

MINUTES OF
BUDGET AND CONTROL BOARD
MEETING

August 13, 1986

01601

State of South Carolina
State Budget and Control Board

RICHARD W. RILEY, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

Box 12444

Columbia
29211

August 14, 1986

REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE

TOM G. MANGUM
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

MEMORANDUM

TO: Budget and Control Board Division Directors
FROM: William A. McInnis, Deputy Executive Director *WAM*
SUBJECT: Summary of Board Actions at August 13, 1986, Meeting

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

1. Approved the minutes of the July 29, 1986, Budget and Control Board meeting and, acting as the State Education Assistance Authority, approved the minutes of the June 29, 1986, Authority meeting;
2. Received as information a Family Farm Development Authority report that the James Earl Bozard project, approved by the Budget and Control Board at its meeting on May 27, 1986, has been changed as follows: (a) the principal amount of the bond has been reduced from \$215,000 to \$190,000; (b) the interest rate has been reduced from 8.5% to 8%; and (c) the bond shall be payable in ten annual installments of \$28,316 each with the first payment to be 15 months from the date of closing;
3. Granted a 20' utility easement to Santee Electric Cooperative, Inc., to upgrade an existing overhead power distribution line over the Black River at Browns Ferry adjacent to SC Highway 51 in Georgetown County;
4. Received as information the Local Government report on rural improvement funds expended by the Senate during June-July, 1986, which includes 17 projects totalling \$164,996 in State grant funds and which indicates that 283 applications involving \$3,000,000 have been approved during the current fiscal year, that the account was credited \$72,000 in June, and that all Senate funds were expended;
5. Received as information the Local Government report on rural improvement funds expended by the House of Representatives during June-July, 1986, which includes 15 projects totalling \$139,904 in State grant funds and which indicates that 321 applications involving \$2,999,999 have been approved during the current fiscal year, that the House account was credited \$62,500 in June; and that the House had an ending balance of \$1;

01602

6. Received as information the 1985-86 Installment Purchase Program Annual Report submitted by the Division of General Services in accordance with the requirement of Regulation 19-440.1, Subsection F;
7. Received as information the FTE position operating report for the month of July 1986 which shows a net change of 40.15 positions during the month, resulting in the total authorized position base at July 31 of 65,032.26 of which 58,259.44 positions were filled and 6,772.82 were vacant;
8. Received as information reports on the reimbursement of interviewee travel expenses by College of Charleston (2); Francis Marion College (3); Lander College (6);
9. Approved the establishment and budget of the Department of Corrections \$2.7 million training facility permanent improvement project, to be financed by the Capital Expenditure Fund; received as information a report on the Richland, Allendale, and Marlboro Counties prison cost estimates; and received as information a report on the status of the barracks housing projects;
10. Approved the following requests for rural improvement grant funds:
 - (a) Town of Heath Springs: \$65,000;
 - (b) Town of Ridgeville, \$50,000;
 - (c) Town of Sellers, \$60,000;
 - (d) Horry County, \$50,000;
 - (e) McCormick County, \$100,000, on the condition that Senator Drummond signs the request for the funds and that the Attorney General's Office finds the grant legally proper; and
 - (f) Sumter County, \$59,000;
11. Approved changing the budget hearings procedure to include a functional area panel discussion on each of six days of hearings;
12. Authorized the Budget Division, following standard procurement processes, to employ an actuarial firm (a) to determine the amount of the outstanding liability against the Workers Compensation Fund prior to July 1, 1985, and to develop a schedule of when that liability must be paid; b) to determine the adequacy of the current premium structure to cover Fund operations, to pay current claims and to provide adequate reserves; and (c) to examine the need for an annual actuarial audit of the Fund; provided the cost, to be paid by the Workers Compensation Fund, not exceed \$30,000 and that the work is completed by January 15, 1987;
13. Directed agencies not to build into preliminary 1987-88 budget submissions any FTE positions not recommended specifically for approval by the Board;

14. Adopted resolutions approving the following proposals to issue revenue bonds, on the condition that the required reviews are completed with satisfactory results, and allocated a portion of the State Ceiling to each project:
- (a) Spartanburg County, \$1,200,000 Industrial Development Revenue Bond, Indeaver Project, Series 1986; and
 - (b) Lexington County, \$1,000,000 Industrial Revenue Note on behalf of the A. M. Quattlebaum, Sr., project;

15. Received as information the status report on the State Ceiling as of August 4, 1986, (year elapsed 59%) which showed:

	<u>CY 1986 Ceiling</u>	<u>Allocated</u>	<u>(%)</u>	<u>Not Allocated</u>	<u>(%)</u>
State Pool	\$200,820,000	\$ 27,623,000	(14%)	\$173,197,000	(86%)
Local Pool	301,230,000	80,502,670	(27%)	220,727,330	(73%)
Total	\$502,050,000	\$108,125,670	(22%)	\$393,924,330	(78%)

16. Approved, to help perfect title to the property, a Forestry Commission request to execute a quit claim deed for 1.99 acres of land located in the Manchester State Forest in Sumter County to Tiverton Baptist Church;
17. Approved the transfer of 0.227 acre of the old Hampton Armory site to the Town of Hampton through Hampton County;-
18. Approved the Clemson University request to trade-in an IBM 3081 K computer system at a value of \$900,000;
19. In accord with Code Section 8-11-135, authorized the Department of Mental Health to reimburse the following new employees for part of the cost of moving personal and household effects: (a) Frank L. Giordano, M.D., El Paso, Texas, \$800; and (b) James Viggiano, Ph.D., Trenton, New Jersey, \$3,000;
20. Approved the travel of College of Charleston staff member Cynthia A. Bouton to Wellington, New Zealand during the August 24-31, 1986, period to present a paper and chair a session at the Fifth George Rude Seminar at Victoria University; and approved the travel of College of Charleston staff member Rose C. Hamm to Japan, China and France during the May 31 - July 1, 1986, period at an estimated cost of \$4,800 of which \$1,370 will be paid from State appropriated funds;
21. Adopted the declaratory ruling proposed by the Attorney General's Office in response to a petition by Nolas Trading Company, Inc., in accord with Code Section 1-23-150 on the Board's authority to promulgate Regulation 19-450 (Permits for Construction in Navigable Waters);

01604

Summary of BCB Actions
August 13, 1986, Meeting
Page 4

22. Agreed to hold a regular meeting at 10 a.m. on Thursday, August 28, 1986, in the Governor's conference room in the State House;
23. Agreed to add two personnel matters and two contractual matters to the agenda for consideration in executive session;
24. Directed staff to recommend actions to address staffing and organizational relationships of the Board of Economic Advisors in the near term and to address the State's system for making and using revenue forecasts in the budget/appropriations process;
25. Agreed to approve the transfer of not to exceed \$200,000 of funds appropriated to the Department of Agriculture as may be necessary to enable the Department to establish a temporary revolving fund for the purchase of hay;
26. Set the salary of the executive director of the Commission on Aging at \$44,315 in accord with a proviso in Section 16 of the Appropriations Act;
27. Heard a status report on several contractual matters by the Division of General Services;
28. Ratified actions taken during executive session; and
29. Asked staff to recommend at the next meeting a policy for the Board's handling of lease and lease-purchase agreements relating to the construction of new facilities and directed that such a policy include a provision which would limit the agreements which could be approved by the Board to (a) those which have been approved specifically by the General Assembly and for which financing has been provided; and (b) those which have not been approved specifically by the General Assembly and for which financing has not been provided, in any instance which involves an overall, long-term financial obligation of \$1,000,000 or less.

WAM:nl

01605

MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

AUGUST 13, 1986

2:00 P. M.

The Budget and Control Board met at 2:00 p.m. on Wednesday, August 13, 1986, in the Governor's conference room in the State House with the following members in attendance:

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

Mr. Earle E. Morris, Jr., Comptroller General, was absent. Staff member George M. Lusk sat in for him..

Also attending were:

Jesse A. Coles, Jr., Ph.D.	Executive Director
William A. McInnis	Secretary
E. A. Laurent, Ph.D	Deputy Executive Director
J. Samuel Griswold, Ph.D	Deputy Executive Director
Katherine M. Hepfer	Governor's Executive Assistant
Joseph A. Wilson, II	Chief Deputy Attorney General
Charles H. Smith	Special Projects Administrator
Other Board staff	

Minutes of Previous Meeting

Board members previously had been furnished with a draft version of the minutes of the July 29, 1986, meeting of the Board and of the minutes of the July 29, 1986, meeting of the State Education Assistance Authority (the members of which are Budget and Control Board members, ex-officio).

Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board, acting as the Education Assistance Authority, approved the minutes of the Authority meeting held on July 29, 1986, and approved the minutes of the Board meeting held on July 29, 1986.

Blue Agenda

Mr. McInnis, who sat in for Dr. Coles during the regular session portion of the meeting, called the Board's attention to several Blue agenda items. He noted that the Family Farm Development Authority, in item 1, was advising the Board of changes in details on the previously-approved James Bozard project including a reduction in principal to \$190,000 from \$215,000, a reduction in the interest rate from 8.5% to 8.0% and a change in the repayment schedule to provide for 10 annual payments instead of 20 semiannual payments. He also

01606

Minutes of State Budget and Control Board Meeting
Regular Session -- August 13, 1986 -- Page 2

noted that the Division of Local Government had reported the expenditure of all Senate funds in 1985-86 and all but \$1 of House funds. He noted also that the Division of General Services had submitted for information the 1985-86 annual report on the installment purchase program.

Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board approved all items on the blue agenda.

Blue agenda items are identified as such in these minutes.

Family Farm Development Authority: James Earl Bozard Project (Blue #1)

The Board received as information a Family Farm Development Authority report that the James Earl Bozard project, approved by the Budget and Control Board at its meeting on May 27, 1986, had been changed as follows:

- (a) The principal amount of the bond was reduced from \$215,000 to \$190,000;
- (b) The interest rate was reduced from 8.5% to 8%; and
- (c) The bond is payable in ten annual installments of \$28,316 each (rather than 20 semiannual payments) with the first payment to be 15 months from the date of closing.

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

General Services: Right-of-way Easement (Blue Agenda #2)

The Division of General Services requested approval of a 20' utility easement to Santee Electric Cooperative, Inc., to upgrade an existing overhead power distribution line over the Black River at Browns Ferry adjacent to SC Highway 51 in Georgetown County.

The Board was advised that the easement had been approved by the Attorney General's Office and that \$23 was paid for the use of the 0.115 acre involved.

Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board granted the referenced easement.

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

01607

Local Government: Expenditures during June-July, 1986 (Senate) (Blue #3)

The Board received as information the Local Government report on 1985-86 rural improvement funds expended by the Senate during June-July, 1986, which included 17 projects totalling \$164,996 in State grant funds and which indicated that 283 applications involving \$3,000,000 were approved during 1985-86, that the account was credited \$72,000 in June (\$62,500 from the City of Manning and \$9,500 from the Town of Duncan), and that all Senate 1985-86 funds were expended.

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

Local Government: Expenditures during June-July 1986 (House) (Blue #4)

The Board received as information the Local Government report on rural improvement funds expended by the House of Representatives during June-July, 1986, which included 15 projects totalling \$139,904 in State grant funds and which indicated that 321 applications involving \$2,999,999 were approved during 1985-86, that the House account was credited \$62,500 (from the City of Manning) in June; and that the House had an ending balance of \$1.

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

General Services: Installment Purchase Program Annual Report (Blue #5)

The Board received as information the 1985-86 Installment Purchase Program Annual Report submitted by the Division of General Services in accord with Regulation 19-440.1, Subsection F.

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

Budget Division: FTE Operating Report, July 1986 (Blue Agenda #6)

The Board received as information the FTE position operating report for the month of July 1986 which showed a net change of 40.15 positions during the month, resulting in the total authorized position base at July 31 of 65,032.26 of which 58,259.44 positions were filled and 6,772.82 were vacant.

01608

Minutes of State Budget and Control Board Meeting
Regular Session -- August 13, 1986 -- Page 4

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

Executive Director: Interviewee Expense Reimbursements (Blue Agenda #7)

The Board received as information reports on the reimbursement of interviewee travel expenses by College of Charleston (2); Francis Marion College (3); Lander College (6).

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

Corrections: Training Facility/Prison Costs/Barracks Housing (Regular #2)

Appearing before the Board on this matter were Department of Corrections staff members Dr. Hubert Clements, Nelson Meek, Tommy Cave, Jerry Edwards and Larry Batson.

The Department of Corrections, as a follow-up to the Board's July 29 meeting, had been asked to report on the proposed training facility project, on the differing estimates of cost for the Broad River, Allendale and Marlboro prisons, and on the status of the barracks housing projects.

With regard to the training facility project, the Board was advised in the agenda materials that the proposed 50,000 square foot, pre-engineered facility in which the training of correctional officers and other Department staff by the Department of Corrections is to occur is to be located off Broad River Road in Richland County. The proposed facility is to be situated behind the Department of Corrections Administration Building across from the Kirkland Institution. It is to include some eight classrooms and have dormitory accommodations for 132 persons.

The Board was further advised in the agenda materials that the General Assembly appropriated \$2,700,000 for this facility from the Capital Expenditure Fund (in Act 548 of 1986) as an alternative chosen by the General Assembly after considering proposals by the Criminal Justice Academy to expand its facilities to meet Corrections training needs. The Joint Bond Review Committee favorably reviewed the project on July 22.

Dr. Clements began his comments by stating that the Department of Corrections always has had its own staff for training its employees and that

01609

it had never used staff of the Criminal Justice Academy for this purpose. He did say that his Department has occupied space at the Academy but that about a third of its training needs are met elsewhere.

Dr. Clements noted that the number of corrections staff needing training has increased significantly and that the Academy, in response, had approached the General Assembly for funds to expand Academy facilities to meet the needs. As a part of the process through which the General Assembly made its decisions, he stated that the Department of Corrections was asked to give its estimate of the funding needed for its training facilities which is how the \$2.7 million figure came about. He pointed out that the proposed facility would provide dormitory accommodations for 132 persons as compared with the 80 spaces available at the Academy. He also said it would have eight classrooms compared with the three available at the Academy. Dr. Clements also pointed out that having a facility under his Department's control would make it possible to do training at night which is not possible at the Academy under current practice. He stated that his agency has some 200 persons of all types in training each week and that about 70% of the agency's employees are required to have 200 hours of training during the first six months of employment.

Dr. Clements stated that his agency did not initiate the move to provide its own training but he indicated that the Department welcomed it and was delighted that the General Assembly had made the appropriation which will make that possible. He said that the flow of persons into the training process is a problem which can be dealt with more effectively under the proposed arrangement.

Mr. Mangum said that the reason questions had been raised by the Board related to the possibility that the training facility would not be needed after meeting the training needs associated with the new prison facilities. He asked Dr. Clements if the facility could become obsolete and not needed. Dr. Clements responded by expressing his doubt that the facility would not be needed in the future, noting that about 100 new employees are hired by the Department each month with about 50 of these being replacements. He also stated that the facility could be converted readily to inmate housing if necessary.

Minutes of State Budget and Control Board Meeting
Regular Session -- August 13, 1986 -- Page 6

The Department of Corrections had been asked to explain the different estimates of cost for the three 600-bed, medium security prison projects (Broad River, \$24,000,000; Allendale, \$28,500,000; and Marlboro \$30,000,000). These projects were approved by the Bond Committee on July 22 and by the Board on July 29.

With regard to the varying estimates of cost among the Broad River, Allendale and Marlboro prisons, Dr. Clements stated that the \$24 million estimate for the Broad River facility is accounted for by virtue of the fact that site work had already been done and that the 192-bed reception and evaluation center plus a 96-bed unit were under contract. He said that water and sewer were provided to the selected site in Allendale at no cost to the Department and that water and sewer at the Marlboro facility were not certain at the time the estimates were made but that the County has now committed to provide them with the result that the facility is expected to cost about \$28.5 million rather than the \$30 million estimated earlier.

Mr. Mangum asked why the McCormick prison is estimated to cost \$24 million and the Allendale prison is estimated to cost \$28.5 million. Corrections Construction Manager Nelson Meek said that property in McCormick had been made available at a good price and that the county also had built an access road. Mr. Meek also noted that an inflation factor of 5.5%, supplied by the Division of Research and Statistical Services, had been built into the later estimates. He also said that the Department plans for the worst case in view of the uncertainties involved. He also reminded Mr. Mangum that funds had been shifted from the McCormick project to the Reception and Evaluation Center project in the Columbia area which now is a part of the Broad River Institution.

Mr. Meek also advised Governor Riley that he expects the McCormick facility to be completed in March or April of 1987 and that the Allendale and Marlboro prisons would be completed in March of 1989. He reported that the Lieber institution on June 10 had some 200 inmate occupants and that it will house 696 when completed.

Dr. Clements said that the Broad River institution ultimately would provide space for 792 with 288 of those now under construction to be completed in March of 1987 and 504 to follow with their completion projected for May 1988.

01611

Minutes of State Budget and Control Board Meeting
Regular Session -- August 13, 1986 -- Page 7

In response to Mr. Patterson's inquiry, Dr. Clements said that the per inmate cost annually is about \$10,500 and that the per bed space cost of the prisons is between \$60,000 and \$70,000. He also pointed out that the number of inmates coming to the Department continues to increase.

Governor Riley expressed the feeling that the many varied efforts underway, including the Omnibus Crime Act with its provision for shock probation units and other features and the massive construction program of the Department, when completed, will have substantially met the prison problem.

The Department also was asked to give a status report on the five barracks housing projects. One was built at Manning and a second was built at Goodman. The sites for the other three projects are Walden (in Columbia), Northside (Spartanburg), and MacDougall (in Berkeley County).

Dr. Clements reported that the day after the Department had gotten approval to build two of the barracks at Manning the ACLU had protested that action, arguing that the core facilities at Manning would not support an additional 192 inmates. He advised that, as a result, one of the barracks was built at Manning and that the second of the two which had been approved was built at Goodman. He said that the budgets for each of these barracks had been set at \$300,000 but that their estimated cost, before final completion, is about \$250,000. He reported that these units were built entirely with inmate labor and, in response to Mr. Mangum, stated that they are not airconditioned but that they do have a forced air ventilation system.

Dr. Clements circulated a number of pictures of the barracks projects taken at various stages of construction.

In response to Mr. Patterson's suggestion that barracks facilities probably could be located at all existing prisons, Dr. Clements expressed doubts that sufficient numbers of the type of inmate suited for this sort of housing would be available. He said that the Department is getting more and more long-term prisoners. He also advised Mr. Patterson that the classification of each inmate is reviewed every six months; that the average sentence is 12 to 13 years; and that the Department releases about 6,500 persons annually and receives about 7,450. He expressed the view that the agency will be left soon with 75% of its inmates in the long-term, violent crime category which he felt are not suitable for barracks housing.

Mr. Patterson commended the Department for moving ahead on the barracks projects, noting that he had recommended that course years ago. He observed that it appears that the overcrowding can be relieved within 60 days using barracks facilities and he asked why we wouldn't follow that course. In response, Dr. Clements said that it was not possible to house inmates in such facilities until the Southern Standard Building Code was revised to allow it.

Following this discussion, upon a motion by Senator Dennis, seconded by Mr. Patterson, the Board (a) approved the establishment and budget of the Department of Corrections \$2.7 million training facility permanent improvement project, to be financed by the Capital Expenditure Fund; (b) received as information a report on the Richland, Allendale, and Marlboro Counties prison cost estimates; and (c) received as information a report on the status of the barracks housing projects.

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

Local Government: Rural Improvement Funds Requests (Regular #3)

Local Government Division Director Mike Gulledge appeared before the Board on this matter.

Mr. Gulledge read a letter of appreciation from the Mountain View community in Spartanburg for the financial assistance granted which had helped solve its water problem.

Mr. Gulledge stated that, after having been in the job for about a year, he has observed an increasing number of requests for water and sewer assistance and that the amounts involved in these requests appear to be increasing. He said that he had explored federal funding sources with Senator Thurmond's office and with DHEC and had concluded that there is no federal money for water and sewer any more. He also referred to a DHEC list which cites some 71 areas within the State which are classified as imminent health hazards because of poor water quality.

Mr. Gulledge suggested that the Board perhaps advise him on the possibility of confining grants for a while to those for water and sewer.

The Local Government Division recommended approval of the following requests for rural improvement grant funds:

01613

Minutes of State Budget and Control Board Meeting
Regular Session — August 13, 1986 — Page 9

- (a) Town of Heath Springs (Lancaster County): \$65,000 to upgrade water lines, replace dilapidated water lines and install new fire hydrants resulting in increased water pressure and better fire protection in one of DHEC's imminent health hazard areas. Mr. Gullledge stated that this grant is to come from Senate funds. He also noted that his practice is to not require more than one signature on a request if the amount involved does not exceed the member's pro rata share.
- (b) Town of Ridgeville (Dorchester County): \$50,000 to correct deficiencies in the water system as noted by DHEC. Mr. Gullledge stated that this grant is to come from Senate funds.
- (c) Town of Sellers (Marion County): \$60,000 to provide a sewage collection and disposal system, water connections to families currently without service, and housing unit repairs along with the demolition of blighted buildings in one of DHEC's imminent health hazard areas ($\frac{1}{2}$ Senate, $\frac{1}{2}$ House);
- (d) Horry County: \$50,000 to extend water lines in Bucksport community to provide safe, potable drinking water to approximately 200 families in one of DHEC's imminent health hazard areas ($\frac{1}{2}$ Senate, $\frac{1}{2}$ House);
- (e) McCormick County: \$100,000 to construct a 10-inch water line from Town of Clarks Hill to the bridge at the county line to provide water for a 260-unit housing development (total project cost \$432,000; county will provide \$332,000). Mr. Gullledge indicated that this grant is to come from House funds but that, since the amount exceeds an individual member's share, Senator Drummond would be asked to sign the request also. Mr. Gullledge also advised Governor Riley that this would be in addition to the \$5 million of bond funds authorized for the Clarks Hill Authority and that this project involves private housing. Governor Riley observed that the Clarks Hill Authority had agreed to pay back the \$5 million and asked if the State should get this \$100,000 back also. Mr. Wilson noted that there may be a problem with this grant unless the public purpose can be demonstrated. Mr. Patterson commented that the properties involved are not the same as those of the Clarks Hill Authority and Mr. Mangum said a private corporation is involved in this housing development which has no connection with the project for which the \$5 million was authorized.
- (f) Sumter County: \$59,000 to relocate drainage facilities in the industrial park to allow expansion of textile plant ($\frac{1}{2}$ Senate, $\frac{1}{2}$ House).

Following this discussion, upon a motion by Mr. Mangum, seconded by Mr. Patterson, the Board approved the following requests for rural improvement grant funds: (a) Town of Heath Springs: \$65,000; (b) Town of Ridgeville, \$50,000; (c) Town of Sellers, \$60,000; (d) Horry County, \$50,000; (e)

Minutes of State Budget and Control Board Meeting
Regular Session -- August 13, 1986 -- Page 10

McCormick County, \$100,000, on the condition that Senator Drummond signs the request for the funds and that the Attorney General's Office finds the grant legally proper; and (f) Sumter County, \$59,000.

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

Budget Division/Governor's Office: Budget Hearings Change (Regular #4)

Mr. McInnis stated that a change in the budget hearing process had been proposed which envisioned that a panel discussion precede the hearings on six of the days hearings are scheduled. He reported that the six proposed panels would be organized so as to focus on functional areas.

Governor Riley said that various ways of improving the budget process had been tried in the past and that this proposal is intended to make better use of the time invested in the process. He said that the idea is to examine current programs and budgets and to do that as they relate to current issues. He noted that it does not appear that much additional funding will be available under current thinking so that it would be better to spend time doing programmatic examinations. He said he expects that the panels would be asked to respond to staff questions and that strict control of the panel's allotted time would be necessary.

Following Governor Riley's description of the proposed change in the budget hearing process, Senator Dennis made a motion that the proposal be adopted. Senator Dennis' motion was seconded by Mr. Patterson.

In the ensuing discussion, Mr. Patterson stated that he thought the proposal was a great idea which he regarded as an expansion of the scope of the hearings. Senator Dennis said that changing the hearings process is much needed. Mr. Mangum asked who would be on the panels and Governor Riley indicated that staff would select them. Mr. Mangum said that the proposal is a good idea but he cautioned against having too many panelists and not keeping them on schedule. Governor Riley agreed that it is essential that the moderator be very strict on the time.

Following this discussion, the Board approved changing the budget hearings procedure to include a functional area panel discussion on each of six days of hearings.

01615

Governor Riley urged the members who have particular questions or other input into the process to make them known to staff.

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

Budget Division: Actuarial Examination of Workers Compensation Fund (R5)

The Budget Division advised the Board in the agenda materials that the 1985-86 Appropriations Act changed the method of assessing Workers Compensation premiums to State agencies from a flat assessment to a premium experience rating.

The Division also advised that this new experience method rating did not consider or make provision for outstanding claims against the Fund prior to July 1, 1985.

The Division further advised that the 1986-87 Appropriations Act includes a new proviso designed to help resolve the outstanding liability problem in the Workers Compensation Fund by allowing the Board to use excess unemployment compensation funds to pay those outstanding claims.

The Budget Division recommended that the Board authorize the employment of an actuarial firm (a) to determine the amount of the outstanding liability against the Workers Compensation Fund prior to July 1, 1985, and to develop a schedule of when that liability must be paid; and (b) to determine the adequacy of the current premium structure to cover Fund operations, to pay current claims and to provide adequate reserves. Budget Division staff advised that the Department of Insurance casualty actuary has estimated the cost of this work to be about \$30,000 which they also indicated would be paid by the Workers Compensation Fund.

Mr. McInnis reviewed the Budget Division proposal and advised Mr. Mangum that the Fund did have the funds needed to pay for this work. Governor Riley was advised that a reserve of some \$9 million exists but Mr. McInnis noted that the amount of the liability against that reserve is not clear. Board members expressed general support for and agreement with the necessity to undertake the proposed study.

Following this discussion, Mr. Mangum moved that the Board authorize the Budget Division to employ an actuarial firm (a) to determine the amount of the

outstanding liability against the Workers Compensation Fund prior to July 1, 1985, and to develop a schedule of when that liability must be paid; (b) to determine the adequacy of the current premium structure to cover Fund operations, to pay current claims and to provide adequate reserves; and (c) to examine the need for an annual actuarial audit of the Fund; provided the cost, to be paid by the Workers Compensation Fund, not exceed \$30,000 and that the work is completed by January 15, 1987.

Mr. Patterson seconded Mr. Mangum's motion.

Governor Riley called the Board's attention to the memo included in the agenda materials from the Chief Casualty Actuary of the Department of Insurance which recommended that the actuarial audit be undertaken and which recommended that the Fund be subject to such an audit on a regular basis in addition to the traditional financial audit. He concluded that it could be determined from that memo that the Insurance Department sees no massive problems in getting the audit done. He also asked staff to pursue the question of an on-going actuarial audit as a companion to the customary financial audit but Mr. Mangum suggested that the consultant be asked to comment on that as a part of the study.

The Board then adopted the referenced motion by Mr. Mangum which had been seconded by Mr. Patterson.

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

Budget Division: 1987-88 New FTE Position Requests (Regular #6)

The Budget Division advised in the agenda materials that, in previous years, agencies have been permitted to build into preliminary budget allocations new FTE positions from all sources of funds.

The Division asked the Board for guidance on the question of allowing agencies to build into their 1987-88 detailed budget submissions any new FTE positions which have not been specifically recommended for approval by the Budget and Control Board.

Mr. McInnis indicated that the Budget Division staff recommended that the Board not allow this practice to continue. Mr. Cantrell reviewed the past practice in this regard.

Minutes of State Budget and Control Board Meeting
Regular Session — August 13, 1986 — Page 13

Upon a motion by Mr. Mangum, seconded by Mr. Patterson, the Board directed agencies not to build into preliminary 1987-88 budget submissions any FTE positions not recommended specifically for approval by the Board.

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

Executive Director: Private Activity Bonds; Allocations (Regular #7)

Mr. McInnis advised the Board that the required reviews on the following local government proposals to issue revenue bonds had not yet been completed, that each of the projects requires approval under State law, and that an allocation of a portion of the Ceiling is requested for each project:

- (a) Local Government: Spartanburg County
Amount of Issue: \$1,200,000 Industrial Development Revenue Bond
Name of Project: Indever Project, Series 1986
Employment Impact: 15
Project Description: Manufacturing/warehousing facility
(Exhibit 13)

- (b) Local Government: Lexington County
Amount of Issue: \$1,000,000 Industrial Development Bond
Name of Project: A. M. Quattlebaum, Sr.
Employment Impact: 40-70
Project Description: Expand existing ribbon weaving plant
(Exhibit 14)

Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board adopted resolutions approving proposals to issue revenue bonds, on the condition that the required reviews are completed with satisfactory results, and allocated a portion of the State Ceiling to each project, as follows:

(a) Spartanburg County, \$1,200,000 Industrial Development Revenue Bond, Indever Project, Series 1986; and (b) Lexington County, \$1,000,000 Industrial Revenue Note on behalf of the A. M. Quattlebaum, Sr., project.

Information relating to this matter has been retained in these files and is identified as Exhibits 13 and 14, respectively.

The Board received as information the status report on the State Ceiling as of August 4, 1986, (year elapsed 59%) which showed:

01618

Minutes of State Budget and Control Board Meeting
Regular Session -- August 13, 1986 -- Page 14

	<u>CY 1986 Ceiling</u>	<u>Allocated</u>	<u>(%)</u>	<u>Not Allocated</u>	<u>(%)</u>
State Pool	\$200,820,000	\$ 27,623,000	(14%)	\$173,197,000	(86%)
Local Pool	<u>301,230,000</u>	<u>80,502,670</u>	(27%)	<u>220,727,330</u>	(73%)
Total	\$502,050,000	\$108,125,670	(22%)	\$393,924,330	(78%)

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

Forestry Commission: Quit Claim Deed to Tiverton Baptist Church (Reg #8)

Mr. Wilson Horton of the Forestry Commission appeared before the Board on this matter.

The Forestry Commission requested Budget and Control Board approval of a quit claim deed of 1.99 acres of land located in the Manchester State Forest in Sumter County to Tiverton Baptist Church.

The Commission advised that the property, which was deeded to the Forestry Commission by the U. S. Government, has been used by the Tiverton Baptist Church for over 75 years and that, in 1980, the Church began efforts to obtain clear title to the land.

The Commission further advised that it has taken about six years, an Act of Congress and the President's signature to clear the title of the property and to resolve the mineral rights and a reversionary clause connected with the property.

The Commission has approved deeding the property to the Church at no charge. Board staff, in the agenda materials, had suggested that the Board might want to require the Forestry Commission to include a reversionary clause in its deed but the Board took no action on that suggestion.

Mr. Wilson noted that Judge David McInnis of Sumter had been involved in trying to resolve this matter and that he had stated in a letter that a separate deed existed at one time which would transfer the property from the old Aycock Estate to the Tiverton Baptist Church. Judge (then Representative) McInnis had indicated in his letter that that deed was never recorded and that it has now been misplaced.

Mr. Patterson expressed the view that the deed would still be valid between the parties though he agreed with Mr. Wilson that notice had not been given by way of recording it.

01619

Minutes of State Budget and Control Board Meeting
Regular Session -- August 13, 1986 -- Page 15

Governor Riley noted that the Board, in approving the Forestry Commission request, would be taking an action to help clear the title to the property and that the action would not constitute making a gift of the property to the Church.

Following this discussion, upon a motion by Senator Dennis, seconded by Mr. Patterson, the Board, for the purpose of helping perfect the title to the property involved, approved a Forestry Commission request to execute a quit claim deed for 1.99 acres of land located in the Manchester State Forest in Sumter County to the Tiverton Baptist Church.

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

General Services: Sale of Portion of Old Hampton Armory (Regular #9)

Mr. McInnis noted that the Division of General Services has advised that the 1985 Appropriations Act, Section 12, provides that the surplus Hampton Armory may be transferred to Hampton County in exchange for land acquired under an agreement for construction of a new armory.

The Division further advised that the Town of Hampton needs a new well to meet the water needs of its residents and that it has requested that 0.227 acre of the old armory site be conveyed to the Town through the County. The Division reported that the Hampton County Council does not object to this transaction and that the Adjutant General's Office had approved the requested transfer.

Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board approved the transfer of 0.227 acre of the old Hampton Armory site to the Town of Hampton through Hampton County.

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

General Services: Information Technology Eqpt. Trade-in (Clemson) (R10)

The Division of General Services advised in the agenda materials that Clemson University had offered for sale or trade-in on more advanced equipment an IBM 3081 K computer system which will become surplus upon the procurement of a new system.

01620

The Division reported that bids were solicited from third-party dealers and from plug-compatible vendors on a trade-in basis and on an outright sale basis.

The Division further indicated in the agenda materials that bids on an outright sale basis ranged from \$690,000 to \$765,000 and that the trade-in values offered were \$825,000 and \$900,000, with National Advanced Systems, Inc., offering the \$900,000 as a trade-in which is \$75,000 more than the next highest offer.

Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board approved the Clemson University request to trade-in an IBM 3081 K computer system at a value of \$900,000.

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

Mental Health: Moving Expenses (Regular #11)

In accord with Code Section 8-11-135, the Department of Mental Health requested authorization to pay the moving expenses for the following new employees:

- (a) Frank L. Giordano, M.D., El Paso, Texas, \$800 as a reimbursement for the costs incurred in moving personal and household effects. Dr. Giordano is to accept a position on the faculty of the William S. Hall Psychiatric Institute.
- (b) James Viggiano, Ph.D., Trenton, New Jersey, \$3,000 as a reimbursement for the costs incurred in moving personal and household effects. Dr. Viggiano is to accept a position as Psychologist IV at the Pee Dee Mental Health Center.

Upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board, in accord with Code Section 8-11-135, authorized the Department of Mental Health to pay the moving expenses for the following new employees: (a) Frank L. Giordano, M.D., El Paso, Texas, \$800; and (b) James Viggiano, Ph.D., Trenton, New Jersey, \$3,000.

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

Minutes of State Budget and Control Board Meeting
Regular Session -- August 13, 1986 -- Page 17

College of Charleston: Foreign Travel (Regular #13)

The College of Charleston requested approval of the travel of Cynthia A. Bouton to Wellington, New Zealand during the August 24-31, 1986, period to present a paper and chair a session at the Fifth George Rude Seminar at Victoria University. The cost of the travel is estimated at \$1,321 and will be paid from State-appropriated funds.

The Board was advised that, on May 14, 1986, staff approved the travel of College of Charleston staff member Rose C. Hamm to Japan, China and France during the May 31 - July 1, 1986, period with \$950 of the cost of the travel to be paid from State appropriated funds.

The College now advised that the estimated cost of the travel is \$4,800 and requested approval of the use of an additional \$420 of State appropriated funds (\$1,370 total State funds).

Upon a motion by Senator Dennis, seconded by Mr. Patterson, the Board approved the travel of College of Charleston staff members (a) Cynthia A. Bouton to Wellington, New Zealand during the August 24-31, 1986, period, at an estimated cost of \$1,321 to present a paper and chair a session at the Fifth George Rude Seminar at Victoria University; and (b) Rose C. Hamm to Japan, China and France during the May 31 - July 1, 1986, period at an estimated cost of \$4,800 of which \$1,370 will be paid from State appropriated funds.

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

Attorney General's Office: Declaratory Ruling on Regulation 19-450 (R13)

The Board was advised that the Attorney General's Office had prepared a proposed declaratory ruling on the Board's authority to promulgate Regulation 19-450 (Permits for Construction in Navigable Waters) in response to a petition (pursuant to Code Section 1-23-150) by Nolas Trading Company, Inc.

Following a brief discussion, upon a motion by Senator Dennis, seconded by Mr. Patterson, the Board adopted the declaratory ruling on the Board's authority to promulgate Regulation 19-450 (Permits for Construction in Navigable Waters) proposed by the Attorney General's Office in response to a petition by Nolas Trading Company, Inc..

Minutes of State Budget and Control Board Meeting
Regular Session -- August 13, 1986 -- Page 18

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

Budget and Control Board: Future Meeting (Regular #14)

The Board agreed to hold a regular meeting at 10 a.m. on Thursday, August 28, 1986, in the Governor's conference room in the State House.

Executive Session

Mr. McInnis stated that two personnel items and two contractual matters had been proposed for addition to the agenda for consideration in Executive Session.

The Board without objection agreed to add these items to the agenda and, upon a motion by Senator Dennis, seconded by Mr. Patterson, agreed to consider them in executive session whereupon Governor Riley declared the meeting to be in executive session.

Ratification of Executive Session Actions

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

- (1) Directed staff to recommend actions to address staffing and organizational relationships of the Board of Economic Advisors in the near term and to address the State's system for making and using revenue forecasts in the budget/appropriations process;
- (2) Agreed to approve the transfer of not to exceed \$200,000 of funds appropriated to the Department of Agriculture as may be necessary to enable the Department to establish a temporary revolving fund for the purchase of hay;
- (3) Set the salary of the executive director of the Commission on Aging at \$44,315 in accord with a proviso in Section 16 of the Appropriations Act; and
- (4) Heard status reports by the Division of General Services on several contractual matters.

Policy on Lease and Lease-Purchase Agreements

Following a discussion of the matter, the Board asked staff to recommend at the next meeting a policy for the Board's handling of lease and lease-purchase agreements relating to the construction of new facilities for State agency use. The Board directed that the policy include a provision which would limit the agreements which could be approved by the Board to (a) those agreements which have been approved specifically by the General Assembly and for which specific financing has been provided by the General Assembly; and (b) those agreements which have not been approved specifically by the General Assembly and for which specific financing has not been provided by the General Assembly in the regular appropriations/bond authorization processes in any instance in which the overall, long-term financial obligation of the State government is \$1,000,000 or less.

Adjournment

Upon a motion by Mr. Mangum, the meeting was adjourned at 5:25 p.m.

[Secretary's Note: In compliance with Code §30-4-80, public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, near the Board Secretary's office in the Wade Hampton Building, and in the lobby of the Wade Hampton Office Building at 2:30 p.m. on Friday, August 8, 1986.]

EXHIBIT

AUG 13 1986

NO. 1

STATE BUDGET AND CONTROL BOARD
MEETING OF August 13, 1986

BLUE AGENDA
ITEM NUMBER

1

AGENCY: Family Farm Development Authority

SUBJECT: James Earl Bozard Project

The Family Farm Development Authority advises that the James Earl Bozard project, approved by the Budget and Control Board at its meeting on May 27, 1986, has been changed as follows:

- (a) The principal amount of the bond has been reduced from \$215,000 to \$190,000;
- (b) The interest rate has been reduced from 8.5% to 8%; and
- (c) The bond shall be payable in ten annual installments of \$28,316 each with the first payment to be 15 months from the date of closing.

BOARD ACTION REQUESTED:

Receive as information a Family Farm Development Authority report that the James Earl Bozard project, approved by the Budget and Control Board at its meeting on May 27, 1986, has been changed as follows: (a) the principal amount of the bond has been reduced from \$215,000 to \$190,000; (b) the interest rate has been reduced from 8.5% to 8%; and (c) the bond shall be payable in ten annual installments of \$28,316 each with the first payment to be 15 months from the date of closing.

ATTACHMENTS:

McLeod August 1 letter to McInnis

01625

AUG - 6 1986

MCNAIR LAW FIRM, P. A.
ATTORNEYS AND COUNSELORS AT LAW
NCNB TOWER
POST OFFICE BOX 11390
COLUMBIA, SOUTH CAROLINA 29211
803-799-9800

EXHIBIT

AUG 13 1986

NO. 1

STATE BUDGET & CONTROL BOARD

ROBERT E. MCNAIR
TERRELL L. GLENN
JAMES S. KONDOUROS
O. WAYNE CORLEY
E. MILEDO SINGLETARY
CHARLES PORTER
ROBERT W. DIBBLE, JR.
EMORY M. SNEEDEN
EDWARD H. FORGOTSON*
STEPHEN KORLAN*
RICHARD S. WOODS
RICHARD L. C. SULLIVAN
M. JOHN BOWEN, JR.
DENNIS C. THELEN*
JOHN H. LUMPKIN, JR.
JOHN W. CURRIE
SCOTT V. BARNES
M. ELIZABETH CRUM
THEODORE J. HOPKINS, JR.
DANIEL R. MILEDO, JR.
WILLIAM S. ROSE, JR.
BERNARD J. WUNDER, JR.

HUEL D. ADAMS, JR.
JAMES P. FIELDS, JR.
M. CRAIG GARNER, JR.
LAWRENCE R. HIGGINS*
BRENTON D. JEFFCOAT
ROBERT T. BOCKMAN
EDWIN W. JOHNSON
PETER L. MURPHY
C. ALAN RUNYAN
JOHN W. FOSTER
ELIZABETH VAN DOREN GRAY
WILMOT B. IRVIN
APRIL C. LUCAS
ROBERT E. STEPP
KATHLEEN CRUM MCKINNEY
E. RUSSELL JETER, JR.
M. WILLIAM YOUNGBLOOD
CARL B. CARRUTH
JOHN W. HUNTER*
RICHARD J. MORGAN
J. SIMON FRASER
CHRISTOPHER M.G. HOLMES

DEBORAH K. OWEN*
SARA S. ROGERS
PAUL E. SULLIVAN*
DOROTHY M. HELMS
NANCY PAGE
SANDRA L. RANDELMAN
JANE W. TRINKLEY
J. LYLES GLENN IV
CELESTE TILLER JONES
KATHERINE ELIZABETH MIMS
JOSEPH D. WALKER
NANCY R. JEFFERS
ALISON RENEE LEE
MARTHA R. MCMILLIN
GREGORY D. DOLDACH
WILLIAM ASHLEY JORDAN, JR.
ELIZABETH BOWE ANDERS
WILLIAM H. MUSSER
SHARON E. CRAWLEY
T. PARKIN HUNTER
ROBERT E. MCMAHAN, JR.
MARY DONNE PETERS

THOMAS H. BARKSDALE, JR.*
JAMES E. CARR
RALPH W. KITTLE*
JOHN H. LUMPKIN, SR.
OF COUNSEL

GREENVILLE OFFICE
SUITE 1201
NCNB PLAZA
7 NORTH LAURENS STREET
GREENVILLE, S.C. 29601
803-271-4940

HILTON HEAD ISLAND OFFICE
NCNB BUILDING
POPE AVENUE
POST OFFICE BOX 5914
HILTON HEAD ISLAND, S.C. 29928
803-785-5169

WASHINGTON OFFICE
SUITE 400
MADISON OFFICE BUILDING
1155 15TH STREET, N.W.
WASHINGTON, D.C. 20005
202-659-3900

*NOT ADMITTED IN SOUTH CAROLINA

August 1, 1986

Mr. William A. McInnis
Deputy Executive Director
South Carolina State Budget
and Control Board
618 Wade Hampton Office Building
Columbia, South Carolina 29211

RE: South Carolina State Family Farm Development
Authority, Agricultural Development Bond,
1986, \$190,000 (James Earl Bozard Project)
File No. 5464/2927

Dear Mr. McInnis:

We have been advised by the South Carolina State Family Farm Development Authority that the amount of the above referenced bond, the interest rate and payment schedule have been changed, as follows:

1. The principal amount of the bond has been changed from \$215,000 to \$190,000;
2. The rate of interest has been changed from 8.5% to 8.0%; and
3. The bond shall be payable in 10 annual installments of \$28,316 each with the first payment to be 15 months from the date of closing.

I understand no further action regarding the changes will need to be taken by the Budget and Control Board. If you should need any further information or have any questions concerning this issue, please

01626

William A. McInnis
August 1, 1986
Page Two

EXHIBIT

AUG 13 1986 NO. 1

STATE BUDGET & CONTROL BOARD

do not hesitate to contact me.

With kind regards, I am

Yours very truly,

McNAIR LAW FIRM, P.A.

Daniel R. McLeod

By: Daniel R. McLeod, Jr.

DRM/tsg

cc: Clyde B. Livingston
Charlie Crews

01627

EXHIBIT

AUG 13 1986

NO. 2

STATE BUDGET AND CONTROL BOARD
MEETING OF August 13, 1986

STATE BUDGET & CONTROL BOARD
ITEM NUMBER

2

AGENCY: General Services

SUBJECT: Right-of-way Easement

The Division of General Services requests approval of a 20' utility easement to Santee Electric Cooperative, Inc., to upgrade an existing overhead power distribution line over the Black River at Browns Ferry adjacent to SC Highway 51 in Georgetown County.

This easement has been approved by the Attorney General's Office and \$23 has been paid for the use of the 0.115 acre involved.

BOARD ACTION REQUESTED:

Approve a 20' utility easement to Santee Electric Cooperative, Inc., to upgrade an existing overhead power distribution line over the Black River at Browns Ferry adjacent to SC Highway 51 in Georgetown County.

ATTACHMENTS:

Agenda item worksheet and attachment

01628

EXHIBIT

BUDGET AND CONTROL BOARD ~~AUG 13 1986~~ ITEM NO. ~~2~~ WORKSHEET (Revised 8/84)

For meeting scheduled for: STATE BUDGET & CONTROL BOARD ☒ Blue Agenda
August 13, 1986 ☐ Regular Session Agenda
☐ Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard W. Kelly, Director *Richard Kelly*

2. Subject: Right-of-Way Easement to Santee Electric Cooperative, Inc.

3. Summary Background Information:

This is a 20' utility easement from the State of South Carolina to Santee Electric Cooperative, Inc., for the purpose of upgrading an existing overhead power distribution line over the Black River at Browns Ferry, adjacent to S.C. Hwy #51, in Georgetown County, South Carolina.

This proposed easement has been reviewed and approved by the Attorney General's Office and executed by Mr. Edmund D. Whetsell, Executive Vice President and General Manager on behalf of the Cooperative.

A consideration in the amount of Twenty-three and NO/100 (\$23.00) Dollars has been paid for the use of 0.115 acre involved in this project.

4. What is Board asked to do?

Review and approve the proposed easement.

5. What is recommendation of the Board Division involved?

That the proposed easement be executed.

6. Recommendation of other office (as required)?

(a) Office Name _____ Authorized
(b) Signature _____

7. Supporting Documents:

List Those Attached

1. Original Easement (6 Pages)
2. Drawing dated June 19, 1986

List Those Not Attached But Available
from Submitter

01629

STATE OF SOUTH CAROLINA)
)
COUNTY OF GEORGETOWN)

EASEMENT

THIS EASEMENT, made and entered into this 28th day of July, 1986, by and between the State of South Carolina, Budget and Control Board, as Grantor (hereinafter "STATE"), and Santee Electric Cooperative, Inc., as Grantee (hereinafter "COOPERATIVE").

WITNESSETH

WHEREAS, COOPERATIVE is a nonprofit organization incorporated in the State of South Carolina whose purpose is to extend electrical service to private home owners and businesses in the rural areas. COOPERATIVE's mailing address is Post Office Box 548, Kingstree, South Carolina 29556; and

WHEREAS, COOPERATIVE proposes to upgrade an existing overhead power distribution line over the Black River at Browns Ferry, adjacent to S.C. Hwy. #51, in Georgetown County, South Carolina. The power distribution line and easement area are more particularly shown and delineated on a plat entitled "A Plat Showing Easement for an Overhead Power Line Crossing the Black River" prepared for Santee Electric Cooperative, Inc., Kingstree, South Carolina, by Thomas B. Fairey, RLS., of McCall-Thomas Engineering Company, Inc., dated June 19, 1986, which is attached hereto and incorporated herein by reference as Exhibit A.

WHEREAS, pursuant to Section 1-11-80 of the South Carolina Code of Laws, 1976, as amended, the STATE is empowered to grant certain rights-of-way or easements through and over riverbeds and marshlands for construction, operation, and maintenance of power

01630

distribution lines over, on, or under such land or marshland as are owned by the STATE; and

WHEREAS, COOPERATIVE is desirous of obtaining the hereinafter described easement through and over riverbeds and marshlands in Georgetown County, and the STATE considers the granting of such an easement to be in the public interest.

NOW, THEREFORE, the STATE as Grantor, in consideration of the sum of One (\$1.00) Dollar and other valuable consideration, receipt of which is hereby acknowledged, does hereby grant, remise, and release unto COOPERATIVE, its successors and assigns, a right-of-way easement in, to, upon and over the below described portion of riverbed and marshland; such riverbed and marshland situate in Georgetown County and lying below the mean high water line.

This Easement of right-of-way shall be used solely for the purposes incidental with the upgrading, operation and maintenance of said overhead power distribution line over the Black River in Georgetown County, South Carolina. The easement area is more particularly described as follows:

A 20' utility easement (10' on each side of pole line) beginning 143' from the southwest corner of the headwall of S.C. Highway #51 bridge on a bearing of South 00 Degrees 10 Minutes East to the center of the easement at the mean high water line on the west bank and extending on a bearing of South 66 Degrees 05 Minutes East 250', more or less, across the Black River to the mean high water line on the east side. The easement area is bounded on the east and west by property of International Paper Company.

The overhead power distribution line and easement area are more particularly shown and delineated on a plat entitled "A Plat Showing Easement for an Overhead Power Line Crossing the Black River" prepared for Santee Electric Cooperative, Inc., Kingstree, South Carolina, by Thomas B. Fairey, RLS., of McCall-Thomas Engineering Company, Inc., dated June 19, 1986, which is attached hereto and incorporated herein by reference as Exhibit A.

This easement of right-of-way is subject to all easements and rights-of-way of record or which may be revealed by inspection of the property and extends only to the STATE's prima facie ownership.

The vertical clearance of all electrical wire, conductors, cables and live parts of equipment across all navigable waters and/or waters of the State of South Carolina shall be constructed in accordance with National Electrical Safety Code (ANSI - C2-1981) Part 2, Section 23, as amended.

COOPERATIVE hereby agrees and covenants with the STATE that COOPERATIVE, its successors and assigns, shall not block or obstruct navigable waters or cause unreasonable adverse impact on fish, wildlife, or water quality in its use of the easement area. COOPERATIVE shall use the easement area solely for the purposes incidental with the construction, operation, and maintenance of said overhead power distribution line and shall maintain such easement area and power distribution line in good condition.

COOPERATIVE further agrees and covenants that COOPERATIVE shall indemnify and hold harmless the STATE from and against any and all liabilities, claims, causes of action and expenses including, but not limited to, reasonable costs and attorney fees resulting in personal injury or death to any person or persons or damage to any property at any time that arises from or is incident to the construction, operation, maintenance, or use of the easement granted herein.

In the event of major maintenance, after construction, affecting the bed of the waterway, the South Carolina Coastal Council and the South Carolina Water Resources Commission shall be notified in writing prior thereto.

COOPERATIVE WILL COMPLY WITH AND BE BOUND BY ANY AND ALL APPLICABLE STATE STATUTES, REGULATIONS, AND TERMS AND CONDITIONS OF ANY PERMITS OR AGREEMENTS CONCERNING THIS PROJECT AND ANY AND ALL LANDS AND WATERS INVOLVED THEREWITH.

This Easement may be terminated by the STATE, in its discretion and such interests as the STATE may have shall revert to the STATE if COOPERATIVE, its successors and assigns: (1) quits and abandons all use of such overhead power distribution line; in which case this easement of right-of-way shall terminate thirty (30) days after the date of such abandonment; or (2) continues an uncorrected violation or breach of any of the terms and conditions herein.

It is further understood and agreed that this easement is not to be construed as an easement granted to the exclusion of the STATE or to others later granted a similar right. This easement is subject to all easements, permits, restrictions and covenants of record, or of plats of record, or which may be revealed upon inspection of the property.

IN WITNESS WHEREOF, this instrument is being executed in accordance with the action of the South Carolina Budget and Control Board at its meeting held on the 13 day of August, 1986.

WITNESSES:

STATE OF SOUTH CAROLINA
BUDGET & CONTROL BOARD

Karl M. Hester
William A. Theunis

BY: Richard W. Riley
Governor Richard W. Riley

(signatures continue)

SANTEE ELECTRIC COOPERATIVE, INC.

Maurice H. Morris

BY: Edmund A. Whitcomb

Ray L. Coe

TITLE: Executive Vice President &
General Manager

ATTORNEY GENERAL'S OFFICE

Approved: Kenneth C. Woodruff

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PERSONALLY appeared before me William A. McInnis
and made oath that he/~~she~~ saw the within named State of South
Carolina, Budget and Control Board, by its Chairman, Governor
Richard W. Riley, sign, seal, and as its act and deed deliver the
within written Easement, and that he/~~she~~, along with
Catherine M. Hepfer, witnessed the execution thereof.

William A. McInnis

SWORN to before me this 18th
day of August, 1986.

Donna K. Williams (L.S.)
Notary Public for South Carolina

My Commission Expires: 5/2/89

STATE OF SOUTH CAROLINA)
)
COUNTY OF Williamsburg)

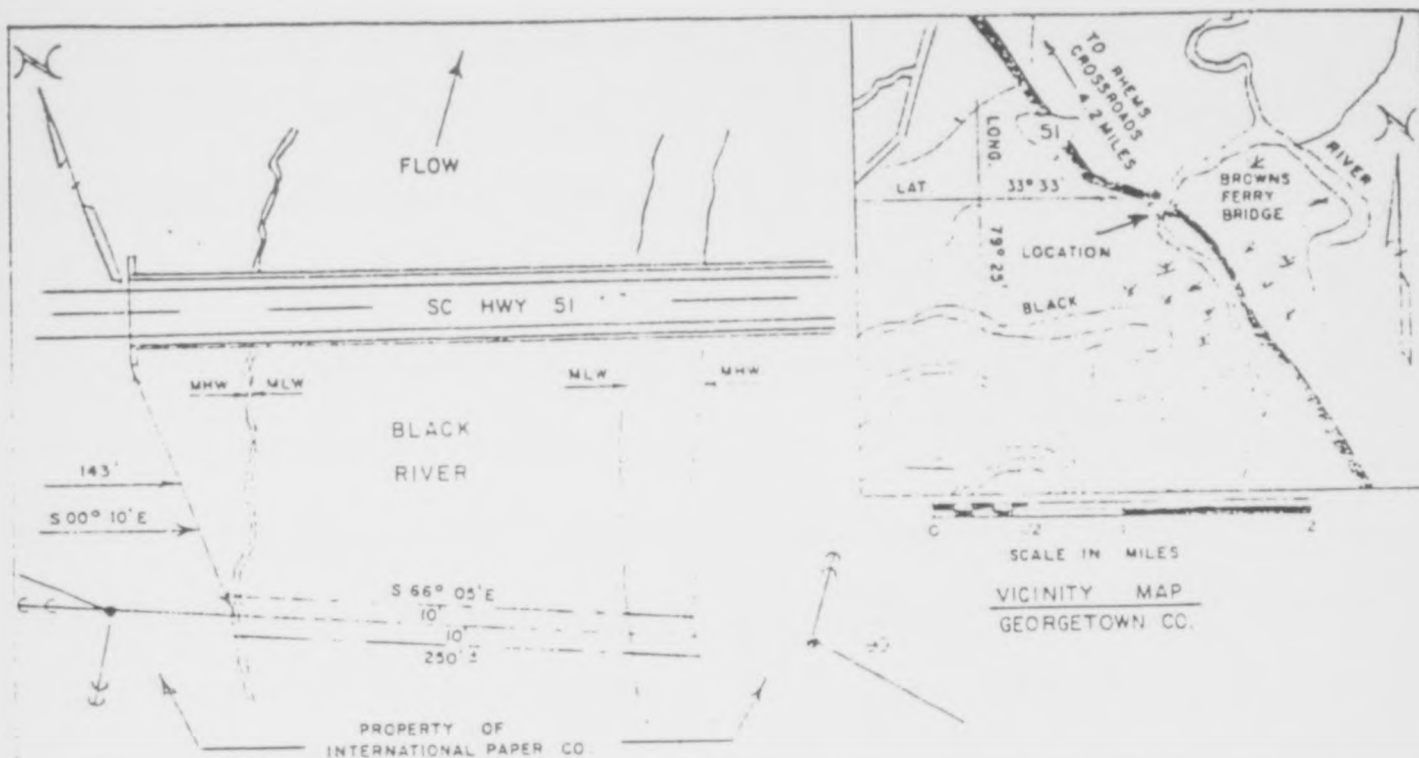
PERSONALLY appeared before me Ray L. Cox
and made oath that he/she saw the within named Santee Electric
Cooperative, Inc., by Edmund D. Whetsell, its
Exec. Vice Pres. & Gen. Mgr., sign, seal, and as its act and
deed deliver the within written Easement, and that he/she, along
with Marilyn G. Morris, witnessed the execution thereof.

Ray L. Cox
Ray L. Cox

SWORN to before me this 28th
day of July, 1986.

Marilyn G. Morris (L.S.)
Notary Public for South Carolina

My Commission Expires: August 17, 1987



Scale: 1" = 100'

DATUM: Mean Low Water Information Was Furnished by the United States Coast Guard Office, Georgetown, South Carolina April 3, 1986

This Plat describes a utility easement 20 feet wide running from the mean high water line on the west bank to the mean high water line on the east bank of the Black River.

Centerline on west bank: 143' from the southwest headwall of bridge at a bearing of S 00° 10' E



Georgetown County,
South Carolina

A Plat showing easement for an overhead power line crossing the Black River.
Prepared for Santee Electric Cooperative, Inc.
Kingstree, South Carolina

Thomas B. Fairley

RLS
#1965

June 19, 1986

McCall-Thomas Engineering Co., Inc.
Orangeburg, South Carolina

01636

OCT 17 1986

EXHIBIT

STATE OF SOUTH CAROLINA)
COUNTY OF GEORGETOWN)

EASEMENT

AUG 13 1986

NO. 2

STATE BUDGET & CONTROL BOARD

THIS EASEMENT, made and entered into this 28th day of July, 1986, by and between the State of South Carolina, Budget and Control Board, as Grantor (hereinafter "STATE"), and Santee Electric Cooperative, Inc., as Grantee (hereinafter "COOPERATIVE").

WITNESSETH

WHEREAS, COOPERATIVE is a nonprofit organization incorporated in the State of South Carolina whose purpose is to extend electrical service to private home owners and businesses in the rural areas. COOPERATIVE's mailing address is Post Office Box 548, Kingstree, South Carolina 29556; and

WHEREAS, COOPERATIVE proposes to upgrade an existing overhead power distribution line over the Black River at Browns Ferry, adjacent to S.C. Hwy. #51, in Georgetown County, South Carolina. The power distribution line and easement area are more particularly shown and delineated on a plat entitled "A Plat Showing Easement for an Overhead Power Line Crossing the Black River" prepared for Santee Electric Cooperative, Inc., Kingstree, South Carolina, by Thomas B. Fairey, RLS., of McCall-Thomas Engineering Company, Inc., dated June 19, 1986, which is attached hereto and incorporated herein by reference as Exhibit A.

WHEREAS, pursuant to Section 1-11-80 of the South Carolina Code of Laws, 1976, as amended, the STATE is empowered to grant certain rights-of-way or easements through and over riverbeds and marshlands for construction, operation, and maintenance of power

01637

distribution lines over, on, or under such land or marshland as are owned by the STATE; and

WHEREAS, COOPERATIVE is desirous of obtaining the hereinafter described easement through and over riverbeds and marshlands in Georgetown County, and the STATE considers the granting of such an easement to be in the public interest.

NOW, THEREFORE, the STATE as Grantor, in consideration of the sum of One (\$1.00) Dollar and other valuable consideration, receipt of which is hereby acknowledged, does hereby grant, remise, and release unto COOPERATIVE, its successors and assigns, a right-of-way easement in, to, upon and over the below described portion of riverbed and marshland; such riverbed and marshland situate in Georgetown County and lying below the mean high water line.

This Easement of right-of-way shall be used solely for the purposes incidental with the upgrading, operation and maintenance of said overhead power distribution line over the Black River in Georgetown County, South Carolina. The easement area is more particularly described as follows:

A 20' utility easement (10' on each side of pole line) beginning 143' from the southwest corner of the headwall of S.C. Highway #51 bridge on a bearing of South 00 Degrees 10 Minutes East to the center of the easement at the mean high water line on the west bank and extending on a bearing of South 66 Degrees 05 Minutes East 250', more or less, across the Black River to the mean high water line on the east side. The easement area is bounded on the east and west by property of International Paper Company.

The overhead power distribution line and easement area are more particularly shown and delineated on a plat entitled "A Plat Showing Easement for an Overhead Power Line Crossing the Black River" prepared for Santee Electric Cooperative, Inc., Kingstree, South Carolina, by Thomas B. Fairey, RLS., of McCall-Thomas Engineering Company, Inc., dated June 19, 1986, which is attached hereto and incorporated herein by reference as Exhibit A.

EXHIBIT

AUG 13 1986 NO. 2

STATE BUDGET & CONTROL BOARD

This easement of right-of-way is subject to all easements and rights-of-way of record or which may be revealed by inspection of the property and extends only to the STATE's prima facie ownership.

The vertical clearance of all electrical wire, conductors, cables and live parts of equipment across all navigable waters and/or waters of the State of South Carolina shall be constructed in accordance with National Electrical Safety Code (ANSI - C2-1981) Part 2, Section 23, as amended.

COOPERATIVE hereby agrees and covenants with the STATE that COOPERATIVE, its successors and assigns, shall not block or obstruct navigable waters or cause unreasonable adverse impact on fish, wildlife, or water quality in its use of the easement area. COOPERATIVE shall use the easement area solely for the purposes incidental with the construction, operation, and maintenance of said overhead power distribution line and shall maintain such easement area and power distribution line in good condition.

COOPERATIVE further agrees and covenants that COOPERATIVE shall indemnify and hold harmless the STATE from and against any and all liabilities, claims, causes of action and expenses including, but not limited to, reasonable costs and attorney fees resulting in personal injury or death to any person or persons or damage to any property at any time that arises from or is incident to the construction, operation, maintenance, or use of the easement granted herein.

In the event of major maintenance, after construction, affecting the bed of the waterway, the South Carolina Coastal Council and the South Carolina Water Resources Commission shall be notified in writing prior thereto.

COOPERATIVE WILL COMPLY WITH AND BE BOUND BY ANY AND ALL APPLICABLE STATE STATUTES, REGULATIONS, AND TERMS AND CONDITIONS OF ANY PERMITS OR AGREEMENTS CONCERNING THIS PROJECT AND ANY AND ALL LANDS AND WATERS INVOLVED THEREWITH.

This Easement may be terminated by the STATE, in its discretion and such interests as the STATE may have shall revert to the STATE if COOPERATIVE, its successors and assigns: (1) quits and abandons all use of such overhead power distribution line; in which case this easement of right-of-way shall terminate thirty (30) days after the date of such abandonment; or (2) continues an uncorrected violation or breach of any of the terms and conditions herein.

It is further understood and agreed that this easement is not to be construed as an easement granted to the exclusion of the STATE or to others later granted a similar right. This easement is subject to all easements, permits, restrictions and covenants of record, or of plats of record, or which may be revealed upon inspection of the property.

IN WITNESS WHEREOF, this instrument is being executed in accordance with the action of the South Carolina Budget and Control Board at its meeting held on the 13 day of August, 1986.

WITNESSES:

STATE OF SOUTH CAROLINA
BUDGET & CONTROL BOARD

Karl M. Hester
William A. Theunis

(signatures continue)

BY: Richard W. Riley
Governor Richard W. Riley

EXHIBIT

AUG 13 1986 NO. 2

SANTEE ELECTRIC COOPERATIVE, INC.

Maurice H. Morris

Ray L. Cox

BY: Edmund A. Whitely

TITLE: Executive Vice President &
General Manager

ATTORNEY GENERAL'S OFFICE

Approved: Kenneth C. Woodruff

EXHIBIT

AUG 13 1986 NO. 2

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PERSONALLY appeared before me William A. McInnis
and made oath that he/~~she~~ saw the within named State of South
Carolina, Budget and Control Board, by its Chairman, Governor
Richard W. Riley, sign, seal, and as its act and deed deliver the
within written Easement, and that he/~~she~~, along with
Catherine M. Hepter, witnessed the execution thereof.

William A. McInnis

SWORN to before me this 18th
day of August, 1986.

Donna A. Williams (L.S.)
Notary Public for South Carolina

My Commission Expires: 5/3/89

EXHIBIT

AUG 13 1986 NO. 2

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA)
)
COUNTY OF Williamsburg)

PERSONALLY appeared before me Ray L. Cox
and made oath that he/she saw the within named Santee Electric
Cooperative, Inc., by Edmund D. Whetsell, its
Exec. Vice Pres. & Gen. Mgr., sign, seal, and as its act and
deed deliver the within written Easement, and that he/she, along
with Marilyn G. Morris, witnessed the execution thereof.

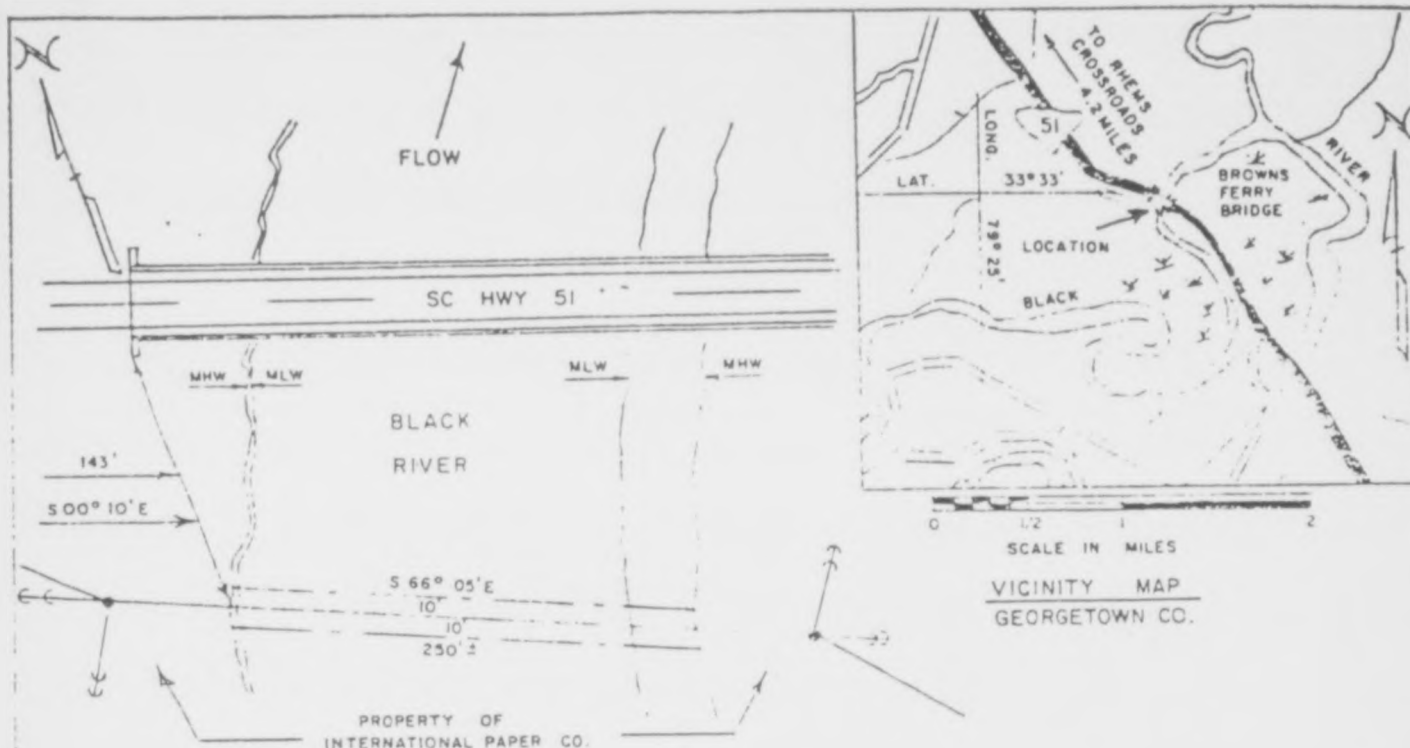
Ray L. Cox
Ray L. Cox

SWORN to before me this 28th
day of July, 1986.

Marilyn G. Morris (L.S.)
Notary Public for South Carolina

My Commission Expires: August 17, 1987

01642



Scale: 1" = 100'

DATUM: Mean Low Water Information Was Furnished
by the United States Coast Guard Office,
Georgetown, South Carolina April 3, 1986

This Plat describes a utility easement 20 feet wide running from the
mean high water line on the west bank to the mean high water line on the
east bank of the Black River.

Centerline on west bank: 143' from the southwest headwall
of bridge at a bearing of
S 00° 10' E

EXHIBIT

AUG 13 1986

NO. 2

STATE BUDGET & CONTROL BOARD

Georgetown County,
South Carolina



Thomas B. Fahey

RLS
#1965

June 19, 1986

A Plat showing easement for an overhead
power line crossing the Black River.
Prepared for Santee Electric Cooperative, Inc.
Kingstree. South Carolina

McCall-Thomas Engineering Co., Inc.
Orangeburg, South Carolina

01643

EXHIBIT

AUG 13 1986

NO. 3

STATE BUDGET AND CONTROL BOARD
MEETING OF August 13, 1986

STATE BUDGET & CONTROL BOARD
BLUE AGENDA
ITEM NUMBER

3

AGENCY: Division of Local Government

SUBJECT: Rural Improvement Funds Expenditures during June-July, 1986 (Senate)

Projects included: 17

Total expenditure
State grant funds: \$164,996

Applications approved
during current fiscal year: 283 involving \$3,000,000

All Senate funds were expended during the fiscal year.

BOARD ACTION REQUESTED:

Receive as information the Local Government report on rural improvement funds expended by the Senate during June-July, 1986, which includes 17 projects totalling \$164,996 in State grant funds and which indicates that 283 applications involving \$3,000,000 have been approved during the current fiscal year, that the account was credited \$72,000 in June, and that all Senate funds were expended.

ATTACHMENTS:

Agenda item worksheet plus attachments.

01644

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

For meeting scheduled for:

August 13, 1986

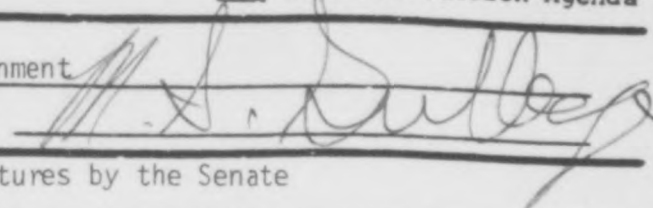
☒ Blue Agenda

☐ Regular Session Agenda

☐ Executive Session Agenda

1. Submitted By:

(a) Agency: B&C BD--Local Government

(b) Authorized Official Signature: 

2. Subject: Rural Improvement expenditures by the Senate
for June and July 1986

3. Summary Background Information:

The referenced report includes 17 projects involving a total expenditure of \$164,996 in Rural Improvement Funds. This report shows that 283 applications involving \$3,000,000 (includes 2% interim reduction) were approved during FY 85-86. The Senate account was credited \$72,000 in June (see attachment). All Senate funds were expended.

EXHIBIT

AUG 13 1986

NO. 3

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Receive as information

5. What is recommendation of the Board Division involved?

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available
from Submitter

Attached report

01645

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

RURAL IMPROVEMENT FUNDS

REPORT OF August 13, 1986

Balance Available For Grants		\$	
Approved To Date	283	\$3,000,000	**
Disapproved To Date			
Pending			

(Above Figures Include Items In This Report)

Expenditures by the Senate for the period June through July

Name & Address of Applicant	Date Of Application	State Funds Requested	Other Funds		Date Approved Or Disapproved	Amount Approved	Brief Description of Project
			Federal	Local			
1. Clarendon County Courthouse Manning, SC 29102	3/20/86	4,500	----	40,000	6/6/86	4,000	Completion of a ballpark in the Davis Station community
2. Town of Iva P.O. Box 188 Iva, SC 29655	1/22/86	30,000	----	3,100	6/6/86	10,000	Replacement of two wells
3. Beaufort County P.O. Box 1228 Beaufort, SC 29902	5/16/86	25,000	----	----	6/6/86	25,000	Renovation of the Penn Center
4. Anderson County P.O. Box 4046 Anderson, SC 29622	1/29/86	15,000	----	15,000	6/19/86	7,500	Lighting for a recreational facility
5. Greenville County Courthouse Annex Greenville, SC 29621	4/22/86	2,500	----	45	6/19/86	2,500	Purchase of protective clothing for the Slater-Marietta Fire Department
6. Laurens County West Main Street Laurens, SC 29360	4/24/86	17,000	----	12,200	6/20/86	7,500	Installation of new wiring, doors and windows at the Laurens County Home

** See attachment regarding credit to Senate account

EXHIBIT
AUG 13 1986
NO. 3
STATE BUDGET & CONTROL BOARD

01646

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

RURAL IMPROVEMENT FUNDS

REPORT OF August 13, 1986 Cont'd

Balance Available For Grants		
Approved To Date		
Disapproved To Date		
Pending		

(Above Figures Include Items In This Report)

2

Name & Address of Applicant	Date Of Application	State Funds Requested	Other Funds		Date Approved Or Disapproved	Amount Approved	Brief Description of Project
			Federal	Local			
7. Laurens County West Main Street Laurens, SC 29360	2/12/86	4,000	----	4,000	6/20/86	1,500	Construction of a community center in the Longbranch area
8. Beaufort County P.O. Box 1228 Beaufort, SC 29902	6/23/86	3,107	----	----	6/23/86	3,100	Relocation of 3 and 4 inch water lines in the vicinity of Hwy. 170
9. Greenville County Courthouse Annex Greenville, SC 29601	5/21/86	70,000	----	559,295	6/23/86	10,000	Removal of gas and water lines in order to construct a wholesale farmer/truck facility at the Greenville Farmer's Market
10. City of Manning Brooks Street Manning, SC 29102	6/5/86	10,000	----	13,555	6/25/86	5,000	Installation of equipment at the Manning Water and Sewer Plant
11. City of Manning Brooks Street Manning, SC 29102	6/5/86	30,000	----	60,000	6/25/86	14,750	Construction of water and sewer lines on Hwy. 261 to accomodate this newly widened four lane highway
12. City of Manning Brooks Street Manning, SC 29102	6/5/86	25,000	----	11,000	6/25/86	12,500	Construction of sewer lines in Bellewood Subdivision

EXHIBIT
AUG 13 1986 NO. 3
STATE BUDGET & CONTROL BOARD

01647

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

RURAL IMPROVEMENT FUNDS

REPORT OF August 13, 1986 Cont'd

Balance Available For Grants		
Approved To Date		
Disapproved To Date		
Pending		

(Above Figures Include Items In This Report)

3

Line & Address of Applicant	Date Of Application	State Funds Requested	Other Funds		Date Approved Or Disapproved	Amount Approved	Brief Description of Project
			Federal	Local			
13. City of Manning Brooks Street Manning, SC 29102	6/5/86	30,000	----	270,000	6/25/86	14,750	Construction of a public safety building
14. City of Manning Brooks Street Manning, SC 29102	6/5/86	30,000	----	----	6/25/86	14,750	Renovation of a building for city offices
15. City of Inman 3 Bishop Street Inman, SC 29349	4/17/86	1,386	----	----	6/25/86	1,200	Purchase of communication equipment for the police department
16. Town of Winnsboro P.O. Box 209 Winnsboro, SC 29180	4/16/86	70,000	250,000 ^a	----	5/13/86*	30,000	Sewer lines to the Blackjack community
17. Fairfield County P.O. Box 216 Winnsboro, SC 29180	6/27/86	2,500	----	3,795	7/2/86	946	Purchase and repair of rescue equipment for the Fairfield County Rescue Squad

* Approved by B&C Board

a CDBG

01648

EXHIBIT
AUG 13 1986
STATE BUDGET & CONTROL BOARD
NO. 3



State of South Carolina
BUDGET AND CONTROL BOARD
Local Government Division
State Capitol
P.O. Box 11867
Columbia, S.C. 29201

Michael S. Gullledge
Director
(803) 734-2382
734-2382

EXHIBIT

AUG 13 1986 NO. 3

STATE BUDGET & CONTROL BOARD

B&C BD Report
August 13, 1986
Attachment

Senate and House account credits

On October 22, 1985, the Board approved a Rural Improvement Fund request for the city of Manning in the amount of \$125,000 to construct a building to be leased by Aircap Industries (75 to 300 jobs). The project fell through. Therefore, the full amount of the grant was returned (\$125,000: \$62,500 to the Senate; \$62,500 to the House).

Senate credit

On October 10, 1985, the town of Duncan received a Rural Improvement Fund grant in the amount of \$9,500 for improvements to the sewer system. These funds were not used and were restored to the Senate account.

01649

EXHIBIT

AUG 13 1986 NO. 4

STATE BUDGET AND CONTROL BOARD
MEETING OF August 13, 1986

STATE BUDGET & CONTROL BOARD
BLUE AGENDA
ITEM NUMBER

4

AGENCY: Division of Local Government

SUBJECT: Rural Improvement Funds Expenditures during June-July 1986 (House)

Projects included: 15

Total expenditure
State grant funds: \$139,904

Applications approved
during current fiscal year: 321 involving \$2,999,999

The House account was credited \$62,500 in June; and had an ending balance of \$1.

BOARD ACTION REQUESTED:

Receive as information the Local Government report on rural improvement funds expended by the House of Representatives during June-July, 1986, which includes 15 projects totalling \$139,904 in State grant funds and which indicates that 321 applications involving \$2,999,999 have been approved during the current fiscal year, that the House account was credited \$62,500 in June; and that the House had an ending balance of \$1.

ATTACHMENTS:

Agenda item worksheet plus attachments.

01650

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

For meeting scheduled for:

August 13, 1986

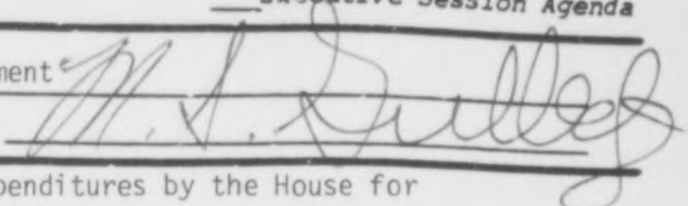
☒ Blue Agenda

☐ Regular Session Agenda

☐ Executive Session Agenda

1. Submitted By:

(a) Agency: B&C BD--Local Government

(b) Authorized Official Signature: 

2. Subject: Rural Improvement Fund expenditures by the House for June and July 1986

3. Summary Background Information:

The referenced report includes 15 projects involving a total expenditure of \$139,904 in Rural Improvement Funds. This report shows that 321 applications involving \$2,999,999 (includes 2% interim reduction) were approved during FY 85-86. The House account was credited \$62,500 in June (see attachment). The House had an ending balance of \$1.

EXHIBIT

AUG 13 1986

NO. 4

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Receive as information

5. What is recommendation of the Board Division involved?

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available from Submitter

Attached report

01651

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

RURAL IMPROVEMENT FUNDS

REPORT OF August 13, 1986

Balance Available for Grants	321	\$ 1	**
Approved to Date		\$2,999,999	
Disapproved to Date			
Pending			

(Above Figures Include Items in This Report)

Expenditures by the House for the period June through July 1986

Name & Address of Applicant	Date Of Application	State Funds Requested	Other Funds		Date Approved Or Disapproved	Amount Approved	Brief Description of Project
			Federal	Local			
1. Town of Ware Shoals P.O. Box 510 Ware Shoals, SC 29692	5/1/86	7,000	----	----	6/6/86	7,000	Marketing brochure to promote Ware Shoals
2. Dillon County 5th Avenue Dillon SC 29536	6/5/86	500	----	----	6/6/86	500	Purchase of equipment for the Reedy Creek Fire Department
3. Richland County 1701 Main Street Columbia, SC 29201	5/28/86	1,500	----	----	6/19/86	1,500	Purchase of hose for the Capitol View Fire Department
4. Anderson County P.O. Box 4046 Anderson, SC 29622	1/29/86	15,000	----	15,000	6/19/86	7,500	Lighting for a recreation facility
5. Laurens County West Main Street Laurens, SC 29360	4/24/86	17,000	----	12,200	6/20/86	7,500	Installation of new wiring, doors and windows at the Laurens County Home
6. Laurens County West Main Street Laurens, SC 29360	2/12/86	4,000	----	4,000	6/20/86	1,500	Construction of a community center in the Longbranch area

** See attachment regarding credit to House account

EXHIBIT
AUG 13 1986 NO. 4
STATE BUDGET & CONTROL BOARD

01652

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

RURAL IMPROVEMENT FUNDS

REPORT OF August 13, 1986 Cont'd

Balance Available For Grants		
Approved To Date		
Disapproved To Date		
Pending		

(Above Figures Include Items In This Report)

Name & Address of Applicant	Date Of Application	State Funds Requested	Other Funds		Date Approved Or Disapproved	Amount Approved	Brief Description of Project
			Federal	Local			
7. Greenville County Courthouse Annex Greenville, SC 29601	5/21/86	70,000	----	559,295	6/23/86	10,000	Removal of gas and water lines in order to construct a wholesale farmer/truck facility at the Greenville Farmer's Market
8. City of Manning Brooks Street Manning, SC 29102	6/5/86	10,000	----	13,555	6/25/86	5,000	Installation of equipment at the Manning Water and Sewer Plant
9. City of Manning Brooks Street Manning, SC 29102	6/5/86	30,000	----	60,000	6/25/86	14,750	Construction of water and sewer lines on Hwy. 261 to accomodate this newly widened four lane highway
10. City of Manning Brooks Street Manning, SC 29102	6/5/86	25,000	----	11,000	6/25/86	12,500	Construction of sewer lines in the Bellewood Subdivision
11. City of Manning Brooks Street Manning, SC 29102	6/5/86	30,000	----	270,000	6/25/86	14,750	Construction of a public safety building
12. City of Manning Brooks Street Manning, SC 29102	6/5/86	30,000	----	----	6/25/86	14,750	Renovation of a building for city offices

01653

EXHIBIT
AUG 13 1986 NO. 4
STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

RURAL IMPROVEMENT FUNDS

REPORT OF August 13, 1986 Cont'd

Balance Available For Grants		
Approved To Date		
Disapproved To Date		
Pending		

(Above Figures Include Items In This Report)

Name & Address of Applicant	Date Of Application	State Funds Requested	Other Funds		Date Approved Or Disapproved	Amount Approved	Brief Description of Project
			Federal	Local			
13. Town of Winnsboro P.O. Box 209 Winnsboro, SC 29180	4/16/86	70,000	250,000 ^a	----	5/13/86*	40,000	Sewer lines to the Blackjack community
14. Spartanburg County Courthouse Spartanburg, SC 29304	2/24/86	2,500	----	598	7/2/86	2,500	Purchase of equipment for the Poplar Springs Fire Department
15. Fairfield County P.O. Box 216 Winnsboro, SC 29180	6/27/86	2,500	----	3,795	7/2/86	154	Purchase and repair of rescue equipment for the Fairfield County Rescue Squad

* Approved by B&C Board
a CDBG

01654

EXHIBIT
AUG 13 1986 NO. 4
STATE BUDGET & CONTROL BOARD

EXHIBIT

AUG 13 1986

NO. 4

STATE BUDGET & CONTROL BOARD



State of South Carolina
BUDGET AND CONTROL BOARD
Local Government Division
State Capitol
P.O. Box 11867
Columbia, S.C. 29201

Michael S. Gullledge
Director
(803) 734-2382
734-2382

B&C BD Report
August 13, 1986
Attachment

Senate and House account credits

On October 22, 1985, the Board approved a Rural Improvement Fund request for the city of Manning in the amount of \$125,000 to construct a building to be leased by Aircap Industries (75 to 300 jobs). The project fell through. Therefore, the full amount of the grant was returned (\$125,000: \$62,500 to the Senate; \$62,500 to the House).

Senate credit

On October 10, 1985, the town of Duncan received a Rural Improvement Fund grant in the amount of \$9,500 for improvements to the sewer system. These funds were not used and were restored to the Senate account.

01655

EXHIBIT

AUG 13 1986

NO. 5

STATE BUDGET AND CONTROL BOARD
MEETING OF August 13, 1986

STATE BUDGET & CONTROL BOARD
AGENDA
ITEM NUMBER

5

AGENCY: General Services

SUBJECT: Installment Purchase Program Annual Report

The Division of General Services, in accordance with the requirement of Regulation 19-440.1, Subsection F, has submitted the fiscal year 1985-86 annual report of the Installment Purchase Program.

BOARD ACTION REQUESTED:

Receive as information the 1985-86 Installment Purchase Program Annual Report submitted by the Division of General Services in accordance with the requirement of Regulation 19-440.1, Subsection F.

ATTACHMENTS:

Agenda item worksheet and 1985-86 Installment Purchase Program Annual Report

01656

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

For meeting scheduled for:

August 12, 1986

☐ Blue Agenda

☒ Regular Session Agenda

☐ Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard W. Kelly

2. Subject:

Installment Purchase Program Annual Report

3. Summary Background Information:

In accordance with the requirement of Subsection F of Installment Purchase Program Regulations 19-440.1, the FY 1985-86 annual report of the Installment Purchase Program is being submitted to the Board for its information.

EXHIBIT

AUG 13 1986 NO. 5

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Review Installment Purchase Program Annual Report.

5. What is recommendation of the Board Division involved?

6. Recommendation of other office (as required)?

(a) Office Name _____

Authorized

(b) Signature _____

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available
from Submitter

Installment Purchase Program
Annual Report

01657

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
800 DUTCH SQUARE BLVD., SUITE 150
COLUMBIA, SC 29210
(803) 737-8900

EXHIBIT

AUG 13 1986

NO. 5

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



RICHARD J. CAMPBELL
ASSISTANT DIVISION DIRECTOR

REMBERT C. DENNIS
CHAIRMAN
SENATE FINANCE COMMITTEE

TOM G. MANGUM
CHAIRMAN
HOUSE WAYS AND MEANS COMMITTEE

DR. JESSE A. COLES, JR.
EXECUTIVE DIRECTOR

M E M O R A N D U M

TO: Rick Kelly
Division Director

FROM: Richard J. Campbell
Assistant Division Director

RE: Installment Purchase Program Annual Report

DATE: July 22, 1986

In accordance with the requirement of Subsection F of Installment Purchase Program Regulations 19-440.1, enclosed is the Installment Purchase Program's Annual Report to the Budget and Control Board outlining:

1. Receipts for Fiscal Year 1985-86
2. Expenditures for Fiscal Year 1985-86
3. Amount of funds carried forward to Fiscal Year 1986-87

MATERIALS MANAGEMENT OFFICE

01658

State Supply & Surplus Property Management
Surplus Property
Boston Avenue
W. Coia., SC. 29169
734-4335

Supply, Warehousing & IMS
1942 Laurel Street
Coia., SC. 29201
734-7919

Training & Research
300 Gervan Street
Annex 3
Coia., SC. 29201
737-2060

State Procurements
800 Dutch Sq. Blvd.
Suite 250
Coia., SC. 29210
737-8910

Information Technology Management Office
800 Dutch Sq. Blvd.
Suite 150
Coia., SC. 29210
737-8900

Installment Purchase Program
800 Dutch Sq. Blvd.
Suite 150
Coia., SC. 29210
737-8900

EXHIBIT

AUG 13 1986 NO. 5

STATE BUDGET & CONTROL BOARD

I. Statement of Receipts and Disbursements Fiscal Year 1985-86

Funds Carried Forward from FY 1984-85: \$ 15,246.79

Receipts:

Incoming Loan Payments	\$1,366,940.99
Outgoing Loan Payments	1,279,267.30
Net Cash Receipts	<u>\$ 87,673.69</u>

Total Operating Funds Available: \$ 102,920.48

Disbursements:

158	Classified Positions	\$42,392.09
201	Office Equipment Repair	140.84
203	Photocopy Repair	1,000.00
209	Printing, Binding, Advertising	826.53
215	Freight	45.25
216	Telephone and Telegraph	1,871.36
229	Printing - State	1,159.65
233	Registration Fees	217.00
301	Office Supplies	775.00
303	Photocopy Supplies	499.52
304	Data Processing Supplies	53.88
309	Printing Supplies	157.50
311	Photographic	19.62
315	Postage	1,000.00
401	Rental - Office Equipment	29.20
403	Rental - Photocopy Equipment	300.00
413	Rent - Non-State Owned Real Estate	14,253.00
417	Dues, Membership Fees	150.00
418	Insurance - State	91.46
500	Travel	1,315.80
1301	State Retirement	3,094.58
1331	Social Security	3,010.06
1340	Workmens' Compensation	581.00
1350	Unemployment Compensation	169.56
1361	Health Insurance	1,416.46
1367	Dental Insurance	157.41
	Allocation to OED	976.00
	Total Disbursements	<u>\$75,702.77</u>

Cash Balance 06/30/86 \$27,217.71

01659

EXHIBIT

AUG 13 1986

NO. 5

STATE BUDGET & CONTROL BOARD

II. Carry-Over of Cash Balance to FY 1986-87

The cash balance of \$27,217.71 will be retained based upon the General Appropriations Act for the Fiscal Year 1986-87 in which "the Division of General Services Installment Purchase Program is authorized to retain sufficient funds in its income account at the end of Fiscal Year 1985-86 and carry forward and expend the funds to operate the program for Fiscal Year 1986-87."

III. Active Loans During FY 1985-86

<u>Agreement Number</u>	<u>Agency</u>	<u>Loan Amount</u>	<u>Equipment Financed</u>
*4	Department of Social Services	\$ 43,762.00	Data Processing
*8	Horry-Georgetown TEC	115,000.00	Data Processing
*9	Arts Commission	17,218.00	Data Processing
*12	Clemson University	25,900.00	Data Processing
15	Information Resource Management	225,000.00	Microwave Project - A & E Fees
17	College of Charleston	254,594.00	Data Processing
19	Legislative Printing and Information Technology Resources	982,384.00	Data Processing
*20	Appellate Defense	10,000.00	Data Processing
21	Educational Tele-vision Network	10,715,000.00	ITFS Project
*22	Budget Division	351,700.00	Data Processing
23	Information Resource Management	12,828,000.00	Microwave Project
*24	Commission on Higher Education	40,000.00	Data Processing
25	Arts Commission	26,651.00	Data Processing
*27	Winthrop College	25,574.00	Data Processing
28	Department of Mental Health	112,736.00	Medical

EXHIBIT

AUG 13 1986

NO. 5

STATE BUDGET & CONTROL BOARD

<u>Agreement Number</u>	<u>Agency</u>	<u>Loan Amount</u>	<u>Equipment Financed</u>
*31	Health & Human Services Finance Comm.	179,891.00	Data Processing
34	College of Charleston	44,628.00	Data Processing
35	Department of Insurance	160,700.00	Data Processing
36	Department of Mental Health	37,792.00	Telecommunications
37	Winthrop College	69,405.00	Data Processing
38	College of Charleston	125,000.00	Data Processing

*Loans completed during FY 1985-86

AUG 13 1986

NO. 5

STATE BUDGET & CONTROL BOARD

IV. Additional Installment Purchase Program
Information

Funding of Backbone Microwave System

As of June 30, 1986, \$9,876,000.00 of the total Installment Purchase Program funding commitment (\$12,828,000.00) had been disbursed with \$7,537,778.00 being expended last fiscal year according to the following schedule:

	<u>Drawdown Amount</u>	<u>Drawdown Date</u>
\$	51,497.00	07/01/85
	312,183.00	07/15/85
	57,413.00	08/01/85
	299,464.00	08/15/85
	523,943.00	09/15/85
	457,164.00	10/15/85
	216,643.00	11/15/85
	254,641.00	12/15/85
	141,096.00	12/20/85
	2,782,317.00	01/15/86
	956,153.00	02/01/86
	34,685.00	02/15/86
	223,093.00	03/15/86
	45,611.00	04/01/86
	1,073,341.00	04/15/86
	32,378.00	05/15/86
	53,600.00	06/01/86
	22,556.00	06/15/86
Total	<u>\$7,537,778.00</u>	

In July 1985, the Division of Information Resource Management made the first principal payment on the \$1,904,000.00 Installment Purchase Program Note. Payments on the second note for \$10,924,000.00 are scheduled to begin in July 1987.

Projections indicate that all remaining Installment Purchase Program funds will be used during the first half of FY 1986-87.

EXHIBIT

AUG 13 1986 NO. 5

STATE BUDGET & CONTROL BOARD

Funding of the Educational Television Commission's

Instructional Television Fixed Service Project

Of the total loan for \$10,715,000.00, \$9,480,561.00 had been expended as of June 30, 1986. During FY 1985-86, Installment Purchase Program funds totaling \$4,854,689.00 were transferred to the Educational Television Commission as listed below:

	<u>Drawdown Amount</u>	<u>Drawdown Date</u>
\$	100,954.00	07/01/85
	207,519.00	07/15/85
	304,805.00	08/01/85
	563,264.00	08/15/85
	122,108.00	09/01/85
	145,676.00	09/15/85
	231,302.00	10/01/85
	165,997.00	10/15/85
	74,842.00	11/01/85
	205,047.00	11/15/85
	247,882.00	12/01/85
	261,640.00	12/15/85
	320,542.00	01/15/86
	175,269.00	02/01/86
	97,327.00	02/15/86
	427,917.00	03/01/86
	117,167.00	03/15/86
	241,279.00	04/01/86
	269,284.00	04/15/86
	196,741.00	05/01/86
	167,249.00	05/15/86
	130,979.00	06/01/86
	79,899.00	06/15/86
Total \$	4,854,689.00	

The remainder of the note will be drawn down during the next fiscal year. The first principal payment will also be made during FY 1986-87.

EXHIBIT

AUG 13 1986 NO. 5

FY 1986-87

STATE BUDGET & CONTROL BOARD

Throughout the following year, the Installment Purchase Program will continue to pursue its bottom-line mission of assisting State agencies and institutions by financing their acquisitions of essential equipment.

01664

EXHIBIT

AUG 13 1986 NO. 6

STATE BUDGET AND CONTROL BOARD
MEETING OF August 13, 1986

STATE BUDGET & CONTROL BOARD
BLUE AGENDA
ITEM NUMBER

6

AGENCY: Budget Division

SUBJECT: FTE Operating Report, July 1986

Attached is the full-time-equivalent position operating report for July 1986.
Please refer to the report for details.

BOARD ACTION REQUESTED:

Receive as information the FTE position operating report for the month of July 1986 which shows a net change of 40.15 positions during the month, resulting in the total authorized position base at July 31 of 65,032.26 of which 58,259.44 positions were filled and 6,772.82 were vacant.

ATTACHMENTS:

Agenda item worksheet and referenced report.

01665

STATE BUDGET DIVISION
FULL-TIME EQUIVALENT POSITION
OPERATIONAL REPORT
FOR THE MONTH OF JULY, 1986

SECTION NO.	AGENCY	TOTAL FTE POSITIONS	STATE FTE POSITIONS	FEDERAL FTE POSITIONS	OTHER FTE POSITIONS
Total Authorized FTE					
Positions Operational Base 7/1/86		64,992.11	37,989.91	8,151.67	18,850.53
JULY					
Authorized Adjustments					
16A	B & C Board-Exec Director	(1.00)	(1.00)		
16A	B & C Board-Exec Director	35.00	35.00		
16B	B & C Board-Budget Division	(35.00)	(35.00)		
16E	B & C Board-General Svcs	-	-	(3.00)	3.00
16H	B & C Board-HRM	1.00	1.00		
20	Clemson University PSA	-	-	(17.00)	17.00
22	Francis Marion	13.50	10.50	-	3.00
25	University of S.C.	-	-	195.17	(195.17)
34	Deaf & Blind School	1.65	-	-	1.65
40	HHSFC	23.00	5.75	17.25	
45	Dept of Social Services	(23.00)	(5.75)	(17.25)	
45	Dept of Social Services	17.00	10.80	6.20	
46	John De La Howe	6.00	6.00		
51	Housing Authority	2.00	-	1.00	1.00
Total Net Adjustment		40.15	27.30	182.37	(169.52)
Total Authorized FTE					
Positions Base 7/31/86		65,032.26	38,017.21	8,334.04	18,681.01
Total Filled FTE					
Positions 7/31/86		58,259.44	34,819.29	7,078.83	16,361.32
Total Vacant FTE					
Positions 7/31/86		6,772.82	3,197.92	1,255.21	2,319.69

Prepared:
August 5, 1986

01666

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
STATE BUDGET DIVISION
406 WADE HAMPTON STATE OFFICE BUILDING
COLUMBIA, S.C. 29201

RICHARD W. RILEY, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



REMBERT C. DENNIS
CHAIRMAN
SENATE FINANCE COMMITTEE

TOM G. MANGUM
CHAIRMAN
HOUSE WAYS AND MEANS COMMITTEE

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

A. BARON HOLMES, IV, Ph.D.
DIVISION DIRECTOR

August 5, 1986

The Honorable James M. Waddell, Jr.
Joint Legislative Committee on Personal
Service Financing and Budgeting
213 Gressette Building
Columbia, South Carolina 29201

Dear Senator Waddell:

Attached please find a copy of the July, 1986-87 Authorized FTE
Position Operating Report. I have approved and adjusted the Authorized
FTE Position Base accordingly.

If you should have any questions please feel free to call.

Sincerely,

A. Baron Holmes IV

A. Baron Holmes, IV, Ph.D.

ABH/dc

Attachment

01667

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)

Meeting Scheduled for: August 13, 1986

Blue Agenda

87-14

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: A. Bann Holmes IV

2. Subject:

1986-87 FTE Operating Report for the Month of July, 1986

3. Summary Background Information:

The attached report is submitted in accordance with Section 152 of the 1986-87 Appropriation Act. The report exempts all Legislative Employees (726.00) and Judicial Employees (403.22) which totals (1,129.22).

4. What is Board asked to do?

Information Only

5. What is recommendation of Board Division involved?

Information Only

C. J. J. J.

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

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Authorized FTE Position Operating Report

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

01668

EXHIBIT

AUG 13 1986

NO. 7

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD

BLUE AGENDA

MEETING OF August 13, 1986

ITEM NUMBER

7

AGENCY: Executive Director

SUBJECT: Interviewee Travel Expense Reimbursement

Please refer to the attached report for details on payments of interviewee travel expenses by the following agencies:

<u>Agency</u>	<u>Number</u>	<u>Estimated Cost</u>
(a) College of Charleston	2	433.54
(b) Francis Marion College	3	1,211.70
(c) Lander College	6	1,964.92

BOARD ACTION REQUESTED:

Receive as information reports on the reimbursement of interviewee travel expenses by College of Charleston (2); Francis Marion College (3); Lander College (6).

ATTACHMENTS:

Referenced report

01669

INTERVIEWEE TRAVEL EXPENSE REIMBURSEMENT PAYMENTS

Agency	Period	Total Number	Total Cost	Number of Payments			
				\$100 or Less	\$101 to \$300	\$301 to \$500	\$501 and Over
College of Charleston	May 1986	2	433.54	0	2	0	0
Francis Marion College	March-July	3	1,211.70	0	1	1	1
Lander College	June 1986	6	1,964.92	1	1	3	1
Total		11	3,610.16	1	4	4	2

EXHIBIT

AUG 13 1986 NO. 7

STATE BUDGET & CONTROL BOARD

01670

CORRECTION

CORRECTION

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INTERVIEWEE TRAVEL EXPENSE REIMBURSEMENT PAYMENTS

Agency	Period	Total Number	Total Cost	Number of Payments			
				\$100 or Less	\$101 to \$300	\$301 to \$500	\$501 and Over
College of Charleston	May 1986	2	433.54	0	2	0	0
Francis Marion College	March-July	3	1,211.70	0	1	1	1
Lander College	June 1986	6	1,964.92	1	1	3	1
Total		11	3,610.16	1	4	4	2

EXHIBIT

AUG 13 1986 NO. 2

STATE BUDGET & CONTROL BOARD

01670

JUL 24 1986



THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

EXHIBIT

AUG 13 1986

NO. 7

Office of the President

STATE BUDGET & CONTROL BOARD

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: Barry Tidwell
City Address: Washington, DC
Position to be Filled: Business Admin / Faculty
Travel Dates: From May 24 To May 26, 1986
Total Travel Reimbursement: \$181.00

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

Approved By:

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

Original: Account Payable
Copy: Budget and Control Board

01671

FOUNDED 1770

JUL 24 1986



THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: John Beach
City Address: Philadelphia, PA
Position to be Filled: Business Admin / Econ - Faculty
Travel Dates: From May 17 To May 19, 1986
Total Travel Reimbursement: \$252.54

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

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

Original: Account Payable
Copy: Budget and Control Board

01672

FOUNDED 1770



FRANCIS MARION COLLEGE

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

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

July 9, 1986

EXHIBIT

AUG 13 1986

NO. 7

TO: President Thomas C. Stanton

STATE BUDGET & CONTROL BOARD

FROM: William C. Moran

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

Estimated Costs:

Travel-----	\$ 788.00
Food-----	\$ 18.00
Lodging-----	\$ 110.00*
TOTAL	\$ 916.00

William C. Moran
Dean of the College

WCM:rbd

Initial Approval: *William C. Moran*

Date: *7-9-86*

*2 nights

Actual Costs:

Travel-----	\$ 398.00
Food-----	\$ 8.33
Lodging-----	\$ 27.82
TOTAL	\$ 434.15

APPROVAL RECOMMENDED *William C. Moran*

Date: *7-25-86*

APPROVED: *Thomas C. Stanton*

Date: *7/25/86*

01673

JUL 25 1986

JUL 11 1986



Act. 2010

July 7, 1986

803) 669-4121	AGE	HT
WGT		
HAIR		
EYES		
TEETH		
SCARS		
MARKS		
REMARKS		
DATE		
TIME		
BY		
OFF		

FROM: William C. Moran

Estimated Costs:

Travel-----	\$ 600.00
Food-----	18.00
Lodging-----	55.00
TOTAL	\$ 673.00

William C. Moran
Dean of the College

Initial Approval
Date 7/8/86

Travel-----	\$ 634.00
Food-----	7.61
Lodging-----	27.82

\$604 - Airfare \$30 taxi

TOTAL	\$ 669.43
-------	-----------

APPROVAL RECOMMENDED
DATE 7-16-8

APPROVED
DATE

VED Thomas Stanton
7/17/86

~~10/1~~ 27

01674

JUL 03 1986



FRANCIS MARION COLLEGE

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

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

March 24, 1986

TO: President Thomas C. Stanton

FROM: William C. Moran

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

Estimated Costs:

Travel-----	\$ 80.00
Food-----	\$ 18.00
Lodging-----	\$ 55.00
TOTAL	\$ 153.00

INVOICE CHECK	
Extensions	<input checked="" type="checkbox"/>
Use Tax	<input checked="" type="checkbox"/>
Discount	<input checked="" type="checkbox"/>
Initials	KG

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

WCM:rbd

Initial Approval: *Thomas C. Stanton*

Date: 3/28/86

Actual Costs:

Travel-----	\$ 64.00	} -Previously paid by FMC Business Office.
Food-----	\$ 12.02	
Lodging-----	\$ 32.10	
TOTAL	\$ 108.12	

APPROVAL RECOMMENDED *William C. Moran*

Date: 7-14-86

APPROVED: *Thomas C. Stanton*

Date: July 17, 1986

MAR 27 1986

P.O. Frederick
7/23/86

01675

JUL 30 1986

Lander

COLLEGE

Greenwood, South Carolina 29646

Telephone (803)229-8320

Office of Academic Affairs

EXHIBIT

AUG 13 1986

NO. 7

STATE BUDGET & CONTROL BOARD

DATE: June 16, 1986

TO: Larry A. Jackson, President

FROM: Oscar C. Page

Your approval is requested to invite Mike Samadi to campus for an interview for the position of Comp Sci. and to pay his (her) travel expenses. The significance of this position is such that it warrants the costs of an interview. The participation of a number of Lander College persons is vital to this particular interview; therefore, the costs of bringing the candidate to the campus would be far less than would be the expense of conducting the interview at his (her) home area or elsewhere. Qualified candidates residing within South Carolina were considered before candidates from other states were sought.

Travel-----	\$ 178.00
Food-----	\$ 15.00
Lodging-----	\$ 40.00
TOTAL	\$ 233.00

Initial Approval: L. A. Jackson
Larry A. Jackson

Date: _____

Actual Costs:

Travel-----	\$ 430.00
Food-----	\$ 4.76 (Minus 19.30 bar charges)
Lodging-----	\$ 45.00
TOTAL	\$ 479.76

01676

APPROVAL RECOMMENDED

Oscar C. Page

APPROVED

Larry A. JacksonDate: July 24, 1986Date: July 25, 1986

Lander

COLLEGE

Greenwood, South Carolina 29646

EXHIBIT

AUG 13 1986

NO. 7

STATE BUDGET & CONTROL BOARD

AUG - 1 1986

Office of Academic Affairs

Telephone (803) 229-8320

DATE: July 14, 1986

TO: Larry A. Jackson, President

FROM: Oscar C. Page

Your approval is requested to invite Rebecca Ertel to campus for an interview for the position of Writing Lab Director and to pay his (her) travel expenses. The significance of this position is such that it warrants the costs of an interview. The participation of a number of Lander College persons is vital to this particular interview; therefore, the costs of bringing the candidate to the campus would be far less than would be the expense of conducting the interview at his (her) home area or elsewhere. Qualified candidates residing within South Carolina were considered before candidates from other states were sought.

Travel-----	\$ 270.00
Food-----	\$ 20.00
Lodging-----	\$ 40.00
TOTAL	\$ 330.00

Initial Approval: Larry A. Jackson
Larry A. Jackson

Date: 7/21/86

Actual Costs:

Travel-----	\$ 479.99
Food-----	\$
Lodging-----	\$ 29.96
TOTAL	\$ 509.95

APPROVAL RECOMMENDED

Oscar C. Page

APPROVED

Larry A. Jackson

Date: July 29, 1986

Date: 7/29/86

01677

Lander

COLLEGE

Greenwood, South Carolina 29646

Office of Academic Affairs

Telephone (803) 229-8320

DATE: July 14, 1986

TO: Larry A. Jackson, President

FROM: Oscar C. Page

Your approval is requested to invite John Engels, Jr. to campus for an interview for the position of Writing Lab Director and to pay his (her) travel expenses. The significance of this position is such that it warrants the costs of an interview. The participation of a number of Lander College persons is vital to this particular interview; therefore, the costs of bringing the candidate to the campus would be far less than would be the expense of conducting the interview at his (her) home area or elsewhere. Qualified candidates residing within South Carolina were considered before candidates from other states were sought.

Travel-----	\$ 270.00
Food-----	\$ 20.00
Lodging-----	\$ 40.00
TOTAL	\$ 330.00

Initial Approval: Larry A. Jackson
Larry A. Jackson

Date: 7/21/86

Actual Costs:

Travel-----	\$ 334.09
Food-----	\$ 10.05
Lodging-----	\$ 29.96
TOTAL	\$ 374.10

APPROVAL RECOMMENDED

Oscar C. Page

Date: July 29, 1986

APPROVED

Larry A. Jackson
Larry A. Jackson

Date: 7/29/86

01678

Lander

COLLEGE

Greenwood, South Carolina 29646

Office of Academic Affairs

Telephone (803) 229-8320

DATE: July 3, 1986

TO: Larry A. Jackson, President

FROM: Oscar C. Page

Your approval is requested to invite Richard Lindsey to campus for an interview for the position of CS + math and to pay his (her) travel expenses. The significance of this position is such that it warrants the costs of an interview. The participation of a number of Lander College persons is vital to this particular interview; therefore, the costs of bringing the candidate to the campus would be far less than would be the expense of conducting the interview at his (her) home area or elsewhere. Qualified candidates residing within South Carolina were considered before candidates from other states were sought.

Travel-----	\$ <u>51 100.00</u>
Food-----	\$ <u>15 00</u>
Lodging-----	\$ <u>40 00</u>
TOTAL	\$ <u>155 00</u>

mileage x .20) personal car from m.c.

Initial Approval: L.A. Jackson
Larry A. Jackson

Date: 7/7/86

Actual Costs:

Travel-----	\$ <u>113.82</u>
Food-----	\$ <u>4.00</u>
Lodging-----	\$ <u>41.73</u>
TOTAL	\$ <u>159.55</u>

APPROVAL RECOMMENDED

Oscar C. Page

Date: July 24, 1986

APPROVED

L.A. Jackson
Larry A. Jackson

Date: 7/28/86

01679

Lander

COLLEGE

Greenwood, South Carolina 29646

Office of Academic Affairs

Telephone (803) 229-8320

DATE: July 2, 1986

TO: Larry A. Jackson, President

FROM: Oscar C. Page

Your approval is requested to invite Baddam N. Reddy to campus for an interview for the position of Computer Science and to pay his (her) travel expenses. The significance of this position is such that it warrants the costs of an interview. The participation of a number of Lander College persons is vital to this particular interview; therefore, the costs of bringing the candidate to the campus would be far less than would be the expense of conducting the interview at his (her) home area or elsewhere. Qualified candidates residing within South Carolina were considered before candidates from other states were sought.

Travel-----	\$ <u>371.00</u>
Food-----	\$ <u>15.00</u>
Lodging-----	\$ <u>40.00</u>
TOTAL	\$ <u>426.00</u>

Initial Approval: L. A. Jackson
Larry A. Jackson

Date: 7/7/86

Actual Costs:

Travel-----	\$ <u>371.00</u>
Food-----	\$ <u> </u>
Lodging-----	\$ <u>46.56</u> (food & lodging)
TOTAL	\$ <u>417.56</u>

APPROVAL RECOMMENDED

Oscar C. Page

APPROVED

L. A. Jackson
Larry A. Jackson

Date: July 24, 1986

Date: 7/25/86

01680

Lander

COLLEGE

Greenwood, South Carolina 29646

Telephone (803)229-8320

Office of Academic Affairs

EXHIBIT

AUG 13 1986

NO. 7

STATE BUDGET & CONTROL BOARD

DATE: 5-16-86

TO: Larry A. Jackson, President

FROM: Oscar C. Page

Your approval is requested to invite Zoe H. Walker to campus for an interview for the position of Faculty Position Interviewer (Nursing) and to pay his (her) travel expenses. The significance of this position is such that it warrants the costs of an interview. The participation of a number of Lander College persons is vital to this particular interview; therefore, the costs of bringing the candidate to the campus would be far less than would be the expense of conducting the interview at his (her) home area or elsewhere. Qualified candidates residing within South Carolina were considered before candidates from other states were sought.

Travel-----\$ 120 miles (Augusta)
Food-----\$ _____
Lodging-----\$ _____

TOTAL \$ 24.00

requested by J. A. Jackson

Initial Approval: L. A. Jackson
Larry A. Jackson

Date: 5/26/86

Actual Costs:

Travel-----\$ 24.00
Food-----\$ _____
Lodging-----\$ _____

TOTAL \$ 24.00

APPROVAL RECOMMENDED

Oscar C. Page

APPROVED

L. A. Jackson

01681

Date: July 24, 1986

Date: 7/28/86

EXHIBIT

AUG 13 1986 NO. 8

STATE BUDGET AND CONTROL ~~STATE~~ BUDGET & CONTROL BOARD REGULAR SESSION
MEETING OF August 13, 1986 ITEM NUMBER 2

AGENCY: Department of Corrections

SUBJECT: (a) Training Facility
(b) Prison Cost Estimates (Broad River; Allendale; Marlboro)
(c) Barracks Housing Projects Status

The Department of Corrections will report to the Board on the three referenced subjects in response to the Board's requests at the July 29, 1986, meeting.

(a) Training Facility

This 50,000 square foot, pre-engineered facility in which the training of correctional officers by the Department of Corrections is to occur is to be located off Broad River Road in Richland County. Actually, it is to be situated behind the Department of Corrections Administration Building across from the Kirkland Institution. It is to include some eight classrooms and have dormitory accommodations for 132 persons.

The General Assembly appropriated \$2,700,000 for this facility from the Capital Expenditure Fund (in Act 548 of 1986, copy attached). This appropriation was an alternative chosen by the General Assembly after considering expansion proposals by the Criminal Justice Academy. The Joint Bond Review Committee favorably reviewed the project on July 22.

(b) Prison Cost Estimates

The Department of Corrections has been asked to explain the different estimates of cost for the three 600-bed, medium security prison projects (Broad River, \$24,000,000; Allendale, \$28,500,000; and Marlboro \$30,000,000). These projects were approved by the Bond Committee on July 22 and by the Board on July 29.

(c) Barracks Housing Projects Status

The Department also was asked to give a status report on the five barracks housing projects. One was built at Manning and a second was built at Goodman. The sites for the other three projects are Walden (in Columbia), Northside (Spartanburg), and MacDougall (in Berkeley County).

BOARD ACTION REQUESTED:

- (a) Approve establishment and budget of training facility permanent improvement project;
- (b) Receive as information a report on the Richland, Allendale, and Marlboro Counties prison cost estimates; and
- (c) Receive as information a report on the status of the barracks housing projects.

ATTACHMENTS:

01682

Act 548 of 1986

(R556, H3801)

Introduced by REP. McLellan: AN ACT TO
APPROPRIATE MONIES IN THE CAPITAL EXPENDITURE
FUND FOR FISCAL YEAR 1986-87.

Be it enacted by the General Assembly of the
State of South Carolina:

Capital expenditure fund

SECTION 1. In accordance with the provisions of
Section 11-11-310 of the 1976 Code, there is
appropriated from the monies available in the
Capital Expenditure Fund for fiscal year 1986-87
the following amounts:

SOUTH CAROLINA DEPARTMENT OF CORRECTIONS

ALLOCATION OF CAPITAL

EXPENDITURE FUND BY PROJECT

(1) Wateree Farm Project	250,000
(2) Lieber Institution Equipment	500,000
(3) Dutchman Institution - Multipurpose Building	536,000
(4) Manning Laundry Project	1,200,000
(5) Food Service Warehouse Project	91,000
(6) Reimbursed Emergency Projects (Temporary Buildings)	600,000
(7) Temporary Buildings (3)	900,000
(8) Fencing, McDougal Youth Correction Center, Aiken Youth Correction Center, Women's Correction Center	500,000
(9) Training Facility	2,700,000
(10) Administrative Training - Personnel Equipment	42,724
(11) Data Processing Equipment	385,000
(12) Lighting Equipment - Nelson	182,250
(13) Plumbing Equipment - Nelson	105,975
(14) Air Flow Equipment - Nelson	225,000
(15) Furnishings Equipment - Nelson	376,610
(16) Health Equipment - Nelson	174,089
(17) McCormick Equipment	54,974
(18) Training Facility Equipment	313,886

EXHIBIT

AUG 13 1986 NO. 8

STATE BUDGET & CONTROL BOARD

01683

(19) General Renovations 3,603,568
TOTAL DEPARTMENT OF CORRECTIONS
CAPITAL EXPENDITURE FUND 12,741,076 ✓

Time effective

SECTION 2. This act shall take effect upon approval by the Governor.

04/10/86 -- House -- Introduced and read first time
04/10/86 -- House -- Referred to Committee on Ways and Means
05/20/86 -- House -- Committee report: Favorable Ways and Means
05/22/86 -- House -- Amended and read second time
05/22/86 -- House -- Ordered to a third reading on Friday, May 23, 1986
05/23/86 -- House -- Read third time and sent to Senate
05/24/86 -- Senate -- Introduced, placed on Calendar without reference
05/28/86 -- Senate -- Read second time
05/28/86 -- Senate -- Ordered to third reading Thurs., May 29, 1986
05/29/86 -- Senate -- Read third time and ordered enrolled
06/04/86 -- Ratified No. 556

52310

D1683-A

EXHIBIT

AUG 13 1986

NO. 9

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF August 13, 1986

ITEM NUMBER

3

AGENCY: Local Government

SUBJECT: Rural Improvement Funds Requests

The Local Government Division recommends approval of the following requests for rural improvement grant funds:

- (a) Town of Heath Springs: \$65,000 to upgrade water lines, replace dilapidated water lines and install new fire hydrants resulting in increased water pressure and better fire protection;
- (b) Town of Ridgeville, \$50,000 to correct deficiencies in the water system as noted by DHEC;
- (c) Town of Sellers, \$60,000 to provide a sewage collection and disposal system, water connections to families currently without service, and housing unit repairs along with the demolition of blighted buildings ($\frac{1}{2}$ Senate, $\frac{1}{2}$ House);
- (d) Horry County, \$50,000 to extend water lines in Bucksport community to provide safe, potable drinking water to approximately 200 families ($\frac{1}{2}$ Senate, $\frac{1}{2}$ House);
- (e) McCormick County, \$100,000 to construct a 10-inch water line from Town of Clarks Hill to the bridge at the county line to provide water for a 260-unit housing development (total project cost \$432,000; county will provide \$332,000); and
- (f) Sumter County, \$59,000 to relocate drainage facilities in the industrial park to allow expansion of textile plant ($\frac{1}{2}$ Senate, $\frac{1}{2}$ House).

BOARD ACTION REQUESTED:

BOARD ACTION REQUESTED:

Approve the following requests for rural improvement grant funds:

- (a) Town of Heath Springs: \$65,000;
- (b) Town of Ridgeville, \$50,000;
- (c) Town of Sellers, \$60,000;
- (d) Horry County, \$50,000;
- (e) McCormick County, \$100,000; and
- (f) Sumter County, \$59,000.

ATTACHMENTS:

Agenda item worksheets and attachments

01684

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

For meeting scheduled for:

August 13, 1986

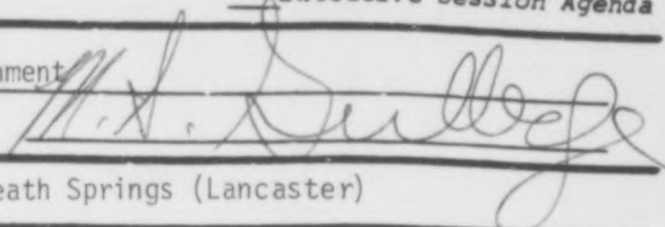
Blue Agenda

☒ Regular Session Agenda

Executive Session Agenda

1. Submitted By:

(a) Agency: B&C BD--Local Government

(b) Authorized Official Signature: 

2. Subject: Request by the town of Heath Springs (Lancaster)

3. Summary Background Information:

The town of Heath Springs is requesting \$65,000 in Rural Improvement Funds to upgrade water lines, replace delapidated water lines and install new fire hydrants. Completion of this project will result in increased water pressure and better fire protection.

EXHIBIT

AUG 13 1986 NO. 9

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Approve request

5. What is recommendation of the Board Division involved?

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available
from Submitter

Attached application

01685

EXHIBIT

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

AUG 13 1986 NO. 9

APPLICATION FOR RURAL IMPROVEMENT FUNDS STATE BUDGET & CONTROL BOARD

NAME OF APPLICANT Town of Heath Springs
STREET ADDRESS Duncan Street, P. O. Box 68
CITY OR TOWN Heath Springs STATE S. C. ZIP 29058

Application must be completed in full. Submit original and one copy.

Description of Project:

Upgrade water lines on Pine Street Housing Project Area from 2" lines to 6" lines with fire hydrants

Replacing water lines on Roland Ave., Cauthen street, Perry street, Caston street, and replacing 12 fire hydrants which will cost \$65,000.00.

Anticipated Results of Projects:

To increase water pressure and provide better fire protection for approximately 300 residents of this area.

Source of Funding (Federal, State, Local, Private donations, etc...)

Town will have 40% of these funds with 10% coming from private donations.

01686

EXHIBIT

Anticipated Expenditures (IN DETAIL)

AUG 13 1986 NO. 9

Cost for fire hydrants 16,150.00

Cost of 6" line 15,000.00

STATE BUDGET & CONTROL BOARD

Cost to upgrade lines on streets named 33,850.00

If approved, when will you need the funds? Date: 7-1-86 \$ 65,000.00

House Funds \$ _____

Senate Funds \$ _____

TOTAL \$ _____

General Information

A. Unencumbered General Fund Balance _____

B. How often is the applicant audited? Once a year

C. What period was covered by the last audit? 84-85

D. What audit procedures will apply to Rural Improvement funds? None

E. Name and Title of individual responsible for administration of Grant:

Larry J. Catoe Title Mayor

Approved by:

(Legislative Approval)

SENATOR Cedric J. Thompson

Organization Town of Heath Springs

Authorized Signature Larry J. Catoe Title Mayor

Phone 273-2066 - 286-2525 Date 5-5-86

ALL FUNDS ARE SUBJECT TO RANDOM AUDIT

01687

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

For meeting scheduled for:

August 13, 1986

Blue Agenda

☒ Regular Session Agenda

☐ Executive Session Agenda

1. Submitted By:

(a) Agency: B&C BD--Local Government

(b) Authorized Official Signature: M. A. Dullberg

2. Subject: Request by the town of Ridgeville (Dorchester County)

3. Summary Background Information:

The town of Ridgeville is requesting \$50,000 in Rural Improvement Funds to correct deficiencies in the water system as noted by DHEC.

EXHIBIT

AUG 13 1986 NO. 9

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Approve request

5. What is recommendation of the Board Division involved?

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available
from Submitter

Attached application

01688

EXHIBIT

BUDGET AND CONTROL BOARD DIVISION OF LOCAL GOVERNMENTS

AUG 13 1986

NO. 9

APPLICATION FOR RURAL IMPROVEMENT FUNDS

STATE BUDGET & CONTROL BOARD

Name of Applicant Town of Ridgeville
Street Address P.O. Box 56
City or Town Ridgeville State SC Zip 29472

Description of Project:

To assist the Town of Ridgeville to correct deficiencies that were noted by the South Carolina Department of Health and Environmental Control.

Anticipated Results of Projects:

Correct equipment deficiencies and provide adequate water for the Town of Ridgeville.

Source of Funding

Town of Ridgeville	\$ 895.00
In-kind service	\$ 2500.00
Div. of Local Gov't	\$50,000.00

01689

Anticipated Expenditures (IN DETAIL)

If approved, when will you need the funds? Date: 8/14/86 \$ 50,000.00

House Funds \$ _____

Senate Funds \$ 50,000.00

TOTAL \$ 50,000.00

General Information

A. Unencumbered General Fund Balance \$ 895.00

B. How often is the applicant audited? Annual

C. What period was covered by the last audit? 1985

D. What audit procedures will apply to Rural Improvement funds? _____
Standard audit procedures

E. Name and Title of individual responsible for administration of Grant:
Hazel S. Parson Title Mayor

Approved by:

(Legislative Approval)

Joseph W. McAllister Jr.

Organization Town of Ridgeville, SC

Authorized Signature Hazel S. Parson Title Mayor

Phone 871-7960 Date 8/1/86

ALL FUNDS ARE SUBJECT TO RANDOM AUDIT

01690

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

For meeting scheduled for:

August 13, 1986

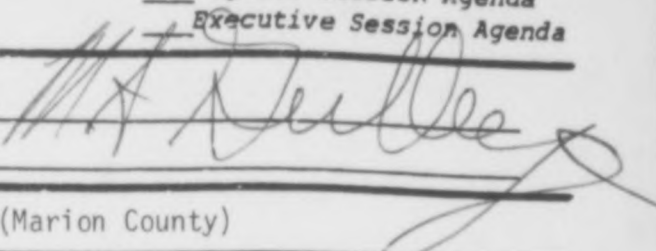
Blue Agenda

☒ Regular Session Agenda

☐ Executive Session Agenda

1. Submitted By:

(a) Agency: B&C BD--Local Government

(b) Authorized Official Signature: 

2. Subject:

Request by the town of Sellers (Marion County)

3. Summary Background Information:

The town of Sellers is requesting \$60,000 in Rural Improvement Funds to assist in the rehabilitation of this small, low income, rural community. The rehabilitation consists of providing a sewerage collection and disposal system, water connections to families currently without service and housing unit repairs along with the demolition of blighted buildings. The cost of the project is \$613,500 with financing as follows:

CDBG	\$ 500,00
DHEC	53,500
Local Govt.	60,000
TOTAL	\$ 613,500

EXHIBIT

AUG 13 1986

NO. 9

(1/2 Senate, 1/2 House)

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Approve request

5. What is recommendation of the Board Division involved?

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

Attached report

List Those Not Attached But Available
from Submitter

01691

EXHIBIT

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

AUG 13 1986 NO. 9

STATE BUDGET & CONTROL BOARD

APPLICATION FOR RURAL IMPROVEMENT FUNDS

NAME OF APPLICANT Town of Sellers
STREET ADDRESS P.O. Box 116
CITY OR TOWN Sellers STATE S.C. ZIP 29592

Application must be completed in full. Submit original and one copy.

Description of Project:

ATTACHED

Anticipated Results of Projects:

ATTACHED

Source of Funding (Federal, State, Local, Private donations, etc...)

CDBG \$500,000
DHEC 53,500
TOTAL \$553,500

LOCAL \$60,000
\$60,000

GRAND TOATAL - \$613,500

The Community Development Block Gran Program requires a 10% local match. The Town of Sellers does not have these funds available, and is request-
ing the Rural Improvement Funds to meet the matching requirements of CDBG
and to enable additional bathrooms to be installed.

01692

EXHIBIT

AUG 13 1986

NO. 9

Anticipated Expenditures (IN DETAIL)

STATE BUDGET & CONTROL BOARD

Sewerage System Construction	389,000
Acquistion of Drain Field	50,000
Administration	35,000
Rehab-Construct Bathroom	89,000
Matching Requirements	50,000
	<u>\$613,500</u>

If approved, when will you need the funds? Date: 4/1/86 \$ 60,000

House Funds \$ 30,000

Senate Funds \$ 30,000

TOTAL \$ 60,000

----- General Information

A. Unencumbered General Fund Balance \$17,000

B. How often is the applicant audited? Annually

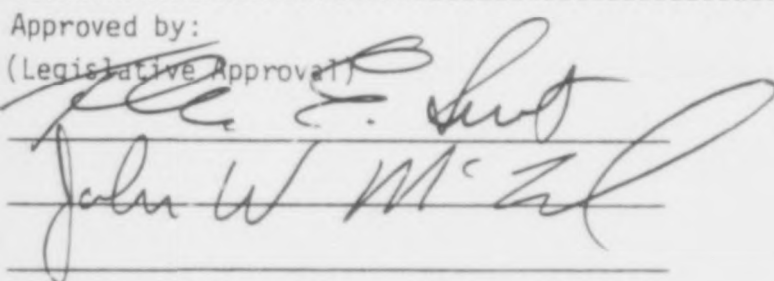
C. What period was covered by the last audit? Period ending June 30, 1985

D. What audit procedures will apply to Rural Improvement funds? OMB'S
Circular A-102, Uniform Administrator Requirements for Grants-in-Aid

E. Name and Title of individual responsible for administration of Grant:
Phil Goff Title Planning Director, Pee Dee COG

Approved by:

(Legislative Approval)



Organization Town of Sellers

Authorized Signature Charlie B. Wilson Title Mayor

Phone Office-752-5009 Home-752-7285 Date 2/7/86

ALL FUNDS ARE SUBJECT TO RANDOM AUDIT

01693

EXHIBIT

AUG 13 1986 NO. 9

STATE BUDGET & CONTROL BOARD

PART I - DESCRIPTION OF PROBLEM/NEED

The Town of Sellers is a small, predominately minority community of 388 persons and 123 housing units (1980 Census). Per capita incomes in the Community were estimated as \$3,153 in 1977, barely 56 percent of the Statewide average of \$5,651 (estimates by S.C. Division of Research and Statistical Services). Although the Community is served by a rural water company, not all units are served. There is no sewage system in the Community.

The CDBG target area consists of two areas that comprise the central portion of the Community, containing 72 percent of the housing and 78 percent of the residents of the Town. The remaining housing and population is in an isolated section of the Town, and contains primarily sound housing on large lots and has adequate septic tanks.
the central Sellers area.

The following description of the housing stock and other conditions in the Community is illustrative of the situation:

1. There are 88 housing units in the central portion of the Town, housing an estimated 303 persons;
2. Approximately one-half the units have no indoor bathroom, and 40 percent have no indoor plumbing at all; less than 30 of these 88 units have septic tanks and many of these tanks are malfunctioning. The remainder have outdoor toilets or discharge directly into drainage ditches. In a few instances, there exist makeshift septic tanks consisting of 55 gallon drums (with no tile field). Lots sizes average 3,000 to 5,000 square feet;
3. The main drainage ditch through the Community is a health hazard due to the untreated wastes seeping into it;
4. A structural conditions survey in April, 1982, revealed the following:
 - 30 dilapidated structures - 34%
 - 26 deteriorated structures - 30%
 - 11 structures needing minor repair - 12%
 - 5 sound structures - 6%
 - 16 mobile homes - 18%
 - 6 vacant units;
5. The average household size in 1980 was 3.29 persons;
6. Only approximately three families in the central portion of the Town have incomes above the low-to-moderate income thresholds; and

01694

EXHIBIT

AUG 13 1986

NO. 9

STATE BUDGET & CONTROL BOARD

7. Approximately two-thirds of the units have public water (provided by the Marion County Rural Water Company).

The problems/needs inherent in these conditions are several:

1. There exists a considerable health problem due to the extremely small lots, high water table, poor soil conditions, and the improper disposal of wastes in the Community (a lack of septic tanks, the malfunctioning of existing tanks, outfalls to drainage ditches, etc.). District sanitation officials indicate the small lots and poor soils preclude additional septic tanks on individual lots. Likewise, the limited tax base and other financial limitations of the Community likely make traditional sewage collection and disposal systems infeasible and impractical for the Community. A feasible, affordable solution to health hazards and lack of sewer service is needed. The Community needs a low cost sewer system not only to reduce health hazards, but also to allow the Community to grow.
2. The lack of indoor toilets in approximately one-half the units is a serious housing deficiency that needs correcting. Adequate bathroom facilities and other elements of complete plumbing are basic necessities to decent, safe and sanitary housing.
3. The deteriorated condition of the existing housing stock contributes to both sanitation and safety problems. Two-thirds of the units need major repair. Immediate emergency repairs are needed on approximately 15 units if the units are to be saved at all. Between 6 and 10 units are not considered rehabable, and need to be removed due to the safety hazard they pose. Only a few are occupied. The preservation of the existing housing stock is essential to the continued existence of the Community for several reasons. First, there are no alternatives available. No housing projects exist in the immediate area (within 10-12 miles) to provide alternate housing should more units be lost. Secondly, the extremely low incomes of area residents preclude new replacement housing. Mobile homes that have been moved into the Community are often used units in need of repair.
4. Those units without public water need service. Existing water from wells is sometimes contaminated by domestic wastes.

01695

EXHIBIT

AUG 13 1986 NO. 9

STATE BUDGET & CONTROL BOARD

In the central area of Town (consisting of 88 units), the Town of Sellers proposes to:
develop a low cost, low maintenance sewerage collection and disposal system (community septic tank system) as a means to reduce the health risks associated with approximately 55 outdoor toilets or direct outfalls to drainage ditches; rehabilitate 35 housing units with severe deficiencies, providing most with indoor bathrooms to replace outdoor toilets; provide individual sewer system connections for approximately 70 units, and approximately 25 water system connections; and demolish 4 to 6 dilapidated structures.

01696

EXHIBIT

AUG 13 1986 NO. 9

STATE BUDGET & CONTROL BOARD

Description of Activities	Impact of Activities
Construction of a community septic tank system including collection lines and a community tank and tile field (70 residences).	Will remove 45 outdoor toilets and other improper domestic waste disposal situations. Will provide public sewer service for 244 residents (233 L-M income persons) --approximately 80% coverage in the overall target area. The overall impact will be remove the unsanitary conditions that exist.
Sewer Connection and Holding Tank grants to 70 residences.	Will remove 45 outdoor toilets and other improper domestic waste disposal situations. Will provide public sewer service for 244 residents (233 L-M income persons) --approximately 80% coverage in the overall target area. The overall impact will be remove the unsanitary conditions that exist.
Water Connection grants to 24 residences.	Will eliminate health hazards from contaminated water by providing approx. 90 persons with public water.
Rehabilitation of approximately 45 housing units	Will create safe and sanitary living conditions for 44 families now living in substandard conditons. Will eliminate blighting influences on neighborhood. Will allow removal of 45 outdoor toilets, etc.
Demolition of 6 structures and other lot cleanup.	Increased Safety for all target area residents due to removal of dilapidated buildings. Will also remove in increased community pride and better overall appearance.

01697

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

For meeting scheduled for:

August 13, 1986

Blue Agenda
☒ Regular Session Agenda
Executive Session Agenda

1. Submitted By:

(a) Agency: B&C BD--Local Government

(b) Authorized Official Signature: *M. S. Bullock*

2. Subject: Request by Horry County

3. Summary Background Information:

Horry County is requesting \$50,000 in Rural Improvement Funds to extend water lines in the Bucksport Community. Completion of this project will provide safe, potable drinking water to approximately 200 families.

(1/2 Senate, 1/2 House)

EXHIBIT

AUG 13 1986 NO. 9

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Approve request

5. What is recommendation of the Board Division involved?

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available
from Submitter

Attached application

01698

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

APPLICATION FOR RURAL IMPROVEMENT FUNDS

NAME OF APPLICANT Horry County
STREET ADDRESS P. O. Box 1236
CITY OR TOWN Conway, South Carolina STATE ZIP 29526

Application must be completed in full. Submit original and one copy.

Description of Project:

This project will consist of extending water lines in the Bucksport Community along Highway 378 to serve approximately 200 families.

EXHIBIT

AUG 13 1986 NO. 9

STATE BUDGET & CONTROL BOARD

Anticipated Results of Projects:

Bucksport ranks first in the State of South Carolina in wastewater problems. The anticipated result of this grant will be to make safe, potable, drinking water available to approximately 200 families.

Source of Funding (Federal, State, Local, Private donations, etc...)

Rural Improvement Funds \$50,000

01699

Anticipated Expenditures (IN DETAIL)

EXHIBIT

AUG 13 1986 NO. 9

STATE BUDGET & CONTROL BOARD

If approved, when will you need the funds? Date: June 25, 1986 \$ 50,000

House Funds \$ 50,000

Senate Funds \$

TOTAL \$ 50,000

General Information

A. Unencumbered General Fund Balance \$2,655,076

B. How often is the applicant audited? once per year

C. What period was covered by the last audit? July 1, 1984 - June 30, 1985

D. What audit procedures will apply to Rural Improvement funds? A-102 Attachment P

E. Name and Title of individual responsible for administration of Grant:
Burney Blind Title Director, Planning Department

Approved by:

(Legislative Approval)

[Signature]
[Signature]

Organization Bucksport Water Authority

Authorized Signature [Signature] Title County Administrator

Phone 803-248-6247 Date May 23, 1986

ALL FUNDS ARE SUBJECT TO RANDOM AUDIT

01700

JUN 2 REC'D

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

For meeting scheduled for:

August 13, 1986

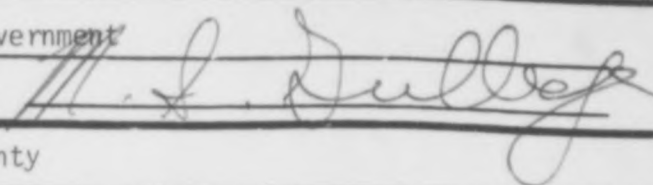
Blue Agenda

☒ Regular Session Agenda

☐ Executive Session Agenda

1. Submitted By:

(a) Agency: B&C BD--Local Government

(b) Authorized Official Signature: 

2. Subject: Request by McCormick County

3. Summary Background Information:

McCormick County is requesting \$100,000 in Rural Improvement Funds to assist in the construction of a 10 inch water line from the town of Clarks Hill to the bridge at the county line. This water line will provide water for a 260 unit housing development at the lower end of McCormick County. The total cost of the project is \$432,000 with the county providing \$332,000.

EXHIBIT

AUG 13 1986

NO. 9

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Approve request

5. What is recommendation of the Board Division involved?

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available
from Submitter

Attached application

01701

BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS

APPLICATION FOR RURAL IMPROVEMENT FUNDS

Name of Applicant County of McCormick
Street Address P. O. Box 426
City or Town McCormick State S. Carolina Zip 29835

Description of Project:

McCormick County proposes to construct a 10" waterline from its existing line from the Town of Clarks Hill on S.C. Hwy. 28 to be constructed on highway right-of-way to the bridge at the county line.

EXHIBIT

AUG 13 1986 NO. 9

STATE BUDGET & CONTROL BOARD

Anticipated Results of Project:

The anticipated results of this project are to provide the necessary water source for a 260 housing development at the lower end of McCormick County. This development would be a tremendous boost to the tax base in the County. It would also encourage the further development of that area. The project will also serve one other proposed subdivision and one existing low income subdivision that has severe problems with a well system.

Source of Funding

Rural Improvement Funds - \$100,000.00
Local Funds - \$332,000.00

01702

Anticipated Expenditures (in Detail):

EXHIBIT

AUG 13 1986 NO. 9

STATE BUDGET & CONTROL BOARD

If Approved, When Will You Need Funds:

First Payment	\$ 100,000.00	Date	as soon as possible
Second Payment	\$	Date	
Third Payment	\$	Date	
	\$		

General Information:

A. How Often is Applicant Audited? Annually

B. What Period was Covered by Last Audit? July 1, 1984 through June 30, 1985

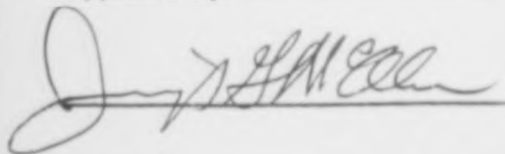
C. What Audit Procedures Will Applicant Apply to Rural Grant Funds if Request is Approved?

Generally accepted accounting procedures

D. Name of Individual Who Will be Responsible for Administration of Grant:

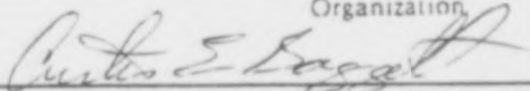
Curtis E. Baggett, McCormick County Supervisor

Approved By:



County of McCormick

Organization



Authorized Signature

(803) 465-2231

Phone

July 3, 1986

Date

JUL 8 1986

01703

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

For meeting scheduled for:

August 13, 1986

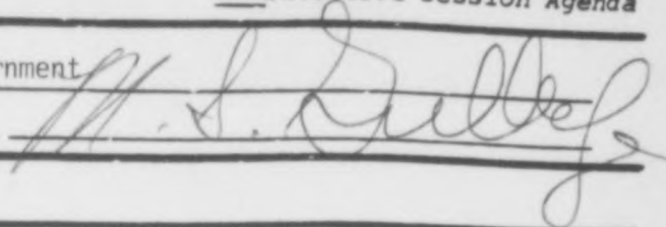
Blue Agenda

☒ Regular Session Agenda

Executive Session Agenda

1. Submitted By:

(a) Agency: B&C BD--Local Government

(b) Authorized Official Signature: 

2. Subject: Request by Sumter County

3. Summary Background Information:

Sumter County is requesting \$59,000 in Rural Improvement Funds to relocate the drainage facilities in the industrial park. Completion of this project will make it possible for a textile plant in the park to expand.

(1/2 Senate, 1/2 House)

EXHIBIT

AUG 13 1986

NO. 9

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Approve request

5. What is recommendation of the Board Division involved?

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available
from Submitter

Attached application

01704

**BUDGET AND CONTROL BOARD
DIVISION OF LOCAL GOVERNMENTS**

APPLICATION FOR RURAL IMPROVEMENT FUNDS

Name of Applicant SUMTER COUNTY
Street Address Courthouse
City or Town Sumter State SC Zip 29150

Description of Project:

Relocation of drainage facilities in the industrial park. Work will include the excavation and piping of new drains and the covering of present open ditches.

EXHIBIT

AUG 13 1986 NO. 9

BUDGET & CONTROL BOARD

Anticipated Results of Projects:

The relocation of the drainage system will allow room for the expansion of a textile plant. This expansion will not only create new jobs but will allow for plant modernization in order to be competitive which will help retain the present 800 plus employees.

Source of Funding

This grant plus local funds.

01705

Anticipated Expenditures (in Detail):

Concrete drain pipe \$59,000

EXHIBIT

AUG 13 1986

NO. 9

STATE BUDGET & CONTROL BOARD

If Approved, When Will You Need Funds:

First Payment	\$59,000	Date	7/1/86
Second Payment	\$	Date	
Third Payment	\$	Date	
	\$		

General Information:

A. How Often is Applicant Audited? Annually

B. What Period was Covered by Last Audit? July 1, 1984 - June 30, 1985

C. What Audit Procedures Will Applicant Apply to Rural Grant Funds if Request is Approved?

Rural Grant funds, if granted, will be subject to the same audit
procedures used for all county funds.

D. Name of Individual Who Will be Responsible for Administration of Grant:

William A. Frick, County Finance Director

Approved By:

Legislative Approval

[Handwritten signatures: Sam Blay, J. W. L. L. L., Chas. L. L.]

SUMTER COUNTY

Organization

[Handwritten signature: E. M. D. B.]

County Administrator

Authorized Signature

(803) 773-1581

Phone

6/18/86

Date

01706

EXHIBIT

AUG 13 1986

NO. 10

STATE BUDGET AND CONTROL BOARD
MEETING OF August 13, 1986

REGULAR SESSION

ITEM NUMBER

4

AGENCY: Budget Division/Governor's Office

SUBJECT: Budget Hearings Change

It is proposed that a panel discussion precede the hearings on six of the days hearings are scheduled. The panels would be organized so as to focus on functional areas. Six panels are to be presented.

BOARD ACTION REQUESTED:

Approve changing the budget hearings procedure to include a functional area panel discussion on each of six days of hearings.

ATTACHMENTS:

01707

BUDGET HEARINGS SCHEDULE
1987-88 CYCLE

PREPARED 8/6/86

DATE & TIME

AGENCY

EXHIBIT

WEDNESDAY
SEPTEMBER 3

AUG 13 1986

NO. 10

STATE BUDGET & CONTROL BOARD

8:55 - 10:30
10:30 - 11:30
11:30 - 12:00
12:00 - 2:00
2:00 - 2:45
2:45 - 3:15
3:15 - 3:45
3:45 - 4:15
4:15 - 4:45
4:45 - 5:15

Panel 1 - EDUCATION K-12
Department of Education
Vocational Rehabilitation
LUNCH
Educational Television Commission
Dept. of Archives and History
State Library
OPEN
OPEN
OPEN

THURSDAY
SEPTEMBER 4

8:55 - 10:30
10:30 - 11:00
11:00 - 11:30
11:30 - 12:00
12:00 - 2:00
2:00 - 3:00
3:00 - 3:30
3:30 - 4:00
4:00 - 4:30
4:30 - 5:00

Panel 2 - ECONOMIC DEVELOPMENT
Development Board
Department of Agriculture
Clemson - P. S. A.
LUNCH
State Board for Technical & Comprehensive Education
OPEN
OPEN
OPEN
OPEN

FRIDAY
SEPTEMBER 5

8:55 - 10:30
10:30 - 11:30
11:30 - 12:00

Panel 3 - HIGHER EDUCATION
Commission on Higher Education
Higher Education Tuition Grants

TUESDAY
SEPTEMBER 16

8:55 - 10:15
10:15 - 10:45
10:45 - 11:15
11:15 - 11:45
11:45 - 12:15
12:15 - 2:00
2:00 - 2:30
2:30 - 3:00
3:00 - 3:30
3:30 - 4:00
4:00 - 4:30
4:30 - 5:00

Panel 4 - NATURAL RESOURCES
Department of Parks, Recreation & Tourism
Department of Wildlife & Marine Resources
Department of Water Resources
Department of Forestry
LUNCH
OPEN
OPEN
OPEN
OPEN
OPEN
OPEN

01708

EXHIBIT

AUG 13 1986

NO. 10

STATE BUDGET & CONTROL BOARD

WEDNESDAY
SEPTEMBER 17

8:55 - 10:30	Panel 5 - CRIMINAL JUSTICE
10:30 - 11:15	Department of Corrections
11:15 - 12:00	Department of Youth Services
12:00 - 2:00	LUNCH
2:00 - 2:30	OPEN
2:30 - 3:00	OPEN
3:00 - 3:30	OPEN
3:30 - 4:00	OPEN
4:00 - 4:30	OPEN
4:30 - 5:00	OPEN

THURSDAY
SEPTEMBER 18

8:55 - 10:30	Panel 6 - HEALTH & HUMAN SERVICES
10:30 - 11:15	Department of Mental Health
11:15 - 12:00	Department of Mental Retardation
12:00 - 2:00	LUNCH
2:00 - 3:00	Department of Health & Environmental Control
3:00 - 3:30	Commission on Alcohol & Drug Abuse
3:30 - 4:15	Department of Social Services
4:15 - 5:00	Health & Human Services Finance Commission

FRIDAY
SEPTEMBER 19

9:00 - 9:30	Federal Funds Overview
9:30 - 10:00	Personnel Issues
10:00 - 11:30	State Budget Overview

TUESDAY
SEPTEMBER 23

10:00 - 12:00	Allocations
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01709

EXHIBIT

AUG 13 1986 NO. 11

STATE BUDGET AND CONTROL BOARD REGULAR SESSION
MEETING OF August 13, 1986 ITEM NUMBER

5

AGENCY: Budget Division

SUBJECT: Actuarial Examination of Workers Compensation Fund

The Budget Division advises that the 1985-86 Appropriations Act changed the method of assessing premiums to State agencies from a flat assessment to a premium experience rating.

The Division advises that this new experience method rating did not consider outstanding claims against the Fund prior to July 1, 1985, and that the new rate system did not provide for the outstanding claims.

The Division further advises that the 1986-87 Appropriations Act includes a new proviso designed to help resolve the outstanding liability problem in the Workers Compensation Fund by allowing the Budget and Control Board to use excess unemployment compensation funds to pay those outstanding claims.

The Budget Division recommends that the Board authorize the employment of an actuarial firm (a) to determine the amount of the outstanding liability against the Workers Compensation Fund prior to July 1, 1985, and to develop a schedule of when that liability must be paid; and (b) to determine the adequacy of the current premium structure to cover Fund operations, to pay current claims and to provide adequate reserves.

Staff has estimated the cost of this work to be about \$30,000 which would be paid by the Workers Compensation Fund.

BOARD ACTION REQUESTED:

Authorize the employment of an actuarial firm (a) to determine the amount of the outstanding liability against the Workers Compensation Fund prior to July 1, 1985, and to develop a schedule of when that liability must be paid; and (b) to determine the adequacy of the current premium structure to cover Fund operations, to pay current claims and to provide adequate reserves.

ATTACHMENTS:

Agenda item worksheet and attachments

01710

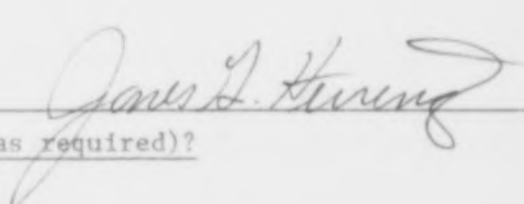
EXHIBIT

AUG 13 1986

NO. 11

BUDGET AND CONTROL BOARD STATE BUDGET & CONTROL BOARD
AGENDA ITEM WORKSHEET (12/84)

Meeting Scheduled for: August 13, 1986 Regular Agenda 87-16

1. Submitted By:
(a) Agency: State Budget Division
(b) Authorized Official Signature: A. Barry Holmes IV
2. Subject:
Target Actuarial Examination of the Worker's Compensation Fund
3. Summary Background Information:
In the 1985-86 Appropriations Act, the method of assessing premiums to state agencies changed from a flat assessment to agencies to a premium experience rating to agencies. This new experience rating method did not take into account prior July 1, 1985 outstanding claims against the Fund and the integrity of the new rate system did not provide for these outstanding claims. In the 1986-87 Appropriation Act, a proviso was added under the Budget and Control Board section to help resolve this outstanding liability, by allowing the Budget and Control Board to use excess unemployment compensation funds to pay for these outstanding worker's compensation claims.
4. What is Board asked to do?
To employ an out of state actuarial firm to determine the outstanding liability against the Worker's Compensation Fund and the schedule payout of the actual claims.
5. What is recommendation of Board Division involved?
Recommend Approval

6. Recommendation of other Division/agency (as required)?
(a) Authorized Signature: _____
(b) Division/Agency Name: _____
7. Supporting Documents:
(a) List Those Attached:
1. Staff memo and recommendation
(b) List Those Not Attached But Available From Submitter:

01711

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
STATE BUDGET DIVISION
406 WADE HAMPTON STATE OFFICE BUILDING
COLUMBIA, S.C. 29201

RICHARD W. RILEY, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



REMBERT C. DENNIS
CHAIRMAN
SENATE FINANCE COMMITTEE

TOM G. MANGUM
CHAIRMAN
HOUSE WAYS AND MEANS COMMITTEE

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

A. BARON HOLMES, IV., Ph.D.
DIVISION DIRECTOR

EXHIBIT

AUG 13 1986 NO. 11

MEMORANDUM

TO: A. Baron Holmes, IV., Ph.D.
Director, State Budget Division

STATE BUDGET & CONTROL BOARD

FROM: Jones G. Herring, *JGH*
State Budget Analyst

SUBJECT: Actuarial Evaluation of State Workers' Compensation Funds

DATE: August 6 1986

After reviewing the July 17, 1986 memorandum (see attachment I) from Martin M. Simons, Chief Casualty Actuary of the Department of Insurance, concerning the target examination of the State Workers' Compensation Fund's outstanding liability as of June 30, 1985, it is the Insurance Department's recommendation that an independent actuarial analysis be initiated by the Budget and Control Board since the Department will not have the adequate time nor manpower to complete this task as expeditiously as required.

Upon review of the known situation of the Fund, I must concur with Mr. Simons that there is a need for an independent actuarial study to determine the potential outstanding liability to the State prior to July 1, 1985, so that the Budget Division can set in place a procedure to pay these claims with the least harm to the Fund, the State and to the integrity of the premium paying system that this office encouraged to begin in FY 85-86. At the same time, the actuarial firm can review the current premiums being charged to each agency to verify that the amounts are adequate to provide for the operations of the Fund, current claims paid out by the Fund and to establish adequate reserves for the Fund.

01712

It is my recommendation that the State Budget and Control Board employ an out of State actuarial firm to perform this target examination due to the current environment of this entity and to fund this procedure from the assessment of premiums charged to each Agency (see attachment II). Also, there is a list (see attachments III) of five (5) consulting actuarial firms that the South Carolina Insurance Department considers qualified, based on the existing criteria, to complete this task on a timely and accurate basis for the Budget and Control Board to seek bids for this target examination. The Insurance Department's Casualty Actuary very roughly estimates that the costs of such an examination to be in the area of \$30,000.00.

In addition to the above recommendation, it seems appropriate that the Budget and Control Board employ, on a full time basis, a certified property and casualty actuary to be utilized for future examinations not only at the State Workers' Compensation Fund, but also on examinations of the Insurance Reserve Fund, Second Injury Fund and the Patients' Compensation Fund with this position's cost being assessed to those funds and any other agency who would benefit from this type of expertise.

EXHIBIT

Attachments

AUG 13 1986 NO. 1 1

cc: Jesse A. Coles, Ph.D.
Executive Director
State Budget and Control Board

STATE BUDGET & CONTROL BOARD

Preston T. Cantrell
Assistant Budget Director
State Budget Division

Mr. John G. Richards, V.
Chief Insurance Commissioner
S.C. Department of Insurance

Mr. Martin M. Simons
Chief Casualty Actuary
S.C. Department of Insurance

01713

EXHIBIT

AUG 13 1986 NO. 11

MEMORANDUM

STATE BUDGET & CONTROL BOARD July 17, 1986

TO: Baron Holmes - Budget and Control Board

FROM: Martin M. Simons
Chief Casualty Actuary

SUBJECT: Actuarial Evaluation of Workers Compensation Funds

In attempting to analyze the financial condition of the South Carolina State Workers Compensation fund, a few items must be kept in mind.

- 1) The primary reason for such an analysis is to determine if the premium income is enough to pay the expenses of operating the Fund and the losses or claims that the Fund will pay out.
- 2) Since claim payments are made over a period that frequently exceeds 20-25 years subsequent to the income of premium dollars, it is imperative that the reserves set aside to pay these future losses are adequate.
3. Rates and rating procedures filed by the National Council on Compensation Insurance have been promulgated and developed through many years of Workers Compensation experience, and with the oversight of state regulation in all jurisdictions. Rates charged that differ from those filed should be based on actual differences in income or expense.
4. The investment of funds and the income derived from those investments is an integral and substantial factor in the determination of rates for Workers' Compensation due to the long period of time funds are held in reserve.
5. Experience is developed by classification of employment, and hence adherence to the proper classification is imperative in establishing premium income.

Keeping each of these items in mind and realizing the complexity of loss reserve testing, it is our recommendation that any entity that is involved with providing Workers' Compensation benefits (ie..., the Fund, the Second Injury Fund, etc.) be subjected to an actuarial audit on a regular basis as well as a financial (CPA) Audit.

01714

EXHIBIT

AUG 13 1986


NO. 1 1

Memorandum
Page 2
July 17, 1986

STATE BUDGET & CONTROL BOARD

It is a regular practice that State or Federally controlled entities of this type are run on a cash-flow-basis. This practice, however, assumes that the entity is ongoing and not declining in participants. If, in fact, the Funds are operated on a cash flow basis, a decline in participants could create the need for large income assistance unless the above 5 factors are properly accounted for. While we are able to provide assistance to the funds, the actuarial analysis recommended will entail a great deal of time and manpower that we are unable to adequately provide. We will, however, be pleased to work with the actuaries involved in the analysis and audit if it is desired.

Please let me know how you wish to proceed.


MARTIN M. SIMONS

MMS:prl

cc: John G. Richards
Chief Insurance Commissioner

✓ Jones Herring
Budget and Control Board

01715

State Workers' Compensation Fund

800 DUTCH SQUARE BOULEVARD
SUITE 160

Columbia, S.C. 29210

August 5, 1986

John W. Scott
Director
(803) 758-6500

HAND DELIVERED

EXHIBIT

AUG 13 1986 NO. 1 1

STATE BUDGET & CONTROL BOARD

Mr. Jones Herring, Budget Analyst
Budget and Control Board
407 Wade Hampton Office Building
Columbia, South Carolina 29201

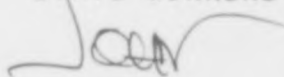
Dear Jones:

Pursuant to our recent conversations pertaining to this Agency I would like to express my appreciation for your help pertaining to various operations and in particular the actuarial audit which we have been discussing. I certainly welcome this audit and hope that it can be accomplished in the very near future. It is my understanding that this should cost somewhere between twenty to thirty thousand dollars and that we would make payment directly from the State Workers' Compensation Fund with reimbursement from your special account for state employee claims.

Please keep me advised as to progress pertaining to selecting a firm and if you should need anything further from me, please advise at your earliest convenience.

Yours very truly,

STATE WORKERS' COMPENSATION FUND



John W. Scott, Director

JWS/se

01716



JOHN G. RICHARDS
CHIEF INSURANCE COMMISSIONER

STATE OF SOUTH CAROLINA
DEPARTMENT OF INSURANCE

1612 MARION STREET
COLUMBIA, SOUTH CAROLINA 29201

MAILING ADDRESS:
P.O. BOX 100105, COLUMBIA, S.C. 29202-3105
TELEPHONE: (803) 737-6160

INSURANCE COMMISSION

SAUNDRA C. ARDREY
PATRICK D. CUNNING
WILLIAM S. JONES
CONNIE R. MORTON
EDWARD K. PRITCHARD, JR.
STONEWALL M. RICHBURG
DAVID B. SMITH

July 31, 1986

EXHIBIT

AUG 13 1986 NO. 11

STATE BUDGET & CONTROL BOARD

Mr. Jones Herring
State Budget Analyst
Budget and Control Board
407 Wade Hampton Office Building
Columbia, South Carolina 29211

Dear Mr. Herring:

Following is a list of Consulting Actuarial firms as you requested:

1. Millman & Robertson Inc.
1301 Fifth Avenue
Suite 3600
Seattle, Washington 98101
Telephone # 206-624-7940
2. Tillinghast, Nelson & Warren
3340 Peachtree Road NE
Tower Place
Atlanta, Georgia 30026
Telephone # 404-261-5420
3. Towers, Perrin, Forster & Crosby
245 Park Avenue
New York, New York 10167
Telephone # 212-309-3400
4. Coopers & Lybrand
1251 Avenue of the Americas
New York, New York 10019
Telephone # 212-536-2000
5. Peat, Marwick, Mitchell & Company
345 Park Avenue
New York, New York 10154
Telephone # 212-758-9700

Very truly yours,

MARTIN M. SIMONS
Chief Casualty Actuary
Property and Casualty Division

MMS:pr1

01717

EXHIBIT

AUG 13 1986

NO. 12

STATE BUDGET AND CONTROL BOARD
MEETING OF August 13, 1986

STATE BUDGET & CONTROL BOARD

REGULAR SESSION

ITEM NUMBER

6

AGENCY: Budget Division

SUBJECT: 1987-88 New FTE Position Requests

The Budget Division advises that, in previous years, agencies have been permitted to build into preliminary budget allocations new FTE positions for all sources of funds.

The Division asks if agencies should be permitted to build into their 1987-88 detail budget submissions any new FTE positions which have not been specifically recommended for approval by the Budget and Control Board.

BOARD ACTION REQUESTED:

Decide if agencies should be allowed to build into 1987-88 budget submissions any FTE positions not recommended specifically for approval by the Board.

ATTACHMENTS:

Agenda item worksheet and attachments

01718

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)

Meeting Scheduled for: August 13, 1986

Regular Agenda 87-15

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: A. Barron Holmes IV

2. Subject:

1987-88 New FTE Position Request

3. Summary Background Information:

In previous years agencies have been permitted to take their preliminary budget allocations and build into their detail budget submission new FTE positions for all sources of funds. Should the agencies be permitted to build into their 1987-88 detail budget submission any new positions which have not received specific recommended approval by the Budget and Control board?

4. What is Board asked to do?

Issue its position on permitting state agencies to build into their detail budget submission any new positions that have not been specifically recommended by the Board.

5. What is recommendation of Board Division involved?

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

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Staff Memo

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

01719

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
STATE BUDGET DIVISION
406 WADE HAMPTON STATE OFFICE BUILDING
COLUMBIA, S.C. 29201

RICHARD W. RILEY, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



REMBERT C. DENNIS
CHAIRMAN
SENATE FINANCE COMMITTEE

TOM G. MANGUM
CHAIRMAN
HOUSE WAYS AND MEANS COMMITTEE

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

A. BARON HOLMES, IV, Ph.D.
DIVISION DIRECTOR

MEMORANDUM

TO: Dr. Jesse A. Coles, Jr.

FROM: Preston T. Cantrell *ptc*

SUBJECT: 1987-88 New FTE Position Request

DATE: August 5, 1986

In our preparation for the 1987-88 Budget Requests, a question has arisen concerning permitting the agency to build into their Detail Budget submission new FTE positions. In past years, the State Budget Division has permitted the agencies to build within their detail budget request new FTE positions funded by all sources of funds. In light of the 1986-87 Appropriation Act/Governor's Vetoes, we need to know the position of the Board concerning this past action. Should the agencies be permitted to continue to build in any new positions not specifically approved by the Budget and Control Board.

PTC:dmc

01720

SEP - 8 1986

The State of South Carolina



EXHIBIT

AUG 13 1986

NO. 13

STATE BUDGET & CONTROL BOARD

Office of the Attorney General

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE 803-734-3680

September 4, 1986

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

Re: \$1,200,000.00 Spartanburg County, South Carolina,
Industrial Development Revenue Bond
(Indever Project, Series 1986)

Dear Mr. McInnis:

Regarding the above-referenced bond, we have reviewed the Petition and other documents submitted to the State Budget and Control Board for its approval pursuant to Section 4-29-140, et seq., Code of Laws of South Carolina, 1976, as amended, and the same appear, in our opinion, to be in order.

Sincerely yours,

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

David C. Eckstrom
Assistant Attorney General

DCE/shb

Enclosures

01721

AUG 14 1986

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

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

RE: Sale by Spartanburg County, South Carolina (the "Issuer")
Of its \$1,200,000 Industrial Revenue Bond (the "Bonds")
On behalf of Indever Associates (the "Company")
manufacturing and warehousing facility (the "Project")
To National City Bank (the "Purchaser")

EXHIBIT

NO. 13

AUG 13 1986

STATE BUDGET & CONTROL BOARD

DATE: July 17th, 1986

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

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

SWORN to and subscribed
before me this 17th day
of July, 1986.

Margaret G. Rutka
Notary Public

My Commission Expires:
November 25, 1988

APPROVED

Edgar A. Vaughn, Jr.
EDGAR A. VAUGHN, JR., State Auditor

Date 8-18-86

PURCHASER:

Name: National City Bank

Address: National City Center
P. O. Box 5756
Cleveland Ohio 44101-0756

By: J. K. Elwood
Signature of Authorized Official
J. K. Elwood, Vice President

01722

EXHIBIT

AUG 13 1986

NO. 13

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

Indever

STATE BUDGET & CONTROL BOARD

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

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 2:00 p.m., on Thursday, August 13, 1986, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting with the exception of Mr. Morris.

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

FOR MOTION

4

AGAINST MOTION

0

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

September 9, 1986

William A. McInnis

01723

EXHIBIT

AUG 13 1986 NO. 1 3

RESOLUTION
OF
STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

STATE BUDGET & CONTROL BOARD

APPROVING AN UNDERTAKING BY SPARTANBURG COUNTY, SOUTH CAROLINA PURSUANT TO CHAPTER 29 OF TITLE 4 OF THE 1976 CODE OF LAWS OF SOUTH CAROLINA, AS AMENDED, TO ASSIST IN FINANCING A MANUFACTURING AND WAREHOUSING FACILITY FOR LEASING TO INDUSTRIAL ENTERPRISES THROUGH THE ISSUANCE OF A \$1,200,000 SPARTANBURG COUNTY SOUTH CAROLINA INDUSTRIAL REVENUE BOND (INDEVER PROJECT) SERIES 1986.

WHEREAS, the County Council of Spartanburg County, South Carolina (the "County Council"), pursuant to Chapter 29 of Title 4 of the 1976 Code of Laws of South Carolina, as amended (the "Act"), has petitioned the State Budget and Control Board of South Carolina (the "State Board"), seeking approval from the State Board of a financial undertaking proposed by Spartanburg County, South Carolina (the "County"); and

WHEREAS, the undertaking provides for the issuance and sale to National City Bank, a national banking association (the "Bank") of a One Million Two Hundred Thousand Dollar (\$1,200,000) Spartanburg County, South Carolina Industrial Revenue Bond (Indever Project) Series 1986, pursuant to the Act, the proceeds to be used by Indever Associates, an Ohio general partnership (the "Company") to finance land, a building and related improvements in the County which will be utilized as a manufacturing and warehousing facility for leasing to industrial enterprises (the "Project"); and

WHEREAS, the Bank has agreed to purchase the Bond; and

WHEREAS, the proceeds of the Bond will be loaned by the County to the Company in exchange for its \$1,200,000 note (the "Company Note") providing for payments to the County sufficient to meet the payment schedule on the Bond; and

01724

WHEREAS, the Company will secure payment of the Company Note by granting to the County a mortgage on and security interest in the Project; and

WHEREAS, the County will secure payment of the Bond by granting to the Bank a security interest in the Company Note, the aforementioned mortgage and security agreement, and also by conditionally assigning to the Bank that same collateral.

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

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

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

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

(b) The County Council has filed with the State Board pursuant to the Act a proper petition reciting facts which are in all respects true and correct.

(c) The Project is reasonably estimated to cost approximately One Million Six Hundred Thousand Dollars.

(d) The Project when completed will provide jobs for approximately 15 persons and will be of benefit to the State of South Carolina, and to the County and adjacent areas in particular.

(e) The Project is intended to promote the purposes of the Act and is reasonably anticipated to effect this result.

EXHIBIT

AUG 13 1986 NO. 13

STATE BUDGET & CONTROL BOARD

(f) The approval and allocation described in this Resolution were not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

2. That on the basis of the foregoing findings the proposed undertaking of the County to finance the Project through the issuance of the Bond pursuant to the Act (including changes in any details of the financing as finally consummated which do not materially affect the undertaking) is hereby approved.

3. That notice of this action taken by the State Board in giving its approval to the undertaking of the County shall be published in The Spartanburg Herald-Journal which is a newspaper published in Spartanburg, South Carolina and having general circulation in the County.

4. That notice to be published shall be in form substantially as set forth as Exhibit "A" of this Resolution.

EXHIBIT

AUG 13 1986 NO. 13

STATE BUDGET & CONTROL BOARD

NOTICE OF APPROVAL OF PROJECT

BY

THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

Notice is hereby given that the State Budget and Control Board of South Carolina (the "State Board") has approved the financing by Spartanburg County, South Carolina (the "County") of a manufacturing and warehousing facility to be located in the County and to be leased to industrial enterprises (the "Project"), including land, a building and related improvements, through the issuance of an Industrial Revenue Bond (Indever Project) Series 1986, in the principal amount of One Million Two Hundred Thousand Dollars (the "Bond"), pursuant to the provisions of Chapter 29 of Title 4 of the 1976 Code of Laws of South Carolina, as amended.

The proceeds of the Bond will be loaned by the County to Indever Associates, an Ohio general partnership (the "Company"), in exchange for its \$1,200,000 note (the "Company Note") providing for payments to the County sufficient to meet the payment schedule on the Bond. The Company will own the Project and will lease the Project to industrial enterprises. The Company will secure payments to be made under the Company Note by granting to the County a mortgage on and security interest in the Project (which will constitute forecloseable liens upon the Project).

EXHIBIT

AUG 13 1986 NO. 13

STATE BUDGET & CONTROL BOARD

01727

The Bond will be payable by the County solely from payments received by the County under or related to the Company Note. Neither the Project or Bond, nor any charges in connection with the Project or Bond, shall constitute or give rise to a pecuniary liability of the County or a charge against the general credit or taxing power of the County.

The Project is reasonably estimated to create 15 jobs in the County.

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

STATE BUDGET AND CONTROL BOARD
OF SOUTH CAROLINA

By: s/William A. McInnis
Secretary

EXHIBIT

AUG 13 1986 NO. 13

STATE BUDGET & CONTROL BOARD

01728

EXHIBIT

State of South Carolina

AUG 13 1986

NO. 1 3

State Budget and Control Board

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



Box 12444
Columbia
29211

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

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

August 13, 1986

C E R T I F I C A T E

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

TO: Spartanburg County
\$1,200,000
Industrial Development Revenue Bond
(Indever Project, Series 1986)

The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Deficit Reduction Act of 1984 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1986 only. It will expire ninety (90) calendar days from August 13, 1986 (the date the allocation was approved by the Board), if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

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

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

Grady L. Patterson, Jr.

Attest:

William A. McInnis, Secretary

01729

EXHIBIT

AUG 13 1986

NO. 13

STATE OF SOUTH CAROLINA)
COUNTY OF SPARTANBURG)

STATE BUDGET & CONTROL BOARD
AMENDMENT TO PETITION

ARTICLE I

1. The County of Spartanburg, State of South Carolina, by and through the County Council, on June 11, 1986, adopted a Resolution authorizing a Petition to the State Budget and Control Board. A copy of said Resolution is attached hereto as Exhibit "A". A copy of the Petition authorized by said Resolution is attached as Exhibit "B".

2. Since the passage of the original resolution of June 11, 1986, the terms of the interest rate and payment schedule of the loan have been altered.

3. The resolution calls for payments to the County sufficient to meet the bond payments.

4. The County Administrator has been vested with authority to change the documents so long as the changes do not materially adversely affect the interests of the County and to execute all documents to effectuate the intent of the Resolution.

ARTICLE II

PETITION TO THE STATE BUDGET AND CONTROL BOARD

The petition authorized by the original resolution of June 11, 1986, as reflected in Exhibit "B", is amended to conform to the terms of the Petition attached as Exhibit "C" to this

01730

Resolution. The amendment is simply to conform the petition to reflect the new estimated interest rate.

Respectfully submitted,

COUNTY COUNCIL OF SPARTANBURG COUNTY

By: K. L. Westmoreland
County Administrator

(SEAL)

Attest: C. E. Paris
Clerk of County Council

8-2, 1986

EXHIBIT

AUG 13 1986 NO. 13

STATE BUDGET & CONTROL BOARD

Exhibit "A"
EXHIBIT

A RESOLUTION

AUG 13 1986

NO. 1 3

STATE BUDGET & CONTROL BOARD

TO AUTHORIZE A PETITION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR ITS APPROVAL OF THE ISSUANCE AND SALE OF A SPARTANBURG COUNTY, SOUTH CAROLINA INDUSTRIAL REVENUE BOND (INDEVER PROJECT) SERIES 1986 IN THE PRINCIPAL AMOUNT OF ONE MILLION TWO HUNDRED THOUSAND DOLLARS PURSUANT TO CHAPTER 29 OF TITLE 4 OF THE 1976 CODE OF LAWS OF SOUTH CAROLINA, AS AMENDED; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THIS UNDERTAKING.

BE IT RESOLVED BY THE COUNTY COUNCIL OF SPARTANBURG COUNTY, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

As an incident to the adoption of this Resolution, the County Council of Spartanburg County, South Carolina (the "County Council") has made the following findings:

1. Indever Associates, an Ohio general partnership (the "Company"), has proposed that Spartanburg County, South Carolina (the "County") assist in financing land, a building, and related improvements, which will be leased as a manufacturing and warehousing facility to industrial enterprises (the "Project"). The Project will be in the County and will be owned by the Company. The Project will be financed in part by the issuance and sale by the County of its industrial revenue bond (the "Bond"), in the principal amount of One Million Two Hundred Thousand Dollars, pursuant to the authorization of Chapter 29 of Title 4 of the 1976 Code of Laws of South Carolina, as amended (the "Act") and Section 103 of the Internal Revenue Code of 1954, as amended (the "Code").

2. The Project will be aided by the assistance which the County might render pursuant to the Act. The County, acting

01732

through the County Council, has agreed to assist in financing the Project by issuing and selling the Bond. The proceeds of the Bond will be loaned by the County to the Company to finance the Project. The Company in exchange for the Bond will deliver to the County, at the time that the Bond is issued and sold, its note in the amount of the proceeds (the "Company Note") and will grant to the County a first mortgage on and a first security interest in the Project (including fixtures).

3. The Project will subserve the purposes of the Act. The Project, when completed, will create approximately 15 jobs.

4. Neither the Project nor the Bond will give rise to any pecuniary liability of the County or a charge against its general credit or taxing powers.

5. The amount necessary to finance the Project is approximately One Million Six Hundred Thousand Dollars according to the Company's reasonable estimates. The amount of the Bond shall be One Million Two Hundred Thousand Dollars and the Bond shall be issued and sold for this amount at no discount. Principal of the Bond shall be repaid over a period of 17½ years commencing 2½ years after issuance. After 10 years the Company, at the request of the Bank, can be required to purchase the Bond or to cause another party to purchase the Bond. Interest shall be payable at the rate of seven and one-quarter percent per annum for the first five years that the Bond is outstanding. Thereafter, the interest rate shall be re-set each fifth year based upon the

Bank's cost of funds. Payments to the County by the Company shall be sufficient to allow the County to meet the repayment schedule on the Bond.

6. No reserve fund shall be established in connection with the Bond or in connection with the maintenance and insurance of the Project in view of the financial stability of the Company.

7. The Company shall pay or cause to be paid all costs required to keep the Project in good repair and to keep the Project properly insured.

8. The proposed loan documents obligate the Company unconditionally to pay to the County the amounts necessary to pay all principal and interest when and as they become due on the Bond and similarly to pay all other costs in connection with those instruments. The proposed loan documents also unconditionally obligate the Company to complete the Project even if Bond proceeds are insufficient.

9. The Bond will be issued as a tax-exempt instrument by virtue of the provisions of the Act and Section 103 of the Code.

10. The Company has arranged for the issuance and sale of the Bond to National City Bank (the "Bank").

11. The passage of this Resolution was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

ARTICLE II

PETITION TO THE STATE BUDGET AND CONTROL BOARD

The County is hereby authorized and committed to submit a petition to the State Budget and Control Board of South Carolina

to seek the approval required by the Act and to seek the allocation required by the Code. This Petition shall be substantially upon the terms of the Petition attached as Exhibit A to this Resolution.

ARTICLE III

EXECUTION

The County Administrator of the County (or anyone authorized to act in his stead) is hereby authorized and empowered to execute all documents required to effectuate the intent of this Resolution, and the Clerk of County Council is hereby authorized and empowered to attest to his signature.

The foregoing constitutes a true copy of a Resolution duly adopted by the County Council of Spartanburg County, South Carolina on June 11, 1986.

C. P. Parris
C. P. Parris
Clerk of County Council
Spartanburg County, South Carolina

June 11, 1986

EXHIBIT

AUG 13 1986 NO. 13

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA)
COUNTY OF SPARTANBURG)

PETITION

EXHIBIT

TO: THE STATE BUDGET AND CONTROL
BOARD OF SOUTH CAROLINA

AUG 13 1986 NO. 13

STATE BUDGET & CONTROL BOARD

The County Council of Spartanburg County (the "County Council") would respectfully report unto the State Budget and Control Board of South Carolina the following findings:

1. The County Council is the governing body of Spartanburg County, South Carolina (the "County") as established by law, and as such, is the "governing board" described in Chapter 29 of Title 4 of the 1976 Code of Laws of South Carolina, as amended, (the "Act").

2. The Act authorizes and empowers the County, acting through the County Council, if it shall comply with the provisions set forth in the Act, to assist industrial enterprises in the financing of land, buildings, equipment, machinery and other improvements deemed necessary, suitable or useful for the manufacture, processing, warehousing or distribution of agricultural or manufactured products and, for that purpose, to issue industrial development revenue bonds.

3. The County, acting through the County Council, has agreed that the County will undertake, through the issuance and sale of an industrial development revenue bond pursuant

to the Act, to assist Indever Associates, an Ohio general partnership (the "Company"), in financing land, a building and related improvements for lease to industrial enterprises (the "Project"). The Project will be in the County and will be owned by the Company. The County, acting through the County Council, has agreed to issue and sell a Spartanburg County, South Carolina, Industrial Revenue Bond (Indever Project) Series 1986 (the "Bond") in the principal amount of One Million Two Hundred Thousand Dollars, pursuant to the Act in order to finance the Project. The Bond will be issued as a tax-exempt instrument by virtue of the provisions of the Act and Section 103 of the Internal Revenue Code of 1954, as amended (the "Code"). Principal of the Bond shall be repaid over a period of 17½ years commencing 2½ years after issuance. After 10 years the Company, at the request of the Bank, can be required to purchase the Bond or to cause another party to purchase the Bond. Interest shall be payable at the rate of seven and one-quarter percent per annum for the first five years that the Bond is outstanding. Thereafter, the interest rate shall be re-set each fifth year based upon the Bank's cost of funds.

4. The total cost of the Project is approximately One Million Six Hundred Thousand Dollars according to the reasonable estimates of the Company. In order to finance the cost of the Project, it is necessary for the County to issue the Bond in the amount of One Million Two Hundred Thousand Dollars and to loan the proceeds to the Company.

5. When completed the Project will create approximately 15 jobs in the County.

6. The Project will subserve the purposes of the Act, and the Project will have a beneficial effect upon the economy of South Carolina, and the County and adjacent areas in particular, by promoting the development of industrial enterprise.

7. The County, by providing this financial assistance to the Company for development of the Project, will incur no pecuniary liability; nor will it incur a charge against its general credit or taxing power.

8. National City Bank (the "Bank") has agreed to purchase the Bond at par value without discount.

9. The proposed loan documents will provide, among other things, the following:

(a) To finance the cost of the Project, the County will issue its Bond in the principal amount of One Million Two Hundred Thousand Dollars. The County promptly will use the proceeds of the Bond to purchase from the Company a note providing for payments sufficient to pay when due all amounts payable under the Bond. Payment of the note will be secured by the granting to the County of a first mortgage on and first security interest in the Project (including fixtures). Payment of the Bond will be secured by the granting to the Bank of a security interest in the aforementioned

note, mortgage and security agreement. Also, in order to secure further payment of the Bond, the County will conditionally assign to the Bank the aforementioned note and mortgage and security agreement;

(b) The mortgage and security agreement will be conventional in form and will constitute a foreclosable lien;

(c) The proceeds derived from the issuance and sale of the Bond will be loaned by the County to the Company and used solely to pay the costs incident to financing the Project;

(d) The issuance and sale of the Bond by the County shall impose upon the County no pecuniary liability; nor shall this create a charge upon its general credit or taxing power;

(e) The payments to be made by the Company to the County under its note will be sufficient to enable the County to make all payments (including principal and interest) required of the County under the Bond;

(f) The loan documents will require that the Company pay for (or cause to be paid) all maintenance required to keep the Project in good repair and all insurance required to keep the Project properly insured;

(g) No reserves for payment of the Bond or for maintenance or insurance on the Project shall be

required in view of the financial stability of the Company;

(h) The Company will be required to complete the Project even if Bond proceeds are insufficient;

(i) The proposed documents will be in the form commonly used in connection with the issuance of industrial revenue bonds.

Upon the basis of the foregoing, the County, acting through the County Council, respectfully prays that the State Budget and Control Board of South Carolina accept the filing of this Petition; that it make a prompt and independent investigation of the Project; that it find that the proposed Project will promote the purposes of the Act and that the proposed Project is reasonably anticipated to effect this result; that it approve the Project and the issuance and sale of the Bond, including changes in any details of the proposed financing as finally consummated which do not materially affect this undertaking; that it allocate \$1,200,000 of the State of South Carolina's allotment for private activity bonds under the Code to this proposed Project and Bond, and that it give published notice of its approval in the manner set forth in the Act.

Respectfully submitted,

COUNTY COUNCIL OF SPARTANBURG COUNTY

(SEAL)

By: _____
County Administrator

Attest: _____
Clerk of County Council

June __, 1986

CERTIFICATE OF NO CONSIDERATION FOR ALLOCATION

Pursuant to Section 102(n)(12)(A) of the Internal Revenue Code of 1954, as amended, I certify under penalty of perjury that to the best of my knowledge, the allocation of \$1,200,000 of the State of South Carolina's ceiling for private activity bonds requested for Spartanburg County, South Carolina Industrial Development Revenue Bond (Indever Project) Series 1986 in the accompanying petition to the State Budget and Control Board of South Carolina was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

COUNTY COUNCIL OF SPARTANBURG COUNTY

By: _____
County Administrator

SWORN to before me this
____ day of _____, 1986.

Notary Public for South Carolina
My Commission expires: _____ (SEAL)

01741

STATE OF SOUTH CAROLINA)

COUNTY OF SPARTANBURG)

PETITION

TO: THE STATE BUDGET AND CONTROL
BOARD OF SOUTH CAROLINA

The County Council of Spartanburg County (the "County Council") would respectfully report unto the State Budget and Control Board of South Carolina the following findings:

1. The County Council is the governing body of Spartanburg County, South Carolina (the "County") as established by law, and as such, is the "governing board" described in Chapter 29 of Title 4 of the 1976 Code of Laws of South Carolina, as amended, (the "Act").

2. The Act authorizes and empowers the County, acting through the County Council, if it shall comply with the provisions set forth in the Act, to assist industrial enterprises in the financing of land, buildings, equipment, machinery and other improvements deemed necessary, suitable or useful for the manufacture, processing, warehousing or distribution of agricultural or manufactured products and, for that purpose, to issue industrial development revenue bonds.

3. The County, acting through the County Council, has agreed that the County will undertake, through the issuance and sale of an industrial development revenue bond pursuant

to the Act, to assist Indever Associates, an Ohio general partnership (the "Company"), in financing land, a building and related improvements for lease to industrial enterprises (the "Project"). The Project will be in the County and will be owned by the Company. The County, acting through the County Council, has agreed to issue and sell a Spartanburg County, South Carolina, Industrial Revenue Bond (Indever Project) Series 1986 (the "Bond") in the principal amount of One Million Two Hundred Thousand Dollars, pursuant to the Act in order to finance the Project. The Bond will have a term of twenty years and interest only will be payable during the first 18 months. Interest will be payable monthly and will be calculated on the outstanding principal balance of the bond. The interest rate is estimated to be equal to 75% of Bank's Base Rate, fluctuating when and as said Base Rate changes, so long as the Tax Rate, as hereinafter defined, is 46%, and in the event of change in the Tax Rate, equal to that percentage of Base Rate resulting from the multiplication of 1.39 times the difference between 1.00 and the new Tax Rate, but not to exceed a rate greater than the Bank's Base Rate plus 75 Basis Points except in such circumstances, if any, as may be determined by Bank's counsel and provided for in the Bond documentation. "Tax Rate" means the highest marginal income tax rate expressed as a percentage applicable to corporations under the Internal Revenue Code. "Base Rate" means the rate of

interest publicly announced in Cleveland, Ohio by National City Bank as its Base Rate.

4. The total cost of the Project is approximately One Million Six Hundred Thousand Dollars according to the reasonable estimates of the Company. In order to finance the cost of the Project, it is necessary for the County to issue the Bond in the amount of One Million Two Hundred Thousand Dollars and to loan the proceeds to the Company.

5. When completed the Project will create approximately 15 jobs in the County.

6. The Project will subserve the purposes of the Act, and the Project will have a beneficial effect upon the economy of South Carolina, and the County and adjacent areas in particular, by promoting the development of industrial enterprise.

7. The County, by providing this financial assistance to the Company for development of the Project, will incur no pecuniary liability; nor will it incur a charge against its general credit or taxing power.

8. National City Bank (the "Bank") has agreed to purchase the Bond at par value without discount.

9. The proposed loan documents will provide, among other things, the following:

(a) To finance the cost of the Project, the County will issue its Bond in the principal amount of One Million Two Hundred Thousand Dollars. The County promptly will use the proceeds of the Bond to purchase

from the Company a note providing for payments sufficient to pay when due all amounts payable under the Bond. Payment of the note will be secured by the granting to the County of a first mortgage on and first security interest in the Project (including fixtures). Payment of the Bond will be secured by the granting to the Bank of a security interest in the aforementioned note, mortgage and security agreement. Also, in order to secure further payment of the Bond, the County will conditionally assign to the Bank the aforementioned note and mortgage and security agreement;

(b) The mortgage and security agreement will be conventional in form and will constitute a foreclosable lien;

(c) The proceeds derived from the issuance and sale of the Bond will be loaned by the County to the Company and used solely to pay the costs incident to financing the Project;

(d) The issuance and sale of the Bond by the County shall impose upon the County no pecuniary liability; nor shall this create a charge upon its general credit or taxing power;

(e) The payments to be made by the Company to the County under its note will be sufficient to enable the County to make all payments (including principal and interest) required of the County under the Bond;

(f) The loan documents will require that the Company pay for (or cause to be paid) all maintenance required to keep the Project in good repair and all insurance required to keep the Project properly insured;

(g) No reserves for payment of the Bond or for maintenance or insurance on the Project shall be required in view of the financial stability of the Company;

(h) The Company will be required to complete the Project even if Bond proceeds are insufficient;

(i) The proposed documents will be in the form commonly used in connection with the issuance of industrial revenue bonds.

Upon the basis of the foregoing, the County, acting through the County Council, respectfully prays that the State Budget and Control Board of South Carolina accept the filing of this Petition; that it make a prompt and independent investigation of the Project; that it find that the proposed Project will promote the purposes of the Act and that the proposed Project is reasonably anticipated to effect this result; that it approve the Project and the issuance and sale of the Bond, including changes in any details of the proposed financing as finally consummated which do not materially affect this undertaking; that it allocate \$1,200,000 of the State of South Carolina's allotment for private activity bonds under the Code to this proposed Project and Bond,

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

Respectfully submitted,
COUNTY COUNCIL OF SPARTANBURG COUNTY

(SEAL)

By: _____
County Administrator

Attest: _____
Clerk of County Council

June __, 1986

CERTIFICATE OF NO CONSIDERATION FOR ALLOCATION

Pursuant to Section 102(n)(12)(A) of the Internal Revenue Code of 1954, as amended, I certify under penalty of perjury that to the best of my knowledge, the allocation of \$1,200,000 of the State of South Carolina's ceiling for private activity bonds requested for Spartanburg County, South Carolina Industrial Development Revenue Bond (Indever Project) Series 1986 in the accompanying petition to the State Budget and Control Board of South Carolina was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

COUNTY COUNCIL OF SPARTANBURG COUNTY

By: _____
County Administrator

SWORN to before me this
____ day of _____, 1986.

Notary Public for South Carolina
My Commission expires: _____ (SEAL)

01748

EXHIBIT

AUG 13 1986 NO. 13

STATE OF SOUTH CAROLINA)
COUNTY OF SPARTANBURG)

STATE BUDGET & CONTROL BOARD

PETITION

TO: THE STATE BUDGET AND CONTROL
BOARD OF SOUTH CAROLINA

The County Council of Spartanburg County (the "County Council") would respectfully report unto the State Budget and Control Board of South Carolina the following findings:

1. The County Council is the governing body of Spartanburg County, South Carolina (the "County") as established by law, and as such, is the "governing board" described in Chapter 29 of Title 4 of the 1976 Code of Laws of South Carolina, as amended, (the "Act").

2. The Act authorizes and empowers the County, acting through the County Council, if it shall comply with the provisions set forth in the Act, to assist industrial enterprises in the financing of land, buildings, equipment, machinery and other improvements deemed necessary, suitable or useful for the manufacture, processing, warehousing or distribution of agricultural or manufactured products and, for that purpose, to issue industrial development revenue bonds.

3. The County, acting through the County Council, has agreed that the County will undertake, through the issuance and sale of an industrial development revenue bond pursuant

01749

to the Act, to assist Indever Associates, an Ohio general partnership (the "Company"), in financing land, a building and related improvements for lease to industrial enterprises (the "Project"). The Project will be in the County and will be owned by the Company. The County, acting through the County Council, has agreed to issue and sell a Spartanburg County, South Carolina, Industrial Revenue Bond (Indever Project) Series 1986 (the "Bond") in the principal amount of One Million Two Hundred Thousand Dollars, pursuant to the Act in order to finance the Project. The Bond will have a term of twenty years and interest only will be payable during the first 18 months. Interest will be payable monthly and will be calculated on the outstanding principal balance of the bond. The interest rate is estimated to be equal to 75% of Bank's Base Rate, fluctuating when and as said Base Rate changes, so long as the Tax Rate, as hereinafter defined, is 46%, and in the event of change in the Tax Rate, equal to that percentage of Base Rate resulting from the multiplication of 1.39 times the difference between 1.00 and the new Tax Rate, but not to exceed a rate greater than the Bank's Base Rate plus 75 Basis Points except in such circumstances, if any, as may be determined by Bank's counsel and provided for in the Bond documentation. "Tax Rate" means the highest marginal income tax rate expressed as a percentage applicable to corporations under the Internal Revenue Code. "Base Rate" means the rate of

interest publicly announced in Cleveland, Ohio by National City Bank as its Base Rate.

4. The total cost of the Project is approximately One Million Six Hundred Thousand Dollars according to the reasonable estimates of the Company. In order to finance the cost of the Project, it is necessary for the County to issue the Bond in the amount of One Million Two Hundred Thousand Dollars and to loan the proceeds to the Company.

5. When completed the Project will create approximately 15 jobs in the County.

6. The Project will subserve the purposes of the Act, and the Project will have a beneficial effect upon the economy of South Carolina, and the County and adjacent areas in particular, by promoting the development of industrial enterprise.

7. The County, by providing this financial assistance to the Company for development of the Project, will incur no pecuniary liability; nor will it incur a charge against its general credit or taxing power.

8. National City Bank (the "Bank") has agreed to purchase the Bond at par value without discount.

9. The proposed loan documents will provide, among other things, the following:

(a) To finance the cost of the Project, the County will issue its Bond in the principal amount of One Million Two Hundred Thousand Dollars. The County promptly will use the proceeds of the Bond to purchase

from the Company a note providing for payments sufficient to pay when due all amounts payable under the Bond. Payment of the note will be secured by the granting to the County of a first mortgage on and first security interest in the Project (including fixtures). Payment of the Bond will be secured by the granting to the Bank of a security interest in the aforementioned note, mortgage and security agreement. Also, in order to secure further payment of the Bond, the County will conditionally assign to the Bank the aforementioned note and mortgage and security agreement;

(b) The mortgage and security agreement will be conventional in form and will constitute a foreclosable lien;

(c) The proceeds derived from the issuance and sale of the Bond will be loaned by the County to the Company and used solely to pay the costs incident to financing the Project;

(d) The issuance and sale of the Bond by the County shall impose upon the County no pecuniary liability; nor shall this create a charge upon its general credit or taxing power;

(e) The payments to be made by the Company to the County under its note will be sufficient to enable the County to make all payments (including principal and interest) required of the County under the Bond;

(f) The loan documents will require that the Company pay for (or cause to be paid) all maintenance required to keep the Project in good repair and all insurance required to keep the Project properly insured;

(g) No reserves for payment of the Bond or for maintenance or insurance on the Project shall be required in view of the financial stability of the Company;

(h) The Company will be required to complete the Project even if Bond proceeds are insufficient;

(i) The proposed documents will be in the form commonly used in connection with the issuance of industrial revenue bonds.

Upon the basis of the foregoing, the County, acting through the County Council, respectfully prays that the State Budget and Control Board of South Carolina accept the filing of this Petition; that it make a prompt and independent investigation of the Project; that it find that the proposed Project will promote the purposes of the Act and that the proposed Project is reasonably anticipated to effect this result; that it approve the Project and the issuance and sale of the Bond, including changes in any details of the proposed financing as finally consummated which do not materially affect this undertaking; that it allocate \$1,200,000 of the State of South Carolina's allotment for private activity bonds under the Code to this proposed Project and Bond,

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

Respectfully submitted,

COUNTY COUNCIL OF SPARTANBURG COUNTY

(SEAL)

By:

K. L. Westmoreland
County Administrator

Attest: C. E. Pann
Clerk of County Council

8-2, 1986

EXHIBIT

AUG 13 1986 NO. 13

STATE BUDGET & CONTROL BOARD

CERTIFICATE OF NO CONSIDERATION FOR ALLOCATION

Pursuant to Section 102(n)(12)(A) of the Internal Revenue Code of 1954, as amended, I certify under penalty of perjury that to the best of my knowledge, the allocation of \$1,200,000 of the State of South Carolina's ceiling for private activity bonds requested for Spartanburg County, South Carolina Industrial Development Revenue Bond (Indever Project) Series 1986 in the accompanying petition to the State Budget and Control Board of South Carolina was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

COUNTY COUNCIL OF SPARTANBURG COUNTY

By:

R. L. Westmoreland
County Administrator

SWORN to before me this
8 day of August, 1986.

Anne F. Skibb
Notary Public for South Carolina
My Commission expires: 5/1/95

(SEAL)

EXHIBIT

AUG 13 1986

NO. 13

STATE BUDGET & CONTROL BOARD

01755

EXHIBIT

RESOLUTION OF THE COUNTY COUNCIL
OF SPARTANBURG COUNTY, SOUTH CAROLINA

AUG 13 1986 NO. 1 3
STATE BUDGET & CONTROL BOARD

The following Resolution of the Spartanburg County Council was unanimously adopted at its regular meeting March 13, 1985.

BE IT RESOLVED BY THE COUNTY COUNCIL OF SPARTANBURG COUNTY, SOUTH CAROLINA IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

As an incident to the adoption of this Resolution, the County Council of Spartanburg County, South Carolina (the "County Council") has made the following findings:

1. Indever Associates, a South Carolina general partnership (the "Company"), has under consideration the location in Spartanburg County, South Carolina of a new multi-tenant facility (including land, a building, related improvements and equipment) for lease to industrial enterprises (the "Project").

2. The Project is expected to provide the opportunity for 15 jobs upon completion.

3. The availability of industrial development revenue bond financing in Spartanburg County, South Carolina for the purpose of acquiring, constructing and/or installing the Project is a major factor under consideration by the Company in determining the feasibility of the Project and its location in Spartanburg County, South Carolina.

4. The willingness of Spartanburg County, South Carolina to issue its Industrial Development Revenue Bond (the "Bond") to assist in financing the Project will promote industrial

01756

development in South Carolina. The Project will subserve the purpose of Chapter 29, Section 4-29-10, et seq. of the Code of Laws of South Carolina (the "Act").

5. The amount necessary to acquire, construct and/or install the Project and to pay any necessary expenses related to the acquisition, construction and/or installation of the Project is estimated at this time to be approximately TWO MILLION DOLLARS for these purposes or such lesser amount as the Company shall request. The principal of the loan for the Project shall be repaid over a period to be negotiated, but in no event exceeding twenty years.

6. In order to acquire the funds for this loan, the present intent of Spartanburg County, South Carolina is to issue to a qualified lender the Bond in the amount of this loan. Interest shall be payable at a rate to be negotiated by the parties.

7. Payments to Spartanburg County, South Carolina by the Company shall be sufficient to allow the County to meet the payments schedule on the Bond. At this time, it is expected that no reserve fund shall be established in connection with the Bond or in connection with maintenance of the Project.

8. Neither the acquisition, construction and/or installation of the Project nor issuance and sale of the Bond shall give rise to any pecuniary liability of Spartanburg County, South Carolina or a charge against its general credit or its taxing powers.

ARTICLE II

COMMITMENT TO ASSISTANCE AGREEMENT

Based on the foregoing findings of fact and in order to induce the Company to undertake the Project in Spartanburg County, South Carolina and in order to carry out the purposes of the Act, the County of Spartanburg, South Carolina is authorized and directed to enter into an Assistance Agreement upon the terms of the document attached as Exhibit "A" to this Resolution.

ARTICLE III

EXECUTION

The Assistance Agreement shall be executed by the County Administrator, whose signature shall be attested by the Clerk of County Council.

The foregoing constitutes a true copy of a Resolution duly adopted by the County Council of Spartanburg County, South Carolina on March 13, 1985 inducing INDEVER ASSOCIATES, to located in Spartanburg County, South Carolina a new multi-tenant facility for lease to industrial enterprises.

C. P. Parris
C.P. Parris
Clerk of County Council
Spartanburg County
South Carolina

March 13, 1985

EXHIBIT

AUG 13 1986 NO. 13

STATE BUDGET & CONTROL BOARD

AUG 13 1986 , NO. 1 3

ASSISTANCE AGREEMENT

STATE BUDGET & CONTROL BOARD

WHEREAS, Indever Associates, a South Carolina general partnership (the "Company") has proposed to located in Spartanburg County, South Carolina (the "County") a new multi-tenant facility for lease to industrial enterprises; and

WHEREAS, the undertaking of this enterprise depends in part upon the willingness of the County to issue its Industrial Development Revenue Bond (the "Bond") to finance this facility, including but not limited to land, a building, related improvements and equipment (the "Project"); and

WHEREAS, the County Council of Spartanburg County, South Carolina, by Inducement Resolution unanimously adopted on March 13, 1985 has determined that this assistance should be extended by the County to the Company.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND OTHER VALUE,

1. The present intent of the County is to issue, upon request by the Company, its Bond in the approximate amount of \$2,000,000 (or such lesser amount as may be requested by the Company) for the purpose of acquiring, constructing and/or installing the Project and for paying any necessary expenses related to the acquisition, construction and/or installation of the Project.

2. The terms of the Bond (date, maturity schedule, interest rate, denominations, redemption provision) will be determined by a loan agreement to be entered into among the County, the Company and a qualified lender as the purchaser of the Bond.

3. Simultaneously with delivery of the Bond, the County will provide to the Company funds to acquire title to the Project in the name of the Company, and the Company will deliver to the County its note and adequate security for repayment of the funds so advanced. The terms and provision of the documentation shall be substantially in a form commonly utilized in connection with such financial undertakings and shall be agreed upon by the County and the Company.

4. The County hereby permits the Project to commence prior to the issuance, sale and delivery of the Bond. Contracts for acquisition, construction and/or installation of the Project may be executed by the Company in its own discretion. The Company is authorized by the County on its behalf to advance any interim funds required in connection with the Project and shall be reimbursed from Bond proceeds.

5. The County will assist in the prompt preparation of all documents required in connection with the issuance of the Bond and will proceed with seeking approval of the Bond from the South Carolina State Budget and Control Board.

6. If for any reason the Bond is not delivered by March 1, 1986, the provisions of this proposal and the agreement resulting from its acceptance by the Company, at the option of either

party hereto evidenced in writing, may be cancelled, and neither party shall have any rights against the other, and no third parties shall have any rights against either party except:

- (a) The County will convey to the Company the Project to the extent of its ownership therein, if any;
- (b) The Company will pay the County for all expenses which are authorized by the Company and incurred by the County in connection with the issuance of the Bond; and
- (c) The Company will assume and be responsible for all contracts entered into by the County at the request of the Company in connection with the Project, if any.

7. Nothing herein shall prevent the County and the Company from entering into any other mode of financing.

8. The Company, in accepting this proposal, agrees to indemnify, defend and hold the County harmless against any loss or damage to property or any injury or death of any person or persons occurring in connection with the acquisition, construction, installation and/or operation of the Project and occurring in the course of the County's performance of its obligations hereunder.

9. Neither the Project nor any charges in connection with the Project or the acquisition, construction, installation, operation and/or maintenance of the Project or in connection with the Bond, including the payment of principal of, premium,

if any, or interest on the Bond, shall constitute or give rise to a pecuniary liability of the County or a charge against the general credit or taxing power of the County.

10. This Agreement shall be effective this the ____ day of March, 1985.

INDEVER ASSOCIATES

By: _____
Partner

SPARTANBURG COUNTY, SOUTH CAROLINA

By: _____
K. L. Westmoreland
County Administrator

C. P. Parris
Clerk of County Council

EXHIBIT

AUG 13 1986

NO. 13

A RESOLUTION

STATE BUDGET & CONTROL BOARD

TO AUTHORIZE A PETITION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR ITS APPROVAL OF THE ISSUANCE AND SALE OF A SPARTANBURG COUNTY, SOUTH CAROLINA INDUSTRIAL REVENUE BOND (INDEVER PROJECT) SERIES 1986 IN THE PRINCIPAL AMOUNT OF ONE MILLION TWO HUNDRED THOUSAND DOLLARS PURSUANT TO CHAPTER 29 OF TITLE 4 OF THE 1976 CODE OF LAWS OF SOUTH CAROLINA, AS AMENDED; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THIS UNDERTAKING.

BE IT RESOLVED BY THE COUNTY COUNCIL OF SPARTANBURG COUNTY, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

As an incident to the adoption of this Resolution, the County Council of Spartanburg County, South Carolina (the "County Council") has made the following findings:

1. Indever Associates, an Ohio general partnership (the "Company"), has proposed that Spartanburg County, South Carolina (the "County") assist in financing land, a building, and related improvements, which will be leased as a manufacturing and warehousing facility to industrial enterprises (the "Project"). The Project will be in the County and will be owned by the Company. The Project will be financed in part by the issuance and sale by the County of its industrial revenue bond (the "Bond"), in the principal amount of One Million Two Hundred Thousand Dollars, pursuant to the authorization of Chapter 29 of Title 4 of the 1976 Code of Laws of South Carolina, as amended (the "Act") and Section 103 of the Internal Revenue Code of 1954, as amended (the "Code").

2. The Project will be aided by the assistance which the County might render pursuant to the Act. The County, acting

01763

through the County Council, has agreed to assist in financing the Project by issuing and selling the Bond. The proceeds of the Bond will be loaned by the County to the Company to finance the Project. The Company in exchange for the Bond will deliver to the County, at the time that the Bond is issued and sold, its note in the amount of the proceeds (the "Company Note") and will grant to the County a first mortgage on and a first security interest in the Project (including fixtures).

3. The Project will subserve the purposes of the Act. The Project, when completed, will create approximately 15 jobs.

4. Neither the Project nor the Bond will give rise to any pecuniary liability of the County or a charge against its general credit or taxing powers.

5. The amount necessary to finance the Project is approximately One Million Six Hundred Thousand Dollars according to the Company's reasonable estimates. The amount of the Bond shall be One Million Two Hundred Thousand Dollars and the Bond shall be issued and sold for this amount at no discount. Principal of the Bond shall be repaid over a period of 17½ years commencing 2½ years after issuance. After 10 years the Company, at the request of the Bank, can be required to purchase the Bond or to cause another party to purchase the Bond. Interest shall be payable at the rate of seven and one-quarter percent per annum for the first five years that the Bond is outstanding. Thereafter, the interest rate shall be re-set each fifth year based upon the

Bank's cost of funds. Payments to the County by the Company shall be sufficient to allow the County to meet the repayment schedule on the Bond.

6. No reserve fund shall be established in connection with the Bond or in connection with the maintenance and insurance of the Project in view of the financial stability of the Company.

7. The Company shall pay or cause to be paid all costs required to keep the Project in good repair and to keep the Project properly insured.

8. The proposed loan documents obligate the Company unconditionally to pay to the County the amounts necessary to pay all principal and interest when and as they become due on the Bond and similarly to pay all other costs in connection with those instruments. The proposed loan documents also unconditionally obligate the Company to complete the Project even if Bond proceeds are insufficient.

9. The Bond will be issued as a tax-exempt instrument by virtue of the provisions of the Act and Section 103 of the Code.

10. The Company has arranged for the issuance and sale of the Bond to National City Bank (the "Bank").

11. The passage of this Resolution was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

ARTICLE II

PETITION TO THE STATE BUDGET AND CONTROL BOARD

The County is hereby authorized and committed to submit a petition to the State Budget and Control Board of South Carolina

to seek the approval required by the Act and to seek the allocation required by the Code. This Petition shall be substantially upon the terms of the Petition attached as Exhibit A to this Resolution.

ARTICLE III

EXECUTION

The County Administrator of the County (or anyone authorized to act in his stead) is hereby authorized and empowered to execute all documents required to effectuate the intent of this Resolution, and the Clerk of County Council is hereby authorized and empowered to attest to his signature.

The foregoing constitutes a true copy of a Resolution duly adopted by the County Council of Spartanburg County, South Carolina on June 11, 1986.

C. P. Parris
C. P. Parris
Clerk of County Council
Spartanburg County, South Carolina

June 11, 1986

EXHIBIT

AUG 13 1986 NO. 13

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA)

COUNTY OF SPARTANBURG)

PETITION

TO: THE STATE BUDGET AND CONTROL
BOARD OF SOUTH CAROLINA

The County Council of Spartanburg County (the "County Council") would respectfully report unto the State Budget and Control Board of South Carolina the following findings:

1. The County Council is the governing body of Spartanburg County, South Carolina (the "County") as established by law, and as such, is the "governing board" described in Chapter 29 of Title 4 of the 1976 Code of Laws of South Carolina, as amended, (the "Act").

2. The Act authorizes and empowers the County, acting through the County Council, if it shall comply with the provisions set forth in the Act, to assist industrial enterprises in the financing of land, buildings, equipment, machinery and other improvements deemed necessary, suitable or useful for the manufacture, processing, warehousing or distribution of agricultural or manufactured products and, for that purpose, to issue industrial development revenue bonds.

3. The County, acting through the County Council, has agreed that the County will undertake, through the issuance and sale of an industrial development revenue bond pursuant

to the Act, to assist Indever Associates, an Ohio general partnership (the "Company"), in financing land, a building and related improvements for lease to industrial enterprises (the "Project"). The Project will be in the County and will be owned by the Company. The County, acting through the County Council, has agreed to issue and sell a Spartanburg County, South Carolina, Industrial Revenue Bond (Indever Project) Series 1986 (the "Bond") in the principal amount of One Million Two Hundred Thousand Dollars, pursuant to the Act in order to finance the Project. The Bond will be issued as a tax-exempt instrument by virtue of the provisions of the Act and Section 103 of the Internal Revenue Code of 1954, as amended (the "Code"). Principal of the Bond shall be repaid over a period of 17½ years commencing 2½ years after issuance. After 10 years the Company, at the request of the Bank, can be required to purchase the Bond or to cause another party to purchase the Bond. Interest shall be payable at the rate of seven and one-quarter percent per annum for the first five years that the Bond is outstanding. Thereafter, the interest rate shall be re-set each fifth year based upon the Bank's cost of funds.

4. The total cost of the Project is approximately One Million Six Hundred Thousand Dollars according to the reasonable estimates of the Company. In order to finance the cost of the Project, it is necessary for the County to issue the Bond in the amount of One Million Two Hundred Thousand Dollars and to loan the proceeds to the Company.

5. When completed the Project will create approximately 15 jobs in the County.

6. The Project will subserve the purposes of the Act, and the Project will have a beneficial effect upon the economy of South Carolina, and the County and adjacent areas in particular, by promoting the development of industrial enterprise.

7. The County, by providing this financial assistance to the Company for development of the Project, will incur no pecuniary liability; nor will it incur a charge against its general credit or taxing power.

8. National City Bank (the "Bank") has agreed to purchase the Bond at par value without discount.

9. The proposed loan documents will provide, among other things, the following:

(a) To finance the cost of the Project, the County will issue its Bond in the principal amount of One Million Two Hundred Thousand Dollars. The County promptly will use the proceeds of the Bond to purchase from the Company a note providing for payments sufficient to pay when due all amounts payable under the Bond. Payment of the note will be secured by the granting to the County of a first mortgage on and first security interest in the Project (including fixtures). Payment of the Bond will be secured by the granting to the Bank of a security interest in the aforementioned

note, mortgage and security agreement. Also, in order to secure further payment of the Bond, the County will conditionally assign to the Bank the aforementioned note and mortgage and security agreement;

(b) The mortgage and security agreement will be conventional in form and will constitute a foreclosable lien;

(c) The proceeds derived from the issuance and sale of the Bond will be loaned by the County to the Company and used solely to pay the costs incident to financing the Project;

(d) The issuance and sale of the Bond by the County shall impose upon the County no pecuniary liability; nor shall this create a charge upon its general credit or taxing power;

(e) The payments to be made by the Company to the County under its note will be sufficient to enable the County to make all payments (including principal and interest) required of the County under the Bond;

(f) The loan documents will require that the Company pay for (or cause to be paid) all maintenance required to keep the Project in good repair and all insurance required to keep the Project properly insured;

(g) No reserves for payment of the Bond or for maintenance or insurance on the Project shall be

required in view of the financial stability of the Company;

(h) The Company will be required to complete the Project even if Bond proceeds are insufficient;

(i) The proposed documents will be in the form commonly used in connection with the issuance of industrial revenue bonds.

Upon the basis of the foregoing, the County, acting through the County Council, respectfully prays that the State Budget and Control Board of South Carolina accept the filing of this Petition; that it make a prompt and independent investigation of the Project; that it find that the proposed Project will promote the purposes of the Act and that the proposed Project is reasonably anticipated to effect this result; that it approve the Project and the issuance and sale of the Bond, including changes in any details of the proposed financing as finally consummated which do not materially affect this undertaking; that it allocate \$1,200,000 of the State of South Carolina's allotment for private activity bonds under the Code to this proposed Project and Bond, and that it give published notice of its approval in the manner set forth in the Act.

Respectfully submitted,

COUNTY COUNCIL OF SPARTANBURG COUNTY

(SEAL)

By: _____
County Administrator

Attest: _____
Clerk of County Council

June __, 1986

CERTIFICATE OF NO CONSIDERATION FOR ALLOCATION

Pursuant to Section 102(n)(12)(A) of the Internal Revenue Code of 1954, as amended, I certify under penalty of perjury that to the best of my knowledge, the allocation of \$1,200,000 of the State of South Carolina's ceiling for private activity bonds requested for Spartanburg County, South Carolina Industrial Development Revenue Bond (Indever Project) Series 1986 in the accompanying petition to the State Budget and Control Board of South Carolina was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

COUNTY COUNCIL OF SPARTANBURG COUNTY

By: _____
County Administrator

SWORN to before me this
____ day of _____, 1986.

Notary Public for South Carolina
My Commission expires: _____

(SEAL)

EXHIBIT

AUG 13 1986 NO. 13

STATE BUDGET & CONTROL BOARD

01772

AUG - 5 1986

TRANSMITTAL FORM, REVENUE BONDSDate: 8-4-86Submitted for BCB Meeting on:
8-13-86TO: William A. McInnis, Secretary
State Budget and Control Board
600 Wade Hampton Office Building
Columbia, SC 29201
OR P. O. Box 12444, Columbia, SC 29211

FROM:

Wyche, Burgess, Freeman & ParhamName of Law FirmGreenville, SC 29603City, State, Zip CodePost Office Box 10207Street Address/Box Number(803) 242-3131Telephone Area Code and NumberRE: \$1,200,000Amount of IssueSpartanburg County.Issuing Authority NameIndustrial Development Revenue BondsType of Bonds or NotesOctober 1, 1986Projected Issue DateProject Name: Indever Project, Series 1986

Project Description:

Manufacturing and warehousing facility to be leased to
industrial enterprises.Employment as result of project: Fifteen new jobsCEILING ALLOCATION REQUIREDX Yes (\$1,200,000) No
AmountREFUNDING INVOLVED Yes (\$) X No
AmountPROJECT APPROVED PREVIOUSLY Yes () X No
Date

DOCUMENTS ENCLOSED:

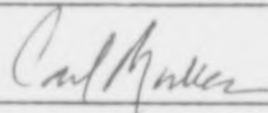
(ALL required for State law approval; A and C only for ceiling allocation only.)

- A. X Petition (executed original and two copies)
- B. X Resolution or ordinance (executed copy)
- C. X Inducement Resolution or comparable preliminary approval (executed copy)
- D. X Standard Form Investment Letter from bonds purchaser (executed original)
(Purchaser: National City Bank of Cleveland, Ohio)

OR Audited financial statements for three most recent yearsE. N/A Department of Health and Environmental Control certificate IF REQUIREDF. X Budget and Control Board Resolution and Public Notice (original)
[Plus 2 copies for certification and return to counsel]G. X Processing feeAmount \$ 3,000Check No. 1006Payor Indever AssociatesBond Counsel: Carl F. Muller

Typed Name

By:



Signature

EXHIBIT

AUG 13 1986

NO. 13

01773

STATE BUDGET & CONTROL BOARD

EXHIBIT

AUG 13 1986 NO. 13

STATE BUDGET & CONTROL BOARD

8/13/86 agenda
Index

- A. Did the submitter send the executed original (preferably meaning a document other than a machine copy but, realistically, that or a machine copy with original signatures on it) of the petition and two copies? *yes*
- (1) Does the petition ask for approval of a specific amount or a not exceeding amount? *yes*
- (2) Does the petition ask for a State Ceiling allocation? *yes* If so, is the amount specific? *yes* The preferred style is specific and its use should be encouraged.
- (3) Is the "no consideration" statement included? *yes* Its inclusion is advisable but not required.
- B. Did the submitter send an executed copy (meaning a machine copy of the signed document) of a resolution or ordinance authorizing the petition to the Board? *yes*
- C. Did the submitter send an executed copy (meaning a machine copy of the signed document) of an inducement resolution or comparable preliminary approval of the project and the issue? *yes*
- D. Did the submitter send the executed original (meaning the document with original signatures on it) standard form investment letter? OR did the submitter send audited financials for the three most recent years? *yes retyped to EAV 8/5*
- E. Is a DHEC Certificate of Need required? *no* If so, did submitter send it? If a DHEC certificate is not required (we are dependent here on bond counsel opinion), our processing does not require a DHEC letter confirming that fact. Our regulations require the Certificate and they make no mention of other devices such as the so-called "30-day letter."
- F. Did submitter send original of proposed Board resolution and notice? *yes*
- (1) Does resolution have Board approving a specific amount or a not exceeding amount for State law purposes? *yes* The style is something other than one of these, it should not be processed.
- (2) If a State Ceiling allocation is involved in the project, the Board resolution should not include any reference to a ceiling allocation because the allocation process is handled otherwise. Does it? *yes*
- (3) If a State Ceiling allocation is involved in the project, the Board resolution should not include any reference to a requirement to submit IRS Form 8038 because that is covered by Board regulations on the subject. Does it? *yes*
- (4) If a State Ceiling allocation is not involved in the project, the Board resolution should include the condition that the 8038 be submitted to the Board at the same time it is submitted to the IRS. *n/a*
- (5) Did submitter send copies for certification and return?
- G. Did submitter send a check for the processing fee? *yes*

01774

EXHIBIT

AUG 13 1986

NO. 13

INDUSTRIAL REVENUE BOND PROJECT

STATE BUDGET & CONTROL BOARD

Indaver Project, Series 1986

GOVERNING BOARD

County Council of Spartanburg County

BOND COUNSEL

Wyche, Burgess, Freeman & Parham

Greenville, SC 29603

FINDINGS BY GOVERNING BOARD (§ 4-29-60)

The Governing Board shall find:

✓ (1) The project will subserve the purposes of Chapter 29, Title 4;

✓ (2) The project is anticipated to benefit the general public welfare of the locality by providing services, employment, recreation, or other public benefits not otherwise provided locally;

✓ (3) The project will give rise to no pecuniary liability of county or incorporated municipality or a charge against its general credit or taxing power;

01775

\$1,200,000 (4) The amount of bonds required to finance the project;

✓ (5) The amount necessary in each year to pay the principal of and the interest on the bonds proposed to be issued to finance the project;

No Reserves req. (6) The amount necessary to be paid each year into any reserve funds which the governing board may deem advisable to establish in connection with the retirement of the proposed bonds and the maintenance of the project;

✓ (7) Unless the terms of the financing agreement with respect to the project provide that the industry shall maintain the project and carry all proper insurance with respect thereto, the cost of maintaining the project in good repair and keeping it properly insured;

✓ (8) The determinations and findings of the governing board required to be made above shall be set forth in the proceedings under which the proposed bonds are to be issued.

FINANCING AGREEMENT (§ 4-29-60)

Every financing agreement with respect to a project shall contain an agreement:

✓ obligating the industry to effect the completion of the project if the proceeds of the bonds prove insufficient, and

obligating the industry to pay an amount under the terms of a financing agreement, which, upon the basis of the determinations theretofore made, will be sufficient:

- ☒ (a) to pay the principal of and interest on the bonds issued to finance the project;
- ☒ (b) to build up and maintain any reserves deemed by the governing board to be advisable in connection therewith, and
- ☒ (c) unless the financing agreement obligates the industry to pay for the maintenance and insurance of the project, to pay the costs of maintaining the project in good repair and keeping it properly insured.

_____ Every financing agreement in the form of a lease shall contain a provision requiring the industry to make payments to the county or counties, municipality or municipalities, school district or school districts, and other political units wherein the project shall be located in lieu of taxes, in such amounts as would result from taxes levied on the project by such county or counties, municipality or municipalities, school district or school districts, and other political unit

or units, if the project were owned by the industry, but with appropriate reductions similar to the tax exemptions, if any, which would be afforded to the industry if it were the owner of the project.

REFUNDING BONDS (§ 4-29-110)

_____ may not exceed an amount sufficient to refund the principal of the bonds to be refunded, together with any unpaid interest thereon and any premiums, expenses, and commissions necessary to be paid in connection therewith.

PETITION (§ 4-29-140)

Must set forth

☒ (a)(1) a brief description of the project proposed to be undertaken, and

☒ (a)(2) its anticipated effect upon the economy of the county or incorporated municipality in which the project is to be located and of the areas adjacent thereto;

☒ (b) a reasonable estimate of the cost of the project;

☒ (c)(1) a general summary of the terms and conditions of the financing agreement and security agreement to be made,

_____ (c)(2) a statement establishing the basis for the payment of sums in lieu of taxes as required by § 4-29-60.

EXHIBIT

AUG 13 1986 NO. 13

01778

STATE BUDGET & CONTROL BOARD

FINDINGS BY BUDGET AND CONTROL BOARD

✓ the project is intended to promote the
purposes of Chapter 29, Title 4, (Public Purpose)

✓ the project is reasonably anticipated to
effect such results.

QUESTIONS CONSIDERED

AUG - 5 1986

PS 5-4-86

8/13/86
Jm

TRANSMITTAL FORM, REVENUE BONDS

Date: 8-4-86

Submitted for BCB Meeting on:
8-13-86TO: William A. McInnis, Secretary
State Budget and Control Board
600 Wade Hampton Office Building
Columbia, SC 29201
OR P. O. Box 12444, Columbia, SC 29211

FROM:

Wyche, Burgess, Freeman & Parham

Name of Law Firm

Greenville, SC 29603

City, State, Zip Code

Post Office Box 10207

Street Address/Box Number

(803) 242-3131

Telephone Area Code and Number

RE: \$1,200,000

Amount of Issue

Spartanburg County.

Issuing Authority Name

Industrial Development Revenue Bonds

Type of Bonds or Notes

October 1, 1986

Projected Issue Date

Project Name: Indever Project, Series 1986

Project Description:

Manufacturing and warehousing facility to be leased to
industrial enterprises.

Employment as result of project: Fifteen new jobs

CEILING ALLOCATION REQUIRED

☒ Yes (\$1,200,000) ☐ No
Amount

REFUNDING INVOLVED

☐ Yes (\$) ☒ No
Amount

PROJECT APPROVED PREVIOUSLY

☐ Yes () ☒ No
Date

DOCUMENTS ENCLOSED:

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

- A. ☒ Petition (executed original and two copies)
- B. ☒ Resolution or ordinance (executed copy)
- C. ☒ Inducement Resolution or comparable preliminary approval (executed copy)
- D. ☒ Standard Form Investment Letter from bonds purchaser (executed original)
(Purchaser: National City Bank of Cleveland, Ohio)

OR ☐ Audited financial statements for three most recent yearsE. ☐ N/A Department of Health and Environmental Control certificate IF REQUIREDF. ☒ Budget and Control Board Resolution and Public Notice (original)[Plus 2 copies for certification and return to counsel]G. ☒ Processing feeAmount \$ 3,000Check No. 1006Payor Indever AssociatesBond Counsel: Carl F. Muller

Typed Name

By: Carl Muller

Signature

EXHIBIT

NO. 13
AUG 13 1986

STATE BUDGET & CONTROL BOARD

01780

8/13

State of South Carolina
State Budget and Control Board



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

Box 12444
Columbia
29211

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

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

September 24, 1986

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

TO: Spartanburg County
c/o Mr. Carl F. Muller
Wyche Law Office
Box 10207
Greenville, SC 29603

RE: Issue of \$1,200,000, Spartanburg County, South Carolina
\$1,200,000 Industrial Revenue Bonds
(Indever Project, Series 1986)
Issue Date Certified By Issuing Authority: September 30, 1986
Issue Amount Certificate Received by Board Secretary: September 24, 1986

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

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

William A. McInnis

William A. McInnis, Secretary

01781

Check box if Amended Return ► |

2 Issuer's employer identification number
57-6000401

4. issue number

6 Date of issue
September 30, 1986

Bonds other than Industrial Development Bonds (IDBs):

Face Amount

Industrial Development Bonds:

\$ 1,200,000

Part III Description of Obligations

[illegible]

15 Weighted average maturity of the issue ▶ See years

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

Part IV Proceeds of Issue

17	Total purchase price (regs. section 1.103-13(d)(2))	\$ 1,200,000
18	Proceeds used for bond issuance costs	-0-
19	Proceeds allocated to reasonably required reserve or replacement fund	-0-
20	Proceeds used to refund prior issues	-0-
21	Non-refunding proceeds of the issue (subtract lines 18, 19, and 20 from line 17)	\$ 1,200,000

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Form 8038 (Rev. 12-84)

01782

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

22	Type of Property Financed (or portion thereof financed by non-refunding proceeds)	
a	3-yr. ACRS property	-0-
b	5-yr. ACRS property	-0-
c	10-yr. ACRS property	-0-
d	15-yr. ACRS property	-0-
e	18-yr. ACRS property	1,044,780
f	Cost of land	155,220
g	Cost of other property (see instructions)	-0-
23	Other use of non-refunding proceeds (subtract lines 22a-g from Part IV, line 21 (see instructions))	
24	Standard industrial classification (SIC) of non-refunding proceeds for the financed project	
	SIC Code	Non-refunding proceeds \$
a	6511	1,200,000
b		
c		
	SIC Code	Non-refunding proceeds \$
d		
e		
f		
25	Average weighted economic life of the project (complete only for IDBs) years	

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

26	Initial Principal Users			
(A)	(B)	(C)	(D)	
User	Name	Address	Employer identification number	
(i)	Indever Associates	7650 Tyler Blvd., Mentor, Ohio 44060	Applied For	
(ii)				
(iii)				
(iv)				
(v)				
27	Common parents (if any) of initial principal users listed above			
(A)	(B)	(C)	(D)	
User (from above)	Name	Address	Employer identification number	

Part VII Approval of Issue (Complete only for IDBs)

28	Name of Governmental units approving issue	County Council of Spartanburg County, South Carolina, State Budget & Control Board of South Carolina
29	Names and positions of applicable elected representatives or date of referendum approving issue	See Attachment

Part VIII Volume Limitations for Qualified Mortgage or Veterans' Bonds Not Applicable

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

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

Please Sign Here: Kenneth L. Westmoreland 09/17/86 County Administrator

Paid Preparer's Use Only: Carl Muller Wych, Burgess, & Co. 44 E. Cambridge Way Greenville, S.C. 29603

Preparer's signature: Carl Muller Preparer's social security no: 250-96-3369

Firm's name (or yours, if self-employed) and address: Wych, Burgess, & Co. 44 E. Cambridge Way Greenville, S.C. 29603

U.S. Government Printing Office: 1985-681-488/10000

01783

THIS REGISTERED BOND IS A LIMITED OBLIGATION AND 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 A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS

STATE OF SOUTH CAROLINA
SPARTANBURG COUNTY
INDUSTRIAL REVENUE BOND (INDEVER PROJECT)
SERIES 1986

\$1,200,000

KNOW ALL MEN BY THESE PRESENTS that Spartanburg County, a body politic and corporate, and a political subdivision of the State of South Carolina (the "County"), for value received, does promise to pay, but only from the source and upon the terms hereinafter provided, to the order of National City Bank of Cleveland, Ohio, (hereinafter, together with its successors and assigns and any lawful subsequent registered holder of this Bond, termed "Holder"), the principal sum of ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000) or so much of principal as shall have been advanced, plus interest on the outstanding principal amount from day to day hereof at a rate equal to seventy-five per cent (75%) of the rate of interest publicly announced from time to time by National City Bank of Cleveland, Ohio at its principal office as its base rate determined at the close of business on each business day, including all changes in such rate (the "Base Rate"), so long as the highest marginal income tax rate expressed as a percentage applicable to corporations under the Internal Revenue Code of 1954, as amended, (the "Tax Rate") is 46% and in the event of a change in the Tax Rate, equal to that percentage

01784

the County, be refinanced and converted by the Bank to a taxable mortgage loan and amortized over the remaining term at such taxable interest rate and on such other terms and conditions as may then be generally available through the Bank for financing similar properties of like physical condition and market value.

No adjustment shall be made for a period during which Continuing Interest cannot be included within the income of the Holder for income tax purposes as a result of statutes of limitation or otherwise.

The obligations of the County to make the additional payments described above shall survive full payment or prepayment of this Bond.

This Bond will have a term of 20 years with interest only payable during the first 18 months of such 20 year term. Principal shall be payable in 222 monthly installments on the first day of each month according to the following schedule:

<u>Year*</u>	<u>Principal Payments</u>	
	<u>Monthly</u>	<u>Annual</u>
1	\$ 2,100.00	\$ 25,200.00
2	2,300.00	27,600.00
3	2,600.00	31,200.00
4	2,800.00	33,600.00
5	3,100.00	37,200.00
6	3,400.00	40,800.00
7	3,800.00	45,600.00
8	4,200.00	50,400.00
9	4,700.00	56,400.00
10	5,100.00	61,200.00
11	5,700.00	68,400.00
12	6,200.00	74,400.00
13	6,900.00	82,800.00
14	7,700.00	92,400.00

15	8,400.00	100,800.00
16	9,100.00	109,200.00
17	10,500.00	126,000.00
18	7,600.00	91,200.00
6 Months	7,600.00	45,600.00

*Beginning April 1, 1988.

Continuing Interest on this Bond shall be payable in arrears on the first day of each month commencing October 1, 1986 and continuing on the first day of each month thereafter until all amounts due hereunder have been paid. Interest will be calculated on the outstanding principal balance of the bond.

In the event that any payment of principal or interest hereon shall be due on a Saturday, Sunday or federal holiday, then payment shall be made on the next business day. The failure to make appropriate payment of interest or principal at the times specified (after the lapse of any applicable cure period) shall give rise to an "Event of Default" (as defined in the Loan Agreement).

Each installment paid shall be credited first to allowable collection, maintenance, property tax, indemnification and similar expenses allowable under the Bond Documents, second to any federal tax penalties or fines, third to all interest due on this Bond and fourth to the principal amount of this Bond from time to time remaining unpaid.

All the payments made on this Bond shall be payable in legal tender of the United States of America and in immediately available funds. Payments of principal and interest hereon shall be mailed to the registered owner hereof at the address shown on the

State of South Carolina
State Budget and Control Board

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



Box 12444
Columbia
29211

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

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

August 13, 1986

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

TO: Spartanburg County
\$1,200,000
Industrial Development Revenue Bond
(Indever Project, Series 1986)

The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Deficit Reduction Act of 1984 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1986 only. It will expire ninety (90) calendar days from August 13, 1986 (the date the allocation was approved by the Board), if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

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

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

Grady L. Patterson, Jr.

Attest:

William A. McInnis, Secretary

01787

INCUMBENCY CERTIFICATE
CLERK OF COURT FOR SPARTANBURG COUNTY

I, the undersigned Kenneth R. Huckaby, Clerk of Court of Spartanburg County, South Carolina, hereby certify that:

(1) The following is a true, accurate and complete listing of all the members of the County Council of Spartanburg County, South Carolina from January 1, 1985 through today and that the titles set forth below their names reflect their authorized positions:

Honorable Lachlan L. Hyatt
Chairman

Honorable David G. Dennis
Councilman

Honorable Danny E. Allen
Councilman

Honorable Danny R. Smith
Councilman

Honorable Sallie S. Peake
Councilwoman

(2) C. P. Parris from January 1, 1985 through today has been the duly authorized Clerk of that County Council.

(3) K. L. Westmoreland from January 1, 1985 through today has been the duly authorized Administrator of Spartanburg County, South Carolina.

(4) The true signatures of C. P. Parris and K. L. Westmoreland are set forth below.

C. P. Parris

K. L. Westmoreland

01788

WITNESS my hand at Spartanburg County, South Carolina this __
day of September, 1986.

Kenneth R. Huckaby
Clerk of Court
Spartanburg County, South Carolina

(SEAL)

01789

State of South Carolina
State Budget and Control Board

RICHARD W. RILEY, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE F. MORRIS, JR.
COMPTROLLER GENERAL



Box 12444
Columbia
29211

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

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

September 24, 1986

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

TO: Spartanburg County
c/o Mr. Carl F. Muller
Wyche Law Office
Box 10207
Greenville, SC 29603

RE: Issue of \$1,200,000, Spartanburg County, South Carolina
\$1,200,000 Industrial Revenue Bonds
(Indever Project, Series 1986)
Issue Date Certified By Issuing Authority: September 30, 1986
Issue Amount Certificate Received by Board Secretary: September 24, 1986

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

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

William A. McInnis

William A. McInnis, Secretary

01790

State of South Carolina
State Budget and Control Board

RICHARD W. RILEY, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

Box 12444
Columbia
29211

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

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

October 1, 1986

C E R T I F I C A T E

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

TO: Spartanburg County
c/o Mr. Carl F. Muller
Wyche Law Office
Box 10207
Greenville, SC 29603

RE: Issue of \$1,200,000, Spartanburg County, South Carolina
\$1,200,000 Industrial Revenue Bonds
(Indever Project, Series 1986)
Issue Date Certified By Issuing Authority: October 2, 1986
Issue Amount Certificate Received by Board Secretary: October 1, 1986

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

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William A. McInnis

William A. McInnis, Secretary

01791

WYCHE, BURGESS, FREEMAN & PARHAM, P.A.

ATTORNEYS AT LAW

44 EAST CAMPERDOWN WAY

POST OFFICE BOX 10207

GREENVILLE, SOUTH CAROLINA 29603

ALFRED F. BURGESS
C. THOMAS WYCHE
DAVID L. FREEMAN
JAMES C. PARHAM, JR.
JAMES M. SHOEMAKER, JR.
WILLIAM W. KEHL
CHARLES W. WOFFORD
LARRY D. ESTRIDGE
D. ALLEN GRUMBINE
CARY H. HALL, JR.
CARL F. MULLER
HENRY L. PARR, JR.
BRADFORD W. WYCHE
ERIC B. AMSTUTZ
FRANK S. HOLLEMAN III
JODY A. GREENSTONE
MARSHALL WINN
WALLACE K. LIGHTSEY

OF COUNSEL
C. GRANVILLE WYCHE
ZAPNET 803-271-3939
TELEPHONE 803-242-3131

September 30, 1986

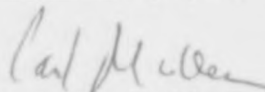
FEDERAL EXPRESS

Mr. William A. McInnis
State Budget and Control Board
600 Wade Hampton Office Building
Columbia, South Carolina 29211

Dear Bill:

Not only was the Span-America bond closing delayed but also the Indever Associates bond closing was delayed. The final certification should be changed to reflect a closing on Thursday, October 2, 1986. I enclose your original certificate which you may want to change instead of retyping another one.

Very truly yours,


Carl F. Muller

CFM:kl
Enclosure

01792

State of South Carolina
State Budget and Control Board

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



Box 12444
Columbia
29211

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

September 24, 1986

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

TO: Spartanburg County
c/o Mr. Carl F. Muller
Wyche Law Office
Box 10207
Greenville, SC 29603

RE: Issue of \$1,200,000, Spartanburg County, South Carolina
\$1,200,000 Industrial Revenue Bonds
(Indever Project, Series 1986)
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William A. McInnis

William A. McInnis, Secretary

01793

SEP - 8 1986

The State of South Carolina



EXHIBIT

AUG 13 1986

NO. 14

Office of the Attorney General

STATE BUDGET & CONTROL BOARD

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE 803.734.3680

September 4, 1986

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

Re: \$1,000,000.00 Lexington County, South Carolina,
Industrial Development Revenue Note
(A. M. Quattlebaum, Sr.)

Dear Mr. McInnis:

Regarding the above-referenced bond, we have reviewed the Petition and other documents submitted to the State Budget and Control Board for its approval pursuant to Section 4-29-140, et seq., Code of Laws of South Carolina, 1976, as amended, and the same appear, in our opinion, to be in order.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "David C. Eckstrom".

David C. Eckstrom
Assistant Attorney General

DCE/shb

Enclosures

01794

EXHIBIT

AUG 13 1986 NO. 14

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

STATE BUDGET & CONTROL BOARD

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

RE: Sale by Lexington County, South Carolina (the "Issuer")
Of its Industrial Revenue Note, Series 1986 (the "Bonds")
On behalf of A. M. Quattlebaum, Sr. (the "Company")
Expansion of Hartwell Industries, Inc. plant (the "Project")
To NCNB South Carolina (the "Purchaser")

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

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

SWORN to and subscribed
before me this 4 day
of August, 1986

Willie Carmichael
Notary Public

My Commission expires
My Commission Expires April 12, 1994

PURCHASER:

Name: NCNB South Carolina
Address: 265 South Isby P.O. Box 9
Florence, S.C. 29501

BY: Willie J. Northrup
Signature of Authorized Official
Assistant Vice President

Date: 8/4/86

01795

EXHIBIT

AUG 13 1986

NO. 1 4

STATE OF SOUTH CAROLINA)

STATE BUDGET & CONTROL BOARD
A. M. Quattlebaum, Sr.

COUNTY OF RICHLAND)

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

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 2:00 p.m., on Thursday, August 13, 1986, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting with the exception of Mr. Morris.

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

FOR MOTION

4

AGAINST MOTION

0

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

September 9, 1986

William A. McInnis

01796

EXHIBIT

AUG 13 1986 NO. 14

A RESOLUTION

STATE BUDGET & CONTROL BOARD

APPROVING AN UNDERTAKING BY THE COUNTY COUNCIL OF LEXINGTON COUNTY PURSUANT TO CHAPTER 29, TITLE 4, VOLUME 1, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, TO CONSTRUCT AN INDUSTRIAL PROJECT THROUGH THE ISSUANCE OF A NOT EXCEEDING \$1,000,000 LEXINGTON COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE NOTE, SERIES 1986 (A. M. QUATTLEBAUM, SR. PROJECT).

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

WHEREAS, the undertaking provides for the issuance of a not exceeding \$1,000,000 Lexington County, South Carolina, Industrial Revenue Note, Series 1986 (A. M. Quattlebaum, Sr. Project) pursuant to the Enabling Statute (the Note), and the loan of the proceeds thereof to A. M. Quattlebaum, Sr. (the Borrower), under the terms of a loan agreement between the County and the Borrower (the Loan Agreement), to finance the construction of improvements on a tract of land containing approximately nineteen and 58/100 (19.58) acres located on the east side of South Carolina Highway 391 two miles north of Batesburg in Lexington County, (such improvements, as so constructed, being referred to herein as the Project), all of which will constitute a facility which will be leased to Hartwell Industries, Inc., a South Carolina corporation, which will operate the Project as an addition to its existing ribbon weaving plant; and

01797

EXHIBIT

- 2 -

AUG 13 1986

NO. 1 4

STATE BUDGET & CONTROL BOARD

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

WHEREAS, the Note may be secured by the lien of a Mortgage and Security Agreement in the Project from the Borrower to the County (the Mortgage), which will be assigned by the County to the purchaser of the Note, NCB South Carolina, a banking association under the Laws of the State of South Carolina (the Purchaser), and the pledge of the loan payments under the Loan Agreement; and

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

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

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

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

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

c. The Project, when completed, will provide employment for forty to seventy (40-70) additional employees immediately; and

01798

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

2. On the basis of the foregoing findings, the proposed undertaking of the County Council to finance the construction of a manufacturing facility will constitute a "project" under the Enabling Statute, through the issuance of the not exceeding \$1,000,000 Lexington County, South Carolina, Industrial Revenue Note, payable from the loan payments to be derived under the Loan Agreement, and additionally to be secured by the Mortgage (if any) on the Project, and by the pledge of loan payments to be paid under the Loan Agreement, all pursuant to the Enabling Statute (including changes in any details of the financing, as finally consummated, which do not materially affect the undertaking), be, and the same is, hereby approved.

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

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

EXHIBIT

AUG 13 1986 NO. 14

STATE BUDGET & CONTROL BOARD

01799

EXHIBIT

AUG 13 1986 NO. 14

NOTICE PURSUANT TO STATE BUDGET & CONTROL BOARD
CHAPTER 29, TITLE 4, VOLUME 1,
CODE OF LAWS OF SOUTH CAROLINA 1976,
AS AMENDED

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

The financing by County Council of the construction of improvements on a tract of land containing approximately nineteen and 58/100 (19.58) acres located on the east side of South Carolina Highway 391 two miles north of Batesburg in Lexington County, (such improvements, as so constructed, being referred to herein as the Project), all of which will constitute a facility owned by A. M. Quattlebaum, Sr. (the Borrower) which will be leased to Hartwell Industries, Inc., a South Carolina corporation, which will operate the Project as an addition to its existing ribbon weaving plant. To finance the Project, the County Council will issue a not exceeding \$1,000,000 Lexington County, South Carolina, Industrial Revenue Note, Series 1986 (A. M. Quattlebaum, Sr. Project) (the Note), pursuant to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended, under the terms of a Loan Agreement (the Loan Agreement) between the County and the Borrower. The Note of Lexington County will be

01800

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

It is estimated that the Project, when completed, will provide employment for more forty to seventy (40-70) additional employees immediately.

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

STATE BUDGET AND CONTROL BOARD OF
SOUTH CAROLINA

By: William A. McInnis, Secretary

EXHIBIT

AUG 13 1986 NO. 14

STATE BUDGET & CONTROL BOARD

01801

EXHIBIT

AUG 13 1986

NO. 14

State of South Carolina

State Budget and Control Board

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

Box 12444

Columbia
29211

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

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

August 13, 1986

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

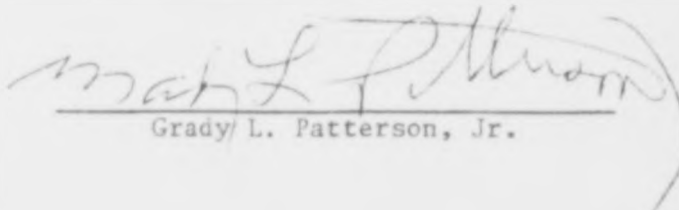
TENTATIVE ALLOCATION, CALENDAR YEAR 1986

TO: Lexington County
\$1,000,000
Industrial Development Bond
(A. M. Quattlebaum, Sr., Project)

The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Deficit Reduction Act of 1984 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1986 only. It will expire ninety (90) calendar days from August 13, 1986 (the date the allocation was approved by the Board), if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

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

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


Grady L. Patterson, Jr.

Attest:


William A. McInnis, Secretary

01802

EXHIBIT

AUG 13 1986 NO. 14

STATE BUDGET & CONTROL BOARD

PETITION
TO
THE STATE BUDGET AND CONTROL BOARD
OF
SOUTH CAROLINA

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

RE: NOT EXCEEDING \$1,000,000 LEXINGTON
COUNTY, SOUTH CAROLINA, INDUSTRIAL
REVENUE NOTE, SERIES 1986 (A. M.
QUATTLEBAUM, SR. PROJECT)

EX PARTE:
COUNTY COUNCIL OF LEXINGTON COUNTY
SOUTH CAROLINA

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

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

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

1. Lexington County (the County) proposes to issue its not exceeding \$1,000,000 Lexington County, South Carolina, Industrial Revenue Note, Series 1986 (A. M. Quattlebaum, Sr. Project) (the Note), pursuant to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended (the Enabling Statute), and loan the proceeds thereof to A. M. Quattlebaum, Sr. (the Borrower), pursuant to the terms of a loan agreement between the County and the Borrower (the Loan Agreement), to finance the construction of improvements on a tract of land containing approximately nineteen and 58/100 (19.58) acres on the east side of South Carolina Highway 391 two miles north of Batesburg, in Lexington County, (such improvements, as so constructed, being referred to herein as the Project), all of which will constitute facilities which will be leased to Hartwell Industries, Inc., a South Carolina corporation, which will operate the Project as an addition to its existing ribbon weaving plant.

2. The Borrower has advised County Council that the Project, together with the costs of issuing the Note, will cost \$1,000,000, and

that all costs in excess of the proceeds of the Note will be paid by the Borrower from its own funds.

3. The Borrower has further advised County Council that the Project, when completed, will provide employment for forty to seventy additional employees. As a result of the increased employment following completion of the Project, the economy of the County will be benefited by the increased payroll and, as a result of the proposed construction, improvement and installation of machinery and equipment, the tax base of the County will be increased. Thus, the proposed Project is anticipated to have a beneficial effect upon the economy of Lexington County and of the areas adjacent thereto.

4. The Borrower has advised the County Council of Lexington County that NCNB South Carolina, a banking association organized under the laws of the United States (the Purchaser), has committed to buy the Note, which will be issued as a single note, payable to the Purchaser or its registered assigns, in the principal amount of not exceeding \$1,000,000, with interest thereon from the date of delivery at the rate of Seventy-two per centum (72%) of the prime rate of the Purchaser, fixed every three years during the term of the Note. The Note shall be payable in two hundred forty (240) fully-amortized, successive, monthly installments of principal and interest, commencing six (6) months after the date of issuance of the Note,, with interest only as aforesaid on the principal balance from time to time outstanding for the first six months of the term of the Note. The Note will mature not later than May 31, 2007.

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

(a) To finance the cost of the Project, the County will issue its not exceeding \$2,000,000 Industrial Revenue Note, pursuant to the Enabling Statute. The Project will be owned by the Borrower and the County will have no ownership interest in the Project. The Note may be secured by a second mortgage lien on and security interest in the Project under a Mortgage and Security Agreement from the Borrower to the County (the Mortgage), which will be assigned to the Purchaser.

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

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

(d) The Loan Agreement shall contain an agreement obligating the Borrower to effect the completion of the Project if the proceeds of the Note prove insufficient, and obligating the Borrower to pay loan repayments, which, upon the basis of the determinations heretofore made by County Council, will

be sufficient to pay the principal of and interest on the Note. Inasmuch as the Purchaser has not deemed it advisable to build up and maintain any reserve in connection with the Project or the Note, no loan repayments will be required for that purpose.

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

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

6. Any Mortgage from the Borrower to the County, securing the Note, in the amount of not exceeding One Million and no/100 (\$1,000,000.00) Dollars, will be in conventional form and will constitute a forecloseable mortgage upon the Project. Included in the granting clause of the Mortgage may be:

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

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

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

7. County Council requests that \$2,000,000 of the State Ceiling on private activity bonds for calendar year 1986 be allocated to the Note. The allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the Project and any other facilities located at or used as a part of an integrated operation with the Project. County Council hereby certifies that this request for allocation is not made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

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

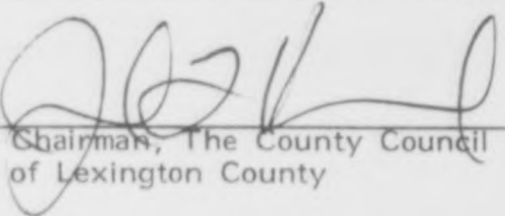
That the State Budget and Control Board accept the filing of the Petition presented herewith and that it thereafter, and as soon as practicable, make its independent investigation of the Project as it deems advisable, and that thereafter, the State Board make a finding that the proposed Project will promote the purpose of the said Enabling Statute, and that it is reasonably anticipated to effect such result, and, on the basis of such finding, that it does approve the Project, including changes in details of the financing as finally consummated which do not materially affect the undertaking, that \$1,000,000 of the state ceiling on private activity bonds for calendar year 1986 be allocated to the Note, and that it give published notice of its approval in the manner set forth in Code Section 4-29-140.

Respectfully submitted,

LEXINGTON COUNTY, SOUTH CAROLINA

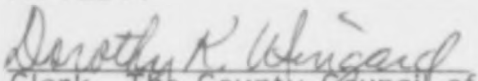
(SEAL)

By:



Chairman, The County Council
of Lexington County

ATTEST:


Clerk, The County Council of
Lexington County

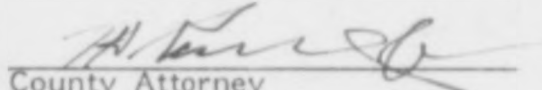
EXHIBIT

AUG 13 1986

NO. 14

STATE BUDGET & CONTROL BOARD

APPROVED AS TO FORM AND CONTENT:


County Attorney
Lexington County, South Carolina

EXHIBIT

AUG 13 1986

NO. 14

A RESOLUTION

STATE BUDGET & CONTROL BOARD

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

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

1. Lexington County (the County) has entered into an Assistance Contract with A. M. Quattlebaum, Sr. (the Borrower), whereby the County agrees, under the conditions set forth in the Assistance Contract, inter alia, to issue not to exceed \$2,000,000 Lexington County Industrial Revenue Bonds pursuant to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended (the Enabling Statute), to finance the construction of improvements on a tract of land containing approximately nineteen and 58/100 (19.58) acres on the east side of South Carolina Highway 391 two miles north of Batesburg, in Lexington County, (such improvements, as so constructed, being referred to herein as the Project), all of which will constitute a facility which will be leased to Hartwell Industries, Inc., a South Carolina corporation, which will operate the Project as an addition to its existing ribbon weaving plant.

2. The Borrower has now advised County Council that the cost of acquiring the land and existing building, expanding the building, and acquiring and installing the machinery and equipment will be \$1,000,000 and has requested that the County issue its industrial revenue note, in the principal amount of not exceeding \$1,000,000 (the Note), to finance the cost of acquiring, expanding and installing the Project, including the costs incident to the issuance of the Note.

3. The Borrower has further advised County Council that the Project, when completed, will provide employment initially for forty to seventy (40-70) additional employees.

4. The financing of the Project as proposed would render assistance to the Borrower in establishing a manufacturing enterprise in the County and thereby promote the industrial development of the State and develop trade by inducing this enterprise to locate in the State and thus utilize and employ the manpower, agricultural products, and natural resources of the State. The Project, thus, will subserve the purposes of said Enabling Statute.

01810

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

6. The Borrower has advised County Council that NCB South Carolina, a national banking association organized under the laws of the United States (the Bank), has committed to buy the Note, which will be issued as a single note, payable to the order of the Bank, in the principal amount of \$1,000,000, with interest thereon from the date of delivery at the rate of not exceeding seventy-two per centum (72%) of the prime rate of the Bank, fixed every three (3) years during the term of the Note. The Note shall be payable in two hundred forty (240) fully-amortized, successive, monthly installments of principal and interest, commencing 6 months after the date of issuance of the Note, with interest only as aforesaid on the principal balance from time to time outstanding payable monthly for the first six months of the term of the Note. The Note will mature not later than May 31, 2007.

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

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

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

01811

EXHIBIT "A"

EXHIBIT

AUG 13 1986 NO. 14

STATE BUDGET & CONTROL BOARD

PETITION
TO
THE STATE BUDGET AND CONTROL BOARD
OF
SOUTH CAROLINA

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

RE: NOT EXCEEDING \$1,000,000 LEXINGTON
COUNTY, SOUTH CAROLINA, INDUSTRIAL
REVENUE NOTE, SERIES 1986 (A. M.
QUATTLEBAUM, SR. PROJECT)

EX PARTE:
COUNTY COUNCIL OF LEXINGTON COUNTY
SOUTH CAROLINA

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

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

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

1. Lexington County (the County) proposes to issue its not exceeding \$1,000,000 Lexington County, South Carolina, Industrial Revenue Note, Series 1986 (A. M. Quattlebaum, Sr. Project) (the Note), pursuant to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended (the Enabling Statute), and loan the proceeds thereof to A. M. Quattlebaum, Sr. (the Borrower), pursuant to the terms of a loan agreement between the County and the Borrower (the Loan Agreement), to finance the construction of improvements on a tract of land containing approximately nineteen and 58/100 (19.58) acres on the east side of South Carolina Highway 391 two miles north of Batesburg, in Lexington County, (such improvements, as so constructed, being referred to herein as the Project), all of which will constitute facilities which will be leased to Hartwell Industries, Inc., a South Carolina corporation, which will operate the Project as an addition to its existing ribbon weaving plant.

2. The Borrower has advised County Council that the Project, together with the costs of issuing the Note, will cost \$1,000,000, and

that all costs in excess of the proceeds of the Note will be paid by the Borrower from its own funds.

3. The Borrower has further advised County Council that the Project, when completed, will provide employment for forty to seventy additional employees. As a result of the increased employment following completion of the Project, the economy of the County will be benefited by the increased payroll and, as a result of the proposed construction, improvement and installation of machinery and equipment, the tax base of the County will be increased. Thus, the proposed Project is anticipated to have a beneficial effect upon the economy of Lexington County and of the areas adjacent thereto.

4. The Borrower has advised the County Council of Lexington County that NCNB South Carolina, a banking association organized under the laws of the United States (the Purchaser), has committed to buy the Note, which will be issued as a single note, payable to the Purchaser or its registered assigns, in the principal amount of not exceeding \$1,000,000, with interest thereon from the date of delivery at the rate of Seventy-two per centum (72%) of the prime rate of the Purchaser, fixed every three years during the term of the Note. The Note shall be payable in two hundred forty (240) fully-amortized, successive, monthly installments of principal and interest, commencing six (6) months after the date of issuance of the Note,, with interest only as aforesaid on the principal balance from time to time outstanding for the first six months of the term of the Note. The Note will mature not later than May 31, 2007.

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

(a) To finance the cost of the Project, the County will issue its not exceeding \$2,000,000 Industrial Revenue Note, pursuant to the Enabling Statute. The Project will be owned by the Borrower and the County will have no ownership interest in the Project. The Note may be secured by a second mortgage lien on and security interest in the Project under a Mortgage and Security Agreement from the Borrower to the County (the Mortgage), which will be assigned to the Purchaser.

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

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

(d) The Loan Agreement shall contain an agreement obligating the Borrower to effect the completion of the Project if the proceeds of the Note prove insufficient, and obligating the Borrower to pay loan repayments, which, upon the basis of the determinations heretofore made by County Council, will

be sufficient to pay the principal of and interest on the Note. Inasmuch as the Purchaser has not deemed it advisable to build up and maintain any reserve in connection with the Project or the Note, no loan repayments will be required for that purpose.

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

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

6. Any Mortgage from the Borrower to the County, securing the Note, in the amount of not exceeding One Million and no/100 (\$1,000,000.00) Dollars, will be in conventional form and will constitute a forecloseable mortgage upon the Project. Included in the granting clause of the Mortgage may be:

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

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

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

7. County Council requests that \$2,000,000 of the State Ceiling on private activity bonds for calendar year 1986 be allocated to the Note. The allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the Project and any other facilities located at or used as a part of an integrated operation with the Project. County Council hereby certifies that this request for allocation is not made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

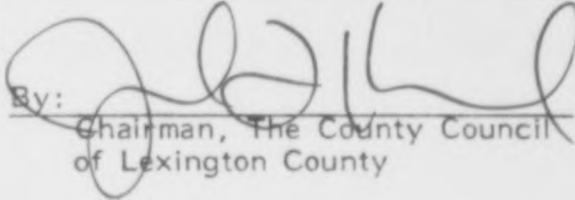
Upon the basis of the foregoing, the County Council respectfully prays:

That the State Budget and Control Board accept the filing of the Petition presented herewith and that it thereafter, and as soon as practicable, make its independent investigation of the Project as it deems advisable, and that thereafter, the State Board make a finding that the proposed Project will promote the purpose of the said Enabling Statute, and that it is reasonably anticipated to effect such result, and, on the basis of such finding, that it does approve the Project, including changes in details of the financing as finally consummated which do not materially affect the undertaking, that \$1,000,000 of the state ceiling on private activity bonds for calendar year 1986 be allocated to the Note, and that it give published notice of its approval in the manner set forth in Code Section 4-29-140.

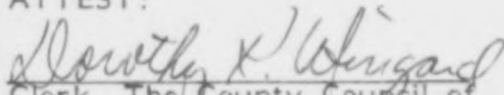
Respectfully submitted,

LEXINGTON COUNTY, SOUTH CAROLINA

(SEAL)

By: 
Chairman, The County Council
of Lexington County

ATTEST:


Clerk, The County Council of
Lexington County

APPROVED AS TO FORM AND CONTENT:

County Attorney
Lexington County, South Carolina

STATE OF SOUTH CAROLINA)
)
COUNTY OF LEXINGTON)

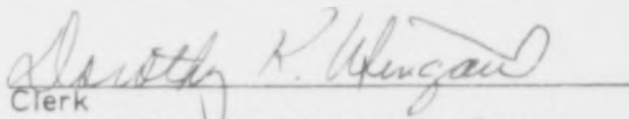
THIS IS TO CERTIFY that the foregoing is an exact, verbatim copy of a Resolution unanimously adopted at a duly called and held special meeting of the County Council of Lexington County, South Carolina, held in Council Chambers in Lexington County Administrative Building, Lexington, South Carolina, on July 29, 1986, at which meeting a quorum was present and remained throughout, and which meeting was open to the public.

Written public notice of the special meeting was given as early as practicable by posting a copy of the notice and the agenda at the principal office of the County Council containing the date, time, and place of such meeting. An effort was made on behalf of the County Council to notify local news media and such other news media as may request official notification of the time, date, place and agenda of said meeting. The efforts were noted in the minutes of such meeting.

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

WITNESS my Hand and the Seal of Lexington County, South Carolina, this 29th day of July, A.D. 1986.

(SEAL)


Clerk
County Council of Lexington County
South Carolina

EXHIBIT

AUG 13 1986 NO. 1 4

STATE BUDGET & CONTROL BOARD

01819

EXHIBIT

AUG 13 1986

NO. 14

ASSISTANCE CONTRACT

STATE BUDGET & CONTROL BOARD

THIS CONTRACT made and entered into by and between LEXINGTON COUNTY, SOUTH CAROLINA, a body politic and corporate and a political subdivision of the State of South Carolina (the County), and A. M. QUATTLEBAUM, SR., (Quattlebaum),

WITNESSETH:

ARTICLE I

RECITATION OF FACTS

SECTION 1.01

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

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

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

2. Quattlebaum proposes that the County finance the (i) acquisition of a tract of land containing approximately nineteen and 58/100 (19.58) acres on the east side of South Carolina Highway 391 two miles north of Batesburg, in Lexington County, (ii) the construction of improvements thereon, and (iii) acquisition and installation of machinery and equipment therein and thereon, at a cost of not exceeding \$2,000,000. Such land, improvements, machinery and equipment, as so acquired, constructed, and installed, are hereinafter called the Project. The Project will be leased to Hartwell Industries, Inc., a South Carolina corporation, which will operate the Project as an addition to its existing ribbon weaving plant and will provide employment initially for forty to seventy (40-70) additional employees.

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

4. The County has given due consideration to all of the proposals and requests of Quattlebaum submitted to it and has agreed to endeavor to effect the issuance of the bonds hereinafter spoken of at the time and on the terms and conditions hereinafter set forth.

ARTICLE II
UNDERTAKINGS OF THE COUNTY

SECTION 2.01

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

1. It will enter into a Loan Agreement (the Loan Agreement) with Quattlebaum, upon such terms and conditions as shall be mutually agreed upon between the County and Quattlebaum, pursuant to which it will lend to Quattlebaum the proceeds of not exceeding \$2,000,000 Industrial Revenue Bonds (A. M. Quattlebaum, Sr., Project), in order that such proceeds be applied to the cost of the Project and expenses incident thereto, including the costs of the financing;

2. It will, subject to the approval by the State Budget and Control Board required by the Enabling Statute, authorize the issuance of not exceeding TWO MILLION and no/100 (\$2,000,000.00) DOLLARS Lexington County, South Carolina, Industrial Revenue Bonds (A. M. Quattlebaum, Sr., Project) (the Bonds), under the Enabling Statute, as a single issue or as several separate issues, at such time as Quattlebaum may request the County to do so;

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

4. If the Bonds shall be sold, the County will provide that the proceeds thereof shall be applied to the payment of the costs theretofore and thereafter to be incurred in the acquisition, expansion, and

installation of the Project, including advances made or loans incurred by Quattlebaum for such purposes, costs incident to the issuance of the Bonds, and the payment, to the extent permitted by the Enabling Statute, of interest on the Bonds;

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

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

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

ARTICLE III

UNDERTAKINGS OF QUATTLEBAUM

SECTION 3.01

Quattlebaum agrees as follows:

1. Quattlebaum will market the Bonds on behalf of the County and, in this connection, Quattlebaum expressly acknowledges that the County has no obligation with regard to the marketing of the Bonds;

2. Quattlebaum will enter into the Loan Agreement with the County under the terms of which Quattlebaum will unconditionally obligate himself to pay to the County sums sufficient to pay the principal of, premium, if any, and interest on the Bonds as and when the same become due and payable, which Loan Agreement shall be in such form and content satisfactory to the County and to Quattlebaum;

3. Quattlebaum will, if necessary, enter into the Mortgage, securing his obligations to the County under the Loan Agreement;

4. Quattlebaum will obligate himself to perform all obligations required of him pursuant to the Enabling Statute;

5. Quattlebaum will hold the County harmless from all pecuniary liability and will reimburse it for all expenses to which the County might be put in the fulfillment of its obligations under this Contract and the Loan Agreement and in the implementation of the respective terms and provisions thereof; and

6. Quattlebaum will perform such further acts as may be required to implement faithfully his undertakings under this Contract.

ARTICLE IV
GENERAL PROVISIONS

SECTION 4.01

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

SECTION 4.02

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

SECTION 4.03

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

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have caused this Contract to be executed in their respective names and under their respective seals as of April 23, 1986, but on the respective dates indicated below.

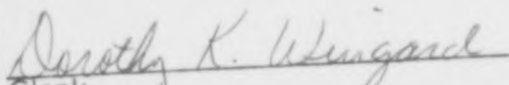
LEXINGTON COUNTY, SOUTH CAROLINA

(SEAL)

By: 

Chairman
County Council of
Lexington County, South Carolina

ATTEST:



Clerk
County Council of
Lexington County, South Carolina

Dated: April 23, 1986

EXHIBIT

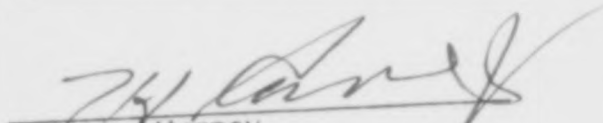
AUG 13 1986 NO. 14

STATE BUDGET & CONTROL BOARD

 (L.S.)
A. M. Quattlebaum, Sr.

Dated: April 23, 1986

APPROVED AS TO FORM AND CONTENT:


County Attorney
Lexington County, South Carolina

EXHIBIT

AUG 13 1986 NO. 14

A RESOLUTION STATE BUDGET & CONTROL BOARD

AUTHORIZING AN ASSISTANCE CONTRACT BETWEEN LEXINGTON COUNTY AND A. M. QUATTLEBAUM, SR., TO PROVIDE FOR THE ISSUANCE OF LEXINGTON COUNTY INDUSTRIAL REVENUE BONDS (A. M. QUATTLEBAUM, SR., PROJECT), THE PROCEEDS OF WHICH WILL BE LOANED TO A. M. QUATTLEBAUM, SR., TO PROVIDE FOR INDUSTRIAL FACILITIES IN LEXINGTON COUNTY.

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

That, subject to the provisions of Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended (the Enabling Statute), the County Council approves the issuance of not exceeding \$2,000,000 Lexington County, South Carolina, Industrial Revenue Bonds (the Bonds), on behalf of A. M. Quattlebaum, Sr. (Quattlebaum), for financing the acquisition of land, the construction of improvements thereon, and the acquisition and installation of machinery and equipment therein and thereon (such land, improvements, machinery, and equipment, as so acquired, constructed, and installed, being referred to herein as the Project), all of which will be leased to Hartwell Industries, Inc., a South Carolina corporation, which will operate the Project as an addition to its existing ribbon weaving plant and that the proposed Project will qualify as a "project" under the Enabling Statute;

01828

That the Bonds shall never constitute an indebtedness of Lexington County (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 a charge against its general credit or taxing powers;

That the Chairman, or, in his absence, the Vice Chairman, of the County Council is authorized to sign, with the approval of the County Attorney, attested by the Clerk of the County Council, an assistance contract, substantially in the form attached hereto as Exhibit A, providing for the issuance of the Bonds;

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

That this Resolution shall take effect immediately.

EXHIBIT

AUG 13 1986 NO. 14

STATE BUDGET & CONTROL BOARD

01829

EXHIBIT

State of South Carolina

AUG 13 1986

NO. 14

State Budget and Control Board

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



Box 12444
Columbia
29211

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

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

August 7, 1986

Mr. Samuel W. Howell, IV
McKay & Guerard
Drawer 7157
Columbia, SC 29202

Dear Sam:

Re: Lexington County, A. M. Quattlebaum, Sr., Project

The resolution you propose for adoption by the Budget and Control Board includes extraneous material (paragraph 4) which, under our procedures, should be removed. The words you included regarding the submission of the 8038 are an archaic condition in light of the later ceiling allocation regulations.

We will go ahead and process this proposal but we will wait to certify a version of the Board's resolution without paragraph 4 insofar as it relates to the submission of the 8038.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill", written in dark ink.

William A. McInnis
Deputy Executive Director

M

01830

EXHIBIT

INDUSTRIAL REVENUE BOND PROJECT

AUG 13 1986 NO. 14

A. M. Quattlebaum, Sr. Project

STATE BUDGET & CONTROL BOARD

GOVERNING BOARD

County Council of Lexington County

BOND COUNSEL

McKay & Guerard, P.A.
Columbia, SC 29202

FINDINGS BY GOVERNING BOARD (§ 4-29-60)

The Governing Board shall find:

☒ (1) The project will subserve the purposes of Chapter 28, Title 4;

☒ (2) The project is anticipated to benefit the general public welfare of the locality by providing services, employment, recreation, or other public benefits not otherwise provided locally;

☒ (3) The project will give rise to no pecuniary liability of county or incorporated municipality or a charge against its general credit or taxing power;

01831

\$1,000,000 (4) The amount of bonds required to finance the project;

✓ (5) The amount necessary in each year to pay the principal of and the interest on the bonds proposed to be issued to finance the project;

Not Required (6) The amount necessary to be paid each year into any reserve funds which the governing board may deem advisable to establish in connection with the retirement of the proposed bonds and the maintenance of the project;

✓ (7) Unless the terms of the financing agreement with respect to the project provide that the industry shall maintain the project and carry all proper insurance with respect thereto, the cost of maintaining the project in good repair and keeping it properly insured;

✓ (8) The determinations and findings of the governing board required to be made above shall be set forth in the proceedings under which the proposed bonds are to be issued.

FINANCING AGREEMENT (§ 4-29-60)

Every financing agreement with respect to a project shall contain an agreement:

✓ obligating the industry to effect the completion of the project if the proceeds of the bonds prove insufficient, and

obligating the industry to pay an amount under the terms of a financing agreement, which, upon the basis of the determinations theretofore made, will be sufficient:

- ✓ (a) to pay the principal of and interest on the bonds issued to finance the project;
- Not Required (b) to build up and maintain any reserves deemed by the governing board to be advisable in connection therewith, and
- ✓ (c) unless the financing agreement obligates the industry to pay for the maintenance and insurance of the project, to pay the costs of maintaining the project in good repair and keeping it properly insured.

_____ Every financing agreement in the form of a lease shall contain a provision requiring the industry to make payments to the county or counties, municipality or municipalities, school district or school districts, and other political units wherein the project shall be located in lieu of taxes, in such amounts as would result from taxes levied on the project by such county or counties, municipality or municipalities, school district or school districts, and other political unit

or units, if the project were owned by the industry, but with appropriate reductions similar to the tax exemptions, if any, which would be afforded to the industry if it were the owner of the project.

REFUNDING BONDS (§ 4-29-110)

_____ may not exceed an amount sufficient to refund the principal of the bonds to be refunded, together with any unpaid interest thereon and any premiums, expenses, and commissions necessary to be paid in connection therewith.

PETITION (§ 4-29-140)

Must set forth

✓ (a)(1) a brief description of the project proposed to be undertaken, and

✓ (a)(2) its anticipated effect upon the economy of the county or incorporated municipality in which the project is to be located and of the areas adjacent thereto;

✓ (b) a reasonable estimate of the cost of the project;

✓ (c)(1) a general summary of the terms and conditions of the financing agreement and security agreement to be made,

_____ (c)(2) a statement establishing the basis for the payment of sums in lieu of taxes as required by § 4-29-60.

C1834

FINDINGS BY BUDGET AND CONTROL BOARD

✓ the project is intended to promote the
purposes of Chapter 29, Title 4, (Public Purpose)

✓ the project is reasonably anticipated to
effect such result.

QUESTIONS CONSIDERED

01835

McKAY & GUÉRARD, P.A.
SIXTH FLOOR, SOUTH CAROLINA NATIONAL BANK BUILDING
POST OFFICE DRAWER 7157
COLUMBIA, SOUTH CAROLINA 29202
TELEPHONE 803/ 765-2396

EXHIBIT ^{AUG 15 1986}

AUG 13 1986 NO. 14

STATE BUDGET & CONTROL BOARD

Of Counsel
William J. Quirk, P.A.
Certified Specialist - Taxation Law
Also Admitted in New York

2 PRIOLEAU STREET
P.O. BOX 1119
CHARLESTON, S.C. 29402
(803) 722-7606

August 11, 1986

Julius W. McKay
Theodore B. Guerard
W.E. Applegate, III
Sherwood M. Cleveland
Robert M. Kunes

Certified Specialist - Taxation Law
Estate Planning & Probate Law

Adele J. Pope

Certified Specialist - Estate Planning & Probate Law

William C. Cleveland*
John Paul Trouche**
William P. Simpson
Samuel W. Howell, IV
Shawn D. Wallace
Deborah K. Neese
Richard C. Detwiler

*Also Admitted in California

**Also Admitted in Georgia

Mr William A. McInnis
State Budget and Control Board
Wade Hampton Office Building, 6th Floor
Columbia, South Carolina 29201

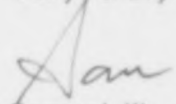
RE: \$1,000,000 Lexington County, South Carolina
Industrial Revenue Note, Series 1986
(A. M. Quattlebaum, Sr. Project)

Dear Mr McInnis:

Enclosed please find an original and six copies of the corrected Resolution approving the above-captioned bonds reflecting the changes in paragraph 4 that you requested. If there is anything further you need in connection with this matter, please do not hesitate to give me a call.

With kindest personal regards, I remain

Very truly yours,


Samuel W. Howell, IV

SWH/prg
Enclosure

01836

AUG - 6 1986

TRANSMITTAL FORM, REVENUE BONDS

Date: August 5, 1986
Submitted for BCB Meeting on:
August 13, 1986

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

FROM:

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

1401 Main Street, P. O. Drawer 7157
Street Address/Box Number
(803) 765-2396
Telephone Area Code and Number

RE: \$1,000,000
Amount of Issue
Lexington County, South Carolina
Issuing Authority Name

Industrial Revenue Note
Type of Bonds or Notes
September 1, 1986
Projected Issue Date

Project Name: A. M. Quattlebaum, Sr. Project

Project Description:

Expansion of existing ribbon weaving plant of Hartwell Industries, Inc. located on
S. C. Highway 391 two miles north of Batesburg

Employment as result of project: forty to seventy (40-70)

CEILING ALLOCATION REQUIRED
X Yes (\$ 1,000,000) No
Amount

REFUNDING INVOLVED
Yes (\$) X No
Amount

PROJECT APPROVED PREVIOUSLY
Yes () X No
Date

DOCUMENTS ENCLOSED:

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

- A. X Petition (executed original and two copies)
B. X Resolution or ordinance (executed copy)
C. X Inducement Resolution or comparable preliminary approval (executed copy)
D. X Standard Form Investment Letter from bonds purchaser (executed original)
(Purchaser: NCNB South Carolina)

OR Audited financial statements for three most recent years

- E. Department of Health and Environmental Control certificate IF REQUIRED
F. X Budget and Control Board Resolution and Public Notice (original)
[Plus 6 copies for certification and return to counsel]
G. X Processing fee

Amount \$ 2,000.00

Check No. 003930

Payor Hartlee-Quattlebaum Incorporated

EXHIBIT

Bond Counsel: Samuel W. Howell, IV

Typed Name

AUG 13 1986

NO. 1 4

By:

Signature

STATE BUDGET & CONTROL BOARD

August 13 agenda
AM Quattlebaum Sr.

EXHIBIT

AUG 13 1986 NO. 14

STATE BUDGET & CONTROL BOARD

- A. Did the submitter send the executed original (preferably meaning a document other than a machine copy but, realistically, that or a machine copy with original signatures on it) of the petition and two copies? *yes*
- (1) Does the petition ask for approval of a specific amount or a not exceeding amount? *yes*
- (2) Does the petition ask for a State Ceiling allocation? *yes* so, is the amount specific? *yes* The preferred style is specific and its use should be encouraged.
- (3) Is the "no consideration" statement included? *yes* Its inclusion is advisable but not required.
- B. Did the submitter send an executed copy (meaning a machine copy of the signed document) of a resolution or ordinance authorizing the petition to the Board? *yes*
- C. Did the submitter send an executed copy (meaning a machine copy of the signed document) of an inducement resolution or comparable preliminary approval of the project and the issue? *yes*
- D. Did the submitter send the executed original (meaning the document with original signatures on it) standard form investment letter? *yes* OR did the submitter send audited financials for the three most recent years?
- E. Is a DHEC Certificate of Need required? *no* If so, did submitter send it? If a DHEC certificate is not required (we are dependent here on bond counsel opinion), our processing does not require a DHEC letter confirming that fact. Our regulations require the Certificate and they make no mention of other devices such as the so-called "30-day letter."
- F. Did submitter send original of proposed Board resolution and notice? *yes*
- (1) Does resolution have Board approving a specific amount or a not exceeding amount for State law purposes? *yes* If the style is something other than one of these, it should not be processed.
- (2) If a State Ceiling allocation is involved in the project, the Board resolution should not include any reference to a ceiling allocation because the allocation process is handled otherwise. Does it? *no*
- (3) If a State Ceiling allocation is involved in the project, the Board resolution should not include any reference to a requirement to submit IRS Form 8038 because that is covered by Board regulations on the subject. Does it? *yes*
- (4) If a State Ceiling allocation is not involved in the project, the Board resolution should include the condition that the 8038 be submitted to the Board at the same time it is submitted to the IRS. *n/a*
- (5) Did submitter send copies for certification and return? *yes*
- G. Did submitter send a check for the processing fee? *yes*

01838

TRANSMITTAL FORM, REVENUE BONDS

Date: August 5, 1986

Submitted for BCB Meeting on:

August 13, 1986

TO: William A. McInnis, Secretary
State Budget and Control Board
600 Wade Hampton Office Building
Columbia, SC 29201

OR P. O. Box 12444, Columbia, SC 29211

AUG - 6 1986

8/13/86
Jm

FROM:

McKay & Guerard, P.A.

Name of Law Firm

Columbia, South Carolina 29202

City, State, Zip Code

1401 Main Street, P. O. Drawer 7157

Street Address/Box Number

(803) 765-2396

Telephone Area Code and Number

RE: \$1,000,000

Amount of Issue

Lexington County, South Carolina

Issuing Authority Name

Industrial Revenue Note

Type of Bonds or Notes

September 1, 1986

Projected Issue Date

Project Name: A. M. Quattlebaum, Sr. Project

Project Description:

Expansion of existing ribbon weaving plant of Hartwell Industries, Inc. located on
S. C. Highway 391 two miles north of Batesburg

Employment as result of project: forty to seventy (40-70)

CEILING ALLOCATION REQUIRED

X Yes (\$ 1,000,000) No
Amount

REFUNDING INVOLVED

Yes (\$) X No
Amount

PROJECT APPROVED PREVIOUSLY

Yes () X No
Date

DOCUMENTS ENCLOSED:

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

- A. X Petition (executed original and two copies)
B. X Resolution or ordinance (executed copy)
C. X Inducement Resolution or comparable preliminary approval (executed copy)
D. X Standard Form Investment Letter from bonds purchaser (executed original)
(Purchaser: NCNB South Carolina)

OR Audited financial statements for three most recent years

E. Department of Health and Environmental Control certificate IF REQUIRED

F. X Budget and Control Board Resolution and Public Notice (original)

[Plus 6 copies for certification and return to counsel]

G. X Processing fee

Amount \$ 2,000.00

Check No. 003930

Payor Hartlee-Quattlebaum Incorporated

Bond Counsel: Samuel W. Howell, IV

Typed Name

By:

Samuel W. Howell, IV
Signature

EXHIBIT

AUG 13 1986

NO. 14

STATE BUDGET & CONTROL BOARD

01839

State of South Carolina
State Budget and Control Board

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

Box 12444
Columbia
29211

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

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

October 10, 1986

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

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

RE: Issue of \$1,000,000 Lexington County, South Carolina
Industrial Revenue Bonds
(A. M. Quattlebaum, Sr., Project)
Issue Date Certified By Issuing Authority: October 10, 1986
Issue Amount Certificate Received by Board Secretary: October 10, 1986

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

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

William A. McInnis

William A. McInnis, Secretary

01840

Part I Reporting Authority

Check box if Amended Return ►

1. Issue's name
Lexington County, South Carolina

2 Issuer's employer identification number
57-6000379

3 Number and street
212 South Lake Drive

4	Issue number	10
---	--------------	----

5 City or town, State and ZIP code
Lexington, South Carolina 29072

6 Date of issue
October 10, 1986

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

Bonds other than Industrial Development Bonds (IDBs):

Face Amount

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

Industrial Development Bonds:

- 11 ☐ Industrial park bond
- 12 ☒ Small issue IDB: Check box if \$10 million small issue election ▶ ☒

\$1,000,000

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

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

Part III Description of Obligations

[illegible]

- | | | | |
|----|--|---|-------------|
| 15 | Weighted average maturity of the issue | ▶ | 10.63 years |
| 16 | If issue is an advance refunding, enter the earliest call date | ▶ | |

Part IV Proceeds of Issue

- | | | |
|----|--|-------------|
| 17 | Total purchase price (regs. section 1.103-13(d)(2)) | \$1,000,000 |
| 18 | Proceeds used for bond issuance costs | -0- |
| 19 | Proceeds allocated to reasonably required reserve or replacement fund | -0- |
| 20 | Proceeds used to refund prior issues | -0- |
| 21 | Non-refunding proceeds of the issue (subtract lines 18, 19, and 20 from line 17) | 1,000,000 |

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

22 Type of Property Financed (or portion thereof financed by non-refunding proceeds)	
a 3-yr. ACRS property	-0-
b 5-yr. ACRS property	-0-
c 10-yr. ACRS property	-0-
d 15-yr. ACRS property	-0-
e 18-yr. ACRS property	992,500
f Cost of land	-0-
g Cost of other property (see instructions)	-0-
23 Other use of non-refunding proceeds (subtract lines 22a-g from Part IV, line 21 (see instructions))	7,500
24 Standard industrial classification (SIC) of non-refunding proceeds for the financed project.	
SIC Code	Non-refunding proceeds \$
a 2388	992,500
b	
c	
25 Average weighted economic life of the project (complete only for IDBs)	
	50.0 years

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

(A) User	(B) Name	(C) Address	(D) Employer identification number
(i)	A. M. Quattlebaum, Sr.	P. O. Box 1870, Florence, S.C. 29503	Social Security No.: 247-46-3045
(ii)	C. M. Offray & Son, Inc.	261 Madison Ave. New York, NY 10016	131119260
(iii)			
(iv)			
(v)			

27 Common parents (if any) of initial principal users listed above:

(A) User (from above)	(B) Name	(C) Address	(D) Employer identification number
	NONE		

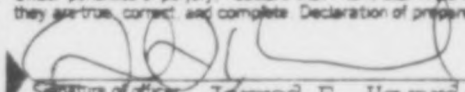
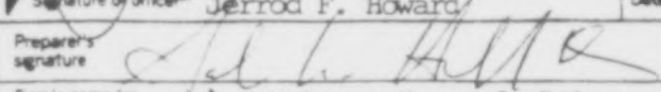
Part VII Approval of Issue (Complete only for IDBs)

28 Name of Governmental units approving issue ▶ Lexington County, South Carolina

29 Names and positions of applicable elected representatives or date of referendum approving issue ▶ County Council of Lexington County, South Carolina

Part VIII Volume Limitations for Qualified Mortgage or Veterans' Bonds

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

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.	
	Signature of officer 	Date 10/16/86
Paid Preparer's Use Only	Preparer's signature 	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours, if self-employed) and address McKay & Guerard, P.A. 1401 Main Street, Cola, SC 29201	Preparer's social security no. E.I. No. 57-0730838 ZIP code 29202

Part V, Line 23

\$7,500 of Bond Proceeds will be used to pay construction period interest.

01843

SCHEDULE A

<u>Maturity Date</u>	<u>Face amount (fully amortized payments of principal and interest)</u>	<u>Stated Interest Rate</u>	<u>Term (in years)</u>
May 10, 1987	\$4,166.67	72% of Prime Rate	7/12
June 10, 1987	\$4,166.67	72% of Prime Rate	2/3
July 10, 1987	\$4,166.67	72% of Prime Rate	3/4
August 10, 1987	\$4,166.67	72% of Prime Rate	5/6
September 10, 1987	\$4,166.67	72% of Prime Rate	11/12
October 10, 1987	\$4,166.67	72% of Prime Rate	1
November 10, 1987	\$4,166.67	72% of Prime Rate	1 1/12
December 10, 1987	\$4,166.67	72% of Prime Rate	1 1/6
January 10, 1988	\$4,166.67	72% of Prime Rate	1 1/4
February 10, 1988	\$4,166.67	72% of Prime Rate	1 1/3
March 10, 1988	\$4,166.67	72% of Prime Rate	1 5/12
April 10, 1988	\$4,166.67	72% of Prime Rate	1 1/2
May 10, 1988	\$4,166.67	72% of Prime Rate	1 7/12
June 10, 1988	\$4,166.67	72% of Prime Rate	1 2/3
July 10, 1988	\$4,166.67	72% of Prime Rate	1 3/4
August 10, 1988	\$4,166.67	72% of Prime Rate	1 5/6
September 10, 1988	\$4,166.67	72% of Prime Rate	1 11/12
October 10, 1988	\$4,166.67	72% of Prime Rate	2
November 10, 1988	\$4,166.67	72% of Prime Rate	2 1/12
December 10, 1988	\$4,166.67	72% of Prime Rate	2 1/6
January 10, 1989	\$4,166.67	72% of Prime Rate	2 1/4
February 10, 1989	\$4,166.67	72% of Prime Rate	2 1/3
March 10, 1989	\$4,166.67	72% of Prime Rate	2 5/12
April 10, 1989	\$4,166.67	72% of Prime Rate	2 1/2
May 10, 1989	\$4,166.67	72% of Prime Rate	2 7/12
June 10, 1989	\$4,166.67	72% of Prime Rate	2 2/3
July 10, 1989	\$4,166.67	72% of Prime Rate	2 3/4
August 10, 1989	\$4,166.67	72% of Prime Rate	2 5/6
September 10, 1989	\$4,166.67	72% of Prime Rate	2 11/12
October 10, 1989	\$4,166.67	72% of Prime Rate	3
November 10, 1989	\$4,166.67	72% of Prime Rate	3 1/12
December 10, 1989	\$4,166.67	72% of Prime Rate	3 1/6
January 10, 1990	\$4,166.67	72% of Prime Rate	3 1/4
February 10, 1990	\$4,166.67	72% of Prime Rate	3 1/3
March 10, 1990	\$4,166.67	72% of Prime Rate	3 5/12
April 10, 1990	\$4,166.67	72% of Prime Rate	3 1/2
May 10, 1990	\$4,166.67	72% of Prime Rate	3 7/12
June 10, 1990	\$4,166.67	72% of Prime Rate	3 2/3
July 10, 1990	\$4,166.67	72% of Prime Rate	3 3/4
August 10, 1990	\$4,166.67	72% of Prime Rate	3 5/6
September 10, 1990	\$4,166.67	72% of Prime Rate	3 11/12
October 10, 1990	\$4,166.67	72% of Prime Rate	4
November 10, 1990	\$4,166.67	72% of Prime Rate	4 1/12
December 10, 1990	\$4,166.67	72% of Prime Rate	4 1/6

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January 10, 1991	\$4,166.67	72% of Prime Rate	4 1/4
February 10, 1991	\$4,166.67	72% of Prime Rate	4 1/3
March 10, 1991	\$4,166.67	72% of Prime Rate	4 5/12
April 10, 1991	\$4,166.67	72% of Prime Rate	4 1/2
May 10, 1991	\$4,166.67	72% of Prime Rate	4 7/12
June 10, 1991	\$4,166.67	72% of Prime Rate	4 2/3
July 10, 1991	\$4,166.67	72% of Prime Rate	4 3/4
August 10, 1991	\$4,166.67	72% of Prime Rate	4 5/6
September 10, 1991	\$4,166.67	72% of Prime Rate	4 11/12
October 10, 1991	\$4,166.67	72% of Prime Rate	5
November 10, 1991	\$4,166.67	72% of Prime Rate	5 1/12
December 10, 1991	\$4,166.67	72% of Prime Rate	5 1/6
January 10, 1992	\$4,166.67	72% of Prime Rate	5 1/4
February 10, 1992	\$4,166.67	72% of Prime Rate	5 1/3
March 10, 1992	\$4,166.67	72% of Prime Rate	5 5/12
April 10, 1992	\$4,166.67	72% of Prime Rate	5 1/2
May 10, 1992	\$4,166.67	72% of Prime Rate	5 7/12
June 10, 1992	\$4,166.67	72% of Prime Rate	5 2/3
July 10, 1992	\$4,166.67	72% of Prime Rate	5 3/4
August 10, 1992	\$4,166.67	72% of Prime Rate	5 5/6
September 10, 1992	\$4,166.67	72% of Prime Rate	5 11/12
October 10, 1992	\$4,166.67	72% of Prime Rate	6
November 10, 1992	\$4,166.67	72% of Prime Rate	6 1/12
December 10, 1992	\$4,166.67	72% of Prime Rate	6 1/6
January 10, 1993	\$4,166.67	72% of Prime Rate	6 1/4
February 10, 1993	\$4,166.67	72% of Prime Rate	6 1/3
March 10, 1993	\$4,166.67	72% of Prime Rate	6 5/12
April 10, 1993	\$4,166.67	72% of Prime Rate	6 1/2
May 10, 1993	\$4,166.67	72% of Prime Rate	6 7/12
June 10, 1993	\$4,166.67	72% of Prime Rate	6 2/3
July 10, 1993	\$4,166.67	72% of Prime Rate	6 3/4
August 10, 1993	\$4,166.67	72% of Prime Rate	6 5/6
September 10, 1993	\$4,166.67	72% of Prime Rate	6 11/12
October 10, 1993	\$4,166.67	72% of Prime Rate	7
November 10, 1993	\$4,166.67	72% of Prime Rate	7 1/12
December 10, 1993	\$4,166.67	72% of Prime Rate	7 1/6
January 10, 1994	\$4,166.67	72% of Prime Rate	7 1/4
February 10, 1994	\$4,166.67	72% of Prime Rate	7 1/3
March 10, 1994	\$4,166.67	72% of Prime Rate	7 5/12
April 10, 1994	\$4,166.67	72% of Prime Rate	7 1/2
May 10, 1994	\$4,166.67	72% of Prime Rate	7 7/12
June 10, 1994	\$4,166.67	72% of Prime Rate	7 2/3
July 10, 1994	\$4,166.67	72% of Prime Rate	7 3/4
August 10, 1994	\$4,166.67	72% of Prime Rate	7 5/6
September 10, 1994	\$4,166.67	72% of Prime Rate	7 11/12
October 10, 1994	\$4,166.67	72% of Prime Rate	8
November 10, 1994	\$4,166.67	72% of Prime Rate	8 1/12
December 10, 1994	\$4,166.67	72% of Prime Rate	8 1/6
January 10, 1995	\$4,166.67	72% of Prime Rate	8 1/4
February 10, 1995	\$4,166.67	72% of Prime Rate	8 1/3
March 10, 1995	\$4,166.67	72% of Prime Rate	8 5/12

April 10, 1995	\$4,166.67	72% of Prime Rate	8 1/2
May 10, 1995	\$4,166.67	72% of Prime Rate	8 7/12
June 10, 1995	\$4,166.67	72% of Prime Rate	8 2/3
July 10, 1995	\$4,166.67	72% of Prime Rate	8 3/4
August 10, 1995	\$4,166.67	72% of Prime Rate	8 5/6
September 10, 1995	\$4,166.67	72% of Prime Rate	8 11/12
October 10, 1995	\$4,166.67	72% of Prime Rate	9
November 10, 1995	\$4,166.67	72% of Prime Rate	9 1/12
December 10, 1995	\$4,166.67	72% of Prime Rate	9 1/6
January 10, 1996	\$4,166.67	72% of Prime Rate	9 1/4
February 10, 1996	\$4,166.67	72% of Prime Rate	9 1/3
March 10, 1996	\$4,166.67	72% of Prime Rate	9 5/12
April 10, 1996	\$4,166.67	72% of Prime Rate	9 1/2
May 10, 1996	\$4,166.67	72% of Prime Rate	9 7/12
June 10, 1996	\$4,166.67	72% of Prime Rate	9 2/3
July 10, 1996	\$4,166.67	72% of Prime Rate	9 3/4
August 10, 1996	\$4,166.67	72% of Prime Rate	9 5/6
September 10, 1996	\$4,166.67	72% of Prime Rate	9 11/12
October 10, 1996	\$4,166.67	72% of Prime Rate	10
November 10, 1996	\$4,166.67	72% of Prime Rate	10 1/12
December 10, 1996	\$4,166.67	72% of Prime Rate	10 1/6
January 10, 1997	\$4,166.67	72% of Prime Rate	10 1/4
February 10, 1997	\$4,166.67	72% of Prime Rate	10 1/3
March 10, 1997	\$4,166.67	72% of Prime Rate	10 5/12
April 10, 1997	\$4,166.67	72% of Prime Rate	10 1/2
May 10, 1997	\$4,166.67	72% of Prime Rate	10 7/12
June 10, 1997	\$4,166.67	72% of Prime Rate	10 2/3
July 10, 1997	\$4,166.67	72% of Prime Rate	10 3/4
August 10, 1997	\$4,166.67	72% of Prime Rate	10 5/6
September 10, 1997	\$4,166.67	72% of Prime Rate	10 11/12
October 10, 1997	\$4,166.67	72% of Prime Rate	11
November 10, 1997	\$4,166.67	72% of Prime Rate	11 1/12
December 10, 1997	\$4,166.67	72% of Prime Rate	11 1/6
January 10, 1998	\$4,166.67	72% of Prime Rate	11 1/4
February 10, 1998	\$4,166.67	72% of Prime Rate	11 1/3
March 10, 1998	\$4,166.67	72% of Prime Rate	11 5/12
April 10, 1998	\$4,166.67	72% of Prime Rate	11 1/2
May 10, 1998	\$4,166.67	72% of Prime Rate	11 7/12
June 10, 1998	\$4,166.67	72% of Prime Rate	11 2/3
July 10, 1998	\$4,166.67	72% of Prime Rate	11 3/4
August 10, 1998	\$4,166.67	72% of Prime Rate	11 5/6
September 10, 1998	\$4,166.67	72% of Prime Rate	11 11/12
October 10, 1998	\$4,166.67	72% of Prime Rate	12
November 10, 1998	\$4,166.67	72% of Prime Rate	12 1/12
December 10, 1998	\$4,166.67	72% of Prime Rate	12 1/6
January 10, 1999	\$4,166.67	72% of Prime Rate	12 1/4
February 10, 1999	\$4,166.67	72% of Prime Rate	12 1/3
March 10, 1999	\$4,166.67	72% of Prime Rate	12 5/12
April 10, 1999	\$4,166.67	72% of Prime Rate	12 1/2
May 10, 1999	\$4,166.67	72% of Prime Rate	12 7/12
June 10, 1999	\$4,166.67	72% of Prime Rate	12 2/3
July 10, 1999	\$4,166.67	72% of Prime Rate	12 3/4

August 10, 1999	\$4,166.67	72% of Prime Rate	12 5/6
September 10, 1999	\$4,166.67	72% of Prime Rate	12 11/12
October 10, 1999	\$4,166.67	72% of Prime Rate	13
November 10, 1999	\$4,166.67	72% of Prime Rate	13 1/12
December 10, 1999	\$4,166.67	72% of Prime Rate	13 1/6
January 10, 2000	\$4,166.67	72% of Prime Rate	13 1/4
February 10, 2000	\$4,166.67	72% of Prime Rate	13 1/3
March 10, 2000	\$4,166.67	72% of Prime Rate	13 5/12
April 10, 2000	\$4,166.67	72% of Prime Rate	13 1/2
May 10, 2000	\$4,166.67	72% of Prime Rate	13 7/12
June 10, 2000	\$4,166.67	72% of Prime Rate	13 2/3
July 10, 2000	\$4,166.67	72% of Prime Rate	13 3/4
August 10, 2000	\$4,166.67	72% of Prime Rate	13 5/6
September 10, 2000	\$4,166.67	72% of Prime Rate	13 11/12
October 10, 2000	\$4,166.67	72% of Prime Rate	14
November 10, 2000	\$4,166.67	72% of Prime Rate	14 1/12
December 10, 2000	\$4,166.67	72% of Prime Rate	14 1/6
January 10, 2001	\$4,166.67	72% of Prime Rate	14 1/4
February 10, 2001	\$4,166.67	72% of Prime Rate	14 1/3
March 10, 2001	\$4,166.67	72% of Prime Rate	14 5/12
April 10, 2001	\$4,166.67	72% of Prime Rate	14 1/2
May 10, 2001	\$4,166.67	72% of Prime Rate	14 7/12
June 10, 2001	\$4,166.67	72% of Prime Rate	14 2/3
July 10, 2001	\$4,166.67	72% of Prime Rate	14 3/4
August 10, 2001	\$4,166.67	72% of Prime Rate	14 5/6
September 10, 2001	\$4,166.67	72% of Prime Rate	14 11/12
October 10, 2001	\$4,166.67	72% of Prime Rate	15
November 10, 2001	\$4,166.67	72% of Prime Rate	15 1/12
December 10, 2001	\$4,166.67	72% of Prime Rate	15 1/6
January 10, 2002	\$4,166.67	72% of Prime Rate	15 1/4
February 10, 2002	\$4,166.67	72% of Prime Rate	15 1/3
March 10, 2002	\$4,166.67	72% of Prime Rate	15 5/12
April 10, 2002	\$4,166.67	72% of Prime Rate	15 1/2
May 10, 2002	\$4,166.67	72% of Prime Rate	15 7/12
June 10, 2002	\$4,166.67	72% of Prime Rate	15 2/3
July 10, 2002	\$4,166.67	72% of Prime Rate	15 3/4
August 10, 2002	\$4,166.67	72% of Prime Rate	15 5/6
September 10, 2002	\$4,166.67	72% of Prime Rate	15 11/12
October 10, 2002	\$4,166.67	72% of Prime Rate	16
November 10, 2002	\$4,166.67	72% of Prime Rate	16 1/12
December 10, 2002	\$4,166.67	72% of Prime Rate	16 1/6
January 10, 2003	\$4,166.67	72% of Prime Rate	16 1/4
February 10, 2003	\$4,166.67	72% of Prime Rate	16 1/3
March 10, 2003	\$4,166.67	72% of Prime Rate	16 5/12
April 10, 2003	\$4,166.67	72% of Prime Rate	16 1/2
May 10, 2003	\$4,166.67	72% of Prime Rate	16 7/12
June 10, 2003	\$4,166.67	72% of Prime Rate	16 2/3
July 10, 2003	\$4,166.67	72% of Prime Rate	16 3/4
August 10, 2003	\$4,166.67	72% of Prime Rate	16 5/6
September 10, 2003	\$4,166.67	72% of Prime Rate	16 11/12
October 10, 2003	\$4,166.67	72% of Prime Rate	17
November 10, 2003	\$4,166.67	72% of Prime Rate	17 1/12

December 10, 2003	\$4,166.67	72% of Prime Rate	17 1/6
January 10, 2004	\$4,166.67	72% of Prime Rate	17 1/4
February 10, 2004	\$4,166.67	72% of Prime Rate	17 1/3
March 10, 2004	\$4,166.67	72% of Prime Rate	17 5/12
April 10, 2004	\$4,166.67	72% of Prime Rate	17 1/2
May 10, 2004	\$4,166.67	72% of Prime Rate	17 7/12
June 10, 2004	\$4,166.67	72% of Prime Rate	17 2/3
July 10, 2004	\$4,166.67	72% of Prime Rate	17 3/4
August 10, 2004	\$4,166.67	72% of Prime Rate	17 5/6
September 10, 2004	\$4,166.67	72% of Prime Rate	17 11/12
October 10, 2004	\$4,166.67	72% of Prime Rate	18
November 10, 2004	\$4,166.67	72% of Prime Rate	18 1/12
December 10, 2004	\$4,166.67	72% of Prime Rate	18 1/6
January 10, 2005	\$4,166.67	72% of Prime Rate	18 1/4
February 10, 2005	\$4,166.67	72% of Prime Rate	18 1/3
March 10, 2005	\$4,166.67	72% of Prime Rate	18 5/12
April 10, 2005	\$4,166.67	72% of Prime Rate	18 1/2
May 10, 2005	\$4,166.67	72% of Prime Rate	18 7/12
June 10, 2005	\$4,166.67	72% of Prime Rate	18 2/3
July 10, 2005	\$4,166.67	72% of Prime Rate	18 3/4
August 10, 2005	\$4,166.67	72% of Prime Rate	18 5/6
September 10, 2005	\$4,166.67	72% of Prime Rate	18 11/12
October 10, 2005	\$4,166.67	72% of Prime Rate	19
November 10, 2005	\$4,166.67	72% of Prime Rate	19 1/12
December 10, 2005	\$4,166.67	72% of Prime Rate	19 1/6
January 10, 2006	\$4,166.67	72% of Prime Rate	19 1/4
February 10, 2006	\$4,166.67	72% of Prime Rate	19 1/3
March 10, 2006	\$4,166.67	72% of Prime Rate	19 5/12
April 10, 2006	\$4,166.67	72% of Prime Rate	19 1/2
May 10, 2006	\$4,166.67	72% of Prime Rate	19 7/12
June 10, 2007	\$4,166.67	72% of Prime Rate	19 2/3
July 10, 2006	\$4,166.67	72% of Prime Rate	19 3/4
August 10, 2006	\$4,166.67	72% of Prime Rate	19 5/6
September 10, 2006	\$4,166.67	72% of Prime Rate	19 11/12
October 10, 2006	\$4,166.67	72% of Prime Rate	20
November 10, 2006	\$4,166.67	72% of Prime Rate	20 1/12
December 10, 2006	\$4,166.67	72% of Prime Rate	20 1/6
January 10, 2007	\$4,166.67	72% of Prime Rate	20 1/4
February 10, 2007	\$4,166.67	72% of Prime Rate	20 1/3
March 10, 2007	\$4,166.67	72% of Prime Rate	20 5/12
April 10, 2007	\$4,166.67	72% of Prime Rate	20 1/2
May 10, 2007	\$4,166.67	72% of Prime Rate	20 7/12

COLUMBIA NEWSPAPERS, INC.

Columbia, South Carolina

Publishers of

The State

Mornings and Sunday

AND

The Columbia Record

Evenings except Sunday

STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

Personally appeared before me O. Kirk Bennett, Classified Advertising Manager
of THE STATE, and makes oath that the advertisement,

Notice Pursuant To Chapter 29, Title 4, Volume 1 - Chapter 29, Volume 1

a clipping of which is attached hereto, was printed in THE STATE,
a daily newspaper of general circulation published in the City
of Columbia, State and County aforesaid, in the issues of

August 13, 1986

O. Kirk Bennett

Subscribed and sworn to before me
this 13th day of August 19 86

Robert F. Williams Notary Public
11-8-86

01849

NOTICE

PURSUANT TO CHAPTER 29, TITLE 4, VOLUME 1, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED. Notice is hereby given that, following the filing of a Petition by the County Council of Lexington County (the County Council) to the State Budget and Control Board of South Carolina (the State Board), approval has been given by the State Board to the following undertaking (including any changes in any details of the said financing as finally consummated which do not materially affect the said undertaking), viz:

The financing by County Council of the construction of improvements on a tract of land containing approximately nineteen and 98/100 (19.98) acres located on the east side of South Carolina Highway 291 two miles north of Batesburg in Lexington County, (such improvements, as so constructed, being referred to herein as the Project), all of which will constitute a facility owned by A.M. Quattlebaum, Sr. (the Borrower) which will be leased to Hartwell Industries Inc., a South Carolina corporation, which will operate the Project as an addition to its existing ribbon weaving plant. To finance the Project, the County Council will issue a not exceeding \$1,000,000 Lexington County, South Carolina, Industrial Revenue Note, Series 1986 (A), Quattlebaum, Sr. Project) (the Note), pursuant to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended, under the terms of a Loan Agreement (the Loan Agreement) between the County and the Borrower. The Note of Lexington County will be payable by the County solely from the loan payments to be paid under the Loan Agreement to the County by the Borrower, who has irrevocably covenanted and agreed to pay, when due, all sums required for the principal and interest thereon, and the Note may be secured by the mortgage debt and security interest of a mortgage and Security Agreement on the Project, which will constitute a forecloseable mortgage upon the Project and a pledge of the loan payments to be paid under the Loan Agreement. The note shall not constitute a charge against the general credit or taxing power of Lexington County.

It is estimated that the Project, when completed, will provide employment for more forty to seventy (40-70) additional employees immediately.

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

STATE BUDGET AND
CONTROL BOARD
OF SOUTH CAROLINA
s/By: William A. McLint, Jr.
Secretary

9/28/85

01210

01849-A

EXHIBIT

AUG 13 1986

NO. 15

STATE BUDGET AND CONTROL BOARD
MEETING OF August 13, 1986

REGULAR SESSION
ITEM NUMBER

7

AGENCY: Executive Director

SUBJECT: Private Activity Bonds; Allocation of State Ceiling

The required reviews on the following local government proposals to issue revenue bonds have not yet been completed. Staff will advise the Board on the results of these reviews at the meeting.

Each of the projects requires approval under State law. An allocation of a portion of the Ceiling is requested for all projects.

- (a) Local Government: Spartanburg County
Amount of Issue: \$1,200,000 Industrial Development Revenue Bond
Name of Project: Indever Project, Series 1986
Employment Impact: 15
Project Description: Manufacturing/warehousing facility
- (b) Local Government: Lexington County
Amount of Issue: \$1,000,000 Industrial Development Bond
Name of Project: A. M. Quattlebaum, Sr.
Employment Impact: 40-70
Project Description: Expand existing ribbon weaving plant

The status report on the State Ceiling as of August 4, 1986, (year elapsed 59%) shows:

	CY 1986 Ceiling	Allocated	(%)	Not Allocated	(%)
State Pool	\$200,820,000	\$ 27,623,000	(14%)	\$173,197,000	(86%)
Local Pool	301,230,000	80,502,670	(27%)	220,727,330	(73%)
Total	\$502,050,000	\$108,125,670	(22%)	\$393,924,330	(78%)

BOARD ACTION REQUESTED:

- (a) Adopt resolutions approving the following proposals to issue revenue bonds, on the condition that the required reviews are completed with satisfactory results, and allocate a portion of the State Ceiling each project: (a) Spartanburg County, \$1,200,000 Industrial Development Revenue Bond, Indever Project, Series 1986; and (b) Lexington County, \$1,000,000 Industrial Revenue Note on behalf of the A. M. Quattlebaum, Sr., project.

- (b) Receive as information the status report on the State Ceiling.

ATTACHMENTS:

Referenced status report on State Ceiling.

01850

STATE CEILING AMOUNT AVAILABLE FOR ALLOCATION

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

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

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

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

Local Pool (60%) 301,230,000

01851

EXHIBIT
AUG 13 1986 NO. 15
STATE BUDGET & CONTROL BOARD

1986 STATE CEILING AMOUNT AVAILABLE FOR ALLOCATION

Date of B&C Board Allocation	Governmental Unit	Name of Project	Pool Total	Amount of Pool Allocated	Balance of Pool Available	Amount Certified for Issue
01/02/86	STATE AGENCY AND EXEMPT FACILITIES POOL		\$200,820,000			
01/23/86	Family Farm Dev.	Joseph A. Kesler		-350,000		350,000
01/23/86	Family Farm Dev.	James O. Brown		-220,000		220,000
01/23/86	Family Farm Dev.	W & W Farms		-15,000		15,000
02/11/86	Family Farm Dev.	Walter L. Paradise		-180,000		180,000
02/11/86	Family Farm Dev.	Martin I. Easler		-10,000		10,000
02/27/86	Family Farm Dev.	Joseph Scott Croxton		-200,000		200,000
02/27/86	Family Farm Dev.	Jon Edward Agerton		-130,000		130,000
03/25/86	JEDA	Congaree Vista Associates		-1,000,000		1,000,000
03/25/86	Family Farm Dev.	Walter G. Reese		-185,000		185,000
04/08/86	JEDA	Doty Scientific Incorporated		-500,000		500,000
05/13/86	Family Farm Dev.	Carl Joe Ables		-40,000		40,000
05/27/86	Fairfield County	SCE&G Co.		-1,100,000		1,100,000
05/27/86	Family Farm Dev.	Frank M. Senn		-370,000		
05/27/86	Family Farm Dev.	James Earl Bozard		-215,000		
05/27/86	Family Farm Dev.	Charles D. Senn		-370,000		
05/27/86	Family Farm Dev.	Ralph O. Hartley		-40,000		40,000
05/27/86	Family Farm Dev.	Carol J. Clamp		-100,000		100,000
06/10/86	Greenville, City of	Colosseum Associates		-20,000,000		
06/24/86	Family Farm Dev.	Melissa W. Rochester		-220,000		220,000
06/24/86	Family Farm Dev.	John F. Long		-200,000		
06/24/86	Family Farm Dev.	James A. Raborn		-238,000		
07/15/86	Lexington County	Technographics Decotone US		-1,200,000		1,200,000
07/15/86	Family Farm Dev.	Sandra K. Senn		-250,000		
07/15/86	Family Farm Dev.	Barbara Ann Senn		-250,000		
07/15/86	Family Farm Dev.	Frank M. Senn, Sr.		-240,000		
	Total Allocated			-27,623,000		5,490,000
	Total, State Agency and Exempt Facilities Pool		\$200,820,000	-27,623,000	\$173,197,000	5,490,000

EXHIBIT
AUG 13 1986 NO. 15
STATE BUDGET & CONTROL BOARD

01852

Date of B&C Board Allocation	Governmental Unit	Name of Project	Pool Total	Amount of Pool Allocated	Balance of Pool Available	Amount Certified for Issue
01/02/86	LOCAL POOL		\$301,230,000			
01/23/86	Spartanburg County	Jimmy I. Gibbs		-1,000,000		1,000,000
02/11/86	Berkeley County	David Maybank, Jr.		-68,848		68,848
02/27/86	Marion County	Beneteau Manufacturing, Inc.		-3,000,000		3,000,000
02/27/86	Cherokee County	Ametex Fabrics, Inc.		-2,700,000		2,700,000
02/27/86	Cherokee County	Y Z Realty Trust		-1,850,000		1,850,000
02/27/86	Berkeley County	Pearlstone Distributors		-1,500,000		1,500,000
03/11/85	Spartanburg County	O'Mara Incorporated		-1,000,000		1,000,000
03/25/86	Horry County	Commercial Realty Ventures		-250,000		250,000
04/08/86	Lexington County	Clay Hyder		-6,100,000		6,100,000
04/08/86	Greenville County	Hart-Greenville Partnership		-3,500,000		3,500,000
04/22/86	Sumter, City of	Redevelopment Loan Program		-13,822		13,822
04/22/86	Greenville County	International Plastics		-500,000		500,000
05/13/86	York County	Meco Metal Finishing USA, Inc.		-1,800,000		1,800,000
05/13/86	Richland County	Dodd Investment		-620,000		620,000
06/10/86	Spartanburg County	J M Smith Corporation		-1,000,000		1,000,000
06/10/86	Richland County	William M. Gregg, II.		-1,500,000		1,500,000
06/10/86	Anderson County	Mount Vernon Mills, Inc.		-3,000,000		3,000,000
06/24/86	Laurens County	Dispoz-o Plastics, Inc.		-1,500,000		1,500,000
06/24/86	Lexington County	Kingston Metal South Corp.		-750,000		750,000
06/24/86	Lexington County	J. B. White & Company		-10,000,000		
07/15/86	Sumter, City of	O. Mack Kolb/J.E. Eldridge Jr.		-50,000		
07/15/86	Florence County	*Bruce Hospital, Inc.		-8,000,000		8,000,000
07/15/86	Lancaster County	Aeroquip Corporation		-2,250,000		
07/15/86	Richland County	Trinity Knoll		-3,500,000		
07/15/86	Fairfield County	Rite Aid of SC, Inc.		-10,000,000		
07/15/86	Spartanburg County	One Price Realty		-1,000,000		
07/15/86	Lancaster County	Continental Mfg. Service		-1,500,000		
07/29/86	Spartanburg County	Holmberg Electronics Corp.		-650,000		
07/29/86	Spartanburg County	Structofab, Inc.		-600,000		
07/29/86	Cherokee County	Clarkson Associates		-1,800,000		
07/29/85	N. Chasn Redev Com	*Ben Tillman Homes		-9,500,000		
	Total Allocated			-80,502,670		39,652,670
	Total, Local Pool		\$301,230,000	-80,502,670	\$220,727,330	39,652,670
	Total, State Agency and Exempt Facilities Pool		\$200,820,000	-27,623,000	\$173,197,000	5,490,000
	Total, Local Pool		301,230,000	-80,502,670	220,727,330	39,652,670
	GRAND TOTAL		\$502,050,000	-108,125,670	\$393,924,330	45,142,670

*Tax Reform Act of 1985

EXHIBIT

AUG 13 1986

NO. 16

STATE BUDGET AND CONTROL BOARD
MEETING OF August 13, 1986

STATE BUDGET & CONTROL BOARD
ITEM NUMBER

8

AGENCY: Forestry Commission

SUBJECT: Quit Claim Deed to Tiverton Baptist Church

The Forestry Commission requests Budget and Control Board approval of a quit claim deed of 1.99 acres of land located in the Manchester State Forest in Sumter County to Tiverton Baptist Church.

The property, which was deeded to the Forestry Commission by the U. S. Government, has been used by the Tiverton Baptist Church for over 75 years. In 1980, the Church began efforts to obtain clear title to the land.

The Commission advises that it has taken about six years, an Act of Congress and the President's signature to clear the title of the property and to resolve the mineral rights and a reversionary clause connected with the property.

The Commission has approved deeding the property to the Church at no charge.

The Board, as a matter of standard policy, may want to require that a reversionary clause be included in the Forestry Commission's deed.

BOARD ACTION REQUESTED:

Approve a Forestry Commission request to execute a quit claim deed for 1.99 acres of land located in the Manchester State Forest in Sumter County to Tiverton Baptist Church.

ATTACHMENTS:

Lambrecht July 23 letter to McInnis plus attachments

01854

JUL 28 1986



South Carolina Forestry Commission

LEONARD A. KILIAN, JR. STATE FORESTER

P.O. BOX 21707 COLUMBIA, S.C. 29221 (803) 758-6900

EXHIBIT

July 23, 1986

AUG 13 1986

NO. 16

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
Box 12444
Columbia, SC 29211

REFERENCE: Quite-Claim Deed Tiverton Baptist Church

Dear Mr. McInnis:

The Forestry Commission requests approval from the State Budget and Control Board for a Quite-Claim Deed to Tiverton Baptist Church.

The deed calls for 1.99 acres of land and is located within the boundaries of Manchester State Forest in Sumter County. This property is owned by the Forestry Commission and was deeded to the Commission by the United States Government.

The Tiverton Baptist Church has been using the property for over 75 years and in 1980 began proceeding to obtain clear title to the land.

It took an Act of Congress and the President's signature to resolve the mineral rights and a reversionary clause connected with property. The Commission of Forestry has approved the deeding of property to the Tiverton Baptist Church at no charge.

It has required about six years to clear the title of the property. The former State Representative David McInnis, now Resident Judge - Third Judicial Circuit, has requested we expedite the execution of the Deed to Tiverton Baptist Church.

If additional information is needed, please contact me or Regional Forester Wilson Horton, phone 737-8800.

Sincerely,

Gene Lambrecht
Staff Forester

GL/ef

Enclosures: Office of Attorney General, Letter of 10/3/80
Quite Claim, The United States of America (Mineral Rights)
CC Warranty Deed
Plat 1.99 acres
The Circuit Court of South Carolina, letter of 4/29/86

01855

The State of South Carolina



Office of the Attorney General



C. HAVIRD JONES JR.
ASSISTANT ATTORNEY GENERAL

WALE HAMPTON OFFICE BUILDING
POST OFFICE BOX 11549
COLUMBIA, S. C. 29211
TELEPHONE 803-758-2081

DANIEL R. McLEOD
ATTORNEY GENERAL

October 3, 1980

EXHIBIT

AUG 13 1986

NO. 16

STATE BUDGET & CONTROL BOARD

Leonard A. Kilian, Jr.
State Forester
S.C. State Commission of Forestry
P.O. Box 21707
Columbia, SC 29221

RE: Tiverton Baptist Church Property

Dear Leonard:

I am writing in response to your letter of September 25 regarding the above-referenced matter. On September 11, 1980, I went to the Sumter County Courthouse in order to investigate this matter. From the records, it appears that the Tiverton Church site was once part of a large tract of land known as Tiverton Farms and owned by Albert Aycock. Unfortunately, Mr. Aycock fell on hard times in the early 30's and his farm was repossessed and conveyed to the Master in Equity, C. G. Rowland. This conveyance took place in July of 1931. Apparently the property stayed in the Master's hands for some 4 years. In February of 1935, William S. Nelson, a trustee for the creditors of the bankrupted Aycock Estate, conveyed Tract No. 3 of Tiverton Farms, which consisted of 980 acres, to J. J. Gettings. According to available maps and plats, Tract No. 3 contained the property in question.

It appears from a deed recorded in Book L-5, page 91, that the trustees of the creditors of the Estate of Albert Aycock divided his properties into different tracts and then conveyed them out as set forth in the deed. The deed does reference that several pieces of property were reserved according to prior conveyances. I have investigated these prior conveyances to the best of my ability. It appears that the reservations granted residential tracts to the family of Mr. Aycock as well as a tract to an old Baptist

01856

Page 2
Leonard A. Kilian, Jr.
October 3, 1980

EXHIBIT

AUG 13 1986 NO. 1 6

STATE BUDGET & CONTROL BOARD

Church. It will be necessary to make an on-site investigation to determine whether the reservation for the church is the one under which the Tiverton Church claims title. In talking with various people and looking at the plats involved, as well as the different tracts from which the reservations were made, it is my first impression that we are not speaking of the same Baptist Church.

In 1936, J. J. Gettings conveyed his interests in the old Tiverton's Farms tract to the United States of America which subsequently conveyed the property to the State as part of the Manchester State Forest.

From a review of this chain of title, I have been unable to find any grants out of the Tiverton tract to the Tiverton Baptist Church. It is possible that a deed was drawn up but not recorded. However, it seems that this deed would have been noticed in subsequent transfers of the Tiverton tract.

There is a possibility that the Tiverton Baptist Church could claim by adverse possession. As a Forester, I am sure you are familiar with the requirements of claiming property by adverse possession. One cardinal rule of gaining acquisition under adverse possession is that it does not run against a governmental entity. Therefore, any adverse rights of the church would have to have been obtained from the time the property was allegedly first used by the church until the time the property was conveyed in 1931 from Mr. Aycock to the Master in Equity.

From talking with the people in the Tax Assessor's Office at the Sumter County Courthouse, it appears that the Tiverton Baptist Church congregation is now claiming 5 acres instead of 2 acres. In addition it seems that they have a cemetery down in the forest that they would like to have made a part of this transfer. This information is new to me and it could be only rumor. However, I feel that before we make any conveyance or take the initial steps to have the site granted by Congress, we should be absolutely sure what the congregation is asking for.

On September 11, 1980, I talked with David McGinnis and he informed me that he will try and get an affidavit as to the church's tenure on this particular site as well as any other information that may be helpful. At this time I have not heard from Mr. McGinnis.

In summary, at this point, it is my preliminary opinion that the Tiverton Baptist Church has no legal title to the property in question. I intend to finalize my research

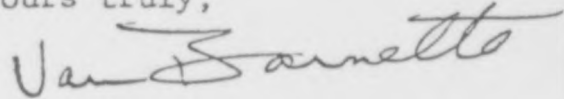
01857

Page 3
Leonard A. Kilian, Jr.
October 3, 1980

into this matter as soon as I receive the additional documents from David. I will keep in touch with you in light of the generally sensitive nature of this situation.

If there are any problems or questions, please feel free to contact me.

Yours truly,



Evans Taylor Barnette
Assistant Attorney General

ETB/bh

EXHIBIT

AUG 13 1986 NO. 16

STATE BUDGET & CONTROL BOARD

01858

EXHIBIT

AUG 13 1986

NO. 16

STATE BUDGET & CONTROL BOARD

Eastern States 34470

THE UNITED STATES OF AMERICA

To all whom these presents shall come, Greetings:

WHEREAS, The United States acquired, by quitclaim deed as recorded in Deed Book N-5 at pages 400 and 413 of the Sumter County, South Carolina deed records from J. J. Geddings, H. M. Parker and Ester M. Parker, pursuant to Sec. 32, Title III, Bankhead-Jones Farm Tenant Act, 7 U.S.C. 1011, and acting in accordance with the policy expressed in Public Law 98-495 of October 19, 1984, 98 Stat. 2276, 3/4 of the rights, title and interest of the aforesaid grantors in and to all oil, gas, coal and other minerals of whatever character, in, on, or underlying the following described lands; and in and to all mineral rights and mineral interests in said lands; and in and to all unpaid royalties, bonuses, payments, and delay monies arising out of or payable under or by virtue of the terms of any and all oil, gas, coal, and other mineral leases covering said lands; said lands located in Sumter County, South Carolina and being described as follows:

- (1) A tract of land consisting of approximately 1.99 acres in Sumter County, South Carolina, more particularly described as follows: Beginning at an iron pipe located on the west side of the Old Kings Highway and being south 18 degrees and 35 minutes east and 2519.2 feet from Manchester State Forest monument number 2314; thence south 3 degrees 19 minutes east 417.22 feet to an iron pipe; thence south 86 degrees 41 minutes west 208.64 feet to an iron pipe; thence north 3 degrees 19 minutes west 199.97 feet to an iron pipe; thence north 3 degrees 32 minutes west 214.05 feet to an iron pipe; thence north 85 degrees 47 minutes east 209.27 feet to an iron pipe, the same being the point of beginning.

01859

EXHIBIT

AUG 13 1986 NO. 1 6

STATE BUDGET & CONTROL BOARD

Eastern States 34470

- (2) A tract of land consisting of approximately 22.715 acres in Sumter County, South Carolina, more particularly described as follows: Beginning at the point of intersection of the centerline of the Burnt Gin Road with the centerline of Wedgelake Drive proceed south 64 degrees, 41 minutes east a distance of 63.16 feet to the point of beginning. Proceed thence south 88 degrees 0 minutes east a distance of 1454.56 feet to an iron pin; thence south 18 degrees, 57 minutes west a distance of 1059.17 feet to an iron pin; thence north 62 degrees, 15 minutes west a distance of 367.24 feet to a corner; thence along the arc of a curve to the right having a radius of 1031.31 feet a distance of 197.10 feet to a corner; thence north 51 degrees, 18 minutes west a distance of 107.80 feet to a corner; thence along the arc of a curve to the left having a radius of 637.49 feet a distance of 202.13 feet to a corner; thence north 69 degrees 28 minutes west a distance of 167.47 feet to a corner; thence along the arc of a curve to the right having a radius of 581.69 feet a distance of 146.19 feet to a corner; thence north 55 degrees, 04 minutes west a distance of 163.98 feet to a corner; thence north 18 degrees, 10 minutes west a distance of 39.99 feet to a corner; thence along the arc of a curve to the left having a radius of 781.17 feet a distance of 215.48 feet to a corner; thence north 02 degrees, 00 minutes east a distance of 107.84 feet to a corner; thence north 47 degrees 00 minutes east a distance of 42.50 feet to the point of beginning.

WHEREAS, pursuant to Public Law 98-495, the Secretary of the Interior acting through an authorized officer of the Bureau of Land Management is authorized to convey the mineral interests owned by the United States and,

WHEREAS, the South Carolina State Commission of Forestry, the surface owner of the above described lands has applied under and has met all the requirements of the aforementioned Act of October 19, 1984, 98 Stat. 2276, for the conveyance of the federally owned mineral interests.

NOW, THEREFORE, KNOW YE, That by these presents and in consideration of the premises, that the UNITED STATES OF AMERICA, in accordance with the said Public Law 98-495, id., does hereby remise, release and forever quitclaim, unto the South Carolina State Commission of Forestry, and to its assigns and transferees, all right, title, claim, interest, and estate to and in the above described lands which may be vested in and possessed by it by virtue of the mineral interests herein before mentioned and recited.

01860

EXHIBIT

AUG 13 1986

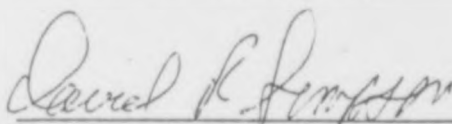
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STATE BUDGET & CONTROL BOARD

Eastern States 34470

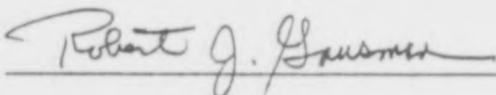
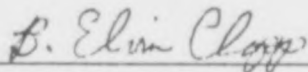
IN TESTIMONY WHEREOF, I David R. Simpson, Chief, Branch of Lands, Eastern States Office of the Bureau of Land Management, Department of the Interior of the United States of America have caused this quitclaim deed to be executed and the seal of the Bureau of Land Management to be hereunto affixed.

Given under my hand at the City of Alexandria, Virginia, on the Twentieth day of May in the year of our Lord one thousand nine hundred and eighty-six.



David R. Simpson, Chief, Branch of Lands, Eastern States Office, Bureau of Land Management, U.S. Department of the Interior

Signed, Sealed, :
and Delivered in)
the presence of :



State of Virginia)
:
City of Alexandria)

Before me, Phyllis A. Furnari, a Notary Public in and for the Commonwealth of Virginia, on the Twentieth day of May 1986, personally appeared David R. Simpson, Chief, Branch of Lands, Eastern States Office of the Bureau of Land Management of the United States of America, to me known to be the identical person who executed the foregoing instrument and acknowledged to me that he executed the same as a free and voluntary act and deed for the uses and purposes set forth therein.


Notary Public

My Commission Expires October 16, 1988

01861

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

08

RECEIPT AND ACCOUNTING ADVICE

NO. 1356004

CONVEYANCE OF FEDERAL MINERAL INTEREST

Subject:

DS/ES

MAY 08 86	0	22 14	438.29
MAY 08 86	0	23 6	370.58

Applicant:

MR. D. WILSON HORTON
REGIONAL FORESTER
SOUTH CAROLINA FORESTRY COMMISSION
P.O. BOX 21707
COLUMBIA, SC 29221

EXHIBIT

AUG 13 1986 NO. 16

Assignor:

STATE BUDGET & CONTROL BOARD

SERIAL NO.

ES-34470

REFER TO THE ABOVE CASE SERIAL NUMBER IN ALL CORRESPONDENCE. PLEASE INFORM THIS OFFICE OF AN CHANGE IN ADDRESS.

NOTE: This notice is a receipt for monies paid the United States. If these monies are for required fees in connection with your application to lease, purchase, enter, or otherwise acquire an interest in public lands or resources, this receipt is not an authorization to utilize the land applied for and it does not convey any right, title, or interest in the land for which application is made.

01862

EXHIBIT

AUG 13 1986

NO. 1 6

STATE BUDGET & CONTROL BOARD

The State of South Carolina
County of

TO

WARRANTY DEED

(For Life With Remainder to Survivor)

Filed this day

of A. D. 19

at o'clock M.,

and recorded in Book

Page Fee, \$

Clerk Court C. P. & G. S.

County, S. C.

Recorded this day

of , 19

in Book Page

Fee, \$

Auditor County, S. C.

01863

THE STATE OF SOUTH CAROLINA,
COUNTY OF

RENUNCIATION OF DOWER

I do hereby certify unto all whom it may concern, that the wife of the within named did this day appear before me, and upon being privately and separately examined by me, did declare that she does freely, voluntarily, and without any compulsion, dread or fear of any person or persons whomsoever, renounce, release and forever relinquish unto the within named

as tenants in common, for and during their joint lives and upon the death of either of them, then to the survivor of them, his or her heirs and assigns, forever, in fee simple, together with every contingent remainder and right of reversion, all her interest and estate, and also all her right and claims of dower, of, in or to all and singular the premises within mentioned and released.

Given under my Hand and Seal this

day of

A. D. 19

(SEAL)

(SEAL)

Notary Public for South Carolina

The State of South Carolina

KNOW ALL MEN BY THESE PRESENTS, THAT

COUNTY OF SUMTER

South Carolina Forestry Commission

in the State aforesaid, for and in consideration of the sum of

Dollars,

to it in hand paid at and before the sealing of these presents by Tiverton Baptist Church

in the State aforesaid, the receipt whereof is hereby acknowledged, have granted, bargained, sold and released, and by these presents do grant, bargain, sell and release unto the said Tiverton Baptist Church

as tenants in common, for and during their joint lives, and upon the death of either of them, then to the survivor of them, his or her heirs and assigns, forever, in fee simple, together with every contingent remainder and right of reversion, the following described property, to-wit:

All that certain piece, parcel and tract of land consisting of 1.99 acres in Sumter County, South Carolina, more particularly described as follows: Beginning at an iron pipe located on the west side of the Old Kings Highway and being south 18 degrees and 35 minutes east and 2519.2 feet from Manchester State Forest monument number 2314; thence south 3 degrees 19 minutes east 417.22 feet to an iron pipe; thence south 86 degrees 41 minutes west 208.64 feet to an iron pipe; thence north 3 degrees 19 minutes west 199.97 feet to an iron pipe; thence north 3 degrees 32 minutes west 214.05 feet to an iron pipe; thence north 85 degrees 47 minutes east 209.27 feet to an iron pipe, the same being the point of beginning. Same being the property shown on that certain Plat of D.D. Edmunds, R.L.S. dated April 28, 1982 and recorded in the Office of the RMC for Sumter County in Book Z-46 at page 341.

Same being the premises conveyed to the Grantor herein by Deed of the United States of America dated March 7, 1986 and recorded in the Office of the RMC for Sumter County in Book _____ at page _____.

All easements and rights stated in said Deed are hereby reserved to the United States of America.

This conveyance is in fee simple and there are no reservations included herein, pursuant to the Deed of the United States of America to the South Carolina State Commission of Forestry, dated May 20, 1986.

EXHIBIT

AUG 13 1986 NO. 16

STATE BUDGET & CONTROL BOARD

Together with all and singular the rights, members, hereditaments and appurtenances to the said premises belonging, or in anywise appertaining.

TO HAVE AND TO HOLD, all and singular the said Premises before mentioned unto the said Tiverton Baptist Church, its successors and administrators and

_____ assigns, forever, in fee simple, together with every contingent remainder and right of reversion, and it

_____ hereby binds itself and its successors and Administrators, to warrant and forever defend all and singular

the said Premises unto the said Tiverton Baptist Church successors

as hereinabove provided from and against itself and its _____ and any person or persons whomsoever lawfully claiming or to claim the same, or any part thereof.

WITNESS the hand and seal of this South Carolina Forestry Commission day of _____ in the year of our Lord one

thousand nine hundred and eighty six _____

Signed, Sealed and Delivered
in the Presence of _____

SOUTH CAROLINA FORESTRY COMMISSION

BY: _____ (SEAL)
TITLE: _____

BY: _____ (SEAL)
TITLE: _____

_____ (SEAL)

THE STATE OF SOUTH CAROLINA,

COUNTY OF _____

PERSONALLY appeared before me

and made oath that _____ saw the within named

sign, seal, and as

Act and Deed, deliver the within written Deed; and that

with _____

witnessed the execution thereof.

SWORN to before me this _____ day of _____

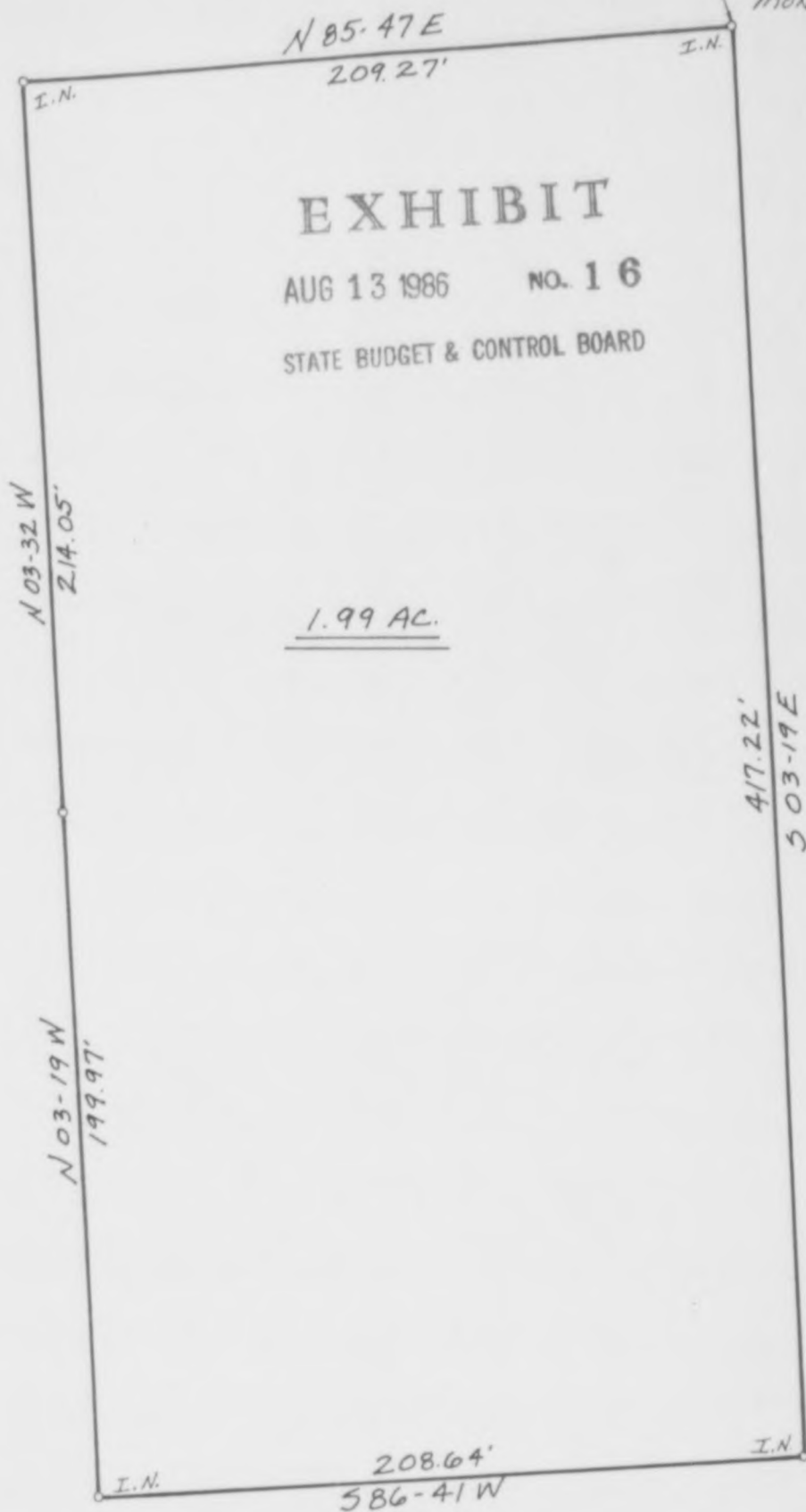
A. D. 19 _____

01864

(Seal)

Notary Public for South Carolina

MANCHESTER
STATE
FOREST



THE ABOVE PLAT REPRESENTS A 1.99 ACRES TRACT OF
LAND SITUATE IN MANCHESTER STATE FOREST. THIS TRACT
BEING DEEDED BY MANCHESTER STATE FOREST, SOUTH
CAROLINA COMMISSION OF FORESTRY TO:

TIVERTON CHURCH 01865

SOUTH CAROLINA

SUMTER COUNTY

MIDDLETON TOWNSHIP

I hereby certify that the ratio of
precision of the field survey is 1/4800
as shown hereon and the area was deter-
mined by DMD

D.P. Edmunds

scale 1"=50'

fax map 101

date APRIL 28, 1982

file 82056



EXHIBIT

AUG 13 1986

NO. 16

STATE BUDGET & CONTROL BOARD

THE CIRCUIT COURT OF SOUTH CAROLINA THIRD JUDICIAL CIRCUIT

April 29, 1986

DAVID F. McINNIS
RESIDENT JUDGE
SUMTER COUNTY COURTHOUSE
P.O. BOX 10
SUMTER, SOUTH CAROLINA 29151-0010
TELE: (803) 775-4238

SUMTER COUNTY
CLARENDON COUNTY
LEE COUNTY
WILLIAMSBURG COUNTY

D. Wilson Horton, Regional Forester
South Carolina Forestry Commission
Post Office Box 21707
Columbia, South Carolina 29221

RE: Tiverton Baptist Church Deed

Dear Mr. Horton:

Enclosed please find a Deed on the above referenced transaction. I would appreciate your having this document executed and returned to me for filing.

Also enclosed is a check drawn on the account of Tiverton Baptist Church in the amount of Seventy and No/100 (\$70.00) Dollars for the mineral rights.

I look forward to hearing from you in the near future.

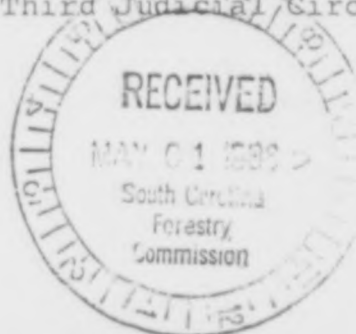
Very truly yours,

David F. McInnis (SB)

David F. McInnis, Resident
Judge, Third Judicial Circuit

DFMC:sbj

Enclosures



01866

TIVERTON BAPTIST CHURCH

No. 404

April 4, 1986

67-1
532

Pay to the
Order of

South Carolina State Forestry

\$ 70.00

Seventy & 00/100

Dollars



South Carolina National Bank
Sumter, S.C.

Robert Clime

Purchase minimum Rights

⑈000404⑈

⑈1053200019⑈

760044586⑈

Willie Beter

STATE BUDGET & CONTROL BOARD

AUG 13 1986 NO. 16

EXHIBIT

01867

AUG 19 1986



South Carolina Forestry Commission

LEONARD A. KILIAN, JR. STATE FORESTER

P.O. BOX 21707 COLUMBIA, S.C. 29221 (803) 758-6900

Manchester State Forest
Rt. 1, Box 35
Wedgefield, S. C. 29168

August 15, 1986

Mr. William McInnis
Budget & Control Board
P. O. Box 12444
Columbia, S. C. 29211

EXHIBIT

AUG 13 1986

NO. 16

Dear Mr. McInnis,

STATE BUDGET & CONTROL BOARD

As discussed by telephone on August 15, 86, enclosed are copies of three letters concerning the mineral rights on the 1.99 acre Tiverton Church tract.

Sincerely,

William O. Boykin
Forest Director

Enclosures

/stg

01868



South Carolina Forestry Commission

LEONARD A. KILIAN JR. STATE FORESTER

P.O. BOX 21707 COLUMBIA, S.C. 29221 (803) 758-6900

EXHIBIT

April 3, 1986

AUG 13 1986

NO. 16

STATE BUDGET & CONTROL BOARD

The Honorable David McInnis
Sumter County Court House
Main Street
Sumter, S. C. 29150

Dear Judge McInnis,

Attached are copies of the Quit Claim Deed from the U. S. Department of Agriculture, Forest Service, the plat of the Tiverton Church tract, and a copy of the minutes of the May 27, 1980 S. C. Forestry Commission meeting in which permission was given to proceed with the transfer of the property to the church.

As discussed, the Board of Deacons needs to have a deed prepared conveying the property from the S. C. Forestry Commission to Tiverton Church.

We will remit a check to the Department of Interior to purchase the mineral rights. Upon receiving the mineral rights, we will convey same to the church for the sum of \$70.00.

Also, we will initiate contact with the State Attorney General's office concerning the preparation of a special use permit for the use of the cemetery.

I hope these are sufficient materials necessary to conclude this matter. I apologize for the length of time this has taken.

Sincerely,

D. Wilson Horton
Regional Forester

Attachments

/stg

01869



United States Department of the Interior **EXHIBIT**

BUREAU OF LAND MANAGEMENT

EASTERN STATES OFFICE

350 South Pickett Street
ALEXANDRIA, VIRGINIA 22304

AUG 13 1986

NO. 16

STATE BUDGET & CONTROL BOARD

IN REPLY REFER TO:

2720(962)ECD
ES 34470
South Carolina

MAY 30 1985

Mr. D. Wilson Horton
Regional Forester
South Carolina Forestry Commission
P. O. Box 21707
Columbia, South Carolina 29221

Dear Mr. Horton:

This refers to the conveyance of Federal mineral interests to the South Carolina Forestry Commission pursuant to the Act of October 19, 1984, Public Law 98-945, 98 Stat. 2276.

The Minerals Resource Division advises that the subject lands have been classified as having no known mineral value for all leasable and locatable minerals and as being prospectively valuable with nominal value for three salable minerals: sand, clay (various types), and buhrstone. The total fair market value of the three salable minerals on the subject tracts is \$370.58 or \$15.00 per acre (\$5.00 per acre per mineral). General administrative costs amount to \$438.29. The total cost for conveying the Federal mineral interests in question, therefore, is \$808.87.

Upon receipt of the above monies, we will complete the conveyance of these tracts. Thank you for your cooperation.

Sincerely,

Chief, Branch of Lands



01870



South Carolina Forestry Commission *Manchester*

LEONARD A. KILIAN, JR. STATE FORESTER

P.O. BOX 21707 COLUMBIA, S.C. 29221 (803) 758-6900

November 20, 1984

EXHIBIT

AUG 13 1986

NO. 1 6

STATE BUDGET & CONTROL BOARD

The Honorable William Clark, Secretary
Department of the Interior
Interior Building
C Street between 18th & 19th, NW
Washington, D. C. 20240

Dear Mr. Secretary:

The 98th Congress passed an Act (S.566) releasing the federal government's reversionary interests in two tracts of land in Sumter County, SC, on Manchester State Forest. Enclosed you will find a copy of the Act. Under the terms of the original title, the U. S. government retained seventy-five percent (75%) of the mineral rights on this former Land Utilization project.

As referred to in S.555 on page five, line 12, Section four (a), "the South Carolina Commission of Forestry may apply to the Secretary of the Interior seeking to acquire all the undivided mineral interests of the United States in the tracts of land to which such release applies, and the Secretary of the Interior shall, subject to valid existing rights and subject to subsection (b) of this section, convey such mineral interests as requested."

On October 19, 1983, the U. S. Forest Service, Region 8 (Atlanta), at the request of the South Carolina National Forests, was asked to give us some assistance concerning the mineral resource potential of tract 1 (the state land on enclosed map) in the Manchester State Forest. A review was made by Mr. Douglas J. Hattersley, Geologist, Land and Minerals, U. S. Forest Service, Region Eight, on October 19, 1983. A copy of this review is enclosed.

The Commission of Forestry will be more than appreciative if your office could investigate this matter and relinquish the mineral rights to the S. C. Forestry Commission at a nominal cost on both the 1.99 acre tract and the 22.715 acre tract.

01871

The Honorable William Clark
November 20, 1984
Page 2

We are particularly anxious to deed the 1.99 acre tract
containing the Tiverton Church to the official church entity.

Thank you very much.

Sincerely yours,

D. Wilson Horton

D. Wilson Horton
Regional Forester

DWH/css

Enclosures

cc: Congressman John Spratt
Senator Ernest F. Hollings
Mr. Dave McGinnis
~~Mr. William O. Boykin~~

15810

D1871-A

EXHIBIT

AUG 13 1986

NO. 17

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF August 13, 1986

ITEM NUMBER

9

AGENCY: General Services

SUBJECT: Sale of Portion of Old Hampton Armory

The Division of General Services advises that the 1985 Appropriations Act, Section 12, provides that the surplus Hampton Armory may be transferred to Hampton County in exchange for land acquired under an agreement for construction of the new armory.

The Town of Hampton needs a new well to meet the water needs of its residents and has requested that 0.227 acre of the old armory site be conveyed to the Town through the County. Hampton County Council does not object to this transaction.

The Adjutant General's Office has approved the requested transfer.

BOARD ACTION REQUESTED:

Approve the transfer of 0.227 acre of the old Hampton Armory site to the Town of Hampton through Hampton County.

ATTACHMENTS:

Agenda item worksheet and attachment

01872

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

For meeting scheduled for:

Blue Agenda

Regular Session Agenda

August 13, 1986

X Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard L. Hall

2. Subject:

Sale of portion of Old Hampton Armory

3. Summary Background Information:

Section 12 of 1985 Appropriation Act provides that the Surplus Hampton Armory may be transferred to Hampton County in exchange for land acquired under an agreement for construction of the new Armory.

The Town of Hampton is in need of a new well to serve the water needs of its residents and has requested that .227 acres of the old Armory site be conveyed to the town through the County of Hampton.

The Adjutant General's Office has given its approval and recommendation of this transfer.

EXHIBIT

AUG 13 1986

NO. 17

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Approve transfer of .227 acres to Hampton County.

5. What is recommendation of the Board Division involved?

Approve transfer

6. Recommendation of other office (as required)?

(a) Office Name _____ (b) Signature _____

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available
from Submitter

1. Letter to Jack C. Sprott from Sidney S. Riggs, III
2. Plat of .227 acres
3. Letter from Hampton County Administrator
4. Excerpt from 1985 Appropriation Act

01873

The State of South Carolina
Military Department

/chm



OFFICE OF THE ADJUTANT GENERAL
REMBERT C. DENNIS BUILDING
1000 ASSEMBLY ST.
COLUMBIA, SC 29201

T. ESTON MARCHANT
MAJOR GENERAL
THE ADJUTANT GENERAL

July 16, 1986



EXHIBIT

AUG 13 1986 NO. 17

STATE BUDGET & CONTROL BOARD

Mr. Jack C. Sprott
Budget and Control Board
Division of General Services
Property Management
300 Gervais St.
Columbia SC 29201

Dear Mr. Sprott

This is in furtherance of our telephone conversation regarding the conveyance to the County of Hampton of 0.227 acre of the land whereon the old Hampton Armory is situate. The fact that the National Guard is still occupying the old Armory notwithstanding, this office recommends that the subject 0.227 acre, a Plat of which is enclosed, be conveyed to Hampton County at this time. We are informed that the ultimate grantee of this property will be the Town of Hampton which needs it as a most desirable location for the drilling of a new well to serve the water needs of its residents.


I am via copy of this letter to LTC Frank Chapman, Facilities Management Office, 1225 Bluff Road, Columbia, SC, 29201 (telephone 748-4304) requesting that office supply both you and me with copies of the Deed to the property of which the subject 0.227 acre is a portion in order that the Deed to the County of Hampton might be prepared. It is my understanding that your office will prepare the Deed and present same to the Budget and Control Board for its consideration. I assume that upon the Budget and Control Board's action on the matter, you will return the Deed to me for transmittal to Hampton County.

01874

I am also enclosing a copy of a letter from the Mayor of Hampton to General Varn of this office dated June 30, 1986, and a copy of a letter from the Hampton County Administrator to the Mayor of Hampton dated June 17, 1986, both for your information in this matter.

Thanking you for your assistance and cooperation, and trusting you will not hesitate to contact me in the event I might be of assistance to you, I am

Very truly yours,



SIDNEY S. RIGGS, III
MAJ, JAGC, SCARNG
Staff Judge Advocate

Enclosures

CF:
LTC Chapman

EXHIBIT

AUG 13 1986 NO. 17

STATE BUDGET & CONTROL BOARD

01875

EXHIBIT

AUG 13 1986 NO. 17

STATE BUDGET & CONTROL BOARD

NOTE:

THE ABOVE PARCEL OF LAND IS BEING CARVED, ON THIS DATE, OUT OF OTHER PROPERTY OF HAMPTON COUNTY FOR THE TOWN OF HAMPTON. FOR REFERENCE, SEE P.B. 4/p. 7 - THE OLD NATIONAL GUARD ARMORY LOT.

PLAT PREPARED FOR: THE TOWN OF HAMPTON

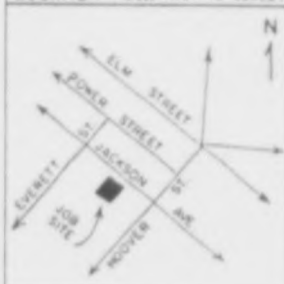
PROPERTY IS LOCATED
IN THE WESTERN SECTION
OF HAMPTON.

HAMPTON COUNTY
SOUTH CAROLINA

DATE SURVEYED:
JUNE 13, 1986

SCALE: 1 INCH = 40 FEET

LOCATION MAP (NOT TO SCALE)



CERTIFICATION:

I HEREBY CERTIFY THAT THE RATIO OF PRECISION OF THE FIELD SURVEY EXCEEDS 1/10,000 AS SHOWN HEREON AND THAT THE AREA WAS COMPUTED BY THE DOUBLE MERIDIAN DISTANCE METHOD OF AREA CALCULATION.

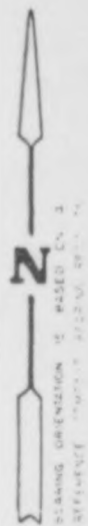
C. Lawton Maner
C. LAWTON MANER,
S. C. REGISTERED LAND SURVEYOR NUMBER 8370

THE LAWTON MANER COMPANY
15-A MULBERRY STREET EAST TELEPHONE:
HAMPTON, S.C. 29924 943-2366

SURVEYOR'S LEGAL SEAL

LEGEND: (IF APPLICABLE)

- EXISTING GROUND LEVEL ELEVATION.
- PROPOSED FINISHED GRADE ELEVATION.
- F.F.E. FINISHED FLOOR ELEVATION.
- CENTERLINE.
- C.M.N. - CONCRETE MONUMENT, NEW, SET THIS DATE.
- C.M.O. - CONCRETE MONUMENT, OLD, FOUND THIS DATE.
- D.B. - DEED BOOK (AT COUNTY COURTHOUSE).
- S.L. - GROUND LEVEL.
- R.W. - HIGHWAY.
- I.P.N. - IRON PIPE, NEW, SET THIS DATE.
- I.P.O. - IRON PIPE, OLD, FOUND THIS DATE.
- N.T.S. - NOT (DRAWN) TO SCALE.
- O.C.B. - OLD CENTER-BLAZED (TREE) FOUND THIS DATE.
- O.M.L. - OLD MARKED LINE (WITH BLAZED TREES).
- P.B. - PLAT BOOK (AT COUNTY COURTHOUSE).
- R/W - RIGHT-OF-WAY.



01876



OFFICE OF

COUNTY COUNCIL OF HAMPTON COUNTY

201 Jackson Street, West
Hampton, South Carolina 29924

TELEPHONE

(803) 943-3014
(803) 943-4951

COUNCIL MEMBERS:

CHARLIE I. CREWS, Chairman
W. V. BOWERS, JR., Vice-Chairman
E. R. BULLARD
WILLINGHAM COHEN, SR.
LOUISE G. HOPKINS

June 17, 1986

Virginia L. Sinclair
County Administrator

Edna L. Smith
Clerk to Council

EXHIBIT

AUG 13 1986

NO. 17

STATE BUDGET & CONTROL BOARD

Honorable Harold McMillan
Mayor, Town of Hampton
Post Office Box 97
Hampton, South Carolina 29924

Dear Mayor McMillan:

County Council discussed the plat received yesterday from C. Lawton Maner on the property at the old armory site.

Council has no objection to the State selling .227 acres of land to the Town of Hampton. This is a portion of the property to be conveyed to the County of Hampton by the State of South Carolina, upon completion of all construction at the new armory site in Varnville.

If we can be of further assistance, please let us know.

Sincerely,

Virginia L. Sinclair
County Administrator

01877

1985

SECTION 12
ADJUTANT GENERAL'S OFFICE

	TOTAL FUNDS	GENERAL FUNDS
B. BASE PAY INCREASE		
PERSONAL SERVICE		
BASE PAY INCREASE	61,818	
TOTAL PERSONAL SERVICE	61,818	
TOTAL BASE PAY INCREASE	61,818	
=====		
C. STATE EMPLOYER CONTRIBUTIONS		
FRINGE BENEFITS		
EMPLOYER CONTRIBUTIONS	839,388	576,686
TOTAL EMPLOYER CONTRIBUTIONS	839,388	576,686
TOTAL STATE EMPLOYER CONTRIBUTIONS	839,388	576,686
=====		
TOTAL EMPLOYEE BENEFITS	927,169	576,686
=====		
TOTAL ADJUTANT GENERAL'S OFFICE	6,789,822	3,153,094
=====		
TOTAL AUTHORIZED FTE POSITIONS	(136.00)	(54.75)
=====		

Provided, That the amount appropriated in this section in Program I Administration for "Tuition Assistance-National Guard" shall be expended in accord with Title 59, Chapter 114 of the South Carolina Code of Laws.

Provided, Further, That the surplus Hampton Armory may be transferred to Hampton County in exchange for land acquired under an agreement for construction of the new armory.

Provided, Further, That funds received from students who failed to enroll or withdraw from programs under the Tuition Assistance Program may be deposited in the Tuition Assistance Program Appropriation Account and expended for the same purpose as the original appropriation.

Provided, Further, That notwithstanding any other provision of law, the funds appropriated as unit maintenance funds shall be distributed to the various National Guard units at the direction of the Adjutant General.

Provided, Further, That the surplus Mullins Armory may be transferred to Marion County in exchange for land acquired under an agreement for construction of the new armory.

EXHIBIT

AUG 13 1986

NO. 17

STATE BUDGET & CONTROL BOARD

01878

SEP - 3 1986

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

For meeting scheduled for:

September 9, 1986

Blue Agenda

Regular Session Agenda

Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature:

Richard W. Kelly

2. Subject:

Sale of a Portion of Old Hampton Armory

3. Summary Background Information:

1. Section 12 of 1985 Appropriation Act provides that the Surplus Hampton Armory may be transferred to Hampton County in exchange for land acquired under an agreement for construction of the New Armory.
2. The Town of Hampton is in need of a new well to serve the water needs of its residents and has requested that .227 acres of the Old Armory site be conveyed to the town through the County of Hampton.
3. The Adjutant General's office has given its approval and recommendation of this transfer.

4. What is Board asked to do?

Approve transfer of .227 acres to Hampton County

5. What is recommendation of the Board Division involved?

Approve transfer

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available
From Submitter

1. Letter to Jack C. Sprott from Sidney S. Riggs, III
2. Plat of .227 acres
3. Letter from Hampton County Administrator
4. Excerpt from 1985 Appropriation Act

01879

The State of South Carolina
Military Department

/chm



OFFICE OF THE ADJUTANT GENERAL

REMBERT C. DENNIS BUILDING
1000 ASSEMBLY ST
COLUMBIA, S.C. 29201

T. ESTON MARCHANT
MAJOR GENERAL
THE ADJUTANT GENERAL

July 16, 1986



EXHIBIT

AUG 13 1986

NO. 17

STATE BUDGET & CONTROL BOARD

Mr. Jack C. Sprott
Budget and Control Board
Division of General Services
Property Management
300 Gervais St.
Columbia SC 29201

Dear Mr. Sprott

This is in furtherance of our telephone conversation regarding the conveyance to the County of Hampton of 0.227 acre of the land whereon the old Hampton Armory is situate. The fact that the National Guard is still occupying the old Armory notwithstanding, this office recommends that the subject 0.227 acre, a Plat of which is enclosed, be conveyed to Hampton County at this time. We are informed that the ultimate grantee of this property will be the Town of Hampton which needs it as a most desirable location for the drilling of a new well to serve the water needs of its residents.

I am via copy of this letter to LTC Frank Chapman, Facilities Management Office, 1225 Bluff Road, Columbia, SC, 29201 (telephone 748-4304) requesting that office supply both you and me with copies of the Deed to the property of which the subject 0.227 acre is a portion in order that the Deed to the County of Hampton might be prepared. It is my understanding that your office will prepare the Deed and present same to the Budget and Control Board for its consideration. I assume that upon the Budget and Control Board's action on the matter, you will return the Deed to me for transmittal to Hampton County.

01880

EXHIBIT

AUG 13 1986

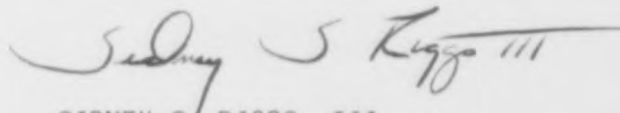
NO. 17

STATE BUDGET & CONTROL BOARD

I am also enclosing a copy of a letter from the Mayor of Hampton to General Varn of this office dated June 30, 1986, and a copy of a letter from the Hampton County Administrator to the Mayor of Hampton dated June 17, 1986, both for your information in this matter.

Thanking you for your assistance and cooperation, and trusting you will not hesitate to contact me in the event I might be of assistance to you, I am

Very truly yours,



SIDNEY S. RIGGS, III
MAJ, JAGC, SCARNG
Staff Judge Advocate

Enclosures

CF:
LTC Chapman

01881

EXHIBIT

AUG 13 1986

NO. 17

STATE BUDGET & CONTROL BOARD

HAMPTON COUNTY
(P.B. 4/p.7)

HAMPTON COUNTY
(P.B. 4/p.7)

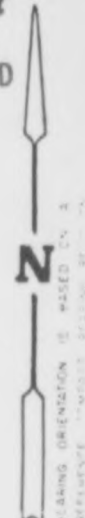
JACKSON AVE WEST

60 FT. R/W

0.227 ACRE

CHAIN LINK FENCE POST

HOOVER STREET
60 FT. R/W



NOTE:

THE ABOVE PARCEL OF LAND IS BEING CARVED, ON THIS DATE, OUT OF OTHER PROPERTY OF HAMPTON COUNTY FOR THE TOWN OF HAMPTON. FOR REFERENCE, SEE P.B. 4/p.7 - THE OLD NATIONAL GUARD, ARMORY LOT.

**PLAT PREPARED FOR:
THE TOWN OF HAMPTON**

PROPERTY IS LOCATED IN THE WESTERN SECTION OF HAMPTON. HAMPTON COUNTY SOUTH CAROLINA

DATE SURVEYED:
JUNE 13, 1986

SCALE: 1 INCH = 40 FEET

LEGEND: (IF APPLICABLE)

- ⊙ EXISTING GROUND LEVEL ELEVATION.
- * PROPOSED FINISHED GRADE ELEVATION.
- ± FINISHED FLOOR ELEVATION.
- CENTERLINE.
- C.M.N. CONCRETE MONUMENT, NEW, SET THIS DATE.
- C.M.O. CONCRETE MONUMENT, OLD, FOUND THIS DATE.
- D.B. DEED BOOK (AT COUNTY COURTHOUSE).
- G.L. GROUND LEVEL.
- HWY. HIGHWAY.
- I.P.N. IRON PIPE, NEW, SET THIS DATE.
- I.P.O. IRON PIPE, OLD, FOUND THIS DATE.
- N.T.S. NOT (DRAWN) TO SCALE.
- O.C.B. OLD CENTER-BLAZED (TREE) FOUND THIS DATE.
- O.M.L. OLD MARKED LINE (WITH BLAZED TREES).
- P.B. PLAT BOOK (AT COUNTY COURTHOUSE).
- R/W RIGHT-OF-WAY.

LOCATION MAP (NOT TO SCALE)



CERTIFICATION:

I HEREBY CERTIFY THAT THE RATIO OF PRECISION OF THE FIELD SURVEY EXCEEDS 1/10,000 AS SHOWN HEREON AND THAT THE AREA WAS COMPUTED BY THE DOUBLE MERIDIAN DISTANCE METHOD OF AREA CALCULATION.

C. Lawton Maner

C. LAWTON MANER,
S.C. REGISTERED LAND SURVEYOR NUMBER 6370

THE LAWTON MANER COMPANY
15-A MULBERRY STREET EAST TELEPHONE:
HAMPTON, S.C. 29924 943-2366

SURVEYOR'S LEGAL SEAL

01882



COUNCILMEN:
JOHN B. RHODEN, JR.
JAMES W. HAGOOD
WILL A. GOLDEN, JR.
J. ROBERT LYBRAND

Town of Hampton

608 FIRST STREET, WEST
HAMPTON, SOUTH CAROLINA 29924

EXHIBIT

JUN 13 1986

NO. 17

STATE BUDGET & CONTROL BOARD

HAROLD S. McMILLAN, MAYOR
TELEPHONE: (803) 943-2951

June 30, 1986

TO: General Jasper Varn
Dennis Building
1000 Assembly Street
Columbia, S. C. 29201

SUBJECT: Conveying of Property

Please find the attached letter from the County Council and plat of property to be conveyed.

Thanking you in advance for your cooperation.

Sincerely yours,


Harold S. McMillan
Mayor

01883



OFFICE OF

COUNTY COUNCIL OF HAMPTON COUNTY

201 Jackson Street, West
Hampton, South Carolina 29924

TELEPHONE

(803) 943-3014
(803) 943-4951

COUNCIL MEMBERS:

CHARLIE I. CREWS, Chairman
W. V. BOWERS, JR., Vice-Chairman
E. R. BULLARD
WILLINGHAM COHEN, SR.
LOUISE G. HOPKINS

June 17, 1986

Virginia L. Sinclair
County Administrator

Edna L. Smith
Clerk to Council

EXHIBIT

AUG 13 1986

NO. 17

STATE BUDGET & CONTROL BOARD

Honorable Harold McMillan
Mayor, Town of Hampton
Post Office Box 97
Hampton, South Carolina 29924

Dear Mayor McMillan:

County Council discussed the plat received yesterday from C. Lawton Maner on the property at the old armory site.

Council has no objection to the State selling .227 acres of land to the Town of Hampton. This is a portion of the property to be conveyed to the County of Hampton by the State of South Carolina, upon completion of all construction at the new armory site in Varnville.

If we can be of further assistance, please let us know.

Sincerely,

Virginia L. Sinclair
County Administrator

01884

SECTION 12
ADJUTANT GENERAL'S OFFICE

	TOTAL FUNDS	GENERAL FUNDS
B. BASE PAY INCREASE		
PERSONAL SERVICE		
BASE PAY INCREASE	61,818	
TOTAL PERSONAL SERVICE	61,818	
TOTAL BASE PAY INCREASE	61,818	
=====		
C. STATE EMPLOYER CONTRIBUTIONS		
FRINGE BENEFITS		
EMPLOYER CONTRIBUTIONS	839,388	576,686
TOTAL EMPLOYER CONTRIBUTIONS	839,388	576,686
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TOTAL EMPLOYEE BENEFITS	927,169	576,686
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TOTAL ADJUTANT GENERAL'S OFFICE	6,789,822	3,153,094
=====		
TOTAL AUTHORIZED FTE POSITIONS	(136.00)	(54.75)
=====		

Provided, That the amount appropriated in this section in Program I Administration for "Tuition Assistance-National Guard" shall be expended in accord with Title 59, Chapter 114 of the South Carolina Code of Laws.

Provided, Further, That the surplus Hampton Armory may be transferred to Hampton County in exchange for land acquired under an agreement for construction of the new armory.

Provided, Further, That funds received from students who failed to enroll or withdraw from programs under the Tuition Assistance Program may be deposited in the Tuition Assistance Program Appropriation Account and expended for the same purpose as the original appropriation.

Provided, Further, That notwithstanding any other provision of law, the funds appropriated as unit maintenance funds shall be distributed to the various National Guard units at the direction of the Adjutant General.

Provided, Further, That the surplus Mullins Armory may be transferred to Marion County in exchange for land acquired under an agreement for construction of the new armory.

EXHIBIT

AUG 13 1986

NO. 17

STATE BUDGET & CONTROL BOARD

01885

EXHIBIT

AUG 13 1986

NO. 18

STATE BUDGET AND CONTROL BOARD STATE BUDGET & CONTROL BOARD REGULAR SESSION
MEETING OF August 13, 1986 ITEM NUMBER

10

AGENCY: General Services

SUBJECT: Information Technology Equipment Trade-in (Clemson)

The Division of General Services advises that Clemson University has offered for sale or trade-in on more advanced equipment an IBM 3081 K computer system which will become surplus upon the procurement of a new system.

The Division advises that bids were solicited from third-party dealers and from plug-compatible vendors on a trade-in basis and on an outright sale basis.

National Advanced Systems, Inc., offered the state \$900,000 as a trade in which is \$75,000 more than the next highest offer.

BOARD ACTION REQUESTED:

Approve the Clemson University request to trade-in an IBM 3081 K computer system at a value of \$900,000.

ATTACHMENTS:

Agenda item worksheet and attachment

01886

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

For meeting scheduled for:

August 13, 1986

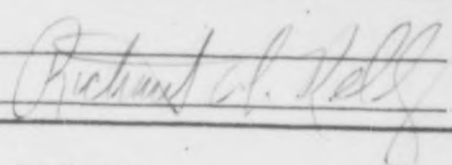
Blue Agenda

☒ Regular Session Agenda

Executive Session Agenda

1. Submitted By:

(a) Agency: Clemson University

(b) Authorized Official Signature: 

2. Subject:

Trade-in of Information Technology Equipment

3. Summary Background Information:

Clemson University has offered for sale or trade-in on more advanced equipment an IBM 3081 K computer system which will become surplus to their needs upon the procurement of a new system. Bids were solicited from third party dealers and from plug compatible vendors on a trade-in basis. The results are enclosed. National Advanced Systems, Inc. offers the State \$75,000.00 more than the next highest offer.

EXHIBIT

AUG 13 1986

NO. 18

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Approve the trade-in offered by National Advanced Systems of \$900,000.00.

5. What is recommendation of the Board Division involved?

Approve the trade-in offered by National Advanced Systems of \$900,000.00.

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available
from Submitter

1. Bid Results:

Contact Party at Agency:

2. IFB 4-Sale-1200200-07/28/86-41-P

Dr. Chris Duckenfield - 656-3466

3. IFB 2-205-1200200-07/28/86-41-P

Buyer: Jim Clarke - 737-8900

01887



Bids received as a result of IFB 4-SALE-1200200-07/28/86-41-P
which was an outright sale of surplus equipment.

A-Systems Corp	\$765,000.00
National Computer Equipment Corp	\$741,313.00
Centron Corp.	\$690,000.00
Municipal Leasing Corp.	\$700,000.00

Bids received as a result of IFB 2-205-1200200-07/28/86-41-P in
which the surplus equipment was offered as trade-in.

Amdahl Corp	\$825,000.00
National Advanced Systems	\$900,000.00

EXHIBIT

AUG 13 1986 NO. 18

STATE BUDGET & CONTROL BOARD

01888

EXHIBIT

AUG 13 1986

NO. 19

STATE BUDGET AND CONTROL BOARD

STATE BUDGET & CONTROL BOARD

REGULAR SESSION

MEETING OF August 13, 1986

ITEM NUMBER

11

AGENCY: Mental Health

SUBJECT: Moving Expenses

In accord with Code Section 8-11-135, the Department of Mental Health requests authorization to pay the moving expenses for the following new employees:

- (a) Frank L. Giordano, M.D., El Paso, Texas, \$800 as a reimbursement for the costs incurred in moving personal and household effects.

Dr. Giordano is to accept a position on the faculty of the William S. Hall Psychiatric Institute.

- (b) James Viggiano, Ph.D., Trenton, New Jersey, \$3,000 as a reimbursement for the costs incurred in moving personal and household effects.

Dr. Viggiano is to accept a position as Psychologist IV at the Pee Dee Mental Health Center.

BOARD ACTION REQUESTED:

In accord with Code Section 8-11-135, authorize the Department of Mental Health to pay the moving expenses for the following new employees: (a) Frank L. Giordano, M.D., El Paso, Texas, \$800; and (b) James Viggiano, Ph.D., Trenton, New Jersey, \$3,000.

ATTACHMENTS:

Bevilacqua July 28 memo to McInnis

01889

AUG - 4 1986



South Carolina Department of Mental Health

An Equal Opportunity Employer

P.O. Box 485 2414 Bull Street Columbia, South Carolina 29202
Telephone (803) 758-7701

Joseph J. Bevilacqua, Ph.D. / State Commissioner of Mental Health

EXHIBIT

MEMORANDUM

AUG 13 1986

NO. 19

MENTAL HEALTH COMMISSION:

William L. Pope, Chairman
Columbia

Bernard Warshaw, Vice-Chairman
Walterboro

E. A. Hall, Jr.
Columbia

C. Alex Harvin, Jr.
Summerton

Elaine T. Freeman
Spartanburg

Carol W. Garvin
Aiken

Willie G. Boulware
Rock Hill

C. M. Tucker, Jr.
Chairman Emeritus
Pageland

John M. Fewell, M.D.
Member Emeritus
Greenville

G. Werber Bryan
Member Emeritus
Sumter

TO: William A. McInnis, Secretary
Budget and Control Board

STATE BUDGET & CONTROL BOARD

FROM: Joseph J. Bevilacqua, Ph.D.
State Commissioner of Mental Health

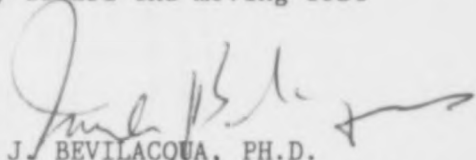
SUBJECT: New Employee Moving Expense Payment Approval Request

DATE: July 28, 1986

In accord with Code Section 8-11-135, this is a request for Budget and Control Board approval of the payment by this agency of \$800.00 as a reimbursement to Frank L. Giordano, M.D., El Paso, Texas, for the costs incurred in moving personal and household effects from El Paso, Texas to Columbia, South Carolina.

Dr. Giordano is to accept a position on the faculty of the William S. Hall Psychiatric Institute with the Department of Mental Health. Because of the critical need for psychiatrists, it is necessary for this agency to pay this reimbursement to fill this position.

I certify that the indicated amount to be paid is the total paid and to be paid by this agency toward the moving cost incurred by this new employee.


JOSEPH J. BEVILACQUA, PH.D.
STATE COMMISSIONER OF MENTAL HEALTH

JJB:cmb

01890



AUG - 1 1986

South Carolina Department of Mental Health

An Equal Opportunity Employer

P.O. Box 485 2414 Bull Street Columbia, South Carolina 29202
Telephone (803) 758-7701

Joseph J. Bevilacqua, Ph.D. / State Commissioner of Mental Health

EXHIBIT

AUG 13 1986

NO. 19

MEMORANDUM

STATE BUDGET & CONTROL BOARD

MENTAL HEALTH COMMISSION:

William L. Pope, Chairman
Columbia

Bernard Warshaw, Vice-Chairman
Walterboro

E. A. Hall, Jr.
Columbia

C. Alex Harvin, Jr.
Summerton

Elaine T. Freeman
Spartanburg

Carol W. Garvin
Aiken

Willie G. Boulware
Rock Hill

C. M. Tucker, Jr.
Chairman Emeritus
Pageland

John M. Fewell, M.D.
Member Emeritus
Greenville

G. Werber Bryan
Member Emeritus
Sumter

TO: William A. McInnis, Secretary
Budget and Control Board

FROM: Joseph J. Bevilacqua, Ph.D.
State Commissioner of Mental Health

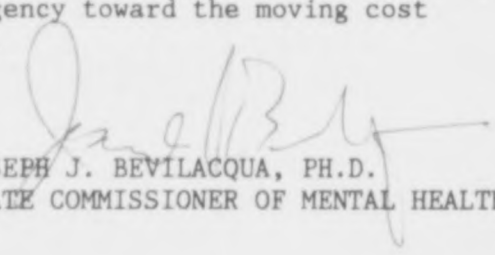
SUBJECT: New Employee Moving Expense Payment Approval Request

DATE: July 29, 1986

In accord with Code Section 8-11-135, this is a request for Budget and Control Board approval of the payment by this agency of \$3,000.00 as a reimbursement to James Viggiano, Ph.D., Trenton, New Jersey, for the costs incurred in moving personal and household effects from Trenton, New Jersey to Florence, South Carolina.

Dr. Viggiano is to accept a position as a Psychologist IV at the Pee Dee Mental Health Center in Florence, South Carolina. The center has been recruiting for this position since August, 1985. Dr. Viggiano will be serving as Coordinator of Child-Adolescent Services. Because of the critical need to have this position filled, it is necessary for this agency to pay this reimbursement.

I certify that the indicated amount to be paid is the total paid and to be paid by this agency toward the moving cost incurred by this new employee.


JOSEPH J. BEVILACQUA, PH.D.
STATE COMMISSIONER OF MENTAL HEALTH

JJB: cmb

01891

EXHIBIT

AUG 13 1986

NO. 20

STATE BUDGET AND CONTROL BOARD BUDGET & CONTROL BOARD AR SESSION
MEETING OF August 13, 1986

ITEM NUMBER

12

AGENCY: College of Charleston

SUBJECT: Foreign Travel

- (a) The College of Charleston requests approval of the travel of Cynthia A. Bouton to Wellington, New Zealand during the August 24-31, 1986, period to present a paper and chair a session at the Fifth George Rude Seminar at Victoria University. The cost of the travel is estimated at \$1,321 and will be paid from State-appropriated funds.
- (b) On May 14, 1986, staff approved the travel of College of Charleston staff member Rose C. Hamm to Japan, China and France during the May 31 - July 1, 1986, period with \$950 of the cost of the travel to be paid from State appropriated funds.

The College now advises that the estimated cost of the travel is \$4,800 and requests approval of the use of an additional \$420 of State appropriated funds (\$1,370 total State funds).

BOARD ACTION REQUESTED:

- (a) Approve the travel of College of Charleston staff member Cynthia A. Bouton to Wellington, New Zealand during the August 24-31, 1986, period to present a paper and chair a session at the Fifth George Rude Seminar at Victoria University.
- (b) Approve the travel of College of Charleston staff member Rose C. Hamm to Japan, China and France during the May 31 - July 1, 1986, period at an estimated cost of \$4,800 of which \$1,370 will be paid from State appropriated funds.

ATTACHMENTS:

Bolchoz July 24 memo to McInnis

01892

JUL 28 1986



THE COLLEGE OF CHARLESTON

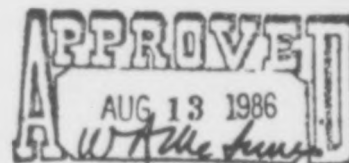
CHARLESTON, SOUTH CAROLINA 29401

July 24, 1986

TO: Mr. William McInnis
Deputy Executive Director
S.C. Budget and Control Board
618 Wade Hampton Office Building
P.O. Box 12444
Columbia, SC 29211

FROM: Joseph E. Bolchoz, Jr.
Assistant Vice President
and Controller
College of Charleston

RE: Request for Foreign Travel Approval



STATE BUDGET AND
CONTROL BOARD

EXHIBIT

AUG 13 1986 NO. 20

STATE BUDGET & CONTROL BOARD

Traveller: CYNTHIA A. BOUTON

Destination: WELLINGTON, NEW ZEALAND

Dates: AUG 24 - aug 31, 1986
From To

Source of Funds: STATE FUNDS

Maximum Amount Allowed: \$1321.00 TOTAL Cost From State Funds

Purpose: TO PRESENT A PAPER AND TO CHAIR A SESSION
AT THE FIFTH GEORGE RUDE SEMINAR AT
VICTORIA UNIVERSITY OF WELLINGTON,
WELLINGTON, NEW ZEALAND

Requested on behalf of the College of Charleston by:

Joseph E. Bolchoz, Jr.

JEB,JR/ map

01893

FOUNDED 1770

AUG - 6 1986



THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

August 4, 1986

EXHIBIT

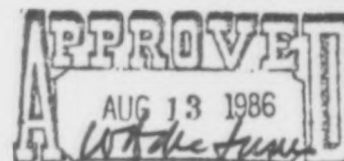
AUG 13 1986

NO. 20

STATE BUDGET & CONTROL BOARD

TO: Mr. William McInnis
Deputy Executive Director
S.C. Budget and Control Board
618 Wade Hampton Office Building
P.O. Box 12444
Columbia, SC 29211

FROM: Joseph E. Bolchoz, Jr.
Assistant Vice President
and Controller
College of Charleston



STATE BUDGET AND
CONTROL BOARD

RE: Request for Foreign Travel Approval

Traveller: ROSE HAMM

Destination: JAPAN, CHINA, FRANCE

Dates: MAY 30 - JULY 1, 1986
From To

Source of Funds: STATE FUNDS

Maximum Amount Allowed: BY C O C \$420 (additional funds) EST COST \$4800 *

Purpose: SEE BELOW
SEE ATTACHED

Requested on behalf of the College of Charleston by:

Joseph E. Bolchoz, Jr.

JEB,JR/ map

*Previously approved \$950.00

01894

FOUNDED 1770



THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

May 9, 1986

EXHIBIT

AUG 13 1986 NO. 20

STATE BUDGET & CONTROL BOARD

TO: Mr. William McInnis
Deputy Executive Director
S.C. Budget and Control Board
618 Wade Hampton Office Building
P.O. Box 12444
Columbia, SC 29211

FROM: Joseph E. Bolchoz, Jr.
Assistant Vice President
and Controller
College of Charleston

RE: Request for Foreign Travel Approval

Traveller: ROSE C. HAMN

Destination: HAKANI, JAPAN, JINAN, CHINA & MARSEILLE, FRANCE

Dates: MAY 31, 1986 JULY 1, 1986
From To

Source of Funds: STATE FUNDS

Maximum Amount Allowed: \$950.00

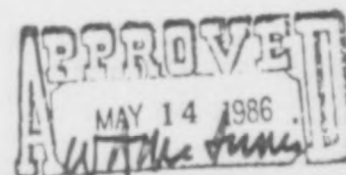
Purpose: TO ATTEND THE FIRST JAPAN CONFERENCE ON
GRAPH THEORY AND APPLICATIONS, HAKONE, JAPAN JUNE 1-5
FIRST CHINA-USA INTERNATIONAL CONF ON GRAPH
THEORY & ITS APPLICATION, JINAN, CHINA JUN 9-20
INTERNATIONAL SYMPOSIUM ON GRAPH THEORY &
COMBINATORICS, MARSEILLE, FRANCE JUN 23-28

Requested on behalf of the College of Charleston by:

Joseph E. Bolchoz, Jr.
Joseph E. Bolchoz, Jr.

01895

JEB, JR/ map



STATE BUDGET AND
CONTROL BOARD

FOUNDED 1770

EXHIBIT

AUG 13 1986

NO. 21

STATE BUDGET AND CONTROL BOARD
MEETING OF August 13, 1986

REGULAR SESSION
ITEM NUMBER

13

AGENCY: Attorney General's Office

SUBJECT: Declaratory Ruling on Regulation 19-450

The Attorney General's Office is preparing a ruling on the Board's authority to promulgate Regulation 19-450 (Permits for Construction in Navigable Waters) in response to a petition by Nolas Trading Company, Inc.

Efforts will be made to brief the Board members on this before the meeting and the proposed ruling will be presented at the meeting.

BOARD ACTION REQUESTED:

Consider.

ATTACHMENTS:

01896

NOLAS TRADING COMPANY, INC.

1600 West Washington St. • Box 2008 • Greenville, S. C. 29602-2008

EXHIBIT

AUG 13 1986

NO. 21

STATE BUDGET & CONTROL BOARD

CERTIFIED MAIL

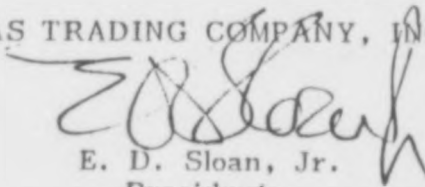
State Budget and Control Board
Box 12444
Columbia, SC 29211

Gentlemen:

Pursuant to Section 1-23-150 of the Code we petition
you for a declaratory ruling as to your authority to promulgate
R19-450.

Yours very truly,

NOLAS TRADING COMPANY, INC.


E. D. Sloan, Jr.
President

EDSJR:F

01897

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

BEFORE THE SOUTH CAROLINA
STATE BUDGET AND CONTROL BOARD

In Re:)
Petition of Nolas Trading Co., Inc.)

DECLARATORY RULING

EXHIBIT

AUG 13 1986 NO. 21

STATE BUDGET & CONTROL BOARD

The Petitioner, Nolas Trading Company, Inc., has petitioned the State Budget and Control Board (hereinafter sometimes the Board) pursuant to § 1-23-150, S.C. CODE 1976 (as amended) for a declaratory ruling as to its authority to promulgate Regulation R19-450, which became effective on June 27, 1986. The Petitioner does not state any reasons why the authority of the Board to promulgate this Regulation is being challenged. Regulation R19-450 sets out procedures for issuance of permits for construction in navigable waters of the state, including specifically

dredging, filling or construction or alteration activity in, on, or over a navigable water, or in, or on the bed under navigable waters, or in, or on lands or waters subject to a public navigational servitude under Article 14, Section 4 of the South Carolina Constitution and §49-1-10 of the 1976 S.C. Code of Laws including submerged lands under the navigable waters of the state, or for any activity significantly affecting the flow of any navigable water.

This declaratory ruling addresses both the authority of the Board to issue permits for construction in navigable waterways as well

01898

as the authority of the Board to provide by regulation for a procedure governing the issuance of such permits.

The Board's authority to issue permits is derived from several sources. The Constitution provides that "[a]ll navigable waters shall forever remain public highways free to the citizens of the State" Art. XIV, § 4, S.C. CONST. The General Assembly has further determined that "[a]ll streams which have been rendered or can be rendered capable of being navigated . . . and all navigable water courses and cuts are hereby declared navigable streams and such streams shall be common highways and forever free" Article 49-1-10, supra. The power of the Board to enforce this law by regulating construction in, on, or over navigable waters has been long-recognized.

The General Assembly placed all "vacant land" under the direction of the Budget and Control Board. §1-11-70, S.C. CODE 1976 (as amended). The Supreme Court has held "vacant land" to include the beds of navigable waterways to which the State holds title. State vs. Pacific Guano Co., 22 S.C. 50, 84 (1884). At least since the early 1970's the Board has sought to protect navigable waters and beds of navigable waterways in the State by requiring and issuing permits for construction and other activity in or on such navigable waters. [Regulation filed October 12, 1972; Regulation R19-450, supra (effective Dec. 31, 1976).]

Since that time the General Assembly has ratified and affirmed the power of the Board to issue such permits. In 1977, by the enactment of the South Carolina Coastal Zone Act, the

General Assembly provided that any person who had previously obtained such a permit from the Board, and had legally commenced use of that permit, would not be required to obtain a permit from the Coastal Council pursuant to the Coastal Zone Act for construction in areas of the State covered by that Act. §48-39-130(C), supra.

Again in 1982, the General Assembly ratified and affirmed the power of the Board to issue such permits by the enactment of Act No. 466, Part II, §7, S.C. Acts and Jt. Res., 1982, which authorized the Board to "charge a fee to an applicant for a permit for any construction, alteration, dredging, filling, or other activity in navigable waters of the State." §1-11-75, supra. It further provided for the annual appropriation of such fee to that state agency "designated by the Board to act on its behalf in processing, investigating and recommending final action to be taken by Board on each permit application." Id.

In addition, during the 1986 legislative session, the General Assembly amended Act 466 of 1982 by increasing the fee which the Board may charge a permit applicant. 1986-87 Annual Part II, §6, Act No. 540, S.C. Acts & Jt. Res., 1986. Additionally, during this same session the General Assembly passed an act prohibiting any person from impounding waters of a navigable stream in order to generate hydroelectricity "without securing a permit from the State Budget and Control Board pursuant to §1-11-75." Act No. 489, S.C. Acts & Jt. Res. 1986.

The above-cited legislation is significant for the reason that the General Assembly has also authorized the exercise of

this executive power both by implied ratification as well as by long-continued acquiescence. 1 Am Jur. 2d "Administrative Law," §71. It is clear from the above legislation that the General Assembly has granted the Board the responsibility and the authority to issue permits for construction in navigable waters of the state.

The Board's authority to issue such permits has been upheld by the Supreme Court of this State. In a case arising under the Coastal Zone Act, the Supreme Court held that two such permits issued by the Board were "valid State actions" and authorized the permit holder to proceed with construction without obtaining another permit from the Coastal Council. South Carolina State Ports Authority v. South Carolina Coastal Council, 270 S.C. 320, 326, 342 S.E.2d 225 (1978). For the foregoing reasons, it is clear that the Board has the power to issue permits for construction in, on or under the navigable waters of the state

Since the Board has the power to issue such permits, it follows that the Board has the corresponding authority to promulgate the subject Regulation. As a matter of general law the grant of a power to carry out a specific executive function includes the power to "adopt reasonable rules and regulations which are deemed necessary to the due and efficient exercise of the powers expressly granted." 1 Am Jur. 2d, "Administrative Law," §97; See, SHIPLEY, SOUTH CAROLINA ADMINISTRATIVE LAW, Chap. 4. The authority of the Board to issue such regulations has been expressly upheld by the court in the case of State ex rel McLeod v. Sloan Construction Company, (79-CP-44-146) a copy

EXHIBIT

AUG 13 1986 NO. 21

STATE BUDGET & CONTROL BOARD

01901

of which is attached. In that case former Chief Justice Moss, sitting as a special circuit judge, considered a challenge to the authority of the Board to promulgate former Regulation R19-450, and Chief Justice Moss upheld the power of the Board to issue that Regulation. The Order was not appealed by Sloan and it became a final Order. The authority exercised by the Board in issuing this Regulation is the same authority upheld by the Court in that case.

The Petition of Nolas Trading Company, Inc. has been carefully considered. For all the foregoing reasons the Board rules that it has the authority to promulgate the said Regulation.


FOR THE STATE BUDGET AND
CONTROL BOARD

Columbia, South Carolina

August 13, 1986

EXHIBIT

AUG 13 1986 NO. 21

STATE BUDGET & CONTROL BOARD

01902

AUG 12 1986

The State of South Carolina



Office of the Attorney General

EXHIBIT

AUG 13 1986

NO. 21

STATE BUDGET & CONTROL BOARD

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 118
COLUMBIA, S.C. 29201
TELEPHONE 803 777-1234

August 12, 1986

HAND DELIVERED

William A. McInnis
Deputy Executive Director
State Budget and Control Board
P. O. Box 12444
Columbia, South Carolina 29211

RE: Petition of Nolas Trading Company, Inc. for
Declaratory Ruling

Dear Bill:

Enclosed is our proposed Declaratory Ruling in the above matter which appears on the regular Board Agenda for tomorrow as Item 13.

This proposed Ruling replies to a Petition filed with the Board by Nolas Trading Company challenging the Regulation which the Board approved on April 22, 1986, dealing with permits for construction in navigable waterways. A copy of the new Regulation is attached as well as a copy of the Petition. The declaratory ruling is being sought pursuant to the Administrative Procedures Act, §1-23-150, S.C. Code, 1976 (as amended). A copy of that code section is also attached. We are available if you or any member of the Board wishes to discuss this matter further.

Sincerely,

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

Joseph A. Wilson, II
Chief Deputy Attorney General

gmb

Enclosure

01903

EXHIBIT

AUG 13 1986

NO. 21

William A. McInnis
August 12, 1986
Page 2

STATE BUDGET & CONTROL BOARD

CC: The Honorable Richard Riley
The Honorable Grady L. Patterson
The Honorable Earle E. Morris, Jr.
The Honorable Tom G. Mangum
The Honorable Rembert C. Dennis

01904

§ 1-23-140 ADMINISTRATION OF THE GOVERNMENT

(3) Make available for public inspection all final orders, decisions and opinions except as otherwise provided by law.

(b) No agency rule, order or decision is valid or effective against any person or party, nor may it be invoked by the agency for any purpose until it has been made available for public inspection as required by this article and Article 2. This provision is not applicable in favor of any person or party who has actual knowledge thereof.

HISTORY: 1977 Act No. 176 Art. I § 14.

Research and Practice References—

2 Am Jur 2d, Administrative Law §§ 226, 232, 287.

73 CJS, Public Administrative Law and Procedure §§ 111, 114.

76 CJS, Records § 35.

Annual Survey of South Carolina Law: Administrative Law; Administrative Procedure Act. 30 SC L Rev 1.

§ 1-23-150. Appeals contesting authority of agency to promulgate regulation.

(a) Any person may petition an agency in writing for a declaratory ruling as to the applicability of any regulation of the agency or the authority of the agency to promulgate a particular regulation. The agency shall, within thirty days after receipt of such petition, issue a declaratory ruling thereon.

(b) After compliance with the provisions of paragraph (a) of this section, any person affected by the provisions of any regulation of an agency may petition the Circuit Court for a declaratory judgment and/or injunctive relief if it is alleged that the regulation or its threatened application interferes with or impairs, or threatens to interfere with or impair, the legal rights or privileges of the plaintiff or that the regulation exceeds the regulatory authority of the agency. The agency shall be made a party to the action.

HISTORY: 1977 Act No. 176 Art. I § 15; 1980 Act No. 442, § 5.

Research and Practice References—

2 Am Jur 2d, Administrative Law §§ 287, 288, 553 et seq.

73 CJS, Public Administrative Law and Procedure §§ 72 et seq.

§ 1-23-160. Prior filed regulations unaffected.

All regulations of state agencies promulgated according to law and filed with the Secretary of State as of January 1, 1977, shall have the full force and effect of law.

HISTORY: 1977 Act No. 176 Art. I § 16.

EXHIBIT

AUG 13 1986 NO. 21

STATE BUDGET & CONTROL BOARD

01905

The following regulations promulgated pursuant to Article I, Chapter 23, Title 1, Code of Laws of South Carolina, 1976, submitted to the Speaker of the House of Representatives and the President of the Senate for consideration were approved by Joint Resolution and became effective on the date of publication of this issue of the State Register.

Proposed Regulation 19-450, Permits for Construction in Navigable Waters

450.1 Scope of Duties

A. Scope

Unless expressly exempted, a permit issued by the State Budget and Control Board is required for any dredging, filling or construction or alteration activity in, on, or over a navigable water, or in, or on the bed under navigable waters, or in, or on lands or waters subject to a public navigational servitude under Article 14 Section 4 of the South Carolina Constitution and § 49-1-10 of the 1976 S.C. Code of Laws including submerged lands under the navigable waters of the state, or for any activity significantly affecting the flow of any navigable water.

B. General Duties of Water Resources Commission

For purposes of administering these procedures, the Water Resources Commission on behalf of the Budget and Control Board shall serve as the coordinating agency, responsible for obtaining and evaluating the views of all relevant agencies and persons, and taking such administrative actions as are appropriate to advise agencies, applicants and others concerning the procedures. The Commission or its staff may comment on a permit application pursuant to 450.6 and 7. The Commission also shall recommend to the Board whether the permit should be granted or denied or made subject to any particular condition not provided in these regulations.

C. General Responsibilities of Applicant

An applicant who seeks a permit from the Budget and Control Board under these regulations is responsible for establishing that the proposed activity is consistent with these regulations, and for providing to the commenting agencies the Commission and the Board the information that may be required to make that determination with reasonable certainty. Failure to respond or provide requested information may result in the denial of the permit.

EXHIBIT

AUG 13 1986

NO. 21

STATE BUDGET & CONTROL BOARD

01906

Applicants contemplating major projects are encouraged to contact the Commission prior to submitting a formal application for a permit. The Commission will advise the applicant of the procedures, requirements, and areas of regulatory concern, and in appropriate cases may convene an interagency meeting to assist and guide the applicant in the preparation of the permit application.

450.2 Definitions

A. Board means the State Budget and Control Board.

B. Commission means the Water Resources Commission.

C. Navigable waters means those waters which are now navigable, or have been navigable at any time, or are capable of being rendered navigable by the removal of accidental obstructions, by rafts of lumber or timber or by small pleasure or sport fishing boats. Navigability shall be determined by the Commission.

D. Lands and waters subject to a public navigational servitude means those lands below the mean high water line in tidally influenced areas, or below the ordinary high water mark of any nontidal navigable waterway of the state.

E. Mean high water line means that line which intersects with the shore representing the average height of high waters over an 18.5 year tidal cycle. Benchmarks purporting to have established mean high or low water values must be verified by the Commission as meeting State and National Ocean Survey Standards.

F. Ordinary high water mark means the natural or clear line impressed on the shore or bank in nontidal waters representing the ordinary height of water therein. It may be determined by bank shelving, changes in the character of the soil, destruction or absence of terrestrial vegetation, the presence of litter or debris, or a combination of the above or other appropriate criteria that consider the characteristics of the surrounding area.

G. Feasible (feasibility) is determined by the Commission or Board and is based upon the best available information, including but not limited to technical input from the agencies, and consideration of economic, environmental, social and legal factors bearing on the suitability of the proposed activity and its alternatives. It includes the concepts of reasonableness and likelihood of success of achieving the purpose. "Feasible alternatives" applies to both locations or sites and to methods of design or construction and includes a "no action" alternative.

H. Person means any individual, organization, association, partnership, business trust, estate trust, corporation, public or municipal corporation, county, local government unit, public or private authority and shall include the federal government and its agencies and political subdivisions, the State of South Carolina, its political subdivisions, and all its department, boards, bureaus or other agencies.

450.3 Exemptions:

A. No permit is required by the Board for any activity or construction on private highlands above the mean high water line or ordinary high water mark which does not affect directly and significantly any navigable water or water or land subject to a public navigational servitude.

B. No permit is required by the Board for any activity subject to the exclusive permitting authority of the Coastal Council under §48-39-140 et. seq. and the applicable regulations thereunder.

C. No permit is required by the Board for any normal and otherwise lawful use of the navigable waters of the state which does not involve construction, filling, dredging or alteration activity in navigable waters, or any activity significantly affecting the flow of navigable waters.

D. No permit is required for any state or federal navigational markers.

EXHIBIT

AUG 13 1986

NO. 21

STATE BUDGET & CONTROL BOARD

E. No permit is required for the normal maintenance and repair of any existing permitted structure, or any structure completed prior to the adoption of the Board's permitting regulation on December 31, 1976 that is currently serviceable, intact and has been maintained in good working order since that date, provided that the normal maintenance and repairs on these structures does not alter significantly the dimensions nor change the purpose, scope or use of the structure nor do the repairs and maintenance activities create a hazard to navigation nor otherwise adversely affect the navigable waters of the state, water quality or wildlife. Any activity that is intended to restore a water control structure involving impoundment that has not been continually maintained and is not currently serviceable and intact and is now in disrepair and disuse shall require a permit.

F. Any activity undertaken prior to the commencement of the Board's permitting program under regulation 19-450 promulgated on December 31, 1976 which involves a structure which has been continually maintained in good working order since then and is intact and functional on the effective date of this regulation, and which subsequently does not adversely affect water quality, navigability, or other natural resource conditions existing on the effective date shall be exempt from the permitting process, provided, however, that the Commission may require the owner or other person responsible for the structure to report the existence and condition of the structure.

G. No permit may be required for the following activities provided that the applicant or permittee, in all except emergency situations, obtains from the Commission a written exemption from the permitting procedure prior to commencing work:

(1) Any activity on a permitted structure that does not significantly alter the dimensions, changes the purpose, scope or use of the structure, or may create a hazard to navigation or otherwise adversely affect the navigable waters of the state, the flow of navigable waters, water quality, or wildlife. Any request to perform an activity which significantly affects the navigable waters of the state, the flow of navigable waters, water quality, or wildlife shall be processed as an amendment to the permit under section 450.14. Any

activity on an unpermitted structure, or that is intended to restore a water control structure involving impoundment that has not been continually maintained and is not currently serviceable and intact and is now in disrepair and disuse, shall require a permit.

(2) Any emergency construction when the construction is ordered by a duly constituted official of a county, municipality or the state acting to protect the public safety from a sudden and unanticipated threat to the health or public safety. The Commission must be notified promptly by telephone and not later than seventy-two hours after construction has commenced, and within thirty days of the commencement of construction, written application must be made to the Commission for permission or a permit for the activity undertaken under emergency conditions.

(3) Any emergency repair or replacement of a recently damaged permitted structure, or any structure completed prior to the adoption of the Board's permitting regulation on December 31, 1976, provided that it has been continually maintained in a intact and currently serviceable condition and that the repairs are essential to prevent property damage from sudden and unanticipated events which make it impossible to notify the Commission prior to undertaking the activity, providing that the Commission must be notified not later than seventy-two hours after construction has commenced, and written application made within thirty (30) days for permission or a permit for the activity undertaken under emergency conditions.

(4) Any installation of utility lines to be attached to an existing permitted structure provided that the utility lines do not alter or reduce significantly the vertical or horizontal clearance provided by the structure.

(5) Any drilling for soil borings for construction foundation testing.

450.4 Permit Conditions

Any permit issued pursuant to these regulations is subject to the following conditions as well as any specifically mentioned in the individual permit.

(A) The authorization for activities or structures granted by the permit shall constitute a revocable license to use the lands and waters within the jurisdiction of the state. The permit is issued for a term of ten (10) years or for such longer period as the Board or Commission may grant for structures which have a substantially longer useful life. All permits are renewable provided that there has been no material adverse change in circumstances.

(B) The board may require the permittee to modify or remove activities or structures authorized herein if it is determined by the Board that such modification or removal is consistent with the requirements of 450.9(A). Modification or removal after the permit has been granted shall be ordered only after reasonable notice stating the reasons therefor and providing the permittee an opportunity to be heard.

(C) All activities authorized by the permit shall be consistent with and limited by the terms and conditions of the permit; any unauthorized work or activity different from or inconsistent with the permit may result in the modification, suspension, or revocation of the permit in whole or in part, and the institution of such legal proceedings as the State of South Carolina may consider appropriate.

(D) The construction authorized by this permit must be completed within three years of the date of issuance or such other time as the Board or Commission may set for good cause shown. Extensions of time may be granted provided that the requests are submitted to the Commission in writing prior to the expiration of the original time period, state whether there has been any change in the circumstances since the permit was approved and the reason for the extension of time.

(E) No permit shall convey nor be interpreted as conveying expressly or implicitly, any property right in the land or water in which the permitted activity is located. No permit shall be construed or interpreted as alienating public property for private use, nor does it authorize the permittee to alienate, diminish, infringe upon or otherwise restrict the property rights of other persons or the public.

(F) The grant, denial, modification, suspension, revocation of a permit or removal of a structure authorized under these regulations, shall not be the basis for any claim for damages against the State of South Carolina. In no way shall the State be liable for any damage as the result of the erection of permitted works.

(G) The permitted activities shall not block or obstruct navigation or the flow of any waters unless specifically authorized herein; no attempt shall be made by the permittee to prevent the full and free use by the public of all navigable waters at or adjacent to the work authorized by the permits; and that no spoil, dredged material, or any other fill material be placed below the mean high water or ordinary high water elevation, unless specifically authorized herein.

(H) The permittee shall make every reasonable effort to perform the authorized work in a manner to minimize adverse impact on fish, wildlife, or water quality and shall maintain any authorized structure in good condition in accordance with approved plans and specifications.

(I) The permittee shall allow the Board or its authorized agents or representatives to make periodic inspections at any time deemed necessary to assure that the activity being performed is in accordance with the terms and conditions of the permit.

(J) Permits are issued in the name of the applicant and may not be assigned to another without the written permission of the Board or the Commission and the written agreement of the transferee to abide by all the terms and conditions of the permit.

450.5 Application Procedure to Obtain Permit

(A) Preliminary Interagency Meeting

The Commission may convene at any time a meeting of commenting agencies and the applicant to provide assistance to the applicant, to explain the statutory requirements and areas of agency concern, to provide a preliminary review of the proposal, or to otherwise expedite the administrative aspects of filing an application for a permit.

(B) Proposed Activity Requiring Only State Board Permits

Except for applications filed with federal agencies described below, applications for a State permit shall be made to the Water Resources Commission on behalf of the State board and on forms provided by the Commission containing, but not limited to:

- (1) the name and address of the applicant;
- (2) the location of the proposed activity, including the navigable stream where the construction or activity is contemplated. An appropriate map of the area should be included;
- (3) a brief description of the proposed activity, its purpose and intended use, including a drawing of the type of structures and method of construction including size specifications;
- (4) a plan and elevation drawing showing the general and specific site locations and character of all proposed activities including the size relationship of the proposed structures to the size of the impacted waterway and depth of water in the area and the distance of encroachment of the activity into the water. A hand-drawn sketch showing the size and shape of the structure and a location map will be considered sufficient detail for docks, piers, boardwalks or bulkheads without fill and extending no more than fifty (50) feet from the shoreline;
- (5) evidence of ownership or the consent of the owners of the adjacent high land on which any part of the projected activity will be located;

- (6) Certification that the applicant has or will publish a notice describing the application in a newspaper of general circulation in the county where the encroachment is sought at least once in each of two consecutive weeks. Proof of the publication shall be furnished promptly, and the notice by the applicant shall be in the substantially the following form:

PUBLIC NOTICE

(Applicant) has applied to the State of South Carolina for a permit to (description of work) for (public/private) use, at/in (location and name of waterway). Comments will be received by the Water Resources Commission, P.O. Box _____, Columbia, South Carolina 29____ any time prior to the time the review of the application is complete but no less than 45 days after the date of first publication of this notice. Interested parties may obtain further information from the Commission.

- (7) when considered appropriate by the Commission or the board, or their respective staffs, additional information may be required.

The Commission shall promptly issue a public notice to affected state agencies and make such other notice as it deems appropriate no later than fifteen (15) days after receipt of all information necessary to process the application.

(C) Activity Requiring State Board and Federal Permits

When the applicant must obtain authorization from Corps of Engineers or the Coast Guard pursuant to federal law, he is directed to make application to those agencies in the style and on the forms provided by them. By agreement the above applications to federal agencies may be jointly used by the federal agencies and the State and no separate application may be required for the State permit.

The federal permitting agency shall publish and provide to interested agencies, groups and persons a joint public notice or public notice letter containing the permit application and clearly stating the requirement of a

State permit and if required, certification that the permitted activity does not contravene the Coastal Zone Management Plan. Note: The federal permitting agency may require a certificate of water quality or waiver thereof from the Department of Health and Environmental Control.

Upon receipt of the joint public notice the Commission shall notify the applicant on behalf of the State Board that a state permit may or may not be required, and if, on the face of the joint public notice or application therein, it appears to the Commission that insufficient or inaccurate information is presented, it shall notify the applicant and request such additional or corrected information as may be necessary, and that in addition to the joint public notice or public notice letter provided by government agencies, the applicant must publish a notice describing the application in a newspaper of general circulation in the county where the encroachment is sought at least once in each of two consecutive weeks. Proof of the publication shall be furnished promptly, and the notice by the applicant shall be in the substantially the following form:

PUBLIC NOTICE

(Applicant) has applied to the State of South Carolina for a permit to (description of work) for (public/private) use, at/in (location and name of waterway). Comments will be received by the Water Resources Commission, P.O. Box ____, Columbia, South Carolina 29____ any time prior to the time the review of the application is complete but no less than 45 days after the date of first publication of this notice. Interested parties may obtain further information from the Commission.

Processing of the State permit application by the Commission shall commence upon receipt of the joint public notice and shall be processed concurrently but separately from any federal authorization.

450.6 Review of Permit Application and Comment by State Agencies.

(A) Review by Agencies.

The several State agencies commenting on permit applications are collectively responsible for providing to the Commission a total assessment of the impact of any proposed work affecting navigable waters, stream beds, submerged lands or other lands or waters within the state's jurisdiction. Each agency is individually responsible for a specific area or field of review based on that agency's statutory responsibilities or primary interests as they relate to the protection or development of the State's natural resources. Within its area of statutory responsibility or primary interests, each agency is to identify the advantages and disadvantages of the project on the lands and waters of the state and to provide an assessment of the relative merits of the proposed activity whether environmentally harmless or not.

An agency which comments on a proposed activity that requires a permit under these regulations is responsible for presenting and supporting the comments and objections, if any, made by that agency during any administrative or judicial proceedings growing out of the permitting process.

(B) Time for Response.

All State agencies receiving public notice of permit applications from the Corps of Engineers, Coast Guard or the Water Resources Commission must submit their comments directly to the Commission within forty-five (45) days of the receipt of the public notice. Requests by State agencies for extensions of time shall be submitted to the Commission in writing before the expiration of the original comment period. A failure to comment, or to request an extension of time during that period shall be treated as no objection to the application. The Commission may consider untimely comments for good cause shown.

EXHIBIT

AUG 13 1986 NO. 21

STATE BUDGET & CONTROL BOARD

116

01911

(C) Form and Scope of Comments.

Comments and their supporting materials are used to review the proposed activity, as the basis for discussing the terms and conditions of the proposed activity, for conciliating objections, if any, by the Commission in making its recommendations, and by the Board in reviewing the recommendation and making its decision. Therefore, comments by an agency should be objective, and state specifically its conclusions concerning the permit application and include in summary form the information that supports the conclusion of the agency. Objections shall be specifically stated and contain supporting material. Comments which are without support, or are limited solely to use of adjacent private highlands, or are without a comparative assessment of the beneficial and detrimental impacts of the projected activity on lands and waters subject to the jurisdiction of the Board, may, in the discretion of the Commission, be disregarded as non-responsive, or returned to the agency for reconsideration or reformulation. All comments of agencies shall be public records available to the public and applicant at the Commission.

(D) State Comment On Federal Permit Application

State agency comments on an application for a State permit shall be limited to the jurisdiction of those agencies and the lands and waters subject to the control of the State. State agencies commenting on applications also requiring a federal permit may be required to respond on matters beyond state jurisdiction over navigable waters. Such comments are to be made separately from comments on matters within state jurisdiction. Once action has been taken on the State permit the Board shall transmit to the federal permitting agency the required State comment on the corresponding federal authorization which shall consist of the decision on the state permit (limited to matters within state jurisdiction), and those comments of state agencies that are beyond state jurisdiction but are relevant to the federal permitting decision.

450.7 Procedure if Agency Objects to Activity Requiring State Permit

(A) Conciliation of Agency Objections.

Within forty-five (45) days of notification of a permit application, or any extension thereof, an agency objecting to or intending to object to a projected activity shall notify the Commission and the applicant of the specific objection(s) of the agency, the reasons for the objection and the supporting grounds for the objection. An agency decision to approve a project subject to conditions shall be treated as an objection, unless the applicant agrees to the conditions. When the permit application raises complex issues or more than one agency objects, the Commission shall coordinate the conciliation process. If only one agency objects, the Commission shall inform the applicant that he is responsible for meeting with the agency and considering how the objection might be reconciled. The applicant and the objecting agency are primarily responsible for the conciliation process, but the Commission may support and assist their efforts to conciliate and resolve their differences.

In the reconciliation process, the agency and the applicant shall consider how the objections might be reconciled by: (a) avoiding the adverse impact by not taking a certain action or parts thereof; (b) minimizing the adverse impact by limiting the degree or magnitude of the action or its implementation; (c) rectifying the objection by repairing, rehabilitating or restoring the affected area; and (d) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the permitted activity. The applicant shall provide any additional information reasonably necessary to resolve the objections.

(B) Notice of Failure of Conciliation; Joint Statement of Objections

The Commission will not take action on a permit application upon which an objection has been made until it has received notice that the objection has been resolved, or that in the opinion of either the applicant or agency that all efforts to resolve the objection have failed and that further negotiation

will be of no benefit. Within fifteen days after notice that reconciliation efforts have failed, the applicant and each agency with an unreconcilable objection shall submit to the Commission a short and plain statement of the matter in dispute, the position of the agency, the position of the applicant, supported by such facts and information as are relevant. The parties should identify and clarify those issues that prevented reconciliation. If possible the parties should prepare a joint statement so as to expedite the permitting process.

(C) Objections that the Proposed Activity Violates The Coastal Zone Management Plan or Water Classifications and Standards System

Objections by the Coastal Council that the project violates the Coastal Zone Management Plan, or by DHEC that it violates the Water Classifications and Standards System are subjects of the conciliation process provided in 450.7(A).

In those applications involving activity within the Coastal Zone where the Coastal Council has determined, after efforts to conciliate the objection have failed, that the projected activity contravenes the Coastal Management Plan, the applicant shall have the opportunity to appeal that decision to the Coastal Council and obtain the final decision of the Coastal Council as provided in 450.10. A decision that the proposed activity does not contravene the Coastal Management Plan shall be treated as any comment by an agency.

The Department of Health and Environmental Control (DHEC) shall determine if the projected activity meets Water Classifications and Standards. A determination by DHEC, after efforts to conciliate the objection have failed, that the projected activity will violate Water Classification and Standards or endanger the public health shall be conclusive and the Commission will recommend that the permit be denied on that ground. Other water issues shall be determined by the Commission on the basis of all submitted comments and materials. In those applications where DHEC has determined that the projected activity violates Water Classifications and Standards or endangers the public health, and all efforts to resolve the objection have failed, the Commission

shall not act on this part of the application until the applicant has had the opportunity to appeal that decision within DHEC and obtain the final decision of that agency. If there is an appeal on grounds other than DHEC's determination that the project violates Water Classifications and Standards, the Commission may continue to process the application subject to the final decision of the administrative appeal.

The Certification decision by the Coastal Council and DHEC's determination that the project complies with or violates minimum state water quality standards are intermediate steps in the Board's permitting process, and the final decision of the Board granting or denying its permit shall state whether the decision by the Coastal Council and DHEC was a reason for the Board's final action, which decisions by those agencies shall then be subject to judicial review.

450.8 Comments by Public on Permit Application

(A) Comments From Interested Persons.

Any time before the Commission makes its recommendation to the Board, but not less than forty-five (45) days after public notice of the projected activity by federal or state agencies or the applicant whichever is later, any person who may be affected by the grant or denial of the permit, or the conditions under which a permit may be granted, may submit in writing comments or objections to the proposed activity to the Commission. The comments may include a request that the commenter be notified of the initial decision of the board under 450.10. The comments of interested persons shall be public records available to the applicant and all interested persons and the applicant may respond to them.

(B) Public Informational Hearings

The Water Resources Commission or the Budget and Control Board may hold public hearings if such hearing are deemed necessary to receive information from the public or obtain local public comment. The hearings shall be held after at

least fifteen (15) days notice and whenever possible, in the county where the project is to be located. Besides an oral presentation, a copy of the comments and the supporting material should be submitted in writing, or if not in writing a summary of the comments received be prepared by the Commission for inclusion in the record. Written comments on the matters raised at the Public Informational Hearing may be made within 15 days of that hearing.

(C) Application and Related Documents Available to Public

The application for a permit, any amendments thereto, any official comments on the application by agencies or comments by the public including joint or individual statements of objections, any notice of failure of conciliation, any proposal for replacement or compensation for unavoidable detriments, and any comments thereto, all records and statements from the public informational hearing and comments thereon and all extensions of time and other scheduling matters and the recommendation of the Commission, and all similar documents filed with the Commission shall be available to the public as provided by law.

450.9 Review of Comments and Recommendation by Commission.

(A) Review by Commission.

The Commission is responsible for assessing the total impact of the projected activity on the navigable waters and lands subject to the jurisdiction of the Board, as well as the impact on the economy and natural resources of the state. The Commission shall be concerned with the utilization and protection of important state resources and balance the extent and permanence of reasonably foreseeable benefits and detriments of the projected activity including its impact on conservation, economics, aesthetics, general environmental concerns, cultural values, fish and wildlife, navigation, erosion and accretion, recreation, water quality, supply and conservation, and determine whether the projected activity is consistent with the needs and welfare of the public. In particular the Commission shall

consider the comments and objections of the affected agencies as well as the public, and the extent to which:

1. the activity requires construction in, on or over a navigable waterway, and the economic benefits to the state and public from such location;
2. the activity would harmfully obstruct navigability or the natural flow of navigable waters or cause erosion, shoaling of navigable channels, or the creation of stagnant waters;
3. the activity would impact fish and wildlife, water quality and other natural resource values or could affect the habitats or rare and endangered species of wildlife and irreplaceable historic and archaeological sites associated with public lands and waters;
4. the activity could affect public access to and use of public lands;
5. the economic benefits to the state and public from the authorized use of lands and waters meets or exceeds the benefits from preservation of the area in its unaltered state;
6. there is any adverse environmental impact which cannot be avoided by reasonable safeguards;
7. all feasible alternatives are taken to avoid adverse environmental impact resulting from the project; and,
8. the long range, cumulative effects of the project, including the cumulative effects of similar projects, may affect navigable waters.

(B) Request For Proposal For Replacement or Compensation For Unavoidable Detriments.

If the Commission tentatively determines: (1) that the proposed activity is likely to produce an adverse impact on navigable waters or other associated natural resources; (2) that the applicant has already agreed to or taken all reasonable and feasible measures to prevent the detriment; and (3) the adverse impact relative to the benefit is not so great as to automatically require a recommendation of disapproval of the proposed activity on that or other grounds; and (4) that the proposed activity otherwise meets the standards in 450.9(A), the Commission may request the applicant to submit a proposal that provides or creates natural resource benefits that replace or compensate for

the economic, environmental and natural resource benefits lost by the proposed activity so that even considering the detriment or negative impacts of the project, the proposal, including the compensation/replacement, results in a net gain of natural resource benefits to the state.

Provided, however, that no compensation or replacement (1) may be made for a project that produces no benefits to the public or state; (2) may be made where the proposed activity amounts to a taking of public land for private purposes; (3) when there is a reasonable, and feasible alternative, step, effort or activity is available that prevents or corrects a detriment created by the proposed activity. A feasible and reasonable alternative, step, effort or activity shall not be deemed unreasonable or infeasible because it would require the applicant to expend more time, effort or expense than the proposed replacement or compensation offered by the applicant.

The applicant shall inform the Commission within fifteen (15) days whether it intends to submit a proposal for replacement or compensation. If no proposal is submitted the application shall be processed under 450.9(C).

The applicant shall submit the proposal for compensation/replacement to the Commission which shall be a public record available to the public, and submit it to all commenting agencies which shall make its response to the Commission within fifteen (15) days, or such other time as may be set. The Commission may use the general procedures in the conciliation process under 450.9(c) when, in its opinion, it will expedite review of the proposal. In addition to the factors mentioned above, the commenting agencies shall consider:

(1) whether the replacement/compensation proposal provides resources of the same type, quality and extent as those destroyed or burdened by the proposed activity and replaces the same type of natural resource or benefit adversely affected by the projected activity so that the proposal, if accepted, results in compensation in kind rather than the substitution of poorer or more common natural resources for more valuable lands and waters or more rare resources;

(2) whether the replacement/compensation proposal will provide the public with comparable access as previously available to the lands or waters burdened by the projected activity;

(3) whether the replacement/compensation is located on or near the same area as the lands or waters burdened by the proposed activity;

(4) whether the replacement/compensation produces specific benefits to the state and public beyond those produced by compliance with existing state or federal regulation of the resources included in the proposal;

(5) whether the replacement/compensation proposal presently provides specific benefits without further effort or expense by the applicant or the state;

(6) whether the replacement/compensation proposal will require the state to incur costs in obtaining, maintaining or preserving the resources, land or waters in the proposal in appropriate condition;

(7) whether the replacement/compensation proposal is comparable to the lands and waters of the projected activity, when the areas surrounding the respective locations are considered.

(8) whether the replacement/compensation proposal provides permanent benefits.

(9) the likelihood that the benefits in the replacement/compensation proposal will occur, the person responsibility for monitoring the replacement/compensation to see that it does occur as proposed, and modifications or alternatives if the benefits do not occur.

(10) the necessity for obtaining financial guarantees including secured bonds to insure that the applicant complies with all of the terms and conditions of the replacement/compensation proposal.

EXHIBIT

AUG 13 1986 NO. 21

STATE BUDGET & CONTROL BOARD

(11) such other factors, conditions or requirements that may be necessary to insure that specific and permanent benefits accrue to the public or the state from the proposal that compensate or replace the resources burdened by the proposed permitted activity.

After the agencies have reviewed the replacement/compensation proposal, and after any efforts to resolve objections have occurred if in the opinion of the Commission such efforts would be useful, the applicant shall submit to the Commission the proposal for replacement/compensation and the commenting agencies shall submit to the Commission their comments or objections, if any to that proposal.

(C) Recommendation by Commission

Promptly after the receipt of all written agency comments and objections to the proposed activity including an offer of replacement or compensation under 450.9(b), if any, and, if required, the final certification decision by the Coastal Council and a determination of water quality by DHEC, and the timely comments of others, the Commission shall review all comments and supporting information and, the materials submitted by the applicant, and, in light of the standards listed above make its recommendation to the Board.

The recommendation shall be supported by findings on the relevant issues, including those raised by the comments and objections, if any. The findings shall be supported by materials in the record.

Whenever the recommendation of the Commission is inconsistent with the written objection of the agency or other person to the application, the Commission shall state the facts found by the Commission and the reasons supporting its conclusions. For purposes of this section, the same or similar objections may be treated as one subject. If an objection by an agency or other person, or a response thereto by the applicant is without adequate support, the Commission shall so state, and may refuse to consider the objection or response and render decision accordingly.

The Commission may recommend that the permit be granted, or denied, or conditionally granted or denied unless the applicant does or does not do certain activities in connection with the permitted activities.

The Commission shall notify the applicant of its recommendation and forward it to the Board along with all supporting materials.

450.10 Initial Decision by The Board

The Director of General Services, on behalf of the Board, shall review the recommendation of the Commission, and applying the criteria in paragraph 450.9(A) and (B) may accept or reject or modify its recommendation. Whenever the decision of the Director of General Services is inconsistent with that of the Commission, the Director shall state the reasons for his decision, and support them from the record.

If the permit is denied, the Director of General Services shall specifically state whether the non-certification by the Coastal Council is the sole reason for the denial of the permit. In such instances, the applicant shall have the opportunity to appeal that decision to the Coastal Council and obtain the final decision of that agency.

If the non-certification decision by the Coastal Council is not the sole basis for the denial of the permit the Director of General Services may deny the permit but shall include in its notice of denial the following statement:

The Coastal Council shall be a party to any appeal of this decision for the purpose of providing an opportunity to the applicant to appeal the Coastal Council's certification decision to the Coastal Council.

The Director of General Services shall notify the applicant of his decision, and give written notice to all who made comments on the application and requested such notice. The decision shall become final if not appealed within fifteen days of notification to the applicant or the requested notice to commentators whichever is later.

450.11 Appeal to the Board

(A) Persons Who May Appeal.

Any person actually aggrieved in a manner or to a degree significantly different from the general public by the initial decision of the Director of General Services on behalf of the Board to grant or deny a permit under this regulation may appeal that decision to the Board. One objecting only to the highland use of the property, or on grounds other than the impact the proposed activity will have on navigable waters or the economy or natural resources of the state, or who has not submitted written comments on the project including any proposal for replacement/compensation is not an aggrieved party within the meaning of these regulations.

(B) Time for Appeal; Contents; Notification of Appeal to Others.

Anyone appealing the initial decision of the Board shall file the Notice of Appeal with the Director of General Services within 15 days after notification to the applicant or public notice of the decision of the Board, whichever is later. The Notice of Appeal shall state the grounds for appeal, and how the appellant is aggrieved by the action. The issues on appeal are limited to those contained in the notice of appeal. If the applicant has not appealed the decision he shall be served by the appellant with the notice of appeal.

Upon receipt of a notice of appeal the Director of General Services shall transmit the notice and the file to the Commission which shall be responsible for the conduct of the appeal.

(C) Hearing Officer; Date of Hearing.

A hearing officer may be appointed to preside over the appeal. The hearing officer shall notify any agency affected by the appeal, and shall promptly schedule the date, time and location for the hearing which shall be not less than 30 days, nor more than 65 days after notification of the

initial decision of the Board, unless for good cause a later date is set. The hearing officer may conduct the hearing and hear all relevant evidence offered by all parties and shall be responsible for compiling the complete record of the appeal. When the non-certification decision of the Coastal Council is appealed and is not the sole basis for denial of the permit, the Coastal Council shall be a party, and the hearing officer may take testimony and make findings of fact and conclusions of law on that issue. The hearing shall be conducted consistently with the Administrative Procedures Act.

(D) Prehearing Conference; Submission of Written Materials Encouraged; Findings Previously Established in Other Hearings.

The hearing officer may schedule such pre-hearing meetings of applicants and other parties to the appeal to identify the relevant issues and points of agreement. All parties are encouraged whenever possible to submit their arguments, evidence and supporting materials in writing. By agreement of all parties, the hearing and oral presentations may be waived. In the discretion of the hearing officer all findings made in any contested hearing held by an agency in reviewing or commenting on the proposed activity shall be conclusive, and such findings established in the prior contested hearing shall not be subject to relitigation during this appeal.

(E) Intervenors.

The hearing officer, in his discretion, may permit any person to intervene in the appeal on such terms and conditions as he deems appropriate. Persons seeking to intervene shall file their request to intervene in a timely manner and it shall state how they are aggrieved by the action of the Board to a degree significantly different from the general public. If any party has previously raised the same matter on appeal, the request to intervene shall state how the intervenor's interests are different and not adequately represented by the existing party. Intervention may be denied when an existing party raises substantially the same issues and that party is competent to present them. The intervenors may be limited to particular issues, or to written submissions, or to the time allotted or in any other

EXHIBIT

AUG 13 1986

NO. 21

STATE BUDGET & CONTROL BOARD

100

01917

manner necessary to avoid irrelevant, immaterial or repetitious material from delaying the proceedings.

(F) Decision of Hearing Officer; Comments on Findings.

After the hearing has been concluded, the hearing officer shall prepare findings on all issues raised on appeal and support those findings by materials in the record. Copies of those findings shall be provided to all parties who took part in the appeal, and the parties may respond in writing within 15 days to those findings. No new evidence may be submitted. The findings of the hearing officer, and the written comments, if any of the parties in response to those findings, and the written response by the hearing officer and his decision shall be transmitted to the Board. When the non-certification decision by the Coastal Council is appealed and not the sole ground for denying the permit the hearing officer shall transmit the relevant findings of fact and conclusions of law on that issue, as well as the written comments, if any, of the parties in response to those findings and the written response by the hearing officer and his decision to the Coastal Council for its final decision on that matter.

450.12 Final Decision of the Board and Judicial Review.

The Board, after receiving the record and decision of the hearing officer, and the comments and responses thereto, and, if applicable the final decision of the Coastal Council on the certification decision, may grant or deny the permit, or condition the granting or denial of the permit upon the doing or not doing of certain activity in connection with the permitted activities.

Judicial review shall be available after the final decision of the Board granting or denying the permit, and may include the review of any final action of any agency commenting upon the permit application under 450.7(D) or 450.10.

450.13 Unpermitted Activity; Review of Previously Permitted Activity

Any activity undertaken after the commencement of the Board's permitting program under regulation 19-450 promulgated on December 31, 1976 for which a permit is required but was not obtained is in violation of these regulations. Such activity may be permitted providing that it is consistent with these regulations, and the applicant promptly complies with the permitting process. Unless specifically authorized by the Commission or the Board, an applicant may not complete any structure or continue any activity until the permit is issued.

Any person who has received a permit for construction in navigable waters of the state from the Board shall notify the Board every ten years after the permit was granted and report the status or condition of the permitted structure or activity, any repairs or alterations, and any material changes in the navigable waters or lands of the state. The Commission shall review the report, make such investigation as it deems appropriate, and either renew the permit or revoke or modify the permit, giving the holder due notice and opportunity to be heard. If the Commission determines that there have been significant changes since the permit was originally granted, or that a structure that originally was exempt from the permitting process adversely affected water quality, navigability, or natural resources or other conditions as they existed on or about the effective date of this regulation, it may require the applicant to comply with the provisions of reg. 450.5 through 450.12.

450.14 Amendments to Permits or Applications for Permits.

A person who has been issued a permit by the Board may petition the Commission for an amendment to the permit. If the amendment reduces the size of the permitted structure, or the permitted activity, and results in less intrusive impact on the navigable waters and lands of the State, the Commission may grant the amendment without requiring additional agency and public notice and comment. Any request for an amendment which enlarges the proposed structure or activity or, in the opinion of the Commission, may

BUDGET AND CONTROL BOARD
DIVISION OF STATE FIRE MARSHAL
CHAPTER 19
Doc. No. 666

The following regulations promulgated pursuant to Article 1, Chapter 23, Title 1, Code of Laws of South Carolina, 1976, submitted to the Speaker of the House of Representatives and the President of the Senate for consideration were approved by Joint Resolution and became effective on the date of publication of this issue of the State Register.

produce a greater impact on the navigable waters and lands of the State shall be given new public and agency notice and comment under Reg. 450.5 through 450.12.

450.15 Minor Projects

The Commission may expedite the processing of an application for permits for projects under this regulation, including reducing the time for public or agency comment, if the projects are by their nature, size, location or use have a negligible impact on navigable streams, and do not involve proposals for replacement/compensation under 450.9(K), and do not require a permit by any other federal or state agency. Provided, however, that the expedited procedures shall require at least one public notice of the application, permit public comment for at least fifteen (15) days, and provide for comment by the affected agencies.

450.16 Block Permits

The Commission, using the procedures under this regulation, may recommend to the board that general or block permits be issued to an agency, political subdivision or public service corporation for certain clearly described categories of work or substantially similar structures in a particular area. Once the general or block permit is issued, individual board permits for structures within the categories are not required. The agency, political subdivision or public service corporation as permit administrator shall report to the Commission when structures or activities are authorized under the block permit.

450.17 Saving Clause

If any provision of these regulations is adjudged invalid or unconstitutional, the remainder, and the application of their provisions to other persons shall not be affected thereby.

(4-17-86)

EXHIBIT

AUG 13 1986

NO. 21

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA)
COUNTY OF UNION)

IN THE COURT OF COMMON PLEAS

EXHIBIT

AUG 13 1986 NO. 21

STATE BUDGET & CONTROL BOARD

State of South Carolina,)
ex rel. Daniel R. McLeod,)
Attorney General,)
Plaintiff,)
vs.)
Sloan Construction Company,)
Defendant.)

ORDER

This action was instituted in 1979 by the State of South Carolina against Sloan Construction Company. The State claims that it owns title to the beds of all navigable but nontidal streams within the state and seeks declaratory and injunctive relief against Sloan regarding a portion of the bed of the Broad River in Union County. Sloan answered and counterclaimed, alleging that it maintains a sand mining operation in the stream bed in question and that its title to the adjoining mainland also carries title to the center of the Broad River.

Sloan has moved for summary judgment, contending that its title stems from a 1767 grant by the State of North Carolina. Sloan also contends, in support of its counterclaim, that the State Budget and Control Board lacks legislative authority to administer and enforce its permit program in the stream bed in question and in similar areas.

Although both parties have discussed the issue of the proper interpretation of the Torbert grant, it is unnecessary for the Court to reach this issue because Sloan has been unable so far to connect its chain of title to that 1767 grant. Although Sloan's chain of title runs from 1826 to the present without hiatus, it is undisputed that a gap of

J. P. McLeod
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EXHIBIT

- 2 -

AUG 13 1986 NO. 21

STATE BUDGET & CONTROL BOARD

at least 28 years (1798-1826) exists. This period begins with 1798, the date of the death of the original grantee (Torbert) and extends until 1826, when there is recorded a sheriff's sale of the mainland property which adjoins the Broad River. There is no reference to the Torbert grant in any deed from 1826 forward. The chain which begins with the 1826 seizure is subject to question for the additional reason that only 11 years after the 1826 sheriff's sale, the supposed titleholder under that sale paid a person outside the sheriff's sale chain of title \$6,225 for the 895-acre tract in question. The amount of the consideration indicates that more changed hands than a mere quitclaim of a colorable title and that notwithstanding the sheriff's sale chain of title, other persons held valid interests in the land.

The inability of Sloan to explain this 28-year gap in its chain of title makes it inappropriate to consider the legal effect to be accorded the 1767 Torbert grant. It simply has not been proven whether the person from whom the property was seized in 1826 derived his title from the 1767 grant, whether he obtained a new grant from South Carolina, or whether he was in possession with no paper title at all. The fact that the Sloan chain of title and the 1767 Torbert grant cover the same geographic area is not persuasive because of the frequent practice of the State regranteeing land if the original grantee's title somehow lapses.

In State v. Yelsen Land Co., 265 S.C. 78, 216 S.E.2d 876 (1975), the claimant to the tidelands of Morris Island was unable to connect its title to the original 1818 grant from the State. The Court held:

Since Dajon was unable to connect its title to a grant from the State, it failed to establish its claim to the tidelands in question.

265 S.C. at 83, 216 S.E.2d at 879.

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The lapse which is here present is not a mere technical flaw in recording or attestation which, as Sloan correctly points out; would not affect its claim; it is instead a failure to produce the evidence necessary to support the claim.

For the foregoing reasons, the Court concludes that Sloan's Motion for Summary Judgment must be denied, because it is based on the contention that Sloan has title to the stream bed based on the Torbert grant. Whether Sloan can prevail on the doctrine of adverse possession or the doctrine of lost grant, both of which are based on long and undisturbed possession, must await proof on those issues.

The Court also concludes that Sloan's Motion must be denied insofar as it asserts that the Budget and Control Board lacks authority to regulate activity in the navigable waters of the State.

The State, as a sovereign, holds the property right of unobstructed navigation of the navigable waters of the State in trust for the people of the State and of the United States. This is a property right of great value. It is well established that an individual has a right to injunction against threatened, repeated, or continued injury to his property rights. For a greater reason has the State, as trustee for the people, a right to the intervention of the Court to protect the valuable right of free navigation. State ex. rel. Lyon v. Columbia Water Power Co., 82 S.C. 181, 193, 63 S.E. 883 (1909).

The navigable waters of the state have been recognized as part of the public domain, fully subject to the public interests therein:

The general law with reference to the power of the State in connection with this matter is well stated in the following quotation from 18 Am.Jur. 800: "The waters of the ocean and its bays, and of public watercourses and lakes, so far as they lie within the jurisdiction of a state, are part of the public domain, and the state may authorize the diversion of such waters for any purpose it deems advantageous to the public without providing compensation to riparian proprietors injuriously affected. Such diversion is not taking of private property by eminent domain, but a disposition by the public of the public property." Rice Hope Plantation v. S. C. Public Service Authority, 216 S.C. 500, 529, 59 S.E.2d 132 (1950).

01922

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Navigable waters, not merely tidewaters, are subject to special protection under our Constitution:

All navigable waters shall forever remain public highways free to the citizens of the State and the United States without tax, impost or toll imposed; and no tax, toll, impost or wharfage shall be imposed, demanded or received from the owners of any merchandise or commodity for the use of the shores or any wharf erected on the shores or in or over the waters of any navigable stream unless the same be authorized by the General Assembly. (Art. 14, Section 4, South Carolina Constitution.)

It has been repeatedly held by the South Carolina Supreme Court that riparian owners possess no ownership in flowing waters. Omelvany v. Jaggars, 2 Hill 634, 638 (S.C. 1835), White v. Whitney Mfg. Co., 60 S.C. 254, 265, 38 S.E. 456 (1901).

Citing Illinois Central R. R. Co. v. Illinois, 146 U.S. 458, the South Carolina Supreme Court left no doubt as to the trust imposed on state government with respect to navigable waters:

The State can no more abdicate its trust over property in which the whole people are interested, like navigable waters and soils under them, so as to leave them entirely under the use and control of private parties, except in the instance of parcels mentioned for the improvement of the navigation and use of the waters, or when parcels can be disposed of without impairment of the public interest in what remains, than it can abdicate its police powers in the administration of government and the preservation of the peace. In the administration of government the use of such power may for a limited period, be delegated to a municipality or other body, but there always remains with the State the right to revoke those powers, and exercise them in a more direct manner, and one more conformable to its wishes. So with trusts connected with public property, or property of a special character, like lands under navigable waters, they cannot be placed entirely beyond the direction and control of the State. Heyward v. Farmers' Mining Company, 42 S.C. 138, 157-58, 19 S.E. 963 (1894).

It cannot be seriously contended that the State does not have substantial property interests, on behalf of the public, in the nontidal navigable waters of the state. The care and custody of such public properties has been delegated

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to the State Budget and Control Board, through Sections 1-5-40 and 1-11-70, with definitions applicable under Section 49-1-10, 1976 Code of Laws of South Carolina.

Regulations requiring permits for the use of tidal and nontidal navigable waters were properly filed with the Secretary of State, according to law (Section 1-1-210, 1976 Code of Laws of South Carolina) on October 18, 1972, by the Budget and Control Board. The regulations simply required a permit for the use of such lands and waters, replacing a customary but random practice of the Board to issue permits, licenses, easements, and leases that had existed since the nineteenth century. To "permit" or not "permit" the use of lands and waters in which the public has an interest is a reasonable and necessary function of the administration of such lands and waters.

The regulations were subsequently revised and properly filed with the Secretary of State on December 31, 1976, according to law.

Regulations promulgated according to law and filed with the Secretary of State as of January 1, 1977 "... have the full force and effect of law." (Section 1-23-160, 1976 Code of Laws of S.C., 1979 Supp.).

Hundreds of permits have been issued or denied for activities in nontidal navigable waters by the State Budget and Control Board since 1972, and an unknown but significant number of permits, licenses, easements, and leases issued before that time.

The General Assembly has reviewed the requirement for permits from the Budget and Control Board and has expressly recognized their validity. In enacting comprehensive coastal legislation, the General Assembly provided:

Ninety days after July 1, 1977 no person shall fill, remove, dredge, drain or erect any structure on or in any way alter any critical area without first obtaining a permit from the Council.

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Provided, however, that a person who has legally commenced a use such as those evidenced by a state permit, as issued by the Budget and Control Board... (Section 48-39-130(C), 1976 Code of Laws of S.C., 1979 Supp. emphasis added).

In approving the South Carolina Coastal Program (Joint Resolution 213 of 1979), the General Assembly approved, among other things, a procedure by which Budget and Control Board permits issued in tidal and nontidal navigable waters in eight coastal counties would be certified by the South Carolina Coastal Council as consistent with certain management policies.

To resolve any doubt as to the validity of Budget and Control Board permit regulations, the Supreme Court of South Carolina in addressing the exemption of Section 48-39-130(C) found:

... Nothing in the Act undertakes to cancel State Permits issued by the Budget and Control Board. In fact, Sections 13 and 21 [Section 48-39-130 and Section 38-39-210] granted to the Budget and Control Board yet an additional 90 days to issue permits. It would have been inconsistent for the General Assembly to grant the additional time to issue the Budget and Control permits if they [the permits] were to be void and of no consequence unless construction started under the permits.

The statute does not provide it, and it would be disruptive and prohibitively retroactive for the Coastal Council to reopen the past valid State actions. The act contemplated that normal development would continue while the permitting authority shifted [from the Budget and Control Board to the Coastal Council] and the planning program evolved. S.C. State Ports Authority v. S.C. Coastal Council, ___ S.C. ___, 242 S.E.2d 225 (1978).

Sections 1-5-40 and 1-11-70, vest in a State agency, the State Budget and Control Board, the custody, control, and administration of lands in which the State has an interest that is not otherwise provided for by law. While a complete listing of such lands would not be possible, it would necessarily include vacant lands, lands purchased by the former land commissioner, proprietary or sovereign lands for which the State possesses no paper title, and lands accruing

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to the State under Article XIV, Sections 2 and 3 of the South Carolina Constitution. Such lands include the beds of rivers and the publicly-held navigable (nontidal and tidal) waters of the State, including certain articles resting on the bottoms of the State's navigable waters (Section 54-7-210, et seq., 1976 Code of Laws of South Carolina, 1979 Supp.).

The Board is authorized to convey all such properties, unless held in trust for a specific purpose (Section 11-9-630, 1976 Code of Laws of S.C.) and may grant vacant land only to actual purchasers ^{for} value (Section 11-9-640, 1976 Code of Laws of South Carolina).

Sections 1-5-40 and 1-11-70 provide the care and custody of public lands and waters to the Budget and Control Board; the above cited sections provide specific instructions as to how to dispose of certain public properties.

The construction of Sections 1-5-40 and 1-11-70, 1976 Code of Laws of S.C. is not difficult and the intent of the General Assembly is easily ascertained. The custody or "charge" of public properties, not specifically owned or administered by a specific board, agency or subdivision, must rest with an agency, or the General Assembly itself. The Sections clearly delegate such authority to the Budget and Control Board and further require that use or disposal of such public properties be subject to the "directions" of the Board. "Direction" is defined as the "act of governing; management; superintendence." Black's Law Dictionary, 4th Ed.

Implicit in the charge and direction of such property is the authority to permit or not to permit the use of such property. That the word "permit" is not mentioned in the acts is not persuasive evidence that the General Assembly has denied this authority to the Board. To require the Board to administer and direct the use of such public

01926

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properties without authority to establish a reasonable system of permitting public and private uses would be absurd, and the Court will not presume such a construction:

In Fulghum v. Bleakley, 177 S.C. 286, 181 S.E. 30, 32, the Court said: "It will be presumed, in construing a statute, that the General Assembly did not intend to do a futile thing." Gaffney v. Mallory, et al., 186 S.C. 337, 347, 195 S.E. 840 (1938).

The case of Beard-Laney, Inc., et al., v. Darby, et al., is controlling, wherein the Court stated:

Even a governmental body of admittedly limited powers is not in a strait jacket in the administration of the laws under which it operates. Those laws delimit the field which the regulations may cover. They may imply or express restricting limitations of public policy. And of course they may contain express prohibitions. But in the absence of such limiting factors it is not to be doubted that such a body possesses not merely the powers which in terms are conferred upon it but also such powers as must be inferred or implied in order to enable the agency to effectively exercise the express powers admittedly possessed by it. To say otherwise would be to nullify the statutory direction that the agency shall have power to make rules and regulations governing the exercise of its powers and functions. 213 S.C. 380, 389, 49 S.E.2d 564 (1948).

The present regulations do not expand upon the powers authorized under the statutes. In the many years before the regulations were in effect, the Board issued permits and other documents of use based on the applications of proposed users. The regulations impose no greater penalties and, if anything, limit the discretion previously exercised by the Board by establishing criteria upon which public property decisions are made and procedures for hearings and appeals. The regulations merely provide for the orderly administration of public properties by the Board.

For the foregoing reasons, it is ordered, adjudged and decreed that the Motion of the defendant, Sloan Construction Company, is denied.

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AND IT IS SO ORDERED.

Joseph R. Moss
Joseph R. Moss
Presiding Judge

January 28, 1981
York, South Carolina

EXHIBIT

AUG 13 1986 NO. 21

STATE BUDGET & CONTROL BOARD



South Carolina Department of Archives and History
1430 Senate Street
Columbia, S.C.

P.O. Box 11,669
Capitol Station 29211-1669
803—758-5816

CERTIFICATE OF CORRECTION

In order to correct an error in, or improve the quality
of the original microfilm, it was necessary to rephotograph
and replace the following page (s) of this record: _____

Executive Session August 13, 1986.

Date

11/29/88

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