

MINUTES OF  
Budget and  
Control Board  
Meeting  
March 25, 1986

State of South Carolina  
**State Budget and Control Board**

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR  
GRADY L. PATTERSON, JR.  
STATE TREASURER  
EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

Box 12444  
Columbia  
29211

March 25, 1986

REMBERT C. DENNIS  
CHAIRMAN, SENATE FINANCE COMMITTEE  
TOM G. MANGUM  
CHAIRMAN, WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

MEMORANDUM

TO: Budget and Control Board Division Directors

FROM: William A. McInnis, Deputy Executive Director *WAM*

SUBJECT: Summary of Board Actions at March 25, 1986 Meeting

This listing of actions is not the minutes of the referenced meeting. It is an unofficial (meaning it has not been approved by the Board) summary of the Board actions taken at that meeting. The minutes of the meeting are presented in a separate, much more detailed document which becomes official when approved by the Board at a subsequent meeting.

1. Approved the minutes of Budget and Control Board meeting held on March 11, 1986;
2. Received as information a revised formula and table to be used by State agencies in coordinating sick or annual leave with Workers' Compensation benefits;
3. Approved a right-of-way easement to the Highway Department to construct a section of State highway from an abandoned railroad to an area near Shoals Junction on Route 178 in Greenwood County;
4. Received as information a report that the following permanent improvement project actions have been reviewed favorably by the Joint Bond Review Committee and approved by staff: (a) Summary 25-86: Item 1 and Items 3 through 10 (involving Clemson, Medical University, Wil Lou Gray Opportunity School, Mental Retardation, Youth Services and Highways & Public Transportation); and (b) Summary 29-86: Item 1 (involving Francis Marion College);
5. Received as information reports on the reimbursement of interviewee travel expenses by Francis Marion College (4); College of Charleston (13); and Department of Education (2);
6. Approved the transfer by the Health and Human Services Finance Commission of \$805,297 of State appropriated funds from Medicaid matching to the Social Services block grant program to replace federal funds lost as a result of the implementation of the Gramm-Rudman-Hollings Act;

016625



Summary of BCB Actions  
March 25, 1986, Meeting  
Page 2

7. Heard a report by Mental Retardation Commissioner Barnett on the impact of the recently-completed Federal Direct Survey of Whitten, Midlands and Coastal Centers;
8. Approved the exemption of the following from the 2% budget reduction for 1985-86 to meet critical needs, upon the recommendation of the Budget Division: (1) S. C. Law Enforcement, \$150,000; (2) Department of Mental Retardation, \$480,000; and (3) Commission on Alcohol and Drug Abuse, \$95,000; and agreed to consider the general matter further at the meeting scheduled for April 22;
9. Approved the personnel settlement proposed by Clemson University in the grievance brought by Melvin A. Barnette;
10. Exempted the financing provisions of lease/purchase contracts and other debt and banking functions of the State Treasurer's Office from the procurement procedures of the Procurement Code, upon the recommendation of the Division of General Services, pursuant to Code §11-35-710;
11. Carried over consideration of a proposal to delegate to the State Treasurer authority to approve rates of interest on all financing transactions under the Board's purview;
12. Approved the Horry County proposal to issue \$250,000 Industrial Revenue Note on behalf of the Commercial Realty Ventures project, on the condition that the required reviews are completed with satisfactory results, and allocated \$250,000 of the State Ceiling to the project;
13. Received as information a status report on the State Ceiling as of March 11, 1986, (year elapsed 19%) which showed:

	<u>CY 1985 Ceiling</u>	<u>Allocated</u>	<u>(%)</u>	<u>Not Allocated</u>	<u>(%)</u>
State Pool	\$200,820,000	\$14,509,000	(7%)	\$186,311,000	(93%)
Local Pool	301,230,000	15,118,848	(5%)	286,111,152	(95%)
Total	\$502,050,000	\$29,627,848	(6%)	\$472,422,142	(94%)

14. Adopted a resolution approving the issuance of an Agricultural Development Revenue Bond by the Family Farm Development Authority for the William G. Reese project and allocated \$185,000 of the state ceiling to the project;
15. Adopted a resolution approving the private sale of an Industrial Development Revenue Note by the Jobs-Economic Development Authority for the Congaree Vista Associates project and allocated \$1,000,000 of the state ceiling to the project;
16. Granted a 30-day extension to the life of the \$3,000,000 ceiling allocation for The Brown Schools of Charleston, Inc., project (allocation to expire May 16, 1986);

016626

Summary of BCB Actions  
March 25, 1986, Meeting  
Page 3

17. Approved a rural improvement grant of \$75,000 to Florence County to relocate and refurbish a 75,000-gallon elevated water storage tank and assist in the extension of service lines to the Evergreen community, with half of the funds to come from the Senate and half from the House, upon the recommendation of the Division of Local Government;
18. Concurred in staff view that the next update of five-year permanent improvement plans should be undertaken in calendar year 1987 in preparation for a bond bill in 1988, in accord with the 1985 action of the General Assembly to authorize bonds in even-numbered years;
19. Approved acceptance by Water Resources Commission of an easement from the Hilton Head Company, Inc., for property on which to install test holes and observation water wells to monitor water levels and conditions within Beaufort County;
20. Delegated to the Division of General Services authority to approve or, in the Division's discretion, to seek Board approval of the acceptance of easements by governmental bodies, in accord with the requirements of Part II, Section 5 of the 1985-86 appropriations act, on the condition that all such transactions approved by the Division are reported to the Board promptly on the blue agenda;
21. Approved acceptance by the Wildlife and Marine Resources Department of a 952-acre tract as a donation from the South Carolina Nature Conservancy with the intention that it be dedicated as a heritage preserve, in accord with the provisions of Part II, Section 5 of the 1985-86 Appropriations Act;
22. Was advised that the terms of all three members of the Motor Vehicle Management Council, which are appointed by the Board with the advice and consent of the Senate, expired previously or will expire during the calendar year, and agreed to consider the matter further at a future meeting;
23. Approved a policy on salary adjustments which provides that all salary adjustments requiring approval of the Board or its designee shall be made effective only on or after the date of Board approval; and directed staff to advise agency heads of this policy;
24. Did not approve a proposed four-day, ten-hour-per-day workweek for the Department of Health and Environmental Control's Home Health Services Program;
25. Approved trade-in by the Department of Education of NAS CPU equipment valued at \$450,000 on the acquisition of computer equipment to cost a total of \$1,611,750; and was advised that an interest rate of 6.95% on

016627

Summary of BCB Actions  
March 25, 1986, Meeting  
Page 4

this financing had been secured with C&S Leasing by the State Treasurer's Office;

26. Approved the concept of seeking a proviso in the appropriations bill which would establish a committee of the Board and the Joint Bond Review Committee and direct it to devise a plan for dealing with capital projects and lease/purchase arrangements with the plan to be reported to the General Assembly for its consideration in January of 1987;
27. Agreed to hold a regular meeting at 9:30 a.m. on Tuesday, April 8, 1986, in the Governor's conference room in the State House;
28. Approved a University of South Carolina appeal relating to the effective date of unclassified salary increases for ten unclassified employees;
29. Approved a salary increase for a Clemson University staff member upon his promotion to County Extension Chairman in Beaufort County effective April 4, 1986;
30. Approved the Technical and Comprehensive Education request to continue the employment of Ms. Elizabeth Hobeika through June 30, 1987;
31. Agreed that Board staff should assemble information on the strengths and weaknesses of the four persons who have expressed interest in the position of Confederate Relic Room director; and
32. Ratified actions taken during executive session.

WAM:dw

016628



**MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING**

**MARCH 25, 1986**

**9:30 A. M.**

The Budget and Control Board met at 9:30 a.m. on Tuesday, March 25, 1986, in the Governor's conference room in the State House with the following members in attendance:

Governor Richard W. Riley, Chairman;  
Mr. Grady L. Patterson, Jr., State Treasurer;  
Mr. Earle E. Morris, Jr., Comptroller General;  
Senator Rembert C. Dennis, Chairman, Senate Finance Committee;  
Representative Tom G. Mangum, Chairman, House Ways and Means Committee.

Senator James M. Waddell, Jr., Vice Chairman of the Senate Finance Committee, represented Senator Dennis during the executive session portion of the meeting.

Also attending were:

William T. Putnam	Executive Director
William A. McInnis	Secretary
Katherine M. Hepfer	Governor's Executive Assistant
Joseph A. Wilson, II	Chief Deputy Attorney General
E. A. Laurent	Deputy Executive Director
Charles H. Smith	Special Projects Administrator
Donna K. Williams	Assistant to Board Secretary
Other Board staff	

**WELCOME TO SENATOR DENNIS UPON HIS RETURN**

Governor Riley was joined by all other Board members in welcoming Senator Dennis upon his return to his Board and Senatorial duties following his recovery from injuries received in an automobile accident on November 1, 1985. Governor Riley observed that Senator James M. Waddell had filled in for Senator Dennis in a super way.

**MINUTES OF PREVIOUS MEETING**

A draft version of the minutes of the Board meeting held on March 11, 1986, previously had been furnished to Board members.

Upon a motion by Mr. Patterson, seconded by Mr. Mangum, the Board approved the referenced minutes as written.

**BLUE AGENDA**

Upon a motion by Mr. Patterson, seconded by Mr. Mangum, the Board approved all items on the blue agenda. Blue agenda items are identified as such in these minutes.

**016629**

**Minutes of State Budget and Control Board Meeting  
Regular Session -- March 25, 1986 -- Page 2**

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**SHIFT OF CLEMSON PERSONNEL SETTLEMENT ITEM FROM EXECUTIVE SESSION**

Upon Mr. Patterson's motion, the Board agreed without objection to consider in regular session a personnel settlement proposed by Clemson University. Staff had included the item in the executive session agenda.

**HUMAN RESOURCE MANAGEMENT: WORKERS' COMP LEAVE COORDINATION (BLUE #1)**

The Board was reminded that, on February 25, 1985, in accord with Code Section 8-11-145, it had approved a revised formula and table to be used by State agencies in coordinating sick or annual leave with Workers' Compensation benefits.

The Board was further advised that the table has been revised to reflect the recent increase in Workers' Compensation payments.

The Board received as information a revised formula and table to be used by State agencies in coordinating sick or annual leave with Workers' Compensation benefits, as presented by the Division of Human Resource Management.

Information relating to this matter has been retained in these files and is identified as Exhibit 1.

**GENERAL SERVICES: RIGHT-OF-WAY EASEMENT (BLUE AGENDA #2)**

Upon a motion by Mr. Patterson, seconded by Mr. Mangum, the Board approved a right of way easement to the Highway Department to construct a section of State highway from an abandoned railroad to an area near Shoals Junction on Route 178 in Greenwood County, upon the recommendation of the Division of General Services, and after having been advised that the easement had been approved by the Attorney General's Office.

Information relating to this matter has been retained in these files and is identified as Exhibit 2.

**EXECUTIVE DIRECTOR: PERMANENT IMPROVEMENT PROJECTS (BLUE AGENDA #3)**

The Board received as information a report that the following permanent improvement projects had been reviewed favorably by the Joint Bond Review Committee and approved by staff:

**016630**

**Minutes of State Budget and Control Board Meeting**  
**Regular Session -- March 25, 1986 -- Page 3**

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- (1) On Summary 25-86: Item 1 and Items 3 through 10 (involving Clemson, Medical University, Wil Lou Gray Opportunity School, Mental Retardation, Youth Services and Highways & Public Transportation); and
- (2) On Summary 29-86: Item 1 (involving Francis Marion College).

Information relating to this matter has been retained in these files and is identified as Exhibit 3.

**EXECUTIVE DIRECTOR: INTERVIEWEE TRAVEL EXPENSE REIMBURSEMENTS (BLUE #4)**

The Board received as information reports on the reimbursement of interviewee travel expenses by Francis Marion College (4); College of Charleston (13); and Department of Education (2).

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

**BUDGET DIVISION: FUNDS TRANSFER REQUEST (HHSFC) (REGULAR #3)**

Special Assistant for Budgets A. Baron Holmes, IV, appeared before the Board on this matter.

The Budget Division advised in the agenda materials that the Health and Human Services Finance Commission (HHSFC) had asked for approval of the transfer of \$805,297 of State appropriated funds from Medicaid matching to the Social Services block grant program. The proposed transfer of State funds from one program to another was requested to replace federal funds lost as a result of the implementation of the Gramm-Rudman-Hollings Act. The \$805,297 is applicable to the third quarter of the federal fiscal year (April, May and June) and it is half of the federal funds reduction for the federal fiscal year ending September 30.

The Division indicated in the agenda materials that the State funds proposed for transfer are part of the projected Medicaid lapse and that they are in addition to the \$5.5 million of Medicaid funds projected to lapse to the general fund. The Division also indicated that these funds are available as a result of the slow phase-in of services in the community long term care program and other programs.

**016631**



Minutes of State Budget and Control Board Meeting  
Regular Session -- March 25, 1986 -- Page 4

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The Division recommended Board approval of the transfer request on the condition that the Social Services Block Grant State Plan for 1986-87 take the shortfall into account.

Dr. Holmes expressed the hope that the Board would establish a policy on dealing with the impacts of federal funding cuts on various State agency programs as guidance for staff. He noted that these cuts will cause much heartache and he pointed out that the Senate can expect to hear more from agencies on this question as a result of their better understanding of it. He also observed that the House did not deal with much of this issue.

With regard to the HHSFC transfer request, Dr. Holmes stated that it is the first of numerous problems which can be expected in the social services block grant. He advised Mr. Morris that the request does involve the transfer of State funds to cover a reduction in federal funds. Mr. Morris also asked about the impact on next fiscal year and Governor Riley stated that the shortage of funds for the social services block grant would mean that the programs would have to be phased down.

In response to Mr. Patterson's inquiry, Mr. Putnam expressed the view that the Board does have the authority to approve the requested transfer.

Mr. Mangum stated that the Ways and Means Committee had included a carryforward proviso for these funds in the appropriations bill. He also expressed concern about the effects on next fiscal year if the transfer were to be approved. Dr. Holmes indicated his understanding that the Medicaid underrun is so substantial that funds would be available to cover the amounts in the proposed transfer and the carryforward alluded to by Mr. Mangum.

Senator Waddell expressed a desire for the Senate Finance Committee to have a complete rundown on this whole situation.

Following this discussion, upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board approved the transfer by the Health and Human Services Finance Commission of \$805,297 of State appropriated funds from Medicaid matching to the Social Services block grant program to replace federal funds lost as a result of the implementation of the Gramm-Rudman-Hollings Act.

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

016632

**BUDGET DIVISION: MENTAL RETARDATION FEDERAL SURVEY DEFICIENCIES (REG #2)**

Mental Retardation Commissioner Charles Barnett and staff members Philip S. Massey and James E. Kirk and Special Assistant for Budgets A. Baron Holmes, IV, appeared before the Board on this matter.

The Budget Division had requested that the Board hear a brief report from Dr. Barnett regarding the potential impact of findings in a recently-completed Federal Direct Survey of Whitten Center, Midlands Center, and Coastal Center in which certain institutional ICF/MR deficiencies were cited.

Dr. Barnett observed at the outset that Federal Direct Surveys, sometimes referred to as "look behind" surveys, basically are reviews of State licensing practices and related matters. He noted that the Medicaid funding involved are significant to the State and to his agency since they represent about 44% of his agency's budget. He pointed out that the focus of the federal surveys is "active treatment" which is an area in which all states surveyed were found to have problems. He described the survey process as one in which a sample of clients is drawn and in which the sample of clients is literally followed from dawn to dark using a 77-page protocol as an assessment guide. He indicated that the three centers surveyed were found to have procedural problems and problems directly related to staffing.

Dr. Barnett advised that exit interviews were held following the surveys and that a formal report is to follow. The federal inspectors are due back within forty-five days at which time they expect to find evidence of a good faith effort to correct the deficiencies noted in the surveys. He expressed the view that his Department should stay with its five-year and year 2000 plans as the best plans which continue the process of reducing the population in the agency's institutions. In that connection, he noted that the population of Whitten Center now is down to 1,100 from 2,900 but that it remains one of the thirty largest such institutions in the country.

To meet the needs cited in the surveys, Dr. Barnett stated that 178 additional positions are needed for the three centers with some \$524,000 required this fiscal year and about \$3.1 million next. He pointed out that federal funds would cover 73% of these costs resulting in an approximate additional cost of \$850,000 to the State next fiscal year. He concluded his

**016633**



Minutes of State Budget and Control Board Meeting  
Regular Session -- March 25, 1986 -- Page 6

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comments by noting that his Department was not surprised at the federal survey results in view of the fact that the per diem expenditures of his agency are some 40% below the national average.

In the ensuing discussion, Mr. Patterson inquired further into the survey sample, the significance of the findings and the possibility of phasing into compliance. Dr. Barnett commented that a single client deemed not to be in compliance can cause a facility's license to be lost and that the schedule for compliance is not at the agency's option. He expressed the view that his agency is being measured by a new yardstick which are regulations which have been in formation for years.

Mr. Mangum asked about the staff at Whitten Center in view of the decrease in clients mentioned by Dr. Barnett. In response, Dr. Barnett indicated that most of the staff requested will go to Whitten Center if they are approved. He also stated that few realize how far out of tune the standards at Whitten Center were. He pointed out that the clients remaining at the Center are the most handicapped, the most behaviorally-aggressive and, generally, a far more complicated group to deal with.

Dr. Holmes advised the Board that he had asked staff to review carefully requests for exemption from the 2% budget cut. He noted the uncertain revenue situation including the \$4.8 million telephone access charges which are in litigation and the coverage of the \$7.8 million deficit by Mental Health with funds anticipated from the possibility of winning a suit against the federal government involving Medicaid funds. He stated that there are many meritorious requests for exemption from the 2% cut. He also expressed a desire to look at the March revenues and at the personal service reconciliation results before bringing the question back to the Board at the April 22 meeting.

Dr. Holmes then recommended that the Board exempt only the "critical" needs as identified by Budget Division staff which amounted to \$725,000 and included: (1) Mental Retardation, \$480,000 to cover the additional costs involved in responding to the results of the Federal Direct Surveys; (2) State Law Enforcement Division, \$150,000 for the replacement of motor vehicles on the usual basis which Dr. Holmes noted for SLED is at 90,000 miles as compared to the standard 70,000 miles; and (3) Alcohol and Drug Abuse, \$95,000 to maintain detoxification services and community-based treatment services.

**016634**



Minutes of State Budget and Control Board Meeting  
Regular Session -- March 25, 1986 -- Page 7

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Mr. Mangum expressed the view that approving these exemptions will build the base for next fiscal year. Dr. Holmes indicated his understanding was that approval would only buy time and that no commitment was being made for next fiscal year as a result of these approvals. Governor Riley noted that decisions about adjusting the base at this point should be addressed to the Senate.

Following this discussion, upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved the exemption to of the following from the 2% budget reduction for 1985-86 to meet critical needs, upon the recommendation of the Budget Division:

S. C. Law Enforcement Division	\$150,000
Department of Mental Retardation	\$480,000
Commission on Alcohol and Drug Abuse	\$ 95,000

The Board also agreed to consider the general matter of exemptions from the 2% budget reduction further at the meeting scheduled to be held on April 22.

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

**CLEMSON UNIVERSITY: PERSONNEL SETTLEMENT (BARNETTE) (EXECUTIVE #2)**

Appearing before the Board on this matter were attorneys B. O. Thomason, Jr., and Ben Anderson, representing Clemson University.

Attorney Thomason recounted briefly the background of this item noting that negotiations to settle differences between Clemson University and Melvin A. Barnette were not successful during last summer and that Mr. Barnette was terminated from his position as vice president on October 8, 1985. He then indicated that Mr. Barnette filed an appeal on his termination with Clemson, in accord with established procedures, but that Clemson had stuck by its decision to terminate Mr. Barnette. Mr. Thomason stated that Mr. Barnette then filed an appeal of that decision with the State Employee Grievance Committee and that the Division of Human Resource Management sent a request for a reply to the appeal. He observed that, as is required under Grievance Committee procedures, a mediator was appointed who pursued a resolution of the matter and who, ten days prior to the scheduled Grievance Committee hearing,

**016635**

had made a recommendation for a settlement of the matter which was not successful. He reported that the matter was under continuous negotiation and that, shortly before the March 12 Grievance Committee hearing, a resolution of the matter was agreed upon, subject to Budget and Control Board approval.

Mr. Thomason indicated that this has been a long and involved negotiation process. He also stated that the expenses and time involved in resolving the matter, with some ninety witnesses set to appear at the grievance hearing, were serious considerations. He reported that he had discussed the matter with Clemson University President Lennon who had indicated his desire to be up front and forthright about it. He noted that this has been one of the most difficult matters he had handled in thirty-five years of practicing law. He presented and recommended Board approval of the personnel settlement in the Melvin A. Barnette grievance case which included the following points: (1) Mr. Barnette would be reinstated by Clemson University as Vice President for Business and Finance with back pay from October 8, 1985, and, on the basis of a certificate by his doctor (who was treating Mr. Barnette for hypertension) that it would be inadvisable for Mr. Barnette to return to work at Clemson, he would be on sick leave in compliance with Clemson University rules and procedures until his retirement effective June 30, 1986; and, considering the costs of litigating the matter and other costs, (2) Mr. Barnette would be paid \$100,000 in exchange for a mutual release and dismissal of all other claims against Clemson University for injury and damages. Mr. Thomason expressed the view that approval of this settlement proposal is in the best interest of Clemson University and the State so that the matter could be ended and all could move on to other things.

In response to Mr. Morris' inquiry about where the funds would come from to pay Mr. Barnette, Mr. Thomason stated that President Lennon is prepared to answer that question but he assured Mr. Morris that it would not be from appropriated funds.

Following a brief discussion, upon a motion by Senator Dennis, seconded by Mr. Patterson, the Board approved the personnel settlement proposed by Clemson University in the grievance brought by Melvin A. Barnette.

Information relating to this matter has been retained in these files and is identified as Exhibit 7.

016636



**GENERAL SERVICES/OED: PROCUREMENT EXEMPTION-STATE TREASURER (REGULAR #4)**

The Division of General Services, in the agenda materials, advised that, since the State Treasurer obtains interest rates competitively for lease/purchase equipment contracts handled by it, this function should be exempted from the Procurement Code in accord with Code Section 11-35-710. The Division recommended that this exemption be granted and that all such interest rates be authorized through the Office of State Treasurer.

In a related matter, the Board was also reminded in agenda materials that, in October of 1979, it delegated to the State Treasurer authority to approve, on behalf of the Board, rates of interest in excess of 7% as may be required by the terms of Code Section 11-9-350. Staff noted that some uncertainty on the scope of that action is now evident and recommended that the Board delegate to the State Treasurer authority to approve the rates of interest on all financing transactions under the Board's purview.

At the meeting, Mr. Patterson suggested a revision of the procurement exemption proposal to provide for the exemption of other debt and banking functions of the State Treasurer's Office in addition to exempting the financing provisions of lease/purchase contracts.

Mr. Putnam asked that the Board carry over consideration of the staff recommendation on the delegation of authority to approve the rates of interest on all financing transactions under the Board's purview.

Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board exempted the financing provisions of lease/purchase contracts and other debt and banking functions of the State Treasurer's Office from the procurement procedures of the Procurement Code, upon the recommendation of the Division of General Services, pursuant to Code §11-35-710.

Information relating to this matter has been retained in these files and is identified as Exhibit 8.

**EXECUTIVE DIRECTOR: PRIVATE ACTIVITY BOND; CEILING ALLOCATION (REG #5)**

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board adopted a resolution approving, on the condition that the required reviews are completed with satisfactory results, an Horry County proposal to issue \$250,00 Industrial Revenue Note on behalf of the Commercial Realty Ventures project, and allocated \$250,000 of the State Ceiling to the project.

016637



**Minutes of State Budget and Control Board Meeting**  
**Regular Session -- March 25, 1986 -- Page 10**

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Information relating to this matter has been retained in these files and is identified as Exhibit 9.

The Board also received as information a status report on the State Ceiling as of March 11, 1986 (year elapsed, 19%) which showed:

	<u>CY 1985 Ceiling</u>	<u>Allocated</u>	<u>(%)</u>	<u>Not Allocated</u>	<u>(%)</u>
State Pool	\$200,820,000	\$14,509,000	(7%)	\$186,311,000	(93%)
Local Pool	<u>301,230,000</u>	<u>15,118,848</u>	(5%)	<u>286,111,152</u>	(95%)
Total	\$502,050,000	\$29,627,848	(6%)	\$472,422,142	(94%)

Information relating to this matter has been retained in these files and is identified as Exhibit 10.

**FAMILY FARM DEVELOPMENT AUTHORITY: AGRICULTURAL DEVELOPMENT BOND (REG #6)**

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board adopted a resolution approving, on the condition that the required reviews are completed with satisfactory results, a Family Farm Development Authority proposal to issue \$185,000 Agricultural Development Bond on behalf of the William G. Reese project and allocated \$185,000 of the State Ceiling to the project. The Board was advised that this project had been approved at the February 27, 1986, Board meeting in the amount of \$184,000 and is now being increased by \$1,000.

Information relating to this matter has been retained in these files and is identified as Exhibit 11.

**JOBS-ECONOMIC DEVELOPMENT AUTHORITY: INDUSTRIAL DEVELOPMENT NOTE (REG #7)**

Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board adopted a resolution approving, on the condition that the required reviews are completed with satisfactory results, the private sale of a \$1,000,000 Industrial Development Revenue Note by the Jobs-Economic Development Authority for the Congaree Vista Associates project and allocated \$1,000,000 of the State Ceiling to the project.

Information relating to this matter has been retained in these files and is identified as Exhibit 12.

016628

Minutes of State Budget and Control Board Meeting  
Regular Session -- March 25, 1986 -- Page 11

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**CHARLESTON COUNTY: CEILING ALLOCATION EXTENSION (REGULAR SESSION #8)**

The Board was advised that, at its meeting on January 16, 1986, it had approved a tentative ceiling allocation of \$3,000,000 for The Brown Schools of Charleston, Inc., project, with that allocation to expire on April 16, 1986.

Bond counsel Paul Trouche advised by letter that he does not anticipate closing the issue prior to May 1, 1986, and requested a 30-day extension of the allocation (to expire May 16, 1986).

Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board granted a 30-day extension to the life of the \$3,000,000 ceiling allocation for The Brown Schools of Charleston, Inc., project with the allocation to expire on May 16, 1986.

Information relating to this matter has been retained in these files and is identified as Exhibit 13.

**LOCAL GOVERNMENT: FLORENCE COUNTY RURAL IMPROVEMENT GRANT REQUEST (REG #9)**

Local Government Division Director Michael S. Gullledge appeared before the Board on this matter.

He advised that Florence County has requested \$75,000 to relocate and refurbish a 75,000-gallon elevated water storage tank. He indicated that the grant of \$75,000, of which half would come from the Senate and half from the House, would also assist in the extension of service lines to the Evergreen community.

Upon a motion by Mr. Mangum, seconded by Mr. Morris and Senator Dennis, the Board approved a rural improvement grant of \$75,000 to Florence County to relocate and refurbish a 75,000-gallon elevated water storage tank and assist in the extension of service lines to the Evergreen community, with half of the funds to come from the Senate and half from the House, upon the recommendation of the Division of Local Government.

Information relating to this matter has been retained in these files and is identified as Exhibit 14.

016639

**EXECUTIVE DIRECTOR: FIVE-YEAR PERMANENT IMPROVEMENT PLAN UPDATE (REG #10)**

The Board was advised that in Part II (Permanent Provisions), Section 20 of Act 237 of 1975 is found the first provision for the alternate year approach for the submission of Budget and Control Board recommendations on capital improvement bond authorizations. That legislation, which amended Act 1377 of 1968, which is considered by the Legislative Council to be a temporary act, provided that the alternate year process begin in 1977.

This alternate year approach was affirmed in Act 518 of 1980, which was a bond act and which mostly amended Act 1377 of 1968. Section 13 of that Act amended Act 1377 of 1968 to provide that capital improvement bonds may be authorized by the General Assembly during the 1981 session and thereafter only in odd-numbered years.

Act 179 of 1981, which basically was a bond act, in Section 12, repeated the provision that the General Assembly may authorize capital improvement bonds during the 1981 session and thereafter only in odd-numbered years.

Section 5 of Act 179 of 1981 set out the five-year permanent improvement plan requirement and provided that plans be submitted to the Board and the Bond Committee on or before July 1, 1982, and updated as necessary and submitted in alternate years thereafter. The five-year plan process includes, in years one and two, agency requests for capital improvement bond authorizations.

Last year, in Part II (Permanent Provisions), Section 35 of Act 201 of 1985 (the general appropriations act), the General Assembly amended Act 1377 of 1968 to provide that capital improvement bonds may be authorized by the General Assembly in even-numbered years.

In summary, if the General Assembly is to authorize bonds in even-numbered years, preparations leading to the Board's recommendations must be begun in odd-numbered years. The process, as provided in Act 179 of 1981, has been the opposite which means that, under the earlier schedule, 1986 would be a year in which agencies would be asked to update their plans and requests. Under the schedule adopted by the General Assembly, preparations should be undertaken in 1987 for a bond bill to be acted on in 1988.

Following a discussion, upon a motion by Mr. Mangum, seconded by Mr. Patterson, the Board concurred in the staff view that the next update of



**Minutes of State Budget and Control Board Meeting  
Regular Session -- March 25, 1986 -- Page 13**

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five-year permanent improvement plans should be undertaken in calendar year 1987 in preparation for a bond bill in 1988, in accord with the 1985 action of the General Assembly to authorize bonds in even-numbered years.

Information relating to this matter has been retained in these files and is identified as Exhibit 15.

**WATER RESOURCES COMMISSION: REAL PROPERTY TRANSACTION (REGULAR #11)**

The Board was asked to approve the acceptance of a 30-year easement from the Hilton Head Company, Inc., on property on which to excavate four test holes and observation water wells for the purpose of monitoring water levels and conditions within Beaufort County.

Mr. Putnam noted that the easement as drafted included the Board as a grantee along with the Water Resources Commission. He recommended that the easement document be revised to remove the Board as a grantee and to leave the transaction as one between The Hilton Head Company and the Water Resources Commission.

Upon a motion by Mr. Patterson, seconded by Mr. Mangum, the Board approved the acceptance by Water Resources Commission of easements from the Hilton Head Company, Inc., on property on which to install test holes and observation water wells to monitor water levels and conditions within Beaufort County.

Information relating to this matter has been retained in these files and is identified as Exhibit 16.

**GENERAL SERVICES: APPROVAL OF ACCEPTANCE OF EASEMENTS (REGULAR #12)**

Following a brief discussion, upon a motion by Mr. Patterson, seconded by Mr. Mangum, the Board delegated to the Division of General Services authority to approve or, in the Division's discretion, to seek Board approval of the acceptance of easements by governmental bodies, in accord with the requirements of Part II, Section 5 of the 1985-86 appropriations act, on the condition that all such transactions approved by the Division are reported to the Board promptly on the blue agenda.

Information relating to this matter has been retained in these files and is identified as Exhibit 17.

**016641**

**GENERAL SERVICES: REAL PROPERTY TRANSACTION (WILDLIFE) (REGULAR #13)**

The Division of General Services advised in the agenda materials that the South Carolina Nature Conservancy wishes to convey 952 acres in Jasper County to the Wildlife and Marine Resources Department as a donation with the intention that the property be dedicated as a heritage preserve. The Division further noted that this conveyance is intended to ensure that the area will remain in the natural state and be open to the public, with activities allowed under this arrangement to include hiking, nature study, picnicking and hunting.

Upon a motion by Mr. Morris, seconded by Senator Dennis, the Board approved acceptance by the Wildlife and Marine Resources Department of a 952-acre tract as a donation from the South Carolina Nature Conservancy with the intention that it be dedicated as a heritage preserve, in accord with the provisions of Part II, Section 5 of the 1985-86 Appropriations Act.

The Board noted in approving this transaction that no commitment was being made to recommend additional funds to maintain this property.

Information relating to this matter has been retained in these files and is identified as Exhibit 18.

**MOTOR VEHICLE MANAGEMENT: COUNCIL MEMBERSHIP APPOINTMENTS (REGULAR #14)**

The Board was advised that the terms of all three of the members of the Motor Vehicle Management Council authorized by Code §1-11-230 either have expired or will expire in this calendar year. The law provides that these members be appointed by the Board with the advice and consent of the Senate. Staff proposed that the effort to gain Senate advice and consent be undertaken now in order to accomplish it during the current legislative session.

The current members are: Mr. E. Graves Jones (term expires October 1, 1986); Mr. James H. Drake (term expired October 1, 1985); and Mr. Arden Lemon (term expired October 1, 1984).

The Board received this report as information and agreed to consider the matter further at a future meeting.

Information relating to this matter has been retained in these files and is identified as Exhibit 19.

016642



Minutes of State Budget and Control Board Meeting  
Regular Session -- March 25, 1986 -- Page 15

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**HUMAN RESOURCE MANAGEMENT: RETROACTIVE SALARY INCREASES POLICY (REG #15)**

Human Resource Management Division Director Phyllis Mayes appeared before the Board on this matter.

The Division of Human Resource Management advised in the agenda materials that several agencies recently have submitted requests for salary adjustments for employees with effective dates prior to the dates the requests were to be considered by the Budget and Control Board. Had the effective dates for the salary adjustments been approved as requested, the Board would have authorized retroactive salary increases.

The Division recommended that, to reaffirm the Board's position regarding retroactive salary increases, the following policy statement for effecting salary adjustments be transmitted to all agencies, departments and institutions: "All salary adjustments requiring approval of the Budget and Control Board or its designee shall be made effective only on or after the date of Board approval."

Ms. Mayes advised that the Personnel Subcommittee had recommended approval of the proposed policy statement.

Mr. Putnam observed that, at the beginning of each fiscal year, institutions of higher education have long lists of salary adjustments which require Board approval and that many of what have amounted to approvals of retroactive increases have occurred because of the process followed on these proposals in the past. He suggested that it be understood that all of these requests in the future be in by July 1 so that they could be considered in timely fashion.

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board approved a policy on salary adjustments which provides that all salary adjustments requiring approval of the Board or its designee shall be made effective only on or after the date of Board approval; and directed staff to advise agency heads of this policy.

Information relating to this matter has been retained in these files and is identified as Exhibit 20.

016643



Minutes of State Budget and Control Board Meeting  
Regular Session -- March 25, 1986 -- Page 16

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**HUMAN RESOURCE MANAGEMENT: DHEC REQUEST FOR 4-DAY WORKWEEK (REGULAR #16)**

Human Resource Management Division Director Phyllis Mayes appeared before the Board on this matter.

The Division of Human Resource Management recommended approval of the Department of Health and Environmental Control request to establish a four-day workweek for the Home Health Services Program.

The Division advised the Board in the agenda materials that the proposed four-day workweek will provide expanded hours of operation while minimizing overtime costs. The Division also indicated that the present office hours are from 8:30 a.m. to 5:00 p.m. (8.5 hours) while the proposed hours are from 7:30 a.m. to 6:00 p.m. (10.5 hours).

The agenda materials further noted that, by expanding the hours of operation, nursing services can be provided during peak demand hours at opening and closing and that, by using flexible scheduling, the need for overtime hours outside normal work hours would be greatly reduced and would result in substantial cost savings. They also indicated that the estimated cost savings for staff members working overtime 2.5 hours less for one week per year would be \$10,558.

Ms. Mayes advised that the Personnel Subcommittee had recommended disapproval of the DHEC request in view of the relatively modest savings and the absence of any compelling justification. Mr. Putnam indicated that there is some potential for callbacks on the employees' days off and noted that the justification does not appear to be substantial enough.

Upon a motion by Mr. Patterson, seconded by Mr. Mangum, the Board did not approve the proposed four-day, ten-hour-per-day workweek for the Department of Health and Environmental Control's Home Health Services Program.

Information relating to this matter has been retained in these files and is identified as Exhibit 21.

**GENERAL SERVICES: APPROVAL OF TRADE-IN (EDUCATION) (REGULAR SESSION #17)**

The Division of General Services advised that the Department of Education plans to procure computer equipment in a transaction involving a trade-in of a NAS 7000 DPC valued at \$450,000.

016644

**Minutes of State Budget and Control Board Meeting**  
**Regular Session -- March 25, 1986 -- Page 17**

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Under the Board's regulations, trade-ins valued in excess of \$25,000 are subject to Board approval. The cost of the equipment to be acquired is \$1,611,750, exclusive of the trade-in.

The Board was advised that an interest rate of 6.95% had been secured from C&S Leasing.

Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board approved the trade-in by the Department of Education of NAS CPU equipment valued at \$450,000 on the acquisition of computer equipment to cost a total of \$1,611,750.

Information relating to this matter has been retained in these files and is identified as Exhibit 22.

**EXECUTIVE DIRECTOR: PROVISIO RELATING TO CAPITAL PROJECTS (ADDENDUM)**

At Mr. Putnam's request, the Board without objection agreed to add to the present agenda consideration of an appropriations bill/bond bill proviso relating to capital projects and lease/purchase arrangements under which buildings are acquired.

Mr. Putnam expressed the view that it is important for the Board and the Bond Committee to be on common ground on capital projects handled under lease/purchase arrangements whether by way of a capital budget or otherwise. He noted the positive results of the prior collaboration of the Board and the Bond Committee on the priority schedule for release of capital improvement bond funds.

Mr. Putnam urged the Board to agree to pursue a proviso to be included either in the appropriations bill or in the bond bill which would direct the Board and the Bond Committee to work between now and January of 1987 to devise a plan for dealing with capital projects and lease/purchases of them for presentation to the General Assembly. Mr. Putnam indicated that he would ask to appear before the Bond Committee at its meeting tomorrow to pursue the idea if the Board concurs in it.

Mr. Mangum suggested that the Senate Finance Committee be asked to include the proviso proposed by Mr. Putnam in the appropriations bill.

Following this discussion, upon a motion by Mr. Patterson, seconded by Mr. Mangum, the Board approved the concept of seeking a proviso in the

**016645**



**Minutes of State Budget and Control Board Meeting  
Regular Session -- March 25, 1986 -- Page 18**

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appropriations bill which would establish a committee of the Board and the Joint Bond Review Committee and direct it to devise a plan for dealing with capital projects and lease/purchase arrangements with the plan to be reported to the General Assembly for its consideration in January of 1987.

In response to Mr. Mangum's inquiry, Mr. Putnam reported that the Columbia City Council had voted unanimously to deny the zoning classification change the State had requested on property fronting on Bull Street in order to construct a 50,000 square foot building for the Department of Mental Retardation. He reported that residents in the adjoining neighborhood had objected and had wanted the land in question left in a single-family zoning classification as a buffer. Mr. Putnam pointed out that staff had agreed to build a wall on the back property line and had made numerous other concessions in an effort to assuage the neighbors.

**STATE TREASURER'S OFFICE: REPORT ON BOND SALE (ADDENDUM)**

Mr. Patterson reported that his office had had a very successful sale of \$85 million of capital improvement bonds on Tuesday. He reported that five bids were received with lowest being an interest rate of 6.25% overall and with the highest being a rate of 6.33%. He also noted that the day following this sale a proposal was introduced in the U. S. Senate by Senator Packwood which had the effect of shutting down the market.

**FUTURE MEETING**

The Board agreed to hold a regular meeting at 9:30 a.m. on Tuesday, April 8, 1986, in the Governor's conference room in the State House.

**EXECUTIVE SESSION**

Mr. Putnam advised the Board that three personnel items had been proposed for consideration during executive session and asked that the Board add to the present agenda one additional personnel item.

Upon a motion by Mr. Patterson, the Board agreed to consider the four personnel items in executive session whereupon Governor Riley declared the meeting to be in executive session.

**016646**



**Minutes of State Budget and Control Board Meeting**  
**Regular Session -- March 25, 1986 -- Page 19**

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**RATIFICATION OF EXECUTIVE SESSION ACTIONS**

Following consideration of executive session items, the meeting was opened and, upon a motion by Senator Waddell, seconded by Mr. Patterson, the Board ratified the following actions which were taken during executive session:

- (1) Approved a University of South Carolina appeal relating to the effective date of salary increases for ten unclassified employees;
- (2) Approved a salary increase for a Clemson University staff member upon his promotion, effective April 4, 1986, to County Extension Chairman in Beaufort County;
- (3) Approved a Technical and Comprehensive Education request to continue the employment of Ms. Elizabeth Hobeika through June 30, 1987; and
- (4) Agreed that Board staff should assemble information on the strengths and weaknesses of the four persons who have expressed interest in the position of Confederate Relic Room director.

The meeting was adjourned at 11:40 a.m.

[Secretary's Note: In compliance with Code §30-4-80, public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, near the Board Secretary's office in the Wade Hampton Building, and in the lobby of the Wade Hampton Office Building at 11:00 a.m. on Friday, March 21, 1986.]

**016647**

# EXHIBIT

MAR 25 1986

NO. 1

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 25, 1986

BLUE AGENDA

ITEM NUMBER

1

AGENCY: Human Resource Management

SUBJECT: Coordination of Leave with Workers' Compensation

On February 25, 1985, in accordance with Section 8-11-145 of the Code, the Board approved a revised formula and table to be used by State agencies in coordinating sick or annual leave with Workers' Compensation benefits.

The table has been revised to reflect the recent increase in Workers' Compensation payments.

BOARD ACTION REQUESTED:

Receive as information a revised formula and table to be used by State agencies in coordinating sick or annual leave with Workers' Compensation benefits.

ATTACHMENTS:

Agenda item worksheet and attachment

016648

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

March 25, 1986

☒ Blue Agenda  
☐ Regular Session Agenda  
☐ Executive Session Agenda

1. Submitted By:

(a) Agency: Division of Human Resource Management

(b) Authorized Official Signature:

*Phyllis M. Mayes*

2. Subject:

Coordination of leave with Workers' Compensation

3. Summary Background Information:

On February 25, 1985, in accordance with Section 8-11-145 of the S. C. Code of Laws the Budget and Control Board approved a revised formula and table to be used by State agencies in coordinating sick or annual leave with Workers' Compensation benefits. The table has been revised to reflect the recent increase in Workers' Compensation payments. A copy of the new table is attached.

EXHIBIT

MAR 25 1986

NO. 1

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

No action required.

5. What is recommendation of the Board Division involved?

Submitted for informational purposes.

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

Copy of revised table.

List Those Not Attached But Available  
from Submitter

016649



# COORDINATING SICK AND ANNUAL LEAVE WITH WORKERS' COMPENSATION

Section 8-11-145 of the South Carolina Code of Laws provides that an employee may use sick and annual leave in conjunction with Workers' Compensation benefits according to a formula to be developed by the Budget and Control Board.

Currently, Workers' Compensation will pay  $66 \frac{2}{3} \%$  of an employee's average weekly gross pay up to a maximum of \$294.95 per week. The total benefit received during a regular payroll period is less than the average net or take-home pay that an employee would receive if a regular payroll check was issued subject to taxation.

The purpose of this formula is to allow employees to maintain the level of spendable income that was being received prior to an injury. This can be accomplished by allowing the employee to use a reduced amount of leave time.

The table shows a constant amount of \$55 per pay period for those employees whose salaries fall between \$7,000 and \$22,999 per year. This is due to the fact that the difference between Workers' Compensation benefits and regular net pay remains the same until the maximum Workers' Compensation is reached. \$294.95 per week is approximately  $66 \frac{2}{3} \%$  of a 23,000 annual salary. At this point, the shortfall in spendable income begins to increase.

The following formula and table were developed to assist agencies in calculating appropriate leave charges that will, when added to the Workers' Compensation benefit, equate closely to the net pay an employee would receive in a regular pay check if at work.

## AMOUNT OF LEAVE TO BE CHARGED PER PAY PERIOD

$$\frac{\text{Annual Salary}}{\text{Base Hours (1950 or 2080)}} = \text{Hourly Rate}$$

$$\frac{\text{Gross Amount Paid (See Chart)}}{\text{Hourly Rate}} = \text{Leave Time Per Pay Period}$$

SALARY RANGE	GROSS AMOUNT TO BE PAID PER PAY PERIOD	SALARY RANGE	GROSS AMOUNT TO BE PAID PER PAY PERIOD
\$ 7,000 - 22,999	\$ 55.00	\$39,000 - 39,999	\$ 580.00
\$23,000 - 23,999	\$ 63.00	\$40,000 - 40,999	\$ 610.00
\$24,000 - 24,999	\$ 93.00	\$41,000 - 41,999	\$ 640.00
\$25,000 - 25,999	\$ 120.00	\$42,000 - 42,999	\$ 670.00
\$26,000 - 26,999	\$ 150.00	\$43,000 - 43,999	\$ 710.00
\$27,000 - 27,999	\$ 180.00	\$44,000 - 44,999	\$ 740.00
\$28,000 - 28,999	\$ 215.00	\$45,000 - 45,999	\$ 770.00
\$29,000 - 29,999	\$ 245.00	\$46,000 - 46,999	\$ 805.00
\$30,000 - 30,999	\$ 280.00	\$47,000 - 47,999	\$ 835.00
\$31,000 - 31,999	\$ 315.00	\$48,000 - 48,999	\$ 865.00
\$32,000 - 32,999	\$ 345.00	\$49,000 - 49,999	\$ 900.00
\$33,000 - 33,999	\$ 375.00	\$50,000 - 50,999	\$ 930.00
\$34,000 - 34,999	\$ 410.00	\$51,000 - 51,999	\$ 960.00
\$35,000 - 35,999	\$ 445.00	\$52,000 - 52,999	\$ 995.00
\$36,000 - 36,999	\$ 475.00	\$53,000 - 53,999	\$1,030.00
\$37,000 - 37,999	\$ 510.00	\$54,000 - 54,999	\$1,060.00
\$38,000 - 38,999	\$ 545.00		

EXHIBIT

MAR 25 1986 NO. 1

STATE BUDGET & CONTROL BOARD

016650

# EXHIBIT

MAR 25 1986

NO. 2

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 25, 1986

BLUE AGENDA  
ITEM NUMBER

2

AGENCY: General Services

SUBJECT: Right-of-way Easement

The Division of General Services recommends approval of the following right-of-way easement which has been approved by the Attorney General's Office:

- ° To the Highway Department to construct a section of State highway from an improvement an an abandoned railroad to an area near Shoals Junction on Route 178 in Greenwood County.

BOARD ACTION REQUESTED:

Approve a right-of-way easement to the Highway Department to construct a section of State highway from an improvement at an abandoned railroad to an area near Shoals Junction on Route 178 in Greenwood County.

ATTACHMENTS:

Agenda item worksheet and attachments

016651

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

Blue Agenda

☒ Regular Session Agenda

☐ Executive Session Agenda

March 25, 1986

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Tony R. Ellis, Director *Tony R. Ellis*

2. Subject: Right-of-Way Easement  
Highway Department

3. Summary Background Information:

This is an original proposed right-of-way easement from the State to the Highway Department. The Highway Department proposes to construct a section of the State Highway from an improvement at an abandoned railroad to an area near Shoals Junction on Route #178 in Greenwood County.

This easement has been reviewed and approved by the Attorney General's Office.

EXHIBIT

MAR 25 1986

NO. 2

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Review and approve the proposed easement.

5. What is recommendation of the Board Division involved?

That the easement be executed by the Board.

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

1. Original easement (1 page, front and back)
2. A plat (2 pages)

016652



## EXHIBIT

MAR 25 1986

NO. 2

Form 801 (Rev. 8-1-77)

The State of South Carolina

STATE BUDGET & CONTROL BOARD  
TRACT 3

COUNTY OF Greenwood

Route No. 178 File No. 24-529

Project No. HES-8524(1)

## Right of Way Easement

Approx. survey station, from 192+57 to 195+11.3 Right

KNOW ALL MEN BY THESE PRESENTS, That I (or we) State of South Carolina

Columbia, South Carolina

in consideration of the sum of One Dollar, to me (or us) in hand paid, and other valuable consideration at and before sealing and delivering thereof, by the South Carolina Department of Highways and Public Transportation, receipt of which is hereby acknowledged, have granted, bargained, sold, and released, and by these presents do grant, bargain, sell and release, unto the said South Carolina Department of Highways and Public Transportation, its successors and assigns a right

of way for the construction of a section of the State Highway from Improvement at abandoned Railroad

to near Shoals Junction on Route No. 178 State and

County aforesaid, as shown by plans prepared by the South Carolina Department of Highways and Public Transportation, on and over all lands which I (or we) may own in whole or in part, for the purpose of locating, constructing, improving, and maintaining the above described highway with the bridges and causeways thereon, and the right to construct and maintain controlled access facilities to said highway.

Bounded by the lands of Route 178 on the South and other lands of W. R. Dunn on the

EAST and others.

Said right of way to have a width of 45 feet, ~~XXXX~~ on the Right on each side of the center line of the highway. The grantor expressly recognizes the possibility that the property described herein may be used in the future by cable television companies for the purposes provided by Act No. 388 of the Acts of Joint Resolutions (1976).

"Special Provisions:" Also permission granted to extend slopes beyond the new right of way line. No additional land granted for slopes.

Together with, all and singular, the rights, members, hereditaments and appurtenances thereunto belonging, or in any wise incident or appertaining. It is agreed that buildings, fences, signs or other obstructions will not be erected by me (or us), my heirs, assigns or administrators within the limits of the right of way herein conveyed and that such buildings and fences as are now within the limits of the right of way herein conveyed will be moved from the right of way and restored in as good condition as before moving at the expense of the South Carolina Department of Highways and Public Transportation.

TO HAVE AND TO HOLD, all and singular, the said right of way and the rights hereinbefore granted, unto the said South Carolina Department of Highways and Public Transportation, its successors and assigns forever.

IN WITNESS WHEREOF, I (or we) have hereunto set my (or our) hand... and seal... this 25 day of March in the year of our Lord, One Thousand Nine Hundred and Eighty Six

Signed, sealed and delivered in the presence of:

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD

Katherine M. Hepfer  
William A. McInnis

BY: Richard W. Riley (L.S.)  
Chairman

NOTE: All Right of Way Agreements must be in writing and are subject to rejection by the South Carolina Department of Highways and Public Transportation.

The State of South Carolina

COUNTY OF Richland

Personally appeared

William A. McInnis

and made oath that he

saw the within named

Richard W. Riley

Print or Type Name

sign, seal and, as

his

act and deed, deliver the within written easement; and that

he

with

Sworn to before me this

25th

day of

March

A. D., 1986

My Commission expires

5/31/89

Notary Public for South Carolina

William A. McInnis

Witness sign here

ATTORNEY GENERAL'S OFFICE

016653

The State of South Carolina

RENUNCIATION OF DOWER

COUNTY OF.....

I,..... Notary Public for S. C.

do hereby certify unto whom it may concern, that Mrs. ....  
the wife of the within named....., did this day appear  
before me, and upon being privately and separately examined by me, did declare that she does freely, voluntarily, and  
without any compulsion, dread or fear of any person or persons whomsoever, renounce, release, and forever relinquish un-  
to the within named South Carolina Department of Highways and Public Transportation, its successors and assigns, all her  
interest and estate, and also her right and claim of dower of, in and to, all and singular, the premises within mentioned and  
released.

Given under my hand and seal, this.....day of.....

Anno Domini, 19.....

Signature of Wife.

Sworn to before me this.....day of..... A. D., 19.....

(L. S.)

My Commission expires.....  
Notary Public for South Carolina

The State of South Carolina

MORTGAGE RELEASE

COUNTY OF.....

KNOW ALL MEN BY THESE PRESENTS, That I (or we).....  
do for certain valuable consideration release from the lien and operation of my (or our) mortgage the property conveyed by  
the within deed so that the said property shall be free and unaffected by said mortgage.

Witness our hand and seal this.....day of....., 19.....

In the presence of:

EXHIBIT

MAR 25 1986 NO. 2

STATE BUDGET & CONTROL BOARD

016654

# EXHIBIT

MAR 25 1986

NO. 3

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 25, 1986

STATE BUDGET & CONTROL BOARD  
BLUE AGENDA  
ITEM NUMBER

3

AGENCY: Executive Director

SUBJECT: Permanent Improvement Projects

A. The following permanent improvement project actions have been reviewed favorably by the Joint Bond Review Committee and approved by staff:

- (1) On Summary 25-86: Item 1 and Items 3 through 10 (involving Clemson, Medical University, Wil Lou Gray Opportunity School, Mental Retardation, Youth Services and Highways & Public Transportation).
- (2) On Summary 29-86: Item 1 (involving Francis Marion College).

Please refer to attached extracts from the referenced summaries for details.

BOARD ACTION REQUESTED:

Receive as information.

ATTACHMENTS:

Referenced summary extracts.

016653



STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
January 16, 1986 Through January 31, 1986

SUMMARY 25-86 Page 1 of 6  
Forwarded to JBRC 02/04/86

Item Agency: H12 Clemson University Project: 8285, Jordan Hall-Ground Floor Expansion

CHE Approval Date: 01/15/86  
Committee Review Date: \* 2/26/86  
B&C Board Approval Date: \*

1. Action  
Proposed: Increase budget from \$ 177,000.00 to \$ 185,336.01

Budget After Action Proposed	
Source	Amount
Appropriated State	125,336.01
Federal	60,000.00

(Add \$ 8,336.01 [6] Appropriated State)

Purpose: Cost of fire alarm material and installation exceeded original estimate.

Ref: Supporting document pages 1-3.

TOTAL FUNDS 185,336.01

Item Agency: H12 Clemson University Project: 8641, Clemson House-Rm 700/Farmers Club Renovate

CHE Approval Date: 01/15/86  
\* Committee Review Date: \*  
B&C Board Approval Date: \*

2. Action  
Proposed: Change source of funds.

Budget After Action Proposed	
Source	Amount
Appropriated State	390,000.00

(Add \$ 150,000.00 [6] Appropriated State)  
(Subtract \$ 150,000.00 [9] Other, Continuing Education Ctr.)

Purpose: To change source of funds from Other, Continuing Education Ctr. to Appropriated State funds.

Ref: Supporting document pages 4-7.

\*Carried Over 2/26/86

TOTAL FUNDS 390,000.00

Item Agency: H51 Medical University Project: 8263, Bldg E Pharmacy Lab Renovation

CHE Approval Date: Not req'd  
Committee Review Date: \* 2/26/86  
B&C Board Approval Date: \*

3. Action  
Proposed: Increase budget from \$ 250,000.00 to \$ 253,500.00

Budget After Action Proposed	
Source	Amount
Excess Debt Service	253,500.00

(Add \$ 3,500.00 [4] Excess Debt Service)

Purpose: To complete the Metal Lab Casework for Pharmacy Lab in Building E.

Ref: Supporting document pages 8-11.

TOTAL FUNDS 253,500.00

016656

25-86 Items 1 + 3

EXHIBIT

MAR 25 1986 NO. 3

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
January 16, 1986 Through January 31, 1986

SUMMARY 25-86 Page 2 of 6  
Forwarded to JBRC 02/04/86

Item Agency: H71 Will Lou Gray Op School Project: Training Center Renovation

CHE Approval Date: Not req'd  
Committee Review Date: \* 2/26/86  
B&C Board Approval Date: \*

4. Action  
Proposed: Establish project.

Total budget.....\$ 65,000.00  
[6] Appropriated State.....\$ 65,000.00

Budget After Action Proposed	
Source	Amount
Appropriated State	65,000.00

Purpose: To renovate and remodel an old army barracks (3,200 sq ft) that had been converted to a campus residence in 1971. This project will enable us to create a comprehensive statewide training center to be used by various educational groups in the training and assessment of administrators, staff and teachers. It will also serve as an Archives and Alumni House and a Board Meeting Room.

Ref: Supporting document pages 12-14.

TOTAL FUNDS 65,000.00

Item Agency: J16 Mental Retardation Project: 8529, WC-Laundry Renovations

CHE Approval Date: Not req'd  
Committee Review Date: \* 2/26/86  
B&C Board Approval Date: \*

5. Action  
Proposed: Decrease budget from \$ 1,215,250.00 to \$ 1,015,250.00

(Subtract \$ 200,000.00 [4] Excess Debt Service)

Budget After Action Proposed	
Source	Amount
Excess Debt Service	1,015,250.00

Purpose: To transfer funds to set up project 9003, Laundry Facility on 23 Dorms.

Ref: Supporting document pages 15-18.

TOTAL FUNDS 1,015,250.00

Item Agency: J16 Mental Retardation Project: WC-Laundry Facility on Dorms

CHE Approval Date: Not req'd  
Committee Review Date: \* 2/26/86  
B&C Board Approval Date: \*

6. Action  
Proposed: Establish project.

Total budget.....\$ 200,000.00  
[4] Excess Debt Service.....\$ 200,000.00

Budget After Action Proposed	
Source	Amount
Excess Debt Service	200,000.00

Purpose: To install commercial grade washers/dryers on 23 individual dorms to do personal clothing. Transferred from project 8529.

Ref: Supporting document pages 19-21.

TOTAL FUNDS 200,000.00

016657

25-86 Items 4, 5 + 6

EXHIBIT

MAR 25 1986 NO. 3

STATE BUDGET & CONTROL BOARD



STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
January 16, 1986 Through January 31, 1986

SUMMARY 25-86 Page 3 of 6  
Forwarded to JBRC 02/04/86

Item Agency: N12 Youth Services Project: 8653, APL Animal Shelter

7.  
Action

Proposed: Increase budget from \$ 90,000.00 to \$ 115,000.00

(Add \$ 25,000.00 [6] Appropriated State)

Purpose: In the renovation of this building (4,000 sq ft), unexpected major damage was found causing the costs to be much higher than planned.

Ref: Supporting document pages 22-23.

CHE Approval Date: Not req'd  
Committee Review Date: \* 2/26/86  
B&C Board Approval Date: \*

Budget After Action Proposed	
Source	Amount
Appropriated State	45,000.00
Other	70,000.00

TOTAL FUNDS 115,000.00

Item Agency: U12 Highways & Public Trans Project: 8583, Walterboro License/Patrol Offices

8.  
Action

Proposed: Increase budget from \$ 445,000.00 to \$ 550,000.00

(Add \$ 105,000.00 [9] Other, S.C.D.H. & P.T.)

Purpose: Original estimate was made in 1984. Site work is under-estimate, job site was filled with old concrete, asphalt and other unstable material. Added micro-wave, gas and storage building to construction estimate. 4.5 acres of land purchased.

Ref: Supporting document pages 24-25.

CHE Approval Date: Not req'd  
Committee Review Date: \* 2/26/86  
B&C Board Approval Date: \*

Budget After Action Proposed	
Source	Amount
Other	550,000.00

TOTAL FUNDS 550,000.00

Item Agency: U12 Highway & Public Trans Project: 8584, Spartanburg License Sales Office

9.  
Action

Proposed: Increase budget from \$ 528,000.00 to \$ 660,000.00

(Add \$ 132,000.00 [9] Other, S.C.D.H. & P.T.)

Purpose: Original estimate too low. Land price at \$120,000 for 3.5 acres is above original estimate and profile of lot requires more paving and grading. Also, addition of storage building to contract.

Ref: Supporting document pages 26-27.

CHE Approval Date: Not req'd  
Committee Review Date: \* 2/26/86  
B&C Board Approval Date: \*

Budget After Action Proposed	
Source	Amount
Other	660,000.00

TOTAL FUNDS 660,000.00

016658

25-86 Items 7, 8 + 9

EXHIBIT

MAR 25 1986 NO. 3

STATE BUDGET & CONTROL BOARD



STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
January 16, 1986 Through January 31, 1986

SUMMARY 25-86 Page 4 of 6  
Forwarded to JBRC 02/04/86

Item Agency: U12 Highway & Public Trans Project: 8868, Bamberg Patrol Office

10.

Action  
Proposed: Increase budget from \$ 155,000.00 to \$ 180,000.00

(Add \$ 25,000.00 [9] Other, S.C.D.H. & P.T.)

Purpose: Building site was changed to another location and was under-estimated.  
Storage building with 2,178 sq ft was added to project.

Ref: Supporting document pages 28-29.

CHE Approval Date: Not req'd  
Committee Review Date: \* 2/26/86  
B&C Board Approval Date: \*

Budget After Action Proposed	
Source	Amount
Other	180,000.00

TOTAL FUNDS 180,000.00

Item Agency: U12 Highway & Public Trans Project: Horry License Sales & Patrol Office Bldg

11.

Action  
Proposed: Establish project.

Total budget.....\$ 817,000.00  
[9] Other, S.C.D.H. & P.T.....\$ 817,000.00

Purpose: To construct new License Sales Building and new Patrol Building, brick and block construction including plumbing, electrical and mechanical systems. Present building is inadequate and outdated. Combined area is 9,100 sq ft.

Ref: Supporting document pages 30-31.

CHE Approval Date: Not req'd  
Committee Review Date: \* 2/26/86  
B&C Board Approval Date: \*

Budget After Action Proposed	
Source	Amount
Other	817,000.00

TOTAL FUNDS 817,000.00

Item Agency: H59 Tech & Comp Education Project: 7792, York-Classroom LRC Bldg

12.

Action  
Proposed: Decrease budget from \$ 3,362,985.00 to \$ 3,257,789.00

(Subtract \$ 105,196.00 [9] Other, Institutional Funds)

Purpose: To close completed project.

Ref: Supporting document pages 32-33.

CHE Approval Date: Not req'd  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 01/24/86

Budget After Action Proposed	
Source	Amount
Capital Improvement Bonds	1,500,000.00
Other	1,757,789.00

TOTAL FUNDS 3,257,789.00

016659

25-86 Item 10

EXHIBIT

MAR 25 1986 NO. 3

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
March 11, 1986 Through March 11, 1986

SUMMARY 29-86 Page 1 of 1  
Forwarded to JBRC 03/12/86

Item Agency: H18 Francis Marion College Project: 7404, Campus Development Phase IV

1. Action **Establish**  
Proposed: Increase budget from \$ 2,223,749.60 to \$ 2,311,749.60

*New Project 9016*  
**Rogers Library Humidity Control**

CHE Approval Date: 03/07/86  
Committee Review Date: \*3/14/86  
B&C Board Approval Date: \*

Budget After Action Proposed  
Source Amount

Capital Improvement Bonds	930,173.00
Appropriated State	88,000.00
Other	1,303,576.00

(Add \$ 88,000.00 [6] Appropriated State)

Purpose: ~~To review scope~~ To provide measures to control the humidity in Rogers Library.  
In periods of high humidity outdoors, high relative humidity indoors does  
severe damage to the library holdings. This matter is being addressed as an  
emergency procurement with the approval of the State Engineer.

Ref: Supporting document pages 1-4.

TOTAL FUNDS

**88,000**  
2,311,749.60

EXHIBIT

MAR 25 1986 NO. 3

STATE BUDGET & CONTROL BOARD

29-86 Item 1

016660

# EXHIBIT

MAR 25 1986

NO. 4

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 25, 1986

BLUE AGENDA

ITEM NUMBER

4

AGENCY: Executive Director

SUBJECT: Interviewee Travel Expense Reimbursement

The following agencies have reported on payments of interviewee travel expenses:

<u>Agency</u>	<u>Number</u>	<u>Estimated Cost</u>
(a) Francis Marion College	4	421.04
(b) College of Charleston	13	2,219.32
(c) Department of Education	2	?

BOARD ACTION REQUESTED:

Receive as information reports on the reimbursement of interviewee travel expenses by Francis Marion College (4); College of Charleston (13); and Department of Education (2).

ATTACHMENTS:

016661





# FRANCIS MARION COLLEGE

BOX F7500, FLORENCE, SOUTH CAROLINA 29501-0056 / (803) 669-4121

Office of the Vice President  
for Academic Affairs and  
Dean of the College

September 20, 1985

Office	Act 1
PPS	
VPA	<input checked="" type="checkbox"/>
VPE	
VCA	
VCSA	
D. Athletics	
D. Library	
SGC	

TO: President Thomas C. Stanton  
FROM: William C. Moran

Your approval is requested to invite Ms. Charlene Wages to campus for an interview for the position of Assistant Professor of Psychology and to pay her travel expenses. The significance of this position is such that it warrants the costs of an interview. Further, the participation of a number of Francis Marion College persons is vital to this particular interview; therefore, the costs of bringing Ms. Wages to the campus would be far less than would be the expense of conducting the interview at her home area or elsewhere. As is our usual policy, candidates residing within South Carolina were considered before candidates from other states were sought.

## Estimated Costs:

Travel-----	\$ 282.00
Food-----	18.00
Lodging-----	55.00
TOTAL	\$ 355.00

## EXHIBIT

MAR 25 1986 NO. 4

STATE BUDGET & CONTROL BOARD

*William C. Moran*  
William C. Moran  
Dean of the College

Initial Approval  
Date: *9/21/85*

## Actual Costs:

Travel-----	\$ 126.40
Food-----	12.65
Lodging-----	27.82
TOTAL	\$ 166.87

APPROVAL RECOMMENDED  
DATE *11-4-85*

APPROVED  
DATE *11/5/85*

016662

NOV 05 1985  
327 60 382

FEB 18 REC'D



# FRANCIS MARION COLLEGE

BOX F7500, FLORENCE, SOUTH CAROLINA 29501-0056 / (803) 669-4121

Office of the Vice President  
for Academic Affairs and  
Dean of the College

January 22, 1986

TO: President Thomas C. Stanton  
FROM: William C. Moran

Office	Act	Info
PRRS		
VEAA		
VIEP		
VICA		
VPOCA		
D. Athletics		
D. Library		
SGC		

Your approval is requested to invite Dr. Paul J. deGategno to campus for an interview for the position of Chairman, Department of English and to pay his travel expenses. The significance of this position is such that it warrants the costs of an interview. Further, participation of a number of Francis Marion College persons is vital to this particular interview; therefore, the costs of bringing Dr. deGategno to campus would be far less than would be the expense of conducting the interview at his home area or elsewhere. As is our usual policy, candidates residing within South Carolina were considered before candidates from other states were sought.

## Estimated Costs:

Travel-----\$ 268.00  
Food-----\$ 18.00  
Lodging-----\$ 55.00  
TOTAL \$ 341.00

1010799  
1-800-838-0000  
\$ 76.00

Extensions	
Use Tax	
Discount	
Initials	

William C. Moran  
Dean of the College

WCM:rbd

Initial Approval: Thomas C. Stanton  
Date: Jan 23/1986

## Actual Costs:

Travel-----\$ 76.00  
Food-----\$  
Lodging-----\$ 27.82  
TOTAL \$103.82

016663

APPROVAL RECOMMENDED

Date:

William C. Moran  
2-13-86

APPROVED:

Date:

7/10/86  
Thomas C. Stanton  
2/14/86

JAN 23 1986



Office of the Vice President  
for Academic Affairs and  
Dean of the College

# Francis Marion College

FLORENCE, SOUTH CAROLINA 29501  
(803) 669-4121

December 6, 1985

	Act	Info
	<input checked="" type="checkbox"/>	

TO: Thomas C. Stanton  
FROM: William C. Moran

Your approval is requested to invite Dr. Frank DeFelice to campus for an interview for the position of Assistant Professor of Business Administration (Accounting) and to pay his travel expenses. The significance of this position is such that it warrants the costs of an interview. Further, the participation of a number of Francis Marion College persons is vital to this particular interview; therefore, the costs of bringing Dr. DeFelice to the campus would be far less than would be the expense of conducting the interview at his home area or elsewhere. As is our usual policy, candidates residing within South Carolina were considered before candidates from other states were sought.

## Estimated Costs:

Travel-----	\$ 160.00
Food-----	18.00
Lodging-----	55.00
TOTAL-----	\$ 233.00

*William C. Moran*  
William C. Moran  
Dean of the College

Initial Approval: *Thomas C. Stanton*

Date: *12/10/85*

## Actual Costs:

Travel-----	\$ 62.35
Food-----	
Lodging-----	
TOTAL-----	\$ 62.35

016664

APPROVAL RECOMMENDED  
DATE *1-14-86*

APPROVED  
DATE *1/16/86*





# FRANCIS MARION COLLEGE

BOX F7500, FLORENCE, SOUTH CAROLINA 29501-0056 / (803) 669-4121

Office of the Vice President  
for Academic Affairs and  
Dean of the College

January 22, 1986

D. M. ...	
D. ...	
SGC	

TO: President Thomas C. Stanton

FROM: William C. Moran

Your approval is requested to invite Mrs. Carol Healy to campus for an interview for the position of temporary instructor/assistant professor of Business Administration (Accounting) and to pay her travel expenses. The significance of this position is such that it warrants the costs of an interview. Further, participation of a number of Francis Marion College persons is vital to this particular interview; therefore, the costs of bringing Mrs. Healy to campus would far less than would be the expense of conducting the interview at her home area or elsewhere. As is our usual policy, candidates residing within South Carolina were considered before candidates from other states were sought.

## Estimated Costs:

Travel-----	\$ 188.00
Food-----	\$ 18.00
Lodging----	\$ 55.00
<b>TOTAL</b>	<b>\$ 261.00</b>

#21595  
1-235-23300-0000  
144.00

INVOICE CHECK	
Intensions	<input checked="" type="checkbox"/>
Jan ...	<input checked="" type="checkbox"/>
...	<input checked="" type="checkbox"/>

*William C. Moran*  
William C. Moran  
Dean of the College

WCM:rbd

Initial Approval: *Thomas C. Stanton*

Date: *1/24/86*

## Actual Costs:

Travel-----	\$ 44.00
Food-----	\$
Lodging----	\$ 44.00
<b>TOTAL</b>	<b>\$</b>

016665

APPROVAL RECOMMENDED

*William C. Moran*

Date:

*2-13-86*

APPROVED:

*Thomas C. Stanton*

Date:

*2/14/86*

MAR 17 1986



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit:

Robert Galsen

City Address:

Chicago, Ill.

Position to be Filled:

Director Marine Biology

Travel Dates:

From

Feb - 16

To

Feb 18, 1986

Total Travel Reimbursement:

William Anderson \$14.90

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By:

Harry M. Lightsey, Jr.  
Harry M. Lightsey, Jr.  
President

Original: Account Payable

Copy: Budget and Control Board

FOUNDED 1770

016666

MAR 17 1986



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: Robert Kusch  
City Address: Columbiana, PC  
Position to be Filled: Business Admin / Econ. Faculty  
Travel Dates: From Feb. 10 To Feb. 11, 1986  
Total Travel Reimbursement: Marriott Mariner Hotel #3745

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By: Harry M. Lightsey, Jr.  
# Harry M. Lightsey, Jr.  
President

Original: Account Payable  
Copy: Budget and Control Board

FOUNDED 1770

016667



MAR 17 1986



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit:

Pamela Hall

City Address:

Tennessee

Position to be Filled:

Faculty - Philosophy Dept.

Travel Dates:

From

Feb 12

To

Feb 13, 1986

Total Travel Reimbursement:

Francis Marion Hotel \$37.45

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By:

Harry M. Lightsey, Jr.  
Harry M. Lightsey, Jr.  
President

Original: Account Payable

Copy: Budget and Control Board

FOUNDED 1770

016668

MAR 17 1986



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit:

Rick Watson

City Address:

Rocky Mount, NC

Position to be Filled:

Faculty - History Dept.

Travel Dates:

From Feb. 12 To Feb. 13, 1986

Total Travel Reimbursement:

\$164.80

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By:

Harry M. Lightsey, Jr.  
Harry M. Lightsey, Jr.  
President

Original: Account Payable

Copy: Budget and Control Board

FOUNDED 1770

0166E9

MAR 17 1986



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: Christopher Henry  
City Address: Oberlin, Ohio  
Position to be Filled: Faculty Math Dept.  
Travel Dates: From Feb 20 To Feb 21, 1986  
Total Travel Reimbursement: \$383.00

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By: Harry M. Lightsey, Jr.  
Harry M. Lightsey, Jr.  
President

Original: Account Payable  
Copy: Budget and Control Board

FOUNDED 1770

016670



MAR 17 1986



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit:

Gaye McCollough

City Address:

Pullman, Washington

Position to be Filled:

Faculty - Political Science

Travel Dates:

From

Feb. 23

To

Feb. 28, 1986

Total Travel Reimbursement:

\$1057.42

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By:

Harry M. Lightsey, Jr.

Harry M. Lightsey, Jr.  
President

Original: Account Payable

Copy: Budget and Control Board

FOUNDED 1770

016671

MAR 13 1986



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

## EXHIBIT

MAR 25 1986

NO. 4

Office of the President

STATE BUDGET & CONTROL BOARD

### EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: Mohamed Bak  
City Address: Philadelphia, PA  
Position to be Filled: Intern, History Dept.  
Travel Dates: From Feb 25 To Feb 26, 1986  
Total Travel Reimbursement: Francis M. Hail #3745

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By:

Harry A. Lightsey, Jr.  
Harry A. Lightsey, Jr.  
President

Original: Account Payable  
Copy: Budget and Control Board

FOUNDED 1770

016672

MAR 13 1986



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit:

Jane M.C. Collings

City Address:

Washington

Position to be Filled:

Monthly Political Science

Travel Dates: From

Feb 23

To

Feb 25, 1986

Total Travel Reimbursement:

Traveler's Motel & 74.90

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By:

Harry M. Lightsey, Jr.  
President

Original: Account Payable

Copy: Budget and Control Board

FOUNDED 1770

016673





# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

RECEIVED

MAR 20 1986

Office of the President

BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit:

Gay Wood

City Address:

Fort Bland, La.

Position to be Filled:

Mathematics Dept - Faculty

Travel Dates:

From

Feb. 26

To

Feb 28, 1986

Total Travel Reimbursement:

Francis Marion Hotel \$ 74.40

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By:

Harry M. Lightsey, Jr.  
Harry M. Lightsey, Jr.  
President

Original: Account Payable

Copy: Budget and Control Board



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit:

Walter Goldberg

City Address:

Miami, Fla.

Position to be Filled:

Director Marine Biology

Travel Dates:

From

March 2

To

March 4, 1988

Total Travel Reimbursement:

Marine Hotel \$ 74.90

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By:

Harry M. Lightsey, Jr.  
Harry M. Lightsey, Jr.  
President

Original: Account Payable

Copy: Budget and Control Board



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: Mark Bauman  
City Address: Atlanta Ga  
Position to be Filled: Faculty - Junior Studies  
Travel Dates: From March To March 3, 1986  
Total Travel Reimbursement: Spa in Marion Hotel \$ 3745

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By: Harry M. Lightsey, Jr.  
Harry M. Lightsey, Jr.  
President

Original: Account Payable  
Copy: Budget and Control Board





# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit:

Gregory Street

City Address:

He Kalb, Ill

Position to be Filled:

Faculty - Political Science

Travel Dates:

From

Feb 25

To

Feb 28, 1986

Total Travel Reimbursement:

Grace Manor Hotel \$74.90

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By:

Harry M. Lightsey, Jr.

Harry M. Lightsey, Jr.  
President

Original: Account Payable

Copy: Budget and Control Board



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: Jefferson Gennar  
City Address: Oregon  
Position to be Filled: Director of Marine Biology  
Travel Dates: From Feb. 22 To Feb. 26, 1986  
Total Travel Reimbursement: Travel Marine Hotel \$149.80

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By: Harry M. Lightsey, Jr.  
Harry M. Lightsey, Jr.  
President

Original: Account Payable  
Copy: Budget and Control Board



CHARLIE G. WILLIAMS  
STATE SUPERINTENDENT OF EDUCATION

STATE OF SOUTH CAROLINA

DEPARTMENT OF EDUCATION

COLUMBIA 29201

RECEIVED

MAR 6 1986

BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

March 4, 1986

EXHIBIT

MAR 25 1986

NO. 4

STATE BUDGET & CONTROL BOARD

Mr. William T. Putnam, Executive Director  
State Budget and Control Board  
Box 12444  
Columbia, SC 29211

Dear Mr. Putnam:

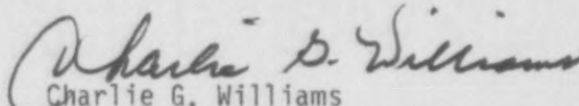
Consistent with the provisions of the Budget and Control Board policy adopted on March 9, 1982, the State Department of Education has paid travel expenses, within the limitations applicable to state employees, for two individuals who were being considered for employment within the Office of Research.

Since it was necessary that the individuals be interviewed by the Section Supervisor, the Office Director, the Deputy Superintendent and me, it was determined that paying such costs would be substantially less than the expense of conducting the interview elsewhere. The names and addresses of the individuals, the dates of travel, and the amount of reimbursement are detailed below.

Dr. Robert L. Ziomek  
Brownsville Independent School District  
954 E. Madison, Suite 2  
Brownsville, Texas 78520  
February 19-21, 1986  
\*771.10

Patricia Mohr  
3519 Woodbine  
Lincoln, NE 68506  
February 19-21, 1986  
\$699.10

Respectfully,

  
Charlie G. Williams  
State Superintendent of Education

CGW/b1

016679



# EXHIBIT

MAR 25 1986

NO. 5

STATE BUDGET AND CONTROL BOARD  
MEETING OF MARCH 25, 1986

REGULAR SESSION  
ITEM NUMBER

3

AGENCY: Budget Division

SUBJECT: Funds Transfer Request (Health & Human Services)

The Division advises that the Health and Human Services Finance Commission (HHSFC) has asked for approval of the transfer of \$805,297 of State funds appropriated as Medicaid matching funds to the Social Services Block Grant program. The proposed transfer of State funds from one program to another is requested to replace federal funds lost as a result of the implementation of the Gramm-Rudman-Hollings Act. The \$805,297 is applicable to the third quarter of the federal fiscal (which is the months of April, May and June) and it is half of the federal funds reduction for the federal fiscal year ending September 30.

The Division indicates that the State funds proposed for transfer are part of the projected medicaid lapse and that they are in addition to the \$5.5 million of these funds projected to lapse to the General Fund. The funds are said to be available as a result of the slow phase-in of services in the Community Long Term Care program and other programs.

The Division recommends Board approval of the transfer request on the condition that the Social Services Block Grant State Plan for 1986-87 takes the shortfall into account.

BOARD ACTION REQUESTED:

Consider.

ATTACHMENTS:

Agenda item worksheet; Caldwell 3/5/86 letter to Cantrell; Brophy 3/17/86 memo to Holmes.

016680

# EXHIBIT

MAR 25 1986

NO. 5

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (6/27/84) CONTROL BOARD

86-54

Meeting Scheduled for: March 25, 1986

Regular Agenda

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: 

2. Subject:

Health & Human Services Finance Commission requests an appropriation transfer of projected Medicaid lapse funds to Social Services Services Block Grant.

3. Summary Background Information:

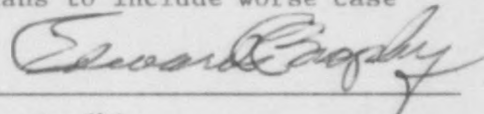
The Gramm-Rudman-Hollings Act cut Federal funds in the Social Services Block Grant by \$1.6 million for the 3rd and 4th quarter of the Federal fiscal year 85-86. This transfer request will avoid program curtailment in the State's 4th quarter of FY 85-86. Medicaid lapse, due to a slow phase-in of services in CLTC and other Medicaid initiatives, is estimated at approximately \$8 million. If the transfer is not approved, providers will be forced to layoff personnel and reduce services which could shift clients into other welfare programs at increased cost to the State, e.g. working parents with child in daycare, having to quit job and apply for AFDC benefits; elderly people with Homemaker Services, without support may need nursing home care. It is estimated that approximately 2,300 clients would be affected if the transfer is not approved. All Social Services Block Grant funds are committed. If this request is approved, the agency will have the time to complete plans, in an orderly manner, to adjust services to the benefit of the greatest number of helpless and needy. Based upon the Budget and Control Board's current policy on interagency transfers, this appears to be a change of the legislative intent of the appropriation even though the service populations are similar and the funding change in Medicaid will not cause a denial of service to that program's clients.

4. What is Board asked to do?

Approve transfer request

5. What is recommendation of Board Division involved?

Recommend approval under the condition that Social Services Block Grant State Plan for FY 86-87 contain contingency plans to include worse case scenarios due to Federal shortfalls.



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

(a) Authorized Signature: \_\_\_\_\_

(b) Division/Agency Name: \_\_\_\_\_

7. Supporting Documents:

(a) List Those Attached:

1. Letter of Justification
2. Form 30

016681



**State of South Carolina**  
**State Health And Human Services Finance Commission**

Bernard A. Daetwyler, Chairman

*DISTRICT 1*  
*Elise Davis - McFarland, Ph. D.*

*DISTRICT 2*  
*Edward C. Roberts*

*DISTRICT 3*  
*T. Ree McCoy, Jr.*



Dennis Caldwell, Executive Director

*DISTRICT 4*  
*Robert E. Robards, MD*

*DISTRICT 5*  
*Billy F. Pigg*

*DISTRICT 6*  
*James L. Pasley, Jr.*

P. O. Box 8206, Columbia, South Carolina 29202-8206

March 5, 1986

**EXHIBIT**

MAR 25 1986      NO. 5

STATE BUDGET & CONTROL BOARD

Mr. Preston T. Cantrell, Assistant Director  
State Budget Division  
Budget and Control Board  
406 Wade Hampton State Office Bldg.  
Columbia, South Carolina 29201

Dear Mr. Cantrell:

The State Health and Human Services Finance Commission is requesting that \$805,297 be transferred from within the agency's budget to the Human Services Program. This transfer of funds request is to offset a federal funds deficit of \$1,610,593 in the Social Services Block Grant which extends through September 30, 1986. The federal funds deficit is created by the cuts resulting from the Gramm-Rudman-Hollings Act. This request will be applicable to the fourth quarter of FY 1985-86 State fiscal year and will alleviate the third quarter deficit in the FY 86 federal fiscal year. The third quarter deficit is one half of the entire deficit or \$805,297 of \$1,610,593.

The agency has evaluated the impact of the entire federal funds deficit for FY 86. Unless this federal funding reduction is offset by this transfer, providers throughout the state will face personnel lay-offs and serious reductions in services and clients currently being served. It is anticipated that without the transfer such services as foster care, adoptions, child development, residential treatment for emotionally disturbed children, programs for handicapped adults, and in-home services to elderly, including meals will undergo a 4% reduction. With this transfer these reductions can be reduced to 1.3 percent. Without this transfer protective services for children and adults will undergo a .5% reduction. With the transfer these reductions can be reduced to .2 percent.

This funds transfer will greatly alleviate the secondary impacts of the loss of services such as mothers losing jobs and returning to welfare rolls, elderly citizens requiring nursing home care, handicapped adults going to institutions, children remaining longer in foster care and waiting longer for adoption, increase case loads for workers including children and adult protective service workers.



Mr. Preston T. Cantrell

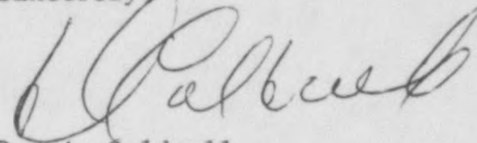
Page Two

March 5, 1986

This transfer will enable the Social Services Block Grant population, state agencies, other public entities, private-non-profit and private-for-profit organizations, a reasonable time to develop a plan for the smaller reductions and thereby greatly alleviate the negative impact on clients.

An appropriation transfer is enclosed to implement this request. Please call me or Carol D. Waldo at 758-0309 if there are any questions.

Sincerely,

A handwritten signature in dark ink, appearing to read "D Caldwell", written in a cursive style.

Dennis Caldwell  
Executive Director

DC/wtd  
Enclosures

016683

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
STATE BUDGET DIVISION  
406 WADE HAMPTON STATE OFFICE BUILDING  
COLUMBIA, S.C. 29201  
(803) 758-3106



RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

JESSE A. COLES, JR., Ph.D.  
DIVISION DIRECTOR

MEMORANDUM

TO: A. Baron Holmes

Thru: Preston T. Cantrell *PC*

FROM: E. P. Brophy *EB*

SUBJECT: Appropriation Transfer for B & C Board Consideration

DATE: March 17, 1986

The attached SF 30 from the SC Health and Human Services Finance Commission is a request to transfer projected medicaid lapse state funds to replace federal funds reduction in the Social Services Block Grant as a result of the Gramm-Rudman-Hollings Act. The Act reduced federal funds by \$1.6 million for the remainder of the federal fiscal year. This transfer would only be for our state FY fourth quarter. (The Agency plans to request a carryforward proviso in the Senate Finance Committee for the State FY 86-87 first quarter). Projections on Medicaid lapse appears to be able to provide for these actions as well as the \$5.5 million projected lapse to the general fund. I recommend that this transfer be approved to enable the agency to avoid a mid-year disruption and curtailment of services, as well as to provide time to make plans for the projected federal shortfall in the federal FY 86-87.

Because this transfer is between two different programs, it is not clear whether a budget analyst has the authority to approve it because of the legislative intent in the appropriation bill. It is requested that your office make the determination and if necessary forward ~~the~~ SF 30 to be placed on the agenda for the March 25, 1986 Budget and Control Board meeting.

016684





# EXHIBIT

MAR 25 1986

NO. 6

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 25, 1986

ITEM NUMBER

2

AGENCY: Budget Division

SUBJECT: Mental Retardation Federal Survey Deficiencies

The Budget Division has asked that the Board hear a brief report from Commissioner Charles Barnett of the Department of Mental Retardation regarding the potential impact of findings in a recently-completed Federal Direct Survey of Whitten Center, Midlands Center, and Coastal Center. Certain institutional ICF/MR deficiencies were cited.

BOARD ACTION REQUESTED:

Consider.

ATTACHMENTS:

Barnett February 12, 1986, letter to Putnam plus Barnett February 11, 1986, letter to Representative Harris

016686

Charles D. Barnett, Ph.D.  
Commissioner

Philip S. Massey, Ph.D.  
Deputy Commissioner  
Client Services

Lonnie A. Bowman, Jr.  
Deputy Commissioner  
Support Services

James E. Kirk  
Deputy Commissioner  
Fiscal Affairs



MENTAL RETARDATION COMMISSION  
Mrs. Mary C. Ramsay, Chairman  
Clarence H. Buurman, Ph.D., Vice Chairman  
Mrs. Doris G. Woods, Secretary  
Melvin L. Burton, Jr.  
Mrs. Ava M. Hope  
William deB. Mebane  
Herbert Rudnick

## South Carolina Department of Mental Retardation

2712 Middleburg Drive  
P. O. Box 4706  
Columbia, South Carolina 29240

February 12, 1986

RECEIVED

FEB 18 1986

BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

XC: Jesse Coler

Mr. William T. Putnam  
Executive Director  
State Budget and Control Board  
Room 612 - Wade Hampton Office  
Building  
Post Office Box 12444  
Columbia, South Carolina 29211

EXHIBIT

MAR 25 1986 NO. 6

STATE BUDGET & CONTROL BOARD

Dear Bill:

I am attaching correspondence which addresses certain urgent needs the agency has to address institutional ICF/MR deficiencies cited by recent Federal Direct Surveys of Whitten Center, Midlands Center, and Coastal Center. Federal process calls for us to formulate a plan of correction within ten days of receipt of the written survey report(s) and be prepared for a resurvey within 45 days after the plan of correction is approved by the HCFA component of the Department of Health and Human Services. Although my letter to Representative Harris cites that only the Whitten Center written findings have been received, the Midlands Center written report was hand delivered from Atlanta this morning. These reports follow closely the verbal exit interviews presented by the survey team and based on this, I feel we are in a reasonably good position to project what the Coastal Center report will look like.

Inasmuch as DMR has been requested to take \$1.3 million cut in State funds in the current year, in order to address the Federal Survey deficiencies we ask for either an exemption from the current budget reduction or assistance in acquiring other appropriate resources to address the problem.

016687

# EXHIBIT

Mr. William T. Putnam  
February 12, 1986  
Page Two

MAR 25 1986 NO. 6

## STATE BUDGET & CONTROL BOARD

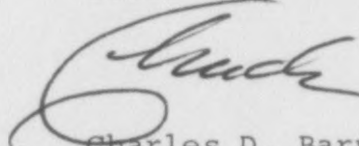
I believe it is important to know that DMR's ICF/MR per diems are about 40 percent below the national average (i.e., \$73.50 versus \$120.00). Georgia per diems, I am told, average about \$135.00 per day. In view of this, it should not be too surprising to anyone that we have been operating on "the edge" of standards' compliance.

It is also important to remember that the cost of correcting deficiencies will become a part of future Title XIX reimbursements so that, in effect, the Feds are going to end up paying about 73 percent of the costs of deficiency corrections over the long haul. However, Title XIX is a reimbursement program and we must initiate the outlay before future reimbursement may be claimed.

I ask that the Budget Board consider our exemption request and I will be available to appear personally before the Board as needed. Dr. Holmes of your staff has been given a rather thorough briefing on our current situation with the surveys and the relationship of our plan of deficiency correction to the agency's Five Year and Year 2000 Plans which call for continued community development and institutional depopulation. Support of DMR's FY 86/87 budget request is very vital to the longer range addressment of current and potential future deficiencies under ICF/MR.

Thank you for your consideration and assistance in this matter.

Cordially,



Charles D. Barnett, Ph.D.  
Commissioner

CDB/lcp  
Enclosure  
CC: Members, State Budget and Control Board

016688



Charles D. Barnett, Ph.D.  
Commissioner

Philip S. Massey, Ph.D.  
Deputy Commissioner  
Client Services

Lonnie A. Bowman, Jr.  
Deputy Commissioner  
Support Services

James E. Kirk  
Deputy Commissioner  
Fiscal Affairs



MENTAL RETARDATION COMMISSION

Mrs. Mary C. Ramsay, Chairman  
Clarence H. Buurman, Ph.D., Vice Chairman  
Mrs. Doris G. Woods, Secretary  
Melvin L. Burton, Jr.  
Mrs. Ava M. Hope  
William deB. Mebane  
Herbert Rudnick

*South Carolina Department of Mental Retardation*

2712 Middleburg Drive  
P. O. Box 4706  
Columbia, South Carolina 29240

February 11, 1986

EXHIBIT

MAR 25 1986 NO. 6

STATE BUDGET & CONTROL BOARD

The Honorable Patrick B. Harris  
Chairman  
Legislative-Governor's Committee on  
Mental Health and Mental Retardation  
515 Blatt Building  
Columbia, South Carolina 29211

Dear Pat:

I received in today's mail the written findings of the Whitten Center Federal Direct Survey of ICF/MR facilities. We have yet to receive these "Look Behind Surveys" for Midlands Center and Coastal Center but expect these to come in at approximately two week intervals (i.e., by around March 1st we should have all).

The written deficiencies address a number of process areas which can be addressed without new resources. However, each of the two non-compliant licenses contain deficiency citations which are resource related. Keep in mind that the central focus is on "active treatment" - a cornerstone concept in ICF/MR standards. Also keep in mind that new resource outlays will eventually participate in the Title XIX (Medicaid) reimbursement program which means that the Fed will pay a significant percentage of the costs necessary to address the deficiencies. The current matching rate is 73-27, Federal - State.

016689

The Honorable Patrick B. Harris  
February 11, 1986  
Page Two

Study of the deficiencies shows ten staff areas which need strengthening. Generally, these are in the therapy areas but a major deficiency cites the need for additional direct care (i.e., Mental Retardation Specialist) staff. Even pursuing a "minimal but adequate" response approach to these deficiencies, a rather sizeable fiscal outlay and some new positions will be required. While Whitten Center undoubtedly presents our most serious needs situation, it is likely that both Midlands and Coastal Centers' needs will be somewhat similar in character if not in scope. Until we can cost out the Whitten situation and until we can obtain and cost out any deficiencies at the other two sites, it will be virtually impossible to offer any proposal to address the overall situation.

When we initially heard last week that the State FY 85/86 revenue picture had improved, my thought was that agencies might be exempted from any current year reduction. Given that circumstance, we were prepared to propose that a portion of this "rebate" be used to address the survey deficiencies and any remaining funds be authorized for carry-forward into next fiscal year. It now appears that this prospect is dim which means that DMR needs exemption from the current year cut and certainly an exemption from next year's proposed cut. In saying this I am assuming that the \$1.3 FY 85/86 reduction already "escrowed" will properly address the deficiencies in the Federal Survey. In fact, we will not know this until around March 1.

A related problem concerns timing. While we would rather propose a unified strategy to address the fiscal outlay aspect of the corrections needed at all three surveyed centers, we are required to follow a very tight time line on submission of correction plans. Once these plans are accepted, the Fed will return in 45 days to assure itself that the on-paper plans are actually being implemented.

Let me reiterate the positive aspect of all this and that is that Medicaid will pay for 73 percent of the cost of correcting the deficiencies. However, as Medicaid is a reimbursement program, the State will need to pay the costs initially with reimbursement participation to follow.

I am very concerned that all authorities know of and understand our situation which is serious but not "life threatening." Any suggestions you have would be welcomed at this time. Again, I believe that the overall solution to our current situation is two-fold: (1) Exemption from the budget cut in this year and next; and (2) Support of our FY 86/87 budget which allows us to continue our deinstitutionalization (DI) efforts.

016690

The Honorable Patrick B. Harris  
February 11, 1986  
Page Three

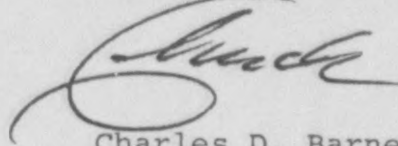
# EXHIBIT

MAR 25 1986 NO. 6

Best regards,

STATE BUDGET & CONTROL BOARD

Cordially,



Charles D. Barnett, Ph.D.  
Commissioner

CDB/lcp

016691



STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
STATE BUDGET DIVISION  
406 WADE HAMPTON STATE OFFICE BUILDING  
COLUMBIA, S.C. 29201  
(803) 758-3106

EXHIBIT

MAR 25 1986

NO. 6

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



JESSE A. COLES, JR., Ph.D.  
DIVISION DIRECTOR

MEMORANDUM

REMBERT C. DENNIS  
CHAIRMAN,  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

TO: Budget and Control Board

FROM: A. Baron Holmes, IV

SUBJECT: 2% Cut Exemptions

DATE: March 24, 1986

After reviewing requests for \$20.2 million in exemptions from the 2% cut, our staff has sorted the needs into 3 categories:

- (1) Critical - \$725,000
- (2) Important but not critical - \$13.9 million
- (3) Not recommended for consideration - \$5.5 million.

At this point I am recommending to you that (A) you approve only the "critical" needs covering three agencies and \$725,000; and that (B) you defer decision on the other items until the April 22 Budget and Control Board meeting. My reasons are:

- (1) questionable availability of revenue to fund the exemptions:
  - (a) request by Mr. Mangum that no requests (other than one for federal funds replacement) be granted, so that lapses can cover the revenue predicted for Part III of the FY '87 appropriation bill;
  - (b) lack of assurance that the revenue for the \$4.8 million budgeted from the "access charge" will ultimately be available, since the charging of sales tax on the access fee is being challenged in Court;
  - (c) the poor revenue receipts from February;
  - (d) the uncertainty of the \$7.8 million used to cover the DMH deficit for FY '86, since it has been pulled from the restricted accounts being held in case DMR and HHSFC, must repay DMR's activity costs charged for education services.

016632

# EXHIBIT

MAR 25 1986

NO. 6

Page 2

## STATE BUDGET & CONTROL BOARD

- (2) the desirability of waiting for clearer information regarding our year-end revenue and lapses:
  - (a) by mid April the March revenue results will be available, including important information regarding refunds;
  - (b) April 21 is the deadline for the payroll reconciliations and requests to draw from the base pay line, thus enabling us to predict year-end personal service lapses.
- (3) The necessity to remain as fiscally responsible as possible at the end of FY '86, as we prepare to absorb substantial federal cuts in FY '87 and FY '88. (See attached sheet)

### RECOMMENDED EXEMPTIONS:

- SLED	\$ 150,000
- Department of Mental Retardation	\$ 480,000
- Commission on Alcohol & Drug Abuse	\$ 95,000

016693

TO: A. Baron Holmes

FROM: Preston T. Cantrell

DATE: March 25, 1986

Subject: Recommendations for 85-86 2% Cut Exemptions

The several requests for exemptions have been reviewed and my staff has made a recommendation in each case.

I submit to you now, our recommendation for 2% cut exemption (restorations) 1985-86 as follows:

Agency Number	Agency	2% Reduction	Agency Request	Critical	Important but not Critical
A15	Legislative	\$ 36,085	\$ 20,118	\$	\$ 20,118
D10	SC Law Enforcement	289,980	289,980	150,000	139,980
H59	State Board for Technical and Comprehensive Education	1,688,499	29,500		
H63	Department of Education	18,247,203	18,247,203		12,843,098
H87	SC State Library	98,637	98,637		78,336
J16	Dept. of Mental Retardation	1,287,613	524,267	480,000	
J20	SC Comm. Alcohol & Drug Abuse	124,064	124,064	95,000	
P08	Land Resources Comm.	49,407	10,000		10,000
P20	Clemson Univ. PSA	669,786	669,786		669,786
R04	Public Service Comm.	108,030	108,030		108,030
R28	Dept. of Consumer Affairs	30,084	30,084		30,084
Total Report		\$22,629,388	\$20,151,669	\$725,000	\$13,899,432

RECOMMENDED EXEMPTIONS:

- SLED	\$ 150,000
- Department of Mental Retardation	\$ 480,000
- Commission on Alcohol & Drug Abuse	\$ 95,000

EXHIBIT

MAR 25 1986 NO. 6

STATE BUDGET & CONTROL BOARD

016694



# EXHIBIT

MAR 25 1986 NO. 6

SLED

STATE BUDGET & CONTROL BOARD

The replacement schedule of SLED's motor pool is a extreme importance due to the Budget and Control Board's replacement requirements because of age and mileage. As soon as a new vehicle is purchased, it is placed into the front lines of the agents in the field and those cars are moved down to the administrative level of the Agency. The cars that the administrators were using are then sold at auction with the proceeds going to purchase additional replacements. The Division of Motor Vehicle Management recommends replacement after four (4) years or seventy (70) thousand miles

The vehicles listed below are the ones in question:

<u>MODEL</u>	<u>NUMBER OF VEHICLES</u>	<u>AVERAGE MILEAGE (2/23/86)</u>
1985	76	25,360
1984	87	46,793
1983	7	76,750
1982	31	92,758
1981	16	84,329

217 - Vehicles

65,198 - Average Mileage on all vehicles.

016695

# EXHIBIT

MAR 25 1986 NO. 6

## Mental Retardation

## STATE BUDGET & CONTROL BOARD

The Department of Mental Retardation has requested a partial exemption from the 2% reduction to address additional cost incurred in response to the federal Direct Surveys ("look-behind"). The Department estimates that the annual cost of the corrective actions is \$3,145,603 and FY 1985-86 cost \$524,267. However, looking at time line requirements and availability of professional staff, it is estimated that this years cost would be approximately \$480,000.

The time lines for the surveys are as follows:

<u>Region</u>	<u>Survey Completed</u>	<u>Received Report</u>	<u>Region Responded</u>	<u>Projected Revisit</u>
Piedmont	1/14-16/86	2/10/86	2/25/86	3/27/86
Midlands	1/21-14/86	2/18/86	2/27/86	4/4/86
Coastal	1/27-30/86	3/3/86	3/12/86	4/17/86

The regulation states that revisits can occur after 45 days to show "acceptable programs" and "full corrective action must be completed within 12 months.

It is hereby recommended that the Department of Mental Retardation be granted a \$480,000 exemption from the 2% reduction.

016696

# EXHIBIT

MAR 25 1986

NO. 6

Alcohol and Drug Abuse

STATE BUDGET & CONTROL BOARD

Total Cuts - FY 85-86 - \$323,705 or 5% of total services budget

(1) Federal (Gramm-Rudman-Hollings) - \$199,102 or 9.2% of Federal funds.

(2) 2% State cut-\$124,603 or 2% of State funds.

There is a potential cut of approximately \$55,000 of Alcohol liquor mini-bottle taxes under the Aid to Subdivisions Section. It should also be noted that the Appropriation Bill for 1986-87 as passed by the house restores the 2% reduction of State funds.

If the B & C Board restores \$95,000 as recommended by staff, the Alcohol and Drug Abuse Commission will still have a \$228,705 or 3.6% reduction in service funds.

Discussion with the Joint Appropriations Review Committee Staff indicates that there is little likelihood for approval of the indirect cost waiver requested by the Commission. This waiver, even if approved would realize from \$50,000 to \$60,000 for the Commission and would be available only after July 1, 1986.

If the exemption is not approved, the Commission would make the following reductions in services:

(1) Detoxification Services - 6% of total service budget.

(2) Community Based Treatment Services - 5.5% of total service budget.

The potential for reduction in force at the local centers is high in that the local operations are extremely labor intensive.

016697



Charles D. Barnett, Ph.D.  
Commissioner

Philip S. Massey, Ph.D.  
Deputy Commissioner  
Client Services

Lonnie A. Bowman, Jr.  
Deputy Commissioner  
Support Services

James E. Kirk  
Deputy Commissioner  
Fiscal Affairs



MENTAL RETARDATION COMMISSION

Mrs. Mary C. Ramsay, Chairman  
Clarence H. Buurman, Ph.D., Vice Chairman  
Mrs. Doris G. Woods, Secretary  
Melvin L. Burton, Jr.  
Mrs. Ava M. Hope  
William G. M. M. M.  
Herbert R. M. M.

EXHIBIT

South Carolina Department of Mental Retardation

2712 Middleburg Drive  
P. O. Box 4706  
Columbia, South Carolina 29240

MAR 25 1986

NO. 6

STATE BUDGET & CONTROL BOARD

RECEIVED

MAR 20 1986

BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

March 20, 1986

Mr. David Anderson  
State Budget Analyst  
Budget and Control Board  
Wade Hampton Office Building  
Columbia, South Carolina 29201

Dear Dave:

We request consideration by the Budget and Control Board at its March 25, 1986, meeting of a partial exemption for the Department of Mental Retardation from the 2% budget reduction for FY 1985-86 in the amount of \$524,267. We will require these funds to address various deficiencies identified in the federal direct surveys of Whitten, Midlands, and Coastal Centers. A summary of the additional costs for meeting the deficiencies on an annual basis and for two months of Fiscal 1985-86 follows:

COSTS

	<u>Positions</u>	<u>FY 1986-87 Annual</u>	<u>FY 1986-86 Two Months</u>
Personal Services	178	\$2,453,932	
Fringe Benefits		515,326	
Other Operating		176,345	
TOTAL		\$3,145,603	\$524,267

Attached please find a table indicating the specific positions being requested and the references to the federal survey documents. During the current fiscal year temporary staff and contractul services will be used to provide an immediate increase in staffing levels pending consideration by the General Assembly of the new positions. Also attached is a memorandum from Dr. Barnett describing the federal direct survey process.

016698

# EXHIBIT

Mr. David Anderson  
Page Two  
March 20, 1986

MAR 25 1986 NO. 6

STATE BUDGET & CONTROL BOARD

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The annualized cost to the state next year and the following years will be only 27% of the \$3,145,603 (\$849,313). Once the costs get built into the Medicaid cost reports, the Medicaid program will pay 73% of the costs.

Thank you for your assistance in presenting this request to the Budget and Control Board.

Sincerely,

  
James E. Kirk  
Deputy Commissioner  
Fiscal Affairs

JEK/gj

cc: Dr. Charles D. Barnett  
Mr. William Putnam  
Dr. Baron Holmes

016699

SOUTH CAROLINA DEPARTMENT OF MENTAL RETARDATION  
COST OF FEDERAL DIRECT SURVEYS

CENTER/ DEFICIENCY	DESCRIPTION	NUMBER POSITIONS	TOTAL COST
-----			
PIEDMONT (WHITTEN) REGION			
-----			
W326-328 W527-535 W538-539, W541	PSYCHOLOGIST I	3	\$60,000
W326-328 W527-535 W538-539, W541	PSYCHOLOGIST II	3	66,000
W326-328 W527-535 W538-539, W541	PSYCHOLOGIST III	2	50,000
W24-26	HABILITATION ASSOCIATE	25	375,000
W519-523	OCCUPATIONAL THERAPIST I	2	40,000
W504-508, W163	OCCUPATIONAL THERAPIST II	3	66,000
W480	PHARMACY TECHNICIAN	1	13,000
W203-207	STAFF DEVELOPMENT & TRAINING SPECIALIST	3	48,000
W572-574 W592-595	SPEECH THERAPIST	3	69,000
W163, W504-508 W519-523	PHYSICAL THERAPIST II	2	46,000
W554-556	SOCIAL WORKER II	3	48,000
W554-556	SOCIAL WORKER III	2	40,000
W209-213 W286-287	MENTAL RETARDATION SPECIALIST A (PERMANENT)	46	487,324
-----			
TOTAL PIEDMONT REGION		98	\$1,408,324
-----			
MIDLANDS REGION			
-----			
W291	MENTAL RETARDATION SPECIALIST A	36	\$381,384
W24-26, W104-109 W209-213, W353 W272-275	ASSISTANT RESIDENTIAL PROGRAM ADMINISTRATOR	6	128,778
W542-544	ACTIVITY THERAPIST	1	14,497

**016700**



W542-544	RECREATION AIDE	2	18,110
W504-508, W513 W519-523	OCCUPATIONAL THERAPIST AIDE II	1	21,463
W527-535, W541 W538-539	PSYCHOLOGIST II	2	41,276
W326, W580-584	SPEECH & HEARING THERAPIST II	2	39,688

TOTAL MIDLANDS REGION	50	\$645,196
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## COASTAL REGION

W201, W209	MENTAL RETARDATION SPECIALIST A	14	\$148,316
W24-26, W104-109	CLINICAL COUNSELLORS	5	72,495
W272-275, W353	THERAPEUTIC ASSISTANT	5	67,020
W326, W519-523	OCCUPATIONAL THERAPIST I	1	19,844
W326, W519-523	OCCUPATIONAL THERAPIST ASST.	2	26,808
W326, W533	PSYCHOLOGIST III	2	48,288
W402, W406	DIETITIAN	1	17,641

TOTAL COASTAL REGION	30	\$400,412
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## RECAP - ALL REGIONS

TOTAL PERSONNEL	178	\$2,453,932
TOTAL FRINGE BENEFITS		515,326
TOTAL VARIOUS OTHER OPERATING		176,345
TOTAL ANNUAL	178	\$3,145,603

TOTAL COST MAY AND JUNE FY 85-86		\$524,267
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016701

Charles D. Barnett, Ph.D.  
Commissioner

Philip S. Massey, Ph.D.  
Deputy Commissioner  
Client Services

Lonnie A. Bowman, Jr.  
Deputy Commissioner  
Support Services

James E. Kirk  
Deputy Commissioner  
Fiscal Affairs



*JE Kirk*  
MENTAL RETARDATION COMMISSION

Mrs. Mary C. Ramsay, Chairman  
Clarence H. Buurman, Ph.D., Vice Chairman  
Mrs. Doris G. Woods, Secretary  
Melvin L. Burton, Jr.  
Mrs. Ava M. Hope  
William deB. Mebane  
Herbert Rudnick

*South Carolina Department of Mental Retardation*

2712 Middleburg Drive  
P. O. Box 4706  
Columbia, South Carolina 29240

M E M O R A N D U M

March 5, 1986

TO: Chairpersons,  
DMR Regional Center Parent Groups

FROM: Charles D. Barnett, Ph.D. *CB*  
Commissioner

RE: Federal Direct Surveys of Certain DMR ICF/MR Facilities

Whitten, Midlands, and Coastal Center recently had a portion of their facilities/programs reviewed by federal surveyors who are affiliated with the Health Care Finance Administration (HCFA) Division of the U. S. Department of Health and Human Services (HHS). These particular surveyors are based in Atlanta. Because we are in the process of releasing the surveys and our plans of corrections to the media, I want to remind you of our conversation and discussions on this general topic held at the last Parent Advisory Council meeting. Let me also remind you of some of the mechanics of this process.

The standards manual or protocol used by the Fed is a 77 page document. Areas reviewed include active treatment, health care, client rights, life-safety and physical plant, and records.

Based on the license(s) under the ICF-MR (Medicaid) program selected for review, a sample of clients (usually about 10 percent) is selected. Surveyors study the records on these clients, follow them about their daily routines, and interview staff.

016702



"Active treatment" is the key focus of the present surveys and we are seeing for the first time in current surveys some operational definitions being provided to various aspects of active treatment. Federal ICF-MR regulations which address this in more detail have been in formulation for several years and we still do not have these regulations in hand. I think it fair to say, therefore, that institutions and other ICF-MR facilities across the nation are being measured with a new yardstick none of us has seen before.

Active treatment implies and requires the following elements:

- (1) A periodically updated habilitation plan on each client.
- (2) Measurable goals.
- (3) The presence of relevant therapies and activities to accomplish the goals.
- (4) Qualified and trained staff in place in adequate numbers to provide the services and therapies.

Under the survey process, if a single client in the sample surveyed for a given license is found not to be receiving active treatment, the entire license is deemed to be out of compliance.

The Southeastern regional results on the current survey clearly point out that virtually no facilities have escaped major deficiency assessments and/or out-of-compliance designations relative to active treatment. Centers have a short period to submit a plan of correction for assessed deficiencies and one or more survey team members will recheck the center in question in about 45 days to assure that proper plans of correction are actually being implemented. Some corrective actions are procedural/process in nature while other deficiencies require new resource commitments for correction to occur. The latter could involve physical plant improvements (e.g., privacy partitions in bathrooms) or additional staff needs (e.g., additional direct care or professional workers).

In the DMR surveys recently completed, Whitten Center had three licenses reviewed with two being deemed out of compliance with active treatment. Midlands had one large license reviewed and it was judged out of compliance (in a borderline call according to one surveyor). Coastal Center had two licenses reviewed and one was deemed out of compliance with active treatment.

016703



Memorandum  
March 5, 1986  
Page Three

Failing to meet the new and emerging federal definition of active treatment should not be equated with "no treatment" or "bad treatment." It is clear to me that the Feds are sending all states strong signals to study and improve services. With few exceptions, we do not disagree with the broad and general recommendations they have made. We can note that no life safety deficiencies were found in any of the facilities surveyed in South Carolina.

Were we surprised at the findings? We were disappointed in some respects - we do not like deficiencies - but in that this was a new experience and in noting the results coming in from other states, we were not really surprised. We also were aware that South Carolina institutional per diems rank very low in comparison with many states - some 40 percent below the national average. We certainly knew we were at the "edge" of Medicaid compliance and for this reason we have stressed DI plans to reduce further our residential centers which, in itself, improves staffing and increases the potential for more individual attention to client plans and needs. Yet, we are very aware of nearby states whose institutional per diems more than double ours but whose survey deficiencies far exceed South Carolina's surveyed facilities.

I cannot emphasize enough the importance of continued adherence to the agency's Five Year Plan and our Year 2000 Plan as the best, long-range response to present survey deficiencies. The focus in both is the planful depopulation of current facilities and the deinstitutionalization of selected clients to community living and program arrangements which provide more normal and personalized opportunities. Big may not be bad in one sense, but we believe surveyors are more prone to see problems in very large facilities either because they have a set to see them or because size and numbers do, in fact, go hand in hand with the capability to address client program and service needs in an effective and individualized manner.

What is the next step? We have been working closely with regional Center staff to develop plans of correction. Correction of many cited deficiencies is already underway. We have also identified some need which must be addressed by new funds. Regarding this, we have been working intently with the staffs of key legislative budget entities and we have a combined (i.e., three center) request package which is being finalized. At present, it appears this package will call for some 132 new positions and the actual funding of about 46 other positions which we now have vacant and unfunded. There is a loading of both professional and direct care staff in this overall count. Some services (e.g., psychiatric) would be enhanced by contract with private service professionals. We presently project that the cost of these personal services will be about \$400,000 for

016704

# EXHIBIT

Memorandum  
March 5, 1986  
Page Four

MAR 25 1986 NO. 6

## STATE BUDGET & CONTROL BOARD

the rest of FY 85-86 and about \$2.9 million in FY 86-87. We believe that the Budget and Control Board and/or General Assembly fully understands our plight and we expect full support of our request.

The good news is that while the Feds have cited certain problems, Medicaid will participate in the funding of the correction process. For example, next year's state share of the presently projected \$2.9 million is only 27 percent or about \$800,000. All figures are "ball park" at this writing but reasonably close to what we expect to be the final costs.

The media's handling of the survey findings is beyond our control. Consider one Whitten Center deficiency and potential news caption:

"Center Lacking In Food And Nutrition". One would need to know that the chief deficiency correction called for here is the addition of an assistant food service director and a second nutritionist.

We need to make a firm and positive response to currently assessed deficiencies. We plan to do just that. Parents need to keep a reasonable perspective on the surveys and the media's potential handling of these. We are not perfect but at the same time deficiencies were cited, surveyors reported seeing many good things - even "exemplary programs." I believe we will emerge from this survey learning experience with strengthened services and programs. We plan to continue to work diligently on this front as well as press for support of our overall FY 86-87 budget which focuses in large part on continued DI and strengthened alternatives to traditional institutional housing and care.

I would strongly recommend that our center parent group executive committees ask each regional superintendent for a detailed briefing on the survey findings and on projected plans of improvement. As always, we need your input and support in this important matter as we jointly work toward the range and quality of services we all seek.

Best wishes.

CDB/lcp  
CC: DMR Executive Staff Committee

016705

# EXHIBIT

MAR 25 1986

NO. 7

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 25, 1986

EXECUTIVE SESSION

ITEM NUMBER

2

AGENCY: Clemson University

SUBJECT: Personnel Settlement

Representatives of Clemson University will be present to discuss the terms of a proposed personnel settlement to resolve the grievance appeal of Melvin E. Barnette. The agreement previously was reviewed by the Division of Human Resource Management.

BOARD ACTION REQUESTED:

Approve the personnel settlement proposed by Clemson University to resolve the grievance appeal of Melvin E. Barnette.

ATTACHMENTS:

016706



# EXHIBIT

MAR 25 1986

NO. 7

## PRESS RELEASE

### STATE BUDGET & CONTROL BOARD

Today, all differences and matters between Melvin E. Barnette and Clemson University have been resolved. On August 1, 1985, Mr. Barnette, Vice President for Business and Finance at Clemson University, was placed on sick leave by the University. He was terminated effective October 8, 1985. He had been with Clemson University since 1957. Thereafter, he filed a grievance appeal in accordance with the South Carolina Grievance Procedure Act. A hearing was scheduled for March 12, 1986 before the State Grievance and was subsequently postponed. In the best interest of Mr. Barnette and Clemson University, the matter has been satisfactorily resolved as follows:

1. Clemson University has reinstated Mr. Barnette with back pay as Vice President for Business and Finance, and Mr. Barnette has submitted a letter of retirement to Clemson University effective June 30, 1986. Until that time, Mr. Barnette will be on sick leave in compliance with University rules and procedures.
2. Mr. Barnette has made other claims against Clemson University for injury and damages and in exchange for a mutual release and dismissal for all these and other potential claims, Mr. Barnette will be paid \$100,000.00.

EXHIBIT 3

016707

The State Grievance Procedure Act and State Personnel Regulations include a mandatory mediation process for all grievances filed under the Act and also require Budget and Control Board approval of all monetary settlements. The resolution of this matter was initiated by mediation, and at its meeting this morning, the South Carolina Budget and Control Board approved this settlement.

## EXHIBIT

MAR 25 1986

NO. 7

STATE BUDGET & CONTROL BOARD

016708

# EXHIBIT

MAR 25 1986 NO. 8

STATE BUDGET AND CONTROL BOARD ~~STATE BUDGET & CONTROL BOARD~~ SESSION  
MEETING OF March 25, 1986 ITEM NUMBER

4

AGENCY: General Services/Executive Director

SUBJECT: (a) Exemption of Interest Rates Financings;  
(b) Clarification of Delegation of Interest Rate Approval

- (a) The Division advises that, since the State Treasurer obtains interest rates competitively for lease/purchase equipment contracts handled by it, this function should be exempted from the Procurement Code in accord with Code Section 11-35-710. The Division recommends that this exemption be granted and that all such interest rates be authorized through the Office of State Treasurer.
- (b) In October of 1979, the Board delegated to the State Treasurer authority to approve, on behalf of the Board, rates of interest in excess of 7% as may be required by the terms of Code Section 11-9-350. Some uncertainty on the scope of that action is now evident. Staff recommends that the Board delegate to the State Treasurer authority to approve the rates of interest on all financing transactions under the Board's purview.

---

BOARD ACTION REQUESTED:

- (a) Exempt interest rate financings from Procurement Code in accord with Code Section 11-35-710, upon the recommendation of the Division of General Services, and require that all interest rates be obtained competitively through the Office of State Treasurer; and
- (b) Delegate to State Treasurer authority to approve rates of interest on all financing transactions under the Board's purview.

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ATTACHMENTS:

Agenda item worksheet plus Code Section 11-35-710; extract from minutes of 10/16/79 Board meeting; Code Section 11-9-350

016709



BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

March 25, 1986

Blue Agenda

☒ Regular Session Agenda

☐ Executive Session Agenda

1. Submitted By:

(a) Agency: General Services

(b) Authorized Official Signature:

*Jay R. Utz*

2. Subject:

Procurement Exemption

3. Summary Background Information: Since the State Treasurer competitively obtains interest rates for lease/purchase equipment contracts handled by General Services, this function should be exempted from the State Procurement Code under 11-35-710 and all such interest rates be authorized through the Office of State Treasurer.

EXHIBIT

MAR 25 1986

NO. 8

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Exempt interest rate financing from State Procurement Code under 11-35-710 and require all interest rates be competitively obtained through Office of State Treasurer.

5. What is recommendation of the Board Division involved?

Approve

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

016710

### SUBARTICLE 3

#### EXEMPTIONS

SEC.  
11-35-710. Exemptions.

#### § 11-35-710. Exemptions.

The board may upon the recommendation of the Division of General Services, exempt governmental bodies from purchasing certain items through the respective chief procurement officer's area of responsibility. The board may exempt specific supplies or services from the purchasing procedures herein required and for just cause may by unanimous written decision limit or withdraw any exemptions provided for in this section. The following exemptions are hereby granted in this chapter:

(a) The construction, maintenance and repair of bridges, highways and roads; vehicle and road equipment maintenance and repair; and any other emergency type parts or equipment utilized by the Department of Highways and Public Transportation;

(b) The purchase of raw materials by the South Carolina Department of Corrections, Division of Prison Industries;

(c) S. C. State Ports Authority;

(d) S. C. Public Railways Commission;

(e) S. C. Public Service Authority;

(f) Expenditure of funds at state institutions of higher learning derived wholly from athletic or other student contests, from the activities of student organizations and from the operation of canteens and bookstores, except as such funds are used for the procurement of construction, architect-engineer, construction-management and land surveying services;

(g) Livestock, feed and veterinary supplies;

(h) Articles for commercial sale by all governmental bodies;

(i) Fresh fruits, vegetables, meats, fish, milk and eggs;

(j) South Carolina Arts Commission and South Carolina Museum Commission for the purchase of one-of-a-kind items such as paintings, antiques, sculpture and similar objects. Before any governmental body procures any such objects, the head of the purchasing agency shall prepare a written determination specifying the need for such objects and the benefits to the State. The South Carolina Arts Commission shall review such determination and forward a recommendation to the board for approval;

(k) Published books, periodicals and technical pamphlets.

(l) South Carolina Research Authority.

HISTORY: 1981 Act No. 148, § 1, eff July 30, 1981; 1984 Act No. 309, § 4, eff March 23, 1984.

#### Editor's Note—

Section 16 of 1981 Act No. 148, effective July 30, 1981, provides as follows:  
"SECTION 16. Nothing contained in this act shall be construed to prohibit the Department of Corrections from using inmate labor in the construction of Department facilities."

#### Effect of Amendments—

The 1984 amendment added the South Carolina Research Authority in item (l).

#### Cross references—

As to application of this section to vesting of central materials management authority in Division of General Services, see § 11-35-510.

For provision that contracts entered into by State Health and Human Services Finance Commission with health and human services agencies be in accordance with State Consolidated Procurement Code, see § 44-6-50.

016711

EXTRACT FROM MINUTES OF STATE BUDGET & CONTROL BOARD

10/16/79, pages 22+23

EXHIBIT

MAR 25 1986

NO. 8

STATE BUDGET & CONTROL BOARD

INTEREST RATES GREATER THAN 7% - The Board was advised that requests for Board approval of rates of interest in excess of 7% on certain obligations had been received from the Public Service Authority, the City of Charleston and the City of York.

Following a brief discussion in which it was indicated that the exact rates of interest are not yet known in certain of these requests, upon a motion by Senator Dennis, seconded by Representative Mangum, the Budget and Control Board delegated to State Treasurer Grady L. Patterson, Jr., authority to approve, on behalf of the Board, specific rates of interest in excess of 7% as required by Code Section 11-9-350.

Information relating to the matter has been retained in these files and is identified as Exhibit 32.

016712



# EXHIBIT

MAR 25 1986

NO. 8

STATE BUDGET & CONTROL BOARD

## § 11-9-350. Rate of interest on obligations of State and political subdivisions.

Except as herein otherwise provided, and notwithstanding any limitation or restriction now existing by statute heretofore enacted, the rate of interest paid by discount or otherwise upon the obligations of the State or any county, city, town, township, public service district, special purpose district, public housing authority, school district, or any other agency or political subdivision of the State may equal, but shall not exceed, seven percent per annum, except that any such obligation may have a greater rate of interest when such rate is approved by the State Budget and Control Board after such investigation and hearing as the Board may deem necessary. *Provided, however,* (a) the limitation applicable to notes issued in anticipation of bonds of any sort (bond anticipation notes) having a period of maturity not longer than one year which are sold to private investors shall be seven and one-half percent per annum; (b) the limitation applicable to bond anticipation notes sold to the State Budget and Control Board shall be the rate prescribed therefor by the Board; and (c) the limitations imposed by this section shall not apply to bonds issued by any county to aid any industrial project under the provisions of §§ 4-29-10 to 4-29-150, and bonds issued for such purposes shall bear interest without limitation or restriction other than those determined by the issuing authority thereof.

