MINUTES OF

BUDGET AND CONTROL BOARD

MEETING

April 11, 1989

10981

State of South Carolina

State Budget and Control Board

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR
GRADY L. PATTERSON, JR.
STATE TREASURER
EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

JAMES M. WADDELL, JR.
CHAIRMAN, SENATE FINANCE COMMITTEE
ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

Box 12444
Columbia
29211

April 11, 1989

MEMORANDUM

TO: Budget and Control Board Division Directors

FROM: William A. McInnis, Deputy Executive Director WAM

SUBJECT: Summary of Board Actions at April 11, 1989, 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. Adopted the agenda as proposed;

2. Approved the minutes of the March 28, 1989, meetings of the Budget and Control Board, the State Education Assistance Authority, and the Educational Facilities Authority for Private, Nonprofit Institutions of Higher Learning (the members authorized staff to record appropriately their approval of minutes of the meetings of the two referenced Authorities);

3. In accord with Section 17.2 of the 1988-89 Appropriations Act, received as information a report that The Citadel Board of Visitors has approved a 4% increase for in-state students and a 6% increase for out-of-state students effective with the fall term for the academic year 1989-90;

4. Received as information a report that the Commissioners of the State Housing Finance and Development Authority have unanimously approved the repayment of the Authority's fiscal year 1987-88 State operating funds of $424,969.16 (the amount appropriated and expended);

5. Approved the following sick leave transfer requests:
   (a) DHEC, Hester Ellerbe, February 13 - March 24, 1989, period;
   (b) Employment Security Commission, Janet Tilton, February 16 - March 29, 1989, period;
   (c) DSS, Donna Gibbs, April 17 - May 26, 1989, period; and
   (d) MUSC, Terri Dashiell, March 6 - April 14, 1989, period;

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6. Received as information a report that the table used by State agencies in coordinating sick and annual leave with Workers' Compensation benefits has been revised to reflect the recent increase in Workers' Compensation benefits;

7. Received as information a report on minor administrative matters to be resolved internally by the Division of Motor Vehicle Management as a result of a Legislative Audit Council compliance audit;

8. Received as information a report on College of Charleston foreign travel involving over $1,000 and less than $2,000 of State funds approved by staff;

9. Received as information reports on the reimbursement of interviewee travel expenses by Mental Health (1), The Citadel (1), and Clemson University (60);

10. In accord with Code Section 24-3-2050, certified 12,585 as the safe and reasonable operating capacity of the facilities of the Department of Corrections as of April 1, 1989;

11. Endorsed the concept of exploring further the feasibility of constructing an office building for the Retirement Systems;

12. Approved for publication in the State Register revised Regulation 19.445-2150, Surplus Property;

13. Approved a quitclaim deed from the United States of America to the State for the easement on part of Tract 101-A on the Stono River in Charleston County; and, on the condition the Corps of Engineers gives written assurance that the spoil area covered by the easement is surplus to future needs, approved a release of easement acquired for construction and maintenance of the Atlantic Intracoastal Waterway on a part of Tract 101-A.;

14. In accord with Section 11-35-1210, granted procurement certification to Midlands Technical College within the parameters described in the audit report for the following limits (total potential purchase commitment whether single- or multi-year contracts are used) for a period of three years (local funds only): goods and services, $10,000; consultants, $10,000; and information technology in accord with the approved information technology plan, $10,000;

15. Approved the selection of the Haynsworth, Marion, McKay and Guerard law firm to provide bond counsel services for the Jobs-Economic Development Authority tax-exempt composite issue (1989-A) encompassing three borrowers (Mosler, Inc.; The Su-dan Company, Inc., and Delta Properties; and The Tuttle Company, Inc.);

16. 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 projects (b) and (c); and received as information the status report on the State Ceiling;

(a)	Issuing Authority:	Kershaw County
	Amount of Issue:	$3,200,000 Hospital Facilities Revenue REFUNDING Bonds
	Allocation Amount:	-0-
	Name of Project:	Kershaw County Memorial Hospital
	Project Description:	Refund outstanding bonds
(b)	Issuing Authority:	Greenville County
	Amount of Issue:	$1,550,000 Industrial Development Revenue Note
	Allocation Amount:	$1,550,000
	Name of Project:	PGB Partnership
	Employment Impact:	80
	Project Description:	Manufacture portable living quarters
(c)	Issuing Authority:	Orangeburg County
	Amount of Issue:	$10,000,000 (revised later to $7,500,000) Industrial Development Revenue Bonds
	Allocation Amount:	$10,000,000 (revised to $7,500,000 later)
	Name of Project:	Metal Leve, Inc.
	Employment Impact:	80
	Project Description:	manufacture pistons for diesel engines

17. Agreed to hold a regular meeting at 9:30 a.m. on Tuesday, April 25, 1989, in the Governor's conference room in the State House (after this item, the Budget and Control Board meeting was recessed before considering the executive session items listed below and a meeting of the South Carolina Resources Authority was held);

18. Agreed to hold a special meeting to hear a report on the health insurance program actuarial study (and, as a result of the advice received in item 19, below, to receive further legal advice from the Tax Commission) on Thursday, April 13, 1989, in the Governor's Conference Room following a meeting of the South Carolina Resources Authority which is scheduled to begin at 10:00 a.m.;

19. Received as information legal advice from the Tax Commission on the taxation of federal retirement pay;

20. Received as information legal advice from the Department of Mental Health on the status of the pending litigation relating to the State Hospital consent decree;

21. In accord with Personnel Regulation 19-703.08 I.1.a, approved a State Board for Technical and Comprehensive Education request to extend disability leave beyond one year from March 14, 1989, to September 1, 1989 (5½ months) for Ms. Marty C. Wilson, Medical Laboratory Technology Instructor at Tri-County Technical College; and

22. In accord with Personnel Regulation 19-707.02 J, approved the Department of Mental Health request to appoint Mr. Donald R. Fender as Acting Director of the Autism Program for no more than 120 days.

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MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

APRIL 11, 1989 9:30 A. M.

The Budget and Control Board met at 9:30 a.m. on Tuesday, April 11, 1989, in the Governor's conference room in the State House with the following members in attendance:

Governor Carroll A. Campbell, Jr., Chairman;
Mr. Grady L. Patterson, Jr., State Treasurer;
Mr. Earle E. Morris, Jr., Comptroller General;
Senator James M. Waddell, Jr., Chairman, Senate Finance Committee;
Representative Robert N. McLellan, Chairman, House Ways & Means Committee.

Also attending were:

Jesse A. Coles, Jr., Ph.D.	Executive Director
William A. McInnis	Secretary
J. Samuel Griswold, Ph.D.	Deputy Executive Director
Philip G. Grose, Jr.	Assistant Executive Director
Charles H. Smith	Assistant Executive Director
Donna K. Williams	Assistant to Board Secretary
Other Board staff	
Joseph D. Shine	Chief Deputy Attorney General
Q. Whitfield Ayres, Ph.D.	Governor's Senior Executive Assistant for Budget and Policy
Luther F. Carter, Ph.D.	Governor's Senior Executive Assistant for Finance and Administration
Charlie Sanders	Senior Assistant State Treasurer
George M. Lusk	Senior Assistant Comptroller General
Susan K. Hooks	Finance Committee Staff
Scott R. Inkley, Jr.	Ways & Means Committee Dir. of Research

[Secretary's Note: Mr. Patterson chaired the meeting until Governor Campbell joined the meeting prior to consideration of regular session item 5. Mr. Morris also joined the meeting at that time.]

Adoption of Agenda

Upon a motion by Mr. McLellan, seconded by Senator Waddell, the Board adopted the agenda as proposed.

Minutes of Previous Meeting (Regular #1)

Board members previously had been furnished a draft version of the minutes of the March 28, 1989, meetings of the Budget and Control Board, the State Education Assistance Authority and the Educational Facilities Authority for Private, Nonprofit Institutions of Higher Learning.

Upon a motion by Mr. McLellan, seconded by Senator Waddell, the Board approved the referenced minutes as written.

Upon a motion by Senator Waddell, the Board authorized staff to record the collective approval of minutes of the meetings of the two referenced Authorities, after Dr. Coles noted the problems associated with recording the minutes of the multiple authorities involving the Board and that he had been advised that the collective approval is legally proper if recorded appropriately in the record.

Blue Agenda

Dr. Coles advised that seven items are included on the blue agenda. He distributed a corrected version of item #2 which showed different amounts reported by the Housing Authority relating to its repayment of 1987-88 operating funds.

Upon a motion by Senator Waddell, seconded by Mr. McLellan, the Board approved the blue agenda.

The Citadel: Fee Increases (Blue #1)

In accord with Section 17.2 of the 1988-89 Appropriations Act, The Citadel advised that its Board of Trustees has approved the following fee increases effective with the fall semester of academic year 1989-90:

In-state students:	4%	$ 72 per semester
Out-of-state students:	6%	$242 per semester

The Citadel reported that out-of-state students will now pay $2,848 more in total fees and charges than in-state students. It estimated that a total of 1,900 cadets, of which half are expected to be in-state students, would pay the increased fee.

The Citadel advised that the projected $596,000 additional revenue to result from the increased fee for the year will barely permit the College to stay abreast of inflation and meet its portion of the projected cost of living pay increase for State employees.

Details on the increases were provided in the agenda materials.

The Board received this report as information.

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

Housing Auth: Repayment of 1987-88 State Operating Funds (B2)

The Board was advised that Commissioners of the South Carolina State Housing Finance and Development Authority, in accord with provisions of the 1987-88 Appropriations Act, have analyzed the cash flow certificate, parity test, and other program requirements and have determined that the Authority is financially sound.

The Board of Commissioners on March 8 unanimously approved the repayment of the Authority's fiscal year 1987-88 State operating funds of $424,969.16 (the amount appropriated and expended). The Authority reported that its appropriation was $457,253 of which $32,283.84 lapsed to the general fund. [Secretary's Note: The preceding figures were included in the corrected version of the item distributed at the meeting by Dr. Coles. The Authority originally reported that $433,575.96 had been expended and that $23,677.04 had lapsed to the general fund.]

The Board received as information a report that the Commissioners of the State Housing Finance and Development Authority have unanimously approved the repayment of the Authority's fiscal year 1987-88 State operating funds of $424,969.16 (the amount appropriated and expended).

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

Human Resource Management: Sick Leave Transfer Requests (Blue #3)

The Division recommended approval of the following sick leave transfer requests that meet the Board's minimum criteria.

(a) DHEC, Hester Ellerbe, February 13 - March 24, 1989, period;

(b) Employment Security Commission, Janet Tilton, February 16 - March 29, 1989, period;

(c) DSS, Donna Gibbs, April 17 - May 26, 1989, period; and

(d) MUSC, Terri Dashiell, March 6 - April 14, 1989, period.

Upon a motion by Senator Waddell, seconded by Mr. McLellan, the Board approved the referenced sick leave transfer requests.

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

HRM: Coordination of Leave with Workers' Compensation Benefits (Blue #4)

The Division reminded the Board that, on April 12, 1988, acting in accord with Code Section 8-11-145, it had approved a revised formula and table to be used by State agencies in coordinating sick and annual leave with Workers' Compensation benefits.

The table has been revised by the Comptroller General's Office to reflect the recent increase in Workers' Compensation payments.

The Board received as information a report that the table used by State agencies in coordinating sick and annual leave with Workers' Compensation benefits has been revised by the Comptroller General's Office to reflect the recent increase in Workers' Compensation benefits.

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

Motor Vehicle Mgmt: Legislative Audit Council Compliance Audit (Blue #5)

The Board was advised that, during the November 1987 - April 1988 period, the Legislative Audit Council performed a compliance audit of the Division of Motor Vehicle Management.

The Council recommendations fall into the following three categories:

(1) Minor administrative matters to be resolved internally by the Division;

(2) Matters requiring Board policy guidance and possibly some level of additional resources; and

(3) Matters requiring major policy decisions and/or statutory changes.

The Division proposed to present these matters and the recommended solutions incrementally in the three categories.

The first increment, dealing minor administrative matters, was presented for information only. It recommended that the Division should prepare annual management reviews of the performance of each State agency as required by law rather than on some of them; that the Division's regulations should not include vehicle disposal procedures which do not involve it; that State agencies should submit motor pool procedures to the Division for formal approval or disapproval; and that State agencies should provide the Division with copies of replies to complaints made to the agencies directly.

The Board received this report as information.

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

Executive Director: Foreign Travel (Blue #6)

The Board received as information a report that, in accord with Board policy, staff has approved the following College of Charleston foreign travel involving over $1,000 and less than $2,000 of State funds: College of Charleston: Robert Mignone to West Berlin during the July 24 - August 3, 1989, period at an estimated cost of $1,497 State funds.

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

Executive Director: Interviewee Travel Expense Reimbursement (Blue #7)

The Board received as information a report on payments of interviewee travel expenses by the following agencies:

Agency	Number	Estimated Cost
(a) Mental Health	1	$ 600.00
(b) The Citadel	1	100.00
(c) Clemson University	60	20,879.88

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

Department of Corrections: Safe and Reasonable Operating Capacity (R#1)

The Board was advised in the agenda materials that, in accord with Code Section 24-3-2050, the Department of Corrections has certified that the safe and reasonable operating capacity of its facilities as of April 1, 1989, is 12,585. Commissioner Evatt reported by letter that the actual inmate count on March 31, 1989, was 13,151 or 566 above the safe and reasonable capacity of Department facilities.

The Board also was advised in the agenda materials that the 197-bedspace increase above the 12,388 figure last reported resulted from:

(1) +67 bedspaces, McCormick Correctional Institution, double-celling;

(2) +118 bedspaces, Lieber Correctional Institution, double-celling; and

(3) +12 bedspaces, Women's Work Release Unit, State Park.

Commissioner Evatt pointed out in his April 1 letter to Dr. Coles which was in the agenda materials that, despite the bedspace gain, increased admissions forced the Department to house inmates in certain facilities in circumstances which do not comply with the Nelson decree. He noted that space for women inmates is a special problem, reporting that noncomplying beds at the Women's Center averaged between 125 and 170 per month. Mr. Evatt indicated that relief may not be achieved until the $12,000,000, 384-bed female facility funded in the 1988 Bond Act is ready early in 1991.

Mr. Evatt also said that, because of increased admissions and the lack of bedspace, the Department's three Reception and Evaluation Centers now are double-celling inmates in circumstances not in compliance with the Nelson decree. He reported that the number averaged 59 at Lieber, 40 at Broad River and 62 at Perry. The opening of the Allendale prison is expected to relieve this situation.

Mr. McLellan said that it had been reported in the Greenville News that the opening of the Marlboro County prison facility may be delayed because of plumbing problems.

Mr. Allan Kincaid of the Budget Division advised that the prison has been completed but DHEC had found lead in the facility's drinking water which is being tested to determine where the lead is coming from.

Mr. McLellan said the newspaper reported that the plumbers on the project had used an 80% lead mix instead of a 10% which could delay the opening of the facility by as much as a year.

Following a discussion, Dr. Coles said that staff would get a report on this matter to the members immediately.

Upon a motion by Mr. McLellan, seconded by Senator Waddell, the Board, in accord with Code Section 24-3-2050, certified 12,585 as the safe and reasonable operating capacity of the facilities of the Department of Corrections as of April 1, 1989.

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

General Services: Retirement Systems Building Cost Comparison (Reg #2)

Mr. Kelly appeared before the Board on this matter.

Dr. Coles noted that the Board, at the March 28 meeting, directed the Division of General Services to prepare an analysis of the Retirement Systems cost of leasing office space compared to the cost of owning office space.

The Division recommended in the agenda materials that the Board endorse the concept that constructing an office building for the Retirement Systems is a more cost effective alternative than long-term leasing.

At the meeting, Mr. Kelly said the materials supplied to the Board at this time are a hypothetical analysis since no building had been designed. He called the Board's particular attention to the cost analysis in the document supplied which compared the cost of lease versus purchase. He pointed out that that analysis shows that the Retirement Systems is projected to pay some $12.8 million in lease costs over a twenty-year period and that purchasing a comparable facility with borrowed funds would result in costs of about the same amount. The difference, he noted, is that, in the purchase alternative, the State or the Systems would own the facility at the end of the period. He also stated that the reality is that, if the System has its own funds and doesn't have to finance the project, the benefits would be even greater.

Mr. McLellan noted that the figures presented do not reflect the loss of earnings which would result if Retirement Systems funds were used to finance the facility. Mr. Kelly said the Systems now earn some 9% to 10% and that the savings are there for the Systems.

Mr. Patterson said the Systems are earning about 10.3% now.

Mr. Kelly advised Mr. McLellan that no operating costs are reflected in any of the materials submitted in the interest of keeping the numbers comparable and because those costs are not in basic lease costs.

Dr. Griswold commented that no building has been designed yet and that the effort thus far is to provide an alternative funding source. He also said the Retirement System would still have to get approval to get out of its current lease or to contract for a new one.

Mr. McLellan commented that the South Main Street land is too valuable to consider placing a four-story building on it.

Mr. Kelly noted that an offer to sell a building to the Systems was received in response to the advertisement for leased space.

Mr. Patterson expressed the view that the Systems could rent space to others in a building it owned and retain the revenues.

Mr. McLellan observed that the Board is asked to endorse the concept that the construction of an office facility for the Retirement Systems is a more cost effective alternative that long-term leasing. He said he still had questions about the proposal including the idea of building more than a four-story building on the South Main Street site.

Senator Waddell asked if the State would be paid for the site by the Retirement Systems.

Mr. McLellan expressed the view that the Board at this point may have the cart before the horse and he said a plan is needed.

Mr. Kelly assured Mr. McLellan that the questions raised will be addressed but he said the Division's desire is to get the joint resolution passed authorizing the use of Retirement Systems funds to buy or build a facility for the Systems as an option for the Board to consider. He said all aspects of the proposal would come back to the Board for approval with all options addressed. He also asked if the joint resolution is not passed if that kills the idea.

Mr. McLellan observed that the joint resolution is more emphatic than described by Mr. Kelly, noting that it says the State Treasurer may transfer $6 million dollars for the project.

Mr. Patterson said the last sentence in the resolution says that all ancillary questions would have to be answered and the proposal approved before final sign off on the project.

Dr. Coles then recounted the history on the proposal by saying that six to eight months ago the Retirement Systems began looking for alternate space because of problems with the owner of the space now leased. He said Retirement went out looking for lease space and that two locations, Koger Center and the Fontaine Center, both of which are located significantly away from the Columbia downtown, had been proposed in response. He said one proposal was to build under a sale/leaseback arrangement a facility estimated to cost between $5 million and $6 million. He said two questions were raised

one of which related to the lease question since the lease study was underway at the time. The other question noted by Dr. Coles was that of possibly locating a major Board division which reports directly to the Board at an outlying location.

Dr. Coles said the possibility of building or buying a building for the Retirement System had come up in a discussion with Mr. Collins. He said whether or not the Retirement Systems had the authority to use Systems funds for this purpose also had come up in the discussions. He said that question was discussed with the State Treasurer who had said that the Systems would have to be authorized to use Systems funds for this purpose. He said the Retirement System went for the authorization in the resolution knowing Board approval of the project would be necessary. He said he viewed the joint resolution as being similar to a bond authorization.

Dr. Coles said the question before the Board is whether to proceed seeking the authorization in the joint resolution.

Mr. McLellan noted that the joint resolution has passed the Senate already but Senator Waddell said it may be in order to amend it to make it broader in concept. He said the Main Street site possibility had not been discussed and that the building should be more than four floors.

Mr. Patterson said Mr. Collins had expressed concern about the parking problems associated with a downtown location. Dr. Coles said that counseling could be done in smaller offices in outlying areas.

Mr. McLellan asked Senator Waddell if he had had any difficulty with the joint resolution on the floor of the Senate. Senator Waddell said he did not and that the senators understood what was being proposed was a buy or build possibility. Mr. McLellan said he would give it a shot but he expected adopting the resolution would be more difficult in the House.

Senator Waddell and Mr. Patterson expressed the view that investing in a building would be a good investment for the Retirement Systems. Mr. McLellan observed that the figures presented do not show the effects of the loss of earnings by the Retirement Systems. He also asked if the rental payment is expected to amortize the loss of earnings. Mr. Patterson said the avoidance of rental payments would more than amortize the costs involved.

Mr. Kelly said that there would be a loss of earnings of over $500,000 each year. He also said the entire proposal would be brought back to the Board for its approval when the details are available.

Mr. Patterson said the joint resolution contemplated buying a building for the Retirement Systems and paying for it from proceeds of the Retirement Systems.

Upon a motion by Senator Waddell, seconded by Mr. McLellan, the Board endorsed the concept of exploring further the feasibility of constructing an office building for the Retirement Systems.

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

General Svcs: Regulation 19.445-2150 Revision (Surplus Property) (Reg #3)

Mr. Kelly appeared before the Board on this matter.

The Board was advised in the agenda materials that the Division proposed the following two changes to Regulation 19.445-2150, relating to Surplus Property Disposal:

(a) Remove specific time frames from the disposition cycle and allow the Materials Management Officer to determine time frames required using the same order of priority provided in the existing regulation.

(b) Change the "first come, first served" basis to authority to provide for disposal to the public on a "fair and equitable basis."

The Division advised in the agenda materials that no fiscal impact is expected from the changes. It also advised that a Notice of Drafting Period was published in the State Register (Volume 13, No. 3) and that no comments have been received.

Upon a motion by Mr. McLellan, seconded by Senator Waddell, the Board approved for publication in the State Register revised Regulation 19.445-2150, Surplus Property.

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

General Services: Release of Easement (Regular #4)

Mr. Kelly appeared before the Board on this matter.

The Division of General Services in the agenda materials recommended approval of a quitclaim deed from the United States of America to the State for the easement on part of Tract 101-A on the Stono River in Charleston County. The Division also recommended approval of a release of an easement acquired for the construction and maintenance of the Atlantic Intracoastal Waterway on a part of Tract 101-A.

The Board was advised in the agenda materials that the Waterway South Horizontal Property Regime is the owner of a parcel of land subject to a spoil disposal easement and that The Regime wishes to purchase the easement for $26,000 plus recording fees.

Senator Waddell asked if the Division or the Coastal Council had a letter in their files from the Corps of Engineers saying that this spoil area is surplus. He said he wants to have a statement from the Corps of Engineers to that effect.

Mr. Kelly said that the quit claim deed by the Corps of Engineers implies that the spoil area is not needed.

Upon a motion by Senator Waddell, seconded by Mr. McLellan, the Board approved a quitclaim deed from the United States of America to the State for the easement on part of Tract 101-A on the Stono River in Charleston County; and, on the condition the Corps of Engineers gives written assurance that the spoil area covered by the easement is surplus to future needs, approved a release of easement acquired for construction and maintenance of the Atlantic Intracoastal Waterway on a part of Tract 101-A.

[Secretary's Note: After the meeting, the Division of General Services supplied a copy of an April 17, 1986, letter from LTC F. L. Smith, Jr., of the Corps of Engineers to Dr. H. Wayne Beam of the Coastal Council in which he stated that the Corps does not expect any dredging in the area in which the spoil easement is located within the next twenty-five years. Dr. Beam responded to LTC Smith's letter on behalf of the Coastal Council on April 28, 1986, by acknowledging that the Corps had indicated that the easement area to be disposed is not needed within the foreseeable future and that its release would be consistent with the Coastal Management Program.]

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

General Svcs: Midlands TEC Procurement Certification (R#5)

Mr. Kelly appeared before the Board on this matter.

The Division of General Services advised the Board in the agenda materials that, in accord with Section 11-35-1210, it had audited Midlands Technical College and that it recommends the College's certification within the parameters described in the audit report for the following limits (total potential purchase commitment whether single- or multi-year contracts are used) for a period of three years (local funds only): goods and services $10,000; consultants, $10,000; and information technology in accord with the approved information technology plan, $10,000.

Upon a motion by Senator Waddell, seconded by Mr. McLellan, the Board, in accord with Section 11-35-1210, granted procurement certification to Midlands Technical College within the parameters described in the audit report for the following limits (total potential purchase commitment whether single- or multi-year contracts are used) for a period of three years (local funds only): goods and services, $10,000; consultants, $10,000; and information technology in accord with the approved information technology plan, $10,000.

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

State Treasurer: Bond Counsel Selection (Regular #6)

Dr. Coles advised that Board approval of the following bond counsel selection has been requested:

Jobs-Economic Development Authority: Tax-exempt Composite Issue (1989-A) currently encompassing three borrowers (Mosler, Inc.; The Su-dan Company, Inc., and Delta Properties; and The Tuttle Company, Inc.):

(1) Haynsworth, Marion, McKay and Guerard; and
(2) The McNair Firm.

Upon a motion by Mr. Patterson, seconded by Senator Waddell, the Board approved the selection of the Haynsworth, Marion, McKay and Guerard law firm to provide bond counsel services for the Jobs-Economic Development Authority tax-exempt composite issue (1989-A) encompassing three borrowers (Mosler, Inc.; The Su-dan Company, Inc., and Delta Properties; and The Tuttle Company, Inc.).

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

Executive Director: Revenue Bond Issues; State Ceiling Allocations (R#7)

Mr. McInnis appeared before the Board on this matter.

He advised that the required reviews on the following proposals to issue revenue bonds have not yet been completed. He also advised that each of the projects requires approval under State law which he recommended be conditional upon satisfactory completion of the required reviews and that a ceiling allocation is requested for projects (b) and (c).

Upon a motion by Mr. Patterson, seconded by Senator Waddell, the Board 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 projects (b) and (c); and received as information the following status report on the State Ceiling:

(a) Issuing Authority: Kershaw County
Amount of Issue: $3,200,000 Hospital Facilities Revenue REFUNDING Bonds
Allocation Amount: -0-
Name of Project: Kershaw County Memorial Hospital
Project Description: Refund outstanding bonds

(b) Issuing Authority: Greenville County
Amount of Issue: $1,550,000 Industrial Development Revenue Note
Allocation Amount: $1,550,000
Name of Project: PGB Partnership
Employment Impact: 80
Project Description: Manufacture portable living quarters

(c) Issuing Authority: Orangeburg County
Amount of Issue: $10,000,000 (revised to $7,500,000) Industrial Development Revenue Bonds
Allocation Amount: $10,000,000 (revised to $7,500,000)
Name of Project: Metal Leve, Inc.
Employment Impact: 80
Project Description: manufacture pistons for diesel engines

[Secretary's Note: The Metal Leve, Inc., project issue amount and ceiling allocation amount was later revised to $7,500,000.]

The status of the State Ceiling on the issuance of private activity bonds as of April 7, 1989 (year elapsed 26%) was:

	Ceiling, 1989	Allocated	%	Available	%
State Pool	69,860,000	3,100,000	4.4%	66,760,000	95.6%
Local Pool	104,790,000	27,375,000	26.1%	77,415,000	73.9%
Total	174,650,000	30,475,000	17.4%	144,175,000	82.6%

For comparison, the status about a year ago (at April 20, 1988) was:

	Ceiling, 1988	Allocated	%	Available	%
State Pool	68,500,000	3,100,000	4.5%	65,400,000	95.5%
Local Pool	102,750,000	74,860,000	72.9%	27,890,000	27.1%
Total	171,250,000	77,960,000	45.5%	93,290,000	54.5%

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

Future Meetings

The Board agreed to hold a regular meeting at 9:30 a.m. on Tuesday, April 25, 1989, in the Governor's conference room in the State House.

The Board also agreed to hold a special meeting to hear a report on the health insurance program actuarial study (and, as a result of the advice received later in Executive Session Item 1, to receive further legal advice from the Tax Commission) on Thursday, April 13, 1989, in the Governor's Conference Room following a meeting of the South Carolina Resources Authority scheduled to begin at 10:00 a.m.

[Secretary's Note: After this item, the Budget and Control Board meeting was recessed and a meeting of the South Carolina Resources Authority was held before the Board considered the executive session items listed below.]

Executive Session

Dr. Coles advised that the following four items had been proposed for consideration during executive session:

Item 1: Tax Commission — Receipt of Legal Advice (Income Tax on Federal Retirement Pay)

Item 2: Mental Health — Receipt of Legal Advice (Consent Decree re State Hospital)

Item 3: Human Res. Mgmt. Discussion of Employee Compensation (Disability Leave Extension, TEC)

Item 4: Human Res. Mgmt. Discussion of Employee Appointment (Emergency Exceeding 30 Days, Mental Health)

Upon a motion by Mr. McLellan, the Board agreed to consider these items in executive session whereupon Governor Campbell declared the meeting to be in executive session.

[Secretary's Note: Governor Campbell and Mr. Morris left the meeting prior to the vote on matters discussed in executive session.]

Vote on Matters Discussed in Executive Session

Following the executive session, the meeting was opened, and the Board voted on the following items which had been discussed during executive session:

(a) Tax Commission: Receipt of Legal Advice (Income Tax on Federal Retirement Pay) (Executive #1)

The Board received as information legal advice from the Tax Commission on the taxation of federal retirement pay.

(b) Mental Health: Receipt of Legal Advice (Consent Decree re State Hospital) (Executive #2)

The Board received as information legal advice from the Department of Mental Health on the status of the pending litigation relating to the State Hospital consent decree.

(c) Human Resource Management: Discussion of Employee Compensation (Disability Leave Extension, TEC) (Executive #3)

Upon a motion by Mr. McLellan, seconded by Senator Waddell, the Board, in accord with Personnel Regulation 19-703.08 I.1.a, approved a State Board for Technical and Comprehensive Education request to extend disability leave beyond one year from March 14, 1989, to September 1, 1989 (5½ months) for Ms. Marty C. Wilson, Medical Laboratory Technology Instructor at Tri-County Technical College.

(d) Human Resource Management: Discussion of Employee Appointment (Emergency Exceeding 30 Days, Mental Health) (Executive #4)

Upon a motion by Mr. McLellan, seconded by Senator Waddell, the Board, in accord with Personnel Regulation 19-707.02 J, approved the Department of Mental Health request to appoint Mr. Donald R. Fender as Acting Director of the Autism Program for no more than 120 days.

Adjournment

Upon a motion by Senator Waddell, the meeting was adjourned at 11:45 a.m.

[Secretary's Note: In compliance with Code §30-4-80, public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, near the Board Secretary's office in the Wade Hampton Building, and in the lobby of the Wade Hampton Office Building at 3:15 p.m. on Thursday, April 6, 1989.]

EXHIBIT

APR 11 1989 NO. 1

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD BLUE AGENDA

MEETING OF April 11, 1989 ITEM NUMBER 1

AGENCY: The Citadel

SUBJECT: Fee Increases

In accord with Section 17.2 of the 1988-89 Appropriations Act, The Citadel advises that its Board of Trustees approved the following fee increases effective with the fall semester of academic year 1989-90:

In-state students:	4%	$ 72 per semester
Out-of-state students:	6%	$242 per semester

Out-of-state students will now pay $2,848 more in total fees and charges than in-state students. The total estimated number of cadets is 1,900 of which half are expected to be in-state students.

The Citadel advises that the projected $596,000 increase for the year will barely permit the College to stay abreast of inflation and to meet its portion of the projected cost of living increase for State employees.

Details on the increases are provided in the attachment.

BOARD ACTION REQUESTED:

In accord with Section 17.2 of the 1988-89 Appropriations Act, receive as information a report that The Citadel Board of Visitors has approved a 4% increase for in-state students and a 6% increases for out-of-state students effective with the fall term for the academic year 1989-90.

ATTACHMENTS:

Grimsley March 31 letter to Coles

11002

EXHIBIT

APR 11 1989 NO. 1

STATE BUDGET & CONTROL BOARD

THE CITADEL
THE MILITARY COLLEGE OF SOUTH CAROLINA
CHARLESTON, SOUTH CAROLINA 29409-0100

OFFICE OF
THE PRESIDENT

RECEIVED
APR - 3 1989
BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

31 March 1989

Mr. Jesse A. Coles, Jr.
Executive Director, Budget and Control Board
P. O. Box 1244
Columbia, South Carolina 29211

Dear Mr. Coles,

Reference is made to Section 17.2 of the State of South Carolina General Appropriations Act of 1988-89 which requires notification of college fee increases.

The Citadel Board of Visitors has approved changes in college fees for Academic Year 1989-90. In compliance with the referenced section of the 1988-89 Appropriations Act, the following information is provided:

I. Full Time Cadets, Day Students, and Veteran Students Current Academic Year 1988-89:

. Estimated number of cadets	1,900
. Equal number of in-state and out-of-state cadets	
. In-State cadet college fee	$1,792
. Out-of-State college fee	$4,030
. Total estimated revenue to be generated	$5,530,900

II. Full Time Cadets, Day Students, and Veteran Students Projected Academic Year 1989-90:

. Estimated number of cadets	1,900
. Equal number of in-state and out-of-state cadets	
. In-State cadet college fee	$1,864
. Out-of-State college fee	$4,272
. Total estimated revenue to be generated	$5,800,700

III. Effective Date:

. All fee changes will be as of the start of the fall semester, 1989-90.

11003

It should be noted that the increases approved by The Citadel Board of Visitors resulted in a four percent increase for in-state students and a six percent increase for out-of-state students. These increases will barely permit the college to stay abreast of inflation and meet a portion of our share of the projected cost of living increase for state employees. In keeping with established policy, out-of-state students will now pay $2,848 more in total fees and charges than an in-state student. This $2,848 consists of $260 for tuition fees to retire Institution Bonds, $180 for the athletic fee, and $2,408 for college fees.

Although The Citadel Board of Visitors and I are always reluctant to increase fees, we feel that this increase is not only essential, but is very prudent. If the General Assembly is able to fully fund higher education's 1989-90 requirements as requested by the Commission on Higher Education formula, The Citadel Board of Visitors would reconsider their action as noted above.

Sincerely,

James A. Grimsley

James A. Grimsley, Jr.
Major General, USA, Retired
President

jag/mp

11004

EXHIBIT

APR 11 1989 NO. 2

STATE BUDGET & CONTROL BOARD

CORRECTED

STATE BUDGET AND CONTROL BOARD — BLUE AGENDA

MEETING OF April 11, 1989 — ITEM NUMBER 2

AGENCY: State Housing Finance and Development Authority

SUBJECT: Repayment of 1987-88 State Operating Funds

The Commissioners of the South Carolina State Housing Finance and Development Authority, in accord with provisions of the 1987-88 Appropriations Act, have analyzed the cash flow certificate, parity test, and other program requirements and have determined that the Authority is financially sound.

The Board of Commissioners on March 8 unanimously approved the repayment of the Authority's fiscal year 1987-88 State operating funds of $424,969.16 (the amount appropriated and expended). The Authority's original appropriation was $457,253; $32,283.84 lapsed to the general fund.

This correction was made as a result of an April 10 phone call from Interim Executive Director Lewis Levy.

BOARD ACTION REQUESTED:

Receive as information a report that the Commissioners of the State Housing Finance and Development Authority has unanimously approved the repayment of the Authority's fiscal year 1987-88 State operating funds of $424,969.16 (the amount appropriated and expended).

ATTACHMENTS:

Levy April 3 letter to Coles

EXHIBIT

APR 1 1 1989 NO. 2

STATE BUDGET AND CONTROL BOARD STATE BUDGET & CONTROL BOARD AGENDA

MEETING OF April 11, 1989 ITEM NUMBER 2

AGENCY: State Housing Finance and Development Authority

SUBJECT: Repayment of 1987-88 State Operating Funds

The Commissioners of the South Carolina State Housing Finance and Development Authority, in accord with provisions of the 1987-88 Appropriations Act, have analyzed the cash flow certificate, parity test, and other program requirements and have determined that the Authority is financially sound.

The Board of Commissioners on March 8 unanimously approved the repayment of the Authority's fiscal year 1987-88 State operating funds of $433,575.96 (the amount appropriated and expended). The Authority's original appropriation was $457,253; $23,677.04 lapsed to the general fund.

BOARD ACTION REQUESTED:

Receive as information a report that the Commissioners of the State Housing Finance and Development Authority has unanimously approved the repayment of the Authority's fiscal year 1987-88 State operating funds of $433,575.96 (the amount appropriated and expended).

ATTACHMENTS:

Levy April 3 letter to Coles

11006

EXHIBIT

APR 1 1 1989 NO. 2

STATE BUDGET & CONTROL BOARD

APR 1 3 1989

SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY

1710 GERVAIS STREET, SUITE 300, COLUMBIA, SOUTH CAROLINA 29201

April 3, 1989

Jesse A. Coles, Jr., Ph.D.
Executive Director
State Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Dear Dr. Coles:

In keeping with the provisions of the 1987-1988 Appropriations Act, the Commissioners of the South Carolina State Housing Finance and Development Authority have analyzed the Cash Flow Certificate, Parity Test, and other Authority program requirements and have determined that the Authority is financially sound; therefore, at the regularly scheduled meeting on March 8, 1989, the Board of Commissioners unanimously approved the repayment of the Authority's fiscal year 1987-1988 State operating funds in the amount of ~~$433,575.96~~ $424,969.16 which were appropriated and expended. Of the Authority's original appropriation in the amount of $457,253.00, ~~$23,677.04~~ $32,283.84 lapsed to the General Fund on June 30, 1988.

The Commissioners desire that the return of the funds be publicized in some way. It is, therefore, respectfully requested that the return of the funds be recognized at the next regularly scheduled meeting of the Budget and Control Board. This is the same procedure which was used for the return of last year's appropriation.

With kindest regards.

Sincerely,

Lewis M. Levy
Interim Executive Director
and General Counsel

LML/fh

11007

Administration Division (803) 734-8702
Finance Division (803) 734-8878
Rental Housing Programs Division (803) 734-8740
Single Family Programs Division (803) 734-8755

SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY
1710 GERVAIS STREET, SUITE 300, COLUMBIA, SOUTH CAROLINA 29201

April 3, 1989

RECEIVED
APR - 5 1989
BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

Jesse A. Coles, Jr., Ph.D.
Executive Director
State Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Dear Dr. Coles:

In keeping with the provisions of the 1987-1988 Appropriations Act, the Commissioners of the South Carolina State Housing Finance and Development Authority have analyzed the Cash Flow Certificate, Parity Test, and other Authority program requirements and have determined that the Authority is financially sound; therefore, at the regularly scheduled meeting on March 8, 1989, the Board of Commissioners unanimously approved the repayment of the Authority's fiscal year 1987-1988 State operating funds in the amount of $433,575.96, which were appropriated and expended. Of the Authority's original appropriation in the amount of $457,253.00, $23,677.04 lapsed to the General Fund on June 30, 1988.

The Commissioners desire that the return of the funds be publicized in some way. It is, therefore, respectfully requested that the return of the funds be recognized at the next regularly scheduled meeting of the Budget and Control Board. This is the same procedure which was used for the return of last year's appropriation.

With kindest regards.

Sincerely,

Lewis M. Levy
Interim Executive Director
and General Counsel

LML/fh

11068

Administration Division (803) 734-8702
Finance Division (803) 734-8878
Rental Housing Programs Division (803) 734-8740
Single Family Programs Division (803) 734-8755

EXHIBIT

APR 1 1 1989 NO. 3

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD — BLUE AGENDA

MEETING OF April 11, 1989 — ITEM NUMBER 3

AGENCY: Human Resource Management

SUBJECT: Sick Leave Transfer Requests

The Division recommends approval of the following sick leave transfer requests. Each of the requests meets the Board's minimum criteria.

(a) DHEC, Hester Ellerbe, February 13 - March 24, 1989, period

(b) Employment Security Commission, Janet Tilton, February 16 - March 29, 1989, period;

(c) DSS, Donna Gibbs, April 17 - May 26, 1989, period; and

(d) MUSC, Terri Dashiell, March 6 - April 14, 1989, period.

BOARD ACTION REQUESTED:

Approve the following sick leave transfer requests:

(a) DHEC, Hester Ellerbe, February 13 - March 24, 1989, period
(b) Employment Security Commission, Janet Tilton, February 16 - March 29, 1989, period;
(c) DSS, Donna Gibbs, April 17 - May 26, 1989, period; and
(d) MUSC, Terri Dashiell, March 6 - April 14, 1989, period.

ATTACHMENTS:

Agenda item worksheet; attachment

11009

EXHIBIT

APR - 5 1989

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

APR 11 1989 NO. 3

For meeting scheduled for: STATE BUDGET & CONTROL BOARD

April 11, 1989

__x__ Blue Agenda
___ Regular Session Agenda
___ Executive Session Agenda

1. Submitted By: Division of Human Resource Management
   (a) Agency:
   (b) Authorized Official Signature: Phyllis M. Mayes

2. Subject:
   Sick Leave Transfer Request

3. Summary Background Information:

Pursuant to Section 8-11-270 (State Employee Leave Transfer Program) of the S.C. Code of Laws, leave transfer requests must be considered by the Budget and Control Board for approval. The following requests are submitted for approval in that they meet the Board's minimum criteria for approving leave transfer requests:

	Employee	Agency
A.	Hester M. Ellerbe	Department of Health and Environmental Control
B.	Janet Tilton	Employment Security Commission
C.	Donna Gibbs	Department of Social Services
D.	Terri W. Dashiell	Medical University of South Carolina

4. What is Board asked to do?

To approve the requests.

5. What is recommendation of the Board Division involved?

Approve the requests.

6. Recommendation of other office (as required)?

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

7. Supporting Documents:

List Those Attached	List Those Not Attached But Available from Submitter
Facts Sheet	

1110

EXHIBIT

APR 11 1989 NO. 3

STATE BUDGET & CONTROL BOARD

Facts Sheet

A. Hester Ellerbe - Department of Health and Environmental Control. Ms. Ellerbe's circumstances meet the requirement for a personal emergency and justify approval to transfer sick leave to her for the period of February 13, 1989 to March 24, 1989.

B. Janet Tilton - Employment Security Commission. This is the second request for Ms. Tilton whose circumstances continue to meet the requirement for a personal emergency and justify approval to transfer sick leave to her for the period of February 16, 1989 through March 29, 1989.

C. Donna Gibbs - Department of Social Services. Ms. Gibbs' circumstances meet the requirement for a personal emergency and justify approval to transfer sick leave to her for the period of April 17, 1989 through May 26, 1989.

D. Terri Dashiell - Medical University of South Carolina. Ms. Dashiell's circumstances meet the requirement for a personal emergency and justify approval to transfer sick leave to her for the period of March 6, 1989 to April 14, 1989.

Prepared by the Division of Human Resource Management

11011

EXHIBIT

APR 11 1989 NO. 4

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD BLUE AGENDA

MEETING OF April 11, 1989 ITEM NUMBER 4

AGENCY: Human Resource Management

SUBJECT: Coordination of Leave with Workers' Compensation Benefits

The Division reminds the Board that, on April 12, 1988, acting in accord with Code Section 8-11-145, it approved a revised formula and table to be used by State agencies in coordinating sick and annual leave with Workers' Compensation benefits.

The table has been revised by the Comptroller General's Office to reflect the recent increase in Workers' Compensation payments.

BOARD ACTION REQUESTED:

Receive as information a report that the table used by State agencies in coordinating sick and annual leave with Workers' Compensation benefits has been revised to reflect the recent increase in Workers' Compensation benefits.

ATTACHMENTS:

Agenda item worksheet; attachments

11012

EXHIBIT

APR - 5 1989

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

APR 14 1989

ITEM NO. 4

For meeting scheduled for: STATE BUDGET & CONTROL BOARD

April 11, 1989

X *Blue Agenda*
___ *Regular Session Agenda*
___ *Executive Session Agenda*

1. *Submitted By:*
   (a) *Agency:* Division of Human Resource Management
   (b) *Authorized Official Signature:* Phyllis M. Mayes

2. *Subject:*
   Coordination of Leave with Workers' Compensation

3. *Summary Background Information:*

   On April 12, 1988, in accordance with Section 8-11-145 of the S.C. Code of Laws, the Budget and Control Board approved a revised formula and table to be used by State agencies in coordinating sick and annual leave with Workers' Compensation benefits. The table has been revised to reflect the recent increase in Workers' Compensation payments. A copy of the new table is attached.

4. *What is Board asked to do?*

   No action required.

5. *What is recommendation of the Board Division involved?*

   Submitted for informational purposes.

6. *Recommendation of other office (as required)?*

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

7. *Supporting Documents:*

List Those Attached	*List Those Not Attached But Available from Submitter*
Fact Sheet Copy of revised table	

11013

EXHIBIT

APR 1 1 1989 NO. 4

STATE BUDGET & CONTROL BOARD

Fact Sheet

1. Each year, in accordance with Section 8-11-145 of the S.C. Code of Laws, the Budget and Control Board is responsible for the development of a formula by which sick and annual leave may be coordinated with Workers' Compensation benefits. The formula is to be used in calculating compensation for employees disabled by a job connected injury.

