. The State has a very large budget deficit and it may even get larger. The Bank's position in that is that a Proviso has been enacted and approved and we are going to conduct in accordance with that. With that in mind, we have guests here we would like everyone to introduce themselves.

- 2. Guests present were:** George Bailey with Nelson Mullins Riley Scarborough law firm and represent the Bank. Jacqueline Oliver and Dana Levitt with Upstate Forever. Brian Sanders with Aiken County Government. Harry Shealy with the Aiken Co. Open Land Trust. Bill Short, former State Chairman for Ducks Unlimited and I'm not on the National Board of Directors. Billy Cates, Executive Director Congaree Land Trust. Alston Jenkins, Director, Catawba Valley Land Trust in Lancaster. John Rich with the Congaree Land Trust. Christie McGregor, Director of Government Relations with the Nature Conservancy.

3. Adoption of Minutes

Chairman Lane stated the first course of action is to review the minutes of the June 18, 2008 Board meeting. Mr. Taylor made the motion to accept the minutes and Mr. Adams second. The motion passed unanimously.

4. Executive Session:

Chairman Lane asked that the Board be adjourned into Executive Session to discuss some legal advice.

5. Board decision on budget issues

Chairman Lane called the meeting back in session and called for the Motion from the Board. On recommendation of counsel, Mr. Adams made the following three part motion:

A. That the Bank fund the five projects that were closed as of October 31, 2008 and legally meet the definition of contractual obligations. These projects are:

- Ashley River/Poplar Grove
- Alexander Tract
- Boyd Pond Tract
- Chislom Plantation Tract
- Paradise Shrimp Farms Tract

B. That the other applications previously submitted and approved will be funded when and if funds are available;

C. That the Board approves the \$7,000,000 to be paid to the Department of Education for school bus fuel as set out by the Proviso (90.16, Act 414).

Mr. Taylor seconded the motion and added to the motion the following:

D. That the Board finds to act in the funding to comport with the Budget Proviso.

The motion was unanimously passed.

6. Old Business – none

7. New Business

A. Chairman Lane stated that as of this point he is retiring as the Chairman for the Conservation Bank effectively immediately and turned the meeting over to Mr. Miller, Vice Chairman.

8. Schedule next Board meeting

Mr. Miller asked for scheduling of the next Board meeting and deferred to Mr. Davant. Mr. Davant stated in compliance with the Board's policy, the next meeting would be Tuesday, June 23, 2008 in Camden, SC to begin at 10:00 am.

9. Board and Guest Comments:

- A. Mr. Miller thanked Mr. Lane for his work with the Bank and called for the adoption of a resolution to officially thank Mr. Lane for his work with the Conservation Bank to be presented at the next Board meeting.
- B. Mr. Davant thanked his for his work with the Bank and appreciated him as a friend. Mr. Adams thanked Mr. Lane for his work with the Conservation Bank and also stated that the legacy Mr. Lane left the bank with is 135,000 acres which was a great job. All members agreed they appreciated Mr. Lane's commitment to the bank and his continued support of the Bank. Mr. Lane stated that he had enjoyed his time as the Bank Chairman and one thing he thought was the best thing done as a Board was the way the Board leveraged the dollars received. Mr. Lane also stated that Speaker Harrell commented that the way the Board stretched the dollar it was much more difficult to criticize the Bank. Mr. Lane's advice was to keep leveraging.
- C. Jason Johnson with The Conservation Fund. The proposals that were submitted in July 31, 2008 when will those be looked at? Second, if they are falling apart or close some other way do we need to let you know that we wish to withdraw them from consideration? Mr. Miller deferred the response to Mr. Davant. Mr. Davant stated we would hold all applications as they are presently; however, if the entity or the applicant wants to withdraw the application they need to notify the Bank as soon as possible. Mr. Davant further stated until we get direction for the Legislature what our funding source is going to be we will hold as already applied.
- D. Dana Leavitt with Upstate Forever. On behalf of several landowners, if they had submitted an application to the Bank and the Bank approved the application, the landowner for tax reasons or other reasons want to close the Conservation Agreement or Easement in the 2008 calendar year are there any particular things in closing that deal need to do so that it still is eligible for funds and will it still be in the same priority for fund, if and when the Bank gets funding? Mr. Miller stated this has been considered and referred response to Mr. Davant. Mr. Davant stated there is no more consideration that the Bank requires then the entity/landowner has already done. The entity/landowner can close anytime they want and when funds are available it will not jeopardize your place in line on getting your funding. Mr. Bailey further stated that it had been discussed with Congaree Land Trust, it is somewhat like an oral agreement in consideration your giving us the easement, if and when we

get the funding from the bank we will pay you said dollars. The entity/landowner is not obligated unless you get it from the Bank and the Bank is not obligated until they get the money from the Legislature, but it at least protects the landowner that if and when the money does become available they will get the money. That would be a way of doing it.

Mr. Leavitt stated the other part of the question, we appreciate the work you have done, we have folks in the upstate and across the State that want to support the refunding and amending the funds of the appropriate folks so that we can reinstall funding to the Conservation Bank. So we look for your leadership in helping set the pace as to how we invigorate our community at large in resupporting the funding for the Conservation Bank. So I ask you to let us know the simple strategy we need to be employing to get our folks calling their legislators.

- E. Billy Cates with Congaree Land Trust. Mr. Cates asked "do we need, in order to protect our clients hoping to get funding and close this year, do we need to do anything other than what you suggest in our documentation to protect that client?" Can the Conservation Bank provide anything that will make him feel "warm and fuzzie"? Mr. Bailey stated you should have gotten a letter from the Bank stating that the grant was approved based on the specified conditions being met and the applicant. John Rich clarified they were referencing a client who had been approved but wanted to change qualified entities holding the easement. Mr. Bailey clarified the only missing link was the approval of the Bank to change the qualified entity. Mr. Bailey asked if the Board could act on that issue today. Mr. Davant stated it was the same easement with the exception of the landowner wanting to change from NRCS as they are a straight agricultural easement and the landowner wanted to be able to divide the property in the middle and leave to his children. Therefore, he requested to change the qualified entity. Mr. Davant had no problem with this request. Mr. Adams made a motion approving the change in the qualified entity for the Roland Alston project from the Sumter Soil & Water Conservation District to the Congaree Land Trust and will receive the funding when it becomes available. Mr. Taylor seconded the motion and was unanimously passed.
- F. Mr. Davant stated that in Executive Session it was proposed to the Board that the Bank contact all of its supporters to arrange a joint meeting and discuss some idea of how to proceed and which direction we want to head to maximize our resources and everyone headed in the same direction. Mr. Davant will contact the supports to set a meeting as to the next step. Mr. Miller called for any comments from any other Board members and there were none.
- G. Mr. Miller stated if there being no further business the meeting was adjourned.

12-3-2008 SCCB Board Meeting

No Grants Reviewed or Approved

4. The only good man on planet earth

5. The only good man on planet earth