This section shall take effect upon approval by the Governor, but shall be applicable to all bonds issued on or subsequent to July 14, 1969.

HISTORY: 1962 Code § 1-778; 1970 (56) 1978.

### Research and Practice References—

45 Am Jur 2d, Interest and Usury § 24.

72 Am Jur 2d, States, Territories, and Dependencies § 89.

81 CJS, States § 196.

15 Am Jur Pl & Pr Forms (Rev ed), Interest and Usury, Forms 1 et seq. (in general).

10 Am Jur Legal Forms 2d, Interest and Usury, §§ 150:1 et seq. (in general).

016713

# EXHIBIT

MAR 25 1986 NO. 8

STATE BUDGET & CONTROL BOARD

The Board is asked to exempt the financing provisions of lease/purchase contracts and other debt and banking functions of the State Treasurer's Office from the procurement procedures of the Procurement Code pursuant to Code Section 11-35-710.

March 21, 1986

016714

~~Incomplete  
unexecuted  
bank letter~~

3/25/86

Complete  
3/24/86

# EXHIBIT

MAR 25 1986

NO. 9

STATE BUDGET & CONTROL BOARD

Harney County  
\$250,000

Commercial Realty Ventures

016715



State of South Carolina  
**State Budget and Control Board**

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR  
GRADY L. PATTERSON, JR.  
STATE TREASURER  
EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

Box 12444  
Columbia  
29211

REMBERT C. DENNIS  
CHAIRMAN, SENATE FINANCE COMMITTEE  
TOM G. MANGUM  
CHAIRMAN, WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

May 14, 1986

REVISED

C E R T I F I C A T E  
STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS  
FINAL ALLOCATION, CALENDAR YEAR 1986

TO: Horry County  
c/o Mr. Samuel W. Howell, IV  
McKay & Guerard, P.A.  
Box 7157  
Columbia, SC 29202

RE: Issue of \$250,000 Horry County, South Carolina  
Industrial Revenue Note  
(Commercial Realty Ventures Project)  
Issue Date Certified By Issuing Authority: May 14, 1986  
Issue Amount Certificate Received by Board Secretary: May 14, 1986

Based upon my receipt of the issue amount certificate required of the issuing authority by Board Regulation \$19-103.06 and \$19-103.07 not more than ten (10) business days prior to the date of issue which, as certified by the issuing authority, is within the time period for the ceiling allocation approved previously on a tentative basis by the State Budget and Control Board for the referenced project, I have determined that the allocation is now final in the amount indicated above.

I also have determined that the referenced issue when issued and combined with the amount of private activity bonds and notes certified to me previously by South Carolina issuing authorities as having been issued or which are to be issued in 1986 will not exceed the 1986 State Ceiling on the issuance of private activity bonds for the State of South Carolina.

*William A. McInnis*

William A. McInnis, Secretary

016716

State of South Carolina  
**State Budget and Control Board**

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR  
GRADY L. PATTERSON, JR.  
STATE TREASURER  
EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

Box 12444  
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CHAIRMAN, SENATE FINANCE COMMITTEE  
TOM G. MANGUM  
CHAIRMAN, WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

March 14, 1986

C E R T I F I C A T E  
STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS  
FINAL ALLOCATION, CALENDAR YEAR 1986

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c/o Mr. Samuel W. Howell, IV  
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*William A. McInnis*

William A. McInnis, Secretary

016717

State of South Carolina  
**State Budget and Control Board**

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR  
GRADY L. PATTERSON, JR.  
STATE TREASURER  
EARLEE. MORRIS, JR.  
COMPTROLLER GENERAL

Box 12444  
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REMBERT C. DENNIS  
CHAIRMAN, SENATE FINANCE COMMITTEE  
TOM G. MANGUM  
CHAIRMAN, WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

March 14, 1986

**C E R T I F I C A T E**  
**STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS**  
**FINAL ALLOCATION, CALENDAR YEAR 1986**

TO: Horry County  
c/o Mr. Samuel W. Howell, IV  
McKay & Guerard, P.A.  
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*William A. McInnis*

William A. McInnis, Secretary

016718



Check box if Amended Return ►

57-6000365

4 issue number

6 Date of issue

May 14, 1986

## Part II Type of Issue (Check box(es) that apply)

**Bonds other than Industrial Development Bonds (IDBs):**

Face Amount

- 7 ☐ Student loan bond . . . . .
- 8 ☐ Qualified mortgage bond; (attach copy of State certification) Check box if you elect to rebate  
arbitrage profits to the U.S. ► ☐
- 9 ☐ Qualified veterans' mortgage bond . . . . .
- 10 ☐ Private exempt entity bond . . . . .

### Industrial Development Bonds:

- 12 ☒ Small issue IDB: Check box if \$10 million small issue election ► ☐

\$ 250,000

13 Exempt Activity Bond (check type(s) below):

- |   |                          |  |                          |
|---|--------------------------|--|--------------------------|
| a | <input type="checkbox"/> | Residential rental projects (section 103(b)(4)(A))   |                          |
| b | <input type="checkbox"/> | Sports facilities (section 103(b)(4)(B))   |                          |
| c | <input type="checkbox"/> | Convention facilities (section 103(b)(4)(C)); Check box if exempt from volume limitations  | <input type="checkbox"/> |
| d | <input type="checkbox"/> | Airports, docks, etc., (section 103(b)(4)(D)); Check box if exempt from volume limitations | <input type="checkbox"/> |
| e | <input type="checkbox"/> | Sewage or waste disposal facilities (section 103(b)(4)(E))                                 |                          |
| f | <input type="checkbox"/> | Pollution control facilities (section 103(b)(4)(F))  |                          |
| g | <input type="checkbox"/> | Water furnishing facilities (section 103(b)(4)(G))   |                          |
| h | <input type="checkbox"/> | Hydroelectric generating facilities (section 103(b)(4)(H))                                 |                          |
| i | <input type="checkbox"/> | Mass commuting vehicles (section 103(b)(4)(I))   |                          |
| j | <input type="checkbox"/> | Local district heating or cooling facilities (section 103(b)(4)(J))                        |                          |
| k | <input type="checkbox"/> | Facilities for the local furnishing of electric energy or gas (section 103(b)(4)(E))       |                          |

### Part III Description of Obligations

[illegible]

15	Weighted average maturity of the issue	12.19 years
----	--	-------------

16 If issue is an advance refunding, enter the earliest call date

#### Part IV Proceeds of Issue

17	Total purchase price (regs. section 1.103-13(d)(2))	\$250,000
18	Proceeds used for bond issuance costs	13,000
19	Proceeds allocated to reasonably required reserve or replacement fund	-0-
20	Proceeds used to refund prior issues	-0-
21	Non-refunding proceeds of the issue (subtract lines 18, 19, and 20 from line 17)	237,000

For Paperwork Reduction Act Notice, see page 1 of the Instructions

Form **8038** (Rev. 12-84)

016719

**Part V Description of Property Financed by Non-refunding Proceeds**  
(Do not complete for student loan bonds or mortgage bonds)

<b>22 Type of Property Financed (or portion thereof financed by non-refunding proceeds)</b>		
a	3-yr. ACRS property	-0-
b	5-yr. ACRS property	-0-
c	10-yr. ACRS property	-0-
d	15-yr. ACRS property	-0-
e	18-yr. ACRS property	-0-
f	Cost of land	64,900
g	Cost of other property (see instructions)	176,842
<b>23 Other use of non-refunding proceeds (subtract lines 22a-g from Part IV, line 21 (see instructions))</b>		1,413
<b>24 Standard industrial classification (SIC) of non-refunding proceeds for the financed project.</b>		
	SIC Code	Non-refunding proceeds \$
a	6511	\$241,742
b		
c		
d		
e		
f		
<b>25 Average weighted economic life of the project (complete only for IDBs)</b>		19.0 years

**Part VI Description of Initial Principal Users**  
(Do not complete for student loan bonds or mortgage bonds)

<b>26 Initial Principal Users:</b>			
(A) User	(B) Name	(C) Address	(D) Employer identification number
(i)	Commercial Realty Ventures	P. O. Box 208, Columbia, S. C.	29202 57-0681836
(ii)	Associated Industrial Supply, Inc.	P. O. Box 208, Columbia, S. C.	29202 57-0145370
(iii)			
(iv)			
(v)			
<b>27 Common parents (if any) of initial principal users listed above:</b>			
(A) User (from above)	(B) Name	(C) Address	(D) Employer identification number

**Part VII Approval of Issue (Complete only for IDBs)**

**28** Name of Governmental units approving issue ▶ County Council of Horry County, South Carolina

**29** Names and positions of applicable elected representatives or date of referendum approving issue ▶ Paul E. Creel, Chairman, County Council of Horry County, South Carolina

**Part VIII Volume Limitations for Qualified Mortgage or Veterans' Bonds**

<b>1</b> Issuer's volume limitation	
<b>2</b> Amount of volume limitation surrendered to other issues (e.g., under section 103A(g)(3)(B) or 25(c)(2)(A)(ii))	
<b>3</b> Amount of bonds previously issued	
<b>4</b> Unused volume limitation (subtract lines 2 and 3 from line 1)	

**Please Sign Here**

Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Paul E. Creel May 12, 1985 Chairman, County Council of Horry County

Signature of officer Date Title

**Paid Preparer's Use Only**

Preparer's signature Sal H. Hull Check if self-employed ☐

Firm's name (or yours, if self-employed) McKay & Guerard, P.A. E.I. No. 57-0730838

and address P. O. Box 7157, Columbia, S. C. ZIP code 29202

Attachment to Form 8038 - Horry County, South Carolina

Part V

22(g) \$176,842.00 will finance 19-year ACRS property.

23 \$1,413.00 will finance interest during construction.

**016721**



# SCHEDULE A

<u>Maturity Date</u>	<u>Face amount (fully amortized payments of principal and interest)</u>	<u>Stated Interest Rate</u>	<u>Term (in years)</u>
March 14, 1987	\$497.70	67% of Prime Rate	5/6
April 14, 1987	\$500.81	67% of Prime Rate	11/12
May 14, 1987	\$503.94	67% of Prime Rate	1
June 14, 1987	\$507.09	67% of Prime Rate	1 1/12
July 14, 1987	\$510.26	67% of Prime Rate	1 1/6
August 14, 1987	\$513.45	67% of Prime Rate	1 1/4
September 14, 1987	\$516.65	67% of Prime Rate	1 1/3
October 14, 1987	\$519.88	67% of Prime Rate	1 5/12
November 14, 1987	\$523.13	67% of Prime Rate	1 1/2
December 14, 1987	\$526.40	67% of Prime Rate	1 7/12
January 14, 1988	\$529.69	67% of Prime Rate	1 2/3
February 14, 1988	\$533.00	67% of Prime Rate	1 3/4
March 14, 1988	\$536.33	67% of Prime Rate	1 5/6
April 14, 1988	\$539.69	67% of Prime Rate	1 11/12
May 14, 1988	\$543.06	67% of Prime Rate	2
June 14, 1988	\$546.45	67% of Prime Rate	2 1/12
July 14, 1988	\$549.87	67% of Prime Rate	2 1/6
August 14, 1988	\$553.31	67% of Prime Rate	2 1/4
September 14, 1988	\$556.76	67% of Prime Rate	2 1/3
October 14, 1988	\$560.24	67% of Prime Rate	2 5/12
November 14, 1988	\$563.75	67% of Prime Rate	2 1/2
December 14, 1988	\$567.27	67% of Prime Rate	2 7/12
January 14, 1989	\$570.81	67% of Prime Rate	2 2/3
February 14, 1989	\$574.38	67% of Prime Rate	2 3/4
March 14, 1989	\$577.97	67% of Prime Rate	2 5/6
April 14, 1989	\$581.58	67% of Prime Rate	2 11/12
May 14, 1989	\$585.22	67% of Prime Rate	3
June 14, 1989	\$588.88	67% of Prime Rate	3 1/12
July 14, 1989	\$592.56	67% of Prime Rate	3 1/6
August 14, 1989	\$596.26	67% of Prime Rate	3 1/4
September 14, 1989	\$599.99	67% of Prime Rate	3 1/3
October 14, 1989	\$603.74	67% of Prime Rate	3 5/12
November 14, 1989	\$607.51	67% of Prime Rate	3 1/2
December 14, 1989	\$611.31	67% of Prime Rate	3 7/12
January 14, 1990	\$615.13	67% of Prime Rate	3 2/3
February 14, 1990	\$618.97	67% of Prime Rate	3 3/4
March 14, 1990	\$622.84	67% of Prime Rate	3 5/6
April 14, 1990	\$626.73	67% of Prime Rate	3 11/12
May 14, 1990	\$630.65	67% of Prime Rate	4
June 14, 1990	\$634.59	67% of Prime Rate	4 1/12
July 14, 1990	\$638.56	67% of Prime Rate	4 1/6
August 14, 1990	\$642.55	67% of Prime Rate	4 1/4
September 14, 1990	\$646.57	67% of Prime Rate	4 1/3
October 14, 1990	\$650.61	67% of Prime Rate	4 5/12
November 14, 1990	\$654.67	67% of Prime Rate	4 1/2

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December 14, 1990	\$658.76	67% of Prime Rate	4 7/12
January 14, 1991	\$662.88	67% of Prime Rate	4 2/3
February 14, 1991	\$667.02	67% of Prime Rate	4 3/4
March 14, 1991	\$671.19	67% of Prime Rate	4 5/6
April 14, 1991	\$675.39	67% of Prime Rate	4 11/12
May 14, 1991	\$679.61	67% of Prime Rate	5
June 14, 1991	\$683.86	67% of Prime Rate	5 1/12
July 14, 1991	\$688.13	67% of Prime Rate	5 1/6
August 14, 1991	\$692.43	67% of Prime Rate	5 1/4
September 14, 1991	\$696.76	67% of Prime Rate	5 1/3
October 14, 1991	\$701.11	67% of Prime Rate	5 5/12
November 14, 1991	\$705.50	67% of Prime Rate	5 1/2
December 14, 1991	\$709.91	67% of Prime Rate	5 7/12
January 14, 1992	\$714.34	67% of Prime Rate	5 2/3
February 14, 1992	\$718.81	67% of Prime Rate	5 3/4
March 14, 1992	\$723.30	67% of Prime Rate	5 5/6
April 14, 1992	\$727.82	67% of Prime Rate	5 11/12
May 14, 1992	\$732.37	67% of Prime Rate	6
June 14, 1992	\$736.95	67% of Prime Rate	6 1/12
July 14, 1992	\$741.55	67% of Prime Rate	6 1/6
August 14, 1992	\$746.19	67% of Prime Rate	6 1/4
September 14, 1992	\$750.85	67% of Prime Rate	6 1/3
October 14, 1992	\$755.54	67% of Prime Rate	6 5/12
November 14, 1992	\$760.27	67% of Prime Rate	6 1/2
December 14, 1992	\$765.02	67% of Prime Rate	6 7/12
January 14, 1993	\$769.80	67% of Prime Rate	6 2/3
February 14, 1993	\$774.61	67% of Prime Rate	6 3/4
March 14, 1993	\$779.45	67% of Prime Rate	6 5/6
April 14, 1993	\$784.32	67% of Prime Rate	6 11/12
May 14, 1993	\$789.23	67% of Prime Rate	7
June 14, 1993	\$794.16	67% of Prime Rate	7 1/12
July 14, 1993	\$799.12	67% of Prime Rate	7 1/6
August 14, 1993	\$804.12	67% of Prime Rate	7 1/4
September 14, 1993	\$809.14	67% of Prime Rate	7 1/3
October 14, 1993	\$814.20	67% of Prime Rate	7 5/12
November 14, 1993	\$819.29	67% of Prime Rate	7 1/2
December 14, 1993	\$824.41	67% of Prime Rate	7 7/12
January 14, 1994	\$829.56	67% of Prime Rate	7 2/3
February 14, 1994	\$834.75	67% of Prime Rate	7 3/4
March 14, 1994	\$839.96	67% of Prime Rate	7 5/6
April 14, 1994	\$845.21	67% of Prime Rate	7 11/12
May 14, 1994	\$850.50	67% of Prime Rate	8
June 14, 1994	\$855.81	67% of Prime Rate	8 1/12
July 14, 1994	\$861.16	67% of Prime Rate	8 1/6
August 14, 1994	\$866.54	67% of Prime Rate	8 1/4
September 14, 1994	\$871.96	67% of Prime Rate	8 1/3
October 14, 1994	\$877.41	67% of Prime Rate	8 5/12
November 14, 1994	\$882.89	67% of Prime Rate	8 1/2
December 14, 1994	\$888.41	67% of Prime Rate	8 7/12
January 14, 1995	\$893.96	67% of Prime Rate	8 2/3
February 14, 1995	\$899.55	67% of Prime Rate	8 3/4
March 14, 1995	\$905.17	67% of Prime Rate	8 5/6
April 14, 1995	\$910.83	67% of Prime Rate	8 11/12

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May 14, 1995	\$916.52	67% of Prime Rate	9
June 14, 1995	\$922.25	67% of Prime Rate	9 1/12
July 14, 1995	\$928.01	67% of Prime Rate	9 1/6
August 14, 1995	\$933.81	67% of Prime Rate	9 1/4
September 14, 1995	\$939.65	67% of Prime Rate	9 1/3
October 14, 1995	\$945.52	67% of Prime Rate	9 5/12
November 14, 1995	\$951.43	67% of Prime Rate	9 1/2
December 14, 1995	\$957.38	67% of Prime Rate	9 7/12
January 14, 1996	\$963.36	67% of Prime Rate	9 2/3
February 14, 1996	\$969.38	67% of Prime Rate	9 3/4
March 14, 1996	\$975.44	67% of Prime Rate	9 5/6
April 14, 1996	\$981.54	67% of Prime Rate	9 11/12
May 14, 1996	\$987.67	67% of Prime Rate	10
June 14, 1996	\$993.85	67% of Prime Rate	10 1/12
July 14, 1996	\$1,000.06	67% of Prime Rate	10 1/6
August 14, 1996	\$1,006.31	67% of Prime Rate	10 1/4
September 14, 1996	\$1,012.60	67% of Prime Rate	10 1/3
October 14, 1996	\$1,018.93	67% of Prime Rate	10 5/12
November 14, 1996	\$1,025.29	67% of Prime Rate	10 1/2
December 14, 1996	\$1,031.70	67% of Prime Rate	10 7/12
January 14, 1997	\$1,038.15	67% of Prime Rate	10 2/3
February 14, 1997	\$1,044.64	67% of Prime Rate	10 3/4
March 14, 1997	\$1,051.17	67% of Prime Rate	10 5/6
April 14, 1997	\$1,057.74	67% of Prime Rate	10 11/12
May 14, 1997	\$1,064.35	67% of Prime Rate	11
June 14, 1997	\$1,071.00	67% of Prime Rate	11 1/12
July 14, 1997	\$1,077.69	67% of Prime Rate	11 1/6
August 14, 1997	\$1,084.43	67% of Prime Rate	11 1/4
September 14, 1997	\$1,091.21	67% of Prime Rate	11 1/3
October 14, 1997	\$1,098.03	67% of Prime Rate	11 5/12
November 14, 1997	\$1,104.89	67% of Prime Rate	11 1/2
December 14, 1997	\$1,111.80	67% of Prime Rate	11 7/12
January 14, 1998	\$1,118.75	67% of Prime Rate	11 2/3
February 14, 1998	\$1,125.74	67% of Prime Rate	11 3/4
March 14, 1998	\$1,132.77	67% of Prime Rate	11 5/6
April 14, 1998	\$1,139.85	67% of Prime Rate	11 11/12
May 14, 1998	\$1,146.98	67% of Prime Rate	12
June 14, 1998	\$1,154.15	67% of Prime Rate	12 1/12
July 14, 1998	\$1,161.36	67% of Prime Rate	12 1/6
August 14, 1998	\$1,168.62	67% of Prime Rate	12 1/4
September 14, 1998	\$1,175.92	67% of Prime Rate	12 1/3
October 14, 1998	\$1,183.27	67% of Prime Rate	12 5/12
November 14, 1998	\$1,190.67	67% of Prime Rate	12 1/2
December 14, 1998	\$1,198.11	67% of Prime Rate	12 7/12
January 14, 1999	\$1,205.60	67% of Prime Rate	12 2/3
February 14, 1999	\$1,213.13	67% of Prime Rate	12 3/4
March 14, 1999	\$1,220.71	67% of Prime Rate	12 5/6
April 14, 1999	\$1,228.34	67% of Prime Rate	12 11/12
May 14, 1999	\$1,236.02	67% of Prime Rate	13
June 14, 1999	\$1,243.75	67% of Prime Rate	13 1/12
July 14, 1999	\$1,251.52	67% of Prime Rate	13 1/6
August 14, 1999	\$1,259.34	67% of Prime Rate	13 1/4
September 14, 1999	\$1,267.21	67% of Prime Rate	13 1/3

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October 14, 1999	\$1,275.13	67% of Prime Rate	13 5/12
November 14, 1999	\$1,283.10	67% of Prime Rate	13 1/2
December 14, 1999	\$1,291.12	67% of Prime Rate	13 7/12
January 14, 2000	\$1,299.19	67% of Prime Rate	13 2/3
February 14, 2000	\$1,307.31	67% of Prime Rate	13 3/4
March 14, 2000	\$1,315.48	67% of Prime Rate	13 5/6
April 14, 2000	\$1,323.70	67% of Prime Rate	13 11/12
May 14, 2000	\$1,331.98	67% of Prime Rate	14
June 14, 2000	\$1,340.30	67% of Prime Rate	14 1/12
July 14, 2000	\$1,348.68	67% of Prime Rate	14 1/6
August 14, 2000	\$1,357.11	67% of Prime Rate	14 1/4
September 14, 2000	\$1,365.59	67% of Prime Rate	14 1/3
October 14, 2000	\$1,374.12	67% of Prime Rate	14 5/12
November 14, 2000	\$1,382.71	67% of Prime Rate	14 1/2
December 14, 2000	\$1,391.35	67% of Prime Rate	14 7/12
January 14, 2001	\$1,400.05	67% of Prime Rate	14 2/3
February 14, 2001	\$1,408.80	67% of Prime Rate	14 3/4
March 14, 2001	\$1,417.60	67% of Prime Rate	14 5/6
April 14, 2001	\$1,426.46	67% of Prime Rate	14 11/12
May 14, 2001	\$1,435.38	67% of Prime Rate	15
June 14, 2001	\$1,444.35	67% of Prime Rate	15 1/12
July 14, 2001	\$1,453.38	67% of Prime Rate	15 1/6
August 14, 2001	\$1,462.46	67% of Prime Rate	15 1/4
September 14, 2001	\$1,471.60	67% of Prime Rate	15 1/3
October 14, 2001	\$1,480.80	67% of Prime Rate	15 5/12
November 14, 2001	\$1,490.06	67% of Prime Rate	15 1/2
December 14, 2001	\$1,499.37	67% of Prime Rate	15 7/12
January 14, 2002	\$1,508.74	67% of Prime Rate	15 2/3
February 14, 2002	\$1,518.17	67% of Prime Rate	15 3/4
March 14, 2002	\$1,527.66	67% of Prime Rate	15 5/6
April 14, 2002	\$1,537.20	67% of Prime Rate	15 11/12
May 14, 2002	\$1,546.81	67% of Prime Rate	16
June 14, 2002	\$1,556.48	67% of Prime Rate	16 1/12
July 14, 2002	\$1,566.21	67% of Prime Rate	16 1/6
August 14, 2002	\$1,576.00	67% of Prime Rate	16 1/4
September 14, 2002	\$1,585.85	67% of Prime Rate	16 1/3
October 14, 2002	\$1,595.76	67% of Prime Rate	16 5/12
November 14, 2002	\$1,605.73	67% of Prime Rate	16 1/2
December 14, 2002	\$1,615.77	67% of Prime Rate	16 7/12
January 14, 2003	\$1,625.87	67% of Prime Rate	16 2/3
February 14, 2003	\$1,636.03	67% of Prime Rate	16 3/4
March 14, 2003	\$1,646.25	67% of Prime Rate	16 5/6
April 14, 2003	\$1,656.54	67% of Prime Rate	16 11/12
May 14, 2003	\$1,666.90	67% of Prime Rate	17
June 14, 2003	\$1,677.31	67% of Prime Rate	17 1/12
July 14, 2003	\$1,687.80	67% of Prime Rate	17 1/6
August 14, 2003	\$1,698.35	67% of Prime Rate	17 1/4
September 14, 2003	\$1,708.96	67% of Prime Rate	17 1/3
October 14, 2003	\$1,719.64	67% of Prime Rate	17 5/12
November 14, 2003	\$1,730.39	67% of Prime Rate	17 1/2
December 14, 2003	\$1,741.20	67% of Prime Rate	17 7/12
January 14, 2004	\$1,752.09	67% of Prime Rate	17 2/3
February 14, 2004	\$1,763.04	67% of Prime Rate	17 3/4

March 14, 2004	\$1,774.06	67% of Prime Rate	17 5/6
April 14, 2004	\$1,785.14	67% of Prime Rate	17 11/12
May 14, 2004	\$1,796.30	67% of Prime Rate	18
June 14, 2004	\$1,807.53	67% of Prime Rate	18 1/12
July 14, 2004	\$1,818.82	67% of Prime Rate	18 1/6
August 14, 2004	\$1,830.19	67% of Prime Rate	18 1/4
September 14, 2004	\$1,841.63	67% of Prime Rate	18 1/3
October 14, 2004	\$1,853.14	67% of Prime Rate	18 5/12
November 14, 2004	\$1,864.72	67% of Prime Rate	18 1/2
December 14, 2004	\$1,876.38	67% of Prime Rate	18 7/12
January 14, 2005	\$1,888.11	67% of Prime Rate	18 2/3
February 14, 2005	\$1,899.91	67% of Prime Rate	18 3/4
March 14, 2005	\$1,911.78	67% of Prime Rate	18 5/6
April 14, 2005	\$1,923.73	67% of Prime Rate	18 11/12
May 14, 2005	\$1,935.75	67% of Prime Rate	19
June 14, 2005	\$1,947.85	67% of Prime Rate	19 1/12
July 14, 2005	\$1,960.03	67% of Prime Rate	19 1/6
August 14, 2005	\$1,972.28	67% of Prime Rate	19 1/4
September 14, 2005	\$1,984.60	67% of Prime Rate	19 1/3
October 14, 2005	\$1,997.01	67% of Prime Rate	19 5/12
November 14, 2005	\$2,009.49	67% of Prime Rate	19 1/2
December 14, 2005	\$2,022.05	67% of Prime Rate	19 7/12
January 14, 2006	\$2,034.68	67% of Prime Rate	19 2/3
February 14, 2006	\$1,396.78	67% of Prime Rate	19 3/4

016726

SUN PUBLISHING COMPANY, INC.  
P.O. BOX 406  
MYRTLE BEACH, S.C. 29578-0406

STATEMENT NO 02952  
DATE 86/04/09

REFERENCE NO	010564
DESCRIPTION	NOTE PUBLIC HARRY CO. COUNCIL
COST	41.32

PLEASE INDICATE REFERENCE NO ON YOUR CHECK WHEN MAKING PAYMENT.

[illegible]

BEFORE ME, A NOTARY PUBLIC, PERSONALLY APPEARED *J. Michael*  
AFTER BEING DULY SWORN, DEPOSES AND SAYS: THAT HE IS GENERAL MANAGER  
OF THE SUN PUBLISHING COMPANY INC., AT MYRTLE BEACH, S.C. IN THE  
COUNTY AND STATE AFORESAID: THAT THE ABOVE AD(S) WAS (WERE) PRINTED  
AND PUBLISHED IN SAID NEWSPAPER, ON SAID DATE(S).

016727

My Commission Expires January 3, 1996



The State of South Carolina



Office of the Attorney General

EXHIBIT

MAR 25 1986 NO. 9

STATE BUDGET & CONTROL BOARD

T. TRAVIS MEDLOCK  
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING  
POST OFFICE BOX 11549  
COLUMBIA, S.C. 29211  
TELEPHONE 803-758-2072

April 1, 1986

Mr. William A. McInnis  
Deputy Executive Director  
State budget and Control Board  
Columbia, South Carolina 29201

RE: Not Exceeding \$250,000 Horry County, South  
Carolina, Industrial Revenue Note (Commercial  
Realty Ventures)

Dear Mr. McInnis:

Regarding the above-referenced bond, we have reviewed the Petition and other documents submitted to the State Budget and Control Board for its approval pursuant to Sections 4-29-10, et seq., Code of Laws of South Carolina, 1976, as amended, and the same appear, in our opinion, to be in order.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "D. Eckstrom".

David C. Eckstrom  
Assistant Attorney General

DCE:rmr  
encs.

016728

# EXHIBIT

MAR 25 1986

NO. 9

STATE OF SOUTH CAROLINA )

Commercial Realty Ventures STATE BUDGET & CONTROL BOARD

COUNTY OF RICHLAND )

I, WILLIAM A. MCINNIS, SECRETARY to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

That the State Budget and Control Board (the Board) is composed of the following:

His Excellency, Richard W. Riley, Governor and Chairman of the Board;

The Honorable Grady L. Patterson, Jr., State Treasurer;

The Honorable Earle E. Morris, Jr., Comptroller General;

The Honorable Rembert C. Dennis, Chairman of the Senate Finance Committee; and

The Honorable Tom G. Mangum, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 A. M., on Tuesday, March 25, 1986, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting.

That at the meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by Mr. Patterson, who moved its adoption; the motion was seconded by Mr. Morris, and upon the vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

AGAINST MOTION

5

0

That the Chairman thereupon declared the Resolution unanimously adopted and the original thereof has been duly entered in the permanent records of minutes of meetings of the Board in my custody as its Secretary.

April 2, 1986

William A. McInnis

016729

# EXHIBIT

MAR 25 1986

NO. 9

## A RESOLUTION

STATE BUDGET & CONTROL BOARD

APPROVING AN UNDERTAKING BY THE COUNTY COUNCIL OF HORRY COUNTY PURSUANT TO CHAPTER 29, TITLE 4, VOLUME 1, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, TO ACQUIRE, CONSTRUCT AND EQUIP AN INDUSTRIAL PROJECT THROUGH THE ISSUANCE OF A NOT EXCEEDING \$250,000 HORRY COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE NOTE, SERIES 1986 (COMMERCIAL REALTY VENTURES PROJECT).

WHEREAS, heretofore the County Council of Horry County (County Council) did, pursuant to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended (the Enabling Statute), petition the State Budget and Control Board of South Carolina (the State Board), seeking approval of the State Board of an undertaking by the County Council pursuant to the Enabling Statute; and

WHEREAS, the undertaking provides for the issuance of a not exceeding \$250,000 Horry County, South Carolina, Industrial Revenue Note, Series 1986 (Commercial Realty Ventures Project) pursuant to the Enabling Statute (the Note), and the loan of the proceeds thereof to Commercial Realty Ventures, a limited partnership organized and existing under the Laws of the State of South Carolina (the Company), under the terms of a loan agreement between the County and the Company (the Loan Agreement), to finance the (i) acquisition of a lot located at 1509 Third Avenue, in the City of Conway (ii) the construction of improvements thereon, and (iii) acquisition and installation of machinery and equipment therein and thereon (such land, improvements, machinery, and equipment, as so acquired, constructed and installed, being referred to herein as the Project), all of which will be leased to Associated Industrial Supply Companies, Inc. and

016730



constitute facilities for the warehousing and distribution of steel pipe and other industrial products; and

WHEREAS, under the Loan Agreement, loan payments sufficient to provide for the payment of the Note and costs and expenses resulting from the issuance thereof will be made by the Company; and

WHEREAS, the Note may be secured by the lien of a Mortgage and Security Agreement in the Project from the Company to the County (the Mortgage), which will be assigned by the County to the purchaser of the Note, The Citizens and Southern National Bank of South Carolina, a national banking association (the Purchaser), and the pledge of the loan payments under the Loan Agreement; and

WHEREAS, the State Board has made such independent investigation as it deems advisable,

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

1. It has been found and determined by the State Board as follows:

a. The statement of facts set forth in the recitals of this Resolution are in all respects true and correct;

b. County Council has filed a proper Petition to the State Board, establishing a reasonable estimate of the cost of the Project and a general summary of the terms and conditions of the Loan Agreement to be made by the County.

c. The Project, when completed, will provide employment for five to seven (5-7) additional employees within two years after completion of construction; and

d. The Project is intended to promote the purposes of the Enabling Statute and is reasonably anticipated to effect such results.

2. On the basis of the foregoing findings, the proposed undertaking of the County Council to finance the acquisition, construction and equipping of a warehousing facility will constitute a "project" under the Enabling Statute, through the issuance of the not exceeding \$250,000 Horry County, South Carolina, Industrial Revenue Note, payable from the loan payments to be derived under the Loan Agreement, and additionally to be secured by the Mortgage (if any) on the Project, and by the pledge of loan payments to be paid under the Loan Agreement, all pursuant to the Enabling Statute (including changes in any details of the financing, as finally consummated, which do not materially affect the undertaking), be, and the same is, hereby approved.

3. Notice of the action taken by the State Board in giving approval to the undertaking of Horry County above described in Paragraph 2, supra, shall be published one time in The Sun News, a newspaper published in the City of Myrtle Beach, South Carolina, having general circulation in Horry County.

4. Approval of this undertaking is granted on the condition that a copy of the publisher's affidavit with respect to the aforesaid notice and a copy of Internal Revenue Service Form 8038 relating to any bonds

**016732**

issued pursuant to this approval be filed with the State Board's Secretary not more than 10 days prior to the issuance of the Note.

5. The notice to be published shall be in the form substantially as set forth as Exhibit A of this Resolution.

016733



NOTICE PURSUANT TO  
CHAPTER 29, TITLE 4, VOLUME 1,  
CODE OF LAWS OF SOUTH CAROLINA 1976,  
AS AMENDED

---

Notice is hereby given that, following the filing of a Petition by the County Council of Horry County (the County Council) to the State Budget and Control Board of South Carolina (the State Board), approval has been given by the State Board to the following undertaking (including any changes in any details of the said financing as finally consummated which do not materially affect the said undertaking), viz:

The financing by County Council of the (i) acquisition of a lot located at 1509 Third Avenue in the City of Conway, Horry County, (ii) construction of such improvements thereon, and (iii) acquisition and installation of machinery and equipment therein and thereon (such land, improvements, machinery and equipment, as so acquired, constructed and installed, being referred to herein as the Project), all of which will constitute facilities for the warehousing and distribution of steel pipe and other industrial products. To finance the Project, the County Council will issue a not exceeding \$250,000 Horry County, South Carolina, Industrial Revenue Note, Series 1986 (Commercial Realty Ventures Project) (the Note), pursuant to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended, under the terms of a Loan Agreement (the Loan Agreement) between the County and Commercial Realty Ventures, a South Carolina limited partnership (the Company). The Company will lease the Project to Associated

**016734**

Industrial Supply Companies, Inc. The Note of Horry County will be payable by the County solely from the loan payments to be paid under the Loan Agreement to the County by the Company, which has irrevocably covenanted and agreed to pay, when due, all sums required for the principal and interest thereon, and the Note may be secured by the mortgage lien and security interest of a Mortgage and Security Agreement on the Project, which will constitute a forecloseable mortgage upon the Project and a pledge of the loan payments to be paid under the Loan Agreement. The Note shall not constitute a charge against the general credit or taxing power of Horry County.

It is estimated that the Project will provide employment for five to seven (5-7) additional employees within two years after completion of construction.

Notice is further given that any interested party may at any time within twenty (20) days after the date of publication of this Notice, but not afterwards, challenge the validity of the action of the State Board in approving the undertaking of the County Council by action de novo instituted in the Court of Common Pleas for Horry County.

STATE BUDGET AND CONTROL BOARD OF  
SOUTH CAROLINA

By: William A. McInnis, Secretary

**016735**

# EXHIBIT

MAR 25 1986

NO. 9

PETITION

STATE BUDGET & CONTROL BOARD

TO

THE STATE BUDGET AND CONTROL BOARD

OF

SOUTH CAROLINA

PURSUANT TO SECTION 4-29-140 OF THE  
CODE OF LAWS OF SOUTH CAROLINA 1976

RE: NOT EXCEEDING \$250,000 HORRY COUNTY,  
SOUTH CAROLINA, INDUSTRIAL REVENUE  
NOTE, SERIES 1986 (COMMERCIAL REALTY  
VENTURES PROJECT)

EX PARTE:

COUNTY COUNCIL OF HORRY COUNTY  
SOUTH CAROLINA



TO: The Honorable Richard W. Riley, Governor  
The Honorable Grady L. Patterson, Jr., State Treasurer  
The Honorable Earle E. Morris, Jr., Comptroller General  
The Honorable Rembert C. Dennis, Chairman  
Senate Finance Committee  
The Honorable Tom G. Mangum, Chairman  
House Ways and Means Committee

Constituting the State Budget and Control Board of the State  
of South Carolina

Your Petitioner, the County Council of Horry County, respectfully  
prays:

1. Horry County (the County) proposes to issue its not exceeding \$250,000 Horry County, South Carolina, Industrial Revenue Note, Series 1986 (Commercial Realty Ventures Project) (the Note), pursuant to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended (the Enabling Statute), and loan the proceeds thereof to Commercial Realty Ventures, a South Carolina (the Company), pursuant to the terms of a loan agreement between the County and the Company (the Loan Agreement), to finance the (i) acquisition of a lot situate in Conway, South Carolina at 1509 Third Avenue, (ii) construction of improvements thereon, and (iii) acquisition and installation of machinery and equipment therein and thereon (such land, improvements, machinery, and equipment, as so acquired, constructed and installed, being referred to herein as the Project), all of which will be leased to Associated Industrial Supply Companies and will constitute facilities for the warehousing and distribution of steel pipe and other industrial products.

2. The Company has advised County Council that the Project, together with the costs of issuing the Note, will cost not exceeding \$250,000, and that all costs in excess of the proceeds of the Note will be paid by the Company from its own funds.

3. The Company has further advised County Council that the Project, when completed, will provide employment for five to seven (5-7) additional employees within two years after completion of construction. As a result of the increased employment following completion of the Project, the economy of the County will be benefited by the increased payroll and, as a result of the proposed construction, improvement and installation of machinery and equipment, the tax base of the County will be increased. Thus, the proposed Project is anticipated to have a beneficial effect upon the economy of Horry County and of the areas adjacent thereto.

4. The Company has advised the County Council of Horry County that the Citizens and Southern National Bank of South Carolina, a national banking association under the Laws of the United States (the Purchaser), has committed to buy the Note, which will be issued as a single note, payable to the Purchaser or its registered assigns, in the principal amount of not exceeding \$250,000, with interest thereon from the date of delivery at the rate of Sixty-seven per centum (67%) of the prime rate announced from time to time by the Purchaser. Interest only shall be payable monthly for nine months after the issuance of the Note. The Note shall be payable in equal, successive, monthly, installments of principal and interest in the amount of \$2,060.20. The Note will mature not later than twenty years from the date of issuance of the Note.

5. The proposed Loan Agreement between the County and the Company will provide, among other things, the following:

(a) To finance the cost of the Project, the County will issue its not exceeding \$250,000 Industrial Revenue Note, pursuant to the Enabling Statute. The Project will be owned

by the Company and the County will have no ownership interest in the Project. The Note may be secured by a first mortgage lien on and security interest in the Project under a Mortgage and Security Agreement from the Company to the County (the Mortgage), which will be assigned to the Purchaser.

(b) The Loan Agreement will impose upon the Company the obligation to pay, in addition to the moneys required for the payment of the principal of, premium, if any, and interest on the Note, all other costs and expenses resulting from the execution and delivery of the Loan Agreement and the Mortgage and the issuance of the Note pursuant thereto.

(c) The proceeds derived from the sale of the Note will be deposited in a construction account and will be withdrawn on requisition of the Company and applied solely to the payment of costs incident to the Project (including reimbursement to the Company of funds advanced or loans incurred for that purpose), and the issuance of the Note.

(d) The Loan Agreement shall contain an agreement obligating the Company to effect the completion of the Project if the proceeds of the Note prove insufficient, and obligating the Company to pay loan repayments, which, upon the basis of the determinations heretofore made by County Council, will be sufficient to pay the principal of and interest on the Note. Inasmuch as the Purchaser has not deemed it advisable to build up and maintain any reserve in connection with the



Project or the Note, no loan repayments will be required for that purpose.

(e) The Loan Agreement shall contain the agreement of the Company to pay for the maintenance and insurance of the Project.

(f) The Loan Agreement will contain no provision imposing any pecuniary liability upon the County or which would create a charge upon the County's general credit or taxing power.

6. Any Mortgage from the Company to the County, securing the Note, in the amount of not exceeding Two Hundred Fifty Thousand and no/100 (\$250,000.00) Dollars, will be in conventional form and will constitute a forecloseable mortgage upon the Project. Included in the granting clause of the Mortgage may be:

(a) All real property, machinery, and equipment and all interest therein, acquired or to be acquired for the Project;

(b) All amounts derived by the County under the Loan Agreement, except those payments to be made by way of indemnification or for attorneys' fees; and

(c) All funds from time to time in the Construction Account established pursuant to the Loan Agreement, and any securities in which such funds are invested, and the proceeds thereof.

7. County Council requests that \$250,000 of the State Ceiling on private activity bonds for calendar year 1986 be allocated to the Note. 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. County Council hereby certifies that this request for allocation is not made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Upon the basis of the foregoing, the County Council respectfully prays:

That the State Budget and Control Board accept the filing of the Petition presented herewith and that it thereafter, and as soon as practicable, make its independent investigation of the Project as it deems advisable, and that thereafter, the State Board make a finding that the proposed Project will promote the purpose of the said Enabling Statute, and that it is reasonably anticipated to effect such result, and, on the basis of such finding, that it does approve the Project, including changes in details of the financing as finally consummated which do not materially affect the undertaking, that \$250,000 of the state ceiling on private activity bonds for calendar year 1986 be allocated to the Note, and that it give published notice of its approval in the manner set forth in Code Section 4-29-140.

Respectfully submitted,

HORRY COUNTY, SOUTH CAROLINA

(SEAL)

By: Paul E. Cross  
Chairman, County Council  
of Horry County

ATTEST:

Leah A. Allen  
Clerk, County Council of  
Horry County

APPROVED AS TO FORM AND CONTENT:

John Henderson  
County Attorney  
Horry County, South Carolina



# EXHIBIT

MAR 25 1986

NO. 9

## A RESOLUTION

STATE BUDGET & CONTROL BOARD

MAKING CERTAIN DETERMINATIONS AND FINDINGS PRIOR TO UNDERTAKING A PROPOSED PROJECT TO BE FINANCED THROUGH THE ISSUANCE OF AN HORRY COUNTY INDUSTRIAL REVENUE NOTE, APPROVING THE UNDERTAKING OF THE PROJECT AND THE ISSUANCE OF THE INDUSTRIAL REVENUE NOTE, AND AUTHORIZING THE FILING OF A PETITION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA, SEEKING ITS APPROVAL OF THE PROJECT AND OF THE ISSUANCE OF THE INDUSTRIAL REVENUE NOTE.

BE IT RESOLVED BY THE COUNTY COUNCIL OF HORRY COUNTY (the County Council), in meeting duly assembled, that the County Council hereby determines and finds as follows:

1. Horry County (the County) has entered into an Assistance Contract with Commercial Realty Ventures, a South Carolina limited partnership (the Company), whereby the County agrees, under the conditions set forth in the Assistance Contract, inter alia, to issue not to exceed \$250,000 Horry County Industrial Revenue Bonds pursuant to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended (the Enabling Statute), to finance the (i) acquisition of a lot situate in Conway, South Carolina, at 1509 Third Avenue, (ii) construction of improvements thereon, and (iii) acquisition and installation of machinery and equipment therein and thereon (such land, improvements, machinery and equipment, as so acquired, constructed, and installed, being referred to herein as the Project), all of which will be leased to Associated Industrial Supply Companies and will constitute a facility for the warehousing and distribution of steel pipe and other industrial products.

2. The Company has now advised County Council that the cost of acquiring the land, constructing the building, and acquiring and installing the machinery and equipment will be not exceeding \$250,000 and has requested that the County issue its industrial revenue note, in the principal amount of not exceeding \$250,000 (the Note), to finance the cost of acquiring, constructing and installing the Project, including the costs incident to the issuance of the Note.

3. The Company has further advised County Council that the Project, when completed, will provide employment for five to seven (5-7) additional employees within two years after completion of construction.

4. The financing of the Project as proposed would render assistance to the Company in establishing an industrial enterprise in the County and thereby promote the industrial development of the State and develop trade by inducing this enterprise to locate in the State and

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thus utilize and employ the manpower, agricultural products, and natural resources of the State. The Project, thus, will subserve the purposes of said Enabling Statute.

5. The Company has agreed under the terms of the proposed Loan Agreement with the County to effect the completion of the Project if the proceeds of the Note prove inefficient, and, under its proposed Loan Agreement with the County, the Company will also be obligated, at its expense, to pay for the maintenance and insurance of the Project; and to make loan repayments sufficient to pay the principal of, premium, if any, and interest on the Note as they become due. Neither the Project nor any charges in connection with the Project or the acquisition, construction, improvement, installation, operation, and maintenance of the Project or in connection with the Note, including the payment of principal or interest, shall constitute or give rise to a pecuniary liability of the County or a charge against the general credit or taxing power of the County.

6. The Company has advised County Council that the Citizens and Southern National Bank of South Carolina, a national banking association under the Laws of the United States (the Bank), has committed to buy the Note, which will be issued as a single note, payable to the Bank as registered owner, in the principal amount of \$250,000, with interest thereon from the date of delivery at the rate of sixty-seven per centum (67%) of the prime rate announced from time to time by the Bank. Interest only shall be paid monthly for the first nine (9) months after the issuance of the Note. The Note shall be payable thereafter in equal, successive, monthly, installments of principal and interest in the amount of \$2,060.20. The Note will mature not later than twenty years after the issuance of the Note.

7. As security for the Note, the Company may give the County a first mortgage lien on and security interest in the Project by a Mortgage and Security Agreement from the Company to the County (the Mortgage), which Mortgage will be assigned by the County to the Bank.

8. Inasmuch as the Bank is not requiring the establishment of a reserve fund for the retirement of the Note, no such reserve fund need be established.

AND, BE IT FURTHER RESOLVED that the County Council of Horry County hereby approves the undertaking of the Project and the issuance of its Industrial Revenue Note as aforesaid, the filing of its petition, in accordance with Code Section 4-29-140, to the State Budget and Control Board of South Carolina, in substantially the form of the Petition attached hereto (or with such changes as shall be approved by the Attorney for Horry County), and the execution by the Chairman of County Council, or in his absence, the Vice Chairman, and the attestation by the Clerk of County Council, or in her absence, the Acting Clerk, to the same and the affixation of the County Seal thereto, and, further, authorizes and empowers the Chairman of County Council, or, in his absence, the Vice Chairman, to take all other action

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necessary or incidental to the execution and filing of such Petition.

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EXHIBIT "A"

PETITION  
TO  
THE STATE BUDGET AND CONTROL BOARD  
OF  
SOUTH CAROLINA

PURSUANT TO SECTION 4-29-140 OF THE  
CODE OF LAWS OF SOUTH CAROLINA 1976

RE: NOT EXCEEDING \$250,000 HORRY COUNTY,  
SOUTH CAROLINA, INDUSTRIAL REVENUE  
NOTE, SERIES 1986 (COMMERCIAL REALTY  
VENTURES PROJECT)

EX PARTE:  
COUNTY COUNCIL OF HORRY COUNTY  
SOUTH CAROLINA

TO: The Honorable Richard W. Riley, Governor  
The Honorable Grady L. Patterson, Jr., State Treasurer  
The Honorable Earle E. Morris, Jr., Comptroller General  
The Honorable Rembert C. Dennis, Chairman  
Senate Finance Committee  
The Honorable Tom G. Mangum, Chairman  
House Ways and Means Committee

Constituting the State Budget and Control Board of the State  
of South Carolina

Your Petitioner, the County Council of Horry County, respectfully  
prays:

1. Horry County (the County) proposes to issue its not exceeding \$250,000 Horry County, South Carolina, Industrial Revenue Note, Series 1986 (Commercial Realty Ventures Project) (the Note), pursuant to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended (the Enabling Statute), and loan the proceeds thereof to Commercial Realty Ventures, a South Carolina (the Company), pursuant to the terms of a loan agreement between the County and the Company (the Loan Agreement), to finance the (i) acquisition of a lot situate in Conway, South Carolina at 1509 Third Avenue, (ii) construction of improvements thereon, and (iii) acquisition and installation of machinery and equipment therein and thereon (such land, improvements, machinery, and equipment, as so acquired, constructed and installed, being referred to herein as the Project), all of which will be leased to Associated Industrial Supply Companies and will constitute facilities for the warehousing and distribution of steel pipe and other industrial products.

2. The Company has advised County Council that the Project, together with the costs of issuing the Note, will cost not exceeding \$250,000, and that all costs in excess of the proceeds of the Note will be paid by the Company from its own funds.

3. The Company has further advised County Council that the Project, when completed, will provide employment for five to seven (5-7) additional employees within two years after completion of construction. As a result of the increased employment following completion of the Project, the economy of the County will be benefited by the increased payroll and, as a result of the proposed construction, improvement and installation of machinery and equipment, the tax base of the County will be increased. Thus, the proposed Project is anticipated to have a beneficial effect upon the economy of Horry County and of the areas adjacent thereto.

4. The Company has advised the County Council of Horry County that the Citizens and Southern National Bank of South Carolina, a national banking association under the Laws of the United States (the Purchaser), has committed to buy the Note, which will be issued as a single note, payable to the Purchaser or its registered assigns, in the principal amount of not exceeding \$250,000, with interest thereon from the date of delivery at the rate of Sixty-seven per centum (67%) of the prime rate announced from time to time by the Purchaser. Interest only shall be payable monthly for nine months after the issuance of the Note. The Note shall be payable in equal, successive, monthly, installments of principal and interest in the amount of \$2,060.20. The Note will mature not later than twenty years from the date of issuance of the Note.

5. The proposed Loan Agreement between the County and the Company will provide, among other things, the following:

(a) To finance the cost of the Project, the County will issue its not exceeding \$250,000 Industrial Revenue Note, pursuant to the Enabling Statute. The Project will be owned



by the Company and the County will have no ownership interest in the Project. The Note may be secured by a first mortgage lien on and security interest in the Project under a Mortgage and Security Agreement from the Company to the County (the Mortgage), which will be assigned to the Purchaser.

(b) The Loan Agreement will impose upon the Company the obligation to pay, in addition to the moneys required for the payment of the principal of, premium, if any, and interest on the Note, all other costs and expenses resulting from the execution and delivery of the Loan Agreement and the Mortgage and the issuance of the Note pursuant thereto.

(c) The proceeds derived from the sale of the Note will be deposited in a construction account and will be withdrawn on requisition of the Company and applied solely to the payment of costs incident to the Project (including reimbursement to the Company of funds advanced or loans incurred for that purpose), and the issuance of the Note.

(d) The Loan Agreement shall contain an agreement obligating the Company to effect the completion of the Project if the proceeds of the Note prove insufficient, and obligating the Company to pay loan repayments, which, upon the basis of the determinations heretofore made by County Council, will be sufficient to pay the principal of and interest on the Note. Inasmuch as the Purchaser has not deemed it advisable to build up and maintain any reserve in connection with the

Project or the Note, no loan repayments will be required for that purpose.

(e) The Loan Agreement shall contain the agreement of the Company to pay for the maintenance and insurance of the Project.

(f) The Loan Agreement will contain no provision imposing any pecuniary liability upon the County or which would create a charge upon the County's general credit or taxing power.

6. Any Mortgage from the Company to the County, securing the Note, in the amount of not exceeding Two Hundred Fifty Thousand and no/100 (\$250,000.00) Dollars, will be in conventional form and will constitute a forecloseable mortgage upon the Project. Included in the granting clause of the Mortgage may be:

(a) All real property, machinery, and equipment and all interest therein, acquired or to be acquired for the Project;

(b) All amounts derived by the County under the Loan Agreement, except those payments to be made by way of indemnification or for attorneys' fees; and

(c) All funds from time to time in the Construction Account established pursuant to the Loan Agreement, and any securities in which such funds are invested, and the proceeds thereof.

7. County Council requests that \$250,000 of the State Ceiling on private activity bonds for calendar year 1986 be allocated to the Note. 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. County Council hereby certifies that this request for allocation is not made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Upon the basis of the foregoing, the County Council respectfully prays:

That the State Budget and Control Board accept the filing of the Petition presented herewith and that it thereafter, and as soon as practicable, make its independent investigation of the Project as it deems advisable, and that thereafter, the State Board make a finding that the proposed Project will promote the purpose of the said Enabling Statute, and that it is reasonably anticipated to effect such result, and, on the basis of such finding, that it does approve the Project, including changes in details of the financing as finally consummated which do not materially affect the undertaking, that \$250,000 of the state ceiling on private activity bonds for calendar year 1986 be allocated to the Note, and that it give published notice of its approval in the manner set forth in Code Section 4-29-140.

Respectfully submitted,

HORRY COUNTY, SOUTH CAROLINA

(SEAL)

By: Paul E. Creed  
Chairman, County Council  
of Horry County



ATTEST:

Deedys A. Allen  
Clerk, County Council of  
Horry County

APPROVED AS TO FORM AND CONTENT:

John C. Hendrix  
County Attorney  
Horry County, South Carolina

STATE OF SOUTH CAROLINA       )  
  )  
COUNTY OF HORRY                )

THIS IS TO CERTIFY that the foregoing is an exact, verbatim copy of a Resolution unanimously adopted at a duly called and held regular meeting of the County Council of Horry County, South Carolina, held in Council Chambers in the Horry County Annex, Conway, South Carolina, on March 4, 1986, at which meeting a quorum was present and remained throughout.

That the said Resolution was offered by Councilmember Gary Steele seconded by Councilmember David Canty, and has been recorded in the County Council's records of proceedings and remains in my custody as Clerk, and that the said Resolution remains in full force and effect and has not been amended, modified, or repealed.

WITNESS my Hand and the Seal of Horry County, South Carolina, this   4   day of March, A.D. 1986.

(SEAL)

Gladys A. Allen  
Gladys Allen, Clerk  
County Council of Horry County  
South Carolina

016753

# EXHIBIT

MAR 25 1986 NO. 9

## A RESOLUTION

STATE BUDGET & CONTROL BOARD

AUTHORIZING AN ASSISTANCE CONTRACT BETWEEN HORRY COUNTY AND COMMERCIAL REALTY VENTURES, A SOUTH CAROLINA LIMITED PARTNERSHIP TO PROVIDE FOR THE ISSUANCE OF HORRY COUNTY INDUSTRIAL REVENUE BONDS (COMMERCIAL REALTY VENTURES PROJECT), THE PROCEEDS OF WHICH WILL BE LOANED TO COMMERCIAL REALTY VENTURES.

BE IT RESOLVED by the County Council of Horry County (County Council) in meeting duly assembled:

That, subject to the provisions of Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended (the Enabling Statute), the County Council approves the issuance of not exceeding \$250,000 Horry County, South Carolina, Industrial Revenue Bonds (the Bonds), on behalf of Commercial Realty Ventures, a South Carolina limited partnership, a limited partnership, organized and existing under the Laws of the State of South Carolina (the Industry), for financing the acquisition of land, the construction of improvements thereon, and the acquisition and installation of machinery and equipment therein and thereon (such land, improvements, machinery, and equipment, as so acquired, constructed, and installed, being referred to herein as the Project), all of which will be leased to Associated Industrial Supply Companies and will constitute facilities for the commercial warehousing and distribution of steel pipe and other industrial products and that the proposed Project will qualify as a "project" under the Enabling Statute;

That the Bonds shall never constitute an indebtedness of Horry County (the County) within the meaning of any state constitutional

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provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers;

That the Chairman, or, in his absence, the Vice Chairman, of the County Council is authorized to sign, with the approval of the County Attorney, attested by the Clerk of the County Council, an assistance contract, substantially in the form attached hereto as Exhibit A, providing for the issuance of the Bonds. Any execution and attestation prior to the adoption of this Resolution is hereby authorized, ratified and confirmed;

That County Council and its duly elected officers shall take any and all further action required to implement this Resolution and the assistance contract entered into with the Industry pursuant hereto; and

That this Resolution shall take effect immediately.

**016755**

ASSISTANCE CONTRACT

THIS CONTRACT made and entered into by and between HORRY COUNTY, SOUTH CAROLINA, a body politic and corporate and a political subdivision of the State of South Carolina (the County), and COMMERCIAL REALTY VENTURES, a South Carolina limited partnership, organized and existing under the Laws of the State of South Carolina (the Industry),

W I T N E S S E T H:

ARTICLE I

RECITATION OF FACTS

SECTION 1.01

As a means of setting forth the matters of mutual inducement which have resulted in the making and entering into of this Contract, the following statements of fact are herewith recited:

1. The County is a body politic and corporate and a political subdivision of the State of South Carolina and is authorized and empowered by the provisions of Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended (the Enabling Statute): (i) to enter into agreements with any industry (as defined in the Enabling Statute) necessary or incidental to the issuance of bonds pursuant to the Enabling Statute; (ii) to enter into loan agreements (as defined in the Enabling Statute) with such industries prescribing the payments to be made by such industries to the County or its assignee to meet the payments that shall become due on any bonds issued by the County pursuant to the Enabling Statute, including terms and conditions relative

016756

to the acquisition and use of the facilities and the issuance of bonds; and (iii) to issue bonds for the purpose of financing the acquisition, enlarging, improving, expanding, equipping, furnishing, owning, leasing, disposing of properties through which the industrial development of the State will be promoted and trade developed by inducing new industries to locate in South Carolina and by encouraging industries now located in South Carolina to expand their investments and thus utilize and employ manpower and other resources of South Carolina.

2. The Industry proposes that the County finance the (i) acquisition of a lot situate in Conway (Horry County), South Carolina at 1509 Third Avenue, (ii) construction of improvements thereon, and (iii) acquisition and installation of machinery and equipment therein and thereon, at a cost of not exceeding \$250,000. Such land, improvements, machinery and equipment, as so acquired, constructed, and installed, are hereinafter called the Project. The Project will be leased to Associated Industrial Supply Companies and constitute a facility for the warehousing and distribution of steel pipe and other industrial products and will provide employment for five to seven (5-7) additional employees within two years after completion of construction.

3. The Industry has advised the County that it wishes to avail itself of the assistance which the County might render through the sale of Horry County Industrial Revenue Bonds pursuant to the Enabling Statute, whereby the County would finance the acquisition, improvement, and installation of the Project.

4. The County has given due consideration to all of the proposals and requests of the Industry submitted to it and has agreed to endeavor

016757



to effect the issuance of the bonds hereinafter spoken of at the time and  
on the terms and conditions hereinafter set forth.

**016758**

ARTICLE II  
UNDERTAKINGS OF THE COUNTY

SECTION 2.01

The County agrees, subject to the provisions of the Enabling Statute and compliance therewith, as follows:

1. It will enter into a Loan Agreement (the Loan Agreement) with the Industry, upon such terms and conditions as shall be mutually agreed upon between the County and the Industry, pursuant to which it will lend to the Industry the proceeds of not exceeding \$250,000 Industrial Revenue Bonds (Commercial Realty Ventures Project), in order that such proceeds be applied to the cost of the Project and expenses incident thereto, including the costs of the financing;

2. It will, subject to the approval by the State Budget and Control Board required by the Enabling Statute, authorize the issuance of not exceeding Two Hundred Fifty Thousand (\$250,000) DOLLARS Horry County, South Carolina, Industrial Revenue Bonds (Commercial Realty Ventures Project) (the Bonds), under the Enabling Statute, as a single issue or as several separate issues, at such time as the Industry may request the County to do so;

3. It will permit the Industry to arrange for the sale of the Bonds, and, if successful marketing arrangements can be made, the County will adopt such proceedings as are necessary for the making of the Loan Agreement and the issuance and securing of the Bonds;

4. If the Bonds shall be sold, the County will provide that the proceeds thereof shall be applied to the payment of the costs theretofore and thereafter to be incurred in the acquisition, construction, and installation of the Project, including advances made or loans incurred by

the Industry for such purposes, costs incident to the issuance of the Bonds, and the payment, to the extent permitted by the Enabling Statute, of interest on the Bonds;

5. Prior to the issuance of the Bonds, the County will, if requested by the Industry, enter into an indenture, providing for the issuance and securing of the Bonds, with a bank or banks, as trustee, to be selected by the Industry with the approval of the County. Such indenture shall be substantially in the form used in connection with the issuance of South Carolina industrial revenue bonds, upon such terms and conditions as the Industry shall propose and shall be agreeable to the County. In this connection, the parties recognize that such terms and conditions will be initially agreed upon between the Industry and the purchasers of the Bonds, and the County will not unreasonably disagree with any terms and conditions so agreed upon;

6. Simultaneously with the issuance of the Bonds, the County will assign to the trustee or the initial purchaser of the Bonds, as the case may be, its interest in the Loan Agreement and any mortgage (the Mortgage) and assignment of lease (the Assignment of Lease) upon the Project between the Industry and the County, securing the obligations of the Industry under the Loan Agreement; and

7. The County will perform such other acts and adopt such further proceedings as may be required to implement faithfully its undertakings under this Contract.

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ARTICLE III  
UNDERTAKINGS OF THE INDUSTRY

SECTION 3.01

The Industry agrees as follows:

1. The Industry will market the Bonds on behalf of the County and, in this connection, the Industry expressly acknowledges that the County has no obligation with regard to the marketing of the Bonds;
2. The Industry will enter into the Loan Agreement with the County under the terms of which the Industry will unconditionally obligate itself to pay to the County sums sufficient to pay the principal of, premium, if any, and interest on the Bonds as and when the same become due and payable, which Loan Agreement shall be in such form and content satisfactory to the County and to the Industry;
3. The Industry will, if necessary, enter into the Mortgage and Assignment of Lease securing its obligations to the County under the Loan Agreement;
4. The Industry will obligate itself to perform all obligations required of it pursuant to the Enabling Statute;
5. The Industry will hold the County harmless from all pecuniary liability and will reimburse it for all expenses to which the County might be put in the fulfillment of its obligations under this Contract and the Loan Agreement and in the implementation of the respective terms and provisions thereof; and
6. The Industry will perform such further acts and adopt such further proceedings as may be required to implement faithfully its undertakings under this Contract.

**016761**

ARTICLE IV  
GENERAL PROVISIONS

SECTION 4.01

Neither the performance of this Contract by the County, nor any obligation of the County resulting from the execution and delivery, or performance, of this Contract, nor any failure by the County to perform under this Contract, shall constitute or give rise to a pecuniary liability of the County or charge against its general credit or taxing powers; but all undertakings by the County hereunder are otherwise fully binding and enforceable by a suit for specific performance or by mandamus.

SECTION 4.02

The parties agree that the Industry may proceed with the acquisition, construction, and installation of the Project prior to the issuance of the Bonds. The parties further agree that, prior to the issuance of the Bonds, the Industry may lease all or a portion of the Project to another entity, provided that such lease shall not materially alter the nature of the operations at the Project.

SECTION 4.03

The benefits and burdens of this Contract shall inure to the parties hereto and their respective assigns.

016762

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have caused this Contract to be executed in their respective names and under their respective seals as of February 18, 1986, but on the respective dates indicated below.

HORRY COUNTY, SOUTH CAROLINA

(SEAL)

By: Paul E. Criss  
Chairman  
County Council of  
Horry County, South Carolina

ATTEST:

Leodys A. Allen  
Clerk  
County Council of  
Horry County, South Carolina

Dated: February 18, 1986

COMMERCIAL REALTY VENTURES

By: \_\_\_\_\_  
Its: \_\_\_\_\_ General Partner

Dated: February \_\_, 1986

APPROVED AS TO FORM AND CONTENT:

William H. Hurd  
County Attorney  
Horry County, South Carolina

016763



STATE OF SOUTH CAROLINA  
COUNTY OF HORRY

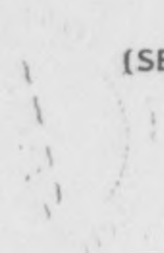
)  
)  
)

THIS IS TO CERTIFY that the foregoing is an exact, verbatim copy of a Resolution unanimously adopted at a duly called and held regular meeting of the County Council of Horry County, South Carolina, held in Council Chambers in Horry County Annex, Conway, South Carolina, on February 18, 1986 at which meeting a quorum was present and remained throughout.

That the said Resolution was offered by Councilmember Alton Duncan seconded by Councilmember Gary Steele, and has been recorded in the County Council's records of proceedings and remains in my custody as Clerk, and that the said Resolution remains in full force and effect and has not been amended, modified, or repealed.

WITNESS my Hand and the Seal of Horry County, South Carolina, this 18 day of February, A.D. 1986.

(SEAL)

  
Gladys A. Allen  
Gladys Allen, Clerk  
County Council of Horry County  
South Carolina

016764

EXHIBIT

MAR 25 1986

NO. 9

State of South Carolina  
State Budget and Control Board

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR  
GRADY L. PATTERSON, JR.  
STATE TREASURER  
EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

Box 12444  
Columbia  
29211

STATE BUDGET &amp; CONTROL BOARD

REMBERT C. DENNIS  
CHAIRMAN, SENATE FINANCE COMMITTEE  
TOM G. MANGUM  
CHAIRMAN, WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

March 25, 1986

## C E R T I F I C A T E

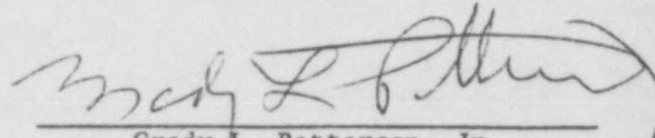
STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS  
TENTATIVE ALLOCATION, CALENDAR YEAR 1986

TO: Horry County  
\$250,000  
Industrial Revenue Note  
(Commercial Realty Ventures Project)

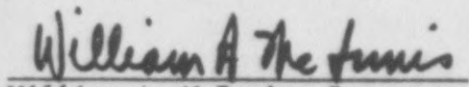
The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Deficit Reduction Act of 1984 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1986 only. It will expire ninety (90) calendar days from March 25, 1986 (the date the allocation was approved by the Board), if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

Before this tentative allocation becomes final, Board Regulation §19-103.06 and §19-103.07 require that the exact amount of the bonds/notes being issued be certified to the Board Secretary by the issuing authority before the issue is made. In response to that issue amount certificate, the Secretary will issue a certificate which makes the ceiling allocation final.

I certify that, to the best of my knowledge, this allocation was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

  
Grady L. Patterson, Jr.

Attest:

  
William A. McInnis, Secretary

016765

MAR 24 1986

STATE OF SOUTH CAROLINA  
STATE BUDGET AND CONTROL BOARD  
Standard Form Investment Letter

EXHIBIT

MAR 25 1986

NO. 9

STATE BUDGET & CONTROL BOARD

TO: Secretary, State Budget and Control Board  
P. O. Box 12444  
Columbia, SC 29211

RE: Sale by Horry County, South Carolina (the "Issuer")  
Of its \$250,000 Industrial Revenue Note (the "Bonds")  
On behalf of Commercial Realty Venture (the "Company")  
Conway Warehouse (the "Project")  
To The Citizens and Southern National Bank of S.C. (the "Purchaser")

In connection with the referenced sale of Bonds by the Issuer, the Purchaser makes the following representations and certifications:

1. The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Bonds;
2. The Purchaser is financially able to bear the economic risk of its proposed investment in the Bonds for an indefinite period;
3. The Purchaser is familiar with the business affairs of the Company and has obtained and examined all financial and other information with respect to the Bonds, the Company and the officers and shareholders of the Company which it deems necessary in order to enable it to evaluate the merits and risks of its investment in the Bonds and to make an informed investment judgment in connection with the purchase of the Bonds;
4. The Purchaser has had the opportunity to ask questions of, and receive answers from, the Issuer and the Company concerning the terms and conditions of the offering and any other information which it has deemed relevant to the Bonds and its investment in the Bonds; and
5. The Bonds are being purchased for the account of the Purchaser and for the purpose of investment and not presently for resale, and the Purchaser has no present intention of offering the Bonds or any portion thereof for resale either currently or after the passage of a fixed period of time, or upon the occurrence or nonoccurrence of any predetermined event or circumstances.

SWORN to and subscribed  
before me this 18 day  
of March, 1986

*[Signature]*  
Notary Public

My Commission expires  
November 8, 1994

PURCHASER:

Name: The Citizens and Southern National Bank of S.C.  
Address: 1801 Main Street  
Columbia, SC 29222

BY:

*[Signature]*  
Signature of Authorized Official

Date:

3-18-86

016766



MAR 18 1986  
2:40 P.M. *AL*

**TRANSMITTAL FORM, REVENUE BONDS**

Date: March 19, 1986  
Submitted for BCB Meeting on:  
March 25, 1986

TO: William A. McInnis, Secretary  
State Budget and Control Board  
600 Wade Hampton Office Building  
Columbia, SC 29201  
OR P. O. Box 12444, Columbia, SC 29211

FROM:  
McKay & Guerard, P.A.  
Name of Law Firm  
Columbia, South Carolina 29202  
City, State, Zip Code

PO Drawer 7157  
Street Address/Box Number  
803/765-2396  
Telephone Area Code and Number

RE: \$250,000  
Amount of Issue  
Horry County, South Carolina  
Issuing Authority Name

Industrial Revenue Note  
Type of Bonds or Notes  
April 16, 1986  
Projected Issue Date

Project Name: Commercial Realty Ventures

**Project Description:**

Acquisition and construction of commercial warehouse and distribution facility for  
steel pipe and other industrial products

Employment as result of project: Five to seven (5 - 7)

**CEILING ALLOCATION REQUIRED**

X Yes (\$ 250,000 )    No  
Amount

**REFUNDING INVOLVED**

   Yes (\$            ) X No  
Amount

**PROJECT APPROVED PREVIOUSLY**

   Yes (            ) X No  
Date

**DOCUMENTS ENCLOSED:**

(ALL required for State law approval; A and C only for ceiling allocation only.)

- OK A.   X   Petition (executed original and two copies)  
OK B.   X   Resolution or ordinance (executed copy)  
OK C.   X   Inducement Resolution or comparable preliminary approval (executed copy)  
*Copy unexecuted* D.   X   Standard Form Investment Letter from bonds purchaser (executed original)  
(Purchaser: The Citizens and Southern National Bank of S.C.)

~~OR~~    Audited financial statements for three most recent years

E.    Department of Health and Environmental Control certificate IF REQUIRED

F.   X   Budget and Control Board Resolution and Public Notice (original)  
[Plus   6   copies for certification and return to counsel]

G.   X   Processing fee  
Amount \$   2,000   Check No.   344    
Payor Commercial Realty Ventures

Bond Counsel: Samuel W. Howell, IV

By: *Samuel W. Howell, IV*     
Signature

# EXHIBIT

MAR 25 1986 NO. 10

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 25, 1986

REGULAR SESSION  
ITEM NUMBER

5

AGENCY: Executive Director

SUBJECT: Private Activity Bond; Allocation of State Ceiling

The required review on the following local government proposal to issue revenue bonds has not yet been completed. Staff will advise the Board on the result of this review at the meeting.

The project requires approval under State law and an allocation of a portion of the Ceiling is requested.

Local Government:	Horry County
Amount of Issue:	\$250,000 Industrial Revenue Note
Name of Project:	Commercial Realty Ventures
Employment Impact:	5 to 7
Project Description:	Commercial warehouse and distribution facility for steel pipe and other industrial products

The status report on the State Ceiling as of March 11, 1986, (year elapsed 19%) shows:

	<u>CY 1985 Ceiling</u>	<u>Allocated</u>	<u>(%)</u>	<u>Not Allocated</u>	<u>(%)</u>
State Pool	\$200,820,000	\$14,509,000	(7%)	\$186,311,000	(93%)
Local Pool	301,230,000	15,118,848	(5%)	286,111,152	(95%)
Total	\$502,050,000	\$29,627,848	(6%)	\$472,422,142	(94%)

## BOARD ACTION REQUESTED:

Approve the Horry County proposal to issue \$250,000 Industrial Revenue Note on behalf of the Commercial Realty Ventures project, on the condition that the required reviews are completed with satisfactory results, and allocate \$250,000 of the State Ceiling to the project.

## ATTACHMENTS:

Referenced status report on State Ceiling.

016768

STATE CEILING AMOUNT AVAILABLE FOR ALLOCATION

Certified State Ceiling (01/14/86): \$502,050,000

A. State Agency and Exempt Facilities Pool (40%) 200,820,000

State Agency & Exempt Facilities Pool (40%) 200,820,000

B. Local Pool (60%) 301,230,000

Local Pool (60%) 301,230,000

EXHIBIT  
MAR 25 1986 NO. 10  
STATE BUDGET & CONTROL BOARD

016769



1986 STATE CEILING AMOUNT AVAILABLE FOR ALLOCATION

Date of B&C Board Allocation	Governmental Unit	Name of Project	Pool Total	Amount of Pool Allocated	Balance of Pool Available	Amount Certified for Issue
01/02/86	STATE AGENCY AND EXEMPT FACILITIES POOL		\$200,820,000			
01/16/86	JEDA	Concord Walk Associates I		-10,000,000		
01/16/86	JEDA	Concord Walk Associates II		-3,000,000		
01/16/86	Family Farm Dev.	Plantation Sea Farms		-200,000		
01/23/86	Family Farm Dev.	Joseph A. Kesler		-350,000		350,000
01/23/86	Family Farm Dev.	James O. Brown		-220,000		220,000
01/23/86	Family Farm Dev.	W & W Farms		-35,000		
02/11/86	Family Farm Dev.	Walter L. Paradise		-180,000		180,000
02/11/86	Family Farm Dev.	Martin I. Easler		-10,000		10,000
02/27/86	Family Farm Dev.	William G. Reese	0	-184,000		
02/27/86	Family Farm Dev.	Joseph Scott Croxton	0	-200,000		
02/27/86	Family Farm Dev.	Jon Edward Agerton	0	-130,000		130,000
	Total Allocated			-14,509,000		890,000
	Total, State Agency and Exempt Facilities Pool		\$200,820,000	-14,509,000	\$186,311,000	890,000

EXHIBIT  
MAR 25 1986 NO. 10  
STATE BUDGET & CONTROL BOARD

016770

Date of B&C Board Allocation	Governmental Unit	Name of Project	Pool Total	Amount of Pool Allocated	Balance of Pool Available	Amount Certified for Issue
01/02/86	LOCAL POOL		\$301,230,000			
01/16/86	Sumter, City of	Redevelopment Loan Program		-1,000,000		
01/16/86	Charleston County	The Brown Schools of Chasn.		-3,000,000		
01/23/86	Spartanburg County	Jimmy I. Gibbs		-1,000,000		1,000,000
02/11/86	Berkeley County	David Maybank, Jr.		-68,848		68,848
02/27/86	Marion County	Beneteau Manufacturing, Inc.		-3,000,000		
02/27/86	Cherokee County	Ametex Fabrics, Inc.		-2,700,000		
02/27/86	Cherokee County	Y Z Realty Trust		-1,850,000		
02/27/86	Berkeley County	Pearlstone Distributors		-1,500,000		
03/11/85	Spartanburg County	O'Mara Incorporated		-1,000,000		
	Total Allocated			-15,118,848		1,068,848
	Total, Local Pool		\$301,230,000	-15,118,848	\$286,111,152	1,068,848
	Total, State Agency and Exempt Facilities Pool		\$200,820,000	-14,509,000	\$186,311,000	890,000
	Total, Local Pool		301,230,000	-15,118,848	286,111,152	1,068,848
	GRAND TOTAL		\$502,050,000	-29,627,848	\$472,422,152	1,958,848

EXHIBIT  
MAR 25 1986 NO. 10  
STATE BUDGET & CONTROL BOARD

016771

EXHIBIT

MAR 25 1986 NO. 11

STATE BUDGET & CONTROL BOARD

*Family Farm Development*

*\$185,000*

*William G. Reese*

016772



# EXHIBIT

MAR 25 1986

NO. 11

## STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF March 25, 1986

ITEM NUMBER

6

AGENCY: Family Farm Development Authority

SUBJECT: Agricultural Development Bond

The Family Farm Development Authority requests Board approval of the issuance of an Agricultural Development Revenue Bond for the following project and asks that an allocation of a portion of the State Ceiling be made for it:

Borrower:	William G. Reese
Principal Amount:	\$185,000 Agricultural Development Bond
Purpose:	Construct turkey brooder houses and range houses with related equipment
Maturity Schedule:	First 5 years at 8.5% per annum, second 5 years not to exceed 15% per annum
Bond Purchaser:	South Carolina National Bank

This project was approved by the Board at its meeting on February 27, 1986, in the amount of \$184,000.

### BOARD ACTION REQUESTED:

Adopt a resolution approving the issuance of an Agricultural Development Revenue Bond by the Family Farm Development Authority for the William G. Reese project and allocate \$185,000 of the state ceiling to the project.

### ATTACHMENTS:

Referenced resolution

016773

# EXHIBIT

MAR 25 1986

NO. 11

## A RESOLUTION

## STATE BUDGET & CONTROL BOARD

OF THE STATE BUDGET AND CONTROL BOARD APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY OF A \$185,000 AGRICULTURAL DEVELOPMENT BOND (WILLIAM G. REESE PROJECT), 1986.

WHEREAS, it is provided by the South Carolina State Family Farm Development Act, Section 15 of Act No. 179 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1981, now codified as Chapter 47, Title 46 of the Code of Laws of South Carolina, 1976, as amended, (the "Act"), that upon approval by the State Budget and Control Board (the "Board"), the South Carolina State Family Farm Development Authority (the "Authority") may borrow money through the issuance of its negotiable bonds in order to finance its programs; and

WHEREAS, the Authority has established a direct loan program (the "Direct Loan Program") as provided in Section 15 of the Act (now codified as section 46-47-90); and

WHEREAS, the Authority has submitted its petition (the "Petition") to the Board requesting approval by the Board of the issuance by the Authority pursuant to the Act of its \$184,000 Agricultural Development Bond (William G. Reese Project), 1986 (the "Bond"), which Bond has been authorized to be issued pursuant to Resolution No. 86-0002 adopted on February 19, 1986, as amended by a resolution adopted on March 19, 1986.

WHEREAS, the Bond shall be dated, shall mature, and shall bear interest at such rate payable at such times and shall otherwise contain such terms and conditions as shall be authorized by the Resolution of the Authority and shall be sold to The South Carolina National Bank, in Kershaw, South Carolina; and

WHEREAS, the Authority has presented to the Board the Petition which, together with exhibits and schedule thereto attached, sets forth certain information with respect to the Direct Loan Program and the Bond.

WHEREAS, the Board has determined, based upon such information, that the funds estimated to thereafter be available for the repayment of the Bond will be sufficient to provide for the payment of the principal and interest on the Bond as they become due;

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD, AS FOLLOWS:

Section 1. It is found and determined that the facts set forth in the preambles to this Resolution and in the Petition are in all respects true and correct.

Section 2. The Petition filed by the Authority contain all matters required by the Act and the rules of the Board to be set forth therein.

Section 3. Approval is hereby granted by the Board to the issuance and sale by the Authority of its \$185,000 Agricultural Development Bond (William G. Reese Project), 1986, in order to make a mortgage loan or secured loan to the William G. Reese (the "Farmer") to facilitate the acquisition of agricultural land, agricultural improvements and depreciable agricultural property by the Farmer.

The Bond shall be issued and secured as provided in the Resolution of the Authority.

Section 4. The Resolution adopted by the Board on February 27, 1986, approving the \$184,000 Agricultural Development Bond (William G. Reese Project) is hereby repealed. This Resolution shall take effect immediately upon its adoption.

## EXHIBIT

MAR 25 1986 NO. 11

Dated: March 25, 1986

STATE BUDGET & CONTROL BOARD



State of South Carolina  
**State Budget and Control Board**

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR  
GRADY L. PATTERSON, JR.  
STATE TREASURER  
EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

Box 12444  
Columbia  
29211

REMBERT C. DENNIS  
CHAIRMAN, SENATE FINANCE COMMITTEE  
TOM G. MANGUM  
CHAIRMAN, WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

April 1, 1986

REPLACEMENT

C E R T I F I C A T E  
STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS  
FINAL ALLOCATION, CALENDAR YEAR 1986

TO: Family Farm Development Authority  
c/o Mr. Daniel R. McLeod  
McNair Law Firm  
Box 11390  
Columbia, SC 29211

EXHIBIT

MAR 25 1986

NO. 1 1

STATE BUDGET & CONTROL BOARD

RE: Issue of \$185,000 Family Farm Development Authority  
Agricultural Development Bond  
(William G. Reese Project)  
Issue Date Certified By Issuing Authority: April 4, 1986  
Issue Amount Certificate Received by Board Secretary: April 1, 1986

Based upon my receipt of the issue amount certificate required of the issuing authority by Board Regulation §19-103.06 and §19-103.07 not more than ten (10) business days prior to the date of issue which, as certified by the issuing authority, is within the time period for the ceiling allocation approved previously on a tentative basis by the State Budget and Control Board for the referenced project, I have determined that the allocation is now final in the amount indicated above.

I also have determined that the referenced issue when issued and combined with the amount of private activity bonds and notes certified to me previously by South Carolina issuing authorities as having been issued or which are to be issued in 1986 will not exceed the 1986 State Ceiling on the issuance of private activity bonds for the State of South Carolina.

*William A. McInnis*

William A. McInnis, Secretary

016776

## Check box if Amended Return ►

86-5

April 4, 1986

## Face Amount

Face Amount

	\$185,000

[illegible]

## 16 If issue is an advance refunding, enter the earliest call date

## Form 8038 (Rev. 12-84)



**Part V Description of Property Financed by Non-refunding Proceeds**  
(Do not complete for student loan bonds or mortgage bonds)

<b>22 Type of Property Financed (or portion thereof financed by non-refunding proceeds)</b>		
a	3-yr. ACRS property	
b	5-yr. ACRS property	
c	10-yr. ACRS property	
d	15-yr. ACRS property	\$183,050
e	18-yr. ACRS property	
f	Cost of land	
g	Cost of other property (see instructions)	
<b>23 Other use of non-refunding proceeds (subtract lines 22a-g from Part IV, line 21 (see instructions))</b>		
<b>24 Standard industrial classification (SIC) of non-refunding proceeds for the financed project.</b>		
	SIC Code	Non-refunding proceeds \$
a	0400	\$183,050
b		
c		
	SIC Code	Non-refunding proceeds \$
d		
e		
f		
<b>25 Average weighted economic life of the project (complete only for IDBs). See Schedule A.</b>		not less than 10 years.

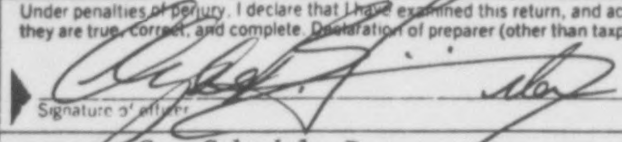
**Part VI Description of Initial Principal Users**  
(Do not complete for student loan bonds or mortgage bonds)

<b>26 Initial Principal Users:</b>			
(A) User	(B) Name	(C) Address	(D) Employer identification number
(i)	William G. Reese	Post Office Box 604 Kershaw, South Carolina 29067	248-56-5800
(ii)			
(iii)			
(iv)			
(v)			
<b>27 Common parents (if any) of initial principal users listed above:</b>			
(A) User (from above)	(B) Name	(C) Address	(D) Employer identification number

**Part VII Approval of Issue (Complete only for IDBs)**

<b>28 Name of Governmental units approving issue</b>	South Carolina State Family Farm Development Authority; South Carolina State Budget and Control Board - See Schedule B
<b>29 Names and positions of applicable elected representatives or date of referenda approving issue</b>	See Schedule C

**Part VIII Volume Limitations for Qualified Mortgage or Veterans' Bonds**

<b>1 Issuer's volume limitation</b>	
<b>2 Amount of volume limitation surrendered to other issues (e.g., under section 103A(g)(3)(B) or 25(c)(2)(A)(ii))</b>	
<b>3 Amount of bonds previously issued</b>	
<b>4 Unused volume limitation (subtract lines 2 and 3 from line 1)</b>	
Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.	
<b>Please Sign Here</b>	Signature of officer  Date 3/6/86 Title Executive Director
<b>Paid Preparer's Use Only</b>	Preparer signature See Schedule D Check if self-employed <input type="checkbox"/> Preparer's social security no. E.I. No. 57-0703244 ZIP code 29211
Firm's name (or yours, if self-employed) and address McNair Glenn Konduros Corley Singletary Porter & Dibble, P.A.	

P. O. Box 11390  
Columbia, SC

U.S. Government Printing Office: 1983-461-495/10095

016778



[To be retyped on CPA's letterhead]

Schedule A

\_\_\_\_\_, 1986

South Carolina State Family Farm  
Development Authority  
915 South Main Street  
Columbia, South Carolina 29201

McNair Glenn Konduros Corley  
Singletary Porter & Dibble, P.A.  
Post Office Box 11390  
Columbia, South Carolina 29211

Re: South Carolina State Family Farm Development  
Authority, Agricultural Development Revenue  
Bonds (William G. Reese Project), 1986,  
\$185,000

This letter is being given to you with regard to the \$185,000 South Carolina State Family Farm Development Authority, Agricultural Development Bond (William G. Reese Project), 1986 (the "Bonds"). I have reviewed the description of the property to be financed with the proceeds of the Bond provided me by William G. Reese which is set forth as Exhibit A hereto, and based upon that description I have made the following determination:

The average maturity of the Bond does not exceed 120% of the average reasonably expected economic life of the buildings, machinery, equipment, apparatus, office furnishings and any other items to be financed in whole or in part with the proceeds of the Bond as shown on Exhibit A attached hereto.

The economic useful life of each item has been derived in accordance with administrative guidelines established for the useful lives used for depreciation prior to the ACRS System.

Very truly yours,

\_\_\_\_\_  
Certified Public Accountant

**016779**

Exhibit A

Description:

Construct turkey brooder house and range house  
with related equipment.

016780

Schedule B

SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY

Joseph W. King, Chairman  
Steven P. Nivens  
John E. Brown  
Roy L. Graham, Jr.  
Melvin L. Crum  
Stanley E. Waskiewicz  
James Foody

SOUTH CAROLINA STATE BUDGET AND CONTROL BOARD

Governor Richard W. Riley, Chairman  
Grady L. Patterson, Jr., State Treasurer  
Earle E. Morris, Jr., Comptroller General  
James M. Waddell, Jr., Vice-Chairman, Senate Finance  
Committee  
Tom G. Mangum, Chairman, Ways and Means Committee



Schedule C

The Honorable Richard W. Riley  
Governor, State of South Carolina  
Box 11450  
Columbia, South Carolina 29211

016782

Schedule D

Prepared by:

McNair Glenn Konduros Corley  
Singletary Porter & Dibble, P.A.  
Post Office Box 11390  
Columbia, South Carolina 29211

With Assistance from:

South Carolina State Family Farm  
Development Authority  
915 South Main Street  
Columbia, South Carolina 29201

William G. Reese  
P. O. Box 604  
Kershaw, South Carolina 29067

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
CPA

016783

# EXHIBIT

STATE OF SOUTH CAROLINA )

William G. Reese

MAR 25 1986

NO. 11

COUNTY OF RICHLAND )

STATE BUDGET & CONTROL BOARD

I, WILLIAM A. MCINNIS, SECRETARY to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

That the State Budget and Control Board (the Board) is composed of the following:

His Excellency, Richard W. Riley, Governor and Chairman of the Board;

The Honorable Grady L. Patterson, Jr., State Treasurer;

The Honorable Earle E. Morris, Jr., Comptroller General;

The Honorable Rembert C. Dennis, Chairman of the Senate Finance Committee; and

The Honorable Tom G. Mangum, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 A. M., on Tuesday, March 25, 1986, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting.

That at the meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by Mr. Morris, who moved its adoption; the motion was seconded by Mr. Patterson, and upon the vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

5

AGAINST MOTION

0

That the Chairman thereupon declared the Resolution unanimously adopted and the original thereof has been duly entered in the permanent records of minutes of meetings of the Board in my custody as its Secretary.

April 2, 1986

William A. McInnis

016784



## A RESOLUTION

OF THE STATE BUDGET AND CONTROL BOARD APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY OF A \$185,000 AGRICULTURAL DEVELOPMENT BOND (WILLIAM G. REESE PROJECT), 1986.

WHEREAS, it is provided by the South Carolina State Family Farm Development Act, Section 15 of Act No. 179 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1981, now codified as Chapter 47, Title 46 of the Code of Laws of South Carolina, 1976, as amended, (the "Act"), that upon approval by the State Budget and Control Board (the "Board"), the South Carolina State Family Farm Development Authority (the "Authority") may borrow money through the issuance of its negotiable bonds in order to finance its programs; and

WHEREAS, the Authority has established a direct loan program (the "Direct Loan Program") as provided in Section 15 of the Act (now codified as section 46-47-90); and

WHEREAS, the Authority has submitted its petition (the "Petition") to the Board requesting approval by the Board of the issuance by the Authority pursuant to the Act of its \$184,000 Agricultural Development Bond (William G. Reese Project), 1986 (the "Bond"), which Bond has been authorized to be issued pursuant to Resolution No. 86-0002 adopted on February 19, 1986, as amended by a resolution adopted on March 19, 1986.

WHEREAS, the Bond shall be dated, shall mature, and shall bear interest at such rate payable at such times and shall otherwise contain such terms and conditions as shall be authorized by the Resolution of the Authority and shall be sold to The South Carolina National Bank, in Kershaw, South Carolina; and

WHEREAS, the Authority has presented to the Board the Petition which, together with exhibits and schedule thereto attached, sets forth certain information with respect to the Direct Loan Program and the Bond.

WHEREAS, the Board has determined, based upon such information, that the funds estimated to thereafter be available for the repayment of the Bond will be sufficient to provide for the payment of the principal and interest on the Bond as they become due;

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD, AS FOLLOWS:

Section 1. It is found and determined that the facts set forth in the preambles to this Resolution and in the Petition are in all respects true and correct.

Section 2. The Petition filed by the Authority contain all matters required by the Act and the rules of the Board to be set forth therein.

Section 3. Approval is hereby granted by the Board to the issuance and sale by the Authority of its \$185,000 Agricultural Development Bond (William G. Reese Project), 1986, in order to make a mortgage loan or secured loan to the William G. Reese (the "Farmer") to facilitate the acquisition of agricultural land, agricultural improvements and depreciable agricultural property by the Farmer.

The Bond shall be issued and secured as provided in the Resolution of the Authority.

Section 4. The Resolution adopted by the Board on February 27, 1986, approving the \$184,000 Agricultural Development Bond (William G. Reese Project) is hereby repealed. This Resolution shall take effect immediately upon its adoption.

Dated: March 25, 1986

The State of South Carolina EXHIBIT



MAR 25 1986

NO. 11

STATE BUDGET & CONTROL BOARD

Office of the Attorney General

T. TRAVIS MEDLOCK  
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING  
POST OFFICE BOX 11549  
COLUMBIA, S.C. 29211  
TELEPHONE 803-758-2072

April 1, 1986

Mr. William A. McInnis  
Deputy Executive Director  
State budget and Control Board  
Columbia, South Carolina 29201

RE: Not Exceeding \$185,000 State Family Farm  
Development Authority, Agricultural  
Development Bond (William G. Reese Project)

Dear Mr. McInnis:

Regarding the above-referenced bond, we have reviewed the Petition and other documents submitted to the State Budget and Control Board for its approval pursuant to Sections 46-47-10, et seq., Code of Laws of South Carolina, 1976, as amended, and the same appear, in our opinion, to be in order.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "DCE", written over a horizontal line.

David C. Eckstrom  
Assistant Attorney General

DCE:rmr  
encs.

016787



State of South Carolina  
**State Budget and Control Board**

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR  
GRADY L. PATTERSON, JR.  
STATE TREASURER  
EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

Box 12444  
Columbia  
29211

REMBERT C. DENNIS  
CHAIRMAN, SENATE FINANCE COMMITTEE  
TOM G. MANGUM  
CHAIRMAN, WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

March 25, 1986

C E R T I F I C A T E  
STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS  
TENTATIVE ALLOCATION, CALENDAR YEAR 1986

EXHIBIT

Re: \$185,000 Family Farm Development Authority  
Agricultural Development Revenue Note  
(William G. Reese Project)

MAR 25 1986 NO. 11

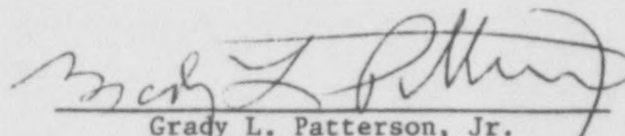
STATE BUDGET & CONTROL BOARD

This will confirm that a tentative allocation of the State Ceiling established in the Deficit Reduction Act of 1984 has been made by the Budget and Control Board in the amount indicated for the referenced project. This allocation is valid for calendar year 1986 only. It will expire ninety (90) calendar days from March 25, 1986 (the date the allocation was approved by the Board), if the bonds for which the allocation has been approved have not been issued prior to that time.

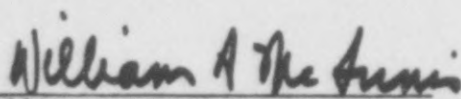
This Certificate replaces the one dated February 27, 1985, which advised that an allocation of \$184,000 had been made by the Budget and Control Board for this project. The effect of this certificate is to increase the \$184,000 allocation to \$185,000.

Before this tentative allocation becomes final, Board Regulation \$19-103.06 and \$19-103.07 require that the exact amount of the bonds/notes being issued be certified to the Board Secretary by the issuing authority before the issue is made. In response to that issue amount certificate, the Secretary will issue a certificate which makes the ceiling allocation final.

I certify that, to the best of my knowledge, this allocation was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

  
Grady L. Patterson, Jr.

Attest:

  
William A. McInnis, Secretary

016788

MAR 19 1986  
Received 12:01

MCNAIR GLENN KONDUROS CORLEY SINGLETARY PORTER & DIBBLE, P.A.

ATTORNEYS AND COUNSELORS AT LAW

EIGHTEENTH FLOOR  
BANKERS TRUST TOWER  
POST OFFICE BOX 11390

COLUMBIA, SOUTH CAROLINA 29211  
803-799-9800

EXHIBIT

MAR 25 1986

NO. 11

STATE BUDGET & CONTROL BOARD

March 19, 1986

JAMES E. CARR  
JOHN H. LUMPKIN, SR.  
OF COUNSEL

GREENVILLE OFFICE  
SUITE 401  
BANKERS TRUST PLAZA  
NORTH LAURENS STREET  
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1155 15TH STREET, N.W.  
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ROBERT E. MCNAIR  
TERRELL L. GLENN  
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CHARLES PORTER  
ROBERT W. DIBBLE, JR.  
RICHARD S. WOODS  
RICHARD L. C. SULLIVAN  
M. JOHN BOWEN, JR.  
DENNIS C. THELEN  
JOHN H. LUMPKIN, JR.  
JOHN W. CURRIE  
SCOTT Y. BARNES  
M. ELIZABETH CRUM  
THEODORE J. HOPKINS, JR.  
DANIEL R. MCLEOD, JR.  
WILLIAM S. ROSE, JR.  
BERNARD J. WUNDER, JR.  
HUEL D. ADAMS, JR.  
M. CRAIG GARNER, JR.  
BRENTON D. JEFFCOAT  
ROBERT T. BOCKMAN  
PETER L. MURPHY  
C. ALAN RUNYAN  
JOHN W. FOSTER  
ELIZABETH VAN DOREN GRAY  
WILMOT B. IRVIN  
APRIL C. LUCAS  
ROBERT E. STEPP  
KATHLEEN CRUM MCKINNEY  
E. RUSSELL JETER, JR.  
RALPH W. KITTLE\*\*\*

EDWARD H. FORGOTSON††  
STEPHEN KOPLANT†††  
M. WILLIAM YOUNGBLOOD  
CARL B. CARRUTH  
JOHN W. HUNTER\*\*  
JAMES P. FIELDS, JR.  
LAWRENCE P. HIGGINS†  
EDWIN W. JOHNSON II  
BARBARA GEORGE BARTON  
RICHARD J. MORGAN  
J. SIMON FRASER  
CHRISTOPHER MCGOWEN HOLMES  
PAUL E. SULLIVAN†  
DOROTHY M. HELMS  
PAUL B. NIX, JR.  
NANCY PAGE  
SANDRA L. HANDLEMAN  
JANE W. TRINKLEY  
J. LYLES GLENN IV  
CELESTE TILLER JONES  
KATHERINE ELIZABETH MIMS  
JOSEPH D. WALKER  
NANCY R. JEFFERIS  
ALISON RENEE LEE  
MARTHA P. McMILLIN  
GREGORY D. DELLOACH  
WILLIAM ASHLEY JORDAN, JR.  
ELIZABETH BOWE ANDERS  
WILLIAM M. MUSSER  
SHARON E. CRAWLEY  
T. PARKIN HUNTER  
ROBERT F. McMAHAN, JR.

\*D.C. AND NEW YORK BARS ONLY  
†CALIFORNIA BAR ONLY  
††D.C. BAR ONLY  
†††MISSOURI BAR ONLY  
†††CALIFORNIA, D.C. AND TEXAS BARS ONLY  
†††MASSACHUSETTS BAR ONLY  
\*\*\*NEW YORK BAR ONLY

Mr. William A. McInnis  
Deputy Executive Director  
Wade Hampton Building, Room 618  
Columbia, South Carolina 29211

Hand Delivered

RE: South Carolina State Family Farm Development  
Authority, Agricultural Development Bond,  
(William G. Reese Project), 1986, \$185,000  
File No. 5464/2380

Dear Mr. McInnis:

Enclosed are the original and two (2) copies of a Petition in regard to the above referenced bond issue of the Family Farm Development Authority. Also enclosed are the original and three (3) copies of a resolution of the Budget and Control Board. I request that this matter be placed on the Budget and Control Board's agenda for its meeting on March 25. On February 17, 1986, the Board approved this bond issue in the principal amount of \$184,000. The enclosed Resolution increases the principal amount to \$185,000 and also repeals the prior resolution.

Thank you for your anticipated cooperation. With kind regards, I am

Yours very truly,

MCNAIR GLENN KONDUROS CORLEY  
SINGLETARY PORTER & DIBBLE, P.A.

*Dan R. McLeod*

By: Daniel R. McLeod, Jr.

DRM/tsg

Enclosure

cc: Clyde B. Livingston (without enclosure)  
Horace C. Smith, Chairman  
(with enclosure)

016789



# EXHIBIT

STATE OF SOUTH CAROLINA )  
COUNTY OF RICHLAND )

MAR 25 1986 NO. 11

STATE BUDGET & CONTROL BOARD

TO: THE STATE BUDGET AND  
CONTROL BOARD OF SOUTH  
CAROLINA

PETITION

This Petition of the South Carolina State Family Farm Development Authority (the "Authority") is submitted to the State Budget and Control Board of South Carolina (the "Board") pursuant to the South Carolina State Family Farm Development Authority Act, Section 15 of Act No. 179 of the Acts and Joint Resolutions of the General Assembly of 1981, now codified as Chapter 47 of Title 46 of the Code of Laws of South Carolina, 1976, as amended (the "Act") and respectfully shows:

1. The Act, among other things, provides that following a determination made by the Authority that it is necessary to sell bonds to develop and implement one of the programs authorized by the Act and a finding that the revenues or other moneys estimated to thereafter be available therefor will provide moneys required for the payment of the principal and interest on the bond then proposed to be issued, upon obtaining the approval of the Board pursuant to the Act, the Authority is authorized to issue bonds for such purposes.

2. The Authority has developed its Direct Loan Program for Farmers of the Beneficiary Class.

3. Pursuant to the provisions of Act No. 512 of the Acts and Joint Resolutions for the General Assembly of the State of South Carolina for the year 1984, the State Budget and Control Board and the Joint Bond Review Committee have been assigned certain responsibilities with respect to allocation of the private activity bond ceiling (the "State Ceiling") applicable to the State of South Carolina under Section 103(n) of the Internal Revenue Code of 1954, as amended.

4. By resolution duly adopted by the Authority on February 19, 1986, as amended by a resolution adopted on March 19, 1986 (certified copies of which are attached hereto as Exhibit A), the Authority has authorized the issuance of its \$185,000 Agricultural Development Bond (William G. Reese Project) 1986 (the "Bond") being described on Exhibit B attached hereto.



5. The Bond shall be a special obligation of the Authority secured by and payable solely from the moneys, income and receipts of the Authority to be pledged under a Loan Agreement between the Authority and the Farmer.

6. Attached hereto as Schedule 1 and by reference incorporated herein in its entirety is a schedule showing the annual debt service requirements and the amount and source of revenues available for the payment thereof on all outstanding bonds of the Authority.

7. The information contained in this Petition provides the Board with all the information required by Section 15 of Act No. 179 (1981 Acts) (now codified as Section 46-47-140 of the 1976 Code of Laws of South Carolina, as amended) to be presented by the Authority in connection with the Bond.

8. The Authority stands ready to produce any further information with respect to the Bond or other bonds of the Direct Loan Program required by the Board.

WHEREFORE, on the basis of the foregoing the Authority prays approval of the Board of the issuance and sale of the Authority's Bond in the principal amount and on the terms and conditions prescribed in the Resolution No. 86-0002, as amended, as described in this Petition and allocate \$185,000 of the State Ceiling for the Bond.

To the best of my knowledge the approval of the William G. Reese Project is not made in consideration of any bribe, gift, gratuity, or direct or indirect contributions to any political campaign.

Respectfully submitted,

SOUTH CAROLINA STATE FAMILY  
FARM DEVELOPMENT AUTHORITY

By:   
Executive Director

(SEAL)

March 19, 1986

Copy of Petition also forwarded to Joint Bond Review Committee.

## EXHIBIT A

STATE OF SOUTH CAROLINA )  
 ) CERTIFIED COPY OF RESOLUTION  
COUNTY OF RICHLAND ) NO. 86-0002

I, the undersigned being the duly qualified and acting Executive Director of the South Carolina State Family Farm Development Authority (the "Authority"), do hereby certify that attached hereto is a copy of Resolution No. 86-0002 authorizing the issuance of a \$184,000 Agricultural Development Bond (William G. Reese Project), 1986, adopted by the Authority at a meeting duly called and held on February 19, 1986, at which a quorum was present and acting throughout, which resolution has been compared by me with the original thereof, and that such resolution has been duly adopted and has not been modified, amended or repealed and is in full force and effect on and as of the date hereof in the form attached hereto.

In witness whereof, I have hereunto set my hand and the official seal of the Authority this 19th day of February, 1986.

SOUTH CAROLINA STATE FAMILY  
FARM DEVELOPMENT AUTHORITY

By:

Executive Director

(SEAL)

016792

# EXHIBIT

MAR 25 1986

NO. 11

RESOLUTION NO. 86-0002

STATE BUDGET & CONTROL BOARD

AUTHORIZING THE ISSUANCE OF A \$184,000 AGRICULTURAL DEVELOPMENT BOND (WILLIAM G. REESE PROJECT), 1986, OF THE SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND LENDER LOAN AGREEMENT; APPROVING THE SUBMISSION OF A PETITION TO THE STATE BUDGET AND CONTROL BOARD; AND OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY, AS FOLLOWS:

Section 1. Findings and Determinations. The Authority hereby finds and determines:

(a) Pursuant to the South Carolina State Family Farm Development Act as amended (the "Act"), the Authority is authorized and empowered to undertake programs which assist farmers of the beneficiary class in acquiring agricultural land, agricultural improvements and/or depreciable agricultural property for the purpose of farming.

(b) The Authority is authorized and has developed under the Act a direct loan program for farmers (the "Direct Loan Program") of the beneficiary class by making mortgage loans or secured loans to such farmers to facilitate the acquisition of agricultural land, agricultural improvements and depreciable agricultural property by such farmers.

(c) The Authority is further authorized to borrow money through the issuance of its negotiable bonds as provided in the Act in order to finance its Direct Loan Program.

(d) The Authority has received a request from William G. Reese (the "Borrower") to issue its agricultural development bond for the purpose of facilitating the acquisition of agricultural land, agricultural improvements and/or depreciable agricultural property as more particularly described in the Borrower's Application heretofore submitted to the Authority (the "Project").

(e) In order to raise the sum of \$184,000 and loan such moneys to the Borrower under a Loan Agreement hereinafter described, the Authority finds it necessary and in its best interest to sell its agricultural development bond to The South Carolina National Bank, in Kershaw, South Carolina (the "Lender").



(f) The Authority further finds that:

(i) the Borrower receiving the mortgage loan or secured loan under the Direct Loan Program is a member of the "beneficiary class" as defined in the Act;

(ii) the Borrower satisfies the underwriting and credit standards as have been determined by the proposed regulations of the Authority so as to insure payment of the principal and interest on the Bond; and

(iii) the mortgage loan or secured loan authorized hereby is not otherwise available to the Borrower, wholly or in part, without the assistance of financing under the Direct Loan Program, upon reasonably equivalent terms and conditions.

(g) The Authority has caused to be prepared and presented to this meeting the following documents which the Authority proposes to enter into, execute and deliver:

(i) The form of Loan Agreement by and between the Authority and the Borrower including the form of promissory note of the Borrower;

(ii) The form of Lender Loan Agreement by and between the Authority and the Lender; and

(iii) The form of bond to be executed by the Authority.

It appears that each of the Agreements above referred to is in appropriate form and is an appropriate instrument to be executed and delivered by the Authority for the purposes intended.

(h) It is now necessary and in the best interest of the Authority to authorize the issuance of a \$184,000 Agricultural Development Bond, 1986 (William G. Reese Project) in order to develop and implement its Direct Loan Program and to authorize the execution and delivery of the aforementioned Loan Agreement, Lender Loan Agreement and other documents relating to this transaction.

Section 2. Authorization. Pursuant to the Act and the Direct Loan Program in order to finance the Project, including financial, legal, administrative and other costs of the Authority and other fees, there is hereby authorized to be issued a \$184,000 Agricultural Development Bond, (William G. Reese Project) 1986, (the "Bond"), of the Authority. The revenues and other monies estimated to be available will provide monies required for the payment of the principal and interest on the Bond.

Neither the Commissioners of the Authority nor any persons executing the Bond shall be subject to personal liability on the Bond or accountability by reason of the issuance thereof.

The Bond shall be issued in the form submitted at this meeting of the Authority and shall be payable upon such terms and at such interest rate as specified therein with such variations, omissions and insertions as are permitted or required by this Bond Resolution, the Loan Agreement or the Lender Loan Agreement.

The Bond shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 3. Execution. The Bond shall be executed in the name of the Authority by the manual or facsimile signature of its Chairman or Vice Chairman, attested by the manual or facsimile signature of its Executive Director or any person duly designated by the Authority, or in such other manner as may be required by law; provided that at least one of such signatures shall be manual. In case any one or more of the members, officers or employees of the Authority who shall have signed the Bond or whose signature appears on the Bond shall cease to be such member, officer or employee before the Bond is actually delivered, the Bond may, nevertheless, be delivered as herein provided, and may be issued as if the persons who signed it or whose signatures appear thereon had remained in office or remained so employed.

Section 4. Tax Covenant. The Authority shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Authority on the Bond shall be exempt from all Federal income taxation, particularly the requirements of Section 103 of the Internal Revenue Code of 1954, as amended (the "Code"). The Authority covenants to comply with the amendments imposed by the provisions of the Tax Reform Act of 1985 (H.R.3838) that relate to the Bonds; however, the Authority is not required to comply with the amendments to the extent that the Authority receives an opinion from bond counsel to the effect that non-compliance will not make the interest on the Bonds subject to federal income taxation.

The Authority covenants and certifies to and for the benefit of the purchaser and holder of the Bond that so long as the Bond remains outstanding, the proceeds thereof will not be used in a manner which will cause the Bond to be classified as an "arbitrage bond" within the meaning of Section 103(c) of the Code. Pursuant to such covenant, the Authority obligates itself to comply throughout the term of



the issue of the Bond with the requirements of Section 103(c) of the Code and any regulations promulgated thereunder.

Section 5. Approval of Loan Agreement and Lender Loan Agreement. The respective forms, terms and provisions of the Loan Agreement and Lender Loan Agreement presented to this meeting and filed with the records of the Authority be and hereby are approved and all of the terms, provisions and conditions thereof are hereby incorporated herein by reference as if such Agreements were set out in this Bond Resolution in their entirety. The Chairman, Secretary and Executive Director of the Authority be and are hereby authorized, empowered and directed to execute, acknowledge and deliver such Agreements in the name of and on behalf of the Authority, and thereupon to cause such Agreements to be delivered to the Borrower and the Lender. Such Agreements are to be in substantially the form now before this meeting and hereby approved by the officials of the Authority executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of such Agreements now before this meeting.

Section 6. Petition to State Budget and Control Board. The Executive Director of the Authority be and is hereby authorized and directed to submit, by petition, the information required under the Act to the State Budget and Control Board in the name of and on behalf of the Authority.

Section 7. Severability. If any provision of this Bond Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 8. Applicable Provisions of Law. This Bond Resolution shall be governed by and construed in accordance with the laws of the State.

Section 9. No Recourse on Bond. No recourse shall be had for the payment of the principal of or the interest on the Bond or for any claim based thereon or on this Bond Resolution against any member or officer of the Authority or any person executing the Bond.

Section 10. Additional Documents. The Chairman, Secretary and Executive Director of the Authority or either of them, are hereby authorized to execute and deliver on behalf of the Authority the Loan Agreement, Lender Loan Agreement, Bond and such other documents and certificates as are required to accomplish the issuance of the Bond.



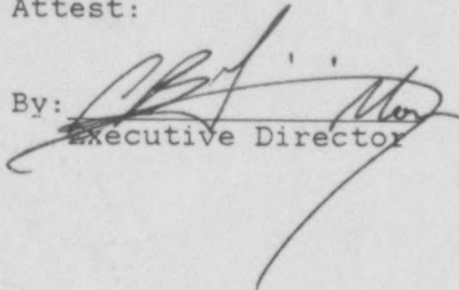
Section 11. This Bond Resolution shall be in full force and effect upon its adoption.

Adopted by the South Carolina State Family Farm Development Authority the 19th day of February, 1986.

(SEAL)

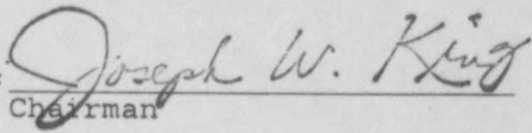
Attest:

By:

  
Executive Director

SOUTH CAROLINA STATE FAMILY  
FARM DEVELOPMENT AUTHORITY

By:

  
Chairman

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF RICHLAND )

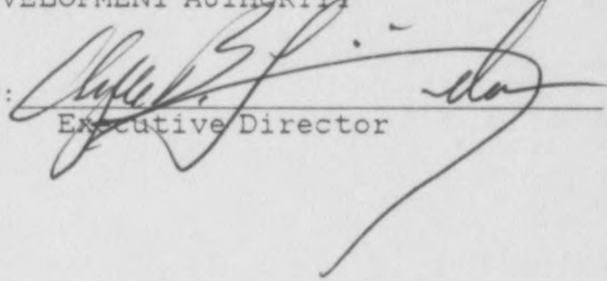
CERTIFIED COPY OF A  
RESOLUTION AMENDING  
RESOLUTION NO. 86-0002

I, the undersigned being the duly qualified and acting Executive Director of the South Carolina State Family Farm Development Authority (the "Authority"), do hereby certify that attached hereto is a copy of a Resolution amending Resolution No. 86-0002 which authorized the issuance of \$185,000 Agricultural Development Bonds (William G. Reese Project), 1986, adopted by the Authority at a meeting duly called and held on March 19, 1986, at which a quorum was present and acting throughout, which resolution has been compared by me with the original thereof, and that such resolution has been duly adopted and has not been modified, amended or repealed and is in full force and effect on and as of the date hereof in the form attached hereto.

In witness whereof, I have hereunto set my hand and the official seal of the Authority this 19th day of March, 1986.

SOUTH CAROLINA STATE FAMILY FARM  
DEVELOPMENT AUTHORITY

By:

  
Executive Director

(SEAL)

016798

AMENDMENT TO RESOLUTION NO. 86-0002

RELATING TO THE ISSUANCE OF A \$184,000 AGRICULTURAL DEVELOPMENT BOND (WILLIAM G. REESE PROJECT), 1986, OF THE SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY; INCREASING THE PRINCIPAL AMOUNT OF THE BOND TO \$185,000.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY, AS FOLLOWS:

Section 1. Findings and Determinations. The Authority hereby finds and determines:

(a) Pursuant to Resolution No. 86-0002 adopted on February 19, 1986, the Authority authorized the issuance and sale of A \$184,000 Agricultural Development Bond (William G. Reese Project), 1986 (the "Bond").

(b) It is now necessary and in the best interest of the Authority to amend Resolution No. 86-0002 in the manner prescribed in Section 2 hereof.

Section 2. Resolution No. 86-0002 is hereby amended to increase the principal amount of the Bond from \$184,000 to \$185,000.

Section 3. Petition to State Budget and Control Board. The Executive Director of the Authority be and is hereby authorized and directed to submit, by petition, the information required under the Act to the State Budget and Control Board in the name of and on behalf of the Authority.

Section 4. This Bond Resolution shall be in full force and effect upon its adoption.

Adopted by the South Carolina State Family Farm Development Authority the 19th day of March, 1986.

SOUTH CAROLINA STATE FAMILY FARM  
DEVELOPMENT AUTHORITY

By: Joseph W. King

Chairman

(SEAL)

Attest:

By: [Signature]

Executive Director

016799



EXHIBIT B

Resolution No.: 86-0002

Principal Amount: \$185,000

Name of Borrower: William G. Reese

Purpose: Construct turkey brooder houses and range houses with related equipment.

Maturity Schedule: First 5 years at 8.5% per annum, second 5 years not to exceed 15% per annum.

Method of Sale: Negotiation

Purchaser: The South Carolina National Bank

SCHEDULE 1

OUTSTANDING AGRICULTURAL DEVELOPMENT BONDS OF THE  
SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY

	<u>DATE</u>	<u>FARMER</u>	<u>PRINCIPAL AMOUNT</u>	<u>MATURITY SCHEDULE</u>	<u>AMOUNT &amp; SOURCE OF REVENUES</u>
1.	5/3/85	Moore	\$300,000	120 equal monthly payments of \$3,882 each at 9½%.	Payments under a \$300,000 Promissory Note dated 5/3/85.
2.	7/24/85	Hall	\$ 15,000	2 annual installments at 8%.	Payments under a \$15,000 Promissory Note dated 7/24/85.
3.	7/24/85	Woods	\$ 43,000	Quarterly payments of \$1572 for 10 years at 8%.	Payments under a \$43,000 dated 7/24/85.
4.	9/6/85	East	\$250,000	138 monthly payments from April 6, 1986; interest (not exceeding 15%).	Payments under a \$250,000 Promissory Note dated 9/6/85.
5.	9/6/85	Double H Hog Farm	\$ 25,000	3 annual payments at 7.75%.	Payments under a \$25,000 Promissory Note dated 9/6/85.
6.	9/10/85	J. R. Bowen	\$180,000	48 quarterly payments of \$3,750 from March 10, 1986; interest not exceeding 15%.	Payments under a \$180,000 Promissory Note dated 9/10/85.

016801

7.	9/18/85	Davis	\$125,000	20 equal annual payments of principal of \$6,250; interest not exceeding 15%.	Payments under a \$125,000 Promissory Note dated 9/18/85.
8.	10/18/85	McPhail	\$142,000	5 equal payments per year for 10 years at 8%.	Payments under a \$142,000 Promissory Note dated 10/18/85.
9.	10/18/85	Etheredge	\$ 17,000	48 equal monthly payments of \$354.17; interest not exceeding 15%.	Payments under a \$17,000 Promissory Note dated 10/18/85.
10.	10/18/85	J. R. Bowen	\$ 20,000	48 quarterly payments of \$416.67 from March 10, 1986; interest not exceeding 15%.	Payments under a \$20,000 Promissory Note dated 10/18/85.
11.	11/13/85	Neel's Poultry Farm, Inc.	\$300,000	120 equal monthly payments of \$3,883 each, from June 13, 1986; at 9.5%.	Payments under a \$300,000 Promissory Note dated 11/13/85.
12.	11/27/85	Thomas L. Doremus and Marilyn Doremus	\$150,000	120 equal monthly payments of \$1,983, from December 27, 1985 at 10%.	Payments under a \$150,000 Promissory Note dated 11/27/85.
13.	12/18/85	Riley	\$325,000	120 equal monthly payments of \$4,117, commencing 7/18/86 at 9%.	Payments under a \$325,000 Promissory Note dated 12/18/85.

016802



14.	12/20/85	R. L. Martin	\$180,000	Equal monthly payments of \$2,307 from 7/20/86 to 12/20/95 at at 8.5% adjusted on 1/20/91 to N/E 15%.	Payments under a \$180,000 Promissory Note dated 12/20/85.
15.	12/20/85	Earls	\$180,000	Equal monthly payments of \$2,307 from 7/20/86 to 12/20/95 at 8.5% adjusted on 1/20/91 to N/E 15%.	Payments under a \$180,000 Promissory Note dated 12/20/85.
16.	12/20/85	Bates	\$75,000 (1985-A)	120 equal monthly payments of \$981 from 1/30/86 at 9.75%.	Payments under a \$75,000 Promissory Note dated 12/30/85.
17.	12/30/85	Bates	\$85,000 (1985-B)	Equal monthly payments of \$806.24 from 1/16/86 to 12/16/95 at 9.75% adjusted on 1/16/96 to N/E 15%.	Payments under a \$85,000 Promissory Note dated 12/30/85.
18.	12/20/85	Wheeler	\$50,000	40 equal quarterly payments of \$1,828 commencing 3/30/86 at 8%.	Payments under a \$50,000 Promissory Note dated 12/30/85.
19.	12/30/85	Corder	\$42,100	20 equal quarterly payments of \$2,650 commencing 6/30/86 at 9.5%.	Payments under a \$42,100 Promissory Note dated 12/30/85.

016803

20.	12/21/85	G. E. Martin	\$45,000	28 equal quarterly payments of \$2,184 commencing 4/1/86 at 9%.	Payments under a \$45,000 Promissory Note dated 12/31/85.
21.	12/31/85	Greene	\$25,000	84 equal monthly payments of \$378.85 commencing 1/30/86 at 7.125%.	Payments under a \$25,000 Promissory Note dated 12/31/85.
22.	12/31/85	Ables	\$225,000	40 equal quarterly payments of principal in the amount of \$5,625 from 4/1/86 plus interest at N/E 15%.	Payments under a \$225,000 Promissory Note dated 12/31/85.
23.	12/31/85	Myers	\$105,000	40 equal quarterly payments of principal in the amount of \$2,625 from 7/1/86 plus interest at N/E 15%.	Payments under a \$105,000 Promissory Note dated 12/31/85.
24.	1/30/86	Brown	\$220,000	28 equal quarterly payments of \$10,535 commencing 7/25/86 at 8%.	Payments under a \$220,000 Promissory Note dated 1/30/86.
25.	2/5/86	Kesler	\$350,000	120 equal monthly payments of \$4,434 commencing 9/5/86 at 9%.	Payments under a \$350,000 Promissory Note dated 2/5/86.

016804

26.	2/25/86	Paradice	\$180,000	40 equal quarterly payments of \$6,652.80 commencing 9/1/86 at 8.25%	Payments under a \$180,000 Promissory Note dated 2/25/86
27.	3/14/86	Agerton	\$130,000	120 equal monthly payments of \$1,646.79 commencing 4/14/86 at 9%.	Payments under a \$130,000 Promissory Note dated 3/14/86.
28.	3/14/86	Easler	\$10,000	5 equal annual payments of \$2,570.92 commencing 3/14/87 at 9%.	Payments under a \$10,000 Promissory Note dated 3/14/86.

016805



EXHIBIT

MAR 25 1986

NO. 12

STATE BUDGET & CONTROL BOARD

JEDA

\$1,000,000

Congaree Vista Associates

016806

State of South Carolina  
**State Budget and Control Board**

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR  
GRADY L. PATTERSON, JR.  
STATE TREASURER  
EARLEE E. MORRIS, JR.  
COMPTROLLER GENERAL

Box 12444  
Columbia  
29211

REMBERT C. DENNIS  
CHAIRMAN, SENATE FINANCE COMMITTEE  
TOM G. MANGUM  
CHAIRMAN, WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

April 29, 1986

C E R T I F I C A T E  
STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS  
FINAL ALLOCATION, CALENDAR YEAR 1986

TO: Jobs-Economic Development Authority  
c/o Elliott E. Franks, III, Director  
1203 Gervais Street  
Columbia, SC 29201

RE: Issue of \$1,000,000, South Carolina Jobs-Economic Development Authority  
Industrial Development Revenue Bond  
(Congaree Vista Associates Project)  
Issue Date Certified By Issuing Authority: May 1, 1986  
Issue Amount Certificate Received by Board Secretary: April 29, 1986

Based upon my receipt of the issue amount certificate required of the issuing authority by Board Regulation §19-103.06 and §19-103.07 not more than ten (10) business days prior to the date of issue which, as certified by the issuing authority, is within the time period for the ceiling allocation approved previously on a tentative basis by the State Budget and Control Board for the referenced project, I have determined that the allocation is now final in the amount indicated above.

I also have determined that the referenced issue when issued and combined with the amount of private activity bonds and notes certified to me previously by South Carolina issuing authorities as having been issued or which are to be issued in 1986 will not exceed the 1986 State Ceiling on the issuance of private activity bonds for the State of South Carolina.

*William A. McInnis*

William A. McInnis, Secretary

016807

APR 29 1986



**South Carolina Jobs-Economic Development Authority**  
Number One Main Building

Elliott E. Franks, III  
Director

April 28, 1986

Mr. William A. McInnis  
Deputy Executive Director  
State Budget and Control Board  
Executive Office  
Wade Hampton Building  
Post Office Box 12444  
Columbia, South Carolina 29211

RE: SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY  
\$1,000,000 INDUSTRIAL DEVELOPMENT REVENUE BOND  
(CONGAREE VISTA ASSOCIATES PROJECT) 1986

Dear Mr. McInnis:

On behalf of the South Carolina Jobs-Economic Development Authority, I am writing to advise the State Budget and Control Board that the above captioned project is scheduled to close on Thursday, May 1, 1986. Accordingly, we are requesting that the State Budget and Control Board render a final allocation of the state ceiling established in the Deficit Reduction Act of 1984 for the above captioned note and project. The note will be issued in the amount of \$1,000,000.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Elliott E. Franks, III", enclosed within a circular stamp.

Elliott E. Franks, III

EEF:ALS:mkm

**016808**



# EXHIBIT

MAR 25 1986

NO. 1 2

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 25, 1986

REGULAR SESSION

ITEM NUMBER

7

AGENCY: Jobs-Economic Development Authority

SUBJECT: Industrial Development Note

The Jobs-Economic Development Authority requests Board approval of the private sale of an Industrial Development Revenue Note for the following projects and requests an allocation of a portion of the State Ceiling for the project:

Name of Project:	Congaree Vista Associates
Principal Amount:	\$1,000,000 Industrial Development Note
Employment Impact:	21
Purpose:	Office and warehouse facilities which are part of the City of Columbia redevelopment efforts

BOARD ACTION REQUESTED:

Adopt a resolution approving the private sale of an Industrial Development Revenue Note by the Jobs-Economic Development Authority for the Congaree Vista Associates project; and allocate \$1,000,000 of the state ceiling to the project.

ATTACHMENTS:

Referenced resolution

016809

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF A NOT EXCEEDING \$1,000,000 PRINCIPAL AMOUNT INDUSTRIAL DEVELOPMENT REVENUE NOTE (CONGAREE VISTA ASSOCIATES PROJECT) 1986, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED.

EXHIBIT

MAR 25 1986 NO. 12

STATE BUDGET & CONTROL BOARD

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 through private sale pursuant to the Act of its Industrial Development Revenue Note (Congaree Vista Associates Project) 1986 in the aggregate principal amount of not exceeding \$1,000,000 (the "Note"); and

WHEREAS, the Authority represents to the State Budget and Control Board that it has reviewed the standard form investment letter from Bankers Trust of South Carolina, the purchaser of the bonds, and finds it to be acceptable;

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 Request 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 Note through private sale be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

016810

# EXHIBIT

STATE OF SOUTH CAROLINA )

Congaree Vista Association MAR 25 1986

NO. 1 2

COUNTY OF RICHLAND )

STATE BUDGET & CONTROL BOARD

I, WILLIAM A. MCINNIS, SECRETARY to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

That the State Budget and Control Board (the Board) is composed of the following:

His Excellency, Richard W. Riley, Governor and Chairman of the Board;

The Honorable Grady L. Patterson, Jr., State Treasurer;

The Honorable Earle E. Morris, Jr., Comptroller General;

The Honorable Rembert C. Dennis, Chairman of the Senate Finance Committee; and

The Honorable Tom G. Mangum, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 A. M., on Tuesday, March 25, 1986, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting.

That at the meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by Mr. Patterson, who moved its adoption; the motion was seconded by Senator Dennis, and upon the vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

5

AGAINST MOTION

0

That the Chairman thereupon declared the Resolution unanimously adopted and the original thereof has been duly entered in the permanent records of minutes of meetings of the Board in my custody as its Secretary.

April 2, 1986

William A. McInnis

016811



A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF A NOT EXCEEDING \$1,000,000 PRINCIPAL AMOUNT INDUSTRIAL DEVELOPMENT REVENUE NOTE (CONGAREE VISTA ASSOCIATES PROJECT) 1986, 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 through private sale pursuant to the Act of its Industrial Development Revenue Note (Congaree Vista Associates Project) 1986 in the aggregate principal amount of not exceeding \$1,000,000 (the "Note"); and

WHEREAS, the Authority represents to the State Budget and Control Board that it has reviewed the standard form investment letter from Bankers Trust of South Carolina, the purchaser of the bonds, and finds it to be acceptable;

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 Request 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 Note through private sale be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

016812

The State of South Carolina



Office of the Attorney General

T. TRAVIS MEDLOCK  
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING  
POST OFFICE BOX 11549  
COLUMBIA, S.C. 29211  
TELEPHONE 803-756-2072

April 1, 1986

EXHIBIT

MAR 25 1986

NO. 12

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis  
Deputy Executive Director  
State budget and Control Board  
Columbia, South Carolina 29201

RE: Not Exceeding \$1,000,000 Jobs-Economic  
Development Authority, Industrial Development  
Revenue Note (Congaree Vista Associates  
Project)

Dear Mr. McInnis:

Regarding the above-referenced bond, we have reviewed the Petition and other documents submitted to the State Budget and Control Board for its approval pursuant to Sections 41-43-110, Code of Laws of South Carolina, 1976, as amended, and the same appear, in our opinion, to be in order.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "D. Eckstrom".

David C. Eckstrom  
Assistant Attorney General

DCE:rmr  
encs.

016813

# EXHIBIT

MAR 25 1986

NO. 12

## RESOLUTION

## STATE BUDGET & CONTROL BOARD

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY, OF ITS INDUSTRIAL DEVELOPMENT REVENUE NOTE (CONGAREE VISTA ASSOCIATES PROJECT) 1986, THROUGH PRIVATE SALE PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$1,000,000.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority"), acting by and through its Board of Directors, is authorized and empowered under and pursuant to the provisions of Section 41-43-110 of the South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended, (the "Act") to acquire and cause to be acquired properties that are projects under Section 41-43-160 of the Act through which the industrial, commercial, agricultural and recreational development of the State of South Carolina will be promoted and trade developed by inducing business enterprises to locate in and remain in the State of South Carolina and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State; and

WHEREAS, the Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds, as defined in the Act to include notes, payable solely from revenues and receipts from any financing agreement with respect to such project and secured by a pledge of said revenues and receipts and by an assignment of such financing agreement; and

WHEREAS, the Authority and Chernoff and Silver Associates, Inc., a South Carolina corporation, entered into an Inducement Agreement (the "Inducement Agreement") authorized by the Authority on January 23, 1986, and Chernoff and Silver and Associates, Inc. has assigned its rights under the Inducement Agreement to Congaree Vista Associates, a South Carolina partnership of which the shareholders in Chernoff and Silver Associates are partners, (the "Company") in accordance with Section 4.05 of the Inducement Agreement; and

WHEREAS, pursuant to said Inducement Agreement and in order to implement the public purposes enumerated in the Act



and in furtherance thereof to comply with the undertakings of the Authority pursuant to the Inducement Agreement, the Authority proposes to issue its Industrial Development Revenue Note (Congaree Vista Associates, Inc. Project) in the principal amount of not exceeding \$1,000,000 (the "Note") under and pursuant to the Act to defray the costs of acquiring by construction and purchase certain land, a building or buildings and other improvements thereon, and machinery, apparatus, equipment, office facilities and furnishings to be installed therein for the purpose of operating office and warehouse facilities constituting a commercial facility (the "Project") which is part of redevelopment efforts in the City of Columbia, South Carolina, and subject to the approval of the State Budget and Control Board of South Carolina for the issuance of the Note at private sale, to make the Project available to the Company under and pursuant to the terms of a loan agreement to be entered into among the Authority, the lender and the Company; and

WHEREAS, it is now deemed advisable by the Authority to file with the State Budget and Control Board of South Carolina, in compliance with Section 41-43-110 of the Act, the Petition of the Authority requesting approval by the State Budget and Control Board for the issuance of the Note at private sale;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the South Carolina Jobs-Economic Development Authority, as follows:

Section 1. It is hereby found, determined and declared as follows:

(a) The Company is engaged in the business of operating office and warehouse facilities, and the Project is part of redevelopment efforts in the City of Columbia, South Carolina.

(b) The Project will constitute a "project" as said term is referred to and defined in Section 41-43-160 of the Act, and the issuance of the Note in the principal amount of not exceeding \$1,000,000 to defray the cost of the Project will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(c) It is anticipated that the Project will benefit the general public welfare of the State of South Carolina the City of Columbia in particular by providing employment for those engaged in construction of the Project, and by providing additional permanent employment for approximately 10-11 people from City of Columbia and adjacent areas when the Project is placed in full operation

with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally.

(d) Neither the Project, the Note proposed to be issued by the Authority to defray the cost of the Project, nor any documents or agreements entered into by the Authority in connection therewith will constitute or give rise to a pecuniary liability of the Authority or the State of South Carolina or a charge against general credit or taxing power of either, and only program funds (as defined in the Act) will be made available to finance the cost of the Project.

(e) The Company is a corporation with established credit and is a responsible party.

(f) The issuance of the Note by the Authority in the principal amount of not exceeding \$1,000,000 will be required to defray the cost of the Project, and such principal amount bears a reasonable relationship to the amount of private funds also committed to the Project.

(g) The size and scope of the Project is such that it shall be a definite benefit to the economy of the State of South Carolina, and City of Columbia in particular, is reasonably expected to result therefrom.

Prior to issuance of the Note, the Authority will, as part of its proceedings:

(a) Require a resolution from the governing body of City of Columbia containing the following findings: (1) that the Project will subserve the purposes of the Act; (2) that the Project is anticipated to benefit the general public welfare of City of Columbia by providing services, employment, recreation or other public benefits not otherwise provided locally; (3) that the Project will give rise to no pecuniary liability of City of Columbia or a charge against its general credit or taxing power; and (4) the amount of bonds required to finance the Project.

(b) Hold a public hearing in City of Columbia in connection with such resolution; and

(c) Make findings as to the terms of the agreements to be entered into in connection with the Project and the adequacy of protection for the public interest provided by such terms.

Section 2. There be and is hereby authorized and directed the submission on behalf of the Authority, of a Petition requesting approval by the State Budget and Control



Board of South Carolina pursuant to the provisions of Section 41-43-110 of the Act of the issuance of the Note through private sale, said Petition, which constitutes and is hereby made a part of this authorizing resolution, to be in substantially the form attached hereto.


Section 3. The Chairman of the Board of Directors of the Authority be and is hereby authorized and directed to execute said Petition in the name and on behalf of the Authority, and the Acting Director of the Authority be and is hereby authorized and directed to affix the seal of the Authority to said Petition and to attest the same and thereafter to submit an executed copy of this resolution, to the State Budget and Control Board, in Columbia, South Carolina.

Section 4. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved February 27, 1986.

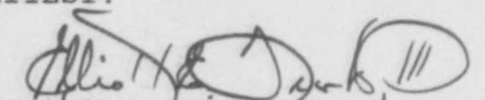
SOUTH CAROLINA JOBS-ECONOMIC  
DEVELOPMENT AUTHORITY

By

  
Henry R. Sims, II, Chairman,  
Board of Directors

(SEAL)

ATTEST:

  
Elliott E. Franks, III,  
~~Acting~~ Director

016817



# EXHIBIT

MAR 25 1986

NO. 12

STATE BUDGET & CONTROL BOARD

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT BY AND BETWEEN SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY AND CHERNOFF AND SILVER ASSOCIATES, INC., WHEREBY UNDER CERTAIN CONDITIONS THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY WILL ISSUE NOT EXCEEDING \$1,000,000 INDUSTRIAL DEVELOPMENT REVENUE BONDS.

WHEREAS, South Carolina Jobs-Economic Development Authority (the "Authority") is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43, Code of Laws of South Carolina, 1976 (the "Act"), particularly Section 41-43-110 thereof, to enter into agreements with any businesses located in South Carolina necessary or incidental to the issuance of bonds and to issue bonds for the purpose of defraying the cost of acquiring, by construction and purchase, "projects" as described in Section 41-43-160 of the Act, through which the industrial, commercial, agricultural and recreational development of the State will be promoted; and

WHEREAS, the Authority is further authorized by the Act, particularly Section 41-43-110 thereof to issue revenue bonds (as defined in the Act to include notes) payable solely out of the revenues derived pursuant to a loan or security agreement with respect to any such project or facility and secured by a pledge of said revenues, and to enter into a security agreement covering all of or any part of such project; and

WHEREAS, Chernoff and Silver Associates, Inc., a South Carolina corporation, (the "Company") has requested the Authority to issue an amount not exceeding \$1,000,000 of its industrial development revenue bonds, (Chernoff and Silver Associates, Inc. Project) pursuant to Section 41-43-110 of the Act in order to defray the cost of acquiring certain land, improvements to be made thereon, and the machinery and equipment to be installed therein for the purpose of operating office and warehouse facilities (the "Project"), all as more fully set forth in the Inducement Agreement attached hereto; and

NOW, THEREFORE, BE IT RESOLVED, by the Authority as follows:

Section 1. Pursuant to Section 41-43-110 of the Act and subject to such approval by the State Budget and Control Board and any local governing board as may be required by law and for the purpose of defraying the cost of acquiring the Project, there is hereby authorized to be issued industrial development revenue bonds or notes of the

016818

Authority in the original principal amount of not exceeding \$1,000,000 to be designated "Jobs-Economic Development Authority Revenue Bonds [or Notes] (Chernoff and Silver Associates, Inc. Project)" (the "Bonds").

Section 2. The provisions, terms and conditions of the loan agreement by and between the Authority and the Company, the provisions, terms and conditions of the security agreement by and between the Authority and the trustee or bondholder, yet to be named, and the form, details, rate or rates of interest, maturity and redemption provisions, if any, of the Bonds, other details of any loan agreement relating to the Bonds, and findings required by the Act shall be prescribed by subsequent resolution of the Authority.

Section 3. The Chairman of Board of the Authority is hereby authorized and directed to execute the Inducement Agreement attached hereto in the name and on behalf of the Authority, and the Director or Acting Director of the Authority is hereby authorized and directed to affix thereto the seal of the Authority and to attest the same, and the Director or Acting Director of the Authority is hereby further authorized and directed to deliver said executed Inducement Agreement to the Company.

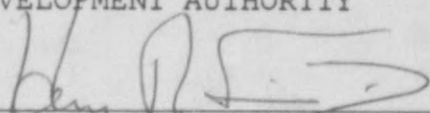
Section 4. Prior to the issuance of any Bonds, the Authority will comply with the provisions of the Act regarding the procedural requirements for issuing bonds.

Section 5. All orders, resolutions, regulations and parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This resolution shall take effect and be in full force from and after its passage by the Authority.

Section 6. It is the intention of the Authority that this resolution shall constitute an official action on the part of the Authority within the meaning of the applicable regulations of the Treasury Department relating to the issuance of tax-exempt revenue bonds.


Done in meeting duly assembled this 23rd day of January, 1986.

SOUTH CAROLINA JOBS-ECONOMIC  
DEVELOPMENT AUTHORITY

  
Henry R. Sims, II, Chairman, Board  
of Directors

(SEAL)

ATTEST:

  
Elliott E. Franks, III,  
Director



## INDUCEMENT AGREEMENT

THIS AGREEMENT made and entered into by and between South Carolina Jobs-Economic Development Authority, a public body corporate and politic and an agency and duly constituted Authority of the State of South Carolina (the "Authority"), and Chernoff and Silver Associates, Inc., a South Carolina corporation (the "Company").

W I T N E S S E T H:

### ARTICLE I

#### RECITATION OF FACTS

As a means of setting forth the matters of mutual inducement which have resulted in the making and entering into of this Agreement, the following statements of fact are herewith recited:

Section 1.01. The Authority is an agency and duly constituted Authority of the State of South Carolina, and is authorized and empowered by the provisions of Title 41, Chapter 43, Code of Laws of South Carolina, 1976 (the "Act"), particularly Section 41-43-110 thereof, to enter into agreements with any business located in South Carolina necessary or incidental to the issuance of bonds and to issue bonds for the purpose of defraying the cost of acquiring "projects" as described in Section 41-43-160 of the Act, through which the industrial, commercial, agricultural and recreational development of the State will be promoted.

Section 1.02. The Company proposes to acquire land in City of Columbia, South Carolina and intends to acquire and install thereon all the buildings, facilities, machinery, apparatus, equipment, office facilities and furnishings necessary for the purpose of operating office and warehouse facilities (the "Project").

Section 1.03. The Company has requested the Authority to assist it with its contemplated program through the sale of its industrial development revenue bonds or notes pursuant to Section 41-43-110 of the Act, whereby the Authority would defray certain costs of the Project.

Section 1.04. The Authority has given due consideration to all the proposals and requests of the Company and has agreed to endeavor to effect the issuance of the bonds or notes at the time and on the terms and conditions hereafter set forth.

016821

Section 1.05. The Project when completed and in operation will provide additional permanent employment in Columbia, South Carolina and surrounding areas for approximately 11 people within the first 12 months and approximately 10 people within 24 months.

## ARTICLE II

### UNDERTAKINGS ON THE PART OF THE AUTHORITY

The Authority agrees as follows:

Section 2.01. The Authority will, subject to such approval by the State Budget and Control Board and the governing body of City of Columbia, South Carolina as may be required by law and subject to the limitations set forth herein, authorize the issuance of an amount not exceeding \$1,000,000 Industrial Development Revenue Bonds [or Notes] (Chernoff and Silver Associates, Inc. Project) (the "Bonds"), at such time as the Company may request the Authority to do so.

Section 2.02. The Authority will permit the Company to arrange for the sale of the Bonds to defray certain costs of the Project as aforesaid and if successful marketing arrangements can be made, it will adopt such proceedings and enter into such agreements as are necessary for the issuance and securing of the Bonds.

Section 2.03. The proceeds of any sale of the Bonds may be applied to the payment of the costs of the Project as determined under Section 41-43-160 of the Act including, without limitation, the expenses incurred in connection with the issuance and sale of the Bonds, the acquisition of the Project including land, buildings, necessary machinery and equipment and other items permitted by the Act, and the repayment of any funds advances or loans incurred by the Company for such purposes.

Section 2.04. Prior to issuing the Bonds, the Authority may enter into a loan agreement with the Company and a security agreement with a trustee to be selected by the Company or with the purchasers of the Bonds, pursuant to which the Bonds will be secured and issued. Such documents shall be substantially in the form used in connection with the issuance of other South Carolina industrial development revenue bonds and shall constitute a lien on the revenues derived from the Company with respect to the Project to secure the payment of the Bonds.

Section 2.05. The Authority will perform such other acts and adopt such further proceedings as may be required to faithfully implement its undertakings and to consummate the proposed financing.



Section 2.06. The undertakings of the Authority hereunder are contingent upon the Authority continuing to evaluate the Project as beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware and upon the Company providing the Authority with such further evidence as may be satisfactory to the Authority as to compliance with all applicable statutes and regulations.

### ARTICLE III

#### UNDERTAKINGS ON THE PART OF THE COMPANY

Section 3.01. The Company agrees that the Authority will have no obligation to find a purchaser of the Bonds and acknowledges that the Authority's approval of this Agreement is preliminary and is conditioned upon the Authority continuing to evaluate the Project as beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware.

Section 3.02. The Company further agrees, if the plan proceeds as contemplated, as follows:

- (a) to acquire the Project;
- (b) to enter into a loan agreement with the Authority, under the terms of which the Company will obligate itself to pay to the Authority sums sufficient to pay the principal, interest and premium, if any, on the Bonds, as and when the same become due and payable;
- (c) to obligate itself to make the additional payments required by the Act;
- (d) to hold the Authority harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement;
- (e) to perform such further acts and adopt such further proceedings as may be required faithfully to implement its undertakings and to consummate the proposed financing; and
- (f) to covenant and agree in the loan agreement referred to above to install in the buildings which are to become a part of the Project all necessary equipment and machinery and initially to operate the Project in the manner described in Section 1.02 hereof.



## ARTICLE IV

### GENERAL PROVISIONS

Section 4.01. All commitments of the Authority under Article II hereof are subject to all of the provisions of the Act and regulations of the Authority pursuant thereto and the condition that nothing contained in this Agreement shall constitute nor give rise to a pecuniary liability of the Authority or a charge against any general credit or taxing power.

Section 4.02. The parties hereto agree that the Company may proceed with the Project including the acquisition of land, the construction of a building or buildings and the acquisition and installation of the equipment and machinery prior to the issuance of the Bonds.

Section 4.03. All commitments of the Authority and the Company hereunder are subject to the condition that the Authority and the Company do agree on mutually acceptable terms and conditions of all documents, the execution and delivery of which are contemplated by the provisions hereof.

Section 4.04. The parties understand that the Company or the Authority may choose not to finance the Project as herein provided, in which event this Agreement shall become void.

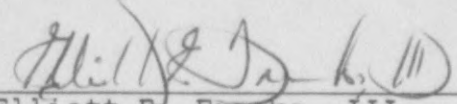
Section 4.05. This Agreement may be assigned by the Company to any of its affiliates, any partner or shareholder in the Company or to any company in which one or more of its partners or shareholders has an interest.


Section 4.06. It is the intention of the parties hereto that this Agreement shall constitute an official action on the part of the Authority within the meaning of the applicable regulations of the Treasury Department relating to the issuance of tax-exempt revenue bonds.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Agreement on the respective dates indicated below.

ATTEST:

SOUTH CAROLINA JOBS - ECONOMIC  
DEVELOPMENT AUTHORITY

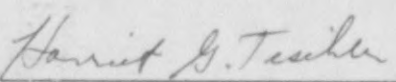
  
Elliott E. Franks, III,  
Director

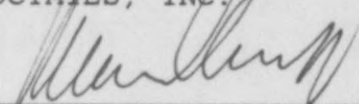
  
Henry R. Sims, II,  
Chairman, Board of Directors

Dated: January 23, 1986  
(SEAL)

ATTEST:

CHERNOFF AND SILVER  
ASSOCIATES, INC.

By:   
Its \_\_\_\_\_

By:   
Its PRESIDENT

Dated: Jan. 30, 1986

*My comm. expires 10/26/92*

State of South Carolina  
**State Budget and Control Board**

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR  
GRADY L. PATTERSON, JR.  
STATE TREASURER  
EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

Box 12444  
Columbia  
29211

REMBERT C. DENNIS  
CHAIRMAN, SENATE FINANCE COMMITTEE  
TOM G. MANGUM  
CHAIRMAN, WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

March 25, 1986

**C E R T I F I C A T E**  
**STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS**  
**TENTATIVE ALLOCATION, CALENDAR YEAR 1986**

**EXHIBIT**

TO: Jobs-Economic Development Authority  
\$1,000,000  
Industrial Development Note  
(Congaree Vista Associates Project)

MAR 25 1986

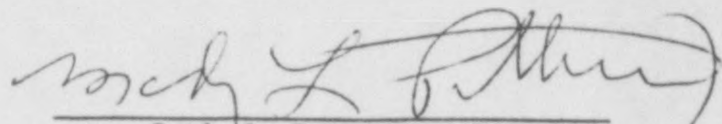
NO. 12

STATE BUDGET & CONTROL BOARD

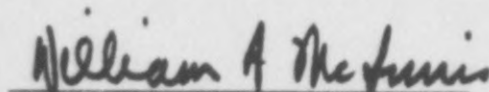
The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Deficit Reduction Act of 1984 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1986 only. It will expire ninety (90) calendar days from March 25, 1986 (the date the allocation was approved by the Board), if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

Before this tentative allocation becomes final, Board Regulation \$19-103.06 and \$19-103.07 require that the exact amount of the bonds/notes being issued be certified to the Board Secretary by the issuing authority before the issue is made. In response to that issue amount certificate, the Secretary will issue a certificate which makes the ceiling allocation final.

I certify that, to the best of my knowledge, this allocation was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

  
Grady L. Patterson, Jr.

Attest:

  
William A. McInnis, Secretary

016826



Date: March 19, 1986  
Submitted for BCB Meeting on:  
March 25, 1986

State Budget and Control Board  
600 Wade Hampton Office Building  
Columbia, SC 29201  
OR P. O. Box 12444, Columbia, SC 29211

FROM:

The McNair Law Firm  
Name of Law Firm  
Columbia, SC 29211  
City, State, Zip Code

18th Floor Bankers Trust Towers  
P. O. Box 11390  
Street Address/Box Number  
(803) 799-9800  
Telephone Area Code and Number

RE: \$1,000,000  
Amount of Issue  
S. C. Jobs-Economic Development Authority  
Issuing Authority Name

Industrial Development Note  
Type of Bonds or Notes  
April 1986  
Projected Issue Date

Project Name: Congaree Vista Associates

Project Description:

Office and warehouse facilities which are part of redevelopment efforts  
in the City of Columbia, South Carolina

Employment as result of project: 21 people

CEILING ALLOCATION REQUIRED

X Yes (\$ 1,000,000 ) No  
Amount

REFUNDING INVOLVED

Yes (\$            ) X No  
Amount

PROJECT APPROVED PREVIOUSLY

Yes (            ) X No  
Date

DOCUMENTS ENCLOSED:

(ALL required for State law approval; A and C only for ceiling allocation only.)

- A. X Petition (executed original and two copies)  
B. X Resolution or ordinance (executed copy)  
C. X Inducement Resolution or comparable preliminary approval (executed copy)  
D.        Standard Form Investment Letter from bonds purchaser (executed original)  
(Purchaser: Bankers Trust of South Carolina (JEDA has copy of )  
investment letter)  
OR        Audited financial statements for three most recent years  
E. NA Department of Health and Environmental Control certificate IF REQUIRED  
F. X Budget and Control Board Resolution ~~and Public Notice~~ (original)  
[Plus 10 copies for certification and return to counsel]  
G. NA Processing fee

Amount \$                                   
Payor                                 

Check No.                                 

**EXHIBIT**

Bond Counsel: April C. Lucas

Typed Name

**MAR 25 1986**

**NO. 1 2**

By: April Lucas

Signature

**STATE BUDGET & CONTROL BOARD**

**MAR 19 1986**

*H. D. A. M. L.*

# EXHIBIT

STATE OF SOUTH CAROLINA )  
 )  
RICHLAND COUNTY )

MAR 25 1986 NO. 12

STATE BUDGET & CONTROL BOARD

TO THE STATE BUDGET AND CONTROL )  
 ) PETITION OF SOUTH  
BOARD OF SOUTH CAROLINA ) CAROLINA JOBS-ECONOMIC  
 ) DEVELOPMENT AUTHORITY  
 )

This Petition of the South Carolina Jobs-Economic Development Authority (the "Authority"), pursuant to South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended, (the "Act") and specifically Section 41-43-110 thereof, respectfully shows:

1. The Act, among other things, empowers the Authority: (i) to acquire, and, in connection with such acquisition, to enlarge, improve and expand, whether by construction, purchase, gift or lease, one or more projects (as defined in Section 41-43-160 of the Act) which shall be located within the jurisdiction of the State of South Carolina; (ii) to make available to any business enterprise located in South Carolina such projects for such payments and upon such terms and conditions as the Authority may deem advisable and as shall not conflict with the provisions of the Act; and (iii) subject to the approval of the State Budget and Control Board of the issuance of its bonds through public or private sale pursuant to Section 41-43-110 of the Act, to issue revenue bonds, as defined in the Act to include notes, for the purpose of defraying the cost of acquiring, by construction and purchase, and in connection with any such acquisition, to enlarge, improve and expand any project and to secure the payment of such bonds all as in the Act provided.

3. Pursuant to the provisions of Act No. 512 of the Acts and Joint Resolutions for the General Assembly of the State of South Carolina for the year 1984 and regulations approved thereunder, the State Budget and Control Board and the Joint Bond Review Committee have been assigned certain responsibilities with respect to allocation of the private activity bond ceiling applicable to the State of South Carolina under Section 103(n) of the Internal Revenue Code of 1954, as amended (the "Volume Cap").

4. The Authority has agreed to assist Congaree Vista Associates, a South Carolina partnership, (the "Company") by issuing its revenue note for the purpose of defraying the cost of acquiring certain facilities to be used for the purpose of operating office and warehouse facilities constituting a commercial facility which is part



of redevelopment efforts in the City of Columbia, South Carolina (the "Project").

5. The undersigned Chairman of the Board of Directors of the Authority certifies that approval of this Project was not made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

6. The Authority has been advised by the Company that the estimated cost of the Project will be \$1,000,000, and the Company has requested the Authority to execute and deliver its Industrial Development Revenue Note (Congaree Vista Associates Project) (the "Note") in the principal amount of not exceeding \$1,000,000 to defray such costs.

7. Pursuant to Section 41-43-150 of the Act, the Authority has made the requisite findings that:

(a) The Company is engaged in the business of operating office and warehouse facilities, and the Project is part of redevelopment in the City of Columbia, South Carolina.

(b) The Project will constitute a "project" as said term is referred to and defined in Section 41-43-160 of the Act, and the issuance of the Note in the principal amount of not exceeding \$1,000,000 to defray the cost of the Project will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(c) It is anticipated that the Project will benefit the general public welfare of the State of South Carolina and City of Columbia in particular by providing employment for those engaged in construction of the Project, and by providing additional permanent employment for approximately 10-11 people from the City of Columbia and adjacent areas when the Project is placed in full operation with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally.

(d) Neither the Project, the Note proposed to be issued by the Authority to defray the cost of the Project, nor any documents or agreements entered into by the Authority in connection therewith will constitute or give rise to a pecuniary liability of the Authority or the State of South Carolina or any of its political subdivisions or a charge against general credit or taxing power of any of them, and only program funds (as defined in the Act) will be made available to finance the cost of the Project.



(e) The Company is a corporation with established credit and is a responsible party.

(f) The issuance of the Note by the Authority in the principal amount of not exceeding \$1,000,000 will be required to defray the cost of the Project, and such principal amount bears a reasonable relationship to the amount of private funds also committed to the Project.

(g) The size and scope of the Project is such that a definite benefit to the economy of the State of South Carolina, and City of Columbia in particular, is reasonably expected to result therefrom.

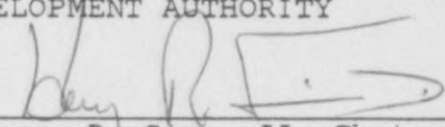
Prior to issuance of the Note, the Authority will, as part of its proceedings make findings as to the terms of the agreements to be entered into in connection with the Project and the adequacy of protection for the public interest provided by such terms.

Upon the basis of the foregoing, the Authority respectfully prays that the State Budget and Control Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such investigation as it deems advisable, (iii) approve the issuance of the Note by the Authority through private sale pursuant to the Act to defray the cost of the Project (including changes in any details of the said financing as finally consummated which do not materially affect the undertaking of the Authority) and (iv) allocate \$1,000,000 of the Volume Cap for the Note.

Respectfully submitted,

SOUTH CAROLINA JOBS-ECONOMIC  
DEVELOPMENT AUTHORITY

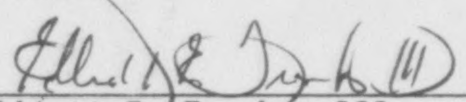
By

  
Henry R. Sims, II, Chairman,  
Board of Directors

Dated: March 12, 1986.

(SEAL)

ATTEST:

  
Elliott E. Franks, II,  
Acting Director

016830

# EXHIBIT

MAR 25 1986

NO. 13

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 25, 1986

REGULAR SESSION

ITEM NUMBER

8

AGENCY: Charleston County

SUBJECT: Ceiling Allocation Extension

At its meeting on January 16, 1986, the Board approved a tentative ceiling allocation of \$3,000,000 for the Brown Schools of Charleston, Inc., project, with that allocation to expire on April 16, 1986.

Mr. Paul Trouche, bond counsel, advises that he does not anticipate closing the issue prior to May 1, 1986, and requests a 30-day extension of the allocation (to expire May 16, 1986).

BOARD ACTION REQUESTED:

Grant a 30-day extension to the life of the \$3,000,000 ceiling allocation for The Brown Schools of Charleston, Inc., project (allocation to expire May 16, 1986).

ATTACHMENTS:

Trouche March 10, 1986, letter to McInnis

016831



MAR 12 1986

McKAY & GUÉRARD, P. A.

POST OFFICE BOX 1119  
125 CHURCH STREET  
CHARLESTON, SOUTH CAROLINA 29402  
TELEPHONE 803/722-7606

of Counsel  
William J. Quirk, P. A.  
Also Admitted in New York

Julius W. McKay  
Theodore B. Guérard  
W. E. Applegate, III  
Sherwood M. Cleveland  
Adele J. Pope  
William C. Cleveland\*  
John Paul Trouche\*\*  
William P. Simpson  
Samuel W. Howell, IV  
Shawn D. Wallace  
Deborah K. Neese  
Gregory P. Chocklett\*\*\*

March 10, 1986

SOUTH CAROLINA NATIONAL BANK BUILDING  
P. O. DRAWER 7157  
COLUMBIA, S.C. 29202  
(803) 745-2396

EXHIBIT

MAR 25 1986 NO. 13

STATE BUDGET & CONTROL BOARD

\*Also Admitted in California  
\*\*Also Admitted in Georgia  
\*\*\*Also Admitted in North Carolina

Mr. William A. McInnis  
Secretary  
State Budget and Control Board  
P.O. Box 12444  
Columbia, SC 29211

RE: Not Exceeding \$10,000,000 Charleston County South Carolina  
Hospital Facilities Revenue Refunding and Improvement Bonds,  
Series 1986 (The Brown Schools of Charleston, Inc., Project)

Dear Mr. McInnis:

At its meeting on January 16, 1986, the State Budget & Control Board approved a tentative allocation of \$3,000,000 from the state's volume cap for this issue, representing the "new money" portion of this issue. Due to uncertainties raised by H.R. 3838, we do not now anticipate closing this issue prior to May 1, 1986.

It is my understanding that, under the new allocation regulations promulgated by the board, our current allocation will expire 90 days after January 16, and may be renewed only once for a period of 31 days. If we do not close within the time period of any extension granted by the Board, it is my understanding we must resubmit our request for an allocation from the state's volume cap. Based on that understanding, we hereby request a 30-day extension of our original allocation from the State Budget and Control Board for this issue. If the extension is granted, I will advise the Board at least 30 days prior to the expiration of the extension period as to whether we expect to close this issue within the period of the extension. If we do not, then I will formally apply at that time for a new allocation from the state's volume cap.

I appreciate very much your cooperation and assistance and hope that I am following the new format correctly. Please let me know if

016832



McKAY & GUÉRARD, P.A.

# EXHIBIT

MAR 25 1986

NO. 13

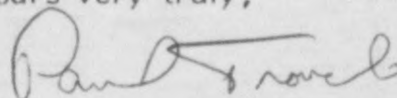
STATE BUDGET & CONTROL BOARD

Mr. McInnis  
March 10, 1986  
Page 2

there is any further information you would like from me concerning this matter at this time.

With kind personal regards,

Yours very truly,



John Paul Trouche

cc: Mr. Robert Scherzer  
Ms. Debra Frankovich

016833

# EXHIBIT

MAR 25 1986

NO. 14

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 25, 1986

STATE BUDGET & CONTROL BOARD  
ITEM NUMBER

9

AGENCY: Local Government

SUBJECT: Florence County Rural Improvement Grant Request

The Division of Local Government advises that Florence County is requesting \$75,000 to relocate and refurbish a 75,000-gallon elevated water storage tank. The funds will also assist in the extension of service lines to the Evergreen community.

BOARD ACTION REQUESTED:

Approve a rural improvement grant of \$75,000 to Florence County to relocate and refurbish a 75,000-gallon elevated water storage tank and assist in the extension of service lines to the Evergreen community.

ATTACHMENTS:

Agenda item worksheet and attachments

016834

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

March 25, 1986

Blue Agenda

☒ Regular Session Agenda

☐ Executive Session Agenda

1. Submitted By:

(a) Agency: LOCAL GOVERNMENT

(b) Authorized Official Signature:

*Nancy P. White*

2. Subject: Rural Improvement request by Florence County

3. Summary Background Information:

Florence County is requesting \$ 75,000.00 in order to relocate and refurbish a 75,000 gallon elevated water storage tank. These funds will also assist in the extension of service lines to the Evergreen community.

EXHIBIT

MAR 25 1986

NO. 1 4

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Approve request

5. What is recommendation of the Board Division involved?

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

Attached application

016835



# EXHIBIT

BUDGET AND CONTROL BOARD  
DIVISION OF LOCAL GOVERNMENTS

MAR 25 1986

NO. 14

APPLICATION FOR RURAL IMPROVEMENT FUNDS

STATE BUDGET & CONTROL BOARD

NAME OF APPLICANT FLORENCE COUNTY  
STREET ADDRESS DRAWER G, CITY-COUNTY COMPLEX  
CITY OR TOWN FLORENCE STATE S.C. ZIP 29501

Application must be completed in full. Submit original and one copy.

-----  
Description of Project:

Reburbishing and relocating existing 75,000 Gallon elevated storage tank and line extensions.

-----  
Anticipated Results of Projects:

Increase hydraulic gradient within system to allow for extension of line to serve an additional 50 customers and increase fire protection capabilities.

-----  
Source of Funding (Federal, State, Local, Private donations, etc...)

FEDERAL AND LOCAL TAP FEES.

016836

# EXHIBIT

MAR 25 1986

NO. 14

## Anticipated Expenditures (IN DETAIL)

## STATE BUDGET & CONTROL BOARD

### FLORENCE COUNTY WATER SYSTEM --

1. Refurbishing and relocating 75,000 gallon water tank donated by the Pee Dee Council of Governments at a cost of \$70,000.
2. Line extension to the Evergreen Community for \$100,000.
3. This request is to offset shortfall.

If approved, when will you need the funds? Date: May 1986 \$ 75,000.00

House Funds \$                     

Senate Funds \$                     

TOTAL \$ 75,000.00

### General Information

NOTE: General funds are not allowed for this purpose per Referendum in 1978.

- A. Unencumbered General Fund Balance
- B. How often is the applicant audited? Annually
- C. What period was covered by the last audit? July 1 through June 30
- D. What audit procedures will apply to Rural Improvement funds? Under single audit.
- E. Name and Title of individual responsible for administration of Grant:  
B.L. Elliott Title County Administrator

Approved by:

(Legislative Approval)

*Frank Dillard*  
*W.M. McKay*  
*John E. Smith*  
*John E. Smith*

Organization FLORENCE COUNTY

Authorized Signature *W.M. McKay* Title COUNTY ADMINISTRATOR

Phone (803) 665-3035 Date FEBRUARY 28, 1986

ALL FUNDS ARE SUBJECT TO RANDOM AUDIT

016837



# EXHIBIT

MAR 25 1986

NO. 15

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 25, 1986

REGULAR SESSION  
ITEM NUMBER

10

AGENCY: Executive Director

SUBJECT: Five-year Permanent Improvement Plan Update Schedule

In Part II (Permanent Provisions), Section 20 of Act 237 of 1975 is found the first provision for the alternate year approach for the submission of Budget and Control Board recommendations on capital improvement bond authorizations. That legislation, which amended Act 1377 of 1968, which is considered by the Legislative Council to be a temporary act, provided that the alternate year process begin in 1977.

This alternate year approach was affirmed in Act 518 of 1980, which was a bond act and which mostly amended Act 1377 of 1968. Section 13 of that Act amended Act 1377 of 1968 to provide that capital improvement bonds may be authorized by the General Assembly during the 1981 session and thereafter only in odd-numbered years.

Act 179 of 1981, which basically was a bond act, in Section 12, repeated the provision that the General Assembly may authorize capital improvement bonds during the 1981 session and thereafter only in odd-numbered years.

Section 5 of Act 179 of 1981 set out the five-year permanent improvement plan requirement and provided that plans be submitted to the Board and the Bond Committee on or before July 1, 1982, and updated as necessary and submitted in alternate years thereafter. The five-year plan process includes, in years one and two, agency requests for capital improvement bond authorizations.

Last year, in Part II (Permanent Provisions), Section 35 of Act 201 of 1985 (the general appropriations act), the General Assembly amended Act 1377 of 1968 to provide that capital improvement bonds may be authorized by the General Assembly in even-numbered years.

In summary, if the General Assembly is to authorize bonds in even-numbered years, preparations leading to the Board's recommendations must be begun in odd-numbered years. The process, as provided in Act 179 of 1981, has been the opposite which means that, under the earlier schedule, 1986 would be a year in which agencies would be asked to update their plans and requests. Under the schedule adopted by the General Assembly, preparations should be undertaken in 1987 for a bond bill to be acted on in 1988.

## BOARD ACTION REQUESTED:

Concur in staff view that the next update of five-year permanent improvement plans should be undertaken in calendar year 1987 in preparation for a bond bill in 1988, in accord with the 1985 action of the General Assembly to authorize bonds in even-numbered years.

## ATTACHMENTS:

016838



# EXHIBIT

MAR 25 1986

NO. 16

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 25, 1986

STATE BUDGET & CONTROL BOARD

ITEM NUMBER

11

AGENCY: Water Resources Commission

SUBJECT: Real Property Transaction (Easement Grant from Hilton Head Company)

The Board is asked to approve the acceptance of an easement from the Hilton Head Company, Inc., property on which to excavate four test holes and observation water wells for the purpose of monitoring water levels and conditions within Beaufort County. It is for a 30-year period.

BOARD ACTION REQUESTED:

Approve acceptance by Water Resources Commission of an easement from the Hilton Head Company, Inc., for property on which to install test holes and observation water wells to monitor water levels and conditions within Beaufort County.

ATTACHMENTS:

Referenced easement agreement

016839

# EXHIBIT

MAR 25 1986 NO. 16

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA )  
COUNTY OF BEAUFORT )  
EASEMENT FOR INSTALLATION,  
MAINTENANCE, AND USE OF TEST WELL

THIS EASEMENT, made this \_\_\_\_\_ day of \_\_\_\_\_, 1986, by and between The Hilton Head Company, Inc., a Delaware Corporation (hereinafter referred to as "Grantor") and the State of South Carolina, as represented by the South Carolina Water Resources Commission, ~~and the State Budget and Control Board~~, its successors and assigns (hereinafter referred to as "Grantee").

## W I T N E S S E T H:

WHEREAS, Grantor is the fee simple owner of a tract of land in Beaufort County, described in Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as the "Easement Property"); and

WHEREAS, this tract is appropriate and suitable for the installation of a testhole and an observation water well to monitor water levels and conditions within Beaufort County; and

WHEREAS, the State of South Carolina, through its agency, the South Carolina Water Resources Commission, is engaged in a project to monitor ground water levels and conditions in the Lowcountry Capacity Use Area, including Beaufort County, which monitoring project is vital to the short and long-term protection and management of the ground water resources within the Lowcountry Capacity Use Area; and

WHEREAS, the Grantor recognizes the benefits inuring to the Grantee in the construction and maintenance of the monitoring well on the tract.

016840

To be  
revised to  
state B+C  
WMA

STATE OF SOUTH CAROLINA   )  
  )  
COUNTY OF BEAUFORT        )

EASEMENT FOR INSTALLATION,  
MAINTENANCE, AND USE OF TEST WELL

THIS EASEMENT, made this \_\_\_\_\_ day of \_\_\_\_\_, 1986, by and between The Hilton Head Company, Inc., a Delaware Corporation (hereinafter referred to as "Grantor") and the State of South Carolina, as represented by the South Carolina Water Resources Commission, ~~and the State Budget and Control Board~~, its successors and assigns (hereinafter referred to as "Grantee").

W I T N E S S E T H:

WHEREAS, Grantor is the fee simple owner of a tract of land in Beaufort County, described in Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as the "Easement Property"); and

WHEREAS, this tract is appropriate and suitable for the installation of a testhole and an observation water well to monitor water levels and conditions within Beaufort County; and

WHEREAS, the State of South Carolina, through its agency, the South Carolina Water Resources Commission, is engaged in a project to monitor ground water levels and conditions in the Lowcountry Capacity Use Area, including Beaufort County, which monitoring project is vital to the short and long-term protection and management of the ground water resources within the Lowcountry Capacity Use Area; and

WHEREAS, the Grantor recognizes the benefits inuring to the Grantee in the construction and maintenance of the monitoring well on the tract.

016841



NOW, THEREFORE, the Grantor for and in the consideration of the sum of Ten (\$10.00) Dollars and other valuable consideration, the receipt of which is hereby acknowledged, and in consideration of the mutual covenants contained herein, does hereby grant and convey to the Grantee, its successors and assigns, an easement for a period of thirty (30) years from this date, subject to the rights, duties, affirmative or negative limitations, restrictions, and uses as are set forth herein:

1. Grantee shall have the right at its sole expense to excavate, install, construct, maintain, and enjoy the exclusive use of four (4) test holes and observation wells on the Easement Property. (A testhole is defined as an opening produced by drilling or augering method which extends into the earth. An observation well is defined as a hole produced by drilling or augering, which may or may not be cased or screened, which exists solely for the purpose of obtaining geologic and hydrologic information).

2. Grantee shall also have the right to install reasonably necessary maintenance facilities which shall first be approved in writing by the Plans Approval Board of The Hilton Head Company, Inc. Grantee agrees that the use of the testhole and observation well and maintenance shall not interfere with the Grantor's use of the remaining property surrounding the easement property known as Port Royal Plantation. The Grantor grants the right of ingress to an egress from the Easement Property for the purposes stated herein.

3. No trees or vegetation of any kind shall be disturbed or removed from the Easement Property without the prior written consent of the Grantor.

4. Grantee covenants that any installation, repair or maintenance undertaken pursuant to this Easement shall be at no cost or expense to Grantor, and that following any construction, installation, repair, maintenance, drilling, water sampling, water level monitoring, and other work, Grantee shall properly restore or cause to be restored the Easement Property to the same condition as existed prior to such work. Grantee further agrees to provide landscaping around the well site as requested by Grantor.

5. The testhole, observation well and appurtenances and all equipment for the maintenance and use thereof placed in or upon the Easement Property shall remain the property of the Grantee and shall be removed, filled, and/or plugged, etc., by the Grantee at its own cost and expense within thirty (30) days after the expiration of this Easement. Upon removal, filling and/or plugging, etc., of the testhole, observation well and appurtenance, the Grantee shall restore the Easement Property at its sole expense to as nearly as possible the same state and condition prior to the excavation, and/or installation of said Structure and its appurtenances.

6. Excavation and/or installation of said Structure at Grantee's sole expense shall begin within forty-five (45) days or a mutually agreeable time after the effective date of this Easement. The said Structure and appurtenances thereof shall be excavated, installed and maintained in a good, safe, diligent, and workman like manner at Grantee's sole expense.

7. Except as herein granted, the Grantor shall continue to have full use and enjoyment of the property. The Grantee shall bear full responsibility for the use and enjoyment of the easement property, including any loss, damage, costs or expenses, arising from Grantee's use of the Easement herein granted subject only to limitations imposed under the laws of the State of South Carolina.

8. This Easement shall become effective upon execution by the Grantor and Grantee and shall continue in full force and effect for a period of thirty (30) years following the date of this Easement.

9. This grant of Easement is subject to all matters of record in the Office of the Clerk of Court for Beaufort County, South Carolina.



IN WITNESS WHEREOF, the parties hereto have caused this Easement to be  
executed by their duly authorized officers effective the day and year  
first above written.

WITNESS:

\_\_\_\_\_  
\_\_\_\_\_

GRANTOR:

THE HILTON HEAD COMPANY, INC., a  
Delaware Corporation

By: \_\_\_\_\_  
Its

(CORPORATE SEAL)

ATTEST:

\_\_\_\_\_

GRANTEE:

SOUTH CAROLINA WATER RESOURCES  
COMMISSION

By: \_\_\_\_\_  
Its

SOUTH CAROLINA BUDGET AND CONTROL  
BOARD

By: Richard W. Riley  
Its

Kathleen M. Seepers  
William A. Theunis

EXHIBIT

MAR 25 1986 NO. 16

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF BEAUFORT )

PROBATE

Personally appeared before me \_\_\_\_\_ and  
made oath that s/he saw the within named THE HILTON HEAD COMPANY, INC.  
by \_\_\_\_\_, its \_\_\_\_\_,  
sign, seal and as their act and deed deliver the within written Easement  
and that s/he along with \_\_\_\_\_ witnessed the  
execution thereof.

Sworn to before me  
this \_\_\_\_\_ day of  
\_\_\_\_\_, 1986.

\_\_\_\_\_  
(SEAL)  
Notary Public for  
My Commission Expires: \_\_\_\_\_

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF BEAUFORT )

PROBATE

Pesonally appeared before me \_\_\_\_\_ and made oath  
that s/he saw the within named SOUTH CAROLINA WATER RESOURCES COMMISSION  
BY \_\_\_\_\_, its \_\_\_\_\_,  
sign, seal and as their act and deed deliver the within written Easement  
and that s/he along with \_\_\_\_\_ witnessed the execution  
thereof.

Sworn to before me  
this \_\_\_\_\_ day of  
\_\_\_\_\_, 1986

\_\_\_\_\_  
(SEAL)  
Notary Public for  
My Commission Expires: \_\_\_\_\_

# EXHIBIT

MAR 25 1986

NO. 1 6

STATE OF SOUTH CAROLINA )  
COUNTY OF BEAUFORT )

PROBATE

STATE BUDGET & CONTROL BOARD

Personally appeared before me William A. McInnis and made  
oath that ~~he~~ saw the within named SOUTH CAROLINA BUDGET AND CONTROL  
BOARD by Richard W. Riley, its Chairman, ~~adign.~~  
seal and as their act and deed deliver the within written Easement and  
that ~~she~~ along with Katherine M. Hepfer witnessed the  
execution thereof.

William A. McInnis

Sworn to before me  
this 25th day of  
March, 1986.

Joanna H. Williams (SEAL)

Notary Public for

My Commission Expires: 5/3/89



# EXHIBIT

MAR 25 1986

NO. 17

STATE BUDGET AND CONTROL BOARD  
MEETING OF MARCH 25, 1986

REGULAR SESSION

ITEM NUMBER

12

AGENCY: General Services

SUBJECT: Approval of Acceptance of Easements

It is proposed that the Board delegate to the Division of General Services authority to approve the acceptance of easements by governmental bodies, in accord with the requirements of Part II, Section 5 of the 1985-86 appropriations act. The Division would report all of these transactions to the Board on the blue agenda.

The Board previously delegated lease approvals to the Division in a somewhat similar action.

BOARD ACTION REQUESTED:

Delegate authority to approve the acceptance of easements by governmental bodies, in accord with the requirements of Part II, Section 5 of the 1985-86 appropriations act, to the Division of General Services, on the condition that all such transactions are reported to the Board promptly on the blue agenda.

ATTACHMENTS:

Part II, Section 5 of 1985-86 appropriations act.

016848

# EXHIBIT

MAR 25 1986 NO. 17

STATE BUDGET & CONTROL BOARD

No. 201]

OF SOUTH CAROLINA

1635

General and Permanent Laws--1985

## COMPENSATION FOR AGENCY HEADS.

A. Article 1 of Chapter 11 of Title 8 of the 1976 Code is amended by adding:

"Section 8-11-160. All boards and commissions are required to submit justification of an agency head's performance and salary recommendations to the Executive Salary and Performance Evaluation Commission. This Commission consists of four appointees of the chairman of the House Ways and Means Committee, four appointees of the Senate Finance Committee, and three appointees of the Governor with experience in executive compensation.

Salary increases for agency heads must be based on recommendations by each agency board or commission to the Executive Salary and Performance Evaluation Commission and their recommendations to the General Assembly."

B. The provisions of this section shall take effect July 1, 1985.

## SECTION 4

TO REPEAL SECTION 12-7-2418 OF THE 1976 CODE RELATING TO AN INCOME TAX CREDIT FOR EACH PERSONAL EXEMPTION ON THE SOUTH CAROLINA TAX RETURN AND

ADJUSTMENT OF THE CREDIT BY FOOD INFLATION FACTOR

Section 12-7-2418 of the 1976 Code is repealed.

## SECTION 5

TO REQUIRE ALL TRANSACTIONS INVOLVING REAL PROPERTY, MADE FOR OR BY CERTAIN GOVERNMENTAL BODIES, TO BE APPROVED BY AND RECORDED WITH THE BUDGET AND CONTROL BOARD UNLESS EXEMPTED.

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 unless a governmental body is expressly exempted by the Budget and Control Board.

## SECTION 6

TO AMEND SECTION 12-31-240 OF THE 1976 CODE, AS AMENDED, RELATING TO MOTOR CARRIER TEMPORARY PERMITS, SO AS TO REVISE THE DISTRIBUTION FORMULA; TO AMEND SECTION 12-31-250, RELATING TO MOTOR

016849

# EXHIBIT

MAR 25 1986

NO. 18

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 25, 1986

REGULAR SESSION

ITEM NUMBER

13

AGENCY: General Services

SUBJECT: Real Property Transaction (Wildlife)

The Division advises that the South Carolina Nature Conservancy wishes to convey 952 acres in Jasper County to the Wildlife and Marine Resources Department as a donation with the intention that the property be dedicated as a heritage preserve. This is intended to ensure that the area will remain in the natural state and be open to the public. Activities allowed under this arrangement include hiking, nature study, picnicking and hunting.

BOARD ACTION REQUESTED:

Approve acceptance by the Wildlife and Marine Resources Department of a 952-acre tract as a donation from the South Carolina Nature Conservancy with the intention that it be dedicated as a heritage preserve, in accord with the provisions of Part II, Section 5 of the 1985-86 Appropriations Act.

ATTACHMENTS:

Agenda item worksheet; Reeves March 6 letter to McInnis plus attachments

016850



BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

March 25, 1986

Blue Agenda

X Regular Session Agenda

Executive Session Agenda

1. Submitted By:

(a) Agency: S.C. Wildlife Department - Property Management

(b) Authorized Official Signature: John R. McInnis

2. Subject:

Acquisition of land in Jasper County

3. Summary Background Information:

The South Carolina Nature Conservancy wishes to convey 952 acres in Jasper County to the South Carolina Wildlife Department. The transfer will be a donation with the intent that it be dedicated as a Heritage Preserve. This will ensure that the area remains in a natural state and open to the public. Activities that will be allowed include hiking, nature study, picnicking and hunting. The Wildlife Department is seeking Board approval to accept this conveyance.

EXHIBIT

MAR 25 1986

NO. 18

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Approve

5. What is recommendation of the Board Division involved?

Approve

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

1. Letter of March 6, 1986 from John Reeves to William A. McInnis
2. Map of the property

016851

MAR 10 1986



*South Carolina  
Wildlife & Marine  
Resources Department*

James A. Timmerman, Jr., Ph.D.  
Executive Director  
John B. Reeves  
Director of  
Administrative Services

March 6, 1986

**EXHIBIT**

MAR 25 1986 **NO. 18**

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis  
Budget and Control Board  
618 Wade Hampton Office Building  
Columbia, South Carolina 29211

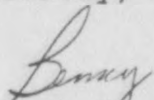
Dear Bill:

The Department is seeking approval of a 952 acre transfer of property in Jasper County to the Wildlife Department. The property transfer will be a donation from the S. C. Nature Conservancy with the intent that it be dedicated as a Heritage Preserve.

Enclosed is a map showing the location of the property which situates five miles west of Tillman on S.C. road #119. Development that may occur there includes an access road, parking area, hiking trails and signs. Recreational activities that will be allowed include hiking, nature study, picnicking and hunting. Dedication of the property as a Heritage Preserve will ensure that the area remains in a natural state and open to the public.

It will be appreciated if you would secure proper approval and advise me accordingly.

Sincerely,

  
John B. Reeves, Director  
Administrative Services

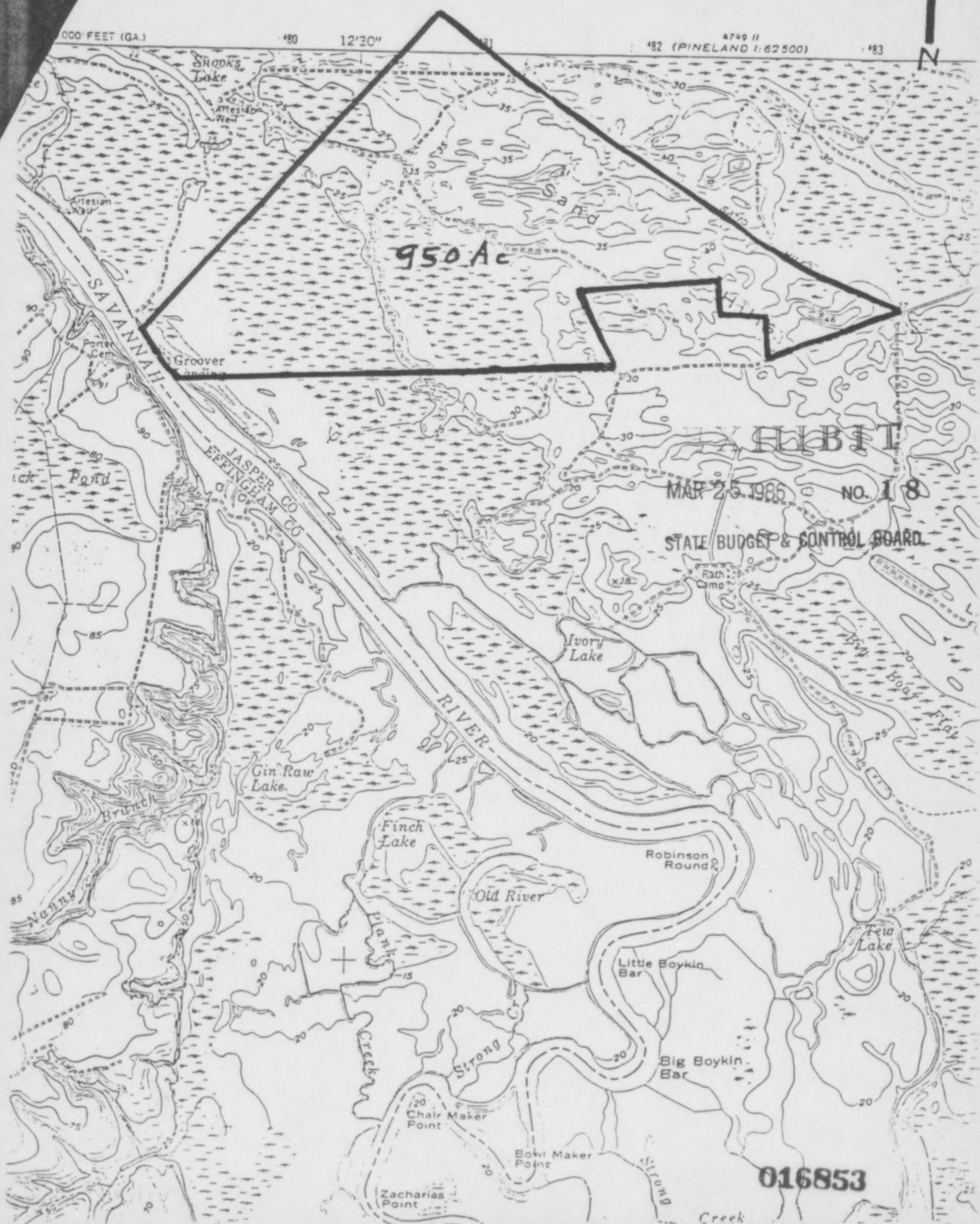
JBR/mbs  
Enclosure



**016852**



# TNC Tillman Sand Ridge Property





# EXHIBIT

MAR 25 1986 NO. 19

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 25, 1986

STATE BUDGET & CONTROL BOARD  
REGULAR SESSION  
ITEM NUMBER

14

AGENCY: Motor Vehicle Management

SUBJECT: Council Membership Appointments/Reappointment

The terms of all three of the members of the Motor Vehicle Management Council authorized by Code §1-11-230 either have expired or will expire in this calendar year. The law provides that these members be appointed by the Board with the advice and consent of the Senate. It is proposed that the effort to gain Senate advice and consent be undertaken now in order to accomplish it during the current legislative session.

The current members are as follows:

Mr. E. Graves Jones (term expires October 1, 1986)

Mr. James H. Drake (term expired October 1, 1985)

Mr. Arden Lemon (term expired October 1, 1984)

BOARD ACTION REQUESTED:

For information.

ATTACHMENTS:

Watts January 21, 1986, memo to Charles Smith

016854

# EXHIBIT

MAR 25 1986

NO. 19

STATE BUDGET & CONTROL BOARD

## **§ 1-11-230. Division of Motor Vehicle Management; Motor Vehicle Management Council.**

In order to develop proposed regulations for a comprehensive Motor Vehicle Management System, to act in an advisory capacity concerning the operations of the Division of Motor Vehicle Management, and to hear appeals against the enforcement of regulations promulgated by the Budget and Control Board pursuant to §§ 1-11-220 through 1-11-330, there is hereby established a Motor Vehicle Management Council consisting of three members appointed by the Budget and Control Board, with the advice and consent of the Senate. Members shall serve terms of four years, except that of those first appointed, one shall serve two years, one shall serve three years, and one for a full term. Members shall be from the private sector and possess expertise in the field of motor vehicle management. In the event of a vacancy on the Council by reason of death, resignation, removal for cause or any other reason, the vacancy shall be filled in the manner of the original appointment for the unexpired term. Two members, present and voting, shall constitute a quorum for the conducting of Council business. Council members will meet not less than quarterly, and shall be allowed the regular per diem, mileage, and subsistence as provided by law for members of state boards and commissions.

**HISTORY:** 1978 Act No. 644 Part II § 24(B), apparently effective July 24, 1978; 1982 Act No. 429, § 2, eff June 8, 1982.

### **Effect of Amendments—**

The 1982 amendment, in the first sentence, made it a function of the Motor Vehicle Management Council to act in an advisory capacity concerning the operations of the Division of Motor Vehicle Management, rather than to supervise the detailed operations, as was formerly provided.

016855

State of South Carolina  
Budget and Control Board



RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

DIVISION OF MOTOR VEHICLE MANAGEMENT  
ALLAN J. SPENCE, DIRECTOR

January 21, 1986

M E M O R A N D U M

TO: CHARLIE SMITH  
Office of the Executive Director  
State Budget and Control Board

FROM: MARTHA WATTS

RE: MOTOR VEHICLE MANAGEMENT COUNCIL

The information which you requested by telephone this date regarding the members of this Division's Motor Vehicle Management Council is listed below:

NAME AND ADDRESS	DATE OF APPOINTMENT	DATE TERM EXPIRES
Mr. E. Graves Jones Milliken and Company Post Office Box 1926 Spartanburg, S. C. 29304	03/22/83 (Reappointment)	10/01/86
Mr. James H. Drake 45 Smith Street Ware Shoals, S. C. 29692	10/19/81 (Reappointment)	10/01/85
Mr. Arden Lemon Post Office Box 278 Harleyville, S. C. 29448	10/02/80	10/01/84

The members of the Council do not represent any particular interest group. They serve in an advisory capacity in that they all have experience in the transportation field. Please advise if you require additional information.

EXHIBIT

MAR 25 1986 NO. 19

STATE BUDGET & CONTROL BOARD

REMBERT C. DENNIS  
CHAIRMAN, SENATE FINANCE

TOM G. MANGUM  
CHAIRMAN, WAYS AND MEANS

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

RECEIVED

FEB 25 1986

DIVISION OF MOTOR  
VEHICLE MANAGEMENT

016856



# EXHIBIT

MAR 25 1986

NO. 20

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 25, 1986

REGULAR SESSION  
ITEM NUMBER

15

AGENCY: Human Resource Management

SUBJECT: Policy Statement re Retroactive Salary Increases

The Division of Human Resource Management advises that several agencies recently have submitted requests for salary adjustments for employees with effective dates prior to the dates the requests were to be considered by the Budget and Control Board. Had the effective dates for the salary adjustments been approved as requested, the Board would have authorized retroactive salary increases.

To reaffirm the Board's position regarding retroactive salary increases, the Division recommends that the following policy statement for effecting salary adjustments/increases be transmitted to all agencies, departments and institutions:

All salary adjustments requiring approval of the Budget and Control Board or its designee shall be made effective only on or after the date of Board approval.

BOARD ACTION REQUESTED:

- (a) Approve policy on salary adjustments which provides that all salary adjustments requiring approval of the Budget and Control Board or its designee shall be made effective only on or after the date of Board approval; and
- (b) Approve proposed letter to agency heads.

ATTACHMENTS:

Agenda item worksheet and proposed letter to agency heads

016857

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

March 25, 1986

☐ Blue Agenda  
☐ Regular Session Agenda  
☒ Executive Session Agenda

1. Submitted By:

(a) Agency: Division of Human Resource Management

(b) Authorized Official Signature: Phyllis M. Mayes

2. Subject:

Policy Statement Regarding Retroactive Salary Increases

3. Summary Background Information:

Several agencies have recently submitted requests for salary adjustments for employees with effective dates prior to the date the requests were to be considered by the Board. Had the effective dates for salary adjustments been approved as requested, the Board in effect would have authorized "retroactive" salary increases.

To reaffirm the Board's position regarding retroactivity, a policy statement along with broad guidelines for effecting salary adjustments/increases should be transmitted to all agencies, departments and institutions.

EXHIBIT

MAR 25 1986 NO. 20

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Issue the following policy statement regarding retroactive salary adjustments/increases. "All salary adjustments/increases requiring approval of the Budget and Control Board or the Division of Human Resource Management shall not be made effective prior to the date approved by the respective authority."

5. What is recommendation of the Board Division involved?

Approve the policy and the attached letter to agency heads.

6. Recommendation of other office (as required)?

(a) Office Name \_\_\_\_\_ (b) Signature \_\_\_\_\_

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

016858

M E M O R A N D U M

TO: Agency Directors and Personnel Directors of All Agencies,  
Departments, Institutions, Boards and Commissions

FROM: Phyllis M. Mayes, Director  
Division of Human Resource Management

DATE: March 26, 1986

SUBJECT: Retroactive Salary Increases and Pay Actions

**EXHIBIT**

**MAR 25 1986**

**NO. 20**

**STATE BUDGET & CONTROL BOARD**

The Budget and Control Board views with concern the number of requests received from various agencies in recent months for salary increases with effective dates much earlier than the date the requests are to be considered by the Board.

At its meeting on March 25, 1986, the Board issued the following policy statement to reaffirm its position on retroactive salary increases: "All salary adjustments requiring approval of the Budget and Control Board or its designee shall be made effective only on or after the date of Board approval."

It is the desire of the Board that all salary actions be timely processed so that employee pay will not be adversely affected. When effecting salary changes, please refer to State Personnel Regulation 19-702.12.

**016859**



# EXHIBIT

MAR 25 1986

NO. 21

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 25, 1986

STATE BUDGET & CONTROL BOARD  
REGULAR SESSION  
ITEM NUMBER

16

AGENCY: Human Resource Management

SUBJECT: Request for Four-day Workweek (DHEC)

The Division of Human Resource Management recommends approval of the Department of Health and Environmental Control request to establish a four-day workweek for the Home Health Services Program.

The four-day workweek will provide expanded hours of operation while minimizing overtime costs. The present office hours are from 8:30 a.m. to 5:00 p.m. (8.5 hours). The proposed hours are from 7:30 a.m. to 6:00 p.m. (10.5 hours).

By expanding the hours of operation, nursing services can be provided during peak demand hours at opening and closing. By using flexible scheduling, the need for overtime hours outside normal work hours would be greatly reduced and would result in substantial cost savings. The estimated cost savings for staff members working overtime 2.5 hours less for one week per year would be \$10,558.

BOARD ACTION REQUESTED:

Approve the four-day, ten-hour-per-day workweek for the Department of Health and Environmental Control's Home Health Services Program.

ATTACHMENTS:

Agenda item worksheet and attachment

016860

# BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

March 25, 1986

Blue Agenda

☒ Regular Session Agenda

Executive Session Agenda

1. Submitted By:

(a) Agency: Division of Human Resource Management

(b) Authorized Official Signature: *Phyllis M. Mays*

2. Subject: South Carolina Department of Health and Environmental Control's  
Request for Four-Day Workweek

3. Summary Background Information:

The Department of Health and Environmental Control is requesting authorization to establish a four-day workweek for the Home Health Services Program. The purpose of the four-day workweek is to provide expanded hours of operation while minimizing overtime costs. Presently, the office hours are from 8:30 a.m. - 5:00 p.m. or 8.5 hours. The proposed hours are from 7:30 a.m. - 6:00 p.m. or 10.5 hours. By expanding the hours of operation, nursing services can be provided during peak demand hours at opening and closing. By using flexible scheduling, the need for overtime hours outside normal work hours would be greatly reduced representing substantial cost savings. The estimated cost savings for staff members working overtime 2.5 hours less for one week per year would be \$10,558.00.

EXHIBIT

MAR 25 1986 NO. 21

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Approve the four (4) day, ten (10) hour/day workweek for the Department of Health and Environmental Control's Home Health Services Program.

5. What is recommendation of the Board Division involved?

Approval

6. Recommendation of other office (as required)?

(a) Office Name \_\_\_\_\_ (b) Signature \_\_\_\_\_

7. Supporting Documents:

List Those Attached

Letter of Request from the Department of Health and Environmental Control, dated February 7, 1986.

Budget and Control Board Policy on Standard Workweek

List Those Not Attached But Available from Submitter

016861

# BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

March 25, 1986

Blue Agenda

X Regular Session Agenda

Executive Session Agenda

1. Submitted By:

(a) Agency: Division of Human Resource Management

(b) Authorized Official Signature:

*Phyllis M. Mayer*

2. Subject: South Carolina Department of Health and Environmental Control's  
Request for Four-Day Workweek

3. Summary Background Information:

The Department of Health and Environmental Control is requesting authorization to establish a four-day workweek for the Home Health Services Program. The purpose of the four-day workweek is to provide expanded hours of operation while minimizing overtime costs. Presently, the office hours are from 8:30 a.m. - 5:00 p.m. or 8.5 hours. The proposed hours are from 7:30 a.m. - 6:00 p.m. or 10.5 hours. By expanding the hours of operation, nursing services can be provided during peak demand hours at opening and closing. By using flexible scheduling, the need for overtime hours outside normal work hours would be greatly reduced representing substantial cost savings. The estimated cost savings for staff members working overtime 2.5 hours less for one week per year would be \$10,558.00.

EXHIBIT

MAR 25 1986 NO. 21

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Approve the four (4) day, ten (10) hour/day workweek for the Department of Health and Environmental Control's Home Health Services Program.

5. What is recommendation of the Board Division involved?

Approval

6. Recommendation of other office (as required)?

(a) Office Name \_\_\_\_\_ (b) Signature \_\_\_\_\_

7. Supporting Documents:

List Those Attached

Letter of Request from the Department of Health and Environmental Control, dated February 7, 1986.

Budget and Control Board Policy on Standard Workweek

List Those Not Attached But Available from Submitter

016861



BUDGET AND CONTROL BOARD POLICY ON STANDARD WORKWEEK

The standard workweek of South Carolina State government is a five-day workweek of not less than 37.5 hours, unless there is some compelling reason otherwise. It is recognized that agencies and institutions that must operate with twenty-four-hour coverage may use shift schedules that differ from the normal Monday through Friday workweek. However, any agency or institution, including those with twenty-four-hour operations, that wishes to change the workweek of an employee or group of employees to a workweek of less than five workdays must present compelling justification and receive prior approval of the Budget and Control Board.

In order for the Board to consider such a request, the following information must be provided to the State Personnel Director:

1. Reason for requesting the change;
2. Current work schedule;
3. Scope of the change
  - a. Agencywide or areas affected
  - b. Number of employees affected
  - c. Proposed new work schedule;
4. Duration - permanent or inclusive dates;
5. Anticipated costs or savings associated with the change; and
6. Effects on services provided by the agency.

# South Carolina Department of Health and Environmental Control

2600 Bull Street  
Columbia, S.C. 29201

Commissioner  
Robert S. Jackson, M.D.



Board  
Moses H. Clarkson, Jr., Chairman  
Gerald A. Kaynard, Vice-Chairman  
Oren L. Brady, Jr., Secretary  
Barbara P. Nuessle  
James A. Spruill, Jr.  
William H. Hester, M.D.  
Euta M. Colvin, M.D.

February 7, 1986

EXHIBIT

MAR 25 1986

NO. 21

STATE BUDGET & CONTROL BOARD

Phyllis M. Mayes, Director  
Division of Human Resource Management  
1205 Pendleton Street  
Columbia, S.C. 29211

Dear Ms. *Phyllis* Mayes:

This Department's Home Health Services Program serves patients in South Carolina who are confined to their homes due to illness or injury. Frequently, a patient's care requires personal services outside normal working hours. Consequently, we are requesting variable work hours for Registered Nurses and Community Health Aide/Nursing Assistants assigned to the Home Health Services Program statewide. This will allow flexible staffing arrangements in order to accommodate the varying needs of our patients while minimizing monetary or comp time call back and/or overtime accumulations.

The work hours we are proposing would allow staff to change from the present schedule of 8:30 a.m. - 5:00 p.m., five days per week, to the more cost effective 7:30 a.m. - 6:00 p.m., four days per week. Staff coverage would still be provided Monday through Friday on a rotating basis, and in conjunction with individual caseload demands.

The adoption of flexible work hours would preclude additional work time outside normal work hours (8:30 a.m. - 5:00 p.m.) and eliminate the call back/overtime expenses for the time covered by the extended work day as follows:

Registered Nurse minimum hourly rate	\$8.48	
2 1/2 hours call back for one week/year	\$21.20	
X 345 full time positions statewide	=	<u>\$7314.00</u> per year saved
Comm. Health Aide/Nursing Asst minimum hourly rate	\$4.89	
2 1/2 hours overtime for one week/year	\$18.33	
X 177 full time positions statewide	=	<u>\$3244.00</u> per year saved
TOTAL		<u>\$10558.00</u>

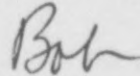
The actual savings would undoubtedly be more than the example total, as most program staff would have patients requiring care outside present work hours more often than one week per year.

016863

The variable work hour proposal will be considered permanent until such time that programmatic, or other related factors, make this arrangement ineffective.

Your support of this proposal is appreciated. Please advise if additional information can be provided.

Sincerely,



Robert S. Jackson, M.D.  
Commissioner

RSJ/em

BPS:0043:2/86

EXHIBIT

MAR 25 1986 NO. 21

STATE BUDGET & CONTROL BOARD

016864



# EXHIBIT

MAR 25 1986

NO. 22

STATE BUDGET AND CONTROL BOARD  
MEETING OF MARCH 25, 1986

REGULAR SESSION  
ITEM NUMBER

17

AGENCY: General Services

SUBJECT: Approval of Trade-in (Education)

The Division advises that the Department of Education desires to procure computer equipment in a transaction involving a trade-in of a NAS 7000 DPC valued at \$450,000. Under the Board's regulations, trade-ins valued in excess of \$25,000 are subject to Board approval. The cost of the equipment to be acquired is \$1,611,750, exclusive of the trade-in.

The Treasurer's Office is examining the interest rate question and will advise the Board on this at the meeting.

BOARD ACTION REQUESTED:

Approve trade-in by the Department of Education of NAS CPU equipment valued at \$450,000 on acquisition of computer equipment to cost a total of \$1,611,750.

ATTACHMENTS:

Agenda item worksheet plus attachment.

016865

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

March 25, 1986

☒ Blue Agenda  
☐ Regular Session Agenda  
☐ Executive Session Agenda

1. Submitted By:

(a) Agency: Department of Education

(b) Authorized Official Signature:

2. Subject:

Financing Information Technology for Department of Education

3. Summary Background Information:

The Department of Education wishes to procure a National Advanced System 8083 CPU. The cost of the CPU is \$1,535,000.00 including \$450,000.00 trade-in, and \$5,000.00 delivery. The total cost would be \$1,611,750.00 which includes \$76,750.00 sales tax. DOE would like to finance \$866,750.00 and repay in three annual installments, with the option for early pay out included. Funds for this procurement are appropriated funds.

Trade-in consists of existing National Advanced System's CPU equipment.

# EXHIBIT

MAR 25 1986

NO. 22

4. What is Board asked to do?

STATE BUDGET & CONTROL BOARD

Approve the trade-in and the financing of the acquisition at an acceptable rate of financing.

5. What is recommendation of the Board Division involved?

Approve the Agency's request.

6. Recommendation of other office (as required)?

(a) Office Name \_\_\_\_\_ (b) Signature \_\_\_\_\_

7. Supporting Documents:

List Those Attached

1.) IRM Approval

2.) P.R. #44981

List Those Not Attached But Available from Submitter

1.) Contact Agency:  
Harold Cole  
758-8846

2.) Buyer: Jim Clark  
758-6060

016866

*[Signature]*

Req. No. **R** 44981 ✓  
Date

SDE FORM NO. 509-A

Agency Buyer

Vendor (CSP Use Only)	Code
NATIONAL ADVANCED SYSTEMS 41 PERIMETER CENTER SUITE 660 ATLANTA, GA 30346	00361

Invoice to:	Code 1108200
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South Carolina Department of Education  
Accounts Payable, Office of Finance  
3rd Floor Rutledge Building  
1429 Senate Street  
Columbia, S. C. 29201

Ship or Deliver to: Code 0000057

Educational Data Center  
1429 Senate Street  
1202 Rutledge Building  
Columbia, SC 29201 Attn: Frank Carter

Term Contract	Sole Source	Emergency	MBE
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Delivery Date MAR 26, 1986

F.O.B. Dest. ☒ Other

Discount Terms \_\_\_\_\_

Contract No. 2-205-00361-03/19/86

Agency Accounting Information:

BUDGET ANALYST: R. Roda Exham

DATE: 2-7-86

ORGANIZATION NAME: Ed. Data Center

SUB FUND NAME: State

PROJECT COMPONENT NAME:

3- $\phi$  R- $\phi$  A- $\phi$

CODE 99010800 SED

CODE	1	0	0	1				
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CODE							
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☐ Confirmation Order Dated \_\_\_\_\_ Prepay Freight & Add to Invoice ☐

ITEM	QTY.	UNIT OF MEAS.	COMMODITY CODE	DESCRIPTION	EST. UNIT COST	PURCHASING USE ONLY		OBJECT CODE
						UNIT PRICE	TOTAL PRICE	
	1	EA	205-01	CPU Replacement Processor		\$1,888.86. <sup>00</sup>	\$1,888.86. <sup>00</sup>	060400
							\$1,888.86. <sup>00</sup>	

Requested Delivery Date: March 29, 1986

Title DP Administrator

Requester Frank Carter 2-6-86

Title Director, Data Center

Authorized Harold

Title Deputy Superintendent

Approved [Signature]

## Special Delivery Instructions

Installed ☒

The approver certifies that the items indicated hereon are for the exclusive use of the public agency named, that they are exempt from Federal Excise Tax and that if the items are used otherwise than stated hereon, such facts will be reported by the undersigned to the manufacturer as required by law and that failure to do so will subject the undersigned and all guilty parties to a fine of not more than \$10,000.00 or to imprisonment for not more than five years, or both, together with the cost of prosecution.

## Memoranda

Item Traded *NAS 7000 DPC* Decal No.

Trade-In Allowance \$ 450.00

Received by

## PURCHASING



STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
DIVISION OF INFORMATION RESOURCE MANAGEMENT

1205 GERMAIN STREET  
COLUMBIA, S.C. 29201  
(803) 758-2771

EXHIBIT

MAR 25 1986

NO. 22

STATE BUDGET & CONTROL BOARD

RICHARD A. FLEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON JR.  
STATE TREASURER

EARLE E. MORRIS JR.  
COMPTROLLER GENERAL



TED L. LIGHTLE  
DIVISION DIRECTOR

REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM C. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

January 27, 1986

Mr. Harold L. Cole, Director  
Educational Data Center  
Department of Education  
1429 Senate Street  
Columbia, South Carolina

Dear Mr. ~~Cole~~: *Harold*

We have now completed our review of (1) your request of July 1, 1985 for a processor upgrade, (2) the information you provided subsequently on October 15, 1985 to support this request, and (3) the information we recently gathered at DOE in conjunction with Clemson University regarding the feasibility of transferring the TEC workload from your system to Clemson, and we hereby give our approval for the requested upgrade. An exhaustive study of the facts in this matter indicated that an upgrade is called for and that the cost associated with the alternative of running the TEC workload at Clemson does not compare favorably with the cost of continuing to run the workload on the DOE system.

Further, we understand that you have determined to your satisfaction that an upgrade (memory and channels) to your existing processor would not solve the problems you face and that this approach is not a viable one.

A copy of this letter is being forwarded to Harold Stewart of MMO to document our approval. If we can be of further assistance to you in this matter, please let me know.

Very truly yours,

*Ted*  
Ted L. Lightle  
Division Director

DBS/kg

cc: Harold Stewart  
Larry Huckabee  
Doug Smith

Planning Development

(803) 758-2771

DIVISION OF INFORMATION RESOURCE MANAGEMENT

Program Coordinator

Administration

(803) 758-2771

Operations

Support and Processing

100 Germain St.

(803) 758-5387

Legislative Service

1105 Pendleton St.

(803) 758-0392

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