2. The Comptroller General's office has developed a chart to assist agencies in determining the appropriate amount of sick and/or annual leave to charge in coordinating paid leave with the Workers' Compensation benefit.

3. The Comptroller General has revised the chart to reflect the 1989 increase in the Workers' Compensation benefits and, also, changes in the withholding taxes.

Prepared by the Division of Human Resource Management

11014

EXHIBIT NO. 4
APR 11 1989
STATE BUDGET & CONTROL BOARD

COORDINATING SICK AND ANNUAL LEAVE WITH WORKERS' COMPENSATION

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

Currently, Workers' Compensation will pay 66 2/3 % of an employee's average weekly gross pay up to a maximum of $334.87 per week. The total benefit received during a regular payroll period is less than the average net or take-home pay that an employee would receive if a regular payroll check was issued subject to taxation.

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

The table shows a constant amount of $40 per pay period for those employees whose salaries fall between $7,000 and $25,999 per year. This is due to the fact that the difference between Workers' Compensation benefits and regular net pay remains the same until the maximum Workers' Compensation is reached. $334.87 per week is approximately 66 2/3 % of a 25,000 annual salary. At this point, the shortfall in spendable income begins to increase.

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

AMOUNT OF LEAVE TO BE CHARGED PER PAY PERIOD

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

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

SALARY RANGE	GROSS AMOUNT TO BE PAID PER PAY PERIOD	SALARY RANGE	GROSS AMOUNT TO BE PAID PER PAY PERIOD
$ 7,000 - 25,999	$ 40.00	$48,000 - 48,999	$ 855.00
$26,000 - 26,999	$ 70.00	$49,000 - 49,999	$ 890.00
$27,000 - 27,999	$ 100.00	$50,000 - 50,999	$ 925.00
$28,000 - 28,999	$ 140.00	$51,000 - 51,999	$ 955.00
$29,000 - 29,999	$ 170.00	$52,000 - 52,999	$ 990.00
$30,000 - 30,999	$ 200.00	$53,000 - 53,999	$1,025.00
$31,000 - 31,999	$ 240.00	$54,000 - 54,999	$1,060.00
$32,000 - 32,999	$ 280.00	$55,000 - 55,999	$1,095.00
$33,000 - 33,999	$ 315.00	$56,000 - 56,999	$1,125.00
$34,000 - 34,999	$ 355.00	$57,000 - 57,999	$1,160.00
$35,000 - 35,999	$ 395.00	$58,000 - 58,999	$1,195.00
$36,000 - 36,999	$ 435.00	$59,000 - 59,999	$1,230.00
$37,000 - 37,999	$ 485.00	$60,000 - 60,999	$1,260.00
$38,000 - 38,999	$ 520.00	$61,000 - 61,999	$1,295.00
$39,000 - 39,999	$ 550.00	$62,000 - 62,999	$1,330.00
$40,000 - 40,999	$ 585.00	$63,000 - 63,999	$1,365.00
$41,000 - 41,999	$ 620.00	$64,000 - 64,999	$1,395.00
$42,000 - 42,999	$ 650.00	$65,000 - 65,999	$1,430.00
$43,000 - 43,999	$ 685.00	$66,000 - 66,999	$1,465.00
$44,000 - 44,999	$ 720.00	$67,000 - 67,999	$1,500.00
$45,000 - 45,999	$ 755.00	$68,000 - 68,999	$1,535.00
$46,000 - 46,999	$ 790.00	$69,000 - 69,999	$1,570.00
$47,000 - 47,999	$ 820.00		

EXHIBIT

APR 11 1989 NO. 5

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD — BLUE AGENDA ITEM NUMBER 5

MEETING OF April 11, 1989

AGENCY: Motor Vehicle Management Division

SUBJECT: Legislative Audit Council Compliance Audit

During the November 1987 - April 1988 period, the Legislative Audit Council performed a compliance audit of the Division of Motor Vehicle Management.

The Council recommendations fall into the following three categories:

1. Minor administrative matters to be resolved internally by the Division.

2. Matters requiring Board policy guidance and possibly some level of additional resources.

3. Matters requiring major policy decisions and/or statutory changes.

The Division proposes to present these matters and the recommended solutions incrementally in the three categories.

The first increment, minor administrative matters, is presented today for information only.

BOARD ACTION REQUESTED:

Receive as information a report on minor administrative matters to be resolved internally by the Division of Motor Vehicle Management as a result of a Legislative Audit Council compliance audit.

ATTACHMENTS:

Agenda item worksheet; attachments

11016

APR - 4 1989

To: Mr. Bill McInnis
B&C Bd Dep. Exec. Dir

RE: "Blue" Agenda Item

EXHIBIT NO. 5
APR 11 1989
STATE BUDGET & CONTROL BOARD

___ As requested in your letter/memo of _____.
___ As requested by telephone on _____.
___ Please approve and return.
___ For your use/information.
___ For your comments/suggestions.
X For your disposition.
___ For your signature.
___ Note and ___ forward ___ return ___ discard.

Mr. McInnis - Attached agenda item is submitted, preferably for the April 11th Board meeting. Tom Griswold has been briefed on it and has approved it for submission to the Board.

Thank you.

From: Bob Bonna

Date: 4/4/89

Motor Vehicle Management
1022 Senate Street
Columbia, S.C. 29201 (803) 737-1515

11017

EXHIBIT

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

For meeting scheduled for: APR 11 1989 NO. 5 X *Blue Agenda* ___ *Regular Session Agenda* ___ *Executive Session Agenda*

April 11, 1989 STATE BUDGET & CONTROL BOARD

1. *Submitted By:* Budget & Control Board
   (a) Agency: Division of Motor Vehicle Management
   (b) Authorized Official Signature: Allan J. Bruce

2. *Subject:* Legislative Audit Council Compliance (LAC) Audit of Division of Motor Vehicle Management (DMVM)

3. *Summary Background Information:*

During the period November - April, 1988, the LAC performed subject audit. LAC recommendations fall into the following categories:

1 - Minor administrative matters which can be resolved internally by DMVM.
2 - Matters requiring Board policy guidance and possibly involving some level of additional resources.
3 - Matters requiring major policy decisions and/or statutory change.

It is proposed that these matters and recommended solutions be presented incrementally to the Board in the categories described above. The first increment (minor administrative matters) is presented for information to the Board at Enclosures 1-4.

4. *What is Board asked to do?*

Receive the recommendations and actions taken described at Enclosures 1-4 for information.

5. *What is recommendation of the Board Division involved?*

Same as #4 above.

6. *Recommendation of other office (as required)?*

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

7. *Supporting Documents:*

List Those Attached	*List Those Not Attached But Available from Submitter*
Enc. 1 - Motor Vehicle Management Review 2 - Vehicle Disposal Regulations 3 - Agency Motor Pool Procedures 4 - Complaints re use of State vehicle	

11018

EXHIBIT

APR 11 1989 NO. 5

STATE BUDGET & CONTROL BOARD

MAJOR FINDING NO. 1

MANAGEMENT REVIEW

FINDING: DMVM has failed to report for the last two years to the Board and the General Assembly concerning agency compliance with the Motor Vehicle Management Act. Reports prepared in previous years were not in compliance with the MVMA in that the performance of each state agency was not addressed.

RECOMMENDATION:

The Division of Motor Vehicle Management (DMVM) should prepare annual Management Reviews as required by Section 1-11-260 of the S. C. Code of Laws and Regulation 19-601. The reviews should identify the performance of each State agency and include a summary of DMVM efforts to aid and assist agencies.

SOLUTIONS/STATUS:

Short-term:

DMVM has prepared the FY 1986/87 Review using current, in-house employees. The Review contains a section reporting on the performance of each agency.

Long-term:

The Board has supported the addition of one personnel space to perform management reviews, long-range planning, and management analysis. The budget containing this position is currently before the General Assembly.

11019

EXCL 1

EXHIBIT

APR 1 1 1989 NO. 5

STATE BUDGET & CONTROL BOARD

MAJOR FINDING NO. 4

DISPOSAL REGULATIONS

FINDING: DMVM regulations address vehicle disposal procedures, which are in the purview of General Services Division regulations.

RECOMMENDATIONS:

The Audit Council recommends that the Budget and Control Board consider deleting references to disposal procedures which do not involve the Division of Motor Vehicle Management from Regulation 19-607.

SOLUTION:

Such deletion will be accomplished by DMVM. No resources needed.

STATUS: With Board concurrence, DMVM will submit necessary regulation change.

11020

ENCL 2

EXHIBIT

APR 11 1989 NO. 5

STATE BUDGET & CONTROL BOARD

FINDINGS NO. 7 AND 8

MOTOR POOL PROCEDURES

FINDING: Some State agencies have not submitted written motor pool procedures to DMVM as required by regulation. DMVM has not formally approved those procedures which have been submitted.

RECOMMENDATION:

(7)
State agencies should submit motor pool procedures to the DMVM for approval. DMVM should monitor and report noncompliance with this requirement each Management Review.

(8)
The DMVM should formally approve or disapprove all agency motor pool procedures submitted.

SOLUTION:

To be solved through Management Review. Solution in process. No resources needed.

STATUS:

Agency motor pool procedures approved by DMVM during FY 1986/87 Management Review.

11021

ENCL 3

EXHIBIT

APR 1 1 1989 NO. 5

STATE BUDGET & CONTROL BOARD

FINDING NO. 16

UNAUTHORIZED USE/COMPLAINTS

FINDING: Replies to complaints made directly to agencies are not provided DMVM.

RECOMMENDATION:

State agencies should provide the Division of Motor Vehicle Management with copies of any replies to complaints made directly to the agency and not referred from the Division of Motor Vehicle Management.

SOLUTION:

To be solved through Management Review process.

STATUS:

DMVM published letter re subject to all agencies. To be followed-up during Management Review.

11022

ENCL 4

EXHIBIT

APR 11 1989 NO. 6

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD BLUE AGENDA

MEETING OF April 11, 1989 ITEM NUMBER 6

AGENCY: Executive Director

SUBJECT: Foreign Travel

In accord with Board policy, staff has approved the following foreign travel involving over $1,000 and less than $2,000 of State funds:

(a) College of Charleston: Robert Mignone to West Berlin during the July 24 - August 3, 1989, period at an estimated cost of $1,497 State funds.

BOARD ACTION REQUESTED:

Receive as information a report on College of Charleston foreign travel involving over $1,000 and less than $2,000 of State funds approved by staff.

ATTACHMENTS:

Bolchoz March 30 memo to McInnis

11023

APR 3 1989

College of Charleston

Charleston, South Carolina 29424

EXHIBIT

APR 11 1989 NO. 6

STATE BUDGET & CONTROL BOARD

TO: Mr. William McInnis
Deputy Executive Director
SC Budget & Control Board
618 Wade Hampton Office Building
PO Box 12444
Columbia, SC 29211

FROM: Joseph E. Bolchoz, Jr.
Controller
College of Charleston

RE: Request for Foreign Travel Approval

DATE: March 30, 1989

Traveller: Robert Mignone

Destination: Berlin (West)

Dates: July 24 - August 3, 1989

Total Cost: $ 1,497.00

Source of Funds: State $ 1,497.00

$ 1,497.00

APPROVED
APR 3 1989
Joan L. Hill
STATE BUDGET AND CONTROL BOARD

Purpose:

To deliver a paper before the Association for Symbolic Logic at the summer meeting held in Berlin, and to participate in the eleven day international conference.

Requested on behalf of the College of Charleston by:

J. E. Bolchoz

Joseph E. Bolchoz, Jr.

JEB,JR/mad

11024

EXHIBIT

APR 11 1989 NO. 7

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD BLUE AGENDA

MEETING OF April 11, 1989 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:

Agency	Number	Estimated Cost
(a) Mental Health	1	$600.00
(b) The Citadel	1	100.00
(c) Clemson University	60	20,879.88

BOARD ACTION REQUESTED:

Receive as information reports on the reimbursement of interviewee travel expenses by Mental Health (1), The Citadel (1), and Clemson University (60).

ATTACHMENTS:

Referenced report

11025

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
Mental Health	March	1	$600.00	0	0	0	1
The Citadel	March	1	100.00	1	0	0	0
Clemson University	Nov-March	60	20,879.88	13	16	13	18
Total		62	$21,579.88	14	16	13	19

EXHIBIT
APR 11 1989 NO. 7
STATE BUDGET & CONTROL BOARD

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
Mental Health	March	1	$600.00	0	0	0	1
The Citadel	March	1	100.00	1	0	0	0
Clemson University	Nov-March	60	20,879.88	13	16	13	18
Total		62	$21,579.88	14	16	13	19

EXHIBIT
APR 11 1989 NO. 7
STATE BUDGET & CONTROL BOARD

EXHIBIT

APR 11 1989 NO. 7

STATE BUDGET & CONTROL BOARD

MAR 24 1989

WILLIAM S. HALL PSYCHIATRIC INSTITUTE

OFFICE OF DEPUTY DIRECTOR

TO: Joseph J. Bevilacqua, Ph.D.
State Commissioner of Mental Health

THROUGH: William R. Noyes, Director
Human Resource Services

DATE: March 16, 1989

I request approval of travel reimbursement in the amount of approximately $600.00 for Balbir Coshal, MD to visit the Institute in April, 1989, for the purpose of interviewing for the child psychiatrist position in the Child and Adolescent Division of the William S. Hall Psychiatric Institute. This is a significant position to be filled in light of the teaching mission of the Institute, and the cost is warranted. The cost of the interview will be significantly less than to pay the costs of five staff members to travel to Norfolk, Virginia for the interview. In addition, it is imperative that the applicant see the Institute in order to make an informed decision.

Robert N. Milling, MD
Deputy Director

baw

c Mr. William S. McInnis
Deputy Executive Director

Tony Gore, MD
Senior Deputy Commissioner
Clinical Services

Mr. John Bourne
Deputy Commissioner for
Financial Services

11027

CURRICULUM VITAE

BALBIR SINGH COSHAL

HOME ADDRESS:	704 Rolo Lane Virginia Beach, VA 23464
HOME PHONE:	(804) 426-6676
OFFICE ADDRESS:	The Psychiatric Institute of the Medical College of Hampton Roads 721 Fairfax Avenue Norfolk, VA 23507
OFFICE PHONE:	(804) 446-5072
SOCIAL SECURITY #:	168-40-9371
DATE OF BIRTH:	June 13, 1935
MARITAL STATUS:	Married, 1985 - Renu Children - Shana, 1986
EDUCATION:	1951-1953 I.Sc., University College, India 1954-1956 Delhi University, India 1956-1961 M.B.B.S., All-India Institute of Medical Sciences, New Delhi

POST GRADUATE TRAINING:

January 1962 - December 1962	Rotating Intern, All-India Institute of Medical Sciences, New Delhi
January 1962 - June 1963	House Officer in Psychiatry, All-India Institute of Medical Sciences, New Delhi
July 1963 - July 1966	Resident in Psychiatry, University of Pittsburgh Western Psychiatric Institute and Clinic
July 1966 - July 1967	Fellow in Child Psychiatry, University of Maryland Hospital, Baltimore, MD
July 1967 - July 1968	Straight Medical Intern, Western Pennsylvania Hospital, Pittsburgh, PA
July 1968 - July 1970	Fellow in Child Psychiatry, Montgomery County Mental Health Clinics, Inc., Norristown, PA

11028

FACULTY APPOINTMENTS:

July 1976 - June 1977	Instructor in Psychiatry, University of Pennsylvania
July 1976 - July 1983	Clinical Instructor in Psychiatry, Department of Child Psychiatry, Jefferson Medical College, PA
December 1987 - Present	Assistant Professor in Psychiatry, Medical College of Hampton Roads, Norfolk, VA

HOSPITAL APPOINTMENTS:

1976-1977	Philadelphia General Hospital
1977-1978	Montgomery County Emergency Services, Norristown, PA
1985-1987	Philadelphia Child Guidance Clinic
1987-Present	The Psychiatric Institute of the Medical College of Hampton Roads, Norfolk, VA

SPECIALTY CERTIFICATIONS:

1978	Psychiatry, American Board of Psychiatry and Neurology

LICENSURE: Virginia, 1987

MEMBERSHIP IN PROFESSIONAL SOCIETIES:

American Psychiatric Association
American Academy of Child and Adolescent Psychiatry (application in progress)

WORK EXPERIENCE:

July 1970 - February 1971	Staff Psychiatrist, Irving Schwartz Institute for Children and Youth and Community Mental Health Center of the Philadelphia Psychiatric Center
February 1971 - August 1971	Staff Psychiatrist, Devereax Foundation, Devon, Pennsylvania
November 1971 - July 1975	Consulting Psychiatrist to C.O.R.A., an Outpatient Clinic for Children and Adolescents

WORK EXPERIENCE (cont'd.):

November 1971 - June 1976	Consulting Psychiatrist, School District of Philadelphia
November 1971 - August 1977	Consulting Psychiatrist to the Family Court of Philadelphia
July 1975 - November 1979	Part-time Private Practice
September 1977 - October 1978	Staff Psychiatrist, Montgomery County MH/MR Emergency Service, Norristown, PA
December 1978 - March 1979	Staff Psychiatrist, Children's Inpatient Unit, Hahnemann Medical College and Hospital, Part-time
December 1978 - April 1983	Staff Psychiatrist, Children's Outpatient Clinic Catchment Area 4, Community Mental Health Center, Philadelphia
June 1983 - July 1985	Staff Psychiatrist, The Consortium, West Philadelphia
July 1985 - December 1987	Senior Staff Psychiatrist, Philadelphia Child Guidance Clinic, Adolescent Inpatient Unit. Duties also included teaching medical students, residents, and fellows. Member - Private Practice Plan of the Philadelphia Child Guidance Clinic
December 1987 - Present	Director, Children's Unit, The Psychiatric Institute of the Medical College of Hampton Roads, Norfolk, VA Assistant Professor in Psychiatry, Medical College of Hampton Roads. Duties include administration, direct patient care, and teaching.

MAR 3 1 1989

THE CITADEL

THE MILITARY COLLEGE OF SOUTH CAROLINA
CHARLESTON, S.C. 29409-0420

PERSONNEL AND
ADMINISTRATIVE SERVICES

29 March 1989

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
P. O. Box 12444
Columbia, S. C. 29211

Dear Mr. McInnis:

Attached is a determination to pay travel expenses for one candidate for the position of Controller at The Citadel.

Of the 61 applicants, nine (9) were invited for an interview, and of the nine (9), only one asked for financial assistance toward travel expenses, e.g., Mr. Charles A. Ray of Arlington, Texas. Since we are assisting only one of the candidates with financial, travel assistance, and because the amount is only $100.00, I am not sending a detail listing of all applicants. I can send this information if needed.

The determination is self-explanatory, and is forwarded in accordance with instructions received from the State Budget and Control Board in 1982. I assume these instructions are still valid. If not, please let me know.

Please take action as appropriate with the attached determination and let me hear from you should you have questions or if additional information is needed.

Sincerely,

LEE V. E. MARTIN
Lieutenant Colonel, Director of
Personnel/Administrative Services

Attachment
As stated

11031

EXHIBIT

APR 11 1989 NO. 7

STATE BUDGET & CONTROL BOARD

THE CITADEL

THE MILITARY COLLEGE OF SOUTH CAROLINA

CHARLESTON, S. C. 29409

20 March 1989

DETERMINATION

In accordance with State Budget and Control Board Policy on Interviewee Travel Expense Payment, I have determined that in the case of filling the controller position at The Citadel, it was necessary to conduct selected interviews on The Citadel campus.

Because of the critical nature of this position and its interrelationship with senior department and activity heads at The Citadel, as well as its interrelationship with key staff agencies in Columbia, it is essential that on-campus interviews of a highly selective group of candidates be scheduled.

The cost inherent for such on-campus interviews is warranted, and is far less costly than conducting such interviews at the candidates' home. All qualified candidates residing within South Carolina were considered before prospective candidates from outside the state were invited to The Citadel for an on-campus interview.

The director of personnel and administrative services will prepare and forward to the Budget and Control Board a listing of prospective controller candidates invited for an on-campus interview which will include the amount of payment for each.

James A. Grimsley

James A. Grimsley, Jr.
Major General, USA, Retired
President

jag/mp

11032

APR - 5 1989

CLEMSON UNIVERSITY CENTENNIAL 1889·1989

BUSINESS AND FINANCE
Office of Financial Management

April 3, 1989

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
Wade Hampton Office Building
P. O. Box 12444
Columbia, SC 29211

Dear Mr. McInnis:

Enclosed are Travel Disbursement forms for those individuals who were brought to Clemson University for employee interviews.

Yours very truly,

Charles A. Tegen
Director of Accounting

CAT/gw

Enclosures

11033

3/6/89 JV

CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE November 22, 1988

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Total $674.85

NAME OF RECRUIT: Lawrence R. Allen

CITY OF ADDRESS: Champaign, Illinois

POSITION TO BE FILLED: PRTM Department Head

AMOUNT REIMBURSED: 663 07
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: JE Howard, actg
Department Head

Benton H. Box
Dean or Director

Milton L. Price
Vice President

Approved by: M. P. Lee
President

Distribution:
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11034

3/17/89

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE November 22, 1988

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Lawrence R. Allen

CITY OF ADDRESS: Champaign, Illinois

POSITION TO BE FILLED: PRTM Department Head

AMOUNT REIMBURSED: 1,785
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: G. E. Lovard, Jr.
Department Head

Dean or Director

Vice President

Approved by:
President

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11035

4/3/89

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE March 9, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Mark G. Allen

CITY OF ADDRESS: Cambridge, MA

POSITION TO BE FILLED: Microelectronics area, ECE Department, Faculty

AMOUNT REIMBURSED: 292.57
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: John N. Gowdy
Department Head

Dean or Director

W. David Tapwell
Vice President

Approved by:
President

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3/17/89 dw

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE March 3, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Dr. Freddie A. Asinor

CITY OF ADDRESS: 432-B Beckwith Court, Southwest, Atlanta, GA 30314

POSITION TO BE FILLED: Director, Academic Special Projects

AMOUNT REIMBURSED: $ 58.80
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: Mary Weiser
Department Head

Dean or Director

W. David Maxwell
Vice President

Approved by:
President

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3/20/89 dlr

CLEMSON UNIVERSITY

FACILITIES MAINTENANCE AND OPERATIONS
SEP 5 11 37 AM '88
CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE September 5, 1988

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Roger Ball

CITY OF ADDRESS: Laramie, WY

POSITION TO BE FILLED: Supervisor of Custodial Services (grade 32)

AMOUNT REIMBURSED: 685.88
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

RECEIVED
1988 SEP -7 AM 3:09
FINANCIAL MANAGEMENT

Recommended by: C. Gary Pringle
Department Head

Dean or Director

Vice President

Approved by:
President

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RECEIVED
SEP 8
ACCOUNTING

11038

4/3/89

CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE March 10, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Dr. Sherrill B. Biggers

CITY OF ADDRESS: Los Angeles, California

POSITION TO BE FILLED: Faculty - Department of Mechanical Engineering

AMOUNT REIMBURSED: 983.98
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

RECEIVED
89 MAR 17 PM 1:31
FINANCIAL MANAGEMENT

Recommended by: _____
Department Head

_____
Dean or Director

_____
Vice President

Approved by: _____
President

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11039

3/6/89 dlr

Total $583.19

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE February 23, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Richard Lee Blackbourn

CITY OF ADDRESS: 2908 West Deborah, Monroe, LA 71201

POSITION TO BE FILLED: Department Head of Elementary & Secondary Ed.

AMOUNT REIMBURSED: 565.50
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: R R Green Jr.
Department Head

Gordon Gray
Dean or Director

W Donald Bagwell
Vice President

Approved by: W M Lee
President

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4/3/89

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE February 23, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Richard Lee Blackbourn

CITY OF ADDRESS: 2908 West Deborah, Monroe, LA 71201

POSITION TO BE FILLED: Department Head of Elementary & Secondary Ed.

AMOUNT REIMBURSED: 17.69
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: R R Green, Jr.
Department Head

Gordon Gray
Dean or Director

W. David Bradwell
Vice President

Approved by: M J Sims
President

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3/7/89 BW

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE 2/14/89

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Scott Blackwell

CITY OF ADDRESS: Inman, SC

POSITION TO BE FILLED: County Extension Agent - Horticulture (Saluda)

AMOUNT REIMBURSED: 36.78
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Saluda ~~Clemson~~ is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: B. B. Carroll
Department Head

Dean or Director

Vice President

Approved by:
President

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11042

3/28/89 dpv

EXHIBIT

APR 1 1 1989 NO. 7

STATE BUDGET & CONTROL BOARD

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE March 8, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: LaVerne Blout

CITY OF ADDRESS: P. O. Box 2254
Auburn, AL 36831

POSITION TO BE FILLED: EFNEP Coordinator

AMOUNT REIMBURSED: 105.84
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: Sara Lynn Bagby
Department Head

Dean or Director

Vice President

Approved by:
President

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11043

3/28/89 dlw

EXHIBIT

APR 11 1989 NO. 7

STATE BUDGET & CONTROL BOARD

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE March 2, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Dr. Endre Boros

CITY OF ADDRESS: New Brunswick, NJ

POSITION TO BE FILLED: Assistant Professor

AMOUNT REIMBURSED: 340.00
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: Richard D. Ringeisen
Department Head

Betty J. Wilson
Dean or Director

W. Donald Bellamy
Vice President

Approved by: [signature]
President

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11044

3/6/89

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE 1/15/89

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Steve B. Chandler, PHd 457-94-3834

CITY OF ADDRESS: PO Box 2730, Rollins College , Winter Park FL

POSITION TO BE FILLED: Faculty Candidate, Wellness Coordinator

AMOUNT REIMBURSED: 460.00
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.
2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.
3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: _____
Department Head

_____
Dean or Director

_____
Vice President

Approved by: _____
President

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3/3/89 DN

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE February 13, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Prof. Gerald Clarfield 554-46-5145

CITY OF ADDRESS: Univ of Missouri-Columbia

POSITION TO BE FILLED: Headship-Dept of History

AMOUNT REIMBURSED: 47.14
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: [signature]
Department Head

[signature]
Dean or Director

[signature]
Vice President

Approved by: [signature]
President

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11046

3/15/89 DJN

CLEMSON UNIVERSITY

EXHIBIT

APR 11 1989 NO. 7

STATE BUDGET & CONTROL BOARD

BUSINESS AND FINANCE
Office of Financial Management

DATE February 8, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Dr. Donald D. Clayton 461-56-8522

CITY OF ADDRESS: 2303 Bartlett, Houston, TX 77098

POSITION TO BE FILLED: Assistant/Associate Professor of Physics & Astronomy

AMOUNT REIMBURSED: 805.82
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.
2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.
3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: P A Steiner
Department Head

Betty A. Nixon
Dean or Director

W. Daniel Hayes
Vice President

Approved by: [signature]
President

Distribution:
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11047

3/27/89 CDV

CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE January 20, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: R. T. Compton, Jr. 217-32-1176

CITY OF ADDRESS: Columbus, OH

POSITION TO BE FILLED: Dept. Head, Electrical & Computer Eng., 0915-U001

AMOUNT REIMBURSED: 613.00
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: John N Gowdy
Department Head

Dean or Director

W. Donald Maxwell
Vice President

Approved by:
President

Distribution:
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11048

3/20/89 CV

CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE 03/08/89

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Starlett R. Craig 245-80-6080

CITY OF ADDRESS: P. O. Box 2162, Cullowhee, NC 28723

POSITION TO BE FILLED: Director, Academic Special Projects

AMOUNT REIMBURSED: $63.00
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: Mary Allison
Department Head

✓ Jean V Rud Jr
Dean or Director

W. David Maxwell
Vice President

Approved by: M L Leatherman
President

Distribution:
Original: Originator
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11049

3/30/89 BW

CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE March 7, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Norman D. Curet 388-80-5370

CITY OF ADDRESS: Chapel Hill, NC

POSITION TO BE FILLED: Assistant Professor

AMOUNT REIMBURSED: $113.00
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: Richard D. Rogerson
Department Head

Bobby L. Wilson
Dean or Director

W. David Hartwell
Vice President

Approved by: M. L.
President

RECEIVED
89 MAR 10 AM 4:08

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11050

3/10/89 DV

CLEMSON UNIVERSITY

EXHIBIT

APR 11 1989 NO. 7

STATE BUDGET & CONTROL BOARD

PRESIDENT

DATE February 17, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Gerald P. Dwyer

CITY OF ADDRESS: St. Louis, Missouri

POSITION TO BE FILLED: Professor of Economics

100.58

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.
2. Payment of the expenses involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.
3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: _____
Department Head

_____
Dean or Director

_____
Vice President

Approved by: _____
President

Distribution:
Original: President's Office
Approved Copy: Executive Director, Budget and Control Board
Attached to all related Direct Purchase Vouchers

11051

3/10/89

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE 20 December 1988

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: John A. Edwards $371.00

CITY OF ADDRESS: Goochland, Virginia

POSITION TO BE FILLED: Associate Director - Clemson University Outdoor Lab

AMOUNT REIMBURSED: _____
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: _____
Department Head

_____
Dean or Director

_____
Vice President

Approved by: _____
President

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Original: Originator
Approved Copies: Financial Management, Budget and Control Board
Attached to all related Direct Purchase Vouchers

11052

3/10/89 dm

CLEMSON UNIVERSITY

RECEIVED
FEB 2 1989

BUSINESS AND FINANCE
Office of Financial Management

DATE January 20, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Dr. Luis Fernandez $92.40

CITY OF ADDRESS: Macomb, Illinois

POSITION TO BE FILLED: Language & International Trade Director

AMOUNT REIMBURSED: _____
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: Judith M. Melton
Department Head

Robert A. Waller
Dean or Director

W. David Maxwell
Vice President

Approved by: _____
President

Distribution:
Original: Originator
Approved Copies: Financial Management, Budget and Control Board
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11053

3/3/89 PH

CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE Jan. 31, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Ben George Fitzpatrick $1,182.10

CITY OF ADDRESS: Providence, RI

POSITION TO BE FILLED: Assistant Professor

AMOUNT REIMBURSED: _____
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: Richard D. Ringeisen
Department Head

Betty H. Watson
Dean or Director

by Daniel A. Mitchell
Vice President

Approved by: [signature]
President

Distribution:
Original: Originator
Approved Copies: Financial Management, Budget and Control Board
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11054

3/10/89 dlr

2293

CLEMSON
UNIVERSITY

PRESIDENT

DATE January 23, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Janice Gibbs-Watty

CITY OF ADDRESS: Hackensack, NJ 07601

POSITION TO BE FILLED: Student Services Program Coordinator II

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expenses involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

89 JAN 30 PM 3:16

Recommended by: Buford E. Trexler
Department Head

Dean or Director

Vice President

Approved by: for Max Lennon, President

Distribution:
Original: President's Office
Approved Copy: Executive Director, Budget and Control Board
Attached to all related Direct Purchase Vouchers

11055

3/20/89 RV

354.00

CLEMSON UNIVERSITY

EXHIBIT

APR 11 1989 NO. 7

STATE BUDGET & CONTROL BOARD

BUSINESS AND FINANCE
Office of Financial Management

DATE 3/8/89

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Lewis Hershey

CITY OF ADDRESS: 3260 Suson Court, Apt. 4, St. Louis, MO 63139

POSITION TO BE FILLED: Ass't Professor of Speech

AMOUNT REIMBURSED: _____
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

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3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: _____
Department Head

_____
Dean or Director

_____
Vice President

Approved by: _____
President

RECEIVED
89 MAR 14 AM 10:52

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Original: Originator
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11056

3/10/89 BJW

329.06

CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE January 27, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Norman Kangun

CITY OF ADDRESS: Houston, Texas

POSITION TO BE FILLED: Head, Department of Marketing

AMOUNT REIMBURSED: 145-28-6937
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

RECEIVED
89 JAN 31 AM 11:38

Recommended by: _____
Department Head

_____ 1/21/89
Dean or Director

_____
Vice President

Approved by: _____
President

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Original: Originator
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11057

3/14/89 [illegible]

387.85

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE February 17, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Peter C. Kiessler

CITY OF ADDRESS: Richmond, VA

POSITION TO BE FILLED: Associate Professor

AMOUNT REIMBURSED: 137.52.4660
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

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3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: Richard D Ringeisen 2/17/89
Department Head

Betty A. Wilson 2-20-89
Dean or Director

W. David Maxwell
Vice President

Approved by: [signature]
President

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Original: Originator
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11058

3/2/89 4JV

51.69

EXHIBIT

APR 11 1989 NO. 7

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE 02/12/89 STATE BUDGET & CONTROL BOARD

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Dr. Debra King

CITY OF ADDRESS: 190 Baxter Dr., Apt. 333, Athens, GA 30610

POSITION TO BE FILLED: Assistant Professor 1511-U020

AMOUNT REIMBURSED: 417-92-0608
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: _____
Department Head

_____
Dean or Director

_____
Vice President

Approved by: _____
President

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Original: Originator
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Attached to all related Direct Purchase Vouchers

11059

3/10/89 dlv

CLEMSON UNIVERSITY

634.41

BUSINESS AND FINANCE
Office of Financial Management

DATE 12/12/88

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Gary Klein

CITY OF ADDRESS: Dallas, TX

POSITION TO BE FILLED: Asst. Professor of Management (MIS)

AMOUNT REIMBURSED: 500-50-7387
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: _____
Department Head

_____
Dean or Director

W. Dennis Maxwell
Vice President

Approved by: _____
President

RECEIVED
89 JAN 10 AM 10: 39
FINANCIAL MANAGEMENT

Distribution:
Original: Originator
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Attached to all related Direct Purchase Vouchers

11060

3/20/89 CW

467.00

CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE 3/8/89

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: John Knappenberger

CITY OF ADDRESS: 1954 S. Newark Way, Aurora, CO 80014

POSITION TO BE FILLED: Assistant Professor of Speech

AMOUNT REIMBURSED: 261-86-2214
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

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3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: R. Swihob
Department Head

Robert A Waller
Dean or Director

W. David Maxwell
Vice President

Approved by:
President

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11061

4/3/89 [illegible]

597.70
50.28
$647.98

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE March 7, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Dr. Alan A. Kornhauser

CITY OF ADDRESS: Cambridge, Massachusetts

POSITION TO BE FILLED: Faculty-Mechanical Engineering Department

AMOUNT REIMBURSED: 213-48-8847
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

RECEIVED
89 MAR 17 PM 1:31
FINANCIAL MANAGEMENT

Recommended by: [signature]
Department Head

[signature]
Dean or Director

[signature]
Vice President

Approved by: [signature]
President

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11062

3/28/89 BW

CLEMSON UNIVERSITY

610.00
137.64

BUSINESS AND FINANCE
Office of Financial Management

DATE February 13, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Total
$997.64

NAME OF RECRUIT: Prof. Charles Korr

CITY OF ADDRESS: Univ of Missouri, St. Louis

POSITION TO BE FILLED: Headship-Department of History

AMOUNT REIMBURSED: _____
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.
2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.
3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

RECEIVED
89 FEB 17 AM 11:22
PERSONNEL MANAGEMENT

Recommended by: Joseph L Arbena
Department Head

Robert A. Waller
Dean or Director

W Daniel Rosfell
Vice-President

Approved by: _____
President

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11063

3/30/89 BW

250.00

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE February 13, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Prof. Charles Korr

CITY OF ADDRESS: Univ of Missouri, St. Louis

POSITION TO BE FILLED: Headship-Department of History

AMOUNT REIMBURSED: 561-50-3086
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: Joseph L Arbena
Department Head

Robert A. Waller
Dean or Director

W Daniel Rosfell
Vice President

Approved by: [signature]
President

Distribution:
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11064

3/27/89 CBV

CLEMSON UNIVERSITY

397.50

BUSINESS AND FINANCE
Office of Financial Management

DATE March 6, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Dr. Kevin S. Larsen

CITY OF ADDRESS: Waltham, MA

POSITION TO BE FILLED: Assistant Professor of Spanish

AMOUNT REIMBURSED: 516-70-0942
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

RECEIVED
89 MAR 10 AM 4:08

Recommended by: Frederick M. Mellon
Department Head

Robert A. Waller
Dean or Director

W. David Whitwell
Vice President

Approved by: P. M. Lee
President

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11065

3/30/89 CJW

EXHIBIT

APR 11 1989 NO. 7

STATE BUDGET & CONTROL BOARD

305.37

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE 1-27-89

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Kathy Lauer

CITY OF ADDRESS: Seattle, Washington

POSITION TO BE FILLED: Faculty position - Department of Instruction.

AMOUNT REIMBURSED: 185-34-6776
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

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2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

RECEIVED
89 FEB 10 AM 11:30
BUDGET & CONTROL BD

Recommended by: _____
Department Head

_____
Dean or Director

_____
Vice President

Approved by: _____
President

Distribution:
Original: Originator
Approved Copies: Financial Management, Budget and Control Board
Attached to all related Direct Purchase Vouchers

11066

3/10/89 GW

$4.35
$54.60
$58.95

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE January 20, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Dr. Claude Le Goff

CITY OF ADDRESS: Columbia, SC 29212

POSITION TO BE FILLED: Language & International Trade Director

AMOUNT REIMBURSED: 097-42-3955
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

RECEIVED
89 FEB -2 AM 11:58
ANNUAL PLANNING

Recommended by: Judith M. Melton
Department Head

Robert A. Waller
Dean or Director

W. Dennis Maxwell
Vice President

Approved by: [signature]
President

Distribution:
Original: Originator
Approved Copies: Financial Management, Budget and Control Board
Attached to all related Direct Purchase Vouchers

11067

3/21/89 DN

EXHIBIT

APR 11 1989 NO. 7

STATE BUDGET & CONTROL BOARD

12.68
136.22
148.82

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE February 14, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Wanda Limehouse

CITY OF ADDRESS: Bamberg, SC

POSITION TO BE FILLED: County Extension Agent - Dillon County

AMOUNT REIMBURSED: 247-41-3169
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

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3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: _____
Department Head

_____
Dean or Director

_____
Vice President

Approved by: _____
President

Distribution:
Original: Originator
Approved Copies: Financial Management, Budget and Control Board
Attached to all related Direct Purchase Vouchers

11068

MAIL • CLEMSON, SOUTH CAROLINA 29634-5303 • TELEPHONE 803/656-2470

3/17/89 KW

CLEMSON UNIVERSITY

5058

BUSINESS AND FINANCE
Office of Financial Management

DATE JANUARY 9, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: ASTRID LIPP

CITY OF ADDRESS: WINDER, GEORGIA

POSITION TO BE FILLED: ASSISTANT PROFESSOR OF MGT(ES)

AMOUNT REIMBURSED: 217-54-3535
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

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3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

RECEIVED
89 JAN 13 AM 11:51
MANAGEMENT

Recommended by: _____
Department Head

_____
Dean or Director

_____
Vice President

Approved by: _____
President

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Original: Originator
Approved Copies: Financial Management, Budget and Control Board
Attached to all related Direct Purchase Vouchers

11069

4/3/89 KDV

24613

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE January 20, 1989

Total $477.09

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Michael A. Littlejohn

CITY OF ADDRESS: Raleigh, NC

POSITION TO BE FILLED: Department Head, Electrical and Computer Eng. 0915-U001

AMOUNT REIMBURSED: 242-60-6419
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: John N. Gowdy
Department Head

Dean or Director

W. David Maxwell
Vice President

Approved by:
President

Distribution:
Original: Originator
Approved Copies: Financial Management, Budget and Control Board
Attached to all related Direct Purchase Vouchers

11070

3/10/89 JN

CLEMSON UNIVERSITY

-230.96

BUSINESS AND FINANCE
Office of Financial Management

DATE January 20, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Michael A. Littlejohn

CITY OF ADDRESS: Raleigh, NC

POSITION TO BE FILLED: Department Head, Electrical and Computer Eng. 0915-U001

AMOUNT REIMBURSED: 242-60-6419
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

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Recommended by: John M Howdy
Department Head

Dean or Director

W. David Maxwell
Vice President

Approved by:
President

Distribution:
Original: Originator
Approved Copies: Financial Management, Budget and Control Board
Attached to all related Direct Purchase Vouchers

89 JAN 25

11071

4/3/89 KV

$10.00
16.19
52.50
$78.69

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE 2-13-89

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Paul MacGregor

CITY OF ADDRESS: Atlanta, Georgia

POSITION TO BE FILLED: ECE Faculty

AMOUNT REIMBURSED: _____
(To be entered by Financial Management)

EXHIBIT
APR 11 1989 NO. 7
STATE BUDGET & CONTROL BOARD

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

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3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

RECEIVED
89 FEB 16 AM 9:52

Recommended by: John N Howdy
Department Head

Dean or Director

Vice President

Approved by: _____
President

Distribution:
Original: Originator
Approved Copies: Financial Management, Budget and Control Board
Attached to all related Direct Purchase Vouchers

11072

4/3/89 DJV

110.58

CLEMSON
UNIVERSITY

PRESIDENT

DATE 10 Feb 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: E. Terry Magel

CITY OF ADDRESS: Macomb, Il

POSITION TO BE FILLED: Director of Instruction (U020)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.
2. Payment of the expenses involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.
3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: A. J. Turner
Department Head

Bobby L. Wilson
Dean or Director

W. Dan Bagwell
Vice President

Approved by:
Max A. Lennon, President

Distribution:
Original: President's Office
Approved Copy: Executive Director, Budget and Control Board
Attached to all related Direct Purchase Vouchers

11073

CLEMSON SOUTH CAROLINA 29631 • TELEPHONE 803/656-3413

4/3/89 RM

10664

CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE December 20, 1988

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Norman A. McGee, Jr.

CITY OF ADDRESS: Savannah, GA

POSITION TO BE FILLED: Associate Director - Clemson University Outdoor Lab

AMOUNT REIMBURSED: _____
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

RECEIVED
89 JAN 12 AM 11:06
BUDGET AND CONTROL BOARD

Recommended by: _____
Department Head

_____
Dean or Director

_____
Vice President

Approved by: _____
President

Distribution:
Original: Originator
Approved Copies: Financial Management, Budget and Control Board
Attached to all related Direct Purchase Vouchers

11074

4/3/89 DJR

$20.00
+5.90
25.90
+ 57.22
83.12

CLEMSON UNIVERSITY

PRESIDENT

DATE 10 Feb 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: John D. McGregor

CITY OF ADDRESS: Murray, Kentucky

POSITION TO BE FILLED: Director of Instruction (U020)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expenses involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: A. J. Turner
Department Head

Dean or Director

W. David Maxwell
Vice President

Approved by:
Max A. Lennon, President

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89 FEB 15 AM 11:24

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11075

4/3/89 DW

686.94

CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE JANUARY 9, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: DAVID B. MEINERT

CITY OF ADDRESS: UNIVERSITY, MS

POSITION TO BE FILLED: ASSISTANT PROFESSOF OF MGT(MIS)

AMOUNT REIMBURSED: _____
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

89 JAN 13 AM 11:51
FINANCIAL MANAGEMENT

Recommended by: _____
Department Head

_____
Dean or Director

_____
Vice President

Approved by: _____
President

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11076

4/3/89

107.11

CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE 12/30/88

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Marilyn E. Meinert

CITY OF ADDRESS: St. Joseph, Missouri

POSITION TO BE FILLED: Faculty - Nursing - Instruction

AMOUNT REIMBURSED: _____
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

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2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: _____
Department Head

_____
Dean or Director

_____
Vice President

Approved by: _____
President

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11077

4/3/89 BW

CLEMSON
UNIVERSITY

10 00
138.92
4.50
$153.42

BUSINESS AND FINANCE
Office of Financial Management

DATE February 13, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Dr. Lane Miller

CITY OF ADDRESS: Raleigh, North Carolina

POSITION TO BE FILLED: Faculty - Department of Mechanical Engineering

AMOUNT REIMBURSED: _____
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

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Recommended by: _____
Department Head

_____
Dean or Director

_____
Vice President

Approved by: _____
President

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11078

4/3/89 CW

548.25

CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE JANUARY 9, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: HOKEY MIN

CITY OF ADDRESS: METAIRIE, LA

POSITION TO BE FILLED: ASSISTANT PROFESSOR OF MGT (POM)

AMOUNT REIMBURSED: _____
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: _____
Department Head

_____
Dean or Director

_____
Vice President

Approved by: _____
President

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11079

4/3/89 KM

EXHIBIT

APR 11 1989 NO. 7

STATE BUDGET & CONTROL BOARD 598.50

CLEMSON
UNIVERSITY

PRESIDENT

DATE 10 Feb 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Narayan Murthy

CITY OF ADDRESS: Jefferson Valley, NY

POSITION TO BE FILLED: Director of Instruction (U020)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.
2. Payment of the expenses involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.
3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: A. J. Turner
Department Head

Bobby L Wilson
Dean or Director

W Daniel Maxwell
Vice President

Approved by: M H Lee
Max A. Lennon, President

89 FEB 15 AM 11:24

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11080

3/27/89 RSV

CLEMSON UNIVERSITY

307.07

BUSINESS AND FINANCE
Office of Financial Management

DATE February 17, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Peter R. Nelson

CITY OF ADDRESS: Ballston Spa, NY

POSITION TO BE FILLED: Associate Professor

AMOUNT REIMBURSED: 276-46-6283
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: Richard D. Ringeisen 2/17/89
Department Head

Bobby L. Wilson 2-20-89
Dean or Director

W. David Mayfield
Vice President

Approved by:
President

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89 FEB 24 AM 11:11
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11081

3/3/89

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE 1/25/89

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

$178.55

NAME OF RECRUIT: Carolyn T. Olsen

CITY OF ADDRESS: Kingsland, GA

POSITION TO BE FILLED: County Extension Agent - Chesterfield

AMOUNT REIMBURSED: _____
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Chesterfield ~~Clemson~~ is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: J. L. Carroll 1-25-89
Department Head

Dean or Director

Vice President

Approved by:
President

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11082

2/7/89 KDV

CLEMSON UNIVERSITY

610.00

BUSINESS AND FINANCE
Office of Financial Management

DATE 2/14/89

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: John M. Ramsey

CITY OF ADDRESS: 708 Country Club Drive, Red Bud, Illinois 62278

POSITION TO BE FILLED: Assistant/Associate Professor in Elementary Education

AMOUNT REIMBURSED: _____
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: K. R. Green, Jr.
Department Head

Gordon Gray
Dean or Director

W. Donald Bagwell
Vice President

Approved by: _____
President

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11083

3/8/88 BW

13.79
342.11
355.90

CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE February 13, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: John Rigsby

CITY OF ADDRESS: Carterville, Illinois

POSITION TO BE FILLED: Assistant Professor

AMOUNT REIMBURSED: _____
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

RECEIVED
89 FEB 16 AM 8:52

Recommended by: Jerry C. Tagnell
Department Head

[signature]
Dean or Director

W. Dennis Tagnell
Vice President

Approved by: [signature]
President

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11084

3/22/89 CDV

EXHIBIT

APR 11 1989 NO. 7

STATE BUDGET & CONTROL BOARD

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE 1/25/89

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Mike Satcher

CITY OF ADDRESS: Tifton , Georgia

POSITION TO BE FILLED: County Extension Agent - Edgefield

AMOUNT REIMBURSED: $107.06
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Edgefield ~~Clemson~~ is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

RECEIVED
89 JAN 31 AM 11:37
BUDGET AND CONTROL BOARD

Recommended by: J. L. Carroll 1/25/89
Department Head

Dean or Director

Vice President

Approved by:
President

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11085

3/27/89 dkr

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE February 8, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Harry C. Saxe

CITY OF ADDRESS: Charleston, SC

POSITION TO BE FILLED: U023 Professor of CE (Program Director)

AMOUNT REIMBURSED: $55.64 + $92.40 = $148.04
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

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3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: R H Brown
Department Head

Dean or Director

W. Donald Bagwell
Vice President

Approved by:
President

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89 FEB 15 AM 11:24
OFFICE OF FINANCIAL MANAGEMENT

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11086

1

3/27/89 CPV

EXHIBIT

APR 11 1989 NO. 7

STATE BUDGET & CONTROL BOARD

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE February 23, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: William E. Schall

CITY OF ADDRESS: 90 Central Avenue, Fredonia, NY

POSITION TO BE FILLED: Department Head of Elementary & Secondary Ed.

AMOUNT REIMBURSED: $332.12
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

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Recommended by: R C Green, Jr.
Department Head

Gordon Gray
Dean or Director

W. Donald Mattox
Vice President

Approved by: Max Lennon
President

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11087

3/27/89 dlr

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UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE 3/7/89

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Scott David Schiff

CITY OF ADDRESS: Champagne, IL

POSITION TO BE FILLED: 0911/U009

AMOUNT REIMBURSED: $198.00
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

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RECEIVED
89 MAR 17 PM 1:31
FINANCIAL MANAGEMENT

Recommended by: L H Brown
Department Head

Dean or Director

Vice President

Approved by:
President

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11088

3/29/89 BBR

CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE February 23, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: James A. Siders

CITY OF ADDRESS: 14 University Place, Hattiesburg, MS 39402

POSITION TO BE FILLED: Department Head of Elementary & Secondary Ed.

AMOUNT REIMBURSED: $ 535.47
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

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RECEIVED
FEB 28 AM 11: 14
CLEMSON UNIVERSITY

Recommended by: R. O. Green, Jr.
Department Head

Gordon Gray
Dean or Director

W. David Bagwell
Vice President

Approved by: [signature]
President

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11089

3/8/89 DSV

EXHIBIT

APR 11 1989 NO. 7

STATE BUDGET & CONTROL BOARD

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE November 22, 1988

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Betty van der Smissen

CITY OF ADDRESS: Bowling Green, Ohio

POSITION TO BE FILLED: PRTM Department Head

AMOUNT REIMBURSED: $644.00
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

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RECEIVED
88 DEC -2 PM 12:45
FINANCIAL MANAGEMENT

Recommended by: [signature]
Department Head

[signature]
Dean or Director

[signature]
Vice President

Approved by: [signature]
President

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11090

3/29/89 KW

EXHIBIT

APR 11 1989 NO. 7

STATE BUDGET & CONTROL BOARD

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE 2/12/89

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Mark F. Stasson

CITY OF ADDRESS: Dept. of Psychology, University of Illinois, 603 E. Daniel St. Champaign, IL. 61820

POSITION TO BE FILLED: Assistant Professor - 1511-U015

AMOUNT REIMBURSED: $200.72
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

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Recommended by: [signature]
Department Head

[signature]
Dean or Director

[signature]
Vice President

Approved by: [signature]
President

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11091

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3/15/89 JW

CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE February 13, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Mark Steadman

CITY OF ADDRESS: Knoxville, Tennessee

POSITION TO BE FILLED: Assistant Professor

AMOUNT REIMBURSED: $16.24 + 79.80 + 3.18 = ~~$99.22~~ $96.04

(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

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Recommended by: Jerry C. Ingwall
Department Head

[signature]
Dean or Director

W. David Wingate
Vice President

Approved by: [signature]
President

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[illegible]

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11092

3/20/89 DV

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE JANUARY 9, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: DANIEL C. STEELE

CITY OF ADDRESS: IOWA CITY, IA

POSITION TO BE FILLED: ASSISTANT PROFESSOR OF MGT (POM)

AMOUNT REIMBURSED: $781.52
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.

2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.

3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

RECEIVED
89 JAN 13 AM 11:51
FINANCIAL MANAGEMENT

Recommended by: _____
Department Head

_____
Dean or Director

_____
Vice President

Approved by: _____
President

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11093

3/3/89 DW

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE January 26, 1988

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Caron St. John

CITY OF ADDRESS: Atlanta, GA

POSITION TO BE FILLED: Assistant Professor of Management

AMOUNT REIMBURSED: $1322.48
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

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Recommended by: _____
Department Head

_____
Dean or Director

_____
Vice President

Approved by: _____
President

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11094

3/8/89 OKN

~~$68.38~~
$107.40

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE February 22, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Dr. Jose I. Suarez

CITY OF ADDRESS: 100 Laurel Oak Lane, Irmo, SC 29063

POSITION TO BE FILLED: L&IT Director

AMOUNT REIMBURSED: $ 57.23 + #1,5 + 39.02
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

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3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: Jeralitha M Melton
Department Head

Robert Walker
Dean or Director

W Arnold Maxwell
Vice President

Approved by: [signature]
President

Distribution:
Original: Originator
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3/8/89 dgr

EXHIBIT

APR 11 1989 NO. 7

STATE BUDGET & CONTROL BOARD

CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE February 7, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Stephen Suchower

CITY OF ADDRESS: University Park, PA

POSITION TO BE FILLED: Assistant Professor

AMOUNT REIMBURSED: $513.23
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

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3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

RECEIVED
89 FEB 15 AM 11:24
[illegible]

Recommended by: Richard D. Bergeron
Department Head

Bobby L. Strom
Dean or Director

W. Daniel Hornaday
Vice President

Approved by: Max Lennon
President

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11096

EXHIBIT

APR 11 1989 NO. 7

STATE BUDGET & CONTROL BOARD

3/14/89 BW

CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE January 27, 1989

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Claire Sullivan

CITY OF ADDRESS: Walthan, Massachusetts

POSITION TO BE FILLED: Head, Department of Marketing

AMOUNT REIMBURSED: $25.05
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

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3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: _____
Department Head

_____ 1/27/89
Dean or Director

W. Daniel Mitchell
Vice President

Approved by: _____
President

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11097

EXHIBIT

APR 11 1989 NO. 8

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD REGULAR SESSION

MEETING OF APRIL 11, 1989 ITEM NUMBER 1

AGENCY: Department of Corrections

SUBJECT: Safe and Reasonable Operating Capacity

In accord with Code Section 24-3-2050, the Department of Corrections certifies that the safe and reasonable operating capacity of its facilities as of April 1, 1989, is 12,585. Commissioner Evatt reports the actual inmate count on March 31, 1989, was 13,151 or 566 above the safe and reasonable capacity.

The 197-bedspace increase above the 12,388 figure last reported resulted from:

(1) +67 bedspaces, McCormick Correctional Institution, double-celling;

(2) +118 bedspaces, Lieber Correctional Institution, double-celling; and

(3) +12 bedspaces, Women's Work Release Unit, State Park

Commissioner Evatt points out in his April 1 letter (copy attached) that, despite the bedspace gain, increased admissions forced the Department to house inmates in certain facilities in circumstances which do not comply with the Nelson decree. Space for women inmates is a special problem. Noncomplying beds at the Women's Center averaged between 125 and 170 per month. Relief may not be achieved until the $12,000,000, 384-bed female facility funded in the 1988 bond act is ready early in 1991.

Also, because of increased admissions and the lack of bedspace, Mr. Evatt says the Department's three Reception and Evaluation Centers now are double-celling inmates in circumstances not in compliance with the Nelson decree. The number averaged 59 at Lieber, 40 at Broad River and 62 at Perry. Opening of the Allendale prison is expected to relieve this situation.

Additional detail is in the attachment.

BOARD ACTION REQUESTED:

In accord with Code Section 24-3-2050, certify 12,585 as the safe and reasonable operating capacity of the facilities of the Department of Corrections as of April 1, 1989.

ATTACHMENTS:

Evatt April 1, 1989, letter to Coles; attachment

11098

EXHIBIT

APR 11 1989 NO. 8

STATE BUDGET & CONTROL BOARD

south carolina department of corrections

P.O. BOX 21787/4444 BROAD RIVER ROAD/COLUMBIA, SOUTH CAROLINA 29221-1787
TELEPHONE (803) 737-8555
PARKER EVATT, Commissioner

RECEIVED
APR - 5 1989
BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

April 1, 1989

Dr. Jesse Coles, Jr.
Executive Director
S.C. Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Dear Dr. Coles:

Section 3 of the Prison Overcrowding Powers Act requires the Department of Corrections to certify its existing capacity quarterly.

This letter is to certify that our Safe and Reasonable / Nelson Capacity has increased from 12,388 beds to 12,585 beds effective April 1, 1989. This 197 bed increase is a result of the following bedspace additions/losses:

o Full double-celling was phased in at the new Lieber and McCormick Correctional Institutions. Full implementation of double-celling at these facilities resulted in a gain of 67 beds at the McCormick Correctional Institution and of 118 beds at the Lieber Correctional Institution.	+ 185
o Twelve (12) beds were added to the Women's Work Release Unit at the State Park Correctional Center to provide additional bedspace for females. The addition of beds to this unit does not constitute noncompliance inasmuch as the square footage of this unit provided appropriate space for the same under the terms of the Nelson Consent Decree.	+ 12
TOTAL INCREASE IN SAFE AND REASONABLE/ NELSON CAPACITY	+ 197

11099

BOARD OF CORRECTIONS
BETTY M. CONDON, Chairman, Mt. Pleasant, S.C.
EUGENE N. ZEIGLER, Vice Chairman, Florence, S.C.
GOETZ B. EATON, Secretary, Anderson, S.C.
C. LOCK MCKINNON, Member, Lancaster, S.C.
NORMAN KIRKLAND, Member, Bamberg, S.C.
CHARLES C. MOORE, Member, Spartanburg, S.C.
GOV. CARROLL A. CAMPBELL, JR., Member, Ex-Officio, Columbia, S.C.

EXHIBIT

APR 11 1989 NO. 8

STATE BUDGET & CONTROL BOARD

It should be noted that although the Department has gained bedspace during this quarter, increased admissions have forced us to house inmates in noncompliance with the terms of the Nelson Decree at certain facilities. On February 8, 1989, beds were added to the television rooms at the Women's Correctional Center for female general population housing due to the fact that all cells at this facility were already double-occupied. One-half of these double-occupied cells are already considered as noncomplying cells inasmuch as the Decree prohibits such housing in the same. To date, each television room in each of seven (7) existing dormitories is housing between five (5) and eight (8) females. The total number of noncomplying beds at this facility is, however, averaging between 125 - 170 per month.

Although the temporary conversion of a 96-bed male Work Camp scheduled to be operational by August, 1989, to a female housing unit will assist in reducing the number of noncomplying beds at the Women's Correctional Center, the growing number of female admissions appears to suggest that relief may not become apparent until the completion of the 384-bed female facility by early-1991. It is for these reasons, that Plaintiffs' counsel have recently filed a "Petition for Supplemental Relief" with the Federal District Court relative to overcrowding at the Women's Correctional Center.

In addition to the above, all three (3) of our Reception and Evaluation Centers are currently double-celling male inmates in noncompliance with the terms of the Decree due to increased admissions and the lack of general population bedspace. Over the past month, the average number of double-cells at our Reception and Evaluation Centers was 59 at the Lieber Reception and Evaluation Center; 40 at the Broad River Reception and Evaluation Center; and, 62 at the Perry Reception and Evaluation Center. The opening of the new Allendale Correctional Institution in mid- to late-April should, however, assist us in the amelioration of double-celling at these Centers.

Lastly, please be advised that Departmental officials and Plaintiffs' counsel are still negotiating either to temporarily and/or permanently waive and/or modify the minimum security bedspace requirements of the Decree. Until such a time that these negotiations are completed, minimum security bedspace capacities listed on the attached sheet will remain unchanged.

EXHIBIT

APR 11 1989 NO. 8

STATE BUDGET & CONTROL BOARD

I trust that this information will prove useful to you. Please let me know if you should need any additional information.

Sincerely,

Parker Evatt

Attachment

cc.: Mr. William McInnis
Mr. Stan McKinney
Mr. Richard P. Stroker
Mr. Grady Wallace
Mr. Richard McLawhorn
Mr. Kenneth Long
Dr. Hubert Clements
Ms. Laurie Osler

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EXHIBIT

APR 1 1 1989 NO. 8

STATE BUDGET & CONTROL BOARD

SOUTH CAROLINA DEPARTMENT OF CORRECTIONS
SAFE AND REASONABLE INMATE CAPACITIES (NELSON)
EMERGENCY OVERCROWDING POWERS ACT (S-258 - H-2618)

Institution/ SECURITY DESIGNATION	Safe & Reasonable (Nelson) Capacity as of 1/1/89	Safe & Reasonable (Nelson) Capacity as of 4/1/89	Change in Capacity	Actual Count as of 3/31/89	Over/Under Operating Capacity
MALE WORK RELEASE [1]					
Blue Ridge	208	208	0	193	15
Catawba	144	144	0	138	6
Livesay	96	96	0	94	2
Campbell	150	150	0	150	0
Lower Savannah	81	81	0	81	0
Coastal	158	158	0	157	1
Palmer	100	100	0	100	0
Subtotal	937	937	0	913	24
MALE MINIMUM [2]					
Cross Anchor	528	528	0	548	-20
Givens Youth	131	131	0	140	-9
Greenwood	94	94	0	98	-4
Northside	290	290	0	298	-8
Aiken Youth	310	310	0	332	-22
Goodman	466	466	0	466	0
State Park	150	150	0	143	7
Stevenson	170	170	0	165	5
Walden	306	306	0	304	2
Wateree River	630	630	0	627	3
Watkins	144	144	0	123	21
MacDougall Youth	565	565	0	556	9
Subtotal	3,784	3,784	0	3,800	-16
MALE MEDIUM					
Dutchman	528	528	0	547	-19
McCormick [3]	1,037	1,104	67	1,116	-12
Perry	768	768	0	904	-136
Central	1,364	1,364	0	1,341	23
Officers Quarter	82	82	0	80	2
Kirkland	612	612	0	607	5
Manning	450	450	0	449	1
Broad River	1,236	1,236	0	1,299	-63
Lieber [4]	1,082	1,200	118	1,362	-162
Allendale	0	0	0	0	0
Evans	0	0	0	0	0
Subtotal	7,159	7,344	185	7,705	-361
FEMALE					
Women's Center	373	373	0	594	-221
State Park [1 & 4]	135	147	12	139	8
Subtotal	508	520	12	733	-213
TOTAL	12,388	12,585	197	13,151	-566

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EXHIBIT

APR 11 1989 NO. 8

STATE BUDGET & CONTROL BOARD

FOOTNOTES:

1 Departmental officials and Plaintiffs' counsel are still negotiating to either temporary and/or permanently waive and/or modify the minimum security bedspace requirements of the Decree. Until such negotiations are concluded, minimum security bedspace capacities will remain unchanged.

2 During this quarter, the new McCormick Correctional Institution became fully double-celled resulting in a gain of 67 beds.

3 During this quarter, the new Lieber Correctional Institution became fully double-celled resulting in a gain of 118 beds.

4 During this quarter, 12 additional beds were added to the female work release unit of this facility. These beds were added to meet bedspace demands and these beds are not considered as noncomplying beds under the terms of the Decree. Should additional beds be added to this work release unit, however, they would have to be listed as noncomplying beds inasmuch as this facility would not meet square footage requirements.

EXHIBIT

APR 11 1989 NO. 9

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD REGULAR SESSION

MEETING OF April 11, 1989 ITEM NUMBER 2

AGENCY: General Services

SUBJECT: Retirement Systems Building Cost Comparison

On March 28, 1989, the Board directed the Division of General Services to prepare an analysis of the Retirement Systems cost of leasing office space compared to the cost of owning office space.

The Division recommends that the Board endorse the concept that constructing an office building for the Retirement Systems is a more cost effective alternative than long-term leasing.

BOARD ACTION REQUESTED:

Endorse the concept that constructing an office building for the Retirement Systems is a more cost effective alternative than long-term leasing.

ATTACHMENTS:

Agenda item worksheet; attachments

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EXHIBIT

APR 11 1989 NO. 9

STATE BUDGET & CONTROL BOARD

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

Meeting Scheduled for: April 11, 1989 Regular Agenda

1. Submitted By:
   (a) Agency: Division of General Services
   (b) Authorized Official Signature: Richard W. Kelly

2. Subject:
   Comparison of Costs - State Retirement Systems

3. Summary Background Information:
   On March 28, 1989, the Board requested the Division of General Services to do an analysis of the costs of office space for the State Retirement Systems comparing the costs of leasing to the costs of owning the space.

4. What is Board asked to do?

   Endorse the concept that construction of an office building for the Retirement Systems is a more cost effective alternative than to continue long-term leasing.

5. What is recommendation of Board Division involved?

   Approve.

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

   (a) Authorized Signature: _____
   (b) Division/Agency Name:

7. Supporting Documents:

   (a) List Those Attached:

      1. Report entitled, " Lease vs. Purchase, Analysis and Background for South Carolina Retirement Systems"

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TABLE OF CONTENTS

1. Letter to Dr. Jesse A. Coles from Richard W. Kelly (dated April 5, 1989)

2. General Assembly Joint Resolution S.416

3. Retirement's Current Commercial Leases Listing

4. Summary of Property Management Activity with Retirement System

5. Lease vs. Purchase Analysis

6. Rental Alternatives Analysis

7. Marshall Swift Cost Estimate

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EXHIBIT

APR 1 1 1989 NO. 9

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
1201 MAIN STREET, SUITE 420
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-3880

CARROLL A. CAMPBELL, JR.
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

JAMES M. WADDELL, JR.
CHAIRMAN,
SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN,
HOUSE WAYS AND MEANS COMMITTEE

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

RICHARD W. KELLY
DIVISION DIRECTOR

April 5, 1989

Jesse A. Coles, Jr., Ph.D.
Executive Director
S. C. Budget and Control Board
620 Wade Hampton Building
Columbia, South Carolina 29211

Dear Jesse:

At the meeting of the Board on March 28, 1989, the Board requested that General Services do an analysis of the costs of office space for the State Retirement System comparing the costs of leasing to the cost of owning the space. Enclosed is our analysis showing circumstances leading to the Retirement Systems request for different space, the cost of the space currently occupied by the Retirement System, the comparisons of proposals for other leased office space which resulted from Property Management's competitive solicitation of proposals from commercial realtors, the estimated cost of constructing a 60,000 square foot office building in Columbia, with the cost data using Marshall and Swift, a recognized method of cost estimation, and a copy of the Joint Resolution introduced in the General Assembly regarding a possible source of funds should it be determined to acquire ownership of an office building for the Retirement System.

We would like to request the Board's support of the Joint Resolution which would insure the Budget and Control Board would have the option to use retirement funds to build or buy a facility in lieu of leasing. A full report will be provided to the Budget and Control Board on all options at the appropriate time.

Sincerely,

Richard W. Kelly

Richard W. Kelly

Enclosures

11107

[0416-1]

INTRODUCED
February 22, 1989

S. 416

Introduced by Finance Committee

S. Printed 2/22/89--S.
Read the first time February 22, 1989.

EXHIBIT

APR 11 1989 NO. 9

STATE BUDGET & CONTROL BOARD

[0416-2]

A JOINT RESOLUTION

AUTHORIZING THE STATE TREASURER TO TRANSFER AN AMOUNT NOT TO EXCEED SIX MILLION DOLLARS FROM THE FUNDS OF THE VARIOUS STATE RETIREMENT SYSTEMS FOR USE TO PURCHASE OR BUILD SUITABLE OFFICE SPACE FOR THE RETIREMENT DIVISION OF THE STATE BUDGET AND CONTROL BOARD AND TO PROVIDE THAT THE PURCHASE MUST CONFORM TO APPLICABLE LAWS, REGULATIONS, AND POLICIES GOVERNING ACQUISITION.

Whereas, the offices of the Retirement Division of the State Budget and Control Board have relocated three times in the downtown area of Columbia during the past fifteen years, bringing about administrative hardship and creating confusion on the part of the two hundred thousand members and retirees of the various state retirement systems; and

Whereas, the Retirement Division is currently unable to provide adequate parking for its thousands of visitors; and

Whereas, many state retirement systems, after careful study, have determined it to be prudent to own administrative space acquired through the use of system funds; and

Whereas, recent leasing proposals submitted to the Retirement Division indicate ownership is a wise option for our system to pursue. Now, therefore,

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[0416-3]

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

SECTION 1. The General Assembly finds that the Retirement Division of the State Budget and Control Board needs adequate and suitable office space to fulfill its ordinary and necessary functions and that ownership of adequate and suitable office space will lend stability to the division's relationship with the members and retirees of the various state retirement systems, provide adequate parking for visitors, and, when compared to leasing proposals, preserve the funds of the various systems.

SECTION 2. The State Treasurer may transfer an amount not to exceed six million dollars from the funds of the various state retirement systems for use in purchasing or building adequate and suitable offices primarily for the use of the Retirement Division of the State Budget and Control Board. The purchase or construction must conform to applicable laws, regulations, and policies governing acquisitions.

SECTION 3. This act takes effect upon approval by the Governor.

-----XX-----

1988 COMMERCIAL LEASES

L[illegible]	LESSEE	ADDRESS	CITY	AGY	LEASED AREA	TERM OF LEASE	CY	CURRENT ANNUAL BASE RENT	CURRENT ANNUAL RENT PER SF	USE OF SPACE	DATE LEASE BEGINS	DATE LEASE EXPIRES	TYPE
000927	BUDGET&CONTROL BD-RETIREMENT DIVISION	1122 LADY STREET	COLUMBIA SC	F20	10708	4	40	117788.00	11.00	OFFICE	06/01/85	05/31/89	GROSS
000999	BUDGET&CONTROL BD-RETIREMENT DIVISION	1122 LADY STREET	COLUMBIA SC	F29	14765	3	40	147650.00	10.00	OFFICE	06/01/85	05/31/89	GROSS
001086	RETIREMENT SYSTEM, SC	1122 LADY STREET	COLUMBIA,	F29	2043	2	40	27580.50	13.50	OFFICE	05/01/86	05/31/89	GROSS
002018	RETIREMENT SYSTEMS	1122 LADY STREET	COLUMBIA	F29	1114	2	40	15034.00	13.50	OFFICE	09/01/86	08/31/89	GROSS
002038	RETIREMENT SYSTEM	1122 LADY STREET	COLUMBIA	F29	2459	3	40	32364.75	13.16	OFFICE	04/01/87	05/31/89	GROSS
002070	RETIREMENT SYSTEMS	1122 LADY STREET	COLUMBIA	F29	11343	2	40	144623.25	12.75	OFFICE	10/01/87	09/30/89	GROSS
*** Total ***					42432			485040.50	73.91				

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EXHIBIT

APR 11 1989 NO. 9

STATE BUDGET & CONTROL BOARD

SUMMARY OF PROPERTY MANAGEMENT ACTIVITY
WITH STATE RETIREMENT SYSTEM DURING 1988-89

CURRENT STATISTICAL DATA

The Retirement System currently occupies a total of 43,432 square feet in the NBSC Building at 1122 Lady Street.

There are a total of 6 leases at rates from $10.00 to $13.50 per square foot.

Expiration dates for all leases will occur from 5-31-89 through 9-30-89.

HISTORICAL SUMMARY

In the first quarter of 1988, the Retirement System contacted the Office of Property Management and expressed an interest in relocating its operation. A number of reasons were cited in support of the request:

a. Need for more parking and better accessibility for clients of the system.

b. Need of more contiguous floor space to improve workflow and administrative efficiency.

c. Continuing problems with building maintenance and air conditioning system at the present location.

The Office of Property Management confirmed, and has periodically reconfirmed, that the owners of the NBSC Building are generally unresponsive in addressing or resolving the problems cited by Retirement and other state tenants in the building.

On March 15, 1988, the Office of Property Management initiated a commercial solicitation process requesting information from commercial brokers and developers who were interested in providing space to the Retirement System. Because of repeated modifications of the proposals by the offerors, the solicitation process was not complete until late summer. After the final offers were received, Property Management developed additional cost information related to the proposals and completed a cost analysis comparing four proposals. The attached summary was released on October 12, 1988, demonstrating that the least costly alternative was the offer made by the Koger Center.

After Retirement indicated that it was unwilling to accept the recommendation of Property Management because of a difference in assessing various subjective factors, the matter was discussed with the Executive Director's Office. Discussion at that time introduced the possibility of locating the Retirement System in a new building which would be developed in the South Main Street vicinity. Retirement expressed its desire not to accept the Koger alternative at this time, indicating that it would prefer to remain in its present location if it would not be able to

relocate at Fontaine Center, which had also submitted a proposal. However, the Director also agreed that ownership of a South Main Street location would be a viable alternative so long as it provided adequate parking and space. It was agreed that financing for such a project could come from the Retirement System funds if other sources of funds were not readily available.

Pursuant to this meeting a subsequent meeting was scheduled with the State Treasurer to review the issue. The Deputy Executive Director of the Budget and Control Board and the Director of General Services were in attendance at the meeting. After the Treasurer was briefed, another meeting was scheduled with the same parties and the Director of the Retirement System. At that meeting Mr. Collins reconfirmed his interest in the South Main Street concept and the possibility of using Retirement System funds to finance the project. The Treasurer suggested that an examination of projected cost be undertaken and also asked Mr. Collins about the appropriateness of using Retirement funds for this purpose.

Soon after the last meeting above, a joint resolution was introduced in the General Assembly. Property Management was not advised that the resolution was being drafted or made privy to its contents before it was filed. However, we assume that its substance originated from the final meeting mentioned above.

Because of the lack of a decision concerning the choice of a new location for Retirement, in January 1989 the Director of the System asked Property Management to investigate the possibility of extending the current NBSC leases for an additional year. On February 23, 1989, we accordingly held a meeting with the owners of the NBSC Building and all of the state tenants now at that location. The results of this meeting reconfirmed our belief that the owners were unresponsive; we are currently working with Retirement to negotiate a suitable extension.

We have had no further discussion with the Retirement System concerning the progress of the joint resolution. However, we have anticipated that Retirement would eventually bring to us any new proposal to lease, build or buy any facility for its use, irrespective of passage of the resolution. Our normal procedure of bringing the matter before the Budget and Control Board for its decision would have been followed in any case. Stated in another way, we considered passage of the resolution to be only a gesture of legislative approval of a concept, not as a means of circumventing our normal competitive processes, which would have been brought into play before Retirement could have taken any action on its own.

Office of Property Management
Division of General Services
March 24, 1989

EXHIBIT

APR 11 1989 NO. 9

STATE BUDGET & CONTROL BOARD

LEASE VS. PURCHASE ANALYSIS
FOR STATE RETIREMENT SYSTEM
OFFICE OF PROPERTY MANAGEMENT
APRIL 5, 1989

THE FOLLOWING ANALYSIS COMPARES THE COST OF LEASING SPACE FOR THE STATE RETIREMENT SYSTEM VERSUS THE COST OF CONSTRUCTING SPACE FOR THIS PURPOSE. THE FOLLOWING ASSUMPTIONS HAVE BEEN USED:

ASSUMPTIONS:

1. USED QUOTED LEASE COST FOR KOGER CENTER OFFER.

2. USED MARSHALL & SWIFT ESTIMATE OF COST FOR NEW BUILDING. THIS ESTIMATE IS $5,579,894.

3. USED STATE'S FINANCING RATE OF 7.0%.

4. 2ND 10 YEARS OF LEASE COST PROJECTED ON BASIS OF CURRENT TRENDS.

5. TAXES PROJECTED WITH 3% INFLATION FACTOR FOR LEASE ALTERNATIVE.

6. BUILDING SIZE IS 61,750 SQ FT GROSS TO YIELD 52,500 SQ FT LEASABLE SPACE.

7. USED AN ESTIMATE OF $1,200,000 FOR LAND AND SITE PREPARATIONS.

THE VALUE OF THE BUILDING REMAINS AT END OF TERM. WE ASSUME THE VALUE OF THE BUILDING WOULD BE NOT LESS THAN ITS ORIGINAL COST ADJUSTED UPWARD TO REFLECT APPRECIATION OVER THE TERM OF THE ANALYSIS.

THE COSTS WOULD BE APPROXIMATELY THE SAME IF THE BUILDING WERE FINANCED OVER 20 YEARS OR $3.2 MILLION IF FINANCED OVER 10 YEARS. ADDITIONALLY, THE VALUE OF THE ASSET REMAINS ON THE STATE'S BOOKS IN THE PURCHASE CASE, WHILE THERE WOULD BE NO ACCRUED VALUE IN THE LEASE CASE.
LEASE CASE.

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EXHIBIT

APR 11 1989 NO. 9

STATE BUDGET & CONTROL BOARD

LEASE VS. PURCHASE ANALYSIS
FOR STATE RETIREMENT SYSTEM
OFFICE OF PROPERTY MANAGEMENT
APRIL 5, 1989

YEAR	COSTS LEASE	PURCHASE WITH 20-YR PAYOUT	PURCHASE WITH 10-YR PAYOUT
1	42,000	639,974	965,304
2	535,185	639,974	965,304
3	536,483	639,974	965,304
4	537,820	639,974	965,304
5	539,196	639,974	965,304
6	540,615	639,974	965,304
7	542,075	639,974	965,304
8	543,580	639,974	965,304
9	545,129	639,974	965,304
10	546,725	639,974	965,304
11	785,669	639,974	0
12	787,363	639,974	0
13	789,107	639,974	0
14	790,903	639,974	0
15	792,754	639,974	0
16	794,660	639,974	0
17	796,623	639,974	0
18	798,645	639,974	0
19	800,727	639,974	0
20	802,872	639,974	0
TOTAL COST	12,848,131	12,799,481	9,653,044
TOTAL SAVINGS		48,650	3,195,087

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COMPARISON OF RETIREMENT SYSTEM
RE[redacted]LTERNATIVES

PREPARED BY: DELAINE DUCKWORTH
PROPERTY MANAGEMENT SECTION
DIVISION OF GENERAL SERVICES
OCTOBER 12, 1988

BIDDER	YR	BASE RATE/SF (5/10 YRS)	OPER COSTS 6% CAP	TOTAL RATE/SF	ANNUAL RENT	RELOC ALLOWANCE	MOVING COST	COMPUTER LINE COST	TELEPHONE LINE COST	TEL/COMP INSTALL COST	OTHER ONE-TIME CREDITS	TOTAL ANNUAL COST	TOTAL COST/SF
Fontaine Center	1	7.59	3.75	11.34	595,350	60,000	60,000	18,000	47,407	111,346	111,346	660,757	12.59
	2	8.75	3.98	12.73	668,063			18,720	47,407			734,190	13.98
	3	8.75	4.21	12.96	680,584			19,469	47,407			747,460	14.24
	4	9.10	4.47	13.57	712,231			20,248	47,407			779,886	14.85
	5	9.75	4.73	14.48	760,425			21,057	47,407			828,890	15.79
Five-Year Average Cost				13.02								3,751,182	14.29
	6	10.14	5.02	15.16	795,813			21,900	47,407			865,120	16.48
	7	10.89	5.32	16.21	850,996			22,776	47,407			921,179	17.55
	8	10.89	5.64	16.53	867,752			23,687	UNKNOWN			UNKNOWN	UNKNOWN
	9	11.25	5.98	17.23	904,414			24,634	UNKNOWN			UNKNOWN	UNKNOWN
	10	11.25	6.34	17.59	923,241			25,620	UNKNOWN			UNKNOWN	UNKNOWN
Ten-Year Average Cost				14.78								UNKNOWN	UNKNOWN
Koger Center	1	0.00	4.50	4.50	236,250		60,000	18,000	47,407	123,046	123,046	361,657	6.89
	2	9.37	4.77	14.14	742,350			18,720	47,407			808,477	15.40
	3	9.37	5.06	14.43	757,376			19,469	47,407			824,251	15.70
	4	9.37	5.36	14.73	773,303			20,248	47,407			840,957	16.02
	5	9.37	5.68	15.05	790,185			21,057	47,407			858,650	16.36
Five-Year Average Cost				12.57								3,693,992	14.07
	6	9.37	6.02	15.39	808,081			21,900	47,407			877,388	16.71
	7	9.37	6.38	15.75	827,050			22,776	47,407			897,233	17.09
	8	9.37	6.77	16.14	847,158			23,687	UNKNOWN			UNKNOWN	0.00
	9	9.37	7.17	16.54	868,472			24,634	UNKNOWN			UNKNOWN	0.00
	10	9.37	7.60	16.97	891,064			25,620	UNKNOWN			UNKNOWN	0.00
Ten-Year Average Cost				14.36								5,468,613	10.42

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IBM	1	13.75	INCLUDED	13.75	721,875	60,000	9,000	66,526	124,875	180,469	801,807	15.27
	2	14.25		14.25	748,125		9,360	69,187			826,672	15.75
	3	14.75	IN	14.75	774,375		9,734	71,955			856,064	16.31
	4	15.25		15.25	800,625		10,124	74,833			885,581	16.87
	5	15.75	BASE	15.75	826,875		10,529	77,826			915,230	17.43
Five-Year Average Cost				14.75							4,285,354	16.33
NESC	1	7.42	4.93	12.35	648,375		9,000	66,526		0	723,901	13.79
	2	7.85	5.23	13.08	686,480		9,360	69,187			765,027	14.57
	3	8.30	5.54	13.84	726,566		9,734	71,955			808,255	15.40
	4	8.76	5.87	14.63	768,165		10,124	74,833			853,121	16.25
	5	9.24	6.22	15.46	811,861		10,529	77,826			900,215	17.15
Five-Year Average Cost				13.87							4,050,519	15.43

SUMMARY	--5 YEARS-- TOTAL COST	RATE PER SF	AMOUNT ABOVE LOWEST ALTERNATIVE TOTAL COST	RATE PER SF
IBM	4,285,354	16.33	591,362	2.25
NESC	4,050,519	15.43	356,526	1.36
Fontaine Center	3,751,182	14.29	57,189	0.22
Koger Center	3,693,992	14.07	0	0.00

NOTES:

1. Rental rate is based on usable space in all cases. Square footage is assumed to be a constant 52,500 in all cases.

2. Assumed that the 6% operating cost increase cap will be at maximum. Note that IBM quotes a fixed rate for the life of the lease.

3. Assumed a moving cost of approximately $60,000 in all cases.

4. Computer line costs estimated by Budget & Control Board, Financial Systems Division.

5. Telephone costs projected by Budget & Control Board, Division of Information Resource Management. Fontaine and Koger options use Essex system.

6. A 4% inflation factor is applied to recurring computer and telephone line costs, except for the Essex access lines, which are priced at a fixed rate for 84 months. This means that total cost for Fontaine cannot be projected for ten years.

7. Telephone installation costs projected by Budget & Control Board, Division of Information Resource Management and confirmed with Southern Bell representatives. Computer buildout cost estimates provided by bidders. These costs are as follow:

	Fontaine	Koger	IBM	NBSC
Computer room buildout	24300	36000	15075	0
Telephone switch	0	0	0	0
Essex installation costs	14246	14246	0	0
Telephone cabling/wiring	0	0	37000	0
Network wiring	72800	72800	72800	0

8. One-time credits are as follows:

	Fontaine	Koger	IBM	NBSC
Computer room buildout	24300	36000	0	0
Telephone switch	0	0	0	0
Essex installation costs	14246	14246	0	0
Telephone cabling/wiring	0	0	0	0
Network wiring	72800	72800	0	0
General credit	0	0	180469	0

9. Upfitting allowances per square foot are not strictly comparable because of various inconsistencies. They are as follow:

FONTAINE — $12.00 per square foot (landlord will refund any unused amount or apply to rent; will absorb "reasonable" costs in excess of allowance)

KOGER — $9.00 per square foot (landlord will absorb all cost overruns in upfitting)

IBM — $5.49 per square foot (total buildout unnecessary in existing space)

NBSC — $3.00 per square foot (upfit to existing appointments; landlord will provide carpet and painting in addition to allowance)

10. A cancellation fee may be charged for terminating existing telephone lease contracts. This amount has not been determined, but it would favor only NBSC and since it is a cost to be added to the other alternatives.

EXHIBIT

APR 11 1989 NO. 9

STATE BUDGET & CONTROL BOARD

COST ESTIMATE FOR: 000001 RETIREMENT SYS OFF BLDG
PROPERTY OWNER: F12
ADDRESS: CAPITOL COMPLEX
SURVEYED BY: JS
DATE OF SURVEY: 04/04/89

DESCRIPTION:

OCCUPANCY: OFFICE BUILDING
FLOOR AREA: 60,000 Square Feet
CLASS: B Reinforced Conc. Frame
COST RANK: 4.0 High
NUMBER OF STORIES: 4.0
AVERAGE STORY HEIGHT: 12.5 Feet
EFFECTIVE AGE: 0 Years
CONDITION: 3.0 Average
COST AS OF: 04/89

EXTERIOR WALL:
Concrete and Glass Panels..... 100%
Insulation..... 100%
HEATING AND COOLING:
Hot and Chilled Water..... 100%
OTHER FEATURES:
Elevator Serving 60,000 Square Feet
Sprinklers Serving 60,000 Square Feet

	UNITS	COST	TOTAL
BASIC STRUCTURE COST:	60,000	88.37	5,302,387

Cost Data by MARSHALL and SWIFT

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EXHIBIT

APR 1 1 1989 NO. 10

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD REGULAR SESSION 3

MEETING OF April 11, 1989 ITEM NUMBER

AGENCY: General Services

SUBJECT: Regulation 19.445-2150 Revision (Surplus Property)

The Division proposes the following two changes to Regulation 19.445-2150, Surplus Property Disposal:

(a) Remove specific time frames from the disposition cycle and allow the Materials Management Officer to determine time frames required using the same order of priority provided in the existing regulation.

(b) Change the "first come, first served" basis to authority to provide for disposal to the public on a "fair and equitable basis."

The Division advises that no fiscal impact is expected from the changes.

The Division also advises that a Notice of Drafting Period was published in the State Register (Volume 13, No. 3) and that no comments have been received.

BOARD ACTION REQUESTED:

Approve for publication in the State Register revised Regulation 19.445-2150, Surplus Property.

ATTACHMENTS:

Agenda item worksheet; attachments

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EXHIBIT

APR 11 1989 NO. 10

STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: April 11, 1989 Agenda: Regular

1. Submitted By:
   (a) Agency: Division of General Services
   (b) Authorized Official Signature: Richard W. Kelly, Division Director

2. Subject: Revision of Existing Regulation 19.445-2150

3. Summary Background Information:

Two changes to the Surplus Property Disposal Regulation are proposed as follows:

1. The existing regulation governing the disposal of surplus property provides a disposition cycle with purchasing priorities given to certain entities as follows:

A.	Governmental Bodies	2 weeks
B.	Political Subdivisions and Nonprofit Health or Educational Institutions	7 weeks
C.	Public Sale	4 weeks
D.	Public Bid or Auction	

   Experience has shown that the time periods for priority purchasing are much longer than necessary for the entities concerned to view and purchase items they may desire. As a result, the items simply are "stored" awaiting the expiration of the cycle which causes storage problems and unnecessary delays in completing disposal transactions. Also, different items may require different time periods for efficient disposal than those set forth in the regulation. The Surplus Property Section has requested that the Regulation be changed to remove specific time frames and allow the Materials Management Officer to determine the time frames required using the same order of priority provided in the existing regulation.

2. The Surplus Property Section has experienced difficulty in implementing the Public Sale Cycle portion of the regulation which provides for public access on a first come, first served basis. This requirement, literally applied, has resulted in a system of "racing" for the property and considerable pushing and shoving to claim first right to purchase the property. Therefore, the Surplus Property Section has requested that the first come, first serve requirement be substituted with authority to provide for disposal to the public on a "fair and equitable basis."

   No fiscal impact is expected from these changes.

   Notice of Drafting Period was published in Volume 13, Issue No. 3 of the State Register and no comments were received.

4. What is Board asked to do?
   Approve the revised Surplus Property Disposal Regulation as described above under the authority of §11-35-3810, for publication in the State Register pursuant to §1-23-110(2).

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5. What is recommendation of Board Division involved?

Approve the regulation as revised.

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

(a) Authorized Signature: _____
(b) Division/Agency Name: _____

7. Supporting Documents:
(a) List Those Attached:

1. Section 11-35-3810
2. Section 1-23-110(2)
3. Existing Regulation 19-445.2150
4. Notice for publication in State Register with attached Synopsis of Regulation

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

EXHIBIT

APR 11 1989 NO. 10

STATE BUDGET & CONTROL BOARD

§ 11-35-3810. Regulations for sale, lease, transfer and disposal.

Subject to existing provisions of law, the board shall promulgate regulations governing:

(1) the sale, lease, or disposal of surplus supplies by public auction, competitive sealed bidding or other appropriate methods designated by such regulations;

(2) the transfer of excess supplies between agencies and departments.

HISTORY: 1981 Act No. 148, § 1.

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§ 1–23–110. Procedures for publication of notice of proposed promulgation of regulations; public participation; contest of regulation for procedural defects.

[See parent volume for subsection (a)]

(b) Prior to the promulgation, amendment, or repeal of any regulations, an agency shall:

(1) Give notice of a drafting period by publication of a notice in the State Register. The notice shall include the time when, the place where, and the manner in which interested persons may present their views during the initial drafting procedures before the regulations are submitted as proposed.

(2) Give at least thirty days' notice of intended action by publication of a notice in the State Register. The notice shall include either the text or a synopsis of the proposed regulation, the statutory authority for its promulgation, the time when, the place where, and the manner in which interested persons may present their views on it and a preliminary fiscal impact statement prepared by the agency reflecting estimates of costs incurred by the State and its political subdivisions in complying with the proposed regulation; provided, however, this requirement of a preliminary fiscal impact statement shall not apply to those regulations which are not subject to general assembly review under the provisions of Section 1-23-120. The notice must be mailed to all persons who have made timely requests of the agency for advance notice of proposed promulgation of regulations.

. . . .

EXHIBIT

APR 11 1989 NO. 10

STATE BUDGET & CONTROL BOARD

Treasurer will make all payments directly for the governmental body in accordance with the terms and conditions of the contract in order to satisfy the governmental body's contractual obligation to the installment purchase program with proper notice to General Services and the debtor agency.

Pledged revenues will be impounded by the State Treasurer as collected and applied to the payment of notes principal and interest on due dates with proper notification to General Services and the debtor agency.

Effect of Amendment—

The 1983 amendment, effective June 24, 1983, substantially revised this regulation.

19–445. Consolidated Procurement Code.

19–445.2120. Lease and/or Rental of Office Space and Other Real Property.

CASE NOTES

Procurement Review Panel placed procedural requirement on South Carolina Educational Television Commission not provided for in § 11-35-1590 or Regulation 19-445.2120; both statute and regulation called for negotiation process for real estate leases, which are exempt from criteria notice requirements necessary under competitive sealed bidding of § 11-35-1520. Tall Tower, Inc. v South Carolina Procurement Review Panel (1987) 294 SC 225, 363 SE2d 683.

19–445.2150. Surplus Property Management.

(Statutory Authority: 1976 Code § 11-35-3810)

Subsection A. Definition, Authority and Mission.

Item 1. Definition.

Surplus property is all State-owned supplies and equipment, not in actual public use, with remaining useful life and available for disposal. This definition and the ensuing regulations exclude the disposal of solid and hazardous wastes as defined by any federal state or local statutes and regulations. Property so defined as solid or hazardous waste shall not be relocated, nor title assumed under the authority of these regulations.

Item 2. Authority

The disposition of all surplus property shall be conducted by the Division of General Service's Surplus Property Management Office (SPMO) at such places and in such manner determined most advantageous to the State, except as defined in Section 11-35-1580 of the Procurement Code. All governmental bodies must identify surplus items and declare them as such, and report them in writing to the Materials Management Officer or the Information Technology Management Officer (ITMO), or the designee of either, within ninety (90) days from the date they become surplus. The SPMO shall deposit the proceeds from such disposition, less expense of the disposition, in the State's General Fund unless a governmental body makes a written request to retain such proceeds, less cost of disposition, for the purchase of like kind property and the Materials Management Officer or ITMO, or the designee of either, approves such request.

The Manager of Supply and Surplus Property Management, Materials Management Officer (MMO), will act as a designee of the Materials Management Officer.

Item 3. Mission.

The primary mission of the Surplus Property Management Pro-

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gram shall be to receive, warehouse and dispose of the State's surplus property in the best interest of the State. The central warehousing of State surplus property will allow all State governmental bodies and other political subdivisions one location to acquire needed property which otherwise might escape the system and be sold to the public.

The purpose of this program is to provide the following:

(1) Elimination of costs related to the warehousing, insurance and accounting systems necessary to fulfill an agency's surplus property responsibility.

(2) Maximization of proceeds by disposing of property as soon as possible after it becomes excess to an agency's needs.

(3) Establishment of priorities in the disposal process that encourage keeping assets in public use as long as possible.

(4) Conversion of unneeded fixed assets into available funds on a timely basis for offsetting the cost of new like equipment.

Subsection B. Reporting and Relocation of Surplus Property.

Item 1. Reporting.

Within ninety (90) days from the date property becomes surplus, it must be reported to the SPMO on a turn-in document (TID) designed by the SPMO. The description, model or serial number, acquisition cost, date of purchase and agency ID number shall be listed for each item.

Upon receipt of the TID, the SPMO will screen the property to determine whether it is surplus or junk as defined in these regulations.

Item 2. Property Relocation

Surplus property reported shall be scheduled for relocation to the SPMO, Boston Avenue, West Columbia; or, upon consultation and agreement with the generating governmental body, remain at the governmental body's site if deemed by the SPMO to be a more cost-effective method for disposal. All costs associated with relocation of property will be borne by the SPMO, except property as defined in these regulations under Subsection C, Item 2, A and B.

At such time as property is officially received by the SPMO, title will pass to the Division of General Services and shall be accounted for as described herein. Governmental bodies shall delete insurance coverage on such property. The SPMO shall carry sufficient insurance to ensure these assets are safeguarded against loss. Governmental bodies shall delete such property from their fixed asset records at this point of transfer.

Upon disposal of the property, the proceeds, less cost of disposition, will be returned to the authorized revenue center if so requested and authorized in accordance with these regulations.

If determined to be junk, disposal will be the responsibility of the generating governmental body in accordance with Section 11-35-4020 of the Procurement Code.

Subsection C. Transfer of Surplus Property to Governmental Bodies, Political Subdivisions, and Eligible Nonprofit Health or Education Institutions.

Item 1. Eligibility.

The SPMO's primary role shall be to relocate surplus property

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to eligible governmental bodies, political subdivisions and nonprofit health and educational institutions. The Manager of Supply and Surplus Property Management shall be responsible for determining an applicant's eligibility prior to any transfer of property.

The term governmental bodies means any State government department, commission, council, board, bureau, committee, institution, college, university, technical school, legislative body, agency government corporation, or other establishment or official of the executive, judicial, or legislative branches of the State. Governmental body excludes the General Assembly and all local political subdivisions such as counties, municipalities, school districts or public service or special purpose districts.

The term political subdivisions includes counties, municipalities, school districts or public service or special purpose districts.

The term eligible nonprofit health or educational institutions means tax-exempt entities, duly incorporated as such by the State.

The SPMO will maintain sufficient records to support the eligibility status of these entities.

Item 2. Determination of Sale Price.

The sale price for all items will be established by the Manager of Supply and Surplus Property Management, or the Manager's designee. The Manager or the Manager's designee shall have the final authority to accept or reject bids received via public sale. The following categories and methods will be used:

A. Vehicles: NADA loan value shall be used for the sale price. In certain instances, the most recent public sale figures and consultation with the generating governmental body shall be the basis for a sale price.

B. Boats, motors, heavy equipment, farm equipment, airplanes and other items with an acquisition cost in excess of $5,000: The sale price shall be set from the most recent public sale figures and/or any other method necessary to establish a reasonable value including consultation with the generating governmental body.

C. Miscellaneous items with an acquisition cost of $5,000 or less such as office furniture and machines, shop equipment, cafeteria equipment, etc: A sale price will be assessed in accordance with the following schedule. Sale prices shall be rounded to the nearest dollar:

Condition	Price
New or no repairs necessary	75% of acquisition cost (AC) or current fair market value
Used—Repairs of 10% or less of AC necessary	50% of AC or current fair market value
Used—Repairs of 11% to 50% of AC necessary	20% of AC or fair market value
Used—Repairs of 51% to 75% of AC necessary	10% of AC or current fair market value
Used—Spare parts only	5% of AC or current fair market value

EXHIBIT

APR 11 1989 NO. 10

STATE BUDGET & CONTROL BOARD

This schedule will be evaluated periodically by the SPMO to ensure that maximum values are obtained.

Item 3. Terms and Conditions on Property Transferred from Warehouse.

For any purchases made under this subsection, the purchasing entity will certify that all items acquired will be for the sole benefit of the buying institution and that no personal use will be involved. This certification will be formalized by the agreement signed at the time eligibility is established. The following terms and conditions will be set forth therein.

(1) Property must be placed into public use within one (1) year of acquisition and remain in use one (1) year from the date placed into actual use.

(2) Property which becomes unusable may be disposed of prior to the one-year limitation with the approval of the SPMO.

A utilization visit may be made by authorized personnel of the SPMO. All vehicles and property with an acquisition cost in excess of $5,000 require a utilization review during the twelve-month period from date of transfer to ensure the property is in public use.

A. Any misuse of property will be reported in writing to the SPMO's State Surplus Property Supervisor or his successor by the utilization staff of the SPMO. The State Surplus Property Supervisor or his successor will consult with the designee of the Material's Management Officer or the ITMO who shall have the authority to suspend all further purchases until a determination can be made under Subsection B. If warranted, the matter shall be referred to the proper law enforcement authority for full investigation.

B. Upon determination that misuse of property has occurred, purchasing privileges will be terminated and not restored until the buying governmental body, political subdivision, or nonprofit health or educational institution pays to the SPMO the fair market value of the item(s) misused or returns the misused property to the SPMO.

Item 4. Disposition Cycles for Surplus Property.

A nine-week cycle shall be used for the disposal process of surplus property. Time frames and disposal priorities shall be as follows:

A. Beginning with the Monday following the week during which the property is received by the SPMO, governmental bodies will have a two-week priority period in which to purchase surplus items.

B. Political subdivisions and nonprofit health or educational institutions will be allowed to purchase during the remaining seven (7) weeks. Governmental bodies will also be allowed to purchase during this time period, but without priority.

Subsection D. Public Sale of Surplus Property

Item 1. Public Sale Cycle.

Upon completion of the nine-week disposal cycle, the remaining

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items shall be made available to the public, on a first come, first served basis, at the same price offered in the disposal cycle for a period of four (4) weeks. Governmental bodies, political subdivisions, and nonprofit health and educational institutions shall be allowed to purchase in this cycle, but without priority.

Item 2. Final Disposition by Competitive Public Sale.

Upon completion of the public sale cycle, all surplus property shall be offered through competitive sealed bids or public auction.

When surplus property is sold via the competitive sealed bid process, notification of such sale shall be given through a Notice of Sale to be posted at the SPMO at least fifteen (15) days prior to the bid opening date. The sale shall also be announced through advertisement in newspapers of general circulation and/or the South Carolina Business Opportunities publication. The Notice of Sale shall list the supplies or property offered for sale; designate the location and how property may be inspected; and state the terms and conditions of sale and instructions to bidders including the place, date, and time set for bid opening. Bids shall be opened publicly.

Award shall be made in accordance with the provisions set forth in the Notice of Sale and to the highest responsive and responsible bidder provided that the price offered by such bidder is deemed reasonable by the designee of the MMO or ITMO, or his designee. Where such price is not deemed reasonable, the bids may be rejected in whole, or in part, and the sale negotiated beginning with the highest bidder provided the negotiated sale price is higher than the highest responsive and responsible bid. In the event of a tie bid the award will be made in accordance with the tie bid procedures set forth in Section 11-35-1520(9) of the Consolidated Procurement Code.

Property may also be sold at a public auction by an experienced auctioneer. The Notice of Sale shall include, at a minimum, all terms and conditions of the sale and a statement clarifying the authority of the designee of the MMO or ITMO, or his designee, to reject any and all bids.

Item 3. Other Means of Disposal.

Some types and classes of items can be sold or disposed of more economically by some other means of disposal including barter. In such cases, and also where the nature of the supply or unusual circumstances necessitate its sale to be restricted or controlled, the Materials Management Officer may employ such other means, including but not limited to appraisal, provided the Materials Management Officer makes a written determination that such procedure is advantageous to the State.

Subsection E. Fee Schedule.

The State Surplus Property Management Program will operate solely from service charges retained from the sale of surplus property. The Board shall establish a fee schedule sufficient to fund all program costs and it shall be reviewed by the Board as required to ensure the adequacy and equity of the Program.

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EXHIBIT

APR 11 1989 NO. 10

STATE BUDGET & CONTROL BOARD

Subsection F. Inventory and Accounting Systems.

Item 1. Forms.

Turn-in documents designed by the Surplus Property Office shall be used by all governmental bodies for reporting surplus property to the SPMO. It shall be the responsibility of the generating governmental body to obtain these forms and to furnish all information required on the form. Items received by the SPMO shall be physically checked by the SPMO against the turn-in document and a signed receipt issued to the governmental body.

Item 2. Tagging.

Items received by the SPMO shall be assigned an inventory number and data including generating governmental body, name, description of property, quantity, original acquisition cost, date purchased, serial or model number and other relevant information entered into an automated inventory system. Inventory tags listing all necessary information shall be attached to each item.

Item 3. Display.

Items shall be displayed in locations with other like commodities to allow for easy viewing.

Item 4. Issuing property.

All items sold by the SPMO to governmental bodies, political subdivisions and nonprofit health or educational institutions shall be recorded on a Bill of Sale and all required information shall be listed on the document. The Bill of Sale must be signed by the signatory authority of the governmental body, political subdivision or nonprofit health or educational institution as defined in Subsection C, Item 1 of these regulations. At the time of sale, the eligible entity shall receive a copy of the Bill of Sale.

Item 5. Invoicing.

Invoices shall be generated and mailed to the acquiring agency. All cash and accounts receivable transaction records shall be properly maintained. All transfers of funds to various accounts will be performed in accordance with these regulations.

Item 6. Deletions.

Items shall be deleted from the SPMO's inventory simultaneously with the invoicing process.

Item 7. Property sold to the public shall be paid for in full at the time of purchase. Transactions shall be documented by a Bill of Sale enumerating all conditions of the sale i.e., "as is, where is," etc. and must be signed by the purchaser.

Personal checks with proper identification, certified checks, or money orders made payable to the State of South Carolina shall be accepted as a form of payment. No cash shall be accepted.

A copy of the Bill of Sale shall be presented to the purchaser and a copy along with the payment shall be forwarded to the Internal Operations Cashier. Two copies shall be retained internally by the SPMO, one as the source document for updating the computer records and the other for filing.

Subsection G. Trade-In Sales.

Governmental bodies may trade in personal property, the trade-in value of which must be applied to the purchase of new like items. The

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trade-in value of such personal property shall not exceed $500. When the trade-in value exceeds $500, the governmental body shall refer the matter to the Materials Management Officer, the ITMO, or the designee of either, for disposition.

Trade-in value is determined by the value established by an offeror for a used item or group of items in offsetting the cost of a new like item or group of items in one specific transaction. The Materials Management Officer or the ITMO, or the designee of either, shall have the authority to determine whether the property shall be traded in and the value applied to the purchase of new like items or classified as surplus and sold in accordance with the provisions of Section 11-35-3820 of the Procurement Code. When the trade-in value exceeds $25,000, the Materials Management Officer or the ITMO, or the designee of either, shall make a written determination as to its reasonableness and report such trade-in transaction to the Board as information.

Subsection H. Definition and Sale of Junk.

Junk is State-owned supplies and equipment having no remaining useful life in public service or the cost to repair to refurbish the property in order to return it to public use would exceed the value of like used equipment with remaining useful life.

Section 11-35-4020 of the Procurement Code shall be strictly enforced pertaining to junk items. It shall be the responsibility of the SPMO to inspect and/or declare items as junk. Upon declaration as junk, if the owning agency determines to sell the property, it shall advertise the property in a newspaper of general circulation for fifteen (15) days in advance of sale.

Subsection I. Unauthorized Disposal.

Item 1. The ratification of an act of unauthorized and/or improper disposal of State property by any persons without the requisite authority to do so by an appointment or delegation under the Procurement Code rests with the Materials Management Officer.

Item 2. Corrective Action and Liability.

In all cases, the head of the governmental body shall prepare a written determination describing the facts and circumstances surrounding the act, corrective action being taken to prevent recurrence, and action taken against the individual committing the act and shall report the matter in writing to the Materials Management Officer within ten (10) days after the determination.

Subsection J. Authority to Debar or Suspend.

The procedures and policies set forth in Section 11-35-4220 of the Procurement Code shall apply to the disposal of State property. The authority to debar a person from participation in the public sales of State-owned property shall rest with the Materials Management Officer.

Effect of Amendment—

The 1988 amendment, effective May 27, 1988, substantially revised this regulation.

19–445.2152. Leases, Lease/Payment, Installment Purchase, and Rental of Personal Property.

Item 1. Justification: A governmental body proposing to enter into an agreement other than an outright purchase is responsible for the

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EXHIBIT

APR 11 1989 NO. 10 STATE BUDGET & CONTROL BOARD	PUBLIC DOCUMENT TRANSMITTAL	1. DATE OF FILING

INSTRUCTIONS

Three copies of this form must be completed and submitted with each document to be filed with the Legislative Council. Follow the additional instructions below for completing the form.

Item 1 - Leave blank. This block is for use by the Legislative Council to record the time and date of receipt for filing.

Item 2 - Enter the complete number assigned.

Item 3 - Enter the subject as shown on the document, i.e., "Fair Hearings."

Item 4 - Check appropriate box to reflect whether the document being transmitted for filing is a proposed or final form regulation.

Item 5 - Type name of the person in Lega Office responsible for the document bei transmitted. It is very important that Legislative Council know the specific n of the individual to contact regarding document.

Item 6 - Enter telephone number at which individual indicated in Item 5 may be contacted.

Item 7 - Enter name of the Executive Director.

Item 8 - Self explanatory.

Item 9 - Enter date as "September 15, 197 Do Not Use Abbreviations.

Item 10 - Leave blank. This block is for of the Legislative Council.

2. REGULATION NUMBER	3. SUBJECT OF REGULATION	
19-445.2150	SURPLUS PROPERTY MANAGEMENT	
4. TYPE OF REGULATION	**5. FOR REFERENCE CONSULT**	**6. PHONE NU**
PROPOSED	HELEN ZEIGLER	737-3880

CERTIFICATE OF AUTHORIZED OFFICIAL

I certify that the attached regulation has been promulgated (proposed) in full compliance with the requirements of Act 176 of 1977, including all notice and hearing requirements.

7. TYPED NAME OF OFFICAL	8. SIGNATURE OF OFFICIAL	9. DATE OF CERTIFI
William A. McInnis	William A. McInnis	April 12, 1989

TO BE COMPLETED BY LEGISLATIVE COUNCIL

10.

Published in Volume _____ Issue _____ State Register.

Edited and Approved by _____.

Document Number Assigned by Legislative Council _____.

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EXHIBIT

APR 1 1 1989 NO. 10

STATE BUDGET & CONTROL BOARD

State Budget and Control Board
Division of General Services

NOTICE OF PROPOSED REGULATIONS

Chapter 19
Statutory Authority:
Code Section 11-35-3810

The State Budget and Control Board, Division of General Services, proposes to revise and repromulgate Regulation 19-445.2150 which deals with Surplus Property Management.

A Notice of Drafting Period was published in Volume 13, Issue 3, of the State Register on March 24, 1989.

A preliminary fiscal impact statement and a synopsis of the proposed regulation are presented.

Persons interested in this subject are invited to submit their views on these regulations by submitting written comments to the Director, Division of General Services, 1201 Main Street, Suite 420, Columbia, South Carolina 29201 no later than May 29, 1989.

If a public hearing is required, it will be held on May 30, 1989, at 10:00 a.m. at the address in the preceding paragraph.

William A. McInnis, Secretary
State Budget and Control Board

PRELIMINARY FISCAL IMPACT STATEMENT

EXHIBIT

APR 11 1989 NO. 10

STATE BUDGET & CONTROL BOARD

Chapter 19: State Budget and Control Board

19-445.2150. Surplus Property Management

In the opinion of the Director of the Budget and Control Board, Division of General Services, this proposed Regulation would have no fiscal impact on the State or its political subdivisions.

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EXHIBIT

SUMMARY OF REVISED REGULATION 19-445.2150 APR 1 1 1989 NO. 1 0

STATE BUDGET & CONTROL BOARD

Regulation 19-445.2150 currently provides for the procedures to be followed in the disposal of state owned surplus property. The regulation provides detailed procedures for the reporting and transfer of surplus property, eligibility criteria for entities participating in the program, determination of sales prices, terms and conditions for use of the property, disposition cycles and priorities for participation in the program, and inventory and accounting systems. Changes are proposed to Subsection C, Item 4 and Subsection D, Item 1.

Subsection C, Item 4 currently provides a disposition cycle with purchasing priorities given to certain entities as follows:

A.	Governmental Bodies	2 weeks
B.	Political Subdivisions and Nonprofit Health and Educational Institutions	7 weeks
C.	Public Sale	4 weeks
D.	Public Bid or Auction	

The changes proposed to this section of the regulation would eliminate established weeks of priority and give the Materials Management Officer the authority to determine appropriate time frames using the same order of priority provided in the existing regulation. The specific language proposed for this subsection is as follows:

Item 4. Disposition Cycles for Surplus Property

> Weekly priority cycles shall be used for the disposal process of surplus property. Time frames for disposal priorities shall be established by the MMO or his designee utilizing the following guidelines and order of priority:
>
> (1) Governmental bodies shall have first priority for a reasonable period of time;
> (2) Political subdivisions and eligible non-profit institutions shall have second priority for a reasonable period of time prior to public sale.

Subsection D, Item 1 provides for the Public Sale Cycle of the disposal process. It currently provides for sale to the public on a first come, first served basis. The change proposed to this section would revise the description of the public sale process to provide that it be done on a "fair and equitable basis." The new item would provide specifically as follows:

Item 1. Public Sale Cycle

> Upon completion of the disposal cycles the remaining items shall be made available to the public, on a fair and equitable basis, at a price no less than the price offered in the disposal cycle for a period of time. Such procedures and period of time shall be established by the MMO or his designee. Governmental bodies, political subdivisions and eligible nonprofit institutions shall be allowed to purchase in this cycle but without priority.

EXHIBIT

APR 11 1989 NO. 11

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD REGULAR SESSION

MEETING OF April 11, 1989 ITEM NUMBER 4

AGENCY: General Services

SUBJECT: Release of Easement

The Division of General Services recommends approval of a quitclaim deed from the United States of America to the State for the easement on part of Tract 101-A on the Stono River in Charleston County. The Division also recommends approval of a release of easement acquired for construction and maintenance of the Atlantic Intracoastal Waterway on a part of Tract 101-A..

The Waterway South Horizontal Property Regime is the owner of a parcel of land subject to a spoil disposal easement. The Regime wishes to purchase the easement for $26,000 plus recording fees.

BOARD ACTION REQUESTED:

Approve a quitclaim deed from the United States of America to the State for the easement on part of Tract 101-A on the Stono River in Charleston County; and approve a release of easement acquired for construction and maintenance of the Atlantic Intracoastal Waterway on a part of Tract 101-A..

ATTACHMENTS:

Agenda item worksheet; attachments

11136

EXHIBIT

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

APR 11 1989 NO. 11

Meeting Scheduled for: April 11, 1989

Regular Agenda

STATE BUDGET & CONTROL BOARD

1. Submitted By:
   (a) Agency: Division of General Services
   (b) Authorized Official Signature: Richard W. Kelly

2. Subject:

   Release of Easement acquired for construction and maintenance of Atlantic Intracoastal Waterway

3. Summary Background Information:

   The Waterway South Horizontal Property Regime, the owner of a parcel of land which is subject to a spoil disposal easement, wishes to purchase the release of the easement. The Corps of Engineers, the land owner and Coastal Council have reached an agreement whereby the United States has Quitclaimed its interest in the land to the State of South Carolina, acting through the Coastal Council, and it is proposed that the State release its easement to the owner for $26,000.

4. What is Board asked to do?

   Approve the Quitclaim from the United States of America to the State and the release of the Easement by the State to the owner for $26,000.

5. What is recommendation of Board Division involved?

   Approve the transaction.

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

   (a) Authorized Signature: _____
   (b) Division/Agency Name:

7. Supporting Documents:

   (a) List Those Attached:

   1. Letter of February 21, 1989, from Coastal Council
   2. Copy of Quitclaim Deed
   3. Release of Easement
   4. Statutory Authority, §1-11-65

11137

EXHIBIT

APR 11 1989 NO. 11

STATE BUDGET & CONTROL BOARD

SOUTH CAROLINA COASTAL COUNCIL

Ashley Corporate Center
4280 Executive Place North
Suite 300
Charleston, S.C. 29405
(803) 744-5838
Telex (803) 744-5847

John C. Hayes, III
Chairman

H. Wayne Beam, Ph.D.
Executive Director

February 21, 1989

RECEIVED
FEB 23 1989
DIV. OF GEN. SERVICES
LEGAL SECTION

Mr. Wayne F. Rush
South Carolina Budget and Control Board
Division of General Services
1201 Main Street, Suite 420
Columbia, South Carolina 29201

Dear Mr. Rush:

Please find enclosed a copy of the Deed from the United States to the South Carolina Coastal Council on behalf of the State of South Carolina for the easement on part of Tract 101-A on the Stono River, Charleston County, South Carolina. Also enclosed for execution is a Release of Easement for a part of Tract 101-A. The Waterway South Horizontal Property Regime has agreed to purchase the Release of Easement for $26,000 plus recording fees. The Coastal Council, the Waterway South Horizontal Property Regime and the U. S. Army, Corps of Engineers have negotiated over this easement release for over three (3) years. The United States has now executed their document which allows the State and the Waterway South Horizontal Property Regime to conclude the transaction.

Please let me know what other information you will require in order to schedule this matter for a Budget and Control Board meeting. I have enclosed some information which may be helpful. If a representative from the Coastal Council would be helpful at the meeting to explain it, we will be happy to send someone.

Thank you for your help in this matter. With best regards, I am

Sincerely,

Jack Smith

Newman J. Smith
Staff Attorney

0301A(1)
cc: Senator John C. Hayes, III
Dr. H. Wayne Beam
Mr. Christopher L. Brooks
Mr. C. C. Harness, III

11138

EXHIBIT

APR 11 1989 NO. 11

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

QUITCLAIM DEED

THIS INDENTURE, made this 22ND day of NOVEMBER, 198 8, between the UNITED STATES OF AMERICA, acting by and through JOHN O. MARSH, JR., Secretary of the Army, under and pursuant to the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended, and the delegation of authority to the Secretary of Defense from the Administrator of General Services Administration (41 C.F.R. 101-47.601) and the redelegation of authority from the Secretary of Defense to the Secretary of the Army (20 F.R. 7113), hereinafter referred to as GRANTOR, and the STATE OF SOUTH CAROLINA, acting by and through the SOUTH CAROLINA COASTAL COUNCIL, hereinafter referred to as GRANTEE;

W I T N E S S E T H:

WHEREAS, the Grantor acquired certain easements, rights, and interests over the lands hereinafter described for the construction, operation, and maintenance of the Atlantic Intracoastal Waterway Project; and

WHEREAS, the Grantee is desirous of obtaining a release from the Grantor of all of its rights in the lands hereinafter described; and

WHEREAS, it has been determined to be in the best interest of the Grantor to release all of its easements, rights, and interests over said lands;

NOW THEREFORE, the Grantor, for and in consideration of the sum of ONE ($1.00) DOLLAR and other good and valuable consideration, to it duly paid, the receipt of which is hereby acknowledged, does by these presents remise, release, and forever quitclaim unto the Grantee, its successors and assigns,

all right, title, interest, claim, or demand which the Grantor has or may have had in or to the following described property:

All that tract or parcel of land being a portion of a spoil disposal easement situate in St. Andrews Parish, Charleston County, South Carolina, being bound now or formerly on the north by the land of B. Rivers Carroll, on the east, south and west by other land of the United States of America, Atlantic Intracoastal Waterway, hereinafter referred to as the A.I.W.W. and being more particularly described as follows:

Beginning at a concrete monument on the A.I.W.W. boundary line, said monument having a coordinate value of N 345,228.66 feet and E 2,298,637.26 feet;

Thence, from the point of beginning and with the A.I.W.W. boundary line S 64°41'07" E 147.65 feet to a point;

Thence, leaving the A.I.W.W. boundary line and along new lines through the land of the A.I.W.W., S 46°45'22" W 153.75 feet to an iron pipe, S 26°14'02" W 135.86 feet to an iron pipe, S 00°22'08" W 82.55 feet to an iron pipe, S 30°57'18" E 94.32 feet to an iron pipe, S 44°27'18" E 64.25 feet to an iron pipe, S 07°28'18" E 37.80 feet to a concrete monument, N 82°43'58" W 98.20 feet to an iron pipe, N 47°44'58" W 193.60 feet to an iron pipe, N 89°11'27" W 354.17 feet to an iron pipe, N 26°02'38" W 112.66 feet to an iron pipe, N 70°28'48" W 118.73 feet to an iron pipe, N 32°12'48" W 195.18 feet to an iron pipe, N 01°11'12" E 130.15 feet to an old iron pipe, and N 28°54'52" E 9.89 feet to a point on the A.I.W.W. boundary line;

Thence, with the A.I.W.W. boundary line N 85°10'11" E 24.30 feet to a point, N 82°15'35" E 311.84 feet to a point, N 61°28'37" E 52.36 feet to a point, N 08°25'37" E 27.30 feet to a point, N 34°30'31" W 38.83 feet to a point, N 46°53'19" W 62.48 feet to a point, and S 64°41'07" E 528.64 feet to the point of beginning and containing 8.53 acres, more or less.

The above described tract is a portion of that land conveyed by the State of South Carolina to the United States of America by deed dated 15 March 1939, and recorded in Deed Book B40, page 263, of the R.M.C. Office of Charleston County, South Carolina.

The above described area is shown on a survey plat titled "Spoil Disposal Area, Tract 101-A, Atlantic Intracoastal Waterway", surveyed by Sur-Tech, Inc., of Murrells Inlet, South Carolina, and dated 24 April 1987. Said plat is on file in the records of the Department of the Army, Savannah District, Corps of Engineers, Real Estate Division, Savannah, Georgia.

Bearings and coordinates are based on the South Carolina State Plane Coordinate System, South Zone.

TO HAVE AND TO HOLD the said described premises unto the Grantee, its successors and assigns, forever.

11140

This conveyance is not subject to Title 10, United States Code, Section 2662.

IN WITNESS WHEREOF, the Grantor has caused these presents to be executed in its name and on its behalf by the Secretary of the Army, and the seal of the Department of the Army to be hereunto affixed, the day and year first above written.

UNITED STATES OF AMERICA

By John O. Marsh, Jr.
Secretary of the Army

Signed, sealed and delivered
in the presence of:

Walter H. Daly

11141

COMMONWEALTH OF VIRGINIA)
)
COUNTY OF ARLINGTON)

PERSONALLY appeared before me WALTER H. DALY, who, being duly sworn, says that (s)he saw the within named UNITED STATES OF AMERICA by John O. Marsh, Jr., Secretary of the Army, sign, seal, and as its act and deed, deliver the foregoing deed, and that (s)he with TYRONE J. WARREN, witnessed the execution thereof.

Walter H. Daly

Sworn to before me this 22nd
day of November, 1984

W. R Ackley
Notary Public
Arlington County, Virginia

My commission expires: 22 March 1988

11142

§ 1–11–65. Approval and recordation of real property transactions involving governmental bodies.

All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board unless a governmental body is expressly exempted by the Budget and Control Board.

HISTORY: 1985 Act No. 201, Part II, § 5.

§ 1–11–80. Board authorized to grant easements for public utilities on vacant State lands.

The State Budget and Control Board is authorized to grant easements and rights of way to any person for construction and maintenance of power lines, pipe lines, water and sewer lines and railroad facilities over, on or under such vacant lands or marshland as are owned by the State, upon payment of the reasonable value thereof.

HISTORY: 1962 Code § 1-357.1; 1963 (53) 177.

Cross references—

As to sale or donation of, or rights of way over, public lands, see SC Const. Art 3, § 31.

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

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

HISTORY: 1962 Code § 1-357.2; 1963 (53) 177.

Cross references—

As to sale or donation of, or rights of way over, public lands, see SC Const. Art 3, § 31.

11143

STATE BUDGET & CONTROL BOARD

APR 11 1989 NO. 11

EXHIBIT

§ 1–11–100. Execution of instruments conveying rights of way or easements over marshlands or vacant lands.

Deeds or other instruments conveying such rights of way or easements over such marshlands or vacant lands as are owned by the State shall be executed by the Governor in the name of the State, when authorized by resolution of the Budget and Control Board, duly recorded in the minutes and records of such Board and when duly approved by the office of the Attorney General; deeds or other instruments conveying such easements over property in the name of or under the control of State agencies, institutions, commissions or other bodies shall be executed by the majority of the governing body thereof, shall name both the State of South Carolina and the institution, agency, commission or governing body as grantors, and shall show the written approval of the majority of the members of the State Budget and Control Board.

HISTORY: 1962 Code § 1-357.3; 1963 (53) 177.

Cross References—

As to authority of State institutions and agencies to grant easements and rights of way, see § 10–1–130.

Research and Practice References—

63A Am Jur 2d, Public Lands § 115.

73B CJS, Public Lands §§ 178, 180.

17 Am Jur Legal Forms 2d, States, Territories, and Dependencies § 239:21 (agricultural lease-provision-reservation of right to grant easements).

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

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

HISTORY: 1962 Code § 1-49.3; 1963 (53) 177.

Cross references—

As to composition, powers and duties of State Budget and Control Board generally, see Chapter 11 of Title 1.

As to the State Budget and Control Board, generally, see §§ 1–11–10 et seq.

As to execution of conveyances of such easements, see § 1–11–100.

§ 25–1–1660. Transfer of surplus armories to political subdivisions.

The State Budget and Control Board may transfer to a political subdivision ownership of a national guard armory being replaced and declared surplus if the political subdivision has donated real property for use as a site for a replacement armory.

HISTORY: 1985 Act No. 201, Part II, § 12, eff June 20, 1985.

SOUTH CAROLINA COASTAL COUNCIL

Summerall Center
19 Hagood Avenue
Suite 802
Charleston, S.C. 29403
(803) 792-5808

James M. Waddell, Jr.
Chairman

H. Wayne Beam, Ph.D.
Executive Director

April 28, 1986

EXHIBIT

APR 11 1989 NO. 11

STATE BUDGET & CONTROL BOARD

Lt. Colonel F. L. Smith, Jr.
District Engineer
Charleston District, Corps of Engineers
Post Office Box 919
Charleston, South Carolina 29402-0919

Re: Release of Easement in
Vicinity of Waterway
South Development

Dear Lt. Colonel Smith:

Thank you for your letter dated April 17, 1986, concerning the information required by the South Carolina Coastal Council in order to determine if the release of the easement in the vicinity of the Waterway South Development would be consistent with the South Carolina Coastal Management Program. The information submitted in your letter is sufficient and indicates that the area proposed to be disposed is not necessary for the maintenance of this portion of the Atlantic intracoastal waterway within the foreseeable future. The Coastal Council therefore has determined that the release of the easement in the vicinity of the Waterway South Development would be consistent with the South Carolina Coastal Management Program.

Thank you very much for your cooperation and work in this matter. Please contact me if any further information is required.

With best regards,

H. Wayne Beam
Executive Director

HWB:0201A1jb

cc: Senator James M. Waddell, Jr., Chairman
Christopher L. Brooks, Deputy Director
Newman J. Smith, Staff Attorney NJS

11144

EXHIBIT

APR 11 1989 NO. 11

STATE BUDGET & CONTROL BOARD

APR 17 1986

DEPARTMENT OF THE ARMY
CHARLESTON DISTRICT CORPS OF ENGINEERS
P O BOX 919
CHARLESTON S C 29402-0919

REPLY TO
ATTENTION OF

Office of Counsel

Dr. H. Wayne Beam
Executive Director
South Carolina Coastal Council
1116 Bankers Trust Tower
Columbia, South Carolina 29201

RECEIVED
APR 1 - 1986
COASTAL COUNCIL

Dear Dr. Beam:

The owners of the Waterway South Development on the Stono River have expressed an interest in obtaining a release from the spoil disposal easement held by the Government as a result of the unauthorized construction within a Corps spoil disposal easement.

The Corps is exploring the possibility of a fair market value sale of the easement to the developer. In order to release the Corps' easement on the property to the developer your office's concurrence is required. Pursuant to a conversation between Mr. E. J. Colbert of my staff and Mr. Jack Smith in your Charleston office, Mr. Smith advised that the Coastal Council would need an evaluation of Corps present and future dredging requirements in the area in order to adequately assess the Corps' request for concurrence in the release of the easement to the developer.

Enclosed is an evaluation which shows the dredging history in the area in question as well as a projection for future disposal needs in the area. As indicated by the evaluation, the Corps does not expect to have any dredging in the area within the next 25 years. Based upon the evaluation of the need for future spoil disposal in the area, I feel that a release of the easement would not compromise the Government's position in accomplishing required future dredging.

I and my staff are available to meet with you and discuss this matter further if you feel that such a meeting would be advantageous. A meeting has been scheduled with the developers for April 22. If possible, I would like to know the Coastal Council's position in this matter by the time we meet with the developers.

Sincerely,

F. L. Smith, Jr.
LTC, Corps of Engineers
District Engineer

Enclosure

11145

EXHIBIT

APR 11 1989 NO. 11

STATE BUDGET & CONTROL BOARD

SACEN-S 16 April 1986

ANALYSIS OF DISPOSAL AREA REQUIREMENTS IN THE VICINITY OF WATERWAY SOUTH DEVELOPMENT

1. Frequency and Quantity of Dredging in the Area. Records indicate that there has only been about 50,000 cubic yards removed from the general vicinity of the AIWW since the early 1940s. There has not been any dredging in the general vicinity as far back as 1956. The easement area is approximately 7,000 feet from the shoal area and would not be utilized if dredging was required.

2. Portion of the AIWW Involved. The portion of the AIWW involved is the Stono River, generally from Station 210+00 to 310+00, an area that has not required maintenance dredging since project construction.

3. Past and Future Projection of Need to Dispose in the Area. There has been no past use of the area for maintenance dredging and the situation is not expected to change in the future.

4. Time Period the Projections Cover, i.e., 10, 15, 25 Years. Do not expect to have any dredging within next 25 years or more.

5. Other Pertinent Factors. Disposal area tract under consideration is small and a considerable distance from the AIWW. It would have limited value except to dispose of a small amount of material 15,000 cubic yards ±. Its release will not adversely effect future maintenance dredging operations.

11146

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

RELEASE OF EASEMENT

THIS INDENTURE, made this ___ day of _____, 1989, between the STATE OF SOUTH CAROLINA, hereinafter referred to as Grantor, and Waterway South Horizontal Property Regime, hereinafter referred to as the Grantee:

W I T N E S S E T H:

WHEREAS, the Grantor acquired, then conveyed to the United States and has now received from the United States, certain easements, rights, and interests over the lands hereinafter described for the construction, operation, and maintenance of the Atlantic Intracoastal Waterway Project, said easement reacquired by the Grantor from the United States being a portion of the land conveyed by deed dated March 15, 1939, and recorded in Deed Book B 40, page 263 in the R.M.C. office for Charleston County; and

WHEREAS, the Grantee is desirous of obtaining a release from the Grantor of all of its rights in the lands hereinafter described; and

WHEREAS, it has been determined to be in the best interest of the Grantor to release all of its easements, rights, and interests over said lands;

NOW THEREFORE, the Grantor, for and in consideration of the sum of twenty six thousand dollars ($26,000.00) and other good and valuable consideration, to it duly paid, the receipt of which is hereby acknowledged, does by these presents remise, release and forever quitclaim to and for the benefit of the Grantee, its successors and assigns, all rights, title, interest, claim, or demand which the Grantor has or may have had in or to the following described property:

11147

EXHIBIT

APR 11 1989 NO. 11

STATE BUDGET & CONTROL BOARD

All that tract or parcel of land being a portion of a spoil disposal easement situate in St. Andrews Parish, Charleston County, South Carolina, being bound now or formerly on the north by the land of B. Rivers Carroll, on the east, south and west by other land of the United States of America, Atlantic Intracoastal Waterway, hereinafter referred to as the A.I.W.W. and being more particularly described as follows:

Beginning at a concrete monument on the A.I.W.W. boundary line, said monument having a coordinate value of N 345,228.66 feet and E 2,298,627.26 feet;

Thence, leaving the A.I.W.W. boundary line and along new lines through the land of the A.I.W.W., S 46°45'22" W 153.75 feet to an iron pipe, S 26°14'02" W 135.86 feet to an iron pipe, S 00°22'08" W 82.55 feet to an iron pipe, S 30°57'18" E 94.32 feet to an iron pipe, S 44°27'18" E 64.25 feet to an iron pipe, S 07°28'18" E 37.80 feet to a concrete monument, N 82°43'58" W 98.20 feet to an iron pipe, N 47°44'58" W 193.60 feet to an iron pipe, N 89°11'27" W 354.17 feet to an iron pipe, N 26°02'38" W 112.66 feet to an iron pipe, N 70°28'48" W 118.73 feet to an iron pipe, N 32°12'48" W 195.18 feet to an iron pipe, N 01°11'12" E 130.15 feet to an old iron pipe, and N 28°54'52" E 9.89 feet to a point on the A.I.W.W. boundary line;

Thence, with the A.I.W.W. boundary line N 85°10'11" E 24.30 feet to a point, N 82°15'35" E 311.84 feet to a point, N 61°28'37" E 52.36 feet to a point, N 08°25'37" E 27.30 feet to a point, N 34°30'31" W 38.83 feet to a point, N 46°53'19" W 62.48 feet to a point, and S 64°41'07" E 528.64 feet to the point of beginning and containing 8.53 acres, more or less. All as shown on plat entitled "Spoil Disposal Area, Tract 101-A, Atlantic Intracoastal Waterway", dated April 24, 1987, surveyed by Sur-Tech, Inc., of Murrell's Inlet, South Carolina, and dated April 24, 1987. Said plat is on file in the records of the Department of the Army, Savannah District, Corps of Engineers, Real Estate Division, Savannah, Georgia.

The above described tract is a portion of that land conveyed by the State of South Carolina to the United States of America by deed dated 15 March 1939, and recorded in Deed Book B40, page 263, of the R.M.C. Office of Charleston County, South Carolina.

Bearings and coordinates are based on the South Carolina State Plane Coordinate System, South Zone.

Being the same property conveyed to the Grantor herein by Deed of the United States, by Secretary of the Army John D. Marsh, Jr., dated November 22, 1988, and filed in the R.M.C. Office for Charleston County simultaneously herewith.

EXHIBIT
NO. 11
APR 11 1989
STATE BUDGET & CONTROL BOARD

The effect of this release is to remove the spoil easements held by the Grantor and formerly by the United States of America from that property known as WATERWAY SOUTH CONDOMINIUMS Project developed by the Waterway South Partnership as shown on the Plat entitled "PLAT OF LAND AND LOTS 3A, 4A, AND 5A OWNED BY EDWARD K. PRITCHARD, JR., AND LOTTIE BAUGH", by J. P. Hugh Campbell, Jr., R.L.S., dated September 23, 1983, and recorded in the R.M.C. Office for Charleston County in Plat Book AY, page 72; but,

The effect of this release is to only remove that portion of the easement found at Deed Book B 40, Page 263, County and State aforesaid, that affects the highland portion (excluding any marshland) of the Waterway South Condominiums Project as aforesaid. The said spoil easement remains in full force and effect on all the unreleased property set forth under said easement found in Deed Book B 40, Page 263.

TO HAVE AND TO HOLD the said described premises unto the Grantee, its successors and assigns, forever.

IN WITNESS WHEREOF, the Grantor has caused these presents to be executed by the Governor, Carroll A. Campbell, Jr., and John T. Campbell, Secretary of State.

Signed, sealed and delivered
in the presence of

Stella J. Bennett
Nancy J Byrd
Gloria Hallman
Larry L Page

STATE OF SOUTH CAROLINA

By: Carroll A. Campbell, Jr.
Carroll A. Campbell, Jr.
Governor, State of South Carolina

By: John T Campbell
John T. Campbell
Secretary of State for the
State of South Carolina

Approved by the South Carolina Budget and Control Board at its meeting held on the 11th day of April, 1989.

William A McInnis
William A. McInnis, Secretary
S. C. Budget and Control Board

11149

0390A(8)

EXHIBIT

APR 11 1989 NO. 11

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PERSONALLY appeared before me SALLIE J. BINNICKER, who, being duly sworn, says that he saw the within named State of South Carolina, by Carroll A. Campbell, Jr., Governor, sign, seal, and as his act and deed, deliver the foregoing deed, and that he with NANCY J. BYRD, witnessed the execution thereof.

Sallie J. Binnicker

Sworn to before me this 13th day of April, 1989.

Jay Adkins
Notary Public for South Carolina
My Commission expires: 3-21-95

STATE OF SOUTH CAROLINA)
)
COUNTY OF Richland)

PERSONALLY appeared before me Gloria Hallman, who, being duly sworn, says that he saw the within named State of South Carolina, by John T. Campbell, Secretary of State, sign, seal, and as his act and deed, deliver the foregoing deed, and that he with Nancy S. Frye, witnessed the execution thereof.

Gloria Hallman

Sworn to before me this 14th day of April, 1989.

Ethel H. Riley
Notary Public for South Carolina
My Commission expires: 11-7-89

11150

EXHIBIT

APR 11 1989 NO. 12

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD REGULAR SESSION

MEETING OF April 11, 1989 ITEM NUMBER 5

AGENCY: General Services

SUBJECT: Midlands Technical College Procurement Certification

The Division of General Services, in accord with Section 11-35-1210, has audited Midlands technical College and recommends its certification within the parameters described in the audit report for the following limits (total potential purchase commitment whether single- or multi-year contracts are used) for a period of three years (local funds only): goods and services $10,000; consultants, $10,000; and information technology in accord with the approved information technology plan, $10,000.

BOARD ACTION REQUESTED:

In accord with Section 11-35-1210, grant procurement certification to Midlands Technical College within the parameters described in the audit report for the following limits (total potential purchase commitment whether single- or multi-year contracts are used) for a period of three years (local funds only): goods and services, $10,000; consultants, $10,000; and information technology in accord with the approved information technology plan, $10,000.

ATTACHMENTS:

Agenda item worksheet and attachment

11151

EXHIBIT

APR 11 1989 NO. 12

STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: April 11, 1989 Agenda Regular

1. Submitted By:
   (a) Agency: Division of General Services
   (b) Authorized Official Signature: Richard W. Kelly, Director

2. Subject:
   Procurement Recertification for Midlands Technical College

3. Summary Background Information: The Division of General Services has audited Midlands Technical College and recommends its recertification in accordance with Section 11-35-1210 of the Consolidated Procurement Code within the parameters described in the audit report for the following limits for a period of three (3) years:

I.	Goods and Services (local funds only)	$10,000 per purchase commitment
II.	Consultants (local funds only)	$10,000 per purchase commitment
III.	Information Technology in accordance with the approved Information Technology Plan (local funds only)	$10,000 per purchase commitment

*The total potential purchase commitment whether single year or multi-year contracts are used. This is not an increase in certification.

4. What is Board asked to do?
   Grant procurement recertification to Midlands Technical College.

5. What is recommendation of Board Division involved?
   Grant recertification

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

   (a) Authorized Signature:
   (b) Division/Agency Name:

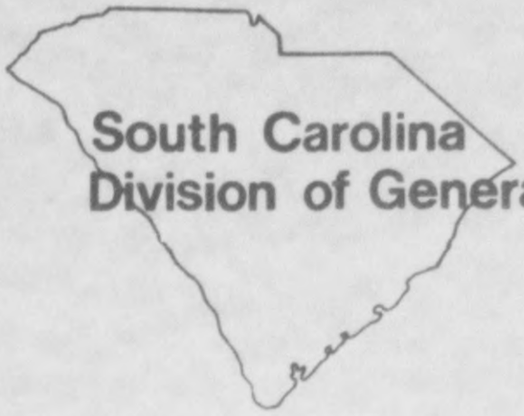
7. Supporting Documents:
   (a) List Those Attached:
   20 copies of the Procurement Audit and Certification Report.
   (b) List Those Not Attached But Available From Submitter:

11152

EXHIBIT

APR 1 1 1989 NO. 1 2

STATE BUDGET & CONTROL BOARD



South Carolina
Division of General Services

PROCUREMENT AUDIT AND CERTIFICATION

MIDLANDS TECHNICAL COLLEGE

AGENCY

APRIL 1, 1986 - SEPTEMBER 30, 1988

DATE

11153

EXHIBIT

APR 11 1989 NO. 12

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
1201 MAIN STREET, SUITE 600
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-0600

CARROLL A. CAMPBELL, JR.
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

JAMES M. WADDELL, JR.
CHAIRMAN,
SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN,
HOUSE WAYS AND MEANS COMMITTEE

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

JAMES J. FORTH, JR.
ASSISTANT DIVISION DIRECTOR

March 29, 1989

Mr. Richard W. Kelly
Division Director
Division of General Services
1201 Main Street, Suite 400
Columbia, South Carolina 29201

Dear Rick:

Attached is the final Midlands Technical College audit report and recommendations made by the Office of Audit and Certification. I concur and recommend the Budget and Control Board grant the College a three (3) year certification as outlined in the audit report.

Sincerely,

James J. Forth, Jr.
Assistant Division Director

Attachment

11154

MIDLANDS TECHNICAL COLLEGE

AUDIT REPORT

APRIL 1, 1986 - SEPTEMBER 30, 1988

11155

EXHIBIT

APR 1 1 1989 NO. 12

STATE BUDGET & CONTROL BOARD

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11156

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
1201 MAIN STREET, SUITE 600
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-0600

CARROLL A. CAMPBELL, JR.
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

JAMES M. WADDELL, JR.
CHAIRMAN,
SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN,
HOUSE WAYS AND MEANS COMMITTEE

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

JAMES J. FORTH, JR.
ASSISTANT DIVISION DIRECTOR

November 10, 1988

Mr. James J. Forth, Jr.
Assistant Division Director
Division of General Services
1201 Main Street, Suite 600
Columbia, South Carolina 29201

We have examined the procurement policies and procedures of Midlands Technical College for the period April 1, 1986 through September 30, 1988. As a part of our examination, we made a study and evaluation of the system of internal control over procurement transactions to the extent we considered necessary.

The purpose of such evaluation was to establish a basis for reliance upon the system of internal control to assure adherence to the Consolidated Procurement Code and State and College procurement policy. Additionally, the evaluation was used in determining the nature, timing and extent of other auditing procedures that were necessary for developing an opinion on the adequacy, efficiency and effectiveness of the procurement system.

The administration of Midlands Technical College is responsible for establishing and maintaining a system of internal control over procurement transactions. In fulfilling

this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance of the integrity of the procurement process, that affected assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and are recorded properly.

Because of inherent limitations in any system of internal control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation of the system of internal control over procurement transactions as well as our overall examination of procurement policies and procedures were conducted with due professional care. They would not, however, because of the nature of audit testing, necessarily disclose all weaknesses in the system.

The examination did, however, disclose conditions enumerated in this report which we believe to be subject to correction or improvement.

Corrective action based on the recommendations described in these findings will in all material respects place Midlands Technical College in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

Voight Shealy

R. Voight Shealy, Manager
Audit and Certification

11158

INTRODUCTION

The Office of Audit and Certification conducted an examination of the internal procurement operating procedures and policies and related manual of Midlands Technical College.

Our on-site review was conducted October 4-18, 1988, and was made under authority as described in Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code and Regulation 19-445.2020.

The examination was directed principally to determine whether, in all material respects, that the procurement system's internal controls were adequate and the procurement procedures, as outlined in the Internal Procurement Operating Procedures Manual, were in Compliance with the South Carolina Consolidated Procurement Code and its ensuing regulations.

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BACKGROUND

Section 11-35-1210 of the South Carolina Consolidated Procurement Code states:

> The (Budget and Control) Board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The Division of General Services shall review the respective governmental body's internal procurement operation, shall verify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the Board those dollar limits for the respective governmental body's procurement not under term contract.

Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code states:

> In procurement audits of governmental bodies thereafter, the auditors from the Division of General Services shall review the adequacy of the system's internal controls in order to ensure compliance with the requirements of this code and the ensuing regulations.

Our audit was performed primarily to determine if recertification for expenditures of local funds is warranted.

While on site, we received a written request from Midlands Technical College for recertification to make local fund procurements in the following categories and designated amount:

Category	Requested Limit
1. Goods and Services	$10,000
2. Consultant Services	10,000
3. Information Technology	10,000

11160

SCOPE

Our examination encompassed a detailed analysis of the internal procurement operating procedures of Midlands Technical College and the related policies and procedures manual to the extent we deemed necessary to formulate an opinion on the adequacy of the system to properly handle procurement transactions. Our examination was limited to procurements from local funds, which includes some federal funds, local contributions and student collections which is the procurement activity managed completely by the College. As in all South Carolina technical colleges, state funded procurements are managed by the State Board of Technical and Comprehensive Education.

We selected random samples of procurement transactions for the period July 1, 1986 - September 30, 1988, of local fund procurement transactions for compliance testing and performed other audit procedures that we considered necessary in the circumstances to formulate this opinion. As specified in the Consolidated Procurement Code and related regulations, our review of the system included, but was not limited to, the following areas:

(1) adherence to provisions of the South Carolina Consolidated Procurement Code and regulations;

(2) procurement staff and training;

(3) adequate audit trails and purchase order registers;

(4) evidences of competition;

(5) small purchase provisions and purchase order confirmations;

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(6) emergency and sole source procurements;

(7) source selections;

(8) file documentation of procurements;

(9) inventory and disposition of surplus property;

(10) economy and efficiency of the procurement process; and,

(11) Minority Business Enterprise Utilization Plan.

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SUMMARY OF AUDIT FINDINGS

Our audit of procurement management at Midlands Technical College, hereinafter referred to as the College, produced findings and recommendations in the following areas:

PAGE

I. Compliance - Procurements 8

Four procurements were not made in accordance with the Consolidated Procurement Code, (the Code).

II. Sole Source and Emergency Procurements and Trade-in Sales 10

We noted several exceptions in Code compliance and reporting procedure in this area.

III. Procurement Procedures 13

Our observation of procurement procedures at the College resulted in several recommendations for improvement.

11163

RESULTS OF EXAMINATION

I. Compliance - Procurements

Our examination included a review of one hundred twenty (120) transactions selected at random from the procurement areas of goods and services, information technology, consultant services and construction for the period July 1, 1986 through September 30, 1988. The majority of these procurements were handled in compliance with the Code, however, we did note the following four exceptions:

Item	P.O. #	Amount	Description
1	17745	$ 1,000.00	To provide equipment and instructor to teach a software course.
2	13411	1,170.00	Screen and test transformers.
3	18834	1,236.75	A&E Services - concrete Fascia study
4	16926	3,300.00	A&E Services - Beltline irrigation system

Item number one above, a procurement to provide equipment and an instructor to teach a computer system, was made as a sole source. The sole source determination was not dated and the procurement was never reported to the Division of General Service. The services were rendered October 2 - December 15, 1987, but the contract was not signed until February 1, 1988 and the purchase order was not issued until March 16, 1988.

Consequently, this is an unauthorized procurement meaning that ratification must be requested from the College President in accordance with Regulation 19-445.2015. Also, an amended report

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should be filed with the Division of General Services in accordance with Section 11-35-2440 of the Code.

Item number two above, purchase order 13411 totalling $1,170.00 for screening and testing of transformers, was not supported by evidence of competition or a sole source or emergency procurement determination.

Also, the procurement package had a very unclear audit trail. The original requisition was dated January 21, 1987, the invoice was dated June 18, 1987 and the purchase order was not issued until August 11, 1987. If purchasing is having a difficult time procuring services over an extended time, we recommend a "memo for record" be kept and updated in the purchasing file to provide a clear history of each transaction.

Items three and four above, were procurements of architect-engineer services. The College failed to obtain the approval of the State Engineer's Office for these procurements. The two sections of the Code that cover procurements of architect-engineer services, 11-35-3220 and 11-35-3230, require the approval of the State Engineer.

Since this was not done in these two cases, ratification must be requested in accordance with Regulation 19-445.2015. This requires that ratification be requested from the College President for item (3) and from the Materials Management Officer for item (4).

COLLEGE RESPONSE

We concur with the findings of the procurement auditor on item number one. We have amended the sole source report and requested ratification.

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We concur with the findings of the procurement auditor on item number two. Two telephone quotes should have been solicited. In the future, we will follow procedures and provide a "memo for record" to document a clear history of each transaction.

We concur with the findings of the procurement auditor on items three and four. In the future, we will request the approval of the State Engineer's Office. Item three has been ratified and item four has been sent to the Materials Management Officer for ratification.

II. Sole Source and Emergency Procurements and Trade-in Sales

We reviewed all sole source and emergency procurements and trade-in sales with all available supporting documentation for the period April 1, 1986 - September 30, 1988. We found these procurements to be in compliance with the Code and regulations with the following exceptions.

A. Sole Source Procurements

We noted fifteen instances where the sole source designee failed to record the date of his approval signature on sole source and emergency procurement justifications. These exceptions were as follows:

P.O.#	Amount	P.O.#	Amount
14846	$20,340.00	18786	$ 640.00
15604	18,320.00	18927	1,690.00
15770	12,352.00	19178	13,200.00
15810	1,359.70	19263	892.00
16306	13,200.00	19696	4,971.49
16365	1,102.00	20077	3,000.00
16937	825.00	18622	21,675.36
		Req. 49258	2,357.78

As a result, we are unable to determine if these procurements were properly authorized or not. We recommend that all justifications be dated by the authorized sole source designee when he signs them.

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Additionally, we reviewed three procurements made as sole sources which we do not accept as such. These procurements were as follows:

	P.O.#	Amount	Description
1)	19980	$11,681.90	Subscription service
2)	19992	6,800.00	Subscription service
3)	17023	1,000.00	Furnish and install an in-line blower

COLLEGE RESPONSE

We concur with the findings of the procurement auditor on the fifteen undated justifications and we will ensure that justifications are dated prior to completion of the procurement.

Regulation 19-445.2105 which addresses sole source procurement states in part, "In cases of reasonable doubt, competition should be solicited." This should have been done in the three cases above.

Finally, we found one procurement on purchase order number S8199 for $1,470 made as a sole source procurement which was not signed by the authorized sole source designee. Someone else signed his name and initialed the signature. We found that this person is not authorized to sign a sole source, therefore; this procurement is unauthorized.

We recommend that ratification be requested from the College President in accordance with Regulation 19-445.2015. Further, we recommend that sole source procurements only be authorized by official designees.

B. Emergency Procurements

Purchase order 19664 totalling $6,565.00 for an air conditioning system was inappropriate as an emergency procurement. It should have been handled within normal procurement methods.

11167

We recommend that emergency procurement procedures only be used when an immediate need cannot be met using normal procurement methods.

COLLEGE RESPONSE

We concur with the findings of the procurement auditor and will adhere to emergency guidelines in the future.

C. Trade-in Sales

A trade-in of $1,387.40 on purchase order number 58064 was not submitted to the Materials Management Office for approval. Regulation 19-445.2150, Subsection E, states in part: "When the trade-in value exceeds five hundred dollars ($500.00), the governmental body shall refer the matter to the Materials Management Officer for disposition by the office or for submission to the Board for consideration."

We recommend that the College adhere to this requirement on all future trade-ins.

COLLEGE RESPONSE

We will adhere to Regulation 19-445.2150 for trade-ins over five hundred dollars ($500.00).

D. Reporting

Section 11-35-2440 of the Code requires that each governmental body report all sole source and emergency procurements to the chief procurement officers on a quarterly basis. We noted the following instances of reporting errors.

The following three procurements were made against an established contract so they should not have been reported as sole sources:

EXHIBIT

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STATE BUDGET & CONTROL BOARD

P.O.#	Amount
16436	$ 7,375.00
18087	13,183.20
18088	10,636.56

Further, purchase order 58064 for $2,885.40 was properly justified and authorized as an emergency procurement. However, it was not reported to the Division of General Services.

Finally, purchase order 17229 for $9,195.00 was determined to be an emergency and was reported as such. However, the order was cancelled and the procurement was not made. It should be eliminated from the quarterly report.

Amended reports should be filed to correct these reporting errors.

COLLEGE RESPONSE

We concur with the findings of the procurement auditor on the reporting errors and amended reports have been sent to the Materials Management Office.

III. Procurement Procedures

The following recommendations are made to tighten procurement procedures of the college.

(1) Some purchase orders resulting from state or agency contracts failed to reference the contract numbers. Every purchase made from an existing contract should reference the contract number.

(2) If a purchase order is for a multi-year contract the purchase order should note which year of the contract the P.O. covers, ie. (year 3 of 5 year contract).

11169

(3) When bids are received, the envelopes are stamped. When bids are opened, the envelopes are discarded. The purchasing office should either time stamp the bids at opening or keep the original stamped envelopes in the file as evidence the that bids were responsive.

(4) The bid tabulation sheet and the daily bid register should always be signed by the College personnel performing the sealed bid opening.

(5) When sealed bids are received by the College they are currently placed in unsecured bid folders until the bid opening. This is in violation of Section 11-35-1520(5) which states..."All bids received prior to the time of opening shall be kept secure and unopened in a locked box or safe..." (Emphasis added)

COLLEGE RESPONSE

Recommendations were made to tighten procurement procedures of the College. These recommendations have been taken into consideration and are currently being followed by the purchasing department.

11170

South Carolina Department of Archives and History

1430 Senate Street, P.O. Box 11,669, Columbia, South Carolina 29211 (803) 734-8577
State Records (803) 734-7914; Local Records (803) 734-7917

CERTIFICATE OF CONTINUANCE

This is to certify that this record was filmed on two partial reels of film and spliced together here to make one complete reel.

8-5-91
DATE

C. Smith
SIGNATURE

EXHIBIT

APR 11 1989 NO. 12

STATE BUDGET & CONTROL BOARD

CERTIFICATION RECOMMENDATIONS

As enumerated in our transmittal letter, corrective action based on the recommendations described in the findings contained in the body of this report, we believe, will in all material respects place Midlands Technical College in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

Under the authority described in Section 11-35-1210 of the Procurement Code, subject to this corrective action, we recommend Midlands Technical College be certified to make direct agency procurements for three (3) years up to the following limits:

Procurement Areas	Recommended Certification Limits
Goods and Services (Local Funds Only)	* $10,000 per purchase commitment
Consultants (Local Funds Only)	* $10,000 per purchase commitment
Information Technology in accordance with the approved Information Technology Plan (Local Funds Only)	* $10,000 per purchase commitment

*Total purchase commitment whether single year or multi-term contracts are used.

James M. Stiles

James M. Stiles, PPB
Audit Supervisor

R. Voight Shealy

R. Voight Shealy, Manager
Audit and Certification

11171

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
1201 MAIN STREET, SUITE 600
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-0600

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CHAIRMAN,
HOUSE WAYS AND MEANS COMMITTEE

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

JAMES J. FORTH, JR.
ASSISTANT DIVISION DIRECTOR

March 29, 1989

Mr. James J. Forth, Jr.
Assistant Division Director
Division of General Services
1201 Main Street, Suite 600
Columbia, South Carolina 29201

Dear Jim:

We have returned to Midlands Technical College to determine the progress made toward implementing the recommendations in our audit report covering the period April 1, 1986 - September 30, 1988. During this visit, we followed up on each recommendation made in the audit report through inquiry, observation and limited testing.

We observed that the College has made substantial progress toward correcting the problem areas found and improving the internal controls over the procurement system. With the changes made, the system's internal controls should be adequate to ensure that procurements are handled in compliance with the Consolidated Procurement Code and ensuing regulations.

We therefore, recommend that the certification limits as outlined in the audit report be granted for a period of three (3) years.

Sincerely,

R. Voight Shealy

R. Voight Shealy, Manager
Audit and Certification

11172

EXHIBIT

APR 11 1989 NO. 13

STATE BUDGET AND CONTROL BOARD

STATE BUDGET & CONTROL BOARD REGULAR SESSION

MEETING OF April 11, 1989 ITEM NUMBER 6

AGENCY: State Treasurer

SUBJECT: Bond Counsel Selection

The following bond counsel selection is recommended for Board approval:

Jobs-Economic Development Authority: Tax-exempt Composite Issue (1989-A) currently encompassing three borrowers (Mosler, Inc.; The Su-dan Company, Inc., and Delta Properties; and The Tuttle Company, Inc.):

(1) Haynsworth, Marion, McKay and Guerard; and
(2) The McNair Firm.

BOARD ACTION REQUESTED:

Approve the selection of the Haynsworth, Marion, McKay and Guerard law firm to provide bond counsel services for the Jobs-Economic Development Authority tax-exempt composite issue (1989-A) encompassing three borrowers (Mosler, Inc.; The Su-dan Company, Inc., and Delta Properties; and The Tuttle Company, Inc.).

ATTACHMENTS:

Huey April 4 letter to McInnis; attachments

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EXHIBIT

APR 11 1989 NO. 13

STATE BUDGET & CONTROL BOARD

REQUEST FOR ASSIGNMENT OF BOND COUNSEL

FROM: The South Carolina Jobs-Economic Development Authority

TO: Grady L. Patterson, Jr., State Treasurer

DATE: March 28, 1989

SUBJECT: REQUEST FOR ASSIGNMENT OF BOND COUNSEL

Any agency, department or institution contemplating a debt issue must immediataly contact the State Treasurer's Office who will work with them in obtaining assignment of bond counsel pursuant to State Budget and Control Board directives.

DESCRIPTION OF DEBT ISSUE: Tax-Exempt Issue (Three Borrowers)

The recommendation of bond counsel proposed by order of preference is as follows:

1. The Haynsworth, Marion, McKay and Guerard Law Firm
NAME OF FIRM

2. The McNair Law Firm
NAME OF FIRM

SUBMITTED BY: Edwin J. Dukes III Exec. Director ON 03/28/89
SIGNATURE\TITLE DATE

- -

FOR STATE BUDGET AND CONTROL BOARD USE ONLY:

BOND COUNSEL APPROVED: HAYNSWORTH, MARION, McKAY + GUERARD 4-11-89
FIRM DATE

CERTIFIED BY: William J. McInnis ON 4-11-89
FOR STATE BUDGET AND CONTROL BOARD DATE

- -

FOR STATE TREASURER'S OFFICE USE ONLY:

Notification given to agency\institution by the State Treasurer's Office on _____ by _____
DATE (NAME\TITLE)

STO/BC-2

11174

APR - 5 1989

STATE OF SOUTH CAROLINA

OFFICE OF STATE TREASURER

GRADY L. PATTERSON, JR.
TREASURER

P. O. DRAWER 11778
COLUMBIA
29211

April 5, 1989

EXHIBIT

APR 11 1989 NO. 13

STATE BUDGET & CONTROL BOARD

Honorable William A. McInnis
Deputy Executive Director
State Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Dear Bill:

The attached request for approval of bond counsel has been received and needs to be placed on the Agenda for consideration by the Budget and Control Board at its next meeting.

Once a determination has been made by the Board, we will notify the requesting agency's of the Board's decision.

If you need any further information, please feel free to call me.

Very truly yours,

Sandy

Sandy Agee Huey
Deputy State Treasurer

SAH:fm

Enclosures

11175

Attachment - 04/05/89

The following request for assignment of bond counsel on a proposed revenue issue has been received by the State Treasurer's Office and is in a position to be considered by the Budget and Control Board.

Agency	Approximate Size of Proposed Issue	Attorney Recommendation by Order of Preference
South Carolina Jobs-Economic Development Authority	Tax-Exempt Issue (1989-A) Composite Issue (currently encompassing 3 borrowers)	Haynsworth, Marion, McKay and Guerard The McNair Law Firm
	1. Mosler, Inc. - Orangeburg $1,500,000	
	2. The Su-dan Company, Inc. and Delta Properties - Belton $ 700,000	
	3. The Tuttle Company, Inc. Rock Hill $ 900,000	
	3,100,000	

EXHIBIT

APR 11 1989 NO. 18

STATE BUDGET & CONTROL BOARD

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EXHIBIT

APR 11 1989 NO. 14

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD REGULAR SESSION
MEETING OF April 11, 1989 ITEM NUMBER 7

AGENCY: Executive Director

SUBJECT: Revenue Bond Issues; State Ceiling Allocations

The required reviews on the following 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 ceiling allocation is requested for projects (b) and (c).

(a) Issuing Authority: Kershaw County
Amount of Issue: $3,200,000 Hospital Facilities Revenue REFUNDING Bonds
Allocation Amount: -0-
Name of Project: Kershaw County Memorial Hospital
Project Description: Refund outstanding bonds

(b) Issuing Authority: Greenville County
Amount of Issue: $1,550,000 Industrial Development Revenue Note
Allocation Amount: $1,550,000
Name of Project: PGB Partnership
Employment Impact: 80
Project Description: Manufacture portable living quarters

(c) Issuing Authority: Orangeburg County
Amount of Issue: $10,000,000 Industrial Development Revenue Bonds
Allocation Amount: $10,000,000
Name of Project: Metal Leve, Inc.
Employment Impact: 80
Project Description: manufacture pistons for diesel engines

The status of the State Ceiling as of April 7, 1989 (year elapsed 26%) was:

	Ceiling, 1989	Allocated	%	Available	%
State Pool	69,860,000	3,100,000	4.4%	66,760,000	95.6%
Local Pool	104,790,000	27,375,000	26.1%	77,415,000	73.9%
Total	174,650,000	30,475,000	17.4%	144,175,000	82.6%

For comparison, the status about a year ago (at April 20, 1988) was:

	Ceiling, 1988	Allocated	%	Available	%
State Pool	68,500,000	3,100,000	4.5%	65,400,000	95.5%
Local Pool	102,750,000	74,860,000	72.9%	27,890,000	27.1%
Total	171,250,000	77,960,000	45.5%	93,290,000	54.5%

BOARD ACTION REQUESTED:

Adopt resolutions approving 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 to projects (b) and (c); and receive as information the status report on the State Ceiling.

ATTACHMENTS: Resolutions; status report on State Ceiling.

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1989 STATE CEILING AMOUNT AVAILABLE FOR ALLOCATION

A. State Government Pool (40%)	69,860,000
Total, State Government Pool (40%)	**69,860,000**
B. Local Pool (60%)	104,790,000
Total, Local Pool (60%)	**104,790,000**
Certified State Ceiling (01/03/89)	**174,650,000**

* * * * * * * * * * * * * * * *

1989 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	Issue Date	Attorney
01/03/89	**STATE GOVERNMENT POOL**		**69,860,000**					
03/28/89	JEDA	Mosler, Inc.		-1,500,000				Howell
03/28/89	JEDA	The Tuttle Co.		-900,000				Howell
03/28/89	JEDA	Su-dan Co./Delta Prop.		-700,000				Howell
	Total, State Government Pool		69,860,000	-3,100,000	66,760,000	0		
01/03/89	**LOCAL POOL**		**104,790,000**					
01/30/89	Spartanburg County	Isomedix Operations, Inc.		-3,000,000		3,000,000	03/29/89	Trouche
02/17/89	Anderson County	Kravet Fabrics, Inc.		-3,500,000		3,500,000	03/09/89	McKinney
03/06/89	Fairfield County	Fuji Copian Corporation		-10,000,000				Lucas
03/06/89	Laurens County	NICCA U.S.A., Inc.		-9,000,000				McKinney
03/28/89	Anderson County	Tag and Label Corporation		-1,875,000				McKinney
	Total, Local Pool		104,790,000	-27,375,000	77,415,000	6,500,000		
	GRAND TOTAL		**174,650,000**	**-30,475,000**	**144,175,000**	**6,500,000**		

EXHIBIT NO. 14
APR 11 1989
STATE BUDGET & CONTROL BOARD

11178

pab/alloc89
04/04/89

EXHIBIT NO. 14
APR 11 1989
STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD RESOLUTION

A RESOLUTION APPROVING THE ISSUANCE BY KERSHAW COUNTY, SOUTH CAROLINA, OF NOT EXCEEDING $3,200,000 PRINCIPAL AMOUNT HOSPITAL FACILITIES REVENUE REFUNDING BONDS (KERSHAW COUNTY MEMORIAL HOSPITAL PROJECT) SERIES 1989, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 44, CHAPTER 7, ARTICLE 11 (1976), AS AMENDED.

WHEREAS, the County Council of Kershaw County, South Carolina (the "County Council"), has heretofore, by submitting a petition (the "Petition") under and pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina (1976), as amended (the "Act"), requested the approval by the State Budget and Control Board of the issuance by Kershaw County, South Carolina (the "County"), pursuant to the Act of its Hospital Facilities Revenue Refunding Bonds (Kershaw Memorial Hospital Project), Series 1989, in the aggregate principal amount of not exceeding $3,200,000 (the "Bonds"); and

WHEREAS, the County proposes to issue the Bonds for the purpose of refunding a $1,000,000 Hospital Improvement Revenue Bond of 1980, dated July 6, 1981, and a $3,000,000 Hospital Improvement Revenue Bond (Junior Lien), Series of 1986 (the "Bond of 1986") dated November 19, 1986, (collectively the "Outstanding Bonds") held by the United States of America, acting through the Farmers Home Administration, United State Department of Agriculture and to pay costs incurred in connection therein; and

WHEREAS, pursuant to a Trust Indenture and Mortgage establishing the general terms and details of the Bonds (the "Indenture"), the County is obligated to make payments in amounts sufficient to pay the principal and interest on the Bonds; and

WHEREAS, the Bonds will be payable from revenues derived by the County from the Hospital Facilities and secured by an irrevocable pledge and assignment of the County's right, title and interest in and to the Kershaw County Memorial Hospital (the "Hospital Facilities") and all Gross Receipts (as defined in the Indenture) derived by the County from the Hospital Facilities, and all monies and securities in funds created under the Indenture.

WHEREAS, the County has submitted a copy of a resolution and petition adopted by the County on March 21, 1989;

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

Section 1. The Board has made an independent investigation of the matters set forth in the Petition, and on

the basis of such investigation it is hereby found, determined and declared:

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the County Council contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 44-7-1590 of the Act; and

(c) The refunding of the Outstanding Bonds as described in the Petition of the County Council is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

Section 2. In consequence of the foregoing, the proposal of the County to refund the Outstanding Bonds and to pay costs incurred in connection therewith by the execution and delivery of the Bonds, in substantially the form set forth in the Indenture, and secured by an irrevocable pledge and assignment of the County's right, title and interest in and to the Hospital Facilities and all Gross Receipts derived by the County from the Hospital Facilities, and all monies and securities in funds created under the Indenture, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the County Council, and do not make inaccurate, except as to dates and amounts, the summaries of the Indenture.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in The State, which is a newspaper having general circulation in Kershaw County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution shall take effect immediately.

EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS
OF SOUTH CAROLINA CODE ANNOTATED,
TITLE 44, CHAPTER 7, ARTICLE 11 (1976), AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 44-7-1590 of South Carolina Code Annotated, Title 44, Chapter 7, Article 11 (1976), as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Kershaw County, South Carolina, has given its approval to the following undertaking by Kershaw County, South Carolina:

The issuance by Kershaw County of its Hospital Facilities Revenue Refunding Bonds (Kershaw County Memorial Hospital Project), Series 1989, in the original principal amount of not exceeding $3,200,000 (the "Bonds"), to refund a $1,000,000 Hospital Improvement Revenue Bond of 1980 (the "Bond of 1980"), dated July 6, 1981 and a $3,000,000 Hospital Improvement Revenue Bond (Junior Lien), Series of 1986 (the "Bond of 1986") dated November 19, 1986, (collectively, the "Outstanding Bonds"), held by the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture and to pay costs incurred in connection therewith. The County unconditionally covenants to make payments sufficient to pay the principal and interest on the Bonds. The Bonds will be payable solely and exclusively out of revenues derived by the County from the Kershaw County Memorial Hospital (the "Hospital Facilities"). Because additional facilities or equipment are not being constructed or acquired, the South Carolina Department of Health and Environmental Control is not required to issue Certificates of Need with respect to the Hospital Facilities.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval as described above and the issuance of the Bonds by Kershaw County to finance the same by action de novo instituted in the Circuit Court for Kershaw County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, Secretary

A RESOLUTION APPROVING THE ISSUANCE BY GREENVILLE COUNTY, SOUTH CAROLINA, OF A NOT EXCEEDING $1,550,000 PRINCIPAL AMOUNT INDUSTRIAL DEVELOPMENT REVENUE NOTE (PGB PARTNERSHIP PROJECT) 1989, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED.

WHEREAS, the County Council of Greenville County, South Carolina (the "Governing Board"), has heretofore, by submitting a petition (the "Petition") under and pursuant to the provisions of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), requested the approval by the State Budget and Control Board of the issuance by Greenville County (the "County") pursuant to the Act of its Industrial Development Revenue Note (PGB Partnership Project) in the aggregate principal amount of not exceeding $1,550,000 (the "Note"); and

WHEREAS, the County proposes to issue the Note for the purpose of defraying the cost of acquiring, by construction and purchase, certain land and a building or buildings and other improvements thereon, and certain machinery, apparatus, equipment, office facilities and furnishings (the "Project") to be used for the purpose of manufacturing portable living quarters; and

WHEREAS, the Project is to be made available to PGB Partnership (the "Obligor") upon terms which require the Obligor to make payments to or for the account of the County in amounts sufficient to pay the principal and interest on the Note and which secure the obligation of the Obligor by a mortgage and security interest in the Project; and

WHEREAS, the Note will be payable from and secured by an assignment of the obligations of the Obligor and the mortgage and security interest in the Project; and

WHEREAS, the County has submitted a copy of a resolution and petition adopted by the County on April 4, 1989;

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

Section 1. The Board has made an independent investigation of the matters set forth in the Petition, and on the basis of such investigation it is hereby found, determined and declared:

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 4-29-140 of the Act; and

(c) The Project subject of the Petition of the Governing Board is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

Section 2. In consequence of the foregoing, the proposal of the County to defray the cost of acquiring the Project, to make the Project available to the Obligor to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Note, in substantially the form set forth in the Indenture, secured by an assignment of the revenues to be derived from the Mortgage and Financing Agreement, and a mortgage and security interest in the Project, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the County Council and the Obligor and do not make inaccurate, except as to dates and amounts, the summaries of the Mortgage and Financing Agreement and the Indenture and the description of the Project.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in The Greenville News which is a newspaper having general circulation in Greenville County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution shall take effect immediately.

EXHIBIT

APR 11 1989 NO. 14

EXHIBIT A

STATE BUDGET & CONTROL BOARD

NOTICE PURSUANT TO THE PROVISIONS
OF SOUTH CAROLINA CODE ANNOTATED,
TITLE 4, CHAPTER 29
(1976), AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Greenville County, South Carolina, has given its approval to the following undertaking by Greenville County, South Carolina:

The issuance by Greenville County of its Industrial Development Revenue Note (PGB Partnership Project) in the original principal amount of not exceeding $1,550,000 (the "Note"), to defray the costs of acquiring, by construction and purchase, certain land and a building or buildings and improvements thereon, and certain machinery, apparatus, equipment, office facilities and furnishings by PGB Partnership, a South Carolina partnership, to be used as an industrial facility for the purpose of manufacturing portable living quarters (the "Project") to be located in Greenville County. The Project will be made available to PGB Partnership which will unconditionally covenant to make payments sufficient to pay the principal and interest on the Note. The Note will be payable solely and exclusively out of payments to be made by PGB Partnership for the use of the Project, and is to be additionally secured by a mortgage and security interest in the Project.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Project and the issuance of the Note by Greenville County to finance the same, by action de novo instituted in the Circuit Court for Greenville County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, Secretary

Dated: April 11, 1989.

11184

A RESOLUTION APPROVING THE ISSUANCE BY ORANGEBURG COUNTY, SOUTH CAROLINA, OF NOT EXCEEDING $10,000,000 AGGREGATE PRINCIPAL AMOUNT INDUSTRIAL DEVELOPMENT REVENUE BONDS (METAL LEVE, INC. PROJECT) 1989, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED.

WHEREAS, the County Council of Orangeburg County, South Carolina (the "Governing Board") has heretofore, by submitting a petition (the "Petition"), under and pursuant to the provisions of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended, (the "Act") requested the approval by the State Budget and Control Board of the issuance by Orangeburg County (the "County") pursuant to the Act of its Industrial Development Revenue Bonds (Metal Leve, Inc. Project) in the aggregate principal amount of not exceeding $10,000,000 (the "Bonds"); and

WHEREAS, the County proposes to issue the Bonds for the purpose of defraying the cost of acquiring, by construction and purchase certain land, a building or buildings and other improvements thereon, and all machinery, apparatus, equipment, office facilities and furnishings to be installed therein (the "Project") to be used for the purpose of manufacturing pistons for diesel engines; and

WHEREAS, the Project is to be made available to Metal Leve, Inc., a Texas corporation qualified to do business in South Carolina, (the "Corporation") upon terms which require the Corporation to make payments to or for the account of the County in amounts sufficient to pay the principal, premium, if any, and interest on the Bonds and which secure the obligation of the Corporation by a mortgage and security interest in the Project; and

WHEREAS, the Bonds will be payable from and secured by an assignment of the obligations of the Corporation and the mortgage and security interest in the Project; and

WHEREAS, the County has submitted with the Petition (i) an Inducement Resolution of the County executed by the Governing Board on October 31, 1988 and (ii) a copy of a resolution and petition adopted by the County on April 3, 1989, and this Board has reviewed and considered each of said documents in its consideration of said Petition by the County;

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

Section 1. The Board has made an independent investigation of the matters set forth in the Petition, and

(c)

on the basis of such investigation it is hereby found, determined and declared:

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 4-29-140 of the Act; and

(c) The Project subject of the Petition of the Governing Board is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

Section 2. In consequence of the foregoing, the proposal of the County to defray the cost of acquiring the Project, to make the Project available to the Corporation, to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Bonds, in substantially the form set forth in the Indenture, secured by an assignment of the revenues to be derived from the Financing Agreement and by a Letter of Credit issued by The First National Bank of Boston, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the Orangeburg County Council and the Corporation, and do not make inaccurate, except as to dates and amounts, the summaries of the Financing Agreement and the Indenture and the description of the Project.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in the The State Newspaper and the Orangeburg Times and Democrat, newspapers having general circulation in Orangeburg County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution shall take effect immediately.

EXHIBIT

APR 1 1 1989 NO. 1 4

STATE BUDGET & CONTROL BOARD

EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended, (the "Act") that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Orangeburg County, South Carolina, has given its approval to the following undertaking by Orangeburg County, South Carolina:

The issuance by Orangeburg County of its Industrial Development Revenue Bonds (Metal Leve, Inc. Project) in the aggregate principal amount of not exceeding $10,000,000 (the "Bonds"), to defray the costs of acquiring, by construction and purchase certain land, a building or buildings and other improvements thereon, and all machinery, apparatus, equipment, office facilities and furnishings to be installed therein, to be owned and operated by Metal Leve, Inc., a Texas corporation qualified to do business in South Carolina, as an industrial facility for the purpose of manufacturing pistons for diesel engines (the "Project") to be located in Orangeburg County . The Project will be made available to Metal Leve, Inc. which will unconditionally covenant to make payments sufficient to pay the principal, premium, if any, and interest on the Bonds. The Bonds will be payable by Orangeburg County solely and exclusively out of payments to be made by Metal Leve, Inc. for the use of the Project, and are to be additionally secured by a Letter of Credit issued by The First National Bank of Boston.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Project and the issuance of the Bonds by Orangeburg County to defray the cost thereof, by action de novo instituted in the Circuit Court for Orangeburg County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, Secretary

Dated: April 11, 1989.

11187

Complete

(A)

REVISED
Lee
4/25
exhibits

EXHIBIT

APR 11 1989 NO. 14 (a)

STATE BUDGET & CONTROL BOARD

Kershaw County

4/11/89

Kershaw County Hospital

~~$3,200,000~~

Hospital Facilities
Revenue Bonds

REFUNDING

To Aud 4/4
Atty 4/4

no allocation

11188

STATE BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR
601 WADE HAMPTON BUILDING
COLUMBIA, SC 29201

(803) 734-2320

EXHIBIT

TO: Files APR 11 1989 NO. 14(a)

FROM: William A. McInnis STATE BUDGET & CONTROL BOARD

DATE: 4-17-89

RE: Cherokee County Hospital Refunding

___ As we discussed ___ As you requested

___ For your approval ___ For your comments

___ For your information ___ For your signature

___ Note and file/return ___ Note and see/call me

___ Return with more details ___ Take appropriate action

Daniel McLeod Jr advised that principal amount of bonds will be increased above the $3,200,000 shown in his original submission. He will submit revised documents for 4.25 meeting.

I called T. Ashworth to let know.

WAM

11189

EXHIBIT

APR 11 1989 NO. 14(a)

STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD RESOLUTION

A RESOLUTION APPROVING THE ISSUANCE BY KERSHAW COUNTY, SOUTH CAROLINA, OF NOT EXCEEDING $3,200,000 PRINCIPAL AMOUNT HOSPITAL FACILITIES REVENUE REFUNDING BONDS (KERSHAW COUNTY MEMORIAL HOSPITAL PROJECT) SERIES 1989, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 44, CHAPTER 7, ARTICLE 11 (1976), AS AMENDED.

WHEREAS, the County Council of Kershaw County, South Carolina (the "County Council"), has heretofore, by submitting a petition (the "Petition") under and pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina (1976), as amended (the "Act"), requested the approval by the State Budget and Control Board of the issuance by Kershaw County, South Carolina (the "County"), pursuant to the Act of its Hospital Facilities Revenue Refunding Bonds (Kershaw Memorial Hospital Project), Series 1989, in the aggregate principal amount of not exceeding $3,200,000 (the "Bonds"); and

WHEREAS, the County proposes to issue the Bonds for the purpose of refunding a $1,000,000 Hospital Improvement Revenue Bond of 1980, dated July 6, 1981, and a $3,000,000 Hospital Improvement Revenue Bond (Junior Lien), Series of 1986 (the "Bond of 1986") dated November 19, 1986, (collectively the "Outstanding Bonds") held by the United States of America, acting through the Farmers Home Administration, United State Department of Agriculture and to pay costs incurred in connection therein; and

WHEREAS, pursuant to a Trust Indenture and Mortgage establishing the general terms and details of the Bonds (the "Indenture"), the County is obligated to make payments in amounts sufficient to pay the principal and interest on the Bonds; and

WHEREAS, the Bonds will be payable from revenues derived by the County from the Hospital Facilities and secured by an irrevocable pledge and assignment of the County's right, title and interest in and to the Kershaw County Memorial Hospital (the "Hospital Facilities") and all Gross Receipts (as defined in the Indenture) derived by the County from the Hospital Facilities, and all monies and securities in funds created under the Indenture.

WHEREAS, the County has submitted a copy of a resolution and petition adopted by the County on March 21, 1989;

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

Section 1. The Board has made an independent investigation of the matters set forth in the Petition, and on

the basis of such investigation it is hereby found, determined and declared:

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the County Council contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 44-7-1590 of the Act; and

(c) The refunding of the Outstanding Bonds as described in the Petition of the County Council is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

Section 2. In consequence of the foregoing, the proposal of the County to refund the Outstanding Bonds and to pay costs incurred in connection therewith by the execution and delivery of the Bonds, in substantially the form set forth in the Indenture, and secured by an irrevocable pledge and assignment of the County's right, title and interest in and to the Hospital Facilities and all Gross Receipts derived by the County from the Hospital Facilities, and all monies and securities in funds created under the Indenture, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the County Council, and do not make inaccurate, except as to dates and amounts, the summaries of the Indenture.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in The State, which is a newspaper having general circulation in Kershaw County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution shall take effect immediately.

EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS
OF SOUTH CAROLINA CODE ANNOTATED,
TITLE 44, CHAPTER 7, ARTICLE 11 (1976), AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 44-7-1590 of South Carolina Code Annotated, Title 44, Chapter 7, Article 11 (1976), as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Kershaw County, South Carolina, has given its approval to the following undertaking by Kershaw County, South Carolina:

The issuance by Kershaw County of its Hospital Facilities Revenue Refunding Bonds (Kershaw County Memorial Hospital Project), Series 1989, in the original principal amount of not exceeding $3,200,000 (the "Bonds"), to refund a $1,000,000 Hospital Improvement Revenue Bond of 1980 (the "Bond of 1980"), dated July 6, 1981 and a $3,000,000 Hospital Improvement Revenue Bond (Junior Lien), Series of 1986 (the "Bond of 1986") dated November 19, 1986, (collectively, the "Outstanding Bonds"), held by the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture and to pay costs incurred in connection therewith. The County unconditionally covenants to make payments sufficient to pay the principal and interest on the Bonds. The Bonds will be payable solely and exclusively out of revenues derived by the County from the Kershaw County Memorial Hospital (the "Hospital Facilities"). Because additional facilities or equipment are not being constructed or acquired, the South Carolina Department of Health and Environmental Control is not required to issue Certificates of Need with respect to the Hospital Facilities.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval as described above and the issuance of the Bonds by Kershaw County to finance the same by action de novo instituted in the Circuit Court for Kershaw County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, Secretary

EXHIBIT

APR 11 1989 NO. 14(a)

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA)
)
COUNTY OF KERSHAW)

TO: THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

PETITION

This Petition of Kershaw County, South Carolina (the "County"), pursuant to South Carolina Code Annotated, Title 44, Chapter 7 (1976), as amended (the "Act"), and specifically Section 44-7-1590 thereof, respectfully shows:

1. The County Council of Kershaw County is the governing body of Kershaw County, and as such constitutes a "County Board" and the "Public Agency" as referred to in the Act with respect to hospital facilities located in Kershaw County (the "County").

2. The Act empowers the County, functioning through its County Council (the "County Board"), subject to obtaining approval from the State Budget and Control Board (the "State Board"), required by Section 44-7-1590 of the Act and from the Department of Health and Environmental Control required by Section 44-7-1590 of the Act, to issue bonds to refinance or to refund any indebtedness of any "public agency" (defined in the Act to include a county) heretofore incurred for the purpose of providing hospital facilities. The Act further provides that if the county is also the public agency and the hospital facilities are under the jurisdiction of the County Council, the loan agreement contemplated by the Act may be in the form of a resolution adopted by the County Council.

3. The Kershaw County Hospital Board, an agency of the County and the governing body of the Kershaw County Memorial Hospital (the "Hospital"), operates and maintains the Hospital and has requested the County Council to issue not exceeding $3,200,000 hospital facilities revenue bonds for the purpose permitted by the Act.

4. The County has heretofore issued its $1,000,000 Hospital Improvement Revenue Bond, 1980, and its $3,000,000 Hospital Improvement Revenue Bond (Junior Lien), Series of 1986 (collectively the "Outstanding Bonds").

5. The Outstanding Bonds are held by the United States of America, acting by and through the Farmers Home Administration ("FmHA"). FmHA through its Discount Purchase

Program of 1989 permits borrowers to purchase their outstanding loans at a substantial discount.

6. The County has been advised by the Hospital Board that the estimated cost of refunding the Outstanding Bonds will be $3,200,000 and it has requested the County to execute and deliver its Hospital Facilities Revenue Bonds (Kershaw County Memorial Hospital Project), Series 1989 (the "Bonds"), in the principal amount of not exceeding $3,200,000 to defray such costs.

7. In accordance with Section 44-7-1480, the County Council has found and determined that:

(a) There is a need for the Hospital Facilities in the area in which the Hospital Facilities are located to serve the people of the County and to make accessible modern and efficient hospital facilities at the lowest possible expense to those utilizing the Hospital Facilities;

(b) The Hospital Facilities constitute "hospital facilities" as defined in the Act;

(c) The County is financially responsible and capable of fulfilling its obligations under the documents relating to the Bonds, including the obligations to make payments required thereunder, to operate, repair and maintain at its own expense the Hospital Facilities and to discharge such other responsibilities as may be imposed under such documents;

(d) Adequate provisions shall be made for the payment of principal of and interest on the Bonds and any necessary reserves therefor and for the operation, repair and maintenance of the Hospital Facilities at the expense of the County;

(e) The public facilities, including utilities, and public services necessary for the Hospital Facilities will be made available to the general public;

(f) The issuance of the Bonds will subserve the purposes and in all respects conform to the provisions and requirements of the Act; and

(g) The Hospital Facilities, the Bonds and any documents or agreements entered into by the County in connection therewith will not 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.

8. Pursuant to Section 44-7-1590 of the Act, the County sets forth the following information:

(a) The Hospital Facilities of the County consist of a general hospital with a maximum capacity of 121 beds and a skilled nursing facility consisting of 88 beds.

(b) The County will issue its not exceeding $3,200,000 Hospital Facilities Revenue Refunding Bonds, Series 1989, to refund the Outstanding Bonds.

(c) Because additional facilities or equipment are not being constructed or acquired, the Department of Health and Environmental Control ("DHEC") is not required to issue Certificates of Need with respect to the Hospital Facilities. The Hospital is duly licensed by DHEC.

(d) The cost of refunding the Outstanding Bonds is not exceeding $3,200,000 including financing costs and all other expenses to be incurred in connection therewith.

(e) The proposed Trust Indenture and Mortgage (the "Indenture") between the County and The Citizens and Southern Trust Company (South Carolina), National Association as trustee (the "Trustee"), provides as follows:

(i) The Indenture provides for the issuance of not exceeding $3,200,000 Hospital Facilities Revenue Refunding Bonds (Kershaw County Memorial Hospital), Series 1989, of Kershaw County, South Carolina, for the purpose of refunding the Outstanding Bonds, financing costs and all other expenses to be incurred in connection therewith.

(ii) The Indenture contains no provisions imposing an indebtedness on 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.

(iii) The Indenture contains covenants obligating the County to make payments which shall be sufficient to pay the principal of and interest on the Bonds issued; to build up and maintain any reserves deemed by the County Council to be advisable in connection therewith; and to pay the costs of maintaining the Hospital Facilities in good repair and the cost of keeping such Hospital Facilities properly insured.

(iv) The Indenture contains provisions whereby the County pledges and assigns and agrees to pay to the Trustee for the benefit of the Bondholder certain revenues of the Hospital Facilities.

(v) The Indenture contains provisions authorizing an irrevocable pledge and assignment for the benefit of the holders of the Bonds of the County's right, title and interest in and to the Hospital Facilities and all Gross Receipts derived the County from the Hospital Facilities, and all the moneys and securities in funds created under the Indenture.

(vi) The terms of the Bonds, the provisions for exchange and transfer of the Bonds, the prepayment provisions, the means of disbursement and investment of the proceeds thereof, default provisions and remedies therefor and various other matters relating to the Bonds.

(viii) The execution of the Indenture imposes no pecuniary liability on the County and does not create a charge upon the general credit or taxing power of the County.

Upon the basis of the foregoing, the County respectfully prays that the State Budget and Control Board (1) accept the filing of this Petition and the documents submitted herewith, (2) make such investigation as it deems advisable, (3) if it finds that the refunding is intended to promote the purposes of the Act, that it approve the refunding and the execution and delivery of the Bonds by the County pursuant to the Act to defray the cost of the refunding (including changes in any details of the said financing as finally consummated which do not materially affect the undertaking of the County), and (4) give published notice of its approval in the manner set forth in Section 44-7-1590 of the Act.

11196

Respectfully submitted,

KERSHAW COUNTY, SOUTH CAROLINA

By: _____
Chairman, County Council of
Kershaw County, South
Carolina

(SEAL)

ATTEST:

_____
Clerk, County Council of
Kershaw County, South Carolina

Dated: March 21, 1989.

EXHIBIT

APR 11 1989 NO. 14(a)

STATE BUDGET & CONTROL BOARD

RESOLUTION

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY KERSHAW COUNTY, SOUTH CAROLINA, OF ITS HOSPITAL FACILITIES REVENUE BONDS (KERSHAW COUNTY MEMORIAL HOSPITAL PROJECT) SERIES 1989, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 44, CHAPTER 7 (1976), AS AMENDED, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING $3,200,000.

WHEREAS, Kershaw County, South Carolina (the "County"), acting by and through its County Council (the "County Council"), is authorized and empowered under and pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act"), to promote the public health and welfare by providing for the financing, refinancing, acquiring, enlarging, improving, constructing and equipping of hospital facilities to serve the people of the State and to make accessible to them modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities; and

WHEREAS, the County is further authorized to issue revenue bonds for the purpose of refinancing or refunding outstanding obligations made or given by a public agency for the cost of hospital facilities; and

WHEREAS, the County is a "public agency" as such term is defined in the Act; and

WHEREAS, the Kershaw County Hospital Board, an agency of the County and the governing body of the Kershaw County Memorial Hospital (the "Hospital"), operates and maintains the Hospital as a public hospital for the benefit of the residents of the County; and

WHEREAS, the Hospital is duly licensed by the Department of Health and Environmental Control ("DHEC") as a general hospital with a maximum capacity of 121 beds and is further licensed by DHEC for a skilled nursing facility of 88 beds; and

WHEREAS, the County has heretofore issued its $1,000,000 Hospital Improvement Revenue Bond, 1980, and its $3,000,000 Hospital Improvement Revenue Bond (Junior Lien), Series of 1986 (collectively the "Outstanding Bonds"); and

WHEREAS, the Outstanding Bonds are held by the United States of America, acting by and through the Farmers Home Administration ("FmHA"); and

WHEREAS, FmHA through its Discount Purchase Program of 1989 permits borrowers to purchase their outstanding loans at a substantial discount; and

WHEREAS, the County proposes to issue its Hospital Facilities Revenue Refunding Bonds (Kershaw County Memorial Hospital Project), Series 1989, in the principal amount of not exceeding $3,200,000 (the "Bonds") under and pursuant to the Act to refund the Outstanding Bonds and to pay costs of issuance therefor; and

WHEREAS, it is now deemed advisable by the County Council to file with the State Budget and Control Board of South Carolina, in compliance with Section 44-7-1590 of the Act, the Petition of the County requesting approval of the proposed financing by the State Budget and Control Board;

NOW, THEREFORE, BE IT RESOLVED by the County Council of Kershaw County, South Carolina, as follows:

Section 1. It is hereby found, determined and declared as follows:

(a) The County Council constitutes the "County Board", the Hospital constitutes "Hospital Facilities" and the County constitutes a "Public Agency" as such terms are defined in the Act. Because the County is a Public Agency and the Hospital Facilities are under the jurisdiction of the County Council, the Loan AGreement (as defined in the Act) may be and hereby is in the form of this Resolution adopted by the County Council.

(b) The Hospital Facilities of the County consist of a general hospital with a maximum capacity of 121 beds and a skilled nursing facility consisting of 88 beds. The County proposes to issue not exceeding $3,200,000 of hospital revenue bonds to refund the Outstanding Bonds.

(c) The County Council has determined that there is a need for the Hospital Facilities in the County to serve the people of the County and to make accessible modern and efficient Hospital Facilities at the lowest possible expense to those utilizing such Hospital Facilities.

(d) The County is financially responsible and capable of fulfilling its obligations under the documents relating to the Bonds including the obligations to make the payments required thereunder, to operate, repair and maintain at its own expense the Hospital Facilities and to discharge such other responsibilities as may be imposed under the documents relating to the Bonds.

(e) Adequate provisions shall be made for the payment of principal of and interest on the Bonds and any necessary reserves therefor and for the operation, repair and maintenance of the Hospital Facilities at the expense of the County.

(f) The public facilities, including utilities, and public services necessary for the Hospital Facilities will be made available to the general public.

(g) The Hospital Facilities, the Bonds and any documents or agreements entered into by the County in connection therewith will not 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.

Section 2. There be and is hereby authorized and directed the submission on behalf of the County, of a Petition requesting the approval of the proposal of the County to issue the Bonds by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 44-7-1590 of the Act, said Petition, which constitutes and is hereby made a part of this authorizing resolution, to be in substantially the form attached hereto.

Section 3. The Chairman of the County Council be and is hereby authorized and directed to execute said Petition in the name and on behalf of the County; and the Clerk of the County Council be and is hereby authorized and directed to affix the seal of the County to said Petition and to attest the same and thereafter to submit an executed copy of this Resolution to the State Budget and Control Board in Columbia, South Carolina.

Section 4. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

11200

Adopted this 21st day of March, 1989.

KERSHAW COUNTY, SOUTH CAROLINA

By: _____
Chairman, County Council of
Kershaw County, South Carolina

(SEAL)

ATTEST:

_____
Clerk, County Council of
Kershaw County, South Carolina

11201

EXHIBIT

APR 11 1989 NO. 14(a)

STATE BUDGET & CONTROL BOARD

KERSHAW COUNTY MEMORIAL HOSPITAL

RESOLUTION

WHEREAS, the Kershaw County Hospital Board (the "Board"), an agency of Kershaw County (the "County"), is the governing body of the Kershaw County Memorial Hospital (the "Hospital") and operates and maintains a public hospital for the benefit of the residents of the County; and

WHEREAS, the County has heretofore issued its $1,000,000 Hospital Improvement Revenue Bond, 1980, and its $3,000,000 Hospital Improvement Revenue Bond (Junior Lien), Series of 1986 (collectively the "Outstanding Bonds"); and

WHEREAS, the Outstanding Bonds are held by the United States of America, acting by and through the Farmers Home Administration ("FmHA"). The FmHA through its Discount Purchase Program of 1989 permits borrowers to purchase their outstanding loans at a substantial discount; and

WHEREAS, the Board finds and determines that it is necessary and in the best interest of the Hospital to request the County Council to authorize the issuance and sale of its Hospital Facilities Revenue Refunding Bonds (Kershaw County Memorial Hospital Project), Series 1989 (the "Bonds"), in the principal amount of not exceeding $3,200,000 to defray such costs.

NOW, THEREFORE, BE IT RESOLVED BY THE KERSHAW COUNTY HOSPITAL BOARD, AS FOLLOWS:

Section 1. The Board hereby requests the County Council of Kershaw County to provide for the issuance and sale of not exceeding $3,200,000 hospital improvement revenue refunding bond (the "Bonds") of the County, the proceeds of which shall be used to refund the Outstanding Bonds.

Section 2. The refunding of the Outstanding Bonds through the issuance of the Bonds by the County is in the best interest of the Hospital and is hereby approved.

Section 3. The form, terms and provisions of the Trust Indenture and Mortgage (the "Indenture") dated as of May 1, 1989, by and between the County and Citizens and Southern Trust Company (South Carolina), National Association, as Trustee, as submitted to this meeting and appended hereto as Exhibit A and made a part of this Resolution as though set forth in full herein, be and the same is hereby approved with such changes, insertions and omissions as may be approved by the County. The Board hereby covenants and agrees to perform any and all covenants, agreements and undertakings imposed upon or required of the Hospital under the provisions of the Indenture to the extent necessary to effect compliance with the provisions thereof.

Section 4. The Chairman of the Board, Secretary of the Board and Administrator of the Hospital, be and each of them is hereby authorized and directed to take all such other action, including without limitation, the preparation, execution, acknowledgement, delivery and filing of applications, certificates, undertaking, notices and agreements or documents with appropriate persons or entities as they may deem necessary or advisable in order to carry out and effectuate the intent of this Resolution.

Section 5. This Resolution shall take effect upon adoption.

Done and adopted this 27th day of March, 1989.

KERSHAW COUNTY HOSPITAL BOARD

William B. Coombs
Chairman

(SEAL)

ATTEST:

Lynwood H. Young
Secretary

11203

APR 4 1989

EXHIBIT

APR 11 1989 NO. 14 (a)

STATE BUDGET & CONTROL BOARD

McNAIR LAW FIRM, P. A.
ATTORNEYS AND COUNSELORS AT LAW
NCNB TOWER
1301 GERVAIS STREET
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TELECOPIER 803-799-9804

CHARLESTON OFFICE
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POST OFFICE DRAWER 459
GEORGETOWN, S.C. 29442
803-546-6131

GEORGETOWN OFFICE
121 SCREVEN STREET
POST OFFICE DRAWER 418
GEORGETOWN, S.C. 29442
803-546-6102

GREENVILLE OFFICE
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7 NORTH LAURENS STREET
GREENVILLE, S.C. 29601
803-271-1940

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McNAIR LAW BUILDING
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HILTON HEAD ISLAND, S.C. 29938
803-785-5169

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

April 4, 1989

Mr. William A. McInnis
South Carolina Budget and Control Board
600 Wade Hampton Office Building
Columbia, South Carolina 29201

Hand Delivered

RE: Kershaw County, South Carolina, Hospital Facilities Revenue Refunding Bonds, (Kershaw County Memorial Hospital Project), Series 1989
File No.: 00449/25191

Dear Bill:

Enclosed is a Transmittal Form, Revenue Bonds with accompanying documents with regard to the above-referenced matter. I request that this matter be placed on the Budget and Control Board's agenda for its April 11 meeting.

The Kershaw County Memorial Hospital is a public hospital which is operated as an agency of Kershaw County. The hospital is owned, operated and managed by the County.

The proceeds of the proposed bonds will be used to refund the County's outstanding Hospital Revenue Bonds which are held by the Farmers Home Administration. Under the Farmer Home Administration's Discount Purchase Program for 1989, outstanding bonds may be purchased at a substantial discount. Enclosed is a preliminary savings report dated February 8, 1989 for this issue. Because interest rates have increased since February 8, the savings will probably not be as significant as shown on the report.

If there should be any other questions please contact me. With kind regards, I am

Yours very truly,

McNAIR LAW FIRM, P.A.

Dan McLeod

By: Daniel R. McLeod, Jr.

DRMjr/kcu

Enclosures

cc: Mr. Lynnwood H. Young
Mr. Cecil Anthony
William Byars, Esq.
Kathleen C. McKinney, Esq.

APR 4 1989
2:33 pm

EXHIBIT NO. 14(a)
APR 11 1989
STATE BUDGET & CONTROL BOARD

TRANSMITTAL FORM, REVENUE BONDS

Date: April 4, 1989
Submitted for BCB Meeting on:
April 11, 1989

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:
McNAIR LAW FIRM, P.A.
Name of Law Firm
Columbia, SC 29201 (29211)
City, State, Zip Code

1301 Gervais Street (P. O. Box 11390)
Street Address/Box Number
(803) 799-9800
Telephone Area Code and Number

RE: $3,200,000
Amount of Issue
Kershaw County
Issuing Authority Name

Hospital Facilities Revenue Refunding Bonds
Type of Bonds or Notes
May 5, 1989
Projected Issue Date

Project Name: Kershaw County Memorial Hospital
Project Description:
Refunding of the County's outstanding $1,000,000 Hospital Improvement Revenue Bond, 1980, and its $3,000,000 Hospital Improvement Revenue Bond (Junior Lien), Series of 1986.

Employment as result of project: -0-

CEILING ALLOCATION REQUIRED	REFUNDING INVOLVED	PROJECT APPROVED PREVIOUSLY
___ Yes ($_____ Amount) X No	X Yes ($3,200,000 Amount) ___ No	___ Yes (_____ Date) X No

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. ___ Inducement Resolution or comparable preliminary approval (executed copy)
D. ___ Standard Form Investment Letter from bonds purchaser (executed original)
(Purchaser: _____)
OR X 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 4 copies for certification and return to counsel]
G. ___ Processing fee
Amount $_____ Check No. _____
Payor _____

Bond Counsel: Daniel R. McLeod, Jr.
Typed Name

By: Daniel R. McLeod
Signature

11286

~~Incomplete~~ ~~Action requested~~

Complete

4/11

(a)

EXHIBIT

APR 11 1989 NO. 14 (b)

STATE BUDGET & CONTROL BOARD

PCB Partnership
Greenville County
#1,550,000 IRB

Alloc
+ State law

To Atty 4/5

11207

EXHIBIT

STATE OF SOUTH CAROLINA APR 11 1989 NO. 14

State Budget and Control Board

STATE BUDGET & CONTROL BOARD

OFFICE OF THE EXECUTIVE DIRECTOR

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

JAMES M. WADDELL, JR.
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

P.O. BOX 12444
COLUMBIA, SOUTH CAROLINA 29211
(803) 734-2320

May 9, 1989

Ms. Kathleen C. McKinney
McNair Law Firm
1201 Bankers Trust Plaza
Greenville, SC 29601

Dear Ms. McKinney:

Re: $1,550,000 Greenville County, SC
Industrial Development Revenue Bonds
PGB Partnership

I am forwarding my certified copies of the State Budget and Control Board resolution approving the referenced undertaking, on the condition that you supply to us the additional information Ms. Treva Ashworth of the Attorney General's Office advises is required. A copy of her May 8, 1989, letter to me describing that additional information is enclosed.

Sincerely,

William A. McInnis

William A. McInnis
Secretary

M
Enclosure

11208

MAY - 9 1989

EXHIBIT

APR 11 1989 NO. 14

STATE BUDGET & CONTROL BOARD

The State of South Carolina

Office of the Attorney General

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE: 803-734-3680
FACSIMILE: 803-253-6283

May 8, 1989

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
612 Wade Hampton Office Building
Post Office Box 12444
Columbia, South Carolina 29211

RE: $1,550,000 Greenville County, South Carolina
Industrial Development Revenue Bonds
PGB Partnership

Dear Mr. McInnis:

Regarding the above-referenced obligation, we have reviewed the Petition and other documents forwarded to us by the State Budget and Control Board. These represent a portion of the documents that have been submitted to the Board for its approval pursuant to Section 4-29-140, et seq., Code of Laws of South Carolina, 1976, as amended. The documents, with one exception, appear to comply with the requirements of the referenced Code sections that certain specific information be addressed in these documents.

Section 4-29-140 (b) requires a reasonable estimate of the cost of the project. This information would be found in the findings that the governing body must make pursuant to Section 4-29-60, regarding not only the amount of bonds necessary to finance the project, but the amount necessary each year to pay the principal of and interest on the bonds proposed to be issued to finance the project be stated. This office has been repeatedly advised by various bond counsel that information regarding the amount necessary in each year to pay the principal of and interest on bonds cannot be supplied until the final

EXHIBIT

APR 1 1 1989 NO. 14

STATE BUDGET & CONTROL BOARD

documents are signed. It should be noted, therefore, that this specific information required by the code is not included in the information submitted to this office. It should also be noted that although some of the documents submitted requested $2,000,000, the amount requested to be issued by the Petition is $1,550,000. This $1,550,000 amount, therefore, is reflected in the Resolution prepared for the Board that $1,550,000 be issued.

This opinion addresses only the fact that the documents, other than the exceptions noted above, appear to meet the conditions imposed by State law that certain specific matters be included in the documentation. No opinion is expressed as to any other matters, including whether the Petition should be approved as a matter of policy.

Office of the Attorney General

By:

TGA/lk

STATE OF SOUTH CAROLINA

State Budget and Control Board

OFFICE OF THE EXECUTIVE DIRECTOR

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

JAMES M. WADDELL, JR.
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

P.O. BOX 12444
COLUMBIA, SOUTH CAROLINA 29211
(803) 734-2320

May 30, 1989

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

FINAL ALLOCATION, CALENDAR YEAR 1989

TO: Greenville County
c/o Ms. Kathleen Crum McKinney
McNair Law Firm
Suite 1201 NCNB Plaza
7 North Laurens Street
Greenville, SC 29601

RE: Issue of $1,550,000 Greenville County, South Carolina
Industrial Development Revenue Note
(PGB Partnership Project)
Issue Date Projected By Issuing Authority: May 31, 1989
Allocation Expiration Date: July 10, 1989
Issue Amount Certificate Date: May 26, 1989

Based upon my receipt of the issue amount certificate required of the issuing authority by Section 1-11-550 of the South Carolina Code of Laws, 1976, as amended, which certificate is dated not more than ten (10) business days prior to the projected date of issue which, as certified by the issuing authority, is within the time period during which the ceiling allocation approved previously on a tentative basis by the State Budget and Control Board for the referenced project is valid, 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 1989 will not exceed the 1989 State Ceiling on the issuance of private activity bonds for the State of South Carolina.

William A. McInnis

William A. McInnis, Secretary

11211

McNAIR LAW FIRM, P. A.
ATTORNEYS AND COUNSELORS AT LAW
SUITE 400
NOMA PLAZA
1 NORTH LAURENS STREET
GREENVILLE, SOUTH CAROLINA 29601
803-271-4640
TELECOPIER 803-271-4648

COLUMBIA OFFICE
1301 GERVAIS STREET
POST OFFICE BOX 11390
COLUMBIA, S.C. 29211
803-799-9800

CHARLESTON OFFICE
210 PARI-MUT STREET
POST OFFICE BOX 486
CHARLESTON, S.C. 29402
803-723-9431

GEORGETOWN OFFICE
930 GREENWICH STREET
POST OFFICE DRAWER 480
GEORGETOWN, S.C. 29440
803-546-8327

GEORGETOWN OFFICE
61 SCREVEN STREET
POST OFFICE DRAWER 340
GEORGETOWN, S.C. 29440
803-546-8327

HILTON HEAD ISLAND OFFICE
MCNAIR LAW BUILDING
11 POPE AVENUE EXTENSION (29926)
POST OFFICE BOX 6028
HILTON HEAD ISLAND, S.C. 29938
803-785-8700

WASHINGTON OFFICE
SUITE 602
MADISON OFFICE BUILDING
100 3RD STREET N.W.
WASHINGTON, D.C. 20005
202-638-1900

May 26, 1989

Mr. William A. McInnis, Secretary
State Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Re: $1,550,000 Greenville County, South Carolina, Industrial Development Revenue Note (PGB Partnership Project) 1989

Dear Mr. McInnis,

In accordance with Regulation 19-102 I am hereby certifying $1,550,000 as the exact amount of bonds to be issued with regard to the above referenced bond issue. Please confirm a final allocation in the amount of $1,550,000. The issue is scheduled to close on May 31, 1989.

Please give me a call if you need anything further.

Sincerely,

McNAIR LAW FIRM, P.A.

Kathleen McInerney

KCM/lgm

McNAIR LAW FIRM, P. A.

Greenville Fax
(803) 271-4015

RAPICOM 120

DATE: 5/24/89

SEND TO: Dana Williams

TELEPHONE NUMBER: 777-4317

FROM: Kathy Mahaney

REFERENCE: P&L

CLIENT/MATTER NUMBER:

NUMBER OF PAGES (excluding cover): 1

Should you not receive all of the above pages, or if there is an error in transmission, please call (803) 271-4940.

TIME TRANSMITTED: 11:15

Additional Comments:

11213

4/11/89
Exhibit

JUN 2 1989

McNAIR LAW FIRM, P. A.
ATTORNEYS AND COUNSELORS AT LAW
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NCNB PLAZA
7 NORTH LAURENS STREET
GREENVILLE, SOUTH CAROLINA 29601
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GEORGETOWN OFFICE
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GEORGETOWN, S.C. 29442
803-546-5131

GEORGETOWN OFFICE
121 SCREVEN STREET
POST OFFICE DRAWER 418
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803-546-6102

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803-785-5169

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

June 1, 1989

Mr. William A. McInnis
State Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Re: $1,550,000 Greenville County, South Carolina, Industrial Development Revenue Note (PGB Partnership Project) 1989

Dear Mr. McInnis:

This is to confirm with you that the PGB Partnership bond issue closed on May 31, 1989, as scheduled.

Sincerely,

McNAIR LAW FIRM, P.A.

Kathy Crum McKinney

Kathleen Crum McKinney

KCM/dcp

11214

MAY - 9 1989

EXHIBIT

APR 11 1989 NO. 14 (b)

STATE BUDGET & CONTROL BOARD

The State of South Carolina

Office of the Attorney General

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE: 803-734-3680
FACSIMILE: 803-253-6283

May 8, 1989

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
612 Wade Hampton Office Building
Post Office Box 12444
Columbia, South Carolina 29211

RE: $1,550,000 Greenville County, South Carolina
Industrial Development Revenue Bonds
PGB Partnership

Dear Mr. McInnis:

Regarding the above-referenced obligation, we have reviewed the Petition and other documents forwarded to us by the State Budget and Control Board. These represent a portion of the documents that have been submitted to the Board for its approval pursuant to Section 4-29-140, et seq., Code of Laws of South Carolina, 1976, as amended. The documents, with one exception, appear to comply with the requirements of the referenced Code sections that certain specific information be addressed in these documents.

Section 4-29-140 (b) requires a reasonable estimate of the cost of the project. This information would be found in the findings that the governing body must make pursuant to Section 4-29-60, regarding not only the amount of bonds necessary to finance the project, but the amount necessary each year to pay the principal of and interest on the bonds proposed to be issued to finance the project be stated. This office has been repeatedly advised by various bond counsel that information regarding the amount necessary in each year to pay the principal of and interest on bonds cannot be supplied until the final

11215

EXHIBIT

APR 11 1989 NO. 14

STATE BUDGET & CONTROL BOARD

documents are signed. It should be noted, therefore, that this specific information required by the code is not included in the information submitted to this office. It should also be noted that although some of the documents submitted requested $2,000,000, the amount requested to be issued by the Petition is $1,550,000. This $1,550,000 amount, therefore, is reflected in the Resolution prepared for the Board that $1,550,000 be issued.

This opinion addresses only the fact that the documents, other than the exceptions noted above, appear to meet the conditions imposed by State law that certain specific matters be included in the documentation. No opinion is expressed as to any other matters, including whether the Petition should be approved as a matter of policy.

Office of the Attorney General

By: Drew A. Shaw

TGA/lk

EXHIBIT

APR 11 1989 NO. 14 (b)

STATE BUDGET & CONTROL BOARD

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 Greenville County (the "Issuer")
Of its Industrial Development Revenue Bonds (the "Bonds")
On behalf of PGB Partnership (the "Company")
PGB Partnership (the "Project")
To The South Carolina National Bank (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 April, 1989

Patricia A Hurtkamp
Notary Public

My Commission expires
1/18/95.

PURCHASER:
Name: The South Carolina National Bank
Address: P.O. Box 969
Greenville, S.C. 29602

BY: David Olsen S.V.P.
Signature of Authorized Official

Date: April 4, 1989

11217

EXHIBIT

APR 11 1989 NO. 14(b)

STATE OF SOUTH CAROLINA) PGB Partnership Projec STATE BUDGET & CONTROL BOARD

COUNTY OF RICHLAND)

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

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

His Excellency, Carroll A. Campbell, Jr., Governor and Chairman of the Board;

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

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

The Honorable James M. Waddell, Jr., Chairman of the Senate Finance Committee; and

The Honorable Robert N. McLellan, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 a.m. on Tuesday, April 11, 1989, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting.

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

FOR MOTION	AGAINST MOTION
5	0

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

May 9, 1989

William A McInnis

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EXHIBIT
NO. 14
APR 11 1989
STATE BUDGET & CONTROL BOARD

A RESOLUTION APPROVING THE ISSUANCE BY GREENVILLE COUNTY, SOUTH CAROLINA, OF A NOT EXCEEDING $1,550,000 PRINCIPAL AMOUNT INDUSTRIAL DEVELOPMENT REVENUE NOTE (PGB PARTNERSHIP PROJECT) 1989, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED.

WHEREAS, the County Council of Greenville County, South Carolina (the "Governing Board"), has heretofore, by submitting a petition (the "Petition") under and pursuant to the provisions of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), requested the approval by the State Budget and Control Board of the issuance by Greenville County (the "County") pursuant to the Act of its Industrial Development Revenue Note (PGB Partnership Project) in the aggregate principal amount of not exceeding $1,550,000 (the "Note"); and

WHEREAS, the County proposes to issue the Note for the purpose of defraying the cost of acquiring, by construction and purchase, certain land and a building or buildings and other improvements thereon, and certain machinery, apparatus, equipment, office facilities and furnishings (the "Project") to be used for the purpose of manufacturing portable living quarters; and

WHEREAS, the Project is to be made available to PGB Partnership (the "Obligor") upon terms which require the Obligor to make payments to or for the account of the County in amounts sufficient to pay the principal and interest on the Note and which secure the obligation of the Obligor by a mortgage and security interest in the Project; and

WHEREAS, the Note will be payable from and secured by an assignment of the obligations of the Obligor and the mortgage and security interest in the Project; and

WHEREAS, the County has submitted a copy of a resolution and petition adopted by the County on April 4, 1989;

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

Section 1. The Board has made an independent investigation of the matters set forth in the Petition, and on the basis of such investigation it is hereby found, determined and declared:

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 4-29-140 of the Act; and

(c) The Project subject of the Petition of the Governing Board is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

Section 2. In consequence of the foregoing, the proposal of the County to defray the cost of acquiring the Project, to make the Project available to the Obligor to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Note, in substantially the form set forth in the Indenture, secured by an assignment of the revenues to be derived from the Mortgage and Financing Agreement, and a mortgage and security interest in the Project, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the County Council and the Obligor and do not make inaccurate, except as to dates and amounts, the summaries of the Mortgage and Financing Agreement and the Indenture and the description of the Project.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in The Greenville News which is a newspaper having general circulation in Greenville County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution shall take effect immediately.

EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS
OF SOUTH CAROLINA CODE ANNOTATED,
TITLE 4, CHAPTER 29
(1976), AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Greenville County, South Carolina, has given its approval to the following undertaking by Greenville County, South Carolina:

The issuance by Greenville County of its Industrial Development Revenue Note (PGB Partnership Project) in the original principal amount of not exceeding $1,550,000 (the "Note"), to defray the costs of acquiring, by construction and purchase, certain land and a building or buildings and improvements thereon, and certain machinery, apparatus, equipment, office facilities and furnishings by PGB Partnership, a South Carolina partnership, to be used as an industrial facility for the purpose of manufacturing portable living quarters (the "Project") to be located in Greenville County. The Project will be made available to PGB Partnership which will unconditionally covenant to make payments sufficient to pay the principal and interest on the Note. The Note will be payable solely and exclusively out of payments to be made by PGB Partnership for the use of the Project, and is to be additionally secured by a mortgage and security interest in the Project.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Project and the issuance of the Note by Greenville County to finance the same, by action de novo instituted in the Circuit Court for Greenville County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, Secretary

Dated: April 11, 1989.

EXHIBIT

APR 11 1989 NO. 14 (b)

State of South Carolina

State Budget and Control Board

BUDGET & CONTROL BOARD

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR
GRADY L. PATTERSON, JR.
STATE TREASURER
EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

JAMES M. WADDELL, JR.
CHAIRMAN, SENATE FINANCE COMMITTEE
ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

Box 12444
Columbia
29211

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

April 11, 1989

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

TENTATIVE ALLOCATION, CALENDAR YEAR 1989

TO: Greenville County
$1,550,000
Industrial Development Revenue Note
(PGB Partnership Project)

In accord with Section 1-11-500 et seq. of the South Carolina Code of Laws, 1976, as amended, the State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Tax Reform Act of 1986 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1989 only. It will expire on July 10, 1989, which is ninety (90) consecutive calendar days from 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, Code Section 1-11-550 requires 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.

Grady L. Patterson, Jr.

Attest:

William A. McInnis, Secretary

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EXHIBIT

APR 11 1989 NO. 14

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA)
)
GREENVILLE COUNTY)

TO THE STATE BUDGET AND CONTROL)
BOARD OF SOUTH CAROLINA)

PETITION

This Petition of Greenville County, South Carolina (the "County"), pursuant to South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), and specifically Section 4-29-140 thereof, respectfully shows:

1. The County Council of Greenville County (the "County Council") is the governing body of the County and as such is the "governing board" of the County referred to in the Act.

2. The Act, among other things, empowers the County, subject to obtaining the approval of the State Budget and Control Board, pursuant to Section 4-29-140 of the Act: (i) to acquire, and, in connection with such acquisition, to enlarge, improve and expand, whether by construction, purchase, gift or lease, one or more projects (as defined in the Act) which shall be located within the jurisdiction of the County; (ii) to make available to any industry or industries any or all of its projects for such payments and upon such terms and conditions as the governing board may deem advisable and as shall not conflict with the provisions of the Act; and (iii) to issue revenue bonds, as defined in the Act to include notes, for the purpose of defraying the cost of acquiring, by construction and purchase, and in connection with any such acquisition, to enlarge, improve and expand any project and to secure the payment of such bonds all as in the Act provided.

3. The County has agreed to assist PGB Partnership, a South Carolina partnership, (the "Obligor"), by issuing its revenue note for the purpose of defraying the cost of acquiring certain facilities located in the County (the "Project") more fully described in Exhibits A and B to the Mortgage and Financing Agreement and Indenture.

4. The County has been advised by the Obligor that the estimated cost of the Project will be not exceeding $1,550,000 and it has requested the County to execute and deliver its Industrial Development Revenue Note (PGB

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Partnership Project) (the "Note") in the principal amount of not exceeding $1,550,000 to defray such costs.

5. Pursuant to Section 4-29-60 of the Act, the County Council has made the requisite findings that: (i) the Project will subserve the purposes of the Act; (ii) it is anticipated that the Project will benefit the general public welfare of the County by providing employment and other public benefits not otherwise provided locally; (iii) the Project will give rise to no pecuniary liability of the County or a charge against its general credit or taxing power; (iv) the principal amount of the Note required to finance the Project is expected to be not exceeding $1,550,000; (v) the County does not deem it necessary to establish any reserve funds in connection with the retirement of the proposed Note and the maintenance of the Project; and (vi) the terms under which the Project is to be made available to the Obligor provide that the Obligor shall maintain the Project and carry all proper insurance with respect thereto, and as a part of the proceedings of the County, the County Council will make the requisite finding as to the amount necessary in each year to pay the principal and the interest on the Note proposed to be issued to defray the cost of the Project.

6. Pursuant to Section 4-29-140 of the Act, the County sets forth the following information:

(a) The Project, described in detail on Exhibits A and B to the Mortgage and Financing Agreement and the Indenture, consists of land, a building or buildings and other improvements thereon and certain machinery, apparatus, equipment, office facilities and furnishings to be used for the purpose of manufacturing portable living quarters. It is anticipated that, upon completion, the Project will provide directly 80 additional full-time jobs in the County and neighboring areas and that the Project will provide stimulation to the economy of the County and neighboring areas thereto by increased payrolls, capital investment and tax revenues.

(b) It is estimated that the cost of the Project, including the items of cost authorized in the Act, will be not exceeding $1,550,000.

(c) Copies of the Mortgage and Financing Agreement and the Indenture are available from the County. The following summary of terms is in no wise intended to affect or alter the actual terms of the documents themselves:

(i) The proposed Mortgage and Financing Agreement between the Obligor and the County provides in general:

(A) Proceeds derived from the placement of the Note, will be used and applied by the County upon request of the Obligor solely for the payment of the costs (as that term is defined in the Act) incident to the acquisition, by construction and purchase, of the Project.

(B) The Obligor obligates itself: to effect the completion of the Project if the proceeds derived from the placement of the Note prove insufficient therefor without diminution of any payments to the County required by the Mortgage and Financing Agreement; to meet the payments of principal and interest on the Note as the same become due; and to pay the cost of maintaining and insuring the Project to the extent and in the manner provided in the Mortgage and Financing Agreement.

(C) The County does not incur any pecuniary liability or charge upon its general credit or taxing powers.

(D) The County acquires a mortgage and security interest in the Project as security for the obligations of the Obligor under the Mortgage and Financing Agreement.

(ii) The proposed Indenture between the County and The South Carolina National Bank, as lender (the "Lender"), provides in general:

(A) An irrevocable pledge and assignment for the benefit of the Lender or its assigns as holder of the Note of the County's right, title and interest in and to the Mortgage and Financing Agreement and all payments, receipts and revenues which the County has a right to receive under the Mortgage and Financing Agreement or with respect to any security afforded thereunder or any other financing agreement with respect to the Project in favor of the County (except payments and rights to indemnification payments and administration expenses), and all the moneys and securities in funds created under the Indenture.

(B) The terms of the Note, the provisions for exchange and transfer of the Note, the prepayment provisions, the means of disbursement, default provisions and remedies therefor and various other matters relating to the Note.

(C) The execution of the Indenture imposes no pecuniary liability on the County and does not create a charge upon the general credit or taxing power of the County.

7. Neither the approvals granted in connection with the Note nor the request for an allocation granted by the State Budget and Control Board have been 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 respectfully prays that the State Budget and Control Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such investigation as it deems advisable, (iii) if it finds that the Project is intended to promote the purposes of the Act and may be reasonably anticipated to effect such result, that it approve the Project and the execution and delivery of the Note by the County pursuant to the Act to defray the cost of the Project (including changes in any details of the said financing as finally consummated which do not materially affect the undertaking of the County), (iv) allocate to the Note such portion of the state ceiling as established by the Tax Reform Act of 1986 and the Internal Revenue Code of 1986, as

amended, as is necessary for the issuance of the Note, and (v) give published notice of its approval in the manner set forth in Section 4-29-140 of the Act.

Respectfully submitted,

GREENVILLE COUNTY, SOUTH CAROLINA

By: _____
George Bomar, Chairman,
County Council of Greenville
County, South Carolina

By: _____
William J. Estabrook, Administrator,
Greenville County, South Carolina

ATTEST:

_____
Mary T. Turner, Clerk,
County Council of
Greenville County,
South Carolina

EXHIBIT

APR 11 1989 NO. 14

STATE BUDGET & CONTROL BOARD

Dated: April 4, 1989.

EXHIBIT

APR 11 1989 NO. 14 (b)
11

STATE BUDGET & CONTROL BOARD

RESOLUTION

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY GREENVILLE COUNTY, SOUTH CAROLINA, OF ITS INDUSTRIAL DEVELOPMENT REVENUE NOTE (PGB PARTNERSHIP PROJECT) 1989, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING $1,550,000.

WHEREAS, Greenville County, South Carolina (the "County"), acting by and through its County Council, is authorized and empowered under and pursuant to the provisions of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), to acquire and cause to be acquired properties that are projects under the Act through which the industrial development of the State of South Carolina will be promoted and trade developed by inducing industrial enterprises to locate in and remain in the State of South Carolina and thus utilize and employ the manpower, agricultural products and natural resources of the State; and

WHEREAS, the County is further authorized by the Act to issue revenue bonds, as defined in the Act to include notes, payable solely from revenues and receipts from any financing agreement with respect to such project and secured by a pledge of said revenues and receipts and by an assignment of such financing agreement; and

WHEREAS, the County and PGB Partnership, a South Carolina Partnership (the "Partnership"), entered into an Assistance Agreement (the "Assistance Agreement") executed by the Obligor on November 15, 1988, and executed by the County on November 15, 1988, pursuant to which and in order to implement the public purposes enumerated in the Act and in furtherance thereof to comply with the undertakings of the County pursuant to the Assistance Agreement, the County proposes to issue its Industrial Development Revenue Note (PGB Partnership Project) in the principal amount of not exceeding $1,550,000 (the "Note") under and pursuant to the Act to defray the costs of acquiring by construction and purchase certain land, a building or buildings and other improvements thereon, and machinery, apparatus, equipment, office facilities and furnishings (the "Project") to be located in the jurisdiction of the County and, subject to the approval of the State Budget and Control Board of South

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Carolina, to make the Project available to the Obligor under and pursuant to the terms of a Mortgage and Financing Agreement (the "Agreement") to be entered into between the County and the Obligor; and

WHEREAS, it is now deemed advisable by the County Council to file with the State Budget and Control Board of South Carolina, in compliance with Section 4-29-140 of the Act, the Petition of the County requesting approval of the proposed financing by the State Budget and Control Board;

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

Section 1. It is hereby found, determined and declared as follows:

(a) The Project will constitute a "project" as said term is referred to and defined in Section 4-29-10 of the Act, and the issuance of the Note in the principal amount of not exceeding $1,550,000 to defray the cost of the Project will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(b) It is anticipated that the Project will benefit the general public welfare of the County by providing employment for those engaged in construction of the Project, and by providing additional permanent employment for approximately 80 people from the County and adjacent areas when the Project is placed in full operation with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of industrial operations not otherwise provided locally.

(c) Neither the Project, the Note proposed to be issued by the County to defray the cost of the Project, nor any documents or agreements entered into by the County in connection therewith will constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

(d) The issuance of the Note by the County in the principal amount of not exceeding $1,550,000 will be required to defray the cost of the Project.

(e) Inasmuch as the Obligor is a partnership with established credit, the establishment of reserve funds in connection with the retirement of the Note and the maintenance of the Project is deemed unnecessary.

(f) The Project will be made available by the County to the Obligor upon terms which will require the

Obligor, at its own expense, to maintain the Project in good repair and to carry all proper insurance with respect thereto.

(g) The Project will consist of the items described in Exhibits A and B to the Agreement and the Indenture to be entered into between the County and The South Carolina National Bank, as lender (the "Lender").

(h) A reasonable estimate of the cost of the Project including necessary expenses incident thereto is $1,550,000.

(i) Neither the approvals granted in connection with the Note nor the request for an allocation granted by the State Budget and Control Board have been made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Section 2. There be and is hereby authorized and directed the submission on behalf of the County of a Petition requesting the approval of the proposal of the County to issue the Note by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 4-29-140 of the Act, said Petition, which constitutes and is hereby made a part of this authorizing resolution, to be in substantially the form attached hereto.

Section 3. The Chairman of the County Council and the Administrator of the County be and is hereby authorized and directed to execute said Petition in the name and on behalf of the County; and the Clerk of the County Council be and is hereby authorized and directed to attest the same and thereafter to submit an executed copy of this resolution to the State Budget and Control Board in Columbia, South Carolina.

Section 4. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

EXHIBIT

APR 11 1989 NO. 14

STATE BUDGET & CONTROL BOARD

Passed and approved April 4, 1989.

GREENVILLE COUNTY, SOUTH CAROLINA

By: _____
George Bomar, Chairman,
County Council of Greenville
County, South Carolina

By: _____
William J.Estabrook,Administrator,
Greenville County, South Carolina

ATTEST:

_____
Mary T. Turner, Clerk,
County Council of
Greenville County,
South Carolina

EXHIBIT
APR 11 1989 NO. 14
STATE BUDGET & CONTROL BOARD

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN ASSISTANCE AGREEMENT BY AND BETWEEN GREENVILLE COUNTY, SOUTH CAROLINA, AND PGB I PARTNERSHIP, WHEREBY, UNDER CERTAIN CONDITIONS, GREENVILLE COUNTY WILL ISSUE NOT EXCEEDING TWO MILLION DOLLARS ($2,000,000) INDUSTRIAL DEVELOPMENT REVENUE BONDS OR NOTES.

WHEREAS, Greenville County, South Carolina (the "County"), acting by and through its County Council (the "County Council"), is authorized and empowered under and pursuant to the provisions of Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended (the "Act"), to acquire, or cause to be acquired, properties (which such properties constitute "projects" as defined in the Act) and to enter into agreements with any industry to construct, operate, maintain and improve such projects; to enter into financing agreements with respect to such projects; to issue revenue bonds to defray the costs of such projects; and to accept any grants for such projects through which powers the industrial development of the State of South Carolina will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State of South Carolina and thus utilize and employ the manpower, agricultural products and natural resources of the State; and

WHEREAS, the County is authorized by the Act to issue revenue bonds, as defined in the Act to include notes, payable solely out of the revenues derived from a financing agreement with respect to such project and may further be secured by a pledge of said revenues, a trust indenture or indenture covering all or any part of such project, and a pledge of any financing agreement with respect to such project; and

WHEREAS, PGB I Partnership, a South Carolina partnership (the "Obligor"), has requested the County to issue not exceeding $2,000,000 of its Industrial Development Revenue Bonds or Notes (PGB I Partnership Project) pursuant to the Act for the purpose of defraying the cost of acquiring by construction and purchase certain land, a building or buildings or other improvements thereon, and all machinery, apparatus, equipment, office facilities and furnishings to be installed therein for the purpose of manufacturing portable living quarters, constituting an industrial facility (the "Project"), all as more fully set forth in the Assistance Agreement attached hereto; and

WHEREAS, the County has determined on the basis of the information supplied to it by the Obligor that the Project would be a "project" as that term is defined in the

Act and that the Project would subserve the purposes of the Act.

NOW, THEREFORE, BE IT RESOLVED, by the County Council as follows:

Section 1. Pursuant to the authority of the Act and subject to the approval by the State Budget and Control Board, and for the purpose of defraying a portion of the cost (as defined in the Act) of acquiring the Project there is hereby authorized to be issued revenue bonds or notes of the County in the principal amount of not exceeding Two Million Dollars ($2,000,000) to be designated "Greenville County, South Carolina, Industrial Development Revenue Bonds or Notes (PGB I Partnership Project)" (the "Bonds").

Section 2. The provisions, terms and conditions of the financing agreement by and between the County and the Obligor, the provisions, terms and conditions of the trust indenture or indenture by and between the County and the Trustee or Bondholder, yet to be named, and the form, details, rate or rates of interest, maturity and redemption provisions, if any, of the Bonds shall be prescribed by subsequent resolution or ordinance of the County Council.

Section 3. The Chairman of the County Council and the Administrator of the County are hereby authorized and directed to execute the Assistance Agreement attached hereto in the name and on behalf of the County, and the Clerk of the County Council is hereby authorized and directed to attest the same; and the Chairman of the County Council and the Administrator of the County are hereby further authorized and directed to deliver said executed Assistance Agreement to the Obligor.

Section 4. Prior to the issuance of any Bonds, the County Council will comply with the provisions of the Home Rule Act regarding the procedural requirements for adopting ordinances and resolutions.

Section 5. All orders, resolutions, and parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This resolution shall take effect and be in full force from and after its passage by the County Council.

Section 6. It is the intention of the County Council that this resolution shall constitute an official action on the part of the County within the meaning of the applicable regulations of the United States Treasury Department relating to the issuance of industrial revenue bonds.

Done in meeting duly assembled this 15th day of November, 1988.

GREENVILLE COUNTY, SOUTH CAROLINA

By: _____
W. Mann Batson, Chairman, County Council of Greenville County, South Carolina

By: _____
William J. Estabrook, Administrator, of Greenville County, South Carolina

ATTEST:

By: _____
Mary T. Turner, Clerk, County Council of Greenville County, South Carolina

ASSISTANCE AGREEMENT

THIS AGREEMENT made and entered into by and between GREENVILLE COUNTY, SOUTH CAROLINA, a body politic and corporate and a political subdivision of the State of South Carolina (the "County"), and PGB I PARTNERSHIP, a South Carolina partnership (the "Obligor").

W I T N E S S E T H:

ARTICLE I

RECITATION OF FACTS

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

Section 1.01. The 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 Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended (the "Act"), to acquire, or cause to be acquired, and to enlarge, improve, expand, equip, furnish, own, lease and dispose 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.

Section 1.02. The Obligor desires to acquire certain land located within the jurisdiction of the County, and a building or buildings and other improvements thereon and all machinery, apparatus, equipment, office facilities and furnishings to be used as an industrial facility for the purpose of manufacturing portable living quarters (the "Project"). The Project when completed and in operation will provide additional permanent employment in the County for approximately 80 people.

Section 1.03. The Obligor has requested the County to assist it with its contemplated program through the sale of Industrial Development Revenue Bonds (or Notes) pursuant to the Act, whereby the County would defray a portion of the cost of the Project.

Section 1.04. The County has given due consideration to all the proposals and requests of the Obligor and has agreed to endeavor to effect the issuance of

the bonds at the time and on the terms and conditions hereafter set forth.

ARTICLE II

UNDERTAKINGS ON THE PART OF THE COUNTY

The County agrees as follows:

Section 2.01. The County will, subject to the approval by the State Budget and Control Board required by the Act, authorize the issuance of not exceeding Two Million Dollars ($2,000,000) Greenville County, South Carolina, Industrial Development Revenue Bonds (or Notes) (PGB I Partnership Project) (the "Bonds"), at such time as the Obligor may request the County to do so.

Section 2.02. The County will permit the Obligor to arrange for the sale of the Bonds to defray the cost of the Project as aforesaid and if successful marketing arrangements can be made, it will adopt such proceedings and enter into such agreements as are necessary for the issuance and securing of the Bonds.

Section 2.03. The proceeds of any sale of the Bonds shall be applied to the payment of the costs of the Project as determined under the Act including, without limitation, the expenses incurred in connection with the issuance and sale of the Bonds, the acquisition by construction and purchase of the Project including land, buildings, necessary machinery and equipment and other items permitted by the Act, and the repayment of any funds advanced or loans incurred by the Obligor for such purposes.

Section 2.04. Prior to issuing any Bonds, the County may enter into a trust indenture with a trustee bank to be selected by the Obligor or an indenture with the purchasers of the Bonds pursuant to which the Bonds will be issued. Such trust indenture or indenture shall be substantially in the form used in connection with the issuance of other South Carolina industrial revenue bonds and may constitute a lien on the Project and the revenues derived from the financing agreement with respect to the Project to secure the payment of the Bonds.

Section 2.05. If requested by the Obligor and in order to provide interim financing pending the issuance of the Bonds, the County will adopt the necessary proceedings and provide for the issuance of bond anticipation notes pursuant to Title 11, Chapter 17, Code of Laws of South

Carolina, 1976, in anticipation of the issuance of the Bonds.

Section 2.06. The County will perform such other acts and adopt such further proceedings as may be required to faithfully implement its undertakings and to consummate the proposed financing.

ARTICLE III

UNDERTAKINGS ON THE PART OF THE OBLIGOR

Section 3.01. The Obligor agrees that the County will have no obligation to find a purchaser of the Bonds.

Section 3.02. The Obligor further agrees, if the plan proceeds as contemplated:

(a) to acquire by construction and purchase the land, buildings, equipment and machinery constituting the Project;

(b) to enter into a financing agreement with the County under the terms of which the Obligor will obligate itself to pay to the County sums sufficient to pay the principal, interest and premium, if any, on the Bonds, as and when the same become due and payable, said financing agreement shall be in such form and contain such provisions as shall be satisfactory to the County and to the Obligor;

(c) to obligate itself to make the additional payments required by the Act, including, but not limited to, payments in lieu of taxes if necessary;

(d) to hold the County harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement in the implementation of its terms and provisions;

(e) to perform such further acts and adopt such further proceedings as may be required to faithfully implement its undertakings and consummate the proposed financing; and

(f) to covenant and agree in the financing agreement referred to hereinbefore to install in the buildings which are to become a part of the Project all necessary equipment and machinery and thereafter to operate the Project as a facility for the purpose of manufacturing surgical gloves or for such other purposes as may hereafter be deemed appropriate.

ARTICLE IV

GENERAL PROVISIONS

Section 4.01. All commitments of the County under Article II hereof are subject to all of the provisions of the Act and the condition that nothing contained in this Agreement shall constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

Section 4.02. The parties hereto agree that the Obligor may proceed with the Project including the construction of a building or buildings and acquisition and installation of the equipment and machinery prior to the issuance of the Bonds.

Section 4.03. This Assistance Agreement may be assigned by the Obligor to a corporation the majority stockholders of which are the partners of the Obligor, to a partnership or other entity which is related to the Obligor, or to any or all of the partners of the Obligor in their individual capacities.

Section 4.04. All commitments of the County and the Obligor hereunder are subject to the condition that the County and the Obligor do agree on acceptable terms and conditions of all documents the execution and delivery of which are contemplated by provisions hereof.

Section 4.05. The parties understand that the Obligor may choose not to finance the Project as herein provided, in which event this Agreement shall become void.

Section 4.06. It is the intention of the parties hereto that this Agreement shall constitute an official action on the part of the County within the meaning of the applicable regulations of the United States Treasury Department relating to the issuance of industrial revenue bonds.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Agreement on the respective dates indicated below.

GREENVILLE COUNTY, SOUTH CAROLINA

By: _____
W. Mann Batson, Chairman, County Council of Greenville County, South Carolina

By: _____
William J. Estabrook, Administrator, Greenville County, South Carolina

ATTEST:

By: _____
Mary T. Turner, Clerk, County Council of Greenville County, South Carolina

Dated: November 15, 1988.

PGB I PARTNERSHIP, a South
Carolina Partnership

By: _____
Its: Partner

ATTEST:

By: _____
Its: Partner

EXHIBIT

APR 11 1989 NO. 14

STATE BUDGET & CONTROL BOARD

Dated: November 15, 1988.

11210

TRANSMITTAL FORM, REVENUE BONDS

Date: April 5, 1989
Submitted for BCB Meeting on:
April 11, 1989

FROM:
McNair Law Firm, P.A.
Name of Law Firm
Greenville, SC 29601
City, State, Zip Code

RE: $1,550,000
Amount of Issue
Greenville County, SC
Issuing Authority Name

EXHIBIT NO. 14
APR 11 1989
STATE BUDGET & CONTROL BOARD

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

Suite 1201 NCNB Plaza
Street Address/Box Number
(803) 271-4940
Telephone Area Code and Number

Industrial Development Revenue Note
Type of Bonds or Notes
May 10, 1989
Projected Issue Date

Project Name: PGB Partnership
Project Description:
Facility will be used for manufacturing portable living quarters

Employment as result of project: 80 employees

CEILING ALLOCATION REQUIRED	REFUNDING INVOLVED	PROJECT APPROVED PREVIOUSLY
X Yes ($1,550,000 Amount) ___ No	___ Yes ($ Amount) X No	___ Yes (Date) X No

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: The South Carolina National Bank)

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 4 copies for certification and return to counsel]

G. X Processing fee
Amount $3,000 Check No. 107
Payor PGB Partnership

Bond Counsel: Kathleen Crum McKinney
Typed Name

By: Kathy C. McKinney
Signature

11241

OED 1/86

EXHIBIT

STATE OF SOUTH CAROLINA

State Budget and Control Board

APR 11 1989 NO. 14 (b)

STATE BUDGET & CONTROL BOARD

OFFICE OF THE EXECUTIVE DIRECTOR

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

JAMES M. WADDELL, JR.
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

P.O. BOX 12444
COLUMBIA, SOUTH CAROLINA 29211
(803) 734-2320

May 9, 1989

Ms. Kathleen C. McKinney
McNair Law Firm
1201 Bankers Trust Plaza
Greenville, SC 29601

Dear Ms. McKinney:

Re: $1,550,000 Greenville County, SC
Industrial Development Revenue Bonds
PGB Partnership

I am forwarding my certified copies of the State Budget and Control Board resolution approving the referenced undertaking, on the condition that you supply to us the additional information Ms. Treva Ashworth of the Attorney General's Office advises is required. A copy of her May 8, 1989, letter to me describing that additional information is enclosed.

Sincerely,

William A McInnis

William A. McInnis
Secretary

M
Enclosure

11242

APR - 6 1989
9:41 A.M.

McNAIR LAW FIRM, P. A.
ATTORNEYS AND COUNSELORS AT LAW
SUITE 1201
NCNB PLAZA
7 NORTH LAURENS STREET
GREENVILLE, SOUTH CAROLINA 29601
803-271-4940
TELECOPIER 803-271-4015

COLUMBIA OFFICE
NCNB TOWER
1301 GERVAIS STREET
POST OFFICE BOX 11390
COLUMBIA, S.C. 29211
803-799-9800

CHARLESTON OFFICE
140 EAST BAY STREET
POST OFFICE BOX 1431
CHARLESTON, S.C. 29402
803-723-7831

GEORGETOWN OFFICE
1112 HIGHMARKET STREET
POST OFFICE DRAWER 459
GEORGETOWN, S.C. 29442
803-546-6131

GEORGETOWN OFFICE
121 SCREVEN STREET
POST OFFICE DRAWER 418
GEORGETOWN, S.C. 29442
803-546-6102

HILTON HEAD ISLAND OFFICE
McNAIR LAW BUILDING
10 POPE AVENUE EXECUTIVE PARK
POST OFFICE BOX 5914
HILTON HEAD ISLAND, S.C. 29938
803-785-5169

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

EXHIBIT

APR 11 1989 NO. 14

STATE BUDGET & CONTROL BOARD

April 5, 1989

Mr. William McInnis
Secretary
State Budget and Control Board
600 Wade Hampton Office Building
Columbia, South Carolina 29211

Re: Not Exceeding $1,500,000 Greenville County, South Carolina, Industrial Development Revenue Note (PGB Partnership Project), Series 1989

Dear Bill:

Enclosed are the required executed copies of the Petition and Resolution in connection with the above-referenced bond issue. Please insert these in the package we sent you on April 4.

If you have any questions, please do not hesitate to give us a call.

Sincerely,

McNAIR LAW FIRM, P.A.

Kathleen Crum McKinney

KCM/lgs
Enclosures

11243

APR - 5 1989
9:13 A.M.

McNAIR LAW FIRM, P. A.
ATTORNEYS AND COUNSELORS AT LAW
SUITE 1201
NCNB PLAZA
7 NORTH LAURENS STREET
GREENVILLE, SOUTH CAROLINA 29601
803-271-4940
TELECOPIER 803-271-4015

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803-785-5169

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

April 4, 1989

EXHIBIT
APR 11 1989 NO. 14
STATE BUDGET & CONTROL BOARD

Mr. William McInnis
Secretary
State Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Re: Greenville County, South Carolina, Industrial Development Revenue Note (PGB Partnership Project), 1988

Dear Bill:

The resolution authorizing the petition to the State Budget and Control Board will be adopted tonight by the Greenville County Council. I will forward an original executed resolution and petition to your office on Wednesday morning.

Sincerely,

McNair Law Firm, P.A.

Kathleen Crum McKinney

KCM/abl
Enclosure

11244

Incomplete
Needs Work
Keller

(c)

EXHIBIT

APR 11 1989 NO. 14 (c)

STATE BUDGET & CONTROL BOARD

Orangeburg County
$10,000,000

Metal Lere, Inc

Alloc
+ State Law

M - Gil
S - JMW
5-0

To AG 4/5

~~To Acct~~

11245

EXHIBIT

STATE OF SOUTH CAROLINA APR 11 1989 NO. 14

State Budget and Control Board

STATE BUDGET & CONTROL BOARD

OFFICE OF THE EXECUTIVE DIRECTOR

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

P.O. BOX 12444
COLUMBIA, SOUTH CAROLINA 29211
(803) 734-2320

JAMES M. WADDELL, JR.
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

June 21, 1989

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

FINAL ALLOCATION, CALENDAR YEAR 1989

TO: Orangeburg County, South Carolina
c/o Ms. April C. Lucas
McNair Law Firm
NCNB Tower, 1301 Gervais Street
Box 11390
Columbia, SC 29211

RE: Issue of $7,500,000 Orangeburg County, South Carolina
Industrial Development Revenue Bonds
(Metal Leve, Inc. Project)
Issue Date Projected By Issuing Authority: June 27-28, 1989
Allocation Expiration Date: July 10, 1989
Issue Amount Certificate Date: June 20, 1989

Based upon my receipt of the issue amount certificate required of the issuing authority by Section 1-11-550 of the South Carolina Code of Laws, 1976, as amended, which certificate is dated not more than ten (10) business days prior to the projected date of issue which, as certified by the issuing authority, is within the time period during which the ceiling allocation approved previously on a tentative basis by the State Budget and Control Board for the referenced project is valid, 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 1989 will not exceed the 1989 State Ceiling on the issuance of private activity bonds for the State of South Carolina.

William A McInnis

William A. McInnis, Secretary

11246

EXHIBIT
JUN 20 1989
APR 11 1989 NO. 14
STATE BUDGET & CONTROL BOARD

McNAIR LAW FIRM, P. A.
ATTORNEYS AND COUNSELORS AT LAW
NCNB TOWER
1301 GERVAIS STREET
POST OFFICE BOX 11390
COLUMBIA, SOUTH CAROLINA 29211
803-799-9800
TELECOPIER 803-799-9804

CHARLESTON OFFICE
140 EAST BAY STREET
POST OFFICE BOX 1431
CHARLESTON, S.C. 29402
803-723-7831

GEORGETOWN OFFICE
1112 HIGHMARKET STREET
POST OFFICE DRAWER 459
GEORGETOWN, S.C. 29442
803-546-6131

GEORGETOWN OFFICE
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803-271-4940

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McNAIR LAW BUILDING
10 POPE AVENUE EXECUTIVE PARK
POST OFFICE DRAWER 7787
HILTON HEAD ISLAND, S.C. 29938
803-785-5169

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

June 20, 1989

Mr. William McInnis
State Budget and Control Board
Wade Hampton Office Building
Columbia, South Carolina 29201

Re: $7,500,000 Orangeburg County, South Carolina Flexible Mode Industrial Development Revenue Bonds (Metal Leve, Inc. Series)

Dear Mr. McInnis:

Enclosed please find the final Ordinance which received third reading on June 19, 1989. Also enclosed is a copy of the Loan and Trust Agreement which shows the sinking fund redemption schedule. These documents contain the information requested by Triva Ashworth of the Attorney General's office.

This issue is scheduled to be closed on June 27 and 28, and I would appreciate your sending me the final volume cap allocation.

Sincerely,

April Lucas

April C. Lucas

ACL/bcs

Enclosures

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EXHIBIT

APR 11 1989 NO. 14

STATE BUDGET & CONTROL BOARD

ORDINANCE

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING $7,500,000 AGGREGATE PRINCIPAL AMOUNT FLEXIBLE MODE INDUSTRIAL DEVELOPMENT REVENUE BONDS (METAL LEVE, INC. SERIES) OF ORANGEBURG COUNTY, SOUTH CAROLINA; THE APPLICATION OF THE PROCEEDS OF SAID BONDS TO PAY A PORTION OF THE COSTS OF ACQUIRING BY CONSTRUCTION OR PURCHASE A BUILDING AND OTHER IMPROVEMENTS AND ALL MACHINERY, APPARATUS, EQUIPMENT, OFFICE FACILITIES AND FURNISHINGS TO BE INSTALLED THEREIN WHICH COMPRISE AN INDUSTRIAL FACILITY; THE ENTERING INTO OF CERTAIN COVENANTS AND AGREEMENTS AND THE EXECUTION AND DELIVERY OF CERTAIN INSTRUMENTS RELATING TO THE ISSUANCE OF THE AFORESAID BONDS INCLUDING (i) A LOAN AND TRUST AGREEMENT AMONG ORANGEBURG COUNTY, SOUTH CAROLINA, METAL LEVE, INC., THE FIRST NATIONAL BANK OF BOSTON, AS TRUSTEE, AND THE FIRST NATIONAL BANK OF BOSTON; (ii) A BOND PURCHASE AGREEMENT AMONG ORANGEBURG COUNTY, SOUTH CAROLINA, METAL LEVE, INC. AND THE INITIAL PURCHASERS OF THE BONDS; (iii) A SUBORDINATION AGREEMENT BETWEEN ORANGEBURG COUNTY, SOUTH CAROLINA AND THE FIRST NATIONAL BANK OF BOSTON; AND (iv) OTHER MATTERS RELATING THERETO.

WHEREAS, Orangeburg County, South Carolina (the "County") acting by and through its County Council is empowered under and pursuant to the provisions of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), to acquire, own, lease and dispose of properties through which the industrial development of the State of South Carolina will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate in and remain in the State of South Carolina, and thus utilize and employ the manpower, agricultural products and natural resources of the State of South Carolina; and

WHEREAS, the County, subject to the approval of the State Budget and Control Board of South Carolina, is authorized by the Act to issue its revenue bonds for the purpose of defraying a portion of the cost of acquiring, or causing to be acquired, by construction and purchase, a project (as defined in the Act), such revenue bonds to be payable by the County solely from the revenues and receipts derived under any financing agreement with respect to such project and to be further secured by a pledge of said revenues and receipts and by an assignment of the rights of the County under such financing agreement; and

WHEREAS, in accordance with the provisions of an Inducement Agreement dated October 31, 1988 by and between Metal Leve, Inc. (the "Corporation") and the County, the Corporation has determined that it desires to locate an industrial facility in the jurisdiction of the County; and

WHEREAS, in order to implement the public purposes enumerated in the Act and in furtherance thereof to assist the Corporation in locating an industrial facility within the State of South Carolina, the County has agreed to issue and sell not exceeding $7,500,000 aggregate principal amount of its Flexible Mode Industrial Development Revenue Bonds (Metal Leve, Inc. Series) (the "Bonds") under and pursuant to the Act to defray a portion of the cost of acquiring by construction or purchase a building and other improvements and certain machinery, apparatus, equipment, office facilities and furnishings to be installed therein, all to be used for the purpose of manufacturing pistons for diesel engines, all constituting a project as defined in the Act (the "Project"), and in connection therewith to make the Project available to the Corporation under and pursuant to the terms of a loan agreement to be entered into between the County and the Corporation; and

WHEREAS, the County Council, having determined that the Project will provide permanent employment for approximately 80 people from the County and areas adjacent thereto with a resulting alleviation of unemployment, and a substantial increase in payrolls and other public benefits incident to the conducting of industrial operations, proposes to issue and sell not exceeding $7,500,000 aggregate principal amount of its revenue bonds, to be designated "Orangeburg County, South Carolina Flexible Mode Industrial Development Revenue Bonds (Metal Leve, Inc. Series)" to be issued under and pursuant to the provisions of the Act, and to be secured by and to contain such terms and provisions as are set forth in a Loan and Trust Agreement (the "Loan Agreement") by and among the County, the Corporation, The First National Bank of Boston, as Trustee, (the "Trustee") and The First National Bank of Boston, dated as of June 1, 1989 or such other date on or before September 1, 1989 as may be agreed to by the Corporation and the Trustee; the proceeds from the Bonds to be deposited with the Trustee and disbursed (i) for the payment of costs incurred by the County or the Corporation in connection with the acquisition of the Project, (ii) for the payment of related expenses, and (iii) for the payment of certain expenses of issuance, all as set forth in the Loan Agreement; and

WHEREAS, the County Council, having determined as aforesaid that it will be of substantial public benefit to do so, proposes to make the Project available to the Corporation under and pursuant to the provisions of the Loan Agreement pursuant to which the Corporation is obligated (i) to make or cause to be made payments directly to the Trustee for the account of the County in amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds, (ii) to maintain the Project in good repair at its own expense and (iii) to carry all proper insurance with respect thereto; and

WHEREAS, the acquisition and construction of the Project and the issuance of the Bonds by the County as herein recited and provided have been duly approved by the State Budget and Control Board of South Carolina, by resolution duly adopted on April 11, 1989, and will serve the intended purposes and in all respects conform to the provisions and requirements of the Act; and

WHEREAS, it has been determined that the estimated amount necessary to finance that portion of the cost of the Project to be defrayed by the County and expenses incidental thereto requires that Bonds in the aggregate principal amount of not exceeding $7,500,000 be authorized as hereinafter provided; and

WHEREAS, the County Council has caused to be prepared and presented to this meeting the following documents which the County proposes to execute and deliver:

1. The form of the Loan and Trust Agreement dated as of June 1, 1989 by and among the County, the Corporation, the Trustee and The First National Bank of Boston; and

2. The form of the Bond Purchase Agreement[s] dated as of June 1, 1989 among the County, the Corporation and the initial purchasers of the Bonds;

3. The form of the Subordination Agreement dated as of June 1, 1989 between the County and the Bank (the "Subordination Agreement").

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

NOW, THEREFORE, BE IT ORDAINED by Orangeburg County, South Carolina, as follows:

Section 1. In order to promote industry, develop trade and utilize and employ the manpower, agricultural products and natural resources of the State of South Carolina by assisting the Corporation to locate an industrial facility in the State of South Carolina, the acquisition by construction or purchase of a building and other improvements and the machinery, apparatus, equipment, office facilities and furnishings therein, all as a part of the Project, is hereby authorized, ratified and approved.

Section 2. Pursuant to the authority of the Act, and for the purpose of defraying the cost of acquiring the Project, including necessary expenses incidental thereto, there is hereby authorized to be issued, and shall be issued, revenue bonds of the County in the aggregate principal amount of not exceeding Seven

Million Five Hundred Thousand Dollars ($7,500,000), to be designated "Orangeburg County, South Carolina Flexible Mode Industrial Development Revenue Bonds (Metal Leve, Inc. Series)" subject to the provisions of this ordinance and the Loan Agreement hereinafter authorized. The amount necessary in each year to pay the principal of and the interest on the Bonds shall be as set forth in the Loan Agreement. The Bonds shall be dated; shall be issued in such denominations; shall be payable as to principal, interest and redemption premium, if any; shall bear interest; shall mature; shall be secured; shall contain provisions for execution, authentication, payment, registration, redemption and numbering; and shall contain such other terms and conditions as set forth in the Loan Agreement.

The Bonds shall be in substantially the form set forth in the Loan Agreement, now before this meeting and filed with the County Council, with necessary or appropriate variations, omissions and insertions as permitted or required by the Loan Agreement. The form, terms and provisions of the Bonds presented to this meeting and filed with the County Council be and they are hereby approved, and all of the terms, provisions and conditions thereof are hereby incorporated by reference as if set out in this ordinance in their entirety.

There is hereby authorized the execution and delivery of the Bonds to the Trustee at a price equal to 100% of the principal amount with an placement fee of 1.25% of the principal amount thereof. The Bonds shall bear interest at the rate or rates approved by the Chairman of the County Council, provided that the interest rate on any Bond shall not exceed fifteen percent (15%) per annum (20% per annum if the Corporation elects to convert to the Taxable Rate Index as set forth in the Loan Agreement). The Chairman of the County Council is hereby authorized, empowered and directed to execute and deliver the Bonds to The First National Bank of Boston, which is hereby appointed Bond Registrar under the Loan Agreement, and the County Administrator of the County is hereby authorized and directed to affix the corporate seal of the County to the Bonds and to attest the same. The Bonds are to be in substantially the form now before this meeting and hereby approved, or with such changes, insertions and omissions therein as do not impose liability upon the County and as shall be approved by the Chairman of the County Council executing the same, with the advice of counsel, said execution to constitute conclusive evidence of such approval.

Section 3. The Bonds shall be secured by an irrevocable standby Letter of Credit, to be provided initially by The First National Bank of Boston (the "Letter of Credit") and shall be limited obligations of the County payable by the County solely from, and secured by a pledge of, the gross revenues and receipts derived by the County from or in connection with the Loan Agreement hereinafter authorized and by moneys drawn under the

11251

Standby Letter of Credit. The Bonds do 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 or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power. Such limitation shall be plainly stated on the face of the Bond.

Nothing in this ordinance, the Loan Agreement, the Bond Purchase Agreement or the Bonds shall be construed as an obligation or commitment by the County to expend any of its funds other than (i) the proceeds of the Bonds, (ii) the revenues derived by the County from the Loan Agreement, (iii) any proceeds accruing to the County on account of insurance on the Project, (iv) any moneys accruing to the County on account of any taking or condemnation of title to all or part of the Project, (v) any moneys arising out of the investment or reinvestment of said proceeds, revenues or moneys, and (vi) any moneys drawn under the Standby Letter of Credit.

Section 4. The Bonds shall be executed in the name of the County with the manual or facsimile signature of the Chairman of the County Council, shall be attested by the manual or facsimile signature of the County Administrator of the County and shall have the seal of the County Council impressed or imprinted thereon. In case the officers whose signature shall appear on the Bonds shall cease to be such officers before the delivery of the Bonds, such signatures shall nevertheless be valid and sufficient for all purposes, the same as if such officers had remained in office until delivery.

Section 5. The form of the Loan Agreement, as submitted to this meeting and made a part of this ordinance as though set forth in full herein, be and the same is hereby approved. The Chairman of the County Council is hereby authorized and directed to execute and deliver the Loan Agreement with such changes, insertions and omissions as do not impose liability upon the County and as may be approved by said Chairman, with the advice of counsel, said execution being conclusive evidence of such approval; and the County Administrator of the County is hereby authorized and directed to affix the corporate seal of the County to the Loan Agreement and to attest the same.

Section 6. The form of the Bond Purchase Agreement, as submitted to this meeting and made a part of this ordinance as though set forth in full herein, be and the same hereby is approved. The Chairman of the County Council is hereby authorized and directed to execute and deliver the Bond Purchase Agreement with such changes, insertions and omissions as do not impose liability upon the County and as may be approved by said Chairman, with the advice of counsel, said execution being conclusive evidence of such approval; and the County Administrator of the County is hereby authorized and directed to affix the corporate

seal of the County to the Bond Purchase Agreement and to attest the same.

Section 7. The form of the Subordination Agreement, as submitted to this meeting and made a part of this ordinance as though set forth in full herein, be and the same hereby is approved. The Chairman of the County Council is hereby authorized and directed to execute and deliver the Subordination Agreement with such changes, insertions and omissions as do not impose liability upon the County and as may be approved by said Chairman, with the advice of counsel, said execution being conclusive evidence of such approval; and the County Administrator of the County is hereby authorized and directed to affix the corporate seal of the County to the Subordination Agreement and to attest the same.

Section 8. The Chairman of the County Council and the County Administrator of the County and any other proper officer of the County, be and each of them is hereby authorized and directed to execute and deliver any and all documents and instruments and to do and to cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this ordinance.

Section 9. The Trustee is hereby authorized to receive and receipt for the proceeds of the Bonds on behalf of the County and to hold, invest and disburse said proceeds in accordance with the provisions of the Loan Agreement.

Section 10. The County hereby elects to have the provisions of Section 144(a)(4)(A) of the Internal Revenue Code of 1986, as amended, (the "Code") applied to the Bonds.

Section 11. The provisions of this ordinance are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereunder.

Section 12. All orders, resolutions, ordinances and parts thereof in conflict herewith are, to the extent of such conflict herewith are, to the extent of such conflict, hereby repealed and this ordinance shall take effect and be in full force from and after its passage and approval.

Passed and approved this 19th day of June, 1989.

ORANGEBURG COUNTY, SOUTH CAROLINA

By_____
Vernon Ott, Jr.
Chairman, County Council

(SEAL)

ATTEST:

_____
Gary A. Smoak, County Administrator
Orangeburg County, South Carolina

EXHIBIT MARKED TO SHOW CHANGES FROM DRAFT OF 6/15/89.

APR 11 1989 NO. 14

STATE BUDGET & CONTROL BOARD R & G Draft of 6/16/89

LOAN AND TRUST AGREEMENT

among

ORANGEBURG COUNTY, SOUTH CAROLINA

and

METAL LEVE, INC.

and

THE FIRST NATIONAL BANK OF BOSTON, AS TRUSTEE,

and

THE FIRST NATIONAL BANK OF BOSTON

Dated as of June 1, 1989

$7,500,000

Orangeburg County, South Carolina
Flexible Mode Industrial Development Revenue Bonds
(Metal Leve, Inc. Series)

11255

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LOAN AND TRUST AGREEMENT

This LOAN AND TRUST AGREEMENT (as from time to time in effect, the "Agreement") is entered into as of June 1, 1989 by Orangeburg County, a body corporate and politic and a political subdivision of the State of South Carolina, (with its successors, the "County"), Metal Leve, Inc., a Texas corporation (with its successors, the "Borrower"), The First National Bank of Boston, a national banking association, as Trustee (with its successors and, where the context may require, any separate Trustee or Co-Trustee appointed by the Trustee pursuant to the provisions of this Agreement, the "Trustee") and The First National Bank of Boston (with its successors, the "Bank").

Terms defined in this Agreement are used as defined. Unless otherwise indicated, references to Articles or Sections refer to this Agreement.

RECITALS

The County is authorized and empowered under and pursuant to the provisions of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), to acquire and cause to be acquired properties that are projects (as defined in the Act) through which the industrial, commercial, agricultural and recreational development of the State of South Carolina will be promoted and its trade developed by inducing business enterprises to locate in and remain in the State of South Carolina and thus provide maximum opportunities for the creation and retention of jobs and improvements of the standard of living of the citizens of the State of South Carolina.

The County is further authorized by the Act to issue revenue bonds payable by the County solely from revenues and receipts from any loan agreement with respect to such project and secured by a pledge of said revenues and receipts and by an assignment of such loan agreement.

In order to further the purposes of the Act, the County proposes to undertake the financing of a portion of the cost of constructing a building and other improvements and all or a portion of the cost of acquiring and installing therein certain machinery, apparatus, equipment, office facilities and furnishings to be used for the purpose of manufacturing pistons and related products (the "Project"), which Project constitutes an industrial project under the Act, and to obtain the funds therefor by the issuance of its bonds.

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The County has duly determined to issue $7,500,000 principal amount of its industrial development revenue bonds (the "Bonds", which term includes Bonds issued in replacement or exchange for other Bonds and excludes Bonds for which the Trustee is holding payment therefor under Section 510 hereof). The proceeds of the Bonds will be loaned (the "Loan") hereunder by the County to the Borrower. Such proceeds will be used to finance the Project. At the time the Bonds are issued, an irrevocable transferable letter of credit (the "Letter of Credit") of the Bank in an initial amount of $7,891,438 will be issued to the Trustee to support payment of the Bonds as provided in this Agreement. The County is herein pledging the Pledged Receipts and assigning certain of its rights hereunder.

All things necessary to make the Bonds, when authenticated, the binding, limited obligations of the County and to create a valid lien and pledge as herein provided have been accomplished; and the execution and delivery of this Agreement and the issuance of the Bonds have been duly authorized.

In consideration of the mutual agreements and representations contained in this Agreement and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereby agree, covenant, grant, pledge, assign, represent and warrant as follows (it being understood and agreed that the performance of the agreements of the County herein contained and any obligation it may incur for the payment of money shall not constitute a general obligation or indebtedness of the County or the State of South Carolina or a debt or a pledge of the faith and credit of the County or the State of South Carolina but shall be payable solely from the revenues and funds provided under this Agreement and any other Basic Agreement:

PART I: PLEDGE AND ASSIGNMENT; DEFINITIONS

Article 1 - Granting Clauses of Borrower and Pledge and Assignment by the County

In order to secure the due payment of principal of, premium, if any, and interest on the Bonds (excluding Additional Interest, if any), performance of the Bank Obligations and the compliance by the Borrower and the County with their agreements contained in this Agreement):

Section 101. Granting Clauses of Borrower. For and in consideration of the Loan made hereunder to the full

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satisfaction of the Borrower, the Borrower as debtor does by these presents freely GIVE, GRANT, SELL, CONFIRM and CONVEY unto the Trustee, its successors and assigns forever, for the benefit of the Bondholders and the Bank and hereby assigns to and creates in the Trustee, its successors and assigns, as secured party for the benefit of the Bondholders and the Bank a security interest under the Uniform Commercial Code to the maximum extent possible in all right, title and interest of the Borrower in and to the Pledged Receipts and all of its right, title and interest in and to (but none of its obligations under) the Letter of Credit, the Reimbursement Agreement and the Standby Credit Agreement upon the terms and trusts herein set forth for the benefit, security and protection of (i) all present and future holders of all Bonds from time to time issued under and secured by this Agreement and (ii) the Bank.

Section 102. Pledge and Assignment of the County. In order to secure the due payment of principal of, premium, if any, and interest on the Bonds (excluding Additional Interest, if any) and compliance by the County with its agreements contained in this Agreement and to secure the due payment and performance of the Bank Obligations, the County hereby grants, pledges and assigns to the Trustee for the benefit of the Bondholders and the Bank all of its right, title and interest in and to the Pledged Receipts and all of the County's right, title and interest in this Agreement, including enforcement rights and remedies but excepting from such grant, pledge and assignment the right of the County to any payment or reimbursement pursuant to Section 1001C or Section 1004 and its rights under the second sentence of Section 1111 and excepting any amounts on deposit in the Rebate Fund.

Section 103. Defeasance of Lien; Termination of Borrower's Obligations on the Loan. When (i) the County has paid or has been deemed to have paid, within the meaning of this Section 103, to the holders of all of the Bonds the principal and interest and premium, if any, due or to become due thereon at the times and in the manner stipulated therein and herein, (ii) all of the Bank Obligations have been performed or satisfied in full, within the meaning of this Section 103, and (iii) all Additional Payments have been paid or provided for to the satisfaction of the County and the Trustee, the lien of this Agreement on the Trust Estate shall terminate and the Borrower's obligations with respect to the Loan shall terminate, except that, notwithstanding termination of the lien hereof, the obligations of the Borrower to pay Additional Interest under this Agreement shall survive payment of the Bonds and the obligations of the

Borrower to make all payments required by Section 504 and of any other party hereto to take any other action thereunder shall continue until all such obligations have been paid in full. Upon the Borrower's written request, the Trustee shall upon the termination of the lien hereof promptly execute and deliver to the Borrower and the County an appropriate discharge hereof except amounts held by the Trustee pursuant to Section 510 for the payment of the principal of, premium, if any, and interest on the Bonds and moneys held for the rebate to the United States of America under Section 148(f) of the Code.

All the Outstanding Bonds shall be deemed to have been paid within the meaning of this Section 103 if the Trustee shall have paid to the holders of such Bonds, or pursuant to Section 505, 510 or 1106 shall be holding in trust for and shall have irrevocably committed to the payment of the Outstanding Bonds sufficient Priority Funds for the payment of, all principal of and interest and premium, if any, on such Bonds to the date of maturity or redemption, as the case may be; provided, that if any of such Bonds are deemed to have been paid prior to the earlier of the redemption or the maturity thereof, the Trustee shall have received an unqualified opinion of Bond Counsel that such payment and the holding thereof by the Trustee shall not in and of itself cause interest on the Bonds to be included in gross income for federal income tax purposes; and provided, further, that if any such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of such notice; and provided, further, that no Bond shall be deemed to have been paid within the meaning of this Section 103 if any payment of principal thereof or premium or interest thereon shall have been made out of funds other than Priority Funds unless and until 91 days shall have passed and no Bankruptcy shall have occurred since the date of such payment; and provided, however, that cancellation of a Borrower Bond as provided in Section 307 or 401(e) hereof or Section 7.2 of the Standby Credit Agreement shall constitute payment of such Borrower Bond within the meaning of this Section 103. As to whether a Bankruptcy has occurred, the Trustee may rely on a certificate of an Authorized Borrower Representative that no Bankruptcy has occurred. In rendering such certificate the Borrower may rely upon a certificate of an officer of the County certifying that no Bankruptcy has occurred with respect to the County during such 91-day period.

The Trustee shall submit to the Bank such certificates as may be required pursuant to Section 406 and take such

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other action as may be required from time to time to reduce the Stated Amount of the Letter of Credit in accordance with the provisions thereof. The Trustee shall promptly notify the Bank when all Outstanding Bonds shall have been paid or have been deemed to have been paid in full in accordance with the provisions of this Section 103.

The Bank Obligations shall be deemed to have been performed and satisfied in full within the meaning of this Section 103 if (A) the Letter of Credit is no longer outstanding, (B) the Bank is no longer obligated to extend credit under the Standby Credit Agreement, (C) the Borrower shall have paid sufficient moneys to the Bank for the payment of all of the obligations of the Borrower under the Reimbursement Agreement and the Standby Credit Agreement, and (D) the Bank shall have so notified the Trustee in writing.

Any moneys held by the Trustee in the manner provided by the provisions of this Section 103 shall be invested by the Trustee in the manner provided by Section 506 (but only to the extent that such investments are available) only in direct obligations of the United States of America which do not contain provisions permitting redemption at the option of the County, the maturities or redemption dates, without premium, of which shall coincide as nearly as practicable with, but not be later than, the time or times at which said moneys will be required for the aforesaid purposes; provided, however, that moneys drawn under the Letter of Credit shall be invested only in direct obligations of the United States of America with maturities of 30 or fewer days. The making of any such investments or the sale or other liquidation thereof shall not be subject to the control of the County or the Borrower, and the Trustee shall have no responsibility for any losses resulting from such investment. Any income or interest earned by, or increment to, the investments held under this Section 103, to the extent determined from time to time by the Trustee, with the consent of the Bank, to be in excess of the amount required to be held by it for the purposes of this Section 103, shall be paid to the Borrower.

Any amounts remaining in the Project Fund, the Bond Fund or the Letter of Credit Fund after all of the Outstanding Bonds shall be deemed to have been paid and all other amounts required to be paid under this Agreement, including without limitation the Bank Obligations, shall have been paid and after the Trustee shall have been notified by the Bank that all Bank Obligations have been satisfied, shall be paid to the Borrower upon the termination of this Agreement.

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Section 104. Releases. The Trustee shall execute and deliver such documents as the Borrower may properly request in writing to release the lien hereof (i) as provided in this Agreement or (ii) when so directed in writing by the Bank, so long as the Letter of Credit is in effect, or if the Letter of Credit is not in effect, when so directed in writing by a Majority of the Bondholders.

Article 2 - Definitions

The following terms as used in this Agreement, the Bonds and any certificate or document executed in connection therewith shall have the following meanings (or are defined elsewhere in this Agreement as indicated below) unless the context otherwise indicates:

"Act" means Chapter 29 of Title 4 of the Code of Laws of South Carolina, 1976, as amended, and all future acts supplemental thereto and amendatory thereof.

"Act of Bank Bankruptcy" means the Bank shall become insolvent or fail to pay its debts generally as such debts become due or shall admit in writing its inability to pay any of its indebtedness or shall consent to or petition for or apply to any authority for the appointment of a receiver, liquidator, trustee or similar official for itself or for all or any substantial part of its properties or assets or any such trustee, receiver, liquidator or similar official is otherwise appointed or insolvency, reorganization, arrangement or liquidation proceedings (or similar proceedings) shall be instituted by or against the Bank.

"Additional Interest" -- See Section 304(e).

"Additional Payments" means the amounts required to be paid by the Borrower under Section 1001C.

"Adjustable Rate" means a floating rate established as herein provided. Except as provided in the last sentence hereof, the floating rate shall be equal to the Adjustable Rate Index plus a fixed interest component ("FIC") equal to one-half of one percent (0.50%), provided that:

(i) if the Trustee shall have received a notice tendering any of the Bonds for purchase as described in Section 401(d) and if the Remarketing Agent shall remarket all or a portion of such Bonds pursuant to the Remarketing Agreement, the floating rate of interest for all Bonds shall be equal to the sum of (A) the Adjustable Rate Index plus (B) the FIC, plus (C), if

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required to enable the Remarketing Agent to remarket such tendered Bonds at par plus accrued interest, an additional interest component ("AIC") determined as hereinafter provided. The AIC shall be equal to that percentage of interest determined by the Remarketing Agent in connection with any remarketing effort and expressed in increments of 1/8th of 1% per annum, which when added to the sum of the Adjustable Rate Index plus the FIC will produce the interest rate per annum necessary to enable the Remarketing Agent to remarket the Bonds at par plus accrued interest. The AIC shall be announced promptly by the Remarketing Agent to the Trustee and the Borrower. The AIC shall become effective with respect to all Bonds as of the Purchase Date (as defined in paragraph (i) of Section 401(d)) with respect to the Tendered Bonds under Section 401(d), unless such date occurs after the last Wednesday of an Adjustable Rate Interest Period, in which case such AIC shall become effective as of the first Wednesday of the next Adjustable Rate Interest Period;

(ii) if an AIC is added to the floating rate pursuant to the preceding clause (i), such AIC shall remain in effect until the end of the Adjustable Rate Interest Period in which the Bonds were remarketed (except as provided in clause (iii) below), until a further adjustment to the floating rate is made pursuant to the preceding clause (i), or until the interest rate on the Bonds is otherwise determined as provided in this Agreement;

(iii) if the Remarketing Agent shall have advised the Borrower, the County, the Trustee and each Bondholder not less than seven days prior to the first Wednesday of any Adjustable Rate Interest Period that the discontinuance of the AIC would result in the Bonds bearing interest at a rate different from the interest rate per annum necessary to enable the Remarketing Agent to remarket the Bonds at par plus accrued interest, the floating rate shall be equal to the floating rate as last adjusted pursuant to the preceding clause (i) until such time as the floating rate may again be adjusted pursuant to such clause (i) or until the interest rate on the Bonds is otherwise determined as provided for in this Agreement; and

(iv) in addition, from time to time upon written notice from the Remarketing Agent to the Trustee and the Borrower given at least seven days prior to the first Wednesday in an Adjustable Rate Interest Period, the FIC

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may be adjusted as of such day with respect to the Bonds to an amount other than one half of one percent if necessary or appropriate in the case of an increase to enable the Remarketing Agent to remarket the Bonds at par plus accrued interest or in the case of a decrease to avoid the rate of interest on the Bonds being higher than that reasonably necessary to enable the Remarketing Agent to remarket the Bonds at par plus accrued interest, each such determination to be made by the Remarketing Agent in its sole judgment in accordance with such factors as it deems relevant and provided that the FIC shall not be increased to more than one percent or decreased to less than zero.

In the event that either (i) The First National Bank of Boston discontinues the announcement of ARBI prior to the Index Change Date or (ii) The First National Bank of Boston ceases to be the Remarketing Agent, the Adjustable Rate shall be equal to the average coupon rate of interest expressed as a percentage of the yield evaluations at par of United States Treasury obligations having a maturity of 91 days, which shall be announced by the Remarketing Agent to the Trustee, the County and the Borrower on Wednesday of each week, beginning on the first such Wednesday following the discontinuance of ARBI, or the appointment of a Remarketing Agent other than The First National Bank of Boston, as the case may be, each change in such Adjustable Rate to take effect on the Wednesday next following its announcement. On and after the Index Change Date, the Bonds will bear interest from time to time in accordance with the Taxable Rate Index.

"Adjustable Rate Index" means ARBI, or, following the Borrower's election pursuant to Section 304(a) to cause interest on the Bonds to no longer be excluded from gross income for federal income tax purposes, the Taxable Rate Index.

"Adjustable Rate Interest Payment Date" means (i) the first Wednesday in each calendar month during the Adjustable Rate Period, commencing on the first Wednesday of each calendar month succeeding (i) the date of delivery of the Bonds to the Initial Purchaser or Purchasers; (ii) the Conversion Date; and (iii) the date the principal of, premium, if any, and interest on the Bonds (excluding Additional Interest, if any) shall have been paid in full in accordance with this Agreement and the Bonds.

"Adjustable Rate Interest Period" means each period during the Adjustable Rate Period commencing on (and including) the first Wednesday of each calendar month (or, in

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the case of the first such period or the date designated in an Affirmative Election to convert to an Adjustable Rate, as applicable, the date of delivery of the Bonds to the Initial Purchaser or Purchasers or the date designated in an Affirmative Election to convert to an Adjustable Rate, as applicable), and ending on (but excluding) the first Wednesday of the next succeeding calendar month.

"Adjustable Rate Period" means the period from either (i) the date of issuance and delivery of the Bonds or (ii) the date designated in an Affirmative Election to convert to an Adjustable Rate, as applicable, to and including the earlier of (x) a Conversion Date or (y) the date the principal of, premium, if any, and interest on the Bonds (excluding Additional Interest, if any) shall have been paid in full in accordance with this Agreement and the Bonds.

"Affirmative Election" means, when the Bonds are in the Flexible Rate Period, the election by the Borrower to enter another Flexible Rate Period or to convert to either (i) an Adjustable Rate Period or (ii) the Fixed Rate Period.

"Affirmative Election Date" -- See Section 304(c).

"AIC" -- See definition of Adjustable Rate.

"Application" means the Plans and Specifications and general project description with respect to the Project which were approved by the County Council on February 6, 1989, and approved by the Bank, and all amendments thereto and supplementary information provided to the County Council, and approved by the Bank.

"ARBI" means the rate, calculated as a percentage (the "ARBI Percent") of the FNBB Base Rate, which, in the sole judgment of the Remarketing Agent, when combined with the FIC and, if appropriate, the AIC, will result in the minimum yield attainable on the date announced on tax-exempt adjustable rate bonds priced at par and supported by the Letter of Credit. ARBI shall change as and when the FNBB Base Rate changes, provided that (a) ARBI shall not be lower on any day during any Adjustable Rate Interest Period than on the first Wednesday of such Interest Period, and (b) changes in the FNBB Base Rate of which the Trustee is given notice after the last Wednesday in any Adjustable Rate Interest Period shall become effective on the first Wednesday of the next succeeding Adjustable Rate Interest Period. Changes in ARBI which result from a change in the ARBI Percent shall become effective with respect to an Adjustable Rate Interest Period only if the Trustee is given notice of such change in

the ARBI Percent at least seven days prior to the first Wednesday of such Adjustable Rate Interest Period. Changes in ARBI shall be communicated by the Remarketing Agent to the Trustee and the Borrower promptly after they are announced.

"Authorized Borrower Representative" means the person or each alternate designated to act for the Borrower by written certificate furnished to the County, the Bank and the Trustee, containing the specimen signature of such person and signed on behalf of the Borrower by the President, a Vice President, the Treasurer, or an Assistant Treasurer of the Borrower.

"Bank" means The First National Bank of Boston as the issuer of the Letter of Credit and as the Standby Bank or, where the context requires, any bank or other financial institution issuing a Substitute Letter of Credit or succeeding the Standby Bank.

"Bank Obligations" means any and all obligations of the Borrower to the Bank under the Basic Agreements to which the Borrower is a party (including without limitation the obligation under the Reimbursement Agreement to reimburse the Bank for amounts drawn under the Letter of Credit and to pay interest on such amounts until paid).

"Bankruptcy" means the filing of a petition in bankruptcy (or the commencement of a bankruptcy, a general assignment for the benefit of creditors, a receivership or similar proceeding) by or against the Borrower or the County under any applicable bankruptcy, insolvency, reorganization or similar law now or hereafter in effect which, in the case of a proceeding brought against the Borrower or the County, is not dismissed within 60 days.

"Basic Agreements" means this Agreement, the Bonds, the Bond Purchase Agreement, the Depositary Agreement, the Reimbursement Agreement, the Standby Credit Agreement, and the Remarketing Agreement.

"Bond Counsel" means the McNair Law Firm, P.A., Ropes & Gray, or any other attorney at law or a firm of attorneys acceptable to the Bank of nationally recognized standing in matters pertaining to the validity of and the tax-exempt nature of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

"Bond Fund" -- See Section 502.

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"Bondholder" means, as of any time, the registered owner of any Bond as shown in the register kept by the Trustee as bond registrar.

"Bondholder's Nontender Election" -- See Section 401(e).

"Bondholder's Tender Notice" -- See Section 401(d).

"Bond Purchase Agreement" means the Bond Purchase Agreement of even date herewith among the County, the Borrower and the Initial Purchaser or Purchasers of the Bonds.

"Bonds" -- See Recitals in this Agreement.

"Bond Year" means any one-year period ending on the anniversary of the Closing Date.

"Borrower" -- See Recitals in this Agreement.

"Borrower Affiliate" shall mean (a) a "substantial user" of the Project or a "related person" to any such "substantial user," within the meaning of such terms under Section 147(a) of the Code, or (b) any other person purchasing Bonds with funds furnished by a Borrower Affiliate.

"Borrower Bond" shall have the meaning provided for in the Standby Credit Agreement.

"Business Day" means any day other than a Saturday, Sunday or other day on which banks are authorized or required to be closed in any of the Cities of Boston, Massachusetts, or Orangeburg, South Carolina, or the municipalities in which the principal offices of the Trustee, the Remarketing Agent and the Bank are located.

"Closing Date" means the date of delivery of the Bonds to the Initial Purchaser or Purchasers against payment therefor.

"Co-Trustee" means any Co-Trustee appointed by the Trustee pursuant to the provisions of Section 1212.

"Code" means the Internal Revenue Code of 1986, as from time to time amended, and any regulations promulgated thereunder, including without limitation any Treasury Regulations or Temporary or Proposed Regulations, as the same shall from time to time be amended including (until modified, amended or superseded) Treasury Regulations or Temporary or

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Proposed Regulations under the Internal Revenue Code of 1954, as amended.

"Completion Certificate" -- See Section 602.

"Conversion Date" -- See Section 304(b).

"Costs of Collection" means all attorneys' reasonable fees and out-of-pocket expenses incurred by the Trustee and all costs and expenses associated with travel on behalf of the Trustee, which costs and expenses are directly or indirectly related to the Trustee's efforts to collect or enforce the Bonds, this Agreement, the Standby Credit Agreement or the Depositary Agreement, or any of the Trustee's rights, remedies, powers, privileges, or discretions against or in respect of the Borrower thereunder (whether or not suit is instituted in connection with any of the foregoing).

"County" -- See first paragraph of this Agreement.

"County Council" means the County Council of Orangeburg County, South Carolina.

"Default" means any Event of Default or any event or condition which, with the passage of time or giving of notice or both, would constitute an Event of Default.

"Depositary" means The First National Bank of Boston as depositary under the Depositary Agreement and its permitted successors and assigns.

"Depositary Agreement" means the Depositary Agreement of even date herewith among the Trustee, the Borrower, the Depositary and the Remarketing Agent, as from time to time in effect.

"Determination of Taxability" means a determination that the interest income on any of the Bonds does not qualify as interest excludable from gross income under Section 103 of the Code ("exempt interest"), for a reason other than that a Bondholder or former Bondholder is or was a "substantial user" of the Project or a "related person" of a "substantial user" within the meaning of Section 147(a) of the Code, which determination shall be deemed to have been made upon the occurrence of the first to occur of the following:

(a) 30 days following the date on which the Trustee notifies the Borrower that it has received from the County, the Bank or any present or former Bondholder

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an opinion of Bond Counsel that the interest income on any of the Bonds does not qualify as exempt interest, promptly after which 30-day period the Trustee shall give notification of the receipt of such opinion to the Borrower, the County, the Bank, the Remarketing Agent and each Bondholder and former Bondholder unless prior to the end of such 30-day period the Borrower shall have supplied the Trustee with an unqualified opinion acceptable to the Bank of other Bond Counsel that the interest income on the Bonds does qualify as exempt interest; or

(b) 30 days following the date on which the Trustee notifies the Borrower that it has received from the County, the Bank or any present or former Bondholder an opinion of Bond Counsel to the effect that a change in law or regulation has become effective, or that the Internal Revenue Service has issued a private ruling, technical advice or any other written communication, with or to the effect that the interest income on any of the Bonds does not qualify as exempt interest, promptly after which 30-day period the Trustee shall give notification of the receipt of such opinion to the Borrower, the County, the Bank, the Remarketing Agent and each Bondholder and former Bondholder unless prior to the end of such 30-day period the Borrower shall have supplied the Trustee and the Person or Persons who furnished the opinion of Bond Counsel to the Trustee with an unqualified opinion acceptable to the Bank of other Bond Counsel that the interest income on the Bonds does qualify as exempt interest; or

(c) the date on which the Borrower receives notice from the Trustee in writing (which notice the Trustee shall give promptly to the Borrower, the County, the Bank, the Remarketing Agent and each other Bondholder and former Bondholder following receipt thereof) that the Trustee has been advised by any Bondholder or former Bondholder that the Internal Revenue Service has issued a 30-day letter or other notice to it that asserts that the interest on such Bonds does not qualify as exempt interest, which letter or other notice is not revoked or otherwise withdrawn during the period of contest described in the proviso below; or

(d) 30 days following the date on which the Trustee receives from the Bank, any present or former Bondholder, the Borrower or the County, an opinion of Bond Counsel or an independent certified public accountant to the effect that the Borrower has exceeded

the maximum amount of capital expenditures permitted under Section 144(a)(4) of the Code (which opinion shall include a statement of when such limit was exceeded), promptly after which 30-day period the Trustee shall give notification of the receipt of such opinion to the Borrower, the County, the Bank, the Remarketing Agent and each Bondholder and former Bondholder unless prior to the end of such 30-day period the Borrower shall have supplied the Trustee with an unqualified opinion acceptable to the Bank of other Bond Counsel or other independent certified public accountant to the effect that the Borrower has not exceeded the maximum amount of capital expenditures permitted under Section 144(a)(4) of the Code; or

(e) 30 days following the date on which the Trustee receives from the Bank, any present or former Bondholder, the Borrower or the County an opinion of Bond Counsel that the interest income on any of the Bonds does not qualify as exempt interest because of a failure for any reason of any Person to comply with the requirements of Section 148(f) of the Code, promptly after which 30-day period the Trustee shall give notification of the receipt of such opinion to the Borrower, the County, the Bank, the Remarketing Agent and each Bondholder and former Bondholder unless prior to the end of such 30-day period the Borrower shall have the supplied the Trustee with an unqualified opinion acceptable to the Bank of other Bond Counsel that interest income on the Bonds does qualify as exempt interest;

provided, however, that no Determination of Taxability under clause (c) above shall be deemed to have occurred unless the Borrower has been given written notice of such Determination of Taxability and is contesting the same in good faith in its own name or in the name of such Bondholder or former Bondholder until the earlier to occur of (i) abandonment of such contest, or (ii) receipt of an adverse final order of a court from which no further appeal may be or is taken, or (iii) the date which is 180 days after the date of the notice described in clause (c). By its acceptance of any Bond, each Bondholder or former Bondholder agrees to permit any such contest by the Borrower acting in its behalf, provided that such Bondholder or former Bondholder shall have no responsibility for any fees and expenses of such contest.

"Event of Default" -- See Section 1101.

"FIC" -- See definition of Adjustable Rate.

"Fixed Rate" means, when the Borrower either exercises its Option to Convert to the Fixed Rate or makes an Affirmative Election to convert to the Fixed Rate, the rate of interest certified to the Borrower and the Trustee by the Remarketing Agent no more than ten or less than three Business Days prior to the Conversion Date or the Put Date, as appropriate, as the minimum rate of interest during the Fixed Rate Period which, in the opinion of the Remarketing Agent, is necessary to sell the Bonds in a secondary sale (by private placement, so long as the Remarketing Agent shall be an entity not allowed to sell Bonds publicly) on the Conversion Date or the Put Date at a price equal to 100% of the outstanding principal amount thereof.

"Fixed Rate Interest Payment Date" means the June 1 or December 1 during the Fixed Rate Period next succeeding the Conversion Date or the Put Date and each June 1 and December 1 thereafter until the principal of, premium, if any, and interest (excluding Additional Interest, if any) on the Bonds shall have been paid in full.

"Fixed Rate Period" means the period during which interest (excluding Additional Interest, if any) on the Bonds shall be payable at the Fixed Rate.

"Flexible Rate" means, when the Borrower exercises its Option to Convert to a Flexible Rate Period or makes an Affirmative Election to enter into a new Flexible Rate Period, the rate of interest certified to the Borrower and the Trustee by the Remarketing Agent no more than ten or less than three Business Days prior to a Conversion Date or a Put Date, as appropriate, as the minimum rate of interest during a Flexible Rate Period which, in the sole judgment of the Remarketing Agent, is necessary to sell the Bonds in a secondary market (by private placement, so long as the Remarketing Agent shall be an entity not allowed to sell Bonds publicly) on a Conversion Date or a Put Date at a price equal to 100% of the outstanding principal amount thereof.

"Flexible Rate Interest Payment Date" means, with respect to any Flexible Rate Period, (i) the first day of the sixth calendar month after the commencement of such Flexible Rate Period and the first day of each sixth calendar month thereafter, and (ii) the Put Date.

"Flexible Rate Period" means the period beginning on a Conversion Date with respect to which the Borrower has exercised its Option to Convert to a Flexible Rate or on a Put Date with respect to which the Borrower has made an

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Affirmative Election to enter a new Flexible Rate Period, as applicable, and ending on the next succeeding Put Date.

"FNBB Base Rate" means the per annum rate of interest from time to time announced by The First National Bank of Boston at its principal office in Boston, Massachusetts as its Base Rate.

"Fund" means any of the Project Fund, the Bond Fund, the Rebate Fund and the Letter of Credit Fund.

"Gross Proceeds" -- See Section 507.

"Index Change Date" -- See Section 304(a).

"Initial Purchaser or Purchasers" means the purchaser or purchasers of the Bonds named in the Bond Purchase Agreement.

"Interest Payment Dates" means, collectively, the Adjustable Rate Interest Payment Dates, the Fixed Rate Interest Payment Dates and the Flexible Rate Interest Payment Dates.

"Letter of Credit" means the Letter of Credit originally issued under the Reimbursement Agreement, in substantially the form of Exhibit I thereto and having an original Stated Amount (as therein defined) of $7,891,438, of which an amount not exceeding $7,500,000 may be drawn to pay unpaid principal on the Bonds and an amount not exceeding $391,438 may be drawn to pay up to 127 days' interest accrued on the Bonds, or any Substitute Letter of Credit.

"Letter of Credit Fund" -- See Section 505.

"Loan" -- See Recitals in this Agreement.

"Majority of the Bondholders" means the holders of more than fifty percent of the aggregate principal amount of Outstanding Bonds (other than Borrower Bonds).

"Metal Leve S.A." means Metal Leve S.A. Industria e Comercio, a sociedade anonima organized under the laws of Brazil.

"Moody's" means Moody's Investors Services, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally

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recognized securities rating agency designated by the Remarketing Agent, with the approval of the Borrower, by notice to the Trustee and the Borrower.

"Mortgage and Security Agreement" means the Mortgage and Security Agreement dated as of June __, 1989 between the Borrower and the Bank, as from time to time in effect.

"Nonpurpose Investments" -- See Exhibit 504.

"No Preference Determination" means, with respect to any payment of principal of, premium, if any, or interest (excluding Additional Interest, if any) on the Bonds, either (i) a final determination by a court of competent jurisdiction (subject to no further appeal) that such payment did not constitute a voidable preference under the federal Bankruptcy Code or any similar state insolvency law or (ii) the termination or closing of any bankruptcy, insolvency or other proceeding or case the institution of which constituted the relevant Bankruptcy, or the confirmation of a plan of reorganization in any such proceeding or case, in either case without a determination that such interest payment constituted such a voidable preference.

"Notice Address" means:

(a) As to the Borrower:

Metal Leve, Inc.
2455 South Industrial Highway
Suite A
Ann Arbor, Michigan 48104
Telephone: (313) 930-1590

Attn: Managing Director

With a copy to Metal Leve S.A. at:

Metal Leve S.A. Industria e Comercio
Rue Brasilio Luz, 535
04747 Sao Paulo, SP, Brazil
Telephone: 011-5511-545-0610

Attn: Financial Director

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(b) As to the County:

Orangeburg County,
South Carolina
P.O. Drawer 1000
Orangeburg County, SC 29116

Attn: County Administrator

(c) As to the Trustee:

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Attn: Manager, Corporate Trust Division

(d) As to the Depositary:

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Attn: Manager, Corporate Trust Division

(e) As to the Bank:

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Attn: Thomas Engels, Foreign Multinational Division
Mailstop 1-6-3

(f) As to the Remarketing Agent:

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Attn: Municipal Note Desk

or to such other address or addresses as any such party shall designate by notice actually received by the addressor.

"Option to Convert" means, when the Bonds are in an Adjustable Rate Period, the Borrower's right and option to convert the rate of interest payable on the Bonds from an Adjustable Rate to a Flexible Rate or to the Fixed Rate as provided in Section 304(b).

"Outstanding Bonds" or "Bonds outstanding" means the amount of principal of the Bonds which has not at the time been paid, exclusive of (a) Bonds in lieu of which others have been authenticated under Section 305, (b) principal of any Bond which has become due (whether by maturity, call for redemption or otherwise) and for which provision for payment

as required herein has been made, (c) Borrower Bonds that have been cancelled as provided in Section 307 or 401(e) hereof or in Section 7.2 of the Standby Credit Agreement and (d) for purposes of any direction, consent or waiver under this Agreement or under any other Basic Agreement, Bonds deemed not to be outstanding pursuant to Section 1407.

"Paying Agent" means the Trustee or any other paying agent appointed in accordance with Section 1210 hereof.

"Payment Date" means each date on which any principal of, premium, if any, or interest (excluding Additional Interest, if any) on any Bond is due and payable for any reason.

"Penalty Interest Period" -- See Section 304(e).

"Permitted Encumbrances" means so long as the Letter of Credit or the Standby Credit Agreement is in effect, any liens and encumbrances permitted under the Reimbursement Agreement, the Standby Credit Agreement or the Mortgage and Security Agreement or otherwise permitted by the Bank.

"Person" means a corporation, association, partnership, joint venture, trust, organization, business, individual or government or any governmental agency or political subdivision thereof.

"Plans and Specifications" means the plans and specifications for the Project contained in the Application.

"Pledged Receipts" means the Loan and all payments and other revenues received or receivable by the County, or the Trustee for the account of the County, in respect of the Loan, including without limitation moneys, investments and proceeds in the Bond Fund, the Letter of Credit Fund and the Project Fund, except for amounts in the Rebate Fund and payments to the County under subsections (i) and (ii) of Section 1001C or under Section 1004, and subject to the provisions of Section 510 regarding moneys for the benefit of the holders of particular Bonds.

"Preference Determination" means a final determination by a court of competent jurisdiction (which is subject to no further appeal) that any payment of principal of or premium or interest on the Bonds made within a period of 91 days immediately preceding any Bankruptcy constituted a voidable preference under the federal Bankruptcy Code or any similar state insolvency law.

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"Principal Office," when used with respect to any Paying Agent other than the Trustee and with respect to the Depositary, means the office thereof designated in writing to the Trustee.

"Priority Funds" means (i) moneys deposited in the Bond Fund pursuant to subsection (a) of Section 502 and any earnings thereon, (ii) moneys deposited in the Letter of Credit Fund pursuant to Section 505, (iii) moneys deposited in the Bond Fund with respect to which the Trustee receives an opinion of counsel nationally recognized as expert in bankruptcy matters to the effect that payment of such moneys to the Trustee shall not be subject to avoidance as a preference within the meaning of the United States Bankruptcy Code in the event of a Bankruptcy, and (iv) moneys deposited in the Bond Fund pursuant to subsection (b), (c), (d), (e) or (f) of Section 502 and any earnings thereon, which have been held by the Trustee hereunder for at least 91 consecutive days, but only if no Bankruptcy has occurred prior to or during such 91-day period and if an Authorized Borrower Representative shall have delivered to the Trustee a certificate, accompanied by an opinion of counsel to the Borrower, stating, as of a date no earlier than the last day of such period, that no Bankruptcy has occurred. In rendering such certificate and opinion both the Borrower and its counsel may rely upon a certificate of an officer of the County certifying that no Bankruptcy has occurred with respect to the County during such 91-day period.

"Project" means the construction of a building and the acquisition and installation by the Borrower of machinery and equipment in the Borrower's facility located in Orangeburg, South Carolina, all or a portion of the cost of which will be paid from the proceeds of the Bonds and which will be used for the purpose of manufacturing articulated and standard pistons and related products and for such other purposes approved in advance by the Bank as may be permitted under the Act and as will not, in the opinion of Bond Counsel acceptable to the Bank, jeopardize the exclusion from gross income for federal income tax purposes of interest on the Bonds.

"Project Fund" -- See Section 501.

"Property" has the meaning given it in the Mortgage and Security Agreement.

"Purchase Date" -- See Section 401(d)(i).

"Purchaser" -- See Section 401(e).

"Put Date" means the date designated by the Borrower upon exercising its Option to Convert to a Flexible Rate or making an Affirmative Election to enter a new Flexible Rate Period, as applicable, as the date as of which the Flexible Rate Period shall terminate, which date shall be the second Flexible Rate Interest Payment Date in the Flexible Rate Period or any second Flexible Rate Interest Payment Date thereafter or, if earlier, the date on which the Bonds mature.

"Qualified Investments" means (i) any bonds or obligations which as to principal and interest constitute direct obligations of or are guaranteed by the United States of America, (ii) certificates of deposit or banker's acceptances or interest-bearing deposits of the Trustees or the Bank and banks affiliated with the Trustees or the Bank, and banks or trust companies organized under the laws of the United States of America or any state thereof, which have capital and surplus of at least $100,000,000 and a rating on their commercial paper of not less than prime-one or A-1 or their equivalents by Moody's or S&P, (iii) commercial paper or finance company paper, including that of any affiliate of the Trustee or the Bank, which is rated not less than prime-one or A-1 or their equivalents by Moody's or S&P, (iv) bonds, obligations or commercial paper of the District of Columbia, any territory of the United States of America or any state of the United States of America or of any political subdivision or other instrumentality of the foregoing, the interest on which is excluded from gross income for federal income tax purposes, which are not, in the opinion of Bond Counsel, subject to the alternative minimum tax imposed on individuals and corporations, and which have maturities of 180 days or less, and which are rated in one of the two highest categories (without regard to pluses or minuses) for such securities by Moody's or S&P, (v) shares of any open-end diversified investment company registered under the Investment Company Act of 1940, as amended, or any other so-called "money market fund" which, in either case, maintains a constant net asset value per share in accordance with regulations of the Securities and Exchange Commission; has aggregate net assets of not less than $50 million on the date of purchase; and to the extent practicable and in accordance with its investment guidelines invests 85% of its assets in investments of the types described in the preceding clauses (i), (ii) and (iii) above or unrated securities of the types described above if such assets are of comparable quality; provided that the purchase of any shares in any particular investment company shall be limited to an aggregate amount owned at any time of $1,000,000; (vi) shares of any open-end

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diversified investment company registered under the Investment Company Act of 1940, as amended, which maintains a constant net asset value per share in accordance with regulations of the Securities and Exchange Commission; has aggregate net assets of not less than $50 million on the date of purchase; and to the extent practicable invests all of its assets in investments of the types described in the preceding clause (iv) above or unrated securities of the types described above if such assets are of comparable quality; and either derives at least 85% of its gross income from interest on or gains from the sale of investments of such types or has at least 85% of the weighted average value of its assets invested in investments of such types, provided that the purchase of any shares in any particular investment company shall be limited to an aggregate amount owned at any time of $1,000,000; (vii) in the case of funds in an aggregate amount of $100,000 or less, an interest-bearing savings account in a bank or trust company described in clause (ii), the interest on which is payable at least as often as quarterly and withdrawal from which is unrestricted as to prior notice; and (viii) if required to keep the Bonds from becoming "arbitrage bonds" under Section 148 of the Code, obligations not deemed to be "investment property" under Section 148 of the Code which are rated by either Moody's or S&P in either of its two highest long term or short term credit rating categories (without regard to pluses or minuses); provided as to all of the foregoing that such investment or deposit is not prohibited by federal or state banking laws applicable to the Trustee.

"Rebate Fund" -- See Section 504.

"Record Date" means (a) with respect to any Adjustable Rate Interest Payment Date, the Business Day next preceding such Interest Payment Date, or (b) with respect to any Flexible Rate Interest Payment Date or Fixed Rate Interest Payment Date, the close of business on the fifteenth day of the month next preceding such Interest Payment Date.

"Registered Owner" or "Registered Owners" means, as of any time, the Person in whose name any Bond is registered in the register kept by the Trustee as bond registrar.

"Reimbursement Agreement" means the Reimbursement Agreement of even date herewith between the Borrower and the Bank, as from time to time in effect, and any agreement to which the Borrower and any Bank are parties and pursuant to which a Substitute Letter of Credit is issued.

"Remarketing Agent" means The First National Bank of Boston or such other remarketing agent as may be appointed from time to time pursuant to the Remarketing Agreement.

"Remarketing Agreement" means the Remarketing Agreement of even date herewith between the Borrower and the Remarketing Agent, as from time to time in effect, with respect to the Bonds and such other agreement appointing a Remarketing Agent as may be in effect from time to time.

"S&P" means Standard & Poor's Corporation, a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Remarketing Agent, with the approval of the Borrower, by notice to the Trustee and the Borrower.

"Standby Bank" means the Bank at the time party to the Standby Credit Agreement.

"Standby Credit Agreement" means the Standby Credit Agreement of even date herewith among the Borrower, the Bank and the Trustee, as from time to time in effect, or any Substitute Standby Credit Agreement.

"Stated Amount" has the meaning given it in the Letter of Credit.

"Substitute Letter of Credit" means any irrevocable transferable letter of credit, insurance policy, guaranty, surety bond or other agreement substituted for the Letter of Credit in accordance with Section 512.

"Substitute Standby Credit Agreement" means any agreement satisfactory to the Remarketing Agent to which the Borrower and any Bank are parties which provides for a liquidity facility in connection with the remarketing of Bonds and which is substituted for the Standby Credit Agreement in accordance with Section 512.

"Tax Statement" means the Borrower's Certificate as to certain tax matters dated the Closing Date and signed by the Borrower.

"Taxability Date" -- See Section 304(e).

"Taxable Penalty Rates" -- See Section 304(e).

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"Taxable Rate" or "Taxable Rate Index" means the rate, calculated as a percentage (the "Taxable Rate Index Percent") of the FNBB Base Rate, which in the sole judgment of the Remarketing Agent, will result in the minimum yield attainable on the date announced on thirty-day taxable adjustable-rate bonds priced at par and supported by the Letter of Credit. The Taxable Rate Index shall change as and when the FNBB Base Rate changes, provided that (a) the Taxable Rate Index shall not be lower on any day during the Adjustable Rate Interest Period than on the first Wednesday of such Interest Period, and (b) changes in the FNBB Base Rate of which the Trustee is given notice after the last Wednesday in any Adjustable Rate Interest Period shall become effective on the first Wednesday of the next succeeding Adjustable Rate Interest Period. Changes in the Taxable Rate Index which result from a change in the Taxable Rate Index Percent shall become effective with respect to an Adjustable Rate Interest Period only if the Trustee is given notice of such change in the Taxable Rate Index Percent at least seven days prior to the first Wednesday of such Adjustable Rate Interest Period. Changes in the Taxable Rate Index shall be communicated by the Remarketing Agent to the Trustee and the Borrower promptly after they are announced.

"Tendered Bonds" has the meaning provided therefor in the Depositary Agreement.

"Trust Estate" means the Pledged Receipts and other rights assigned by the County and the Borrower to the Trustee and/or the Bank hereunder.

"Trustee" -- See first paragraph of this Agreement.

"Uniform Commercial Code" means Chapter 36 of Title 35 of the Code of Laws of South Carolina, 1976, as amended.

"Yield" -- See Exhibit 504.

Any reference in this Agreement to the Borrower, the County, the Trustee, the Bank, the Remarketing Agent, the Depositary or the Standby Bank shall include those which succeed to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions. Any reference in this Agreement to any statute or law or chapter or section thereof shall include all amendments, supplements or successor provisions thereto.

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PART II: THE BONDS

Article 3 - The Bonds

Section 301. Issuance of Bonds. The Bonds shall be designated "Orangeburg, South Carolina Flexible Mode Industrial Development Revenue Bonds (Metal Leve, Inc. Series)"; shall be issued in the original aggregate principal amount of $7,500,000; shall mature on June 1, 2008 except as provided herein; shall be substantially in the form set forth in Exhibit 301 attached hereto, with such variations, omissions and insertions as are permitted or required hereby; and shall be dated as of the Closing Date if authenticated prior to the first Interest Payment Date and otherwise shall be dated as of the Interest Payment Date next preceding the date of their authentication, except that if authenticated on an Interest Payment Date they shall be dated as of such date of authentication; provided that if at the time of authentication interest thereon is in default, they shall be dated as of the date to which interest has been paid or if no interest has been paid, they shall be dated as of the Closing Date. The Bonds shall be issued in fully registered form without coupons numbered from R-1 upwards in denominations of $50,000 or any multiple of $5,000 in excess of $50,000 so long as the Bonds bear an Adjustable Rate and in denominations of $5,000 or any multiple thereof so long as the Bonds bear a Flexible Rate or a Fixed Rate and shall be registered in such names as shall be requested by the Bondholders. The Bonds shall be issued initially in minimum denominations of $100,000 or any multiple of $50,000 greater than $100,000 as requested by the Initial Purchaser or Purchasers.

Interest on each Bond shall accrue from its date; provided, that, as provided in Section 307, interest shall not accrue on any Borrower Bond for so long as such Borrower Bond shall not have been resold to a Person other than a Borrower Affiliate.

Section 302. Delivery of Bonds. Upon the execution and delivery of this Agreement, the County shall execute and deliver the Bonds to the Trustee and the Trustee shall authenticate the Bonds and deliver them to the Initial Purchaser or Purchasers as provided in the Bond Purchase Agreement.

Prior to delivery by the Trustee of the Bonds, there shall be filed with the Trustee:

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(a) A copy, duly certified on behalf of the County, of the ordinance adopted by the County Council authorizing the execution and delivery of this Agreement and the issuance and sale of the Bonds.

(b) The Letter of Credit.

(c) An executed counterpart of this Agreement, the Depositary Agreement and the Standby Credit Agreement.

(d) The County's due request and authorization to the Trustee to authenticate and deliver the Bonds to the Initial Purchaser or Purchasers or their agents upon payment of a specified sum to the Trustee for the account of the County.

Section 303. Execution; Authentication. Bonds shall be executed on behalf of the County by the manual or facsimile official signature of the Chairman of the County Council. The official seal (which may be facsimile) of the County shall be impressed or imprinted on all Bonds and attested to by the County Administrator. In case any officer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until delivery and any Bonds may be signed on behalf of the County by such persons as, at the time of execution of such Bond, shall be the proper officers of the County, even though at the date of such Bond or of the delivery of this Agreement such person was not such officer.

No Bond shall be valid or obligatory until authenticated as provided in Exhibit 301 by the Trustee. Such authentication shall be conclusive evidence that such Bond has been authenticated and delivered hereunder. The certificate of authentication on any Bond shall be deemed to have been executed by the Trustee if manually signed by an authorized signatory of the Trustee, but it shall not be necessary that the same individual sign the certificate of authentication on all of the Bonds issued hereunder.

Section 304. Interest on Bonds. (a) The Bonds shall bear interest from and including the date thereof (except as herein provided) until payment of the principal thereof shall have been made or provided for in accordance with the provisions hereof, whether at maturity, upon redemption or otherwise. During the Adjustable Rate Period the Bonds will bear interest at the Adjustable Rate, computed on the basis of a 365- or 366-day year and the number of days actually

elapsed. During the Flexible Rate Period the Bonds will bear interest at the Flexible Rate, computed on the basis of a 360-day year consisting of twelve 30-day months. During the Fixed Rate Period the Bonds will bear interest at the Fixed Rate, computed on the basis of a 360-day year, consisting of twelve 30-day months. Interest will be payable as provided in Exhibit 301. The Adjustable Rate Index used in computing the Adjustable Rate on the Bonds during any Adjustable Rate Period will cease to be ARBI and will become the Taxable Rate Index for the remainder of the Adjustable Rate Period then in effect and any future Adjustable Rate Period upon the Index Change Date (hereinafter defined) following the election by the Borrower to exercise its option to change to the Taxable Rate Index as herein provided on such date which is a Business Day as the Borrower shall select, subject to the terms and conditions hereof (the "Index Change Date"). The Borrower may exercise such option at any time during an Adjustable Rate Period by giving written notice to the County, the Trustee, the Remarketing Agent and the Bank signed on behalf of the Borrower by a duly authorized officer stating (A) its intention to exceed the maximum amount of capital expenditures permitted under Section 144(a)(4) of the Code on a date on or after the Index Change Date in such manner as would cause interest on the Bonds from and after the Index Change Date to no longer be excluded from gross income for federal income tax purposes, (B) the Index Change Date, which date shall not be less than 30, nor more than 120 days from the date of such notice, and (C) that there exists no Determination of Taxability, nor, to the best of the Borrower's knowledge, any basis therefor and accompanied by an opinion of nationally recognized securities law counsel stating that the transfer or remarketing of Bonds the interest on which is includable in gross income of the owners thereof for federal tax purposes is permitted under the Basic Agreements is lawful under applicable federal and state securities laws. Upon receipt of such notice, the Trustee shall promptly notify each Registered Owner of the Borrower's election to change to the Taxable Rate Index and request that the Bond(s) be surrendered to the Trustee for the notation of the Index Change Date and the affixation of the following legend in a conspicuous manner on the face of the Bond(s):

"INTEREST ON THIS BOND ON AND AFTER THE INDEX CHANGE DATE IS NOT EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES; AND PAYMENTS OF INTEREST IN EXCESS OF 15% PER ANNUM ARE NOT PAYABLE UNDER THE LETTER OF CREDIT OR SUPPORTED BY ANY OTHER SECURITY."

The Trustee is hereby authorized to affix the foregoing legend on any Bond surrendered to it at any time following

EXHIBIT

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the Index Change Date. After the Index Change Date, the Remarketing Agent shall not be obligated to remarket and the Trustee shall not be obligated to effect the transfer of any Bond not bearing the legend set forth above. The notice of election by the Borrower to change the Taxable Rate Index shall be irrevocable, except that in the event that a Determination of Taxability has occurred at the time of election or occurs at any time prior to the Index Change Date, such election shall be deemed rescinded and of no force or effect and the Bonds shall be subject to mandatory redemption as provided in Section 401(c)(i) hereof. From and after the Index Change Date the provisions of Section 401(c)(i) shall no longer be applicable to the Bonds and the Borrower shall no longer be bound by the representations, warranties and covenants set forth in the Tax Statement or by this Agreement, if it receives an opinion of Bond Counsel stating that failure to be bound by such representations, warranties and covenants does not result (either prospectively or retroactively) in the inclusion of interest on the Bonds for federal income tax purposes in the gross income of any Bondholder or former Bondholder or, if one or more representations, warranties and covenants will result in such inclusion, specifying such representations, warranties and covenants, in which event the Borrower shall be bound only by such representations, warranties and covenants.

(b) The Bonds will be issued subject to the provision that the interest rate on the Bonds may change from the Adjustable Rate (unless the Bonds bear interest at the Taxable Rate) and (i) may be converted to a Flexible Rate until a Put Date or (ii) will become irrevocably fixed until maturity at the Fixed Rate upon the election by the Borrower to exercise an Option to Convert as herein provided on such date which is the first day of any month as the Borrower shall select, subject to the terms and conditions hereof (the "Conversion Date"); provided, however, that the interest rate on the Bonds shall not be subject to conversion to the Fixed Rate as provided in this Section 304(b) prior to the expiration of six months from the Closing Date. The Borrower may exercise an Option to Convert at any time by giving written notice to the County, the Trustee, the Remarketing Agent and the Bank stating (A) its election to convert to a Flexible Rate or irrevocably to convert to the Fixed Rate, (B) the Conversion Date, which date shall not be less than 30 nor more than 90 days from the date of such notice, (C) that a Substitute Letter of Credit has been obtained that satisfies the requirements of Section 512 with respect to the Flexible Rate Period or the Fixed Rate Period, as the case may be, and the terms thereof, (D) that a Substitute Standby Credit Agreement has been obtained that satisfies the

requirements of Section 512 with respect to the Flexible Rate Period and the terms thereof, and (E) if the Option to Convert is to a Flexible Rate, (i) the applicable Put Date and (ii) whether or not the Borrower has elected to irrevocably waive its right to direct the County to redeem Bonds on any or all Flexible Rate Interest Payment Dates during such Flexible Rate Period as provided in Section 401(a)(i) of this Agreement. Such notice shall be accompanied by an opinion of Bond Counsel stating that the establishment of either a Flexible Rate or a Fixed Rate and the purchase and resale of the Bonds in connection therewith are authorized and permitted by this Agreement and the Act and will not have an adverse effect on the exclusion from gross income for federal income tax purposes of interest on the Bonds (which opinion may rely on an assumption that the County, the Borrower or other specified Persons shall have taken specified actions on or before the Conversion Date). Upon receipt of such written notice and opinion the Trustee shall call all of the Bonds for purchase on the Conversion Date as provided in Section 401(e) hereof. On the Conversion Date the Trustee shall note the Flexible Rate and the Put Date or the Fixed Rate, as appropriate, on the Bonds in the space provided.

(c) If the interest on the Bonds has been converted to a Flexible Rate for a Flexible Rate Period, the Borrower must give written notice (or telephonic notice confirmed in writing as provided in subsection (d) of this Section 304) to the County, the Remarketing Agent, the Trustee and the Bank of its irrevocable election as of the Put Date then in effect to enter another Flexible Rate Period or to convert to either (i) an Adjustable Rate or (ii) the Fixed Rate not less than 30 nor more than 90 days before such Put Date (the "Affirmative Election Date"). Written notice of an Affirmative Election shall specify (A) whether the Borrower irrevocably elects to enter into another Flexible Rate Period, convert to the Adjustable Rate, or convert to the Fixed Rate, (B) if the Borrower elects to enter a new Flexible Rate Period, (i) the new Put Date and (ii) whether or not the Borrower has elected to irrevocably waive its right to direct the County to redeem Bonds as provided in Section 401(a)(i) of this Agreement, and (C) that a Substitute Letter of Credit and, unless the Borrower has elected to convert to the Fixed Rate, a Substitute Standby Credit Agreement have been obtained that satisfy the requirements of Section 512 and the terms thereof. Such written notice shall be accompanied by an opinion of Bond Counsel stating that the establishment of a Flexible Rate, an Adjustable Rate or a Fixed Rate, as the case may be, and the purchase and resale of the Bonds in connection therewith are

authorized and permitted by this Agreement and the Act and will not have an adverse effect on the exclusion from gross income for federal income tax purposes of interest on the Bonds (which opinion may rely on an assumption that the County, the Borrower or other specified Persons shall have taken specified actions on or before the Put Date). Upon receipt of such written notice and opinion, the Trustee shall call all of the Bonds for purchase on the applicable Put Date as provided in Section 401(e) hereof, provided that if the Borrower fails to give valid written notice of an Affirmative Election as specified herein, the Bonds shall be redeemed and shall not be eligible for purchase as described in Section 401(e). Unless redeemed in accordance with Section 401(e) of this Agreement, on the Put Date the Trustee shall note on the Bonds in the space provided the new Flexible Rate and the Put Date, or the Fixed Rate, or that the Bonds again bear interest at the Adjustable Rate, as the case may be.

(d) In the event that the Trustee shall not have received written notice of an Affirmative Election as specified in subsection (c) of this Section 304 from the Borrower by the 60th day prior to the Put Date then in effect, the Trustee shall promptly notify the Borrower in writing of the date of such Put Date and that all of the Bonds will be redeemed on such Put Date unless the Trustee shall have received written notice of an Affirmative Election from the Borrower on or before the 30th day prior to such Put Date, subject to the provisions of the following sentence. In the event that the Trustee shall not have received written notice of an Affirmative Election as specified in subsection (c) of this Section 304 from the Borrower by the 40th day prior to the Put Date then in effect, the Trustee shall notify the Borrower thereof in writing on the next succeeding Business Day and, unless the Borrower shall by the close of business of the Trustee on the 30th day prior to the Put Date then in effect have furnished the Trustee with telephonic notice of the Borrower's Affirmative Election (confirmed by the Borrower in a written notice delivered to the Trustee by Federal Express or other overnight courier acceptable to the Trustee on the next Business Day after providing such telephonic notice from the Trustee), all Bonds shall be redeemed on such Put Date. Notwithstanding the foregoing, the Trustee shall not be liable for any failure to give any notice to the Borrower described in this subsection (d), nor shall the failure to give any such notice to the Borrower or any defect therein affect the validity of proceedings under any other provision of this Agreement.

(e) Upon a Determination of Taxability, Additional Interest pursuant to clause (i) of this subsection (e)

(calculated as interest is calculated during the Adjustable Rate Period, the Flexible Rate Period or the Fixed Rate Period, as applicable) in immediately available funds shall be due to each Bondholder or former Bondholder which owned the Bond during the Penalty Interest Period (as defined below), if applicable, from the Borrower within forty-five (45) days of the redemption date pursuant to Section 401(c)(i) or, if the Index Change Date has occurred, within 45 days after the date of the Determination of Taxability. On and after the Index Change Date, Additional Interest pursuant to clause (ii) of this subsection (e) in immediately available funds shall be due and payable to each Bondholder on the first Wednesday of each month. "Additional Interest" means interest on the unpaid principal amount of the Bonds outstanding from time to time (i) from the Taxability Date (as defined below) to the earlier of the redemption date pursuant to Section 401(c)(i) or the Index Change Date (the "Penalty Interest Period") at rates in effect from time to time during the Penalty Interest Period equal to the difference between the Taxable Penalty Rates (as defined below) and the Adjustable Rates, the Flexible Rates or the Fixed Rate in effect from time to time during the Penalty Interest Period, or (ii) from and after the Index Change Date, at rates equal to the difference between the Taxable Rate and 15% per annum, as computed from time to time in accordance with the provisions of this Agreement. "Taxable Penalty Rates" mean per annum rates of interest equal to a fraction in which the numerator is the Adjustable Rates, the Flexible Rates or the Fixed Rate in effect from time to time during the Penalty Interest Period and the denominator is equal to one minus the maximum statutory marginal income tax rate applicable to either corporations or individuals (whichever is higher) in effect from time to time during the Penalty Interest Period. The Taxable Penalty Rates and the periods after the Taxability Date (which is determined as described below) during which each Taxable Penalty Rate is in effect shall be determined by the Remarketing Agent, and such determination shall be conclusive and binding on the Borrower, the Trustee, the County, the Bank, and any Bondholder or former Bondholder which owