

MINUTES OF
Budget and
Control Board
Meeting
September 18, 1981

06885

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

September 24, 1981

MEMORANDUM

TO: Budget and Control Board Division Directors

FROM: William A. McInnis, Secretary *WAM*

SUBJECT: Budget and Control Board Actions at September 18, 1981 Meeting

At the referenced meeting, which was conducted by phone from Room 212 in the Wade Hampton Office Building, the Budget and Control Board took the following actions:

1. Approved a Department of Mental Health request to increase the budget of the S.C. State Hospital Energy Facility Project by adding \$1,265,000 of Surplus Paying Patient Fee Debt Service Funds and for the approval of the award of a contract for the project on which the bids will expire on September 21, 1981, after having been advised that the Joint Bond Review Committee had approved the budget increase previously;
2. Approved the following positions above the number authorized in the 1981-82 Appropriations Act to implement the Desegregation Plan, after having been advised that the Joint Legislative Committee on Personal Service Financing and Budgeting had recommended their approval: S. C. State College, 21; Denmark Technical College, 2; and Commission on Higher Education, 1; and
3. Approved a Greenville County petition to issue \$550,000 of Industrial Revenue Bonds on behalf of the G & G Enterprises Project.

WAM:rd

06886

MINUTES OF BUDGET AND CONTROL BOARD MEETING

SEPTEMBER 18, 1981 1:30 P. M.

The Budget and Control Board met by telephone beginning at 1:30 P. M. on Friday, September 18, 1981 with the following members participating:

Governor Riley (through Executive Assistant Clarke)
Mr. Grady L. Patterson, Jr.
Mr. Earle E. Morris, Jr.
Representative Tom G. Mangum

Senator Rembert C. Dennis was not contacted.

MENTAL HEALTH - ENERGY FACILITY PROJECT BUDGET INCREASE AND CONTRACT

AWARD - The Board approved a Department of Mental Health request to increase the budget of the S. C. State Hospital Energy Facility project by adding \$1,265,000 of surplus paying patient fee debt service funds and approved that Department's request for authority to award a contract for that project on which bids will expire on September 21, 1981, after the Board was advised that the Joint Bond Review Committee previously had approved the referenced budget increase.

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

S. C. STATE COLLEGE ET AL - ADDITIONAL POSITIONS TO IMPLEMENT

DESEGREGATION PLAN - After the Board was advised that the Joint Legislative Committee on Personal Service Financing and Budgeting had recommended their approval, the Board approved the following positions above the number authorized in the 1981-82 Appropriations Act to implement the desegregation plan: S. C. State College, 21 positions; Denmark Technical College, 2 positions; and Commission on Higher Education, 1 position.

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

06887

BCB Meeting
2 - 9/18/81

GREENVILLE COUNTY - INDUSTRIAL REVENUE BOND PETITION - The Board adopted a resolution approving a Greenville County petition to issue \$550,000 of Industrial Revenue Bonds on behalf of the G&G Enterprises project which will provide employment for approximately twenty persons in the manufacture of textile and specialty chemicals.

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

[Secretary's Note: In compliance with Section 9 of Act 593 of 1978 (the Freedom of Information Act), public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary in the State House and near the Board Secretary's Office in the Wade Hampton Office Building at 12:00 noon on September 17, 1981.]

06888



SEP 17 1981

House of Representatives - State of South Carolina

EXHIBIT

Charles E. Hodges
District No. 104-Horry County
4307 Broad Street
Loris, S.C. 29569

SEP 18 1981 NO. 1
STATE BUDGET & CONTROL BOARD

228 Blatt Building
Columbia, S.C. 29211

Tel. (803) 758-8316

September 17, 1981

Committees:

Ways and Means
Capital Improvements Bond Review Committee - Chairman
S.C. Committee on Tourism and Trade - Chairman
Public Transportation Study - Vice Chairman
State Reorganization Commission - Chairman
Majority Leader

Mr. William A. McInnis
Deputy Executive Director
State Budget & Control Board
212 Wade Hampton Bldg.
Columbia, South Carolina 29201

In Re: SL5-82; Criminal Justice Academy and Dept. of
Mental Health

Dear Mr. McInnis:

Transmitted herewith is Summary #15-82 indicating the Joint Bond Review Committee's approval, per Poll of September 17, of the following projects:

- 1(A) - Criminal Justice Academy - Re-roof West Dorm
- (B) - Criminal Justice Academy - Renovate Roof of Admin. Bldg.
- 3 ---- Mental Health Department - S. C. State Hospital Energy Facility

With kind regards,

Sincerely,

Charles E. Hodges, Chairman
Joint Bond Review Committee

CEH:lc

Enc. - SL5-82

06889

SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY STATE AGENCIES AND INSTITUTIONS

Assembled by staff of State Budget and Control Board. Summary forwarded to Joint Bond Review Committee 8/25/81.

Date

Page 1 of 1.

NUMBER

15-82

NAME OF AGENCY OR INSTITUTION	ACTION PROPOSED	FUNDING CHANGE PROPOSED Amount/Source	PROJECT NUMBER	PROJECT NAME/PURPOSE OF REVISION/IMPACT ON SCOPE	COMMITTEE REVIEW	BOARD APPROVAL
1. CRIMINAL JUSTICE ACADEMY (A)	Authorize use of funds for this purpose	\$40,000 Bond Forfeitures	Not yet assigned	Re-roofing West Dorm	APPROVED PER POLL 9/17/81	
Supporting document pages 1-4						
(B)	Authorize use of funds for this purpose	\$75,000 Bond Forfeitures	Not yet assigned	Renovation - Roof - Administration Building	APPROVED PER POLL 9/17/81	
Supporting document pages 5-7						
(C)	Authorize use of funds for this purpose	\$38,000 Bond Forfeitures	Not yet assigned	Water Main - Ranges To provide fire protection and domestic water.		
Supporting document pages 8-10						
2. WILDLIFE AND MARINE RESOURCES	Revise budget (increase) to \$136,352	Add \$26,344 Federal Funds (BOR Contract 45-00809)	P24-055	Victoria Bluff Boat Ramp To award contract for which bids expire September 18, 1981.	APPROVED PER POLL 8/25/81	
Supporting document pages 11-13						
3. MENTAL HEALTH	Revise budget (increase) to \$6,710,000	Add \$1,265,000 Surplus Paying Patient Account	J12-011	Energy Facility - S. C. State Hospital To award contract for which bids expire September 21, 1981.	APPROVED PER POLL 9/17/81	
Supporting document pages 14-18						

EXHIBIT

SEP 18 1981 NO. 1

STATE BUDGET & CONTROL BOARD

06890

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

August 25, 1981

EXHIBIT

SEP 18 1981 NO. 1

STATE BUDGET & CONTROL BOARD

The Honorable Charles E. Hodges, Chairman
Joint Bond Review Committee
228 Blatt Office Building
Columbia, SC 29201

Dear Representative Hodges:

Summary 15-82, Permanent Improvement Project Actions Proposed
by the Criminal Justice Academy, the Wildlife and Marine Resources
Department and the Department of Mental Health

The referenced summary, consisting of five proposed actions, is
enclosed.

Item 2, relating to a Victoria Bluff boat ramp project of the Wildlife
and Marine Resources Department, and Item 3, relating to the Department of
Mental Health's energy facility project at the State Hospital, each involve
a bid award deadline. The bids on the boat ramp project expire on September
18, 1981, while the bids on the energy facility project expire on September
21, 1981.

Please let us know if you need additional information on these items
or if we might assist your Committee in its review of them.

Sincerely,

William A. McInnis

William A. McInnis
Deputy Executive Director

WAM:dw

Enclosure

*cc: Clifford Moyer
Benny Reeves
Racine Brown
Kitty Clarke
Lib Croft
John McPherson

06891

SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY STATE AGENCIES AND INSTITUTIONS

Assembled by staff of State Budget and Control Board. Summary forwarded to Joint Bond Review Committee 8/25/81.

Date

Page 1 of 1.

NUMBER
15-82

NAME OF AGENCY OR INSTITUTION	ACTION PROPOSED	FUNDING CHANGE PROPOSED Amount/Source	PROJECT NUMBER	PROJECT NAME/PURPOSE OF REVISION/IMPACT ON SCOPE	COMMITTEE REVIEW	BOARD APPROVAL
1. CRIMINAL JUSTICE ACADEMY (A)	Authorize use of funds for this purpose	\$40,000 Bond Forfeitures	Not yet assigned	Re-roofing West Dorm		
Supporting document pages 1-4						
(B)	Authorize use of funds for this purpose	\$75,000 Bond Forfeitures	Not yet assigned	Renovation - Roof - Administratin Building		
Supporting document pages 5-7						
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Supporting document pages 14-18						

STATE BUDGET & CONTROL BOARD

SEP 18 1981

NO. 1

EXHIBIT

06892

SUPPORTING DOCUMENTATION

FOR

Summary of Permanent Improvement Project Actions
Proposed by State Agencies and Institutions

Summary Number 15-82

Forwarded to Joint Bond Review Committee

August 25, 1981

by

Staff, State Budget and Control Board

06893

REVISION OF PROJECT COST ESTIMATE

Date August 18, 1981

Institution or Agency S. C. Department of Mental Health

Name of Project Energy Facility - S. C. State Hospital No. J12-011

EXHIBIT

To: State Budget and Control Board
Columbia, South Carolina

SEP 18 1981 NO. 1

Your approval of the following revised cost estimate on the above project is requested.
A statement is attached indicating the necessity of these revisions. *

Item	Last Estimate	Revised Estimate	Change
Site	\$	\$	\$
Grading			
Construction	4,096,296	5,797,977	+1,701,681
Fees	327,704	463,838	+ 136,134
Renovation			
Basic Equipment and Supplies	83,000	83,000	0
Landscaping			
Builder's Risk Insurance	38,000	38,000	0
Other	446,000	80,000	- 366,000
STATE BUDGET & CONTROL BOARD			
Contingencies	454,000	247,185	- 206,815
Total Estimated Cost	\$ 5,445,000	\$ 6,710,000	\$ +1,265,000

\$ 75,000-Pay.Pat.Acct.-App April 19, 1979
5,370,000-Pay.Pat.Acct.-App Mar 4, 1981
1,265,000-Pay.Pat.Acct.-

(Signed) William S. Hall M.D.
William S. Hall, M. D.,
Title State Commissioner of Mental Health

* If the total estimated cost of the project has been increased, the source of the additional funds required should be indicated also.

APPROVED: _____
State Auditor

DATE: _____
06894

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South Carolina Department of Mental Health

An Equal Opportunity Employer

P.O. Box 485 / 2414 Bull Street / Columbia, South Carolina 29202 / (803) 758-80

William S. Hall, M.D.
State Commissioner of Mental Health

August 19, 1981

EXHIBIT

SEP 18 1981 NO. 1

STATE BUDGET & CONTROL BOARD

Mr. John A. McPherson, Jr., P. E.
Chief Engineer-Finance Division
S. C. Budget and Control Board
P. O. Box 11333
Columbia, South Carolina 29211

RE: Project #J12-011
Energy Facility - Downtown Campus

Dear Mr. McPherson:

I am enclosing a Request to Execute a Construction Contract (SCB&CB Form E-2) and a Revision of Project Cost Estimate (SCB&CB Form E-11) for this project. The S. C. Mental Health Commission during a business meeting on August 18, 1981 approved the awarding of the contract to M. B. Kahn Construction Co., Inc. for the base bid in the amount of \$5,797,977.00. From the detailed investigation, the conclusion was not to accept the alternate. I am requesting that you review these documents and upon your concurrence, present them to the Executive Secretary of the Budget and Control Board for the Board's approval.

Sincerely,

William S. Hall
William S. Hall, M. D.

State Commissioner of Mental Health

WSH:RBP:rsh

Enclosures: E-11
E-2
Bid Comparison

RECEIVED

AUG 20 1981

STATE ENGINEER'S
OFFICE

06895

15



South Carolina Department of Mental Health

An Equal Opportunity Employer

P.O. Box 485 / 2414 Bull Street / Columbia, South Carolina 29202 / (803) 758-80

William S. Hall, M.D.
State Commissioner of Mental Health

August 19, 1981

EXHIBIT

SEP 18 1981 NO. 1

STATE BUDGET & CONTROL BOARD

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Chief Engineer-Finance Division
S. C. Budget and Control Board
P. O. Box 11333
Columbia, South Carolina 29211

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Sincerely,

William S. Hall
William S. Hall, M. D.

State Commissioner of Mental Health

WSH:RBP:rsh

Enclosures: E-11
E-2
Bid Comparison

RECEIVED

AUG 20 1981

STATE ENGINEER'S
OFFICE

06895

15

REQUEST FOR AUTHORITY TO EXECUTE A CONSTRUCTION CONTRACT

Date August 18 1981

Institution or Agency S. C. Department of Mental Health

Name of Project Energy Facility - S. C. State Hospital No. J12-011

To: State Budget and Control Board
Columbia, South Carolina

EXHIBIT

SEP 18 1981 NO. 1

Attached herewith is a tabulation of bids received on the above named project on July 23, 1981
STATE BUDGET & CONTROL BOARD

Your authorization is requested to enter into a contract with the following bidder, whose bid has been determined to be the most advantageous:

Name of Bidder M. B. Kahn Construction Co., Inc.
P. O. Box 1179, Columbia, S. C. 29202

*Amount of Bid - - - - - \$ 5,797,977

Amount Estimated Prior to Receipt of Bids - - - - - Estimate 1980 \$ 4,424,000
Detailed estimate during review 5,687,000

(Signed) William S. Hall M.D.
William S. Hall, M. D.
State Commissioner of Mental Health

Bid Security Expires - September 21, 1981 Title _____

APPROVED: _____ DATE: _____
State Auditor

RECEIVED

Note: Two copies of Form E-11, "Revision of Project Cost Estimate" should be submitted with this Request.
AUG 20 1981

STATE ENGINEER'S
OFFICE

*If alternates were involved in the call for bids, it should be clearly shown how the proposed contract figure was determined.

06896

16

0-16-011

Bid Comparison

For
Engineering Construction Projects

LOCKWOOD GREENE
ARCHITECTS - ENGINEERS

Pkg. No. GEN. CONSTRUCTION

Item _____

Project SCDMH-CENTRAL ENERGY FDC

Job No. 79406 Date 7-23-81

Description BIDDER & TEL NO.	Q EST.	BID LISC. CONF. LISC. NO.	* BID	UNIT PRICE PER LIN FT.	BID BOND SP. AIA A310	ALT. NO. 1	SUBCONTRACTORS (MECH., HYD., ELECT)
WISE CONSTRUCTION ^{CO}	✓	✓	\$6,133,000 ⁰⁰	3 ³⁰	✓	\$-165,000 ⁰⁰	M MERRITT HVAC MERRITT EL GREGORY
E.W. JEROME	✓	✓	\$6,162,000 ⁰⁰	3 ⁰⁰	✓	\$-162,000 ⁰⁰	M MERRITT H MERRITT E MERRITT
M.B. KAHN	✓	✓	\$5,797,977 ⁰⁰	3 ⁰⁰	✓	\$-148,954	M BLACKSTONE H BLACKSTONE E CAROLINA
SHERMAN	✓	✓	\$5,994,843 ⁰⁰	3 ⁰⁰	✓	\$-92,400	M BLACKSTONE H BLACKSTONE E GREGORY
MARTIN ENGINEERING	✓	✓	\$5,918,000 ⁰⁰	4 ¹⁵ - 3 ⁰⁰	✓	\$-168,800	M MERRITT H MERRITT E MERRITT
TRIANGLE	✓	✓	\$6,014,313	3 ⁰⁰	✓	\$-167,200	M MERRITT H MERRITT E MERRITT

Recommendation _____

06897 Bid SECURITY EXPIRES - SEPTEMBER 21, 1981

Lockwood Greene Engineers, Inc.

Approved _____
(Owner)

Date _____ Approved _____
(Project Manager)

Date _____
(Title)

17

LOCKWOOD GREENE
ARCHITECTS • ENGINEERS

Bid Comparison For Engineering Construction Projects

Pkg. No. GEN. CONSTRUCTION

Item _____

Project SCDAH-CENTRAL ENERGY FDC

Job No. 79406 Date 7-23-81

[illegible]

ockwood Greene Engineers, Inc.

Approved _____
(Owner)

Date _____ Approved _____

Date _____

Date 18

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
Columbia
29211

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

WILLIAM T. PUTNAM
EXECUTIVE DIRECTOR

August 20, 1981

EXHIBIT

SEP 18 1981 NO. 2

STATE BUDGET & CONTROL BOARD

MEMORANDUM

TO: Jesse Coles

FROM: Bill McInnis *WAM*

SUBJECT: Additional Positions Related to South Carolina Desegregation Plan

Attached is a copy of CHE Executive Director Howard Boozer's August 12 letter to Mr. Putnam in which a request is made for the authorization of twenty-four additional positions. Twenty-one of these are to be at South Carolina State College, two are to be at Denmark TEC, and one additional position is to be located at the Commission on Higher Education itself.

At its August 19 meeting, the Budget and Control Board approved in concept the outline of the proposed uses of funds as presented in Dr. Boozer's letter and agreed to forward his request for the additional positions to the Joint Legislative Committee on Personal Service Financing and Budgeting.

Since these items are processed through the Finance Division, I would appreciate your handling of this item from this point.

WAM:dw
Enclosure

Joint Legislative Committee on Personal Service Financing and Budgeting

Comment:

Recommend Approval of positions, and to keep in mind that pursuant to Part II, Section 31, of the 1981-82 Appropriation Act, that if the Board approves the request, the positions will have to be listed in the Fiscal Year 1982-83 Appropriation Bill as new positions.

06899



SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION

RUTLEDGE BUILDING
1429 SENATE STREET
COLUMBIA, S. C. 29201

HOWARD R. BOOZER
EXECUTIVE DIRECTOR

August 12, 1981

RECEIVED
AUG 12 1981
BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

TELEPHONE
803/758-2407

EXHIBIT

SEP 18 1981 NO. 2

STATE BUDGET & CONTROL BOARD

Mr. William T. Putnam
Executive Director
S. C. Budget and Control Board
212 Wade Hampton Building
Columbia, SC 29201

Dear Mr. Putnam:

The 1981-82 General Appropriation Act includes \$800,000 allocated to the Budget and Control Board for implementation of the South Carolina Desegregation Plan. Included in the funds appropriated for South Carolina State - Program Enhancement, Denmark Tech. - Program Enhancement, and for Higher Education - Student/Faculty Recruitment, are costs for new personnel. Details concerning this appropriation are provided in the enclosed table.

The purpose of this letter is to request formal authorization of the new positions required. Information on the positions required for each category of funding follow:

1. South Carolina State - Program Enhancement (\$410,426)
 - a. Strengthen Existing Programs (Faculty) - (10) \$200,000

The following programs are to be enhanced to meet accreditation standards by adding ten new faculty members in 1981-82: History, Political Science, Mathematics, Communications, Natural Sciences, Business, Education, Habilitative Sciences, Behavioral Sciences, and Industrial Education.

- b. Strengthen Academic Support (3) \$37,900

Two analysts and one graduate assistant are required in 1981-82 to provide at South Carolina State the planning, management, evaluation, and coordination needed to conduct enhancement activities on that campus.

- c. B.S. in Marketing and B.S. in Economics (2) \$(0)

The enhancement programs in Marketing and Economics as approved by the Commission on Higher Education are expected to generate the funds required to implement and sustain them. However, one new faculty position is required for each of these programs.

06900

Mr. William T. Putnam
Page 2
August 12, 1981

EXHIBIT

SEP 18 1981 NO. 2

- d. B.S. in Computer Science (1) \$42,000

STATE BUDGET & CONTROL BOARD

This enhancement program requires the addition of one new faculty member. Of the \$42,000 listed, \$12,000 is for additional library holdings.

- e. Engineering Technology (Strengthen Faculty) (3) \$84,500

One new faculty member each is required in 1981-82 to strengthen Civil, Electrical, and Mechanical Engineering Technology. Of the \$84,500 listed, \$4,500 is for additional library holdings and operating expenses.

- f. Ed.D. and Ed.S. in Educational Administration (2) \$46,026

One faculty member and one staff position are required to begin developing these two programs for implementation at South Carolina State College.

2. Denmark Tech. Enhancement (2) \$100,000

- a. This enhancement program requires the addition of one faculty member (\$21,113) in the Associate Degree in Public Service program and one part-time faculty member (\$4,962) in the Associate Degree in Business program.

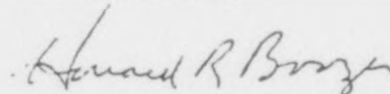
3. Student/Faculty Recruitment (1) \$289,574

One Data Key Entry Operator, Grade 13 (entry salary \$10,930) is required by the South Carolina Commission on Higher Education to monitor and evaluate recruitment and other Desegregation Plan activities.

We regret that the timetable for approval of the Desegregation Plan did not permit a formal request for these positions earlier. Under the circumstances, the appropriation of funds to implement the Plan in 1981-82 is strong evidence of the State's commitment to the achievement of the goals set forth in the Plan.

We appreciate your assistance in presenting this request to the Joint Legislative Committee on Personal Service Financing and Budgeting and to the Budget and Control Board.

Sincerely,



Howard R. Boozer

HRB:dm

Enclosure

cc: Dr. James E. Bostic, Jr.
Dr. Terry K. Peterson

06901

SEP 3 1981

The State of South Carolina



EXHIBIT

SEP 18 1981 NO. 3

Office of the Attorney General

STATE BUDGET & CONTROL BOARD

KAREN LeCRAFT HENDERSON
Senior Assistant Attorney General

WADE HAMPTON OFFICE BUILDING
POST OFFICE BOX 11549
COLUMBIA S. C. 29211
TELEPHONE 803-758-8667

DANIEL R. McLEOD
ATTORNEY GENERAL

September 3, 1981

Honorable William T. Putnam
Executive Director
State Budget and Control Board
Wade Hampton Office Building
Columbia, South Carolina

Re:

\$50,000 WTHM
\$150,000 Greenville County, South Carolina,
Industrial Revenue Bond, Series 1981 (G & G
Enterprises Project)

Dear Mr. Putnam:

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.

With kind regards,

A handwritten signature in cursive script that reads "Karen LeCraft Henderson".

Karen LeCraft Henderson
Senior Assistant Attorney General

KLH/jvh

Enclosures

06902

REVENUE BOND ISSUE PETITION PROCESSING CHECKLIST

[Item for Board meeting of 9/29/81
19

EXHIBIT

1. Local Government: GREENVILLE COUNTY SEP 18 1981 NO. **3**
2. Bond Counsel: STATE BUDGET & CONTROL BOARD
- (a) Firm Haynsworth, Perry, Bryant, Marion + Johnstone
- (b) Contact Person Joseph J. Blake, Jr. Phone 271-7970
- (c) Address PO Box 2048 Greenville SC 29602
3. Project Name: G + G Enterprises
4. Issue Amount: \$ 550,000 50,000 Bond Type: Industrial Revenue
5. Employment Impact of Project: approximately 20 persons
6. Type/Nature of Business of Firm Involved: manufacturing facility for textile and specialty chemicals

Debbie
Zeun
(ZEUN)

* * * * *

7. Processing Checklist	Rec'd. From	Sent To
(a) Governing body resolution/ordinance/ petition	JB 8/26	KH 8/26
(b) Documents on issuance/securing of bonds	JB 8/26	KH 8/26
(c) Financial Information: (1) Audited Statements (3 most recent years) OR (2) If private placement, "investment letter" (Purchaser: <u>Southern Bank + Trust Co.</u>) (3) Review by State Auditor's Office (memo)	 OK 9/1/81 EAV	 XXXXXXXXXX
(d) Health and Environmental Control certification	 	
(e) B&C Board Resolution and Notice (<u>5</u> copies for certification for bond counsel)	JB 8/26	KH (i) 8/26
(f) Review by Attorney General's Office (letter)	9/3/81	XXXXXXXXXX

Motion: Phone meeting (GLP agreed to
intro resolution

Second: 9/18/81 Certificates signed: 9/21/81

Absent: Sand. not contacted

Vote: For 4 ; Against 0 Resolutions mailed: 9/21/81

06903

EXHIBIT

SEP 18 1981 NO. 3

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

STATE BUDGET & CONTROL BOARD
RESOLUTION

WHEREAS, the County Council of Greenville County (the "Governing Board") did pursuant to Title 4, Chapter 9, 1976 Code of Laws of South Carolina, as amended, (the "Act") petition the State Budget and Control Board of South Carolina (the "State Board") seeking the approval of the State Board for an undertaking of the Governing Board pursuant to the Act; and

WHEREAS, the proposed undertaking consists of the financing by the Governing Board through the issuance of an Industrial Revenue bond pursuant to the Act of the acquisition, construction and equipping of a manufacturing facility for textile and specialty chemicals in Greenville County (the "Project"), which Project will be owned by G & G Enterprises, a South Carolina partnership (the "Industry"), and leased to Chemsized, Inc.; and

WHEREAS, the Industry has agreed to pay Greenville County sufficient amounts to provide for the payment of the interest, principal, and premiums, if any, on the Bond of Greenville County and the costs and expenses resulting from the issuance thereof; and

WHEREAS, in order to finance the Project, the Governing Board proposes to provide for the issuance of a \$550,000.00 Greenville County Industrial Revenue Bond, 1981 (G & G Enterprises Project), pursuant to the Act, payable from the revenues owed under the terms of a Loan Agreement between Greenville County and the Industry and additionally secured by a Note executed by the Industry to the County, (the "Note") which Note will be secured by a Mortgage and Security Agreement between the Industry and Southern Bank & Trust Company; and

06904

WHEREAS, Greenville County and Southern Bank & Trust Company will enter into a Bond Purchase Agreement pursuant to which Southern Bank and Trust Company agrees to purchase the Bond; and

WHEREAS, the form of the proposed Loan Agreement, Bond Purchase Agreement, Bond Ordinance, Mortgage, Note, and Bond have been considered by the State Board;

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 that:
 - (a) The Statement of Facts set forth in the recitals to this Resolution are in all respects true and correct;
 - (b) The Governing Board has filed proper Petition to the State Board establishing a reasonable estimate of the cost of the Project, a general summary of the terms and conditions of the proposed Loan Agreement, Bond Purchase Agreement, Bond Ordinance, and Bond to be made by the Governing Board and the Note and Mortgage and Security Agreement to be made by the Industry;
 - (c) The Project, when complete, will provide employment for approximately 20 additional persons in the County and will be of benefit to the County and adjoining areas, and
 - (d) The Project is intended to promote the purpose of the Act and is reasonably anticipated to effect such results.
2. On the basis of the foregoing findings, the proposed undertaking of the Governing Board to finance the Project through the issuance of a \$550,000.00 Greenville County Industrial Revenue Bond, 1981 (G & G Enterprises Project) payable from the revenues to be derived from obligations of the Industry pursuant to the Loan Agreement, and additionally secured by the Note, which is secured by a Mortgage and Security Agreement, all pursuant to the Act (including changes in any details in the said financing as finally consummated which do not materially affect the undertaking) be and the same is hereby approved.

06905

3. Notice of the action taken by the State Board in giving approval to the undertaking of Greenville County above described in Paragraph 2, supra, shall be published in a newspaper having general circulation in Greenville County.
4. Notice to be published shall be in the form and substance set forth in Exhibit "A" to this Resolution.

06906

STATE OF SOUTH CAROLINA)
)
COUNTY OF GREENVILLE)

EXHIBIT "A"

NOTICE PURSUANT TO TITLE 4, CHAPTER 9,
1976 CODE OF LAWS OF SOUTH CAROLINA, AS AMENDED

* * * * *

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

The financing of the acquisition, construction, improvement, expansion, and equipping of a proposed manufacturing facility for textile and industrial specialty chemicals (the "Project") through the issuance of a \$550,000.00 Greenville County Industrial Revenue Bond, 1981 (G & G Enterprises Project) (the "Bond") pursuant to Title 4, Chapter 9, 1976 Code of Laws of South Carolina, as amended. The Project will be owned by G & G Enterprises (the "Industry") and leased to Chemsize, Inc. The Governing Board and the Industry will enter into a Loan Agreement under which terms the Industry agrees to pay to Greenville County amounts sufficient to meet the principal, interest, and premiums, payable on the Bond. The Bond will be additionally secured by a Note executed by the Industry to the County, which Note is secured by a Mortgage and Security Agreement, which constitute forecloseable liens on the Project. Neither the Project nor the Bond will give rise to any pecuniary liability of Greenville County or a charge against its general credit or taxing power.

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When completed, it is estimated the Project will provide employment for approximately 20 additional persons in Greenville County and will be of benefit to Greenville County and surrounding areas.

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

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STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

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

That the said 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 to be conducted by phone from Room 212, Wade Hampton Building at 1:30 p.m. on Friday, September 18, 1981, was posted by me on Thursday, September 17, 1981, and that during such meeting, in which members Riley(thru Ex.Asst.Clarke), Patterson, Morris & Mangum participated, a Resolution, of which the attached is a true, correct and verbatim copy, was considered and, upon the vote being taken and recorded, the following votes were cast:

FOR ADOPTION

4

AGAINST ADOPTION

0

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

William A. McInnis

Secretary

September 21, 1981

06909



SOUTHERN BANK AND TRUST COMPANY

R. RIGGIE RIDGEWAY
VICE PRESIDENT

SEP 2 1981

OK
9-1-81

306 EAST NORTH STREET
POST OFFICE BOX 1329
GREENVILLE, S. C. 29602
(803) 298-0444

August 27, 1981

EXHIBIT

SEP 18 1981 NO. 3

The State Budget and Control Board
P.O. Box 11333
Columbia, SC 29211

STATE BUDGET & CONTROL BOARD

Gentlemen:

We have agreed to purchase from Greenville County, South Carolina (the "County") its \$550,000.00 Greenville County, South Carolina Industrial Revenue Bond, 1981 (G & G Enterprises Project) (the "Bond"), issued under and pursuant to a Bond Ordinance of Greenville County and to be purchased pursuant to a Bond Purchase Agreement of even date therewith.

We represent and warrant to The State Budget and Control Board as follows:

(a) We are acquiring the Bond for investment and not with a view to the public resale or distribution thereof and are familiar with the meaning of such representation and warranty under the federal securities laws.

(b) The undersigned considers itself to be a knowledgeable and sophisticated institutional investor and is cognizant of the financial and business conditions of the Industry. We have a net worth substantially in excess of the cost of the Bond, and in the event we should incur the loss of the entire cost of the Bond, such loss would not materially adversely affect our financial condition.

(c) We recognize that the Bond to be purchased by us is a speculative investment and that there is a likelihood that the value of the Bond may decline following its purchase by us.

(d) We acknowledge that we have had the opportunity to make such inquiries of G & G Enterprises, the Perrys individually and Chemsize, Inc., officials, officers, directors and employees as we deemed necessary to make our investment decision, have been given access to such records and books as we may have requested and are willing to purchase this Bond.

Very truly yours,

SOUTHERN BANK AND TRUST COMPANY

R. Riggie Ridgeway

BY: R. Riggie Ridgeway

ITS: Vice President

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EXHIBIT

SEP 18 1981 NO. 3

STATE OF SOUTH CAROLINA)	STATE BUDGET & CONTROL BOARD
)	PETITION TO THE STATE BUDGET AND
COUNTY OF GREENVILLE)	CONTROL BOARD OF SOUTH CAROLINA

The Petition of the County Council of Greenville County (the "Governing Board") respectfully shows:

1. The Governing Board is the governing body of Greenville County as established by law, and as such is the "Governing Board" referred to in Title 4, Chapter 29, Code of Laws of South Carolina 1976, as amended (the "Act").

2. The Act authorizes the Governing Board, if it shall comply with the provisions set forth in the Act, to provide financing to acquire, construct, enlarge, improve and expand land and buildings for use as a manufacturing facility for textile and industrial specialty chemicals to be owned by G & G Enterprises, a South Carolina partnership, and leased to Chemsized, Inc., a South Carolina corporation (the "Project") through the issuance of an industrial revenue bond payable from and secured by a pledge of the revenues to be payable pursuant to a "Financing Agreement," as that term is defined in the Act.

3. The Governing Board has agreed with G & G Enterprises (the "Industry") that the Governing Board will undertake to finance the acquisition, construction, improvement, and equipping of the Project to be located in Greenville County through the issuance of a \$550,000.00 Greenville County Industrial Revenue Bond.

4. The Governing Board is advised by the Industry that the cost of the Project will be more than \$550,000.00; and that in order to finance the improvement and equipping of the Project, including the costs and charges incident to the issuance and sale of the Bond hereinafter described, it will be necessary that the Governing Board issue a

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\$550,000.00 Greenville County Industrial Revenue Bond, 1981 (G & G Enterprises Project) (the "Bond"). Southern Bank & Trust Company has agreed to purchase the Bond pursuant to the terms of the proposed Bond Purchase Agreement.

5. When complete, the Project will employ approximately 35 persons.

6. For the reasons set forth and hereinafter disclosed, the Governing Board has found:

(a) The proposed Project will serve the purposes of the Act;

(b) By reason of undertaking the Project, no pecuniary liability shall result to the County, nor will there be a charge against its general credit or tax powers;

(c) The proposed Loan Agreement between the County and the Industry will unconditionally obligate the Industry to repay the loan in the principal sum of Five Hundred Fifty Thousand and No/100ths (\$550,000.00) Dollars, which repayment will be made in one hundred twenty (120) monthly installments, beginning on the fifteenth (15th) day of the first (1st) month following the date of delivery of the Bond, except as the provisions with respect to prepayment may be applicable thereto; together with interest on the unpaid principal at the rate of 70% of the "prime interest rate" of the Southern Bank & Trust Company, which interest shall be due and payable monthly, in arrears, commencing on the fifteenth (15th) day of the first month following the date of delivery of the Bond and continuing on the fifteenth (15th) day of each and every month thereafter until the entire outstanding principal balance of the debt is paid in full.

(d) The Industry has established credit and therefore it is unnecessary to establish reserve funds for the amount of principal and interest;

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(e) The terms of the Loan Agreement will require the Industry to carry proper insurance to pay all costs of maintaining the Project in good repair and to complete the Project if the proceeds of the Bond prove insufficient.

8. Pursuant to the Act the Governing Board sets forth the following information:

(a) The Project to be acquired consists of a parcel of land located in Greenville County, South Carolina, on which will be built a manufacturing facility for textile and industrial specialty chemicals.

(b) The Project which will be leased to and operated by Chemsized, Inc., a South Carolina corporation, will provide employment during the period of its construction and when completed, it will provide permanent employment in the County for approximately 35 persons.

(c) The cost of the Project will be in excess of Five Hundred Fifty Thousand and No/100ths (\$5,000,000.00) Dollars, including the costs and all expenses to be incurred in connection therewith.

9. The proposed Loan Agreement, a draft copy of which is presented herewith, will provide, among other things, the following:

(a) To finance the costs of the acquisition, improvements, and equipping of the Project, the County will issue a \$550,000.00 Greenville County Industrial Revenue Bond, 1981 (G & G Enterprises Project). The Bond will be secured by a pledge of the revenues which the County shall have a right to receive pursuant to the Loan Agreement. In addition, the Industry will execute a Note (the "Note") to the County promising to pay that amount due under the Bond of the County, and the Bond will be secured by the Note and pursuant to an Assignment and Pledge Agreement between the County and Southern Bank & Trust Company. Southern Bank &

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Trust Company will use each payment by the Industry under the Note to make a like payment of interest or of interest and principal on the Bond. The Note will be secured by a Mortgage and Security Agreement from the Industry to Southern Bank & Trust Company.

(b) The Loan Agreement and the other documents involved in this financing contain no provision imposing any pecuniary liability upon the County, or which would create a charge against its general credit or taxing power.

10. The rights of the County under the Loan Agreement will be assigned to Southern Bank & Trust Company by a Pledge and Assignment by the County and the Industry.

11. The proposed Mortgage and Security Agreement, a draft copy of which is attached hereto, is in conventional form and constitutes a forecloseable mortgage upon the property.

12. The proposed Industrial Revenue Note, a draft copy of which is attached hereto, is in conventional form and constitutes a binding obligation on the part of the County.

13. The proposed Bond Purchase Agreement, a draft copy of which is attached hereto, is in conventional form and constitutes a binding commitment by Southern Bank & Trust Company to purchase the Bond.

14. The proposed Bond Ordinance, a draft copy of which is attached hereto, is in conventional form and, when passed, will evidence a valid obligation on the part of the County.

15. The proposed Note, a draft copy of which is attached hereto, is in conventional form and constitutes a binding obligation on the part of the Industry.

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16. The Project will be leased to Chemsize, Inc. pursuant to a Lease Agreement dated as of the date of delivery of the Bond, and the rights of the Industry as Lessor will be assigned to the Bank as additional security for the financing contemplated hereby.

17. The loan from the Bank to the County will be additionally secured by the guarantees of Roger C. and Elizabeth M. Perry, the partners of G & G Enterprises, and Chemsize, Inc.

18. The proposed Loan Agreement, the Bond Ordinance, Bond Purchase Agreement, Mortgage, Note, Bond, the Lease and Assignment thereof, and the Guarantees will be in substantially the form heretofore used in the issuance of Industrial Revenue Bonds pursuant to the Act. While changes may be made in the enclosed forms, no change will be made therein which substantially affects the undertakings as now outlined therein.

Upon the basis of the foregoing, the Governing Board respectfully prays:

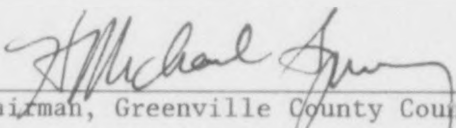
That the State Budget and Control Board accept the filing of the Petition presented herewith and that it, as soon as practical, make its independent investigation of the Project and the terms and provisions of the proposed Loan Agreement, Bond Ordinance, Bond Purchase Agreement, Mortgage, Note, and the Bond, as it deems advisable, and that thereafter, the State Board make a finding that the proposed Project will promote the purposes of the Act and that it is reasonably anticipated to effect such result; and on the basis of such finding, that it approve the Project, including changes in any details of said financing as finally consummated, which should not materially affect the said undertakings,

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and give published notice of its approval in the manner set forth in the Act.

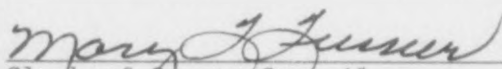
Respectfully submitted,

GREENVILLE COUNTY, SOUTH CAROLINA


Chairman, Greenville County Council


County Administrator

ATTEST:


Clerk of County Council
Greenville County, South Carolina

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EXHIBIT

SEP 18 1981

NO. 3

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 INDUSTRIAL REVENUE BOND BY THE COUNTY COUNCIL OF GREENVILLE COUNTY AND AUTHORIZING THE FILING OF THE PETITION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

BE IT RESOLVED by Council, in meeting duly assembled that the County Council of Greenville County (the "County Board") hereby determines and finds as follows:

1. Greenville County (the "County") has entered into an Assistance Agreement with G & G Enterprises, a South Carolina partnership (the "Industry") whereby the County agrees, under the conditions set forth in the Assistance Agreement, inter alia, to issue an Industrial Revenue Note pursuant to Section 4-29-10, et. seq. of the Code of Laws of South Carolina, 1976, as amended and continued by Act No. 125 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1977 (the "Act"), to finance the acquisition, construction, improvement and equipping of certain manufacturing facilities for textile and industrial specialty chemicals which will be owned by the Industry and leased to Chemsize, Inc., a South Carolina corporation. The Industry has requested that the County now issue a \$550,000.00 Greenville County Industrial Revenue Bond. It is estimated this is less than the approximate cost of the Project.

The Industry has advised the County Board that its proposed industrial project is dependent on the assistance which the County might render through the sale of a Bond pursuant to the Act.

The County Board has agreed to so finance the acquisition, construction and equipping of these facilities and adopts this Resolution to evidence its approval of the issuance of a Bond, as that term is defined in the Act, and to authorize the Petition to the State Budget and Control Board of South Carolina (the "State Board") setting forth the facts required by the Act.

2. The County Board has determined that the Project will subserve the purposes of the Act and that neither the Project nor the Bond will give rise to any pecuniary liability of Greenville County or a charge against its general credit or taxing power.
3. The amount necessary to finance the Project through the issuance of an Industrial Revenue Bond is approximately \$550,000.00

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4. The Industry has submitted to the County Board a draft of the proposed Loan Agreement and Note issued pursuant thereto, under which terms the Industry will agree to pay the amount necessary to provide the payments of principal and interest on the Bond, the terms of which are set forth in the attached Petition.
5. In view of the well established credit of the Industry and its successful arrangements to effect a sale of the Bond, no reserve funds will be established.
6. The payment of the Bond will be secured by pledge of the payments due under the Loan Agreement and the Note will be secured by a first Mortgage on the Project.
7. The Bond will be issued as a tax exempt Bond pursuant to the provisions of Section 103(b) of the Internal Revenue Code of 1954, as amended.

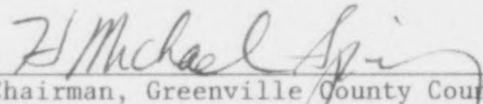
NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF GREENVILLE COUNTY, IN MEETING DULY ASSEMBLED:

That the County Board finds that the facts set forth above and in the Petition attached hereto are in all respects true and correct, and based on these findings, the County Board hereby approves the undertaking of the Project and the issuance of the Industrial Revenue Bond of Greenville County as aforesaid.

BE IT FURTHER RESOLVED:

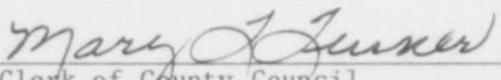
That the Petition in form substantially as attached hereto be presented to the State Board in accordance with Section 4-29-140 of the Code of Laws of South Carolina, 1976, as amended; and that the County Administrator and the Chairman of the County Council of Greenville County, whose signatures are attested to by the Clerk of County Council, are authorized to execute this Petition and to take all other action necessary or incidental to the execution and filing of the Petition.

GREENVILLE COUNTY, SOUTH CAROLINA


Chairman, Greenville County Council


County Administrator

ATTEST:


Clerk of County Council
Greenville County, South Carolina

Dated: August 4, 1981

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W. FRANCIS MARION
THOMAS K. JOHNSTONE, JR.
ANDREW B. MARION
HARRY R. STEPHENSON, JR.
ROBT. S. GALLOWAY, JR.
FRED D. COX, JR.
O. G. CALHOUN
DONALD L. FERGUSON
G. DEWEY OXNER, JR.
WILLIAM M. GRANT, JR.
JESSE C. BELCHER, JR.
MAYE R. JOHNSON, JR.
C. LEWIS RASOR, JR.
CHARLES E. McDONALD, JR.
MARK D. SULLIVAN III
WILLIAM E. SHAUGHNESSY
JAMES B. PRESSLY, JR.
H. DONALD SELLERS
ROBERT C. WILSON, JR.
DONALD A. HARPER
ANDREW J. WHITE, JR.
ELLIS M. JOHNSTON II
JOSEPH J. BLAKE, JR.

SAM L. STEPHENSON
FRANK J. DANA III
THOMAS H. COKER, JR.
THEODORE S. STERN, JR.
W. FRANCIS MARION, JR.
FRANCES D. ELLISON
ROBERT W. HASSOLD, JR.
ANNE S. ELLEFSON
W. BENJAMIN McCLAIN, JR.

LAW OFFICES
Haynsworth, Perry, Bryant, Marion & Johnstone

FORMERLY

HAYNSWORTH & HAYNSWORTH

409 EAST NORTH STREET

P. O. BOX 2048

Greenville, South Carolina 29602

August 14, 1981

AUG 26 1981

H. J. HAYNSWORTH

1859-1941

C. F. HAYNSWORTH

1886-1953

J. M. PERRY

1894-1964

EUGENE BRYANT

1902-1969

TELEPHONE 271-7970

AREA CODE 803

EXHIBIT

SEP 18 1981

NO. 3

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
P. O. Box 11333
Columbia, South Carolina 29211

RE: \$150,000.00 Greenville County, South Carolina
Industrial Revenue Bond, 1981 (G & G Enterprises
Project)

Dear Mr. McInnis:

We are submitting herewith an industrial revenue bond financing for consideration by The State Budget and Control Board. Southern Bank & Trust Co. has agreed to purchase the bond for investment purposes. I have asked that they forward you directly a letter indicating their intent to purchase the bond and a statement that they have conducted such investigation of the industry as they deem necessary to make a decision to purchase the bond.

The property will be owned by a South Carolina partnership, G & G Enterprises. G & G Enterprises will lease the property to Chemsized, Inc., a South Carolina corporation. The partners of G & G Enterprises are the shareholders of Chemsized.

Included herewith are the following documents:

1. A Resolution and Petition to The State Budget and Control Board adopted by Greenville County Council on August 4, 1981;
2. A draft Loan Agreement between Greenville County and G & G Enterprises;
3. A Note from G & G Enterprises to Greenville County evidencing its promise to make payments pursuant to the Loan Agreement;

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EXHIBIT

SEP 18 1981 NO. 3

Mr. William A. McInnis
Page Two
August 14, 1981

STATE BUDGET & CONTROL BOARD

4. A proposed Bond Ordinance to be adopted by Greenville County Council;
5. A proposed Bond Purchase Agreement between Greenville County and Southern Bank & Trust Co.; and
6. A draft of the proposed Bond.

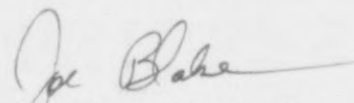
In addition, Southern Bank & Trust Co. will receive guarantees from the individual partners of G & G Enterprises as well as Chemsiz. The right to receive rental payments under the lease from G & G Enterprises to Chemsiz will be assigned to the Southern Bank & Trust Co. at the closing. These documents will be in the form generally contemplated in industrial development financing in this state.

We would appreciate your having this matter considered at the next meeting of The State Budget and Control Board. Enclosed herewith are five (5) copies of a proposed Resolution to be adopted by The State Budget and Control Board and a notice of which will be run in the Greenville News-Piedmont.

If you have any questions, please give me a call.

Very truly yours,

HAYNSWORTH, PERRY, BRYANT,
MARION & JOHNSTONE


Joseph J. Blake, Jr.

JJB,Jr:jp
Enclosures

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EXHIBIT

SEP 18 1981 NO. 3

THIS LOAN AGREEMENT, dated as of _____ STATE BUDGET & CONTROL BOARD
between

Greenville County, a political subdivision of the the State of South Carolina, acting by and through the County Council of Greenville County, South Carolina, which is the governing body of the County, and G & G Enterprises, a South Carolina partnership (the "Industry"),

WHEREAS, the Industry intends to construct in Greenville County a manufacturing facility which will be leased to Chemsized, Inc.; and

WHEREAS, the County, acting by and through the County Council (the "Governing Body"), is authorized and empowered pursuant to the provisions of Title 4, Chapter 29 of the 1976 Code of Laws of South Carolina, as amended (the "Act"), to issue its bonds and to lend the proceeds to industrial concerns to finance the construction and acquisition of certain projects as defined in the Act; and

WHEREAS, the County has adopted an Ordinance authorizing the issuance of a Five Hundred Fifty Thousand (\$550,000.00) Dollar aggregate principal amount Greenville County Industrial Revenue Bond (G & G Enterprises Project), the proceeds of which it will lend to the Industry to enable the Industry to pay costs incurred by it in the acquisition of and construction of the Project:

W I T N E S S E T H

IN CONSIDERATION of the respective representations and agreements hereinafter contained, the parties hereto agree as follows (provided that in the performance of the agreement of the County, any obligation it may thereby incur for the payment of money shall not create a pecuniary liability or a charge upon its general credit or against its taxing

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AUGUST 21, 1981 DRAFT

powers but shall be payable solely out of the proceeds derived from this Loan Agreement and the sale of the Bond):

ARTICLE I

DEFINITIONS

SECTION 1.1 When used herein the following terms shall have the meanings given to them by these definitions, unless the context clearly indicates otherwise.

"ACT" means Chapter 29, Title 4 of the 1976 Code of Laws of South Carolina, as amended.

"ADMINISTRATIVE EXPENSES" means the necessary and reasonable expenses incurred by the Purchaser in connection with the Loan Agreement, the Bond Ordinance, the Bond Purchase Agreement, the Assignment, the Bond, Lease, and the Note and the financing of the Project.

"ASSIGNMENT" means the Pledge and Assignment dated as of the date hereof by the County.

"AUTHORIZED INDUSTRY REPRESENTATIVE" means the person or persons designated to act on behalf of the Industry by furnishing to either the County or the Purchaser any certificates or other document required by this Loan Agreement.

"BANK" means Southern Bank & Trust Company, a banking corporation organized under the laws of the State of South Carolina.

"BOND" means the \$550,000.00 Greenville County, South Carolina Industrial Revenue Bond, 1981 (G & G Enterprises Project).

"BOND ORDINANCE" means the Ordinance of the County Board, authorizing among other things, the issuance of the Bond, as the same may be amended or supplemented in accordance with the terms thereof.

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"BOND PURCHASE AGREEMENT" means the Bond Purchase Agreement dated as of the date hereof between the County and the Purchaser of the Bond.

"BONDHOLDER" or "HOLDER OF THE BOND" or "OWNER OF THE BOND" means Southern Bank & Trust Company, its corporate successor, and any subsequent registered holder of the Bond.

"CERTIFICATE OF PAYMENT" means the certification provided for in Section 3.4 hereof.

"CHEMSIZE" means Chemsized, Inc., a corporation duly organized and in good standing under the laws of the State of South Carolina.

"COUNTY" means Greenville County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina, and its successors and assigns.

"COUNTY BOARD" means the County Council of Greenville County, as the governing body of the County pursuant to Title 5, as amended, and any successor body.

"COMPLETION DATE" means the date of completion of the construction of the Project as certified pursuant to Section 3.4(c) hereof.

"COST OF THE FACILITIES" means those expenditures authorized by Article III hereof.

"INDEPENDENT COUNSEL" means an attorney duly admitted to practice law before the highest court of any state, and not a full-time employee of the County, the Industry, or the Purchaser.

"INDUSTRY" means G & G Enterprises.

"LEASE" means the Lease Agreement between the Industry and Chemsized, Inc.

"NOTE" means the Note of the Industry described in Section 4.3 hereof and Exhibit _____ hereto.

"MORTGAGE" means the Mortgage and Security Agreement dated as of the date hereof between the Industry and the Bank.

"PROJECT" means the facility to be acquired and constructed in the County by the Industry and leased to Chemsize, Inc.

"PURCHASER" or "PURCHASER OF THE BOND" means Southern Bank & Trust Company.

"REVENUES" means all payments, revenues, and receipts which the County shall have a right to receive pursuant to this Agreement, other than payment of indemnifications and attorneys fees and expenses pursuant to Sections 4.3(b), 6.4, and 8.4, hereof, respectively.

SECTION 1.2 The words "hereof", "herein", "hereunder", and other words of similar import refer to this Loan Agreement as a whole.

SECTION 1.3 References to Articles, Sections, and other subdivisions of this Loan Agreement are to the designated Articles, Sections, and other subdivisions of this Loan Agreement as originally executed.

SECTION 1.4 The headings of this Loan Agreement are for convenience only and shall not define or limit or govern the provisions hereof.

SECTION 1.5 All words referred to in the singular will be deemed to include the plural, and vice versa, when the nature or issue contemplated hereunder so requires.

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JULY 20, 1981 DRAFT

ARTICLE II

REPRESENTATIONS AND UNDERTAKINGS

SECTION 2.1

Representations by the County.

The County

makes the following representations as the basis for the undertakings on its part herein contained:

(a) 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 the Act to enter into the transactions contemplated by this Loan Agreement, the Bond Purchase Agreement, the Bond Ordinance, the Assignment, and the Bond. The Project constitutes and will constitute a "Project" within the meaning of the Act. By proper action of the County Board and the State Budget and Control Board of South Carolina, the County has been duly authorized to execute and deliver this Loan Agreement, the Bond Purchase Agreement, the Assignment, and the Bond.

(b) The County has all of the necessary powers, authorizations, consents, and approvals and has agreed to enter into, execute, deliver, and perform: (i) this Loan Agreement; (ii) the Bond Purchase Agreement; (iii) the Assignment of certain obligations of this Loan Agreement, between the County, as assignor, and the Purchaser, as assignee; and (iv) the Bond; and further, that all such agreements and instruments have been duly authorized by all necessary proceedings and will not contravene or constitute a default under any provision of law or regulation, or any judgment, order, decree, contract, agreement or other instrument binding upon the County.

(c) The County and the Industry have agreed that the County will finance the cost of installing and constructing the Project of the

Industry. The Industry has determined that it now requires approximately Five Hundred Fifty Thousand (\$550,000.00) Dollars to pay costs incurred or to be incurred by the Industry in the construction of the Project, and in connection with the issuance of the Bond, and, on that basis, the County now proposes to issue the Bond in the aggregate principal amount not to exceed Five Hundred Fifty Thousand (\$550,000.00) Dollars, which will mature, bear interest, and be dated as set forth in Section 202 of the Bond Ordinance and which will be subject to prepayment in accordance with Article III of the Bond Ordinance, and loan the proceeds to the Industry to pay the Cost of the Facilities and costs incurred or to be incurred by the Industry in connection with the issuance of the Bond.

SECTION 2.2 Representations by the Industry

The Industry makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Industry is a partnership duly established under the laws of the State of South Carolina. The partners of the Industry are the sole shareholders of Chemsize, Inc., a corporation duly incorporated and in good standing under the laws of South Carolina and is duly authorized to transact business in every other jurisdiction wherein qualification is necessary.

(b) Neither the execution and delivery of this Loan Agreement, the Mortgage, or the Note, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Loan Agreement, the Note or the Mortgage conflict with or result in a breach of the Industry's Partnership Agreement, or Chemsize's Certificate of Incorporation or By-Laws, or any of the terms, conditions, or provisions of any agreement or instrument to which the Industry or

Chemsize is now a party or by which they are bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge, or encumbrance of any nature whatsoever upon any of the property or assets of the Industry or Chemsize under the terms of any instrument or agreement.

(c) Relying upon the agreement of the County to assist in financing the cost of acquiring and constructing the Project, the Industry has commenced acquisition and construction of the Project.

(d) The Industry intends to lease the Project to Chemsize from the Completion Date as a manufacturing facility for textile and industrial specialty chemicals, and for such other uses as the Industry may deem appropriate in its trade or business.

(e) The proceeds from the sale of the Bond shall be used to acquire, construct, reconstruct or improve land and property of a character subject to the allowance for depreciation, as prescribed by Section 103(b)(6) of the Code, and no part of the proceeds of the Bond will be used to finance inventory or for working capital.

(f) The plans and specifications for the Project are satisfactory to the Industry and have been approved by all applicable governmental authorities. No violation of any governmental requirement or regulations exists with respect to the construction of the Project or the anticipated use thereof.

(g) All utility services necessary for the construction and operation of the Project are available at the boundaries of the premises, including water, storm, sanitary sewer, gas, electric and telephone facilities.

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(h) The Industry, at its own expense, will promptly correct or cause to be corrected any structural defects in the improvements or any departure from the plans and specifications upon notice from the Bondholder of the existence of such defect or departure; provided, however, that such corrections shall not be required if these corrections would result in the capital expenditure limitation contained in Section 103(b)(6)(D) of the Code being exceeded.

ARTICLE III
CONSTRUCTION OF THE PROJECT;
ISSUANCE OF THE BOND;

SECTION 3.1 Agreement to Complete the Project

The Industry represents that, acting in reliance upon the County's agreement to effect the issuance of the Bond pursuant to the Act and to lend the proceeds to the Industry, it will complete the acquisition, construction, and installation of the Project as promptly as practicable, but in no event later than allowable under Section 103(c) of the Internal Revenue Code of 1954, as amended.

SECTION 3.2 Agreement to Issue Bond; Application of Bond Proceeds. In order to provide the Industry, by way of loan, funds for payment of the Costs of the Facilities, the County agrees that it will sell and cause to be delivered to the Purchaser, the Bond, in the aggregate principal amount not to exceed Five Hundred Fifty Thousand (\$550,000.00) Dollars.

SECTION 3.3. Use of Proceeds. The County has, by the Bond Ordinance, authorized and directed the Purchaser to use the moneys advanced under the Bond only for the following purposes:

(a) Payment of any initial or acceptance fee of the Purchaser; the fees for financing statements and any curative documents that either the Purchaser, the County or Independent Counsel may deem desirable in order to perfect the security interest provided by the Assignment;

(b) Payments of interest on the Bond for a period not to extend one year from the certified Completion Date of the construction, acquisition, or installation of the Project as provided for in Section 3.4 hereof.

(c) Payment to the Industry of such other amounts as shall be necessary to pay or reimburse the Industry for all other costs (including interest and principal on any obligation incurred from and after July 17, 1981 up to the date of the issuance of the Bond in connection with or as a result of the construction, acquisition, or installation of the Project), and other expenses incurred in connection with the acquisition, construction, and installation of the Project and the preparations of plans and specifications therefor, and all other construction, acquisition, and installation expenses, and all real or personal properties deemed necessary in connection with the Project (including architectural, engineering, legal and supervisory service with respect to any of the foregoing).

(d) Payment or reimbursement of the Industry for payment of the cost of legal, financing and accounting fees, expenses and disbursements incurred in connection with the authorization, sale and issuance of the Bond, or the preparation of this Loan Agreement, the Bond Ordinance, the Bond Purchase Agreement, the Assignment, the Mortgage, the Lease, the Note, and the Bond and all other documents in connection therewith and in connection with the acquisition and construction of the Project.

(e) Payment or reimbursement of the Industry for payment of the expenses incurred in seeking to enforce any remedy against any contractor or subcontractor in respect of any default under any contract relating to the Project;

(f) Payment to the Purchaser as such payments become due, of the fees and expenses of the Purchaser, including reasonable fees and expenses of Bondholder's counsel that may become due during the Construction Period.

(g) Payment of the premiums on all insurance required to be taken out and maintained during the Construction Period under this Loan Agreement, to the extent that they shall not have been paid by a contractor for construction or installation with respect to any part of the Project.

(h) Payment of the taxes, assessments and other charges, if any, referred to in Section 5.1 hereof, that may become payable during the Construction Period, or reimbursement thereof if paid by the Industry.

(i) Payment of any other costs and expenses authorized by the Act relating to the Project.

Provided, however, that no payment shall be made in respect of any item or amounts which will result in less than substantially all of the proceeds of the Bond being used to provide an Industrial Development Project within the meaning of Section 103 of the Internal Revenue Code of 1954, as amended, and regulations thereunder.

SECTION 3.4. Advances. Subject to the provisions of this Loan Agreement, and also subject to the terms and conditions of the other documents, the Purchaser shall make, and the Industry shall accept, the loan in periodic advances. The Industry shall request no more than one (1) advance per month.

(a) Conditions Precedent to Request for Loan Advances:

1. In no event shall any advance be made if there exists a default under the Bond, the Note, this Loan Agreement, the Bond Purchase Agreement, the Assignment, the Lease or the Mortgage. No advance shall constitute a waiver of any condition applicable to any subsequent advance.

2. Except for items allowable under Section 3.3 hereof, all advances shall be made in accordance with the cost of the

construction completed and materials or equipment delivered to the Project.

(b) Requests for Loan Advances.

Prior to each advance, the Purchaser must receive and approve:

(i) at the option of Purchaser, an endorsement from the Title Insurer to the Title Insurance Policy, which endorsement (a) insures that no claim exists which constitutes a cloud on the Purchaser's secured position established by the Mortgage, and that no matters subordinate to the Mortgage exist which are unacceptable to the Purchaser; (b) accelerates the date of the Title Insurance Policy to the date of the disbursement; and (c) covers the amount of the requested disbursement so that the total amount insured by the Title Insurance Policy equals the total amount advanced by the Purchaser under the terms of this Agreement (or at the option of Purchaser, confirmation from the Title Insurer that all requirements for the issuance of such an endorsement have been satisfied and confirmation that the title insurer will issue such an endorsement within a specified time acceptable to Purchaser);

(ii) Lien waivers, in form satisfactory to the Purchaser, from the contractor for the construction of the Project, all subcontractors, and all suppliers who have supplied materials to the Project;

(iii) A Certificate of Payment executed by the Authorized Industry Representative setting forth:

1) the names and addresses of the persons, firms, or corporations to whom payment is due or to whom payments are made for which each reimbursement is being required;

- 2) the amount to be paid for each such person, firm, or corporation, and the purposes for such payment;
- 3) that none of the items for which payment is being made forms the basis for any payment theretofore made;
- 4) that each item for which the payment is being made is or was necessary in connection with the Project, is in conformance with the plans and specifications therefor, and is authorized by this Loan Agreement to be paid;
- 5) that such payment, when added to all other advances previously made, will not result in less than and substantially all of the proceeds of the Bond having been expended in the acquisition, construction, or improvement of land or property of a character subject to an allowance for depreciation within the meaning of Section 103(b)(6)(A) of the Internal Revenue Code;
- 6) A representation that the warranties contained in this Loan Agreement or any other document related to this financing remain true and correct;
- 7) That no event of default has occurred under this Agreement or any other document or agreement which constitutes a part of this financing; and
- 8) That the requirements of this Article shall have been fully satisfied.

(c) Requirement for Funding of Final Advance.

At such time as the work to be performed shall have been fully completed, the Industry shall submit to the Purchaser a final Certificate of Payment for construction disbursements, in an amount not to exceed

the amount of the direct cost incurred in connection with the acquisition and construction of the Project less the aggregate amount of all previous construction advances made by the Purchaser and the following:

- (i) The final certificate of the Authorized Industry Representative in form and substance satisfactory to the Purchaser, stating that the work to be performed in acquiring and constructing the Project has been fully completed in compliance with the plans and specifications;
- (ii) Affidavits of the Industry stating that each person providing any material or performing any work in connection with the Project has been paid in full, that every withholding tax has been paid, and that a lien waiver has been received from the construction contractor;
- (iii) Such other items as may be required by Purchaser, including, without limitation, evidence that the improvements have been completed to the satisfaction of the Purchaser.

At no time prior to the disbursement of the final construction disbursement shall the aggregate of all construction disbursements exceed ninety percent (90%) of the value of the work in place, as determined by the Purchaser on the basis of the Industry's certificates for payment and other information available to the Purchaser. No funds will be disbursed for materials stored on the premises or elsewhere. The Purchaser will at all times have final determination of amounts to be disbursed. In the event a dispute arises with respect to any request for an advance, the Purchaser shall have the right, without notice, to delay the disbursement of such a construction disbursement until the dispute has been resolved.

(d) Provisions Applicable to All Advances.

By execution of this Loan Agreement, the Industry authorizes Purchaser to make advances upon request of the Authorized Industry Representative and the Industry agrees that:

- (i) The Purchaser is not acting as agent or trustee for the Industry;
- (ii) The Purchaser shall not be held accountable for any advance made in good faith; and
- (iii) All advances made prior to receipt of written notice of revocation shall be deemed advances made in good faith;

Each Certificate of Payment by the Industry shall constitute an affirmation that the warranties and representations contained in Article II of this Agreement remain true and correct and that no breach of the covenants contained in said Article II has occurred as of the date of the disbursement, unless the Purchaser is notified to the contrary prior to the disbursement of the requested disbursement. Purchaser may apply amounts due hereunder to the satisfaction of the conditions hereof, and amounts so applied shall be part of the loan and shall be secured by the Mortgage, evidenced by the Bond, bear interest in accordance with the Bond, and shall be due and payable in accordance with the provisions of the Bond.

SECTION 3.5 Industry Required to Pay Construction Costs in the Event Construction Fund is Insufficient.

In the event the monies derived from the sale of the Bond shall not be sufficient to pay the cost of the Project in full, the Industry agrees to proceed with due diligence to complete, or cause to be completed, the Project and to pay all that portion of the cost of the Project as

may be in excess of the monies available. The County does not make any warranty, either express or implied, that the monies which will be obtained from the sale of the Bond and, under the provisions of this Loan Agreement will be available for payment of the cost of the Project, or will be sufficient to pay all the costs which will be incurred. The Industry agrees that if it pays any portion of the cost of the Project pursuant to this Section it shall not be entitled to any reimbursement thereof from the County or from the Purchaser, nor shall it be entitled to any postponement or diminution of payments required hereunder.

SECTION 3.6 Arbitrage Covenants.

The Industry covenants that it will not take any action, or fail to take any action, or make any misrepresentation, in connection with issuance, sale or delivery of the Bond or the construction of the Project, which has the effect of causing the interest payable on the Bond to become includable in the gross income for Federal income tax purposes of the Holder or former Holders of the Bond by violations of Section 103(b) or 103(c) of the Internal Revenue Code of 1954, as amended. All rights and privileges granted to the Industry in this Loan Agreement shall be exercised in such a manner that the covenant contained in this Section shall be observed, and if any conflict between this Section and any other provision of this Loan Agreement shall arise, then in such case this Section shall control.

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ARTICLE IV

EFFECTIVE DATE OF THIS AGREEMENT; DURATION OF AGREEMENT;

REPAYMENT PROVISIONS;

UNCONDITIONAL OBLIGATIONS OF THE INDUSTRY;

PREPAYMENT

SECTION 4.1 Effective Date of this Agreement; Duration of Agreement. This Agreement shall become effective upon its delivery and shall continue in full force and effect until the principal of and interest on the Bond has been fully paid (or provision for its payment has been made in accordance with the provisions of the Bond Ordinance), together with all sums to which the County or the Purchaser are entitled hereunder.

SECTION 4.2 Possession and Ownership of the Project. Insofar as the County is concerned, the Project shall be the sole property of the Industry, and the Industry shall have sole and exclusive possession of the Project (subject to the right of the County and the Bondholder to enter thereon for inspection purposes, pursuant to the provisions of Section 6.2 hereof).

SECTION 4.3 Repayment of Loan, and Payment of Other Amounts Hereunder. The County will loan to or for the benefit of the Industry as provided in Article III, the proceeds derived from the sale of the Bond. The Industry shall pay to the Bondholder for account of the County, as a repayment of the moneys loaned to the Industry hereunder, a sum together with other available funds which will equal the principal amount advanced under the Bond, together with interest thereon, in the manner and at the times set forth in the Note. In order to evidence its obligation hereunder, the Industry will deliver the Note payable to the

order of the County, endorsed to the Bondholder by the County, in substantially the form attached hereto as Exhibit _____, which Note shall be pledged to the Bondholder pursuant to the Assignment. Delivery of the Note to the Bondholder, as pledge, shall be deemed to be delivery of the Note to the County pursuant to this Section.

Additional payments, if necessary, shall be paid pursuant to this Section so that there shall be paid, when due, each payment of interest and principal (whether at maturity or otherwise) due and owing on the Bond.

In the event that the Industry shall fail to make any of the payments required by this Section, the item or installment so in default shall continue as an obligation of the Industry until the full amount in default has been fully paid.

SECTION 4.4 Place of Payment. The payments provided for in Section 4.3 hereof shall be paid directly to the Bondholder for the account of the County.

SECTION 4.5 Obligations of the Industry hereunder are
Unconditional. The obligations of the Industry to make payments required in Section 4.3 hereof and to perform and observe the other agreements on its part contained in this Agreement shall be absolute and unconditional, irrespective of any defense or any rights of setoff, recoupment, or counterclaim and free of any deductions and without postponement or diminution; and until such time as the principal of and interest on the Bond shall have been fully paid, or provision for the payment thereof shall have been made in accordance with the Bond Ordinance, the Industry (a) will not, except as provided in Article IX hereof, suspend or discontinue any payments provided for in Section 4.2 hereof,

(b) will not terminate this Loan Agreement for any cause, including, without limiting the generality of the foregoing, the failure of the Project to function properly, the occurrence of any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in tax law of the United States of America or South Carolina or any political subdivision of either of these, or any failure of the County to perform and observe any agreement, whether expressed or implied, or any duty, liability, or obligation arising out of or connected with this Loan Agreement, or failure of the facilities to comply with any statute, rule or regulation now or hereafter applicable thereto, and (c) will perform and observe all of its other covenants contained in this Loan Agreement.

SECTION 4.6 Prepayments. In accordance with Section 301 of the Bond Ordinance, the Industry shall have the option to prepay, without penalty, all or portions of the unpaid balance of the Bond outstanding under this Loan Agreement.

SECTION 4.7 Reference to Bond Ineffective After Bond Paid.

Upon payment in full of the Bond, all references in the Loan Agreement to the Bond and the Note shall be ineffective, and no Holder of the Bond or the Note shall have any rights thereunder.

SECTION 4.8 Assignment of County's Rights. As security for the payment of its Bond, the County pursuant to the Assignment will assign to the Bondholder the County's rights under this Loan Agreement, including the right to receive payments hereunder and will pledge the Note to the Bondholder, and hereby directs the Industry to make said payments directly to the Bondholder. The Industry herewith assents to such assignment and will make payments directly to the Bondholder without defense or set-off by reason of any dispute between the Industry and the Bondholder.

ARTICLE V
OPERATION OF
PROJECT

SECTION 5.1 Operation and Maintenance of Project.

The Industry agrees, at its own expense, to (i) keep the Project in as reasonably safe condition as its operations shall permit, and (ii) keep the Project in good repair and in good operating condition, making all necessary repairs and renewals and replacements. The Industry may, also at its own expense, make any additions or alterations to the Project which, in its sole discretion, it deems desirable, provided such additions or alterations do not adversely affect the structural integrity of the Project, or the operations being conducted in and upon the Project. The Industry has agreed, pursuant to terms of the Mortgage, to keep the Project properly insured and free of liens. It has also agreed to pay taxes and other charges due and owing on the Project. Reference is made to the Mortgage for these commitments.

ARTICLE VI

SPECIAL COVENANTS

SECTION 6.1 No Warranty of Condition of Suitability by the County.

The County makes no warranty, either express or implied, as to the condition of the Project or that it is or will be suitable for the Industry's purposes or needs.

SECTION 6.2 County's Right of Access to the Project. The Industry

agrees that the County, and the duly authorized agents of the County shall have the right at all reasonable times to enter upon, and to examine and inspect the Project.

SECTION 6.3 Permits and Licenses. In the event it may be

necessary for the proper performance of this Loan Agreement on the part of the County or the Industry that any application or applications for any permit or license be made to any governmental or other agency or authority by the Industry or the County, the Industry and the County each agree to execute upon the request of the other, such application or applications.

SECTION 6.4 No Pecuniary Liability. The Act prescribes, and the parties intend, that the County shall not incur any pecuniary liability by reason of this Loan Agreement, the issuance of the Bond, the adoption of the Bond Ordinance, or the performance of any act required of it by this Loan Agreement or any other document which forms a part of this financing. Nevertheless, if the County shall incur any such pecuniary liability, then in such event the Industry shall indemnify and hold the County harmless by reason thereof.

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SECTION 6.5 Financial Statements. The Industry hereby warrants that the financial statements of Roger & Betty Perry and Chemsize, Inc. heretofore delivered to the Bondholder are true and correct in all respects, have been prepared in accordance with generally accepted accounting principles, consistently applied, and fairly present the respective financial conditions of the subjects thereof as of the respective dates thereof; no materially adverse change has occurred in the financial conditions reflected therein since the respective dates thereof; and no additional borrowings have been made by the Industry since the date thereof other than the borrowings contemplated hereby or other borrowings approved by the Bondholder. All other information submitted by the Industry or Chemsize in support for the application for the loan hereunder is true and correct as of the date of this Agreement, and no material adverse change has occurred.

SECTION 6.6 Inducement Contract. Nothing contained in this Loan Agreement shall preclude the County from implementing its obligations under the Inducement Agreement dated July 7, 1981, between the County and the Industry, or under a similar contract or agreement with the Industry, by making another loan or loans under any other loan agreement with the Industry from the proceeds of bonds issued by the County pursuant to the Act, or any other applicable legislation in order to finance any portion of the Cost of the Project in excess of the monies available from the sale of the Bond or to issue other bonds in accordance with the Inducement Agreement dated July 7, 1981, which obligates the County to issue a Bond in a sufficient amount to pay the Cost of the Project to be installed.

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SECTION 6.7 Industry's Covenants Regarding Advances. Notwithstanding anything contained in the Loan Agreement or in the Bond Ordinance to the contrary, the Industry covenants it will not submit any written order by the Industry of the kind described in Section 3.3 hereof in respect to any item or expense which would not constitute a Cost of the Project within the meaning of the Act, which, if paid, would result in less than substantially all of the proceeds from the issuance of the Bond being used to provide a Project within the meaning of Section 103 of the Internal Revenue Code of 1954, as amended, and the regulations thereunder.

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ARTICLE VII

LEASING AND SELLING: MODIFICATION OF FACILITIES

SECTION 7.1 Leasing and Sale. The Project will be leased to Chemsize. The Industry or Chemsize may sub-lease, sell or otherwise dispose of its interests in the Project, as a whole or in part, without the necessity of obtaining the consent of either the County or the Bondholder; provided, however, subject to the following conditions:

(a) No sub-leasing, sale or other disposition shall relieve the Industry or Chemsize from its liability for any of its obligations hereunder, and in the event of any such sub-lease, sale, or other disposition, the Industry shall continue to remain liable for the payments specified in Section 4.3 hereof, and for the payment, performance, and observance of the other obligations and agreements on its part herein provided to be performed and observed by it.

(b) Any sub-lessee or transferee shall assume in writing the obligations and covenants of the Industry hereunder to the extent of the interest acquired.

(c) The Industry shall, at least fifteen (15) days prior to such sub-lease, sale or other disposition, furnish or cause to be furnished to the County and to the Bondholder a true and complete copy of each such lease, deed, or other instrument, as the case may be.

SECTION 7.2 Assignment. The County and the Industry have in the Assignment irrevocably pledged and assigned to the Bondholder, as security for the punctual payment of the principal of, together with interest, and premium, if any, on the Bond, for the performance and observance by the County and the Industry of all the respective covenants and agreements set forth or referred to in this Loan Agreement, the Bond

Purchase Agreement, the Bond, or the Bond Ordinance, all rights of the County under and all interest of the County in: (i) this Loan Agreement and the Note (other than the rights of the County or the Purchaser to receive payments of Administration Expenses, Indemnification, and Attorney's Fees and Expenses pursuant to Sections 4.3 (b), 6.4 and 8.4, respectively) and (ii) the Revenues. Except as set forth in this Article, while the Bond is outstanding, neither the County nor the Industry will sell, assign, pledge, convey, or otherwise transfer or encumber any of their respective rights or interest in this Loan Agreement or the Revenues.

SECTION 7.3 Modification of the Project. The Industry may, from time to time, in its sole discretion and at its expense, modify, improve, or enlarge the Project in any way permitted by any applicable statutes, rules, and regulations, for the purpose of meeting the Industry's needs; provided, however, that it will not commit, or suffer to be committed, any change which will adversely affect the taxes and the status of the interest payable on the Bond.

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ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1 Events of Default Defined. The following shall be "events of default" under this Loan Agreement and the terms "event of default" or "default" shall mean, whenever they are used in this Loan Agreement any one or more of the following events:

(a) Failure of the Industry to pay the amounts required to be paid under Section 4.3 of this Loan Agreement at the time specified therein.

(b) Any material representation or warranty made by the Industry herein, or in any written statement or certificate furnished by the Industry or Chemsize in connection with the issuance and sale of the Bond or furnished by the Industry or Chemsize pursuant hereto or pursuant to any other agreement or document which forms a part of this financing (including, but not limited to the Mortgage), proves untrue, false, or misleading in any material and adverse respect as of the date of the issuance or making thereof;

(c) Failure by the Industry or Chemsize to observe and perform any of its covenants, conditions, or agreements contained herein and to correct such nonperformance within the cure period, if any, specified;

(d) The entry of a decree or order for relief against the Industry or Chemsize by a court having jurisdiction in an involuntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Industry or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days;

(e) The commencement by the Industry or Chemsize of a voluntary case under the Federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable Federal or state bankruptcy, insolvency or other similar law, or the consent by it to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Industry or Chemsize or for any substantial part of its property, or the making by it of any assignment for the benefit of creditors, or the failure of the Industry or Chemsize generally to pay its debts as such debts become due, or the taking of corporate action by the Industry in furtherance of any of the foregoing, or the occurrence as to the Industry of any of the following: the Industry or Chemsize shall admit in writing its inability to pay its debts; the Industry or Chemsize shall conceal, remove or permit to be concealed or removed any part of its property with intent to hinder, delay or defraud its creditors or any of them; the Industry shall make or suffer a transfer of any of its property with intent to hinder, delay or defraud its creditors or any of them; or the Industry or Chemsize shall make or suffer a transfer of any part of its property within four months of insolvency for less than full and adequate consideration; or the Industry shall suffer or permit, while insolvent, any creditor to obtain a lien upon any of its property through legal proceedings or distraint and shall not vacate or discharge such lien within thirty (30) days from the date thereof, or at least five (5) days before the date set for any sale or other disposition of such property;

(f) The rendering against the Industry or Chemsize of a final judgment, decree or order for the payment of money in an amount which exceeds by \$100,000 the amount of such judgment covered by insurance,

and the continuance of such judgment, decree or order unsatisfied and in effect for any period of sixty (60) consecutive days without a stay of execution;

(g) A default shall have occurred with respect to any debenture, Bond or other evidence of the indebtedness of the Industry or Chemsiz or in respect of any obligation of the Industry under any financing lease, whether now outstanding or existing or issued or otherwise undertaken hereafter, or under any indenture, lease, or other agreement or instrument under which such debenture, bond or other evidence of indebtedness or any such lease obligation has been or may be issued by which any of the foregoing is or may be governed or evidenced, which default shall have resulted in the principal amount of such debenture, bond or other evidence of indebtedness or lease obligation becoming due and payable prior to its stated maturity or which default shall have been a default in the payment of principal and due or payable;

(h) A default shall have occurred in the payment of any amount due and payable by the Industry in respect of any guarantee of (i) the payment of principal and interest, or any obligation to purchase, or otherwise acquire any other contingent obligation relating to the payment or the principal or interest of any indebtedness of any other party, or (ii) any obligation of any other party to make payment under any financing lease whether now existing or hereinafter undertaken, or under any agreement or instrument by which any of the foregoing may be governed or evidenced;

(i) The validity of any permit, approval or consent by any governmental authority relating to the Project or the operations thereof is questioned by a proceeding before any board, commission, agency, court, or other authority having jurisdiction; or

(j) A lien or claim for the performance of work or to supply materials shall be filed against the Project and remain unsatisfied or unbonded at the time of any request for a disbursement for a period of thirty (30) days after the date of the filing thereof.

The foregoing provisions of of this Section are subject to the following limitations: if, by reason of force majeure, the Industry is unable in whole or in part to carry out the agreements of this Loan Agreement on its part herein contained (other than the obligations on the part of the Industry contained in Article IV to which this paragraph shall have no application), the Industry shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of South Carolina or any of their departments, agencies, or officials, or any civil or military authority; insurrections; storms; floods; washouts; droughts; restraint of government and people; civil disturbances; explosions; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Industry, which has the effect of making it impossible (as distinguished from impracticable) for the Industry to perform. The settlement of strikes and other industrial disturbances, however, shall be entirely within the discretion of the Industry, and the Industry shall not be required to make settlement of strikes and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the Industry, unfavorable to it.

SECTION 8.2 Remedies on Default. Whenever any event of default hereunder shall have happened and be continuing, the County or the Holder of the Bond as provided in the Bond Ordinance, may take any one or more of the following remedial steps, provided that any required notice of default has been given to the Industry by the County or the Bondholder, and the default has not been cured within any cure period provided therefor:

(a) The County or the Bondholder may declare all amounts payable under Section 4.3 hereof to be immediately due and payable, whereupon the same shall become immediately due and payable, and which amounts the Industry hereby agrees to pay upon such declaration.

(b) In the event that the Bond shall at the time be outstanding and unpaid, the County, or the Bondholder may have access to and inspect, examine, and make copies of the books and records of the Industry relative to the Loan Agreement.

(c) The County or the Bondholder may take whatever action at law or in equity may appear necessary or desirable to collect the payments and other amounts then due and thereafter to become due to enforce performance and observance of any obligation, agreement, or covenant of the Industry under this Loan Agreement.

Any amounts collected pursuant to action taken under this Section shall be paid directly to the Bondholder. No action taken pursuant to this Section shall relieve the Industry from the Industry's obligations pursuant to Sections 4.3 and 8.2 (a) hereof, all of which shall survive any such action, and any claimant hereunder may take whatever action at law or in equity as may appear necessary and desirable to collect the payments and other amounts then due and thereafter to become due and/or

to enforce the performance and observance of any obligation, agreement, or covenant of the Industry hereunder.

SECTION 8.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the County or the Bondholder is intended to be exclusive of any other available remedy or remedies, but each such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay in exercising or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the County to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given the County hereunder shall also extend to the Bondholder, and the Bondholder shall be deemed a third party beneficiary of all covenants and agreements herein contained.

SECTION 8.4 Agreement to Pay Attorneys' Fees and Expenses. In the event the Industry should default under any of the provisions of this Loan Agreement and the County or the Bondholder should employ attorneys or incur other expenses for the collection of the amounts payable hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Industry herein contained, the Industry agrees to pay to the County or the Bondholder, as applicable, on demand the reasonable fees of such attorneys and such other reasonable expenses so incurred.

SECTION 8.5 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Loan Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived, and shall not be deemed to waive any other breach hereunder.

In view of the assignment of the County's right under and interest in this Loan Agreement to the Bondholder by the provisions of the Assignment of even date herewith, the County shall have no power to waive any default by the Industry hereunder without the consent of the Bondholder.

ARTICLE IX

OPTIONS IN FAVOR OF THE INDUSTRY

SECTION 9.1 Options to Terminate. The Industry shall have, and is hereby granted, the option to terminate this Agreement by paying to the Bondholder all amounts necessary to prepay the Bond in accordance with Section 301 of the Bond Ordinance, all Administrative Expenses, and any and all sums due under this Loan Agreement.

ARTICLE X

MISCELLANEOUS

SECTION 10.1 Notices. All notices, certificates, or other communications hereunder shall be deemed sufficiently given when mailed by registered mail or certified mail, postage prepaid, or given when dispatched by telegram, by express provisions of this Loan Agreement addressed as follows: if to the County, to County Council of Greenville County, Greenville County Courthouse, Greenville, South Carolina, _____; if to the Industry, to G & G Enterprises, c/o Chemsized, Inc., Greenville, South Carolina 29602; if to the Bondholder, to Southern Bank & Trust Company, P.O. Box 1328, Greenville, SC 29602. A duplicate copy of each notice, certificate, request, or other communication given hereunder to the County, the Industry, or the Bondholder shall also be given to the others. The County, the Industry, and the Bondholder may, by notice given to all parties to this Agreement and the Bond Ordinance, designate any further addresses to which subsequent notices, certificates, or other communications shall be sent.

SECTION 10.2 Filing. The security interests created in the Assignment and the Mortgage shall be perfected by the filing of financing statements which fully comply with the South Carolina Uniform Commercial Code-Secured Transactions, in the office of the Register of Mesne Conveyance for Greenville County, and in the office of the Secretary of State in the City of Columbia, South Carolina. The parties further agree that all necessary continuation statements in respect to such financing statements shall be filed within the time prescribed by the South Carolina Commercial Code-Secured Transactions, in order to continue the security

interest created by the Assignment and to fully preserve the rights of the Holder of the Bond as against creditors of, or purchase value from, the County or the Industry.

SECTION 10.3 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the County, the Industry, and their respective successors and assigns, subject, however, to the limitations contained in Sections 7.1 hereof.

SECTION 10.4 Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 10.5 Amendments, Changes, and Modifications.

This Loan Agreement may not be amended, changed, modified, altered, or terminated except in accordance with Article 13 of the Bond Ordinance.

SECTION 10.6 Execution of Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 10.7 Agreement by Industry to Terms and Conditions of the Bond Ordinance. The Industry acknowledges that it has received a certified copy of the Bond Ordinance, and agrees in all respects to all the terms and conditions thereof, and shall be bound by such provisions insofar as they relate to the Industry.

Section 10.8. Law Governing Construction of Loan Agreement.
This Loan Agreement is prepared and entered into with the intention that the Law of the State of South Carolina shall govern its construction.

IN WITNESS WHEREOF, Greenville County, South Carolina, has executed this Loan Agreement by causing its name to be hereunto subscribed by the Administrator of Greenville County, who serves as Chairman of the County Council, and its official Seal to be impressed hereon, and attested by the County Clerk; and G & G Enterprises has executed this Loan Agreement by causing its name to be hereunto subscribed, all being done as of the day and year above written.

GREENVILLE COUNTY, SOUTH CAROLINA

(SEAL)

Administrator of Greenville County,
who serves as Chairman of the County
Council

ATTEST:

County Clerk
Greenville County, South Carolina

Signed, sealed & delivered
in the presence of

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UNITED STATES OF AMERICA

STATE OF SOUTH CAROLINA

SECURED PROMISSORY NOTE

G & G ENTERPRISES, a South Carolina general partnership, (the "Industry"), for value received, promises to pay to the order of GREENVILLE COUNTY (the "County") as payee at the office of SOUTHERN BANK & TRUST COMPANY, in Greenville, South Carolina (the "Bank"), the principal sum of Five Hundred Fifty Thousand and No/100ths (\$550,000.00) Dollars, together with interest thereon, from the date hereof in accordance with the following provisions, in lawful money of the United States of America, which shall at the time of payment be legal tender in payment of all debts and dues, public and private, such principal and interest to be paid as follows:

Commencing on the date of this Note, interest shall accrue on the unpaid principal advanced at the rate of 70% of the "prime interest rate" of the Bank and shall be due and payable monthly, in arrears, commencing on the fifteenth (15th) day of the first month following the date of delivery of the Note and continuing on the fifteenth (15th) day of each and every month thereafter until the entire outstanding principal balance of the debt evidenced hereby, together with all accrued but unpaid interest, shall be due and paid in full. "Prime interest rate", as used herein, means the published rate charged by the Bank to its best commercial customers and shall be adjusted monthly to reflect the prime interest rate at the close of business on the first (1st) day of that month.

Provided, however, that (i) in an Event of Taxability, as that term is defined in the Bond Ordinance authorizing the issuance of the Bond (as hereinafter defined), the interest rate on this Note shall be adjusted, effective as of the date interest is (or is determined to be) taxable, to a rate equal to the prime interest rate plus two percent or (ii) if the incremental corporate tax rate imposed under section 11(h) of the Internal Revenue Code of 1954 as amended, changed from the rate in effect as of the delivery of the Bond, the interest rate of seventy (70%) percent of the prime interest rate for the month following and thereafter in which such changes are effective shall be adjusted proportionately to provide the Bondholder a rate of interest which will yield an amount equiva-

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lent to the yield on a tax exempt obligation bearing interest at seventy (70%) percent of the prime interest rate during a time in which such incremental federal corporate tax rate was forty-six (46%) percent.

Except as the provisions with respect to prepayment may be applicable thereto, the principal sum of \$550,000.00, or so much thereof as may have been advanced hereunder, shall be payable in one hundred twenty (120) equal monthly installments on the fifteenth (15th) day of each month, beginning on the fifteenth (15th) day of the first (1st) month following the date of delivery of this Note.

The principal indebtedness evidenced by this Note may be prepaid in full or in part, from time to time, on the fifteenth (15th) day of any month, without notice, without prepayment premium or other charge. All payments made hereunder shall be applied first to interest, then to principal.

Concurrently with the execution and delivery of this Note, the County has issued a \$550,000.00 Greenville County, South Carolina Industrial Revenue Bond, 1981 (G & G Enterprises Project) (the "Bond") pursuant to a Bond Ordinance duly adopted by the Greenville County Council (the "Bond Ordinance"). The principal proceeds from the sale of the Bond are to be loaned to the Industry for the purpose of financing the acquisition, construction and equipping of its manufacturing facility for textile and industrial specialty chemicals (the "Project") pursuant to the terms of a loan agreement between the County and Industry (the "Loan Agreement"). The Project will be leased to Chemsize, Inc., pursuant to a lease agreement between the Industry and Chemsize, Inc. dated as of _____. This Note is issued pursuant to the Loan Agreement and is secured by a mortgage lien and security interest in the project granted pursuant to a Mortgage and Security Agreement dated as of _____ from the Industry to the Bank. The Bond and the interest thereunder are secured by this Note; and pursuant to a Pledge and Assignment dated as of _____ (the "Assignment") by the County, the Bank shall use each payment by the

Industry under this Note to make a like payment of interest or of principal and interest on the Bond. The terms of this Note are identical with the terms of the Bond as to principal installment payment dates and amount, interest rates, and prepayment provisions.

Whenever payment or provision thereof has been made in respect to the principal of (whether at maturity or upon prepayment or acceleration) or interest on all or any portion of the Bond in accordance with the Bond Ordinance, this Note shall be deemed paid to the extent such payment or provision therefore has been made and is considered to be payment of principal of or interest on the Bond. If the Bond is thereby deemed paid in full, this Note shall be cancelled and returned to the Industry. Subject to the foregoing or unless the Industry is entitled to a credit under the Loan Agreement or the Bond Ordinance, all payments shall be in the full amount required under this Note.

All payments of principal and interest shall be made to the Bank at its office in Greenville, South Carolina and shall be used to pay the payments of principal and interest due on the Bond.

The obligations of the Industry to make the payments required hereunder shall be absolute and unconditional without defense or setoff by reason of any default by the Industry under the Loan Agreement or under any other agreement between the Industry and the County or the Bank or for any reason, including without limitation, failure to complete the project, any acts or circumstances that may constitute failure of consideration, eviction of construction, destruction of or damage to the project, commercial frustration of purpose, any change in the tax law or other laws or administrative rulings of administrative actions by the United States of America or the State of South Carolina or any political

subdivision of either or the failure of the County to perform and observe any agreement, whether express or implied, or any duty, liability or obligations arising out or connected with the Loan Agreement, it being the intention of the Industry and the County that the payments hereunder will be paid in full when due without any delay or diminution whatsoever.

IN WITNESS WHEREOF, the Industry has caused this Note to be duly executed, countersigned and delivered as of

G & G ENTERPRISES

Roger C. Perry, Partner

Elizabeth M. Perry, Partner

WITNESSES:

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EXHIBIT

SEP 18 1981 NO. 3

BOND ORDINANCE

STATE BUDGET & CONTROL BOARD

AUTHORIZING THE ISSUANCE OF A \$550,000.00 GREENVILLE COUNTY, SOUTH CAROLINA INDUSTRIAL REVENUE BOND, 1981 (G & G ENTERPRISES PROJECT), FOR THE PURPOSE OF LOANING THE PROCEEDS OF SAID BOND TO G & G ENTERPRISES, TO FINANCE THE COST OF CONSTRUCTION AND INSTALLATION OF A MANUFACTURING FACILITY, THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH G & G ENTERPRISES, TO BE LEASED TO CHEMSIZE, INC., IN CONNECTION THEREWITH; AND PROVIDING FOR THE SECURING OF THE BOND.

WHEREAS, Greenville County (the "County") is authorized and empowered by the Section 4-29-10, et. seq., of the 1976 Code of Laws of South Carolina, as amended (the "Act"), to assist industries in establishing manufacturing, warehousing and distribution facilities in connection therewith by providing a means with which to raise moneys to pay the cost of the projects through the issuance of revenue bonds payable solely out of the moneys derived by the County under a Loan Agreement by which the industry agrees to operate and maintain the project for the purposes intended and to pay the sums required to meet the payment of the principal and interest on any such bond; and

WHEREAS, G & G Enterprises, (the "Industry"), a South Carolina partnership, in accordance with the provision of an Assistance Agreement dated July 7, 1981 by and between the Industry and the County, has determined that it desires to locate a manufacturing facility for textile and industrial specialty chemicals in Greenville; and

WHEREAS, in order to implement the public purposes enumerated in the Act and in furtherance thereof to assist the Industry in locating the facility within Greenville County which will be leased to and operated by Chemsized, Inc., a corporation duly organized and in good standing under the laws of the State of South Carolina, the County has agreed to issue and sell a Five Hundred Fifty Thousand (\$550,000.00) Dollar Bond,

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under and pursuant to the Act to defray the costs of acquiring land, buildings and improvements, machinery, apparatuses, equipment, office facilities and other furnishings for a manufacturing facility for textile and industrial specialty chemicals (the "Project"); and

WHEREAS, the County Council having determined that the Project will provide after completion employment for approximately 35 people, proposes to issue and sell a Five Hundred Fifty Thousand (\$550,000.00) Dollar principal amount industrial revenue bond, to be designated \$550,000.00 Greenville County, South Carolina Industrial Revenue Bond, 1981 (G & G Enterprises Project) (the "Bond"), to defray the costs of acquiring the Project; and

WHEREAS, the acquisition of the Project, the issuance of the Bond by the County, and the execution of the Loan Agreement as herein provided have been duly approved by the State Budget and Control Board of South Carolina, by Resolution duly adopted on _____, and will serve the intended purposes and in all respects conform to the provisions and requirements of the Act; and

WHEREAS, it has determined that the estimated amount necessary to defray the cost of acquiring the Project, including expenses incidental thereto and to the Bond, requires that a Bond of the County in the principal amount of Five Hundred Fifty Thousand (\$550,000.00) Dollars be authorized as hereinafter provided; and

WHEREAS, the County Council has caused to be prepared and presented to this meeting the following documents which the County either proposes to execute and deliver or which constitute a part of this financing:

1. The form of a Loan Agreement between the County and the Industry;
2. The form of a Bond Purchase Agreement by the County and Southern Bank & Trust Company;

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3. The form of the Assignment whereby the County assigns its interest in the Loan Agreement to Southern Bank & Trust Company;
4. The form of a Mortgage and Security Agreement by the Industry to Southern Bank & Trust Company; and
5. The form of the Bond of the County.
6. The form of Guarantees by Roger C. and Elizabeth M. Perry and Chemsize, Inc. guaranteeing the payment of \$550,000.00; and
7. The form of Lease between the Industry and Chemisize, Inc. and assignment thereof to Southern Bank & Trust Co.

WHEREAS, it appears that each of the instruments above referred to, which are now before this meeting, is in appropriate form and is an appropriate instrument to be either executed and delivered by the County or others for the purposes intended;

NOW, THEREFORE, BE IT ORDAINED by the County Council of Greenville County, South Carolina, as follows:

ARTICLE I

DEFINITIONS

SECTION 101 The terms defined in this Section 101, except as herein otherwise expressly provided for or unless the context otherwise requires, for all purposes of this Ordinance and of any resolution supplemental or amendatory hereto shall have the respective meanings specified in this Section 101:

"ACT" means Section 4-29-10, et. seq., of the 1976 Code of Laws of South Carolina, as amended.

"ADMINISTRATIVE EXPENSES" means the reasonable and necessary expenses incurred by the Purchaser and the Bondholder in connection with

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this Bond Ordinance, the Loan Agreement, the Bond Purchase Agreement, the Assignment and the Mortgage, and the financing of the Project.

"ADMINISTRATOR" means Administrator of Greenville County.

"ASSIGNMENT" means the Pledge and Assignment dated as of _____, 1981 by the County referred to in Section 402 hereof.

"AUTHORIZED INDUSTRY REPRESENTATIVE" means the person or persons at the time designated to act on behalf of the Industry by written certificate furnished to the County and the Bondholder containing the specimen signature of such person, which certificate shall continue in full force and effect until the County and the Bondholder shall have received a notice of revocation thereof by the Industry.

"BOND" means the \$550,000.00 Greenville County, South Carolina Industrial Revenue Bond, 1981 (G & G Enterprises Project).

"BOND ORDINANCE" or "ORDINANCE" means this Ordinance of the County Council of Greenville County, South Carolina, adopted on _____, 1981, authorizing, among other things, the issuance of the Bond, as the same may be amended or supplemented from time to time in accordance with the terms hereof.

"BOND PURCHASE AGREEMENT" means that Agreement dated as of _____, 1981 between the County and the Purchaser of the Bond with regard to the sale of the bond.

"BONDHOLDER" or "HOLDER OF THE BOND" or "OWNER OF THE BOND" means the registered owner of the Bond.

"CHAIRMAN" means the Chairman of the Greenville County Council.

"CLOSING DATE" means the Closing Date referred to in Section 3.1 of the Bond Purchase Agreement.

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"COLLATERAL" means all rights of the County under and all interests of the County in (i) the Loan Agreement (other than the rights of the County or the Purchaser to receive payment of Administrative Expenses, indemnification and attorneys' fees and expenses pursuant to Sections 4.3(b), 6.4 and 8.4 of the Loan Agreement, respectively) and (ii) the Revenues.

"COST OF THE FACILITIES" means those expenditures authorized by Section 3.3 of the Loan Agreement.

"COUNTY" means Greenville County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina, and its successors and assigns.

"COUNTY COUNCIL" means the County Council of Greenville County as the governing body of the County pursuant to Title 4 of the 1976 Code of Laws of South Carolina, as amended, and any successor body.

"EVENT OF TAXABILITY" means a final determination by an administrative body, court order, or change in the Internal Revenue Code of 1954, as amended, or modification of the regulations thereunder or enactment of any other law which would result in all or any portion of the interest on the Bond being included in the income of the Bondholder for Federal Income Tax purposes. A final determination shall be considered as made on the earliest of (a) the expiration of the period for filing a petition in the United States Tax Court with respect to such interest, if no such petition is filed; (b) the day on which a decision by the United States Tax Court or a judgment, decree or other order by any court of competent jurisdiction holding that such interest is taxable becomes final, or the day on which the Bondholder and the Internal Revenue Service reach a settlement resulting in such interest becoming taxable; or (c) the

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effective date of any legislation making such interest due on account of the unpaid principal balance from time to time outstanding prior to such final determination time.

"INDUSTRY" means G & G Enterprises, a South Carolina partnership, its successors and assigns.

"LEASE" means the Lease Agreement between the Industry and Chem-size, Inc.

"LOAN AGREEMENT" means the Loan Agreement to be executed by and between the County and the Industry dated as of _____, and any amendments or supplements thereto duly entered into in accordance with Article XIII hereof.

"MORTGAGE" means the Mortgage and Security Agreement executed as of the date hereof by the Industry in favor of the Bondholder.

"PERSON" means natural persons, firms, associations, corporations and public bodies.

"PROJECT" means the manufacturing and development facility in connection therewith acquired, constructed, or installed by the Industry in Greenville County, or any modification thereof.

"PURCHASER" or "PURCHASER OF THE BOND" means Southern Bank & Trust Company.

"REVENUES" means all payments, revenues and receipts which the County has a right to receive pursuant to the Loan Agreement, other than payment of indemnification and attorneys fees and expenses pursuant to Section 4.3(b), 6.4 and 8.4 of the Loan Agreement, respectively.

ARTICLE II

THE BOND

SECTION 201. Restriction on Issuance of the Bond. The Bond may not be issued under the provisions of this Bond Ordinance except in accordance with this Article.

SECTION 202. Issuance of the Bond. The Bond in the aggregate principal amount of Five Hundred Fifty Thousand (\$550,000.00) Dollars, or such amount as shall be advanced thereunder, dated the Closing Date, designated "\$550,000.00 Greenville County, South Carolina Industrial Revenue Bond, 1981 (G & G Enterprises Project)" shall be issued. It shall bear interest from the date of delivery thereof until maturity at the Interest Rate, said interest and principal to be payable as provided:

Commencing on the date of the Bond, interest shall accrue on the unpaid principal balance at the rate of 70% of the "prime interest rate" of the Bank and shall be due and payable monthly, in arrears, commencing on the fifteenth (15th) day of the first month following the date of delivery of the Bond and continuing on the fifteenth (15th) day of each and every month thereafter until the entire outstanding principal balance of the debt evidenced hereby, together with all accrued but unpaid interest, shall be due and paid in full. "Prime interest rate", as used herein, means the published rate charged to the best commercial customers of the Bank and shall be adjusted monthly to reflect the prime interest rate at the close of business on the first (1st) day of that month.

Provided, however, that (i) in an Event of Taxability, as that term is defined in the Bond Ordinance authorizing the issuance of the Bond (as hereinafter defined), the interest rate on the Note shall be adjusted, effective as of the date interest is (or is determined to be) taxable, to a rate equal to the prime interest rate plus two percent or (ii) if the incremental corporate tax rate imposed under section 11(h) of the Internal Revenue Code of 1954 as amended, changed from the rate in effect as of the delivery of the Bond, the interest rate of seventy (70%) percent of the prime interest rate for the month following and thereafter in which such changes are effective shall be adjusted proportionately to provide the Bondholder a rate of interest which will yield an amount equivalent to the yield on a tax exempt obligation bearing interest at seventy (70%) percent of the prime interest rate during a time in which such incremental federal corporate tax rate was forty-six (46%) percent.

Except as the provisions with respect to prepayment may be applicable thereto, the principal sum of \$550,000.00, or so much thereof as may have been advanced hereunder, shall be made in one hundred twenty (120) monthly installments, beginning on the fifteenth (15th) day of the first (1st) month following the date of delivery of the Bond.

Payments of interest made in respect of the Bond shall be made at the times set forth above to the Bondholder at the addresses shown on the registration books. The Bondholder shall keep a record of all such payments. Payment of principal on the Bond shall be made to or upon the order of the Bondholder or its legal representative at the office of the Bondholder in Greenville, South Carolina.

The Bond may be subject to prepayment, at the option of the Industry, pursuant to Section 302 of this Bond Ordinance at the times and prices set forth in that section.

SECTION 203. Execution; Limited Obligation. The Bond shall be executed on behalf of the County by the Chairman and the Administrator and the Corporate Seal of the County or a facsimile thereof shall be impressed or reproduced thereon and attested by the Clerk of the County Council, provided that the Administrator's and Chairman's signatures shall be manual signatures.

In case any officer whose signature or facsimile of whose signature shall appear on the Bond shall cease to be such officer before the delivery of such Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The Bond, together with interest thereon, shall be a limited obligation of the County payable from the Collateral. The Bond does not now and shall never constitute an indebtedness of the County within the meaning of any state constitutional provisions 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.

SECTION 204. Form of Bond. The Bond issued pursuant to this Bond Ordinance shall be substantially in the form set forth in Exhibit "A" attached hereto with such appropriate variations, omissions and insertions as are permitted or required by this Bond Ordinance.

SECTION 205. Delivery of Bond. The County shall execute and deliver to the Bondholder a Bond in the aggregate principal amount of Five Hundred Fifty Thousand (\$550,000.00) Dollars.

SECTION 206. Mutilated, Lost, Stolen or Destroyed Bond. In the event the Bond is mutilated, lost, stolen or destroyed, the County may execute a new Bond of like denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the County, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the County evidence of such loss, theft or destruction satisfactory to the County and the Industry, together with indemnity satisfactory to the County and the Industry. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the County must pay the same without surrender thereof. The County may charge the Bondholder with all costs and expenses incurred for this purpose.

SECTION 207 Mediums of Payment. The Bond shall be payable with respect to principal and interest, in Federal or other immediately available funds.

SECTION 208. Date. The Bond shall bear interest from the date of delivery.

SECTION 209. Transfer and Registry; Persons Treated as Owners.

The Bond shall be transferable only upon the books of the County, which shall be kept for that purpose at the principal office of the Bondholder in Greenville County, by the Bondholder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the County and the Industry duly executed by the Bondholder or its duly authorized attorney. Upon the transfer of such registered Bond, the County shall issue a new registered Bond in the aggregate principal amount of the surrendered Bond.

The County and the Industry may deem and treat the person in whose name the Bond shall be registered upon the books of the County as the absolute owner of such Bond, whether the Bond shall be overdue or not, for the purpose of receiving payment of or on account of, the principal of and interest on the Bond and for all other purposes, and all such payments so made to any such Bondholder or upon its order, shall be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid, and neither the County nor the Industry shall be affected by any notice to the contrary.

SECTION 210. Regulations With Respect to Transfer and Exchange.

In all cases in which the privilege of transferring the Bond is exercised, the County shall execute and deliver the Bond in accordance with the provisions of this Bond Ordinance. The Bond surrendered in any such transfers shall forthwith be cancelled. There shall be no charge for transfer of the Bond except that the Bondholder may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such transfer or exchange. Neither the County nor the Bondholder shall be required (a) to transfer the Bond for a period of ten days next preceding an Interest Payment Date on the Bond

or (b) to register or transfer the Bond if it has been called for prepayment, as a whole, or (c) if a portion of the Bond is to be prepaid in part only, to register or transfer any such Bond for a period of 10 days next preceding the prepayment date.

SECTION 211. Taxability. Anything to the contrary notwithstanding, the Bond is being issued as a tax free obligation by virtue of Section 103(b) of the Internal Revenue Code.

ARTICLE III

PREPAYMENT OF BOND BEFORE MATURITY

SECTION 301. Prepayment of Bond. At the option of the Industry, the Bond shall be subject to prepayment in inverse order of maturity at any time, without premium. A partial prepayment shall not result in the reduction of any principal payment due under the Bond which is not prepaid.

SECTION 302. Conditions of Prepayment. The Industry shall give the Bondholder and the County at least thirty (30) days written notice of its intent to prepay all or any portion of the Bond. Upon the happening of the above condition and compliance with the provisions of this Bond Ordinance, the Bond, or portions thereof so prepaid, shall cease to bear interest and shall not be deemed to be outstanding under the provisions of this Bond Ordinance.

SECTION 303. Payment of Bond on Partial Prepayment.

If the Bond is to be prepaid in part, Holder of the Bond may (a) present it for notation by the County of the payment as of the prepayment date of the prepaid portion of the principal thereof, or (b) surrender it to the County and exchange it for a new Bond in principal amount equal to the non-prepaid portion of such Bond. In lieu of presentation or surrender under the preceding sentence, prepayment of a portion of the Bond may be made directly to the registered Holder thereof without presentation or surrender thereof, if there shall have been filed with, and for the benefit of the Bondholder and the Industry a certificate of the County that an agreement between the County and such Holder and, if such Holder is a nominee, the person for whom such Holder is a nominee, that payment shall be so made and that such Holder will not sell, transfer

or otherwise dispose of the Bond unless prior to delivery thereof such Holder shall present the Bond to the County for notation thereon of the portion of the principal thereof prepaid or shall surrender the Bond in exchange for a new Bond for the unpaid balance of the principal of the surrendered Bond, has been entered into and remains in force.

ARTICLE IV

LOAN AGREEMENT, ASSIGNMENT

AND BOND PURCHASE AGREEMENT

SECTION 401. Authorization of Loan Agreement, Assignment and Sale Of Bond. The Administrator and the Chairman are hereby authorized and directed to execute, seal and deliver, on behalf of the County, the Loan Agreement, the Assignment, the Bond Purchase Agreement and the Bond each in substantially the form presented to the County Board as evidenced by a copy of each such document certified by the County Clerk and thereupon filed among the permanent records of the County Council. The Administrator, however, is hereby authorized, prior to execution and delivery of the Loan Agreement, the Assignment, the Bond Purchase Agreement, and the Bond, to make such changes or modifications in the form of any of such agreements as may be required or deemed appropriate by him in order to accomplish the purposes of the transactions authorized by this Bond Ordinance. The execution and delivery of the Loan Agreement, the Assignment, the Bond Purchase Agreement, and the Bond by the Administrator and the Chairman shall be conclusive evidence of the due execution in accordance with this Bond Ordinance, on behalf of the County, of each such instrument which shall thereupon become binding and enforceable against the County.

SECTION 402. Pledge and Assignment. As security for the punctual payment of the principal of and interest on the Bond, for the performance and observance by the County and the Industry of all of their respective covenants and agreements set forth or referred to in the Loan Agreement, the Bond, the Bond Purchase Agreement, or this Bond Ordinance, and to assure the correctness of all representations and warranties made

by the County or the Industry, as the case may be, in the Loan Agreement, the Bond Purchase Agreement, the Bond or this Bond Ordinance, the County and the Industry have in the Assignment irrevocably pledged and assigned to the Holder of the Bond all rights of the County under and all interests of the County in (i) the Loan Agreement (other than the rights of the County or the Purchaser to receive payment of Administration Expenses, indemnification and attorneys' fees and expenses pursuant to Sections 4.3(b), 6.4 and 8.4 of the Loan Agreement, respectively) and (ii) the Revenues.

SECTION 403. Condition of County's Obligation; Payment of Principal and Interest. Each and every covenant herein made, including all covenants contained in the various sections of this Article IV, is predicated upon the condition that any obligation for the payment of money incurred by the County shall not create a pecuniary liability of the County or a charge upon its general credit or against its taxing powers, but shall be payable solely from the Collateral, which Collateral is to be specifically pledged to the payment of the Bond in the manner and to the extent in this Bond Ordinance and in the Assignment specified and nothing in the Bond or in this Bond Ordinance shall be considered as pledging any other funds or assets of the County.

Subject to the foregoing, the County covenants that it will promptly pay the principal of and interest on the Bond issued hereunder at the place, on the dates and in the manner provided herein and in the Bond according to the true intent and meaning thereof.

SECTION 404. Performance of Covenants; Authority of County.

The County covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Loan Agreement, Assignment, Bond Purchase Agreement, Bond

Ordinance, and in the Bond executed, authenticated and delivered hereunder and in all proceedings pertaining thereto. The County represents and warrants that it is duly authorized under the Constitution and laws of the State of South Carolina to issue the Bond authorized hereby, to enter into the Bond Purchase Agreement and the Loan Agreement, and to pledge the Collateral in the manner and to the extent herein and in the Assignment set forth; that all actions on its part for the issuance of the Bond will have been duly and effectively taken on or prior to the Closing Date and that the Bond in the hands of the Bondholder thereof will be a valid and binding obligation of the County in accordance with its terms.

SECTION 405. Instruments of Further Assurance. The County covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, instruments and things as may be reasonably required for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Bondholder the Collateral pledged in the Assignment to the payment of the principal of and interest on the Bond.

The County covenants and agrees that, except as herein provided, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Collateral.

SECTION 406. Filing. The security interests of the Holder of the Bond created by the Assignment in the Collateral shall be perfected by the filing in the Office of the Clerk of Court for Greenville County, South Carolina, and in the Office of the Secretary of State of South Carolina in the County of Columbia, South Carolina, of financing statements which fully comply with the South Carolina Uniform Commercial

Code--Secured Transactions. Additional financing or continuation statements which, in the opinion of the Holder of the Bond, are necessary to continue the security interests created by the Assignment and to fully preserve the rights of the Holder of the Bond as against creditors of, or purchasers for value from, the County or the Industry, shall be filed from time to time in said Offices of the Clerk of Court for Greenville County and of the Secretary of State of South Carolina.

ARTICLE V

REVENUES AND FUNDS

SECTION 501. Source of Payment of Bond. The Bond herein authorized and all payments by the County hereunder are not general obligations of the County but are limited obligations payable solely from the Collateral as authorized and provided in this Bond Ordinance and in the Assignment.

The payments provided for in Section 4.3 of the Loan Agreement are to be remitted by the Industry directly to the Bondholder. As set forth in Section 4.3 of the Loan Agreement, said payments are required to be sufficient in amount to pay when due the principal of, interest and prepayment premium, if any, on the Bond.

SECTION 502. Non-Presentment of Bond. In the event the Bond shall not be presented for payment when the final installment of principal thereof becomes due, either at maturity or at the date fixed for prepayment thereof, and the Industry makes such payments directly to the Bondholder, all liability of the County and Industry to the Holder thereof for the payment of the Bond, or portion thereof, then due and payable, shall forthwith cease, determine and be completely discharged.

SECTION 503. Purchaser's Fees, Charges and Expenses.

Pursuant to the provisions of the Loan Agreement, the Industry has agreed to pay to the Purchaser, until the principal of and interest on the Bond shall have been fully paid, the Administrative Expenses and certain expenses in connection with defaults, as set forth in Section 8.4 of such Agreement.

SECTION 504. Moneys To Be Held in Trust. All moneys deposited with or paid to the Purchaser under any provision of this Bond Ordinance

shall be held by such entities in trust for the purposes for which payment may be made from such funds, and all moneys deposited with or paid for the prepayment of the Bond shall be held in trust for the payment of the principal of and interest on the Bond.

ARTICLE VI

LAWS GOVERNING ORDINANCE

SECTION 601. Laws Governing Ordinance. The effect and meaning of this Bond Ordinance and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State of South Carolina.

ARTICLE VII

DEFEASANCE

SECTION 701. Defeasance. If the County shall pay or cause to be paid, or there shall otherwise be paid to the Holder of the Bond, the principal of and interest on the Bond, at the times and in the manner provided in this Bond Ordinance, and if the County and the Industry shall keep, perform and observe all and singular the covenants and promises in the Loan Agreement, the Bond Purchase Agreement, the Bond and this Bond Ordinance expressed as to be kept, performed and observed, then the rights hereby granted shall cease, determine and be void.

ARTICLE VIII

DEFAULT PROVISIONS AND REMEDIES OF BONDHOLDER

SECTION 801. Defaults; Events of Default. If any of the following events occur, it is hereby defined as and declared to be and to constitute an "event of default":

(a) Default in the due and punctual payment of any interest on the Bond; or

(b) Default in the due and punctual payment of the principal of the Bond; or

(c) The occurrence of an "event of default" under the Loan Agreement, unless the default is one which can be waived or cured within a certain time and has been waived or cured in accordance with the terms thereof; or

(d) Subject to the provisions of Section 808 hereof, default in the performance or observance of any other of the covenants, agreements or conditions on the part of the County contained in the Bond Purchase Agreement, the Loan Agreement, this Bond Ordinance or in the Bond; or

(e) The occurrence of an "event of default" under the Mortgage, unless such event shall have been waived in accordance with the terms thereof.

SECTION 802. Acceleration. Upon the occurrence of an event of default, the Bondholder may declare the entire principal of the Bond then outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

SECTION 803. Remedies. (1) Upon the happening and continuance of an event of default specified in Section 801, then and in each such case the Bondholder may proceed, in its own name, to protect and enforce its rights by such of the following remedies as shall be deemed most effectual to protect and enforce such rights:

(a) by mandamus or appointment of a receiver in equity by any other suit, action or proceeding in accordance with the laws of the State of South Carolina, to enforce the rights of the Bondholder, including the right to require the County to enforce the Loan Agreement and to require the County or the Industry to carry out any other covenant or agreement with the Bondholder and to perform their respective duties under the Loan Agreement;

(b) by suit upon the Bond;

(c) by action or suit, to enforce the Loan Agreement; and

(d) by action or suit, to enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholder.

(2) In the enforcement of any remedy under this Bond Ordinance, any Bondholder shall be entitled to sue for, enforce payment on and receive any and all amounts then due or becoming due during any default from the County for principal and interest under the provisions of this Bond Ordinance or of the Bond, with interest on overdue payments at the Penalty Rate, together with any and all costs and expenses, including reasonable legal fees, of collection and all proceedings hereunder and under such Bond. All sums so recovered shall be disposed of in accordance with the provisions of Section 804.

No remedy by the terms of this Bond Ordinance conferred upon or reserved to the Bondholder is intended to be exclusive of any other

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remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholder hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be a waiver of any such default or event of default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or event of default hereunder by the Bondholder shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

SECTION 804. Application of Moneys. All moneys received pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred in such connection, be paid to the Bondholder and applied as follows:

(a) Unless the entire principal of the Bond shall have become, or shall have been declared, due and payable, all such moneys shall be applied:

First--To the payment to the persons entitled thereto of all installments of interest then due on the Bond, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the

persons entitled thereto, without any preference or privilege;
and

Second--To the payment to the persons entitled thereto of the unpaid principal of the Bond, and, if the amount available shall not be sufficient to pay in full the principal of the Bond, then to the payment ratably, according to the amount of the principal due to the persons entitled thereto, without any preference or privilege; and

Third--To the payment to the persons entitled thereto of interest at the Penalty Rate on all past due installments of principal and interest from their respective due dates and, if the amount available shall not be sufficient to pay in full the whole amount of interest so due, then to the payment ratably according to the amount of interest then due, to the persons entitled thereto, without any preference or privilege and without any distinction between interest on past due interest and interest on past due principal.

(b) If the principal of the Bond shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bond, without preference or priority of principal over interest or of any installment of interest over any other installment of interest.

(c) If the principal of the Bond shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of Paragraph (b) of this Section, in the event that the principal of the Bond shall later become due or be declared due and

payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time as the Bondholder shall determine, having due regard to the amount of such moneys available for such application in the future. Whenever the Bondholder shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue.

SECTION 805. Termination of Proceedings. In case proceedings have been taken to enforce any right under this Bond Ordinance, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Bondholder, then and in every such case the County and the Bondholder shall be restored to their former positions and rights hereunder and all rights and remedies and powers of the Bondholder shall continue as if no such proceedings had been taken.

SECTION 806. Waivers of Events of Default. There may be waived any event of default hereunder and its consequences and any declaration of maturity of principal of and interest on the Bond may likewise be waived upon the written consent of the Bondholder.

SECTION 807. Opportunity of the County and Industry to Cure Defaults. With regard to any alleged default hereunder, the County grants the Industry full authority for account of the County to perform any covenant or obligation alleged in said notice to constitute

a default, in the name and stead of the County with full power to do any and all things and acts to the same extent that the County could do or perform any such things and acts and with power of substitution.

SECTION 808. Powers of Bondholder Upon Event of Default Under Loan Agreement or in Payment of Bond. In case of a default hereunder, the Bondholder may in its discretion proceed to protect and enforce in its name, or in the name of the County, the rights vested in the County or in the Bondholder by the Bond Purchase Agreement, the Assignment, this Bond Ordinance, the Loan Agreement, or the Mortgage, by such appropriate judicial or other proceedings as shall be deemed most effectual to protect and enforce any of such rights, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Bond Ordinance or in aid of the exercise of any power granted by this Bond Ordinance or the Loan Agreement or to enforce any other legal or equitable right arising from this Bond Ordinance, the Loan Agreement or by law.

ARTICLE IX

THE PURCHASER

SECTION 901. Duties of Purchaser. The duties of the Purchaser

shall be determined solely by the express provisions of this Bond Ordinance and the Loan Agreement, and the Purchaser shall not be liable except for willful misconduct or negligence in the performance of such duties as are specifically set forth in this Bond Ordinance and the Loan Agreement, and no implied covenants, duties or obligations shall be read into this Bond Ordinance or the Loan Agreement against the Purchaser. The Purchaser shall not be liable for any action taken, suffered or omitted by it in good faith and reasonably believed by it to be authorized or within the discretion, rights, duties, privileges or powers conferred upon it by this Bond Ordinance and the Loan Agreement.

The Purchaser may rely and shall be protected in acting or refraining from acting in reliance upon any ordinance, direction, certificate, invoice, statement, instrument, opinion, report, notice, request, consent, order, approval, appraisal, promissory bond or other paper or document reasonably believed by it to be genuine and purporting to have been signed or presented by the person or persons representing himself, or themselves as having proper authority. The Purchaser shall not be bound to make any investigation into the facts or matters stated in any ordinance, direction, certificate, invoice, statement, instrument, opinion, report, notice, request, consent, order, approval, appraisal, promissory bond or other paper or document, including particularly those set forth in Article III of the Loan Agreement.

ARTICLE X

SUPPLEMENTAL ORDINANCES

SECTION 1001. No Supplemental Ordinances Without Consent of Bondholder. The County may not, without the consent of the Bondholder, adopt any ordinance supplemental or amendatory to this Bond Ordinance.

SECTION 1002. Supplemental Ordinances Requiring Consent of Bondholder. Subject to the terms and provisions contained in this Section, and not otherwise, the Bondholder may consent to and approve the adoption by the County of such other Ordinance supplemental or amendatory hereto as shall be deemed necessary and desirable by the Bondholder and the County for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Bond Ordinance or in any supplemental or amendatory ordinance.

If at any time the County shall propose to adopt any such supplemental or amendatory ordinance for any of the purposes of this Section, the County shall cause the proposed adoption of such supplemental ordinance to be mailed, postage prepaid, to the registered Bondholder. Such notice shall briefly set forth the nature of the proposed supplemental or amendatory ordinance and shall state that copies thereof are on file at the offices of the County for inspection by the Bondholder. If, within sixty days or such longer period as shall be prescribed by the County following such notice, the Bondholder shall have consented to and approved the execution thereof as herein provided, no right shall exist to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the County from adopting the same or from taking any action pursuant to the provisions thereof. Upon

the adoption of any such supplemental or amendatory ordinance as in this Section permitted and provided, this Bond Ordinance shall be and be deemed to be modified and amended in accordance therewith.

Anything herein to the contrary notwithstanding, a supplemental or amendatory ordinance under this Article X which affects any right of the Industry shall not become effective unless and until the Industry shall have consented to the adoption of such supplemental or amendatory ordinance. In this regard, the County shall cause notice of the proposed adoption of any such supplemental or amendatory ordinance together with a copy of the proposed supplemental or amendatory ordinance to be mailed by certified or registered mail to the Industry at least fifteen days prior to the proposed date of adoption of any supplemental or amendatory ordinance. The Industry shall be deemed to have consented to the adoption of any such supplemental or amendatory ordinance if the County does not receive a letter of protest or objection thereto signed by or on behalf of the Industry on or before 2:30 o'clock P.M., on the fifteenth day after receipt of said notice and a copy of the proposed supplemental or amendatory ordinance, the time to control being that prevailing in the County. The County may rely upon an opinion of counsel as conclusive evidence that adoption of a supplemental or amendatory ordinance has been effected in compliance with the provisions of this Article X.

ARTICLE XI

AMENDMENTS TO LOAN AGREEMENT

SECTION 1101. No Amendments to Loan Agreements Without Consent of Bondholder. The County may not without the consent of and notice to the Bondholder in accordance with Section 1102 hereof, consent to and enter into any amendment, change or modification of the Loan Agreement.

SECTION 1102. Amendments to Loan Agreement Requiring Consent of the Bondholder. The County shall not consent to or enter into any other amendment, change or modification of the Loan Agreement without notice to and the written approval or consent of the Bondholder at the time given and procured as in Section 1002 provided.

ARTICLE XII

MISCELLANEOUS

SECTION 1201. Consents, Etc., of Bondholder. Any consent, request, direction, approval, waiver, objection or other instrument required by this Bond Ordinance to be signed and executed by the Bondholder may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholder in person or by agent appointed in writing. Proof of the execution of any consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of the Bond, if made in the following manner, shall be sufficient for any of the purposes of this Bond Ordinance, viz:

(a) The fact and date of the execution by any person of any such request, consent or other instrument in writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership such affidavit or certificate shall also constitute sufficient proof of his authority.

(b) The ownership of the Bond shall be proved by the register of Bond maintained by the County.

(c) Any request, consent or vote of the Bondholder shall bind every future Holder of the Bond and the Holder of the Bond issued

in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done in pursuance of such request, consent or vote.

SECTION 1202. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Bond Ordinance or the Bond is intended or shall be construed to give to any person other than the Bondholder any legal or equitable right, remedy or claim under or in respect of this Bond Ordinance or any covenants, conditions and provisions herein contained; this Bond Ordinance and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Bondholder.

SECTION 1203. Severability. If any provision of this Bond Ordinance shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any Constitution or statute or rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or sections in this Bond Ordinance contained, shall not affect the remaining portions of this Bond Ordinance, or any part thereof.

SECTION 1204. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed

given when given by telegram and confirmed by registered mail or certified mail, postage prepaid, by express provision of this Bond Ordinance addressed as follows: If to the County, to Administrator, Greenville County, Greenville County Courthouse, Greenville, South Carolina; if to the Industry, to G & G Enterprises, Greenville, South Carolina 29602; if to the Bondholder, to Southern Bank & Trust Company, 306 E. North Street, Greenville, South Carolina 29602. A duplicate copy of each notice, certificate, request or other communication given hereunder to the County, the Industry, or the Bondholder shall also be given to the others. The County, the Industry, and the Bondholder may, by notice given to all parties set forth above, designate any further or different addressees to which subsequent notices, certificates or other communications shall be sent.

SECTION 1205. Transferral of County's Rights. In the event of the dissolution of the County or the consolidation of any part of the County with any other political subdivision or the transfer of any other rights of the County to any other such political subdivision or other authority, all the covenants, stipulations, promises and agreements in this Bond Ordinance contained, by or on behalf of, or for the benefit of, the County, shall bind or inure to the benefit of the successors of the County from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of the County shall be transferred.

SECTION 1206. Payments Due on Sundays and Holidays. In any case where the date of maturity of interest on or principal of the Bond or the date fixed for prepayment of the Bond shall be a Saturday, a Sunday or shall be in the County of Greenville, a legal holiday or a day on

which banking institutions are authorized by law to close, then payment of interest or principal need not be made on such date in such County, but may be made on the next succeeding business day, not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the date of maturity or the date fixed for prepayment, but interest shall then be paid for the period after such date.

SECTION 1207. Counterparts. This Bond Ordinance shall be executed by the County Council in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 1208. Bond Ordinance Constitutes Contract. In consideration of the purchase and acceptance of the Bond authorized to be issued hereunder by those who shall hold the same from time to time, this Bond Ordinance, which shall not be amended, rescinded or modified after the delivery of the Bond to the Purchaser, except in accordance with Section 1002 of this Bond Ordinance, shall for all purposes be deemed to be and shall constitute a contract between the County and the Bondholder.

Approved and adopted this _____ day of _____, A. D. 1981, at a duly called meeting of the County Council of Greenville County, South Carolina, proper notice thereof having been given.

This Ordinance becomes effective upon date of passage, designated as Ordinance No. _____. This Ordinance supersedes any inconsistent ordinances.

DONE, RATIFIED AND PASSED THIS THE _____ DAY OF _____,
1981.

GREENVILLE COUNTY

County Administrator

Chairman, Greenville County Council

ATTEST:

Clerk of County Council

EXHIBIT

SEP 18 1981 NO. 3

BOND PURCHASE AGREEMENT

STATE BUDGET & CONTROL BOARD
\$550,000.00 GREENVILLE COUNTY, SOUTH CAROLINA
INDUSTRIAL REVENUE BOND, 1981 (G & G ENTERPRISES PROJECT)

AGREEMENT dated as of _____, 1981 between GREENVILLE COUNTY, South Carolina, (the "County"), a body politic and corporate and a political subdivision of the State of South Carolina, and SOUTHERN BANK & TRUST COMPANY (the "Bank"), a banking association organized and existing under the laws of the State of South Carolina.

SECTION 1. Representations and Warranties.

The County represents and warrants that:

1.1 Authority. The County is a duly constituted and validly existing body politic and corporate and political subdivision of the State of South Carolina, validly acting by and through the County Council of Greenville County, South Carolina (the "Governing Board") as the governing body of the County established pursuant to Title 5 of the 1976 Code of Laws of South Carolina, as amended. The County is authorized and empowered by Title 4, Chapter 29, 1976 Code of Laws of South Carolina, as amended (the "Act"), to enter into the transactions contemplated by (i) this Agreement, (ii) the Loan Agreement between the County and G & G Enterprises (the "Industry"), dated as of the date hereof relating to the use of proceeds from the Bond, as herein-after defined (the "Loan Agreement"), (iii) the Pledge and Assignment by the County dated as of the date hereof, pledging, among other things, certain interests under the Loan Agreement (the "Assignment") and (iv) the Bond Ordinance relating to the issuance of a \$550,000.00 Greenville County, South Carolina Industrial Revenue Bond, 1981 (G & G Enterprises Project) (the "Bond"), adopted by the County on _____, _____ (the "Bond Ordinance"), and to apply the proceeds from the issuance of the Bond as set forth in Section 3.3 of the Loan Agreement.

AUGUST 21, 1981 DRAFT

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The execution and delivery of, and the performance of the obligations and agreements of the County set forth or referred to in this Agreement, the Loan Agreement, the Assignment, and the Bond are within the power and authority of the County, have been duly and validly authorized by all necessary proceedings, and will not contravene any provision of law or regulation or any judgment, order or decree to which the County is subject or contravene or constitute a default under any contract, agreement or other instrument binding upon the County. The Bond Ordinance has been duly and validly adopted on behalf of the County and is in full force and effect, and the adoption of the Bond Ordinance and the performance of the obligations and agreements of the County set forth or referred to therein will not contravene any provision of law or regulation or any judgment, order or decree to which the County is subject or contravene or constitute a default under any contract, agreement or other instrument binding upon the County. This Agreement, the Loan Agreement, the Assignment, and the Bond Ordinance each constitute legal, valid and binding agreements of the County enforceable in accordance with their respective terms except as enforcement may be limited by bankruptcy or other laws of general application affecting creditors' rights. The Bond, when executed and delivered on behalf of the County and in accordance with the Bond Ordinance, will constitute a legal, valid and binding obligation of the County in accordance with its terms.

1.2 Litigation and Governmental Authority.

There is no action, suit or pending proceeding or, to the best knowledge of the County, threatened against or affecting the County or the Governing Board before any Court, governmental department, commission, board or other Federal, state, county, municipal or other instrumentality, agency or authority which might adversely affect the power or authority of the County or the Governing

Board or the ability of the County to perform the obligations and agreements of the County set forth or referred to in this Agreement, the Loan Agreement, the Assignment, the Bond or the Bond Ordinance.

All authorizations, consents, approvals and findings of governmental bodies or agencies required in connection with the execution and delivery of this Agreement, the Loan Agreement, the Assignment, and the Bond, the adoption of the Bond Ordinance, or the consummation of the transactions contemplated by this Agreement, the Loan Agreement, the Assignment, the Bond and the Bond Ordinance have been obtained, including without limitation, the finding by the State Budget and Control Board of South Carolina that the Industry's proposed metal manufacturing and development facility to be located in Greenville County (the "Project"); and the proposal of the Governing Board to issue the Bond in accordance with the Bond Ordinance, and the adoption of the Bond Ordinance are consistent with and will further the purposes of the Act. All of the authorizations, consents, approvals and findings referred to above are in full force and effect on and as of the date hereof.

SECTION 2. Bond.

2.1 Agreement to Sell and Purchase. The County hereby agrees to sell to the Bank, and in reliance upon the representations, warranties, covenants and agreements of the County set forth herein and made pursuant hereto, and subject to all the terms and conditions hereof, the Bank agrees to purchase from the County, on the Closing date referred to in Section 3.1 hereof, a \$550,000.00 Greenville County Industrial Revenue Bond, 1981 (G & G Enterprises Project). The Bond shall be dated as of the date of delivery thereof, shall bear interest on the sums advanced thereunder at the Interest Rate (as defined in the Bond Ordinance) and principal and premiums, if any, shall be payable as set forth in Sections 202 and 301 of the Bond Ordinance.

2.2 Bond; Use of Proceeds. The Bond, when executed and delivered on behalf of the County in accordance with the Bond Ordinance, will constitute a "bond" within the meaning of the Act. All of the proceeds from the issuance of the Bond will be applied as set forth in Section 3.3 of the Loan Agreement.

2.3 Prepayment. (a) The Bond is subject to prepayment in whole or in part prior to maturity thereof pursuant to the requirements of Section 301 of the Bond Ordinance on the dates and terms set forth therein.

2.4 Funds. Payment for the purchase by the Bank of the Bond hereunder and all payments of principal of and interest on the Bond shall be made in Federal or other immediately available funds.

2.5 Security. The County represents and warrants that, as security for the punctual payment of all amounts payable by the County pursuant to the Bond or the Bond Ordinance, for the performance and observance by the County and the Industry of their respective covenants and agreements set forth or referred to in this Agreement, the Loan Agreement, the Bond, the Assignment, or the Bond Ordinance, and to assure the correctness of all representations and warranties made in these documents or any other document or certificate delivered pursuant thereto, the County has in the Assignment irrevocably pledged and assigned to the Bondholder all rights of the County under and all interests of the County in (i) the Loan Agreement and the Note executed by the Industry pursuant thereto (other than the rights of the County to receive payment of Administrative Expenses, indemnification and attorneys' fees and expenses pursuant to Sections 4.3(b), 6.4, and 8.4 of the Loan Agreement, respectively) and (ii) the Revenues (as defined in the Bond Ordinance). The County represents and warrants that it has effected all filings and recordings required in order to establish, protect and preserve the security interests of the Bondholder created by the Assignment as valid, perfected and enforceable first liens and

security interests in the Collateral (as defined in the Bond Ordinance). The County covenants and agrees to effect promptly all other filings or recordings, including without limitation the filing of all financing statements and continuation statements in respect thereof under the Uniform Commercial Code of South Carolina, which, in the judgment of the Bondholder are necessary or desirable from time to time to establish, protect and preserve such security interests as valid, perfected and enforceable first liens and security interests in the Collateral.

2.6 Limited Obligations. Anything in this Agreement, the Bond, the Bond Ordinance or the Assignment to the contrary notwithstanding, the Bank understands and agrees that the obligations of the County to make payments of principal and interest on the Bond, and premiums, if any, are limited obligations of the County payable solely out of the Collateral, that such obligations do not constitute an indebtedness of the County within the meaning of any provision of the Constitution or any law of the State of South Carolina and shall not constitute or give rise to any pecuniary liability of the County, or a charge against its general credit or taxing powers.

SECTION 3. Closing.

3.1 Closing Date. The Closing with respect to the purchase and sale of the Bond by the County to the Bank shall take place in Greenville, South Carolina on _____, 1981 or at such other time and date as the parties hereto may mutually agree (the "Closing Date").

3.2 Delivery and Payment. On the Closing Date, the County will deliver to the Bank a \$550,000.00 Bond against delivery of evidence of receipt from Southern Bank & Trust Company, as Purchaser. The Bond will be delivered to the Bank as a single Bond with a principal amount of \$550,000.00 and registered in the name of the Bank.

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SECTION 4. Conditions to Purchase of Bond.

The obligation of the Bank to purchase the Bond hereunder on the Closing Date is conditioned upon:

(a) the fact that the representations and warranties of the County contained in Section 1.1, 1.2 and 2.2 hereof and in the first two sentences of Section 2.5 hereof are true and correct in all material respects on and as of the Closing Date;

(b) receipt by the Bank of a Certificate of the County, signed on behalf of the County by the Supervisor, to the effect set forth in Section 4(a) hereof;

(c) receipt by the Bank of a fully registered Bond complying with the provisions of Section 3.2 hereof and conforming to the form of the Bond set forth in the Bond Ordinance;

(d) receipt by the Bank of a duly authorized, executed and delivered Loan Agreement and Assignment thereof and a Mortgage and Security Agreement constituting a first lien on the Project;

(e) a certificate of the Industry to the effect that the representations and warranties of the Industry contained in the Loan Agreement and other documents involved in this financing are true and correct in all material respects on and as of the Closing Date;

(f) receipt by the Bank of evidence satisfactory to the Bank that

(i) all necessary or appropriate findings, consents, approvals and authorizations of the State Budget and Control Board of South Carolina had been obtained;

(ii) all necessary or appropriate findings, consents, approvals and actions by the Governing Board to authorize the execution and delivery of, and performance of the obligations and agreements of

the County set forth or referred to in, this Agreement, the Loan Agreement, the Assignment, and the Bond have been duly and validly taken, including adoption of the Bond Ordinance; and

(iii) the Bond Ordinance and all of the findings, consents, approvals and authorizations referred to above are in full force and effect on and as of the Closing Date.

(g) receipt by the Bank of a certificate of the County, signed on behalf of the County by the Supervisor, to the effect that:

(i) on the basis of the facts, estimates and circumstances (including the certificate by the Industry delivered to the County relating to the Facilities and the covenants of the County herein contained) in existence on the date of the issuance of the Bond, which facts, estimates, and circumstances shall be set forth therein, it is not expected that the proceeds of the issuance of the Bond will be used in any manner that would cause the Bond to be an arbitrage bond within the meaning of Section 103 of the Internal Revenue Code of 1954, as amended; and

(ii) to the best of the knowledge and belief of the County, there are not other facts, estimates or circumstances which would materially change such expectations;

(h) receipt by the Bank of an assignment of the Industry's rights as Lessor under that certain sub-lease with Chemsize, Inc. dated as of the closing date;

(i) receipt by the Bank of satisfactory guarantees from Roger C. and Elizabeth Perry and Chemsize, Inc. guaranteeing the repayment of the \$550,000.00 loan;

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(j) receipt by the Bank of an opinion of Mr. Joseph Earle, County Attorney for Greenville County, South Carolina, dated the Closing Date and in form and substance satisfactory to the Bank, to the effect set forth in Exhibit A attached hereto;

(k) receipt by the Bank of opinions of Mr. Robert Clay, dated the Closing Date and in form and substance satisfactory to the Bank, to the effect set forth in Exhibit B attached hereto;

(l) receipt by the Bank of an unqualified opinion of Messrs. Haynsworth, Perry, Bryant, Marion & Johnstone, Bond Counsel, dated the Closing Date and in form and substance satisfactory to the Bank, to the effect set forth in Exhibit C attached hereto;

(m) receipt by the Bank of all other documents or opinions which it may reasonably request.

SECTION 5. Miscellaneous.

The County covenants and agrees that:

5.1 Notices. All notices, requests or demands hereunder shall be deemed to have been given when deposited in the United States mails, first class postage prepaid, addressed to the appropriate party at its address given above or at any other address of which it shall have notified the person giving such notice in writing.

5.2 Term of Agreement. Rights and obligations under this Agreement shall be in effect until the payment in full of the principal of and all interest on the Bond and all other sums payable to the Bondholder pursuant to this Agreement, the Bond, the Bond Ordinance, the Loan Agreement or the Assignment.

5.3 No Waivers. No failure or delay of any Bondholder in exercising any right, power or privilege hereunder or under the Bond Ordinance, the Bond

or the Assignment shall operate as a waiver thereof; nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

5.4 South Carolina Law. This Agreement shall be deemed to be a contract made under and shall be construed in accordance with and governed by the laws of the State of South Carolina.

5.5 Copies of Certificates, etc. Whenever the County is required to deliver notices, certificates, opinions, statements or other information hereunder to the Bank, it shall do so in such number of copies as the Bank shall specify.

5.6 Changes, Waivers, etc. Neither this Agreement nor any provision hereunder may be modified, waived, discharged or terminated, except by a statement in writing signed by each party against which enforcement of the modification, waiver, discharge or termination is sought.

5.7 Successors and Assigns. This Agreement and the Bond Ordinance shall be binding and inure to the benefit of the parties hereto and their respective successors and assigns.

ATTEST:

GREENVILLE COUNTY, SOUTH CAROLINA

County Clerk
Greenville County, South Carolina

BY: _____
Chairman, County Council

Signed, sealed and delivered
in the presence of:

BY: _____
County Administrator

JULY 20, 1981 DRAFT

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SOUTHERN BANK & TRUST COMPANY

BY: _____

ATTEST:

Signed, sealed and delivered
in the presence of:

JULY 20, 1981 DRAFT

07006

EXHIBIT

SEP 18 1981 NO. 3

UNITED STATES OF AMERICA

STATE OF SOUTH CAROLINA

GREENVILLE COUNTY

INDUSTRIAL REVENUE BOND, 1981

(G & G ENTERPRISES PROJECT)

STATE BUDGET & CONTROL BOARD

GREENVILLE COUNTY, a body politic and corporate, and a political subdivision of the State of South Carolina, (the "County"), for value received, promises to pay, but only from the source and as hereinafter provided, to the order of SOUTHERN BANK & TRUST COMPANY, and any subsequent holder(s) hereof, (the "Bank"), at its offices in Greenville, South Carolina, or at such other place as the holder hereof shall designate, the principal sum of Five Hundred Fifty Thousand and No/100ths (\$550,000.00) Dollars, together with interest thereon, from the date hereof in accordance with the following provisions at the rates hereinafter set forth, in lawful money of the United States of America, which shall at the time of payment be legal tender in payment of all debts and dues, public and private, such principal and interest to be paid as follows:

Commencing on the date of this Bond, interest shall accrue on the unpaid principal balance at the rate of 70% of the "prime interest rate" of the Bank and shall be due and payable monthly, in arrears, commencing on the fifteenth (15th) day of the first month following the date of delivery of the Bond and continuing on the fifteenth (15th) day of each and every month thereafter until the entire outstanding principal balance of the debt evidenced hereby, together with all accrued but unpaid interest, shall be due and paid in full. "Prime interest rate", as used herein, means the published rate charged by the Bank to its best commercial customers and shall be adjusted monthly to reflect the prime interest rate at the close of business on the first (1st) day of that month.

Provided, however, that (i) in an Event of Taxability, as that term is defined in the Bond Ordinance authorizing

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the issuance of the Bond (as hereinafter defined), the interest rate on this Note shall be adjusted, effective as of the date interest is (or is determined to be) taxable, to a rate equal to the prime interest rate plus two percent or (ii) if the incremental corporate tax rate imposed under section 11(h) of the Internal Revenue Code of 1954 as amended, changed from the rate in effect as of the delivery of the Bond, the interest rate of seventy (70%) percent of the prime interest rate for the month following and thereafter in which such changes are effective shall be adjusted proportionately to provide the Bondholder a rate of interest which will yield an amount equivalent to the yield on a tax exempt obligation bearing interest at seventy (70%) percent of the prime interest rate during a time in which such incremental federal corporate tax rate was forty-six (46%) percent.

Except as the provisions with respect to prepayment may be applicable thereto, the principal sum of \$550,000.00 shall be payable in one hundred twenty (120) monthly installments, on the fifteenth (15th) day of each month, beginning on the fifteenth (15th) day of the first (1st) month following the date of delivery of this Bond.

The principal indebtedness evidenced by this Bond may be prepaid in full or in part, from time to time, on the fifteenth (15th) day of any month, without notice, without prepayment premium or other charge. All payments made hereunder shall be applied first to interest, then to principal.

This Bond is issued for the purpose of financing the acquisition, construction and equipping of a manufacturing facility for textile and industrial specialty chemicals (the "Project") to be owned by G & G Enterprises, a South Carolina partnership, (the "Industry") and leased to Chemsize, Inc. This Bond is issued under and entitled to the protection given by a Bond Ordinance (the "Bond Ordinance") duly adopted by County Council. The Bond is purchased pursuant to a Bond Purchase Agreement between the County and the Bank (the "Bond Purchase Agreement"). The County and the Industry have entered into a Loan Agreement dated as of _____ (the "Loan Agreement"), relating to the financing of this project, pursuant to which the Industry has executed a Note to the County evidencing its promise to pay (the "Note"). The Note is

secured by a mortgage lien and security interest in the project granted pursuant to a Mortgage and Security Agreement dated as of _____ from the Industry to the Bank. The Bond and the interest thereunder are secured by the Note and pursuant to a Pledge and Assignment dated as of _____ (the "Assignment") by the County, the Bank shall use each payment by the Industry under the Note to make a like payment of interest or of principal and interest on this Bond. The terms of the Note are identical with the terms of this Bond as to principal installment payment dates and amount, interest rates, and prepayment provisions.

Copies of the Mortgage and Security Agreement and UCC filings are recorded in the office of the Register of Mesne Conveyances for Greenville County, South Carolina. UCC financing statements are also on file with the Secretary of State in Columbia, South Carolina. Reference is made to the Mortgage and Security Agreement, Loan Agreement, Bond Ordinance, Bond Purchase Agreement, and Assignment for a description of the security and other provisions.

This Bond is issued pursuant to the authorization of and for the purposes prescribed by Chapter 29, Title 4, Volume I, 1976 Code of Laws of South Carolina, as amended, and pursuant to the Bond Ordinance duly enacted by the County Council of Greenville County and with the approval of the State Budget and Control Board of the State of South Carolina. This Bond is a limited obligation of the County and is payable by the County solely out of the Collateral (as defined in the Bond Ordinance). The full faith, credit and taxing powers of the County are not pledged payment of principal of and interest of this Bond.

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This Bond is not and shall never constitute an indebtedness of the County within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or charge against its general credit or taxing powers.

Pursuant to the Loan Agreement and Assignment (and as evidenced by the Note), payments sufficient for the prompt payment when due of the principal of and interest on and penalties, if any, due under the Bond are to be paid directly to the Bondholder for the account of the County. In addition, the Bond may be prepaid in whole or in part at any time at the option of the Industry as provided for above.

Upon the failure to timely pay principal of or interest when due under this Bond, or upon the happening of the default, as defined in either the Loan Agreement, the Bond Ordinance, the Bond Purchase Agreement, the Assignment, or the Mortgage and Security Agreement, the principal of the Bond that is outstanding may become or may be declared due and payable before the stated maturity date thereof, together with interest accrued thereon and any penalty, if any, applicable thereto.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions, and things required to exist, happen, and be performed precedent to the issuance of the Bond do exist, have happened, and have been performed in due time, form and manner as required by law; and that the issuance of this Bond, together with all other obligations of the County, does not exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, GREENVILLE COUNTY, has caused this Bond to be executed by the County Administrator of Greenville County, and the Chairman of the County Council of Greenville County, by their manual

signatures and its corporate seal impressed or reproduced thereon, and attested by the Clerk of Greenville County Council, by her manual signature, all on this _____ day of _____, 1981.

GREENVILLE COUNTY, SOUTH CAROLINA

Chairman, Greenville County Council

County Administrator

ATTEST:

County Clerk
Greenville County, South Carolina

THE END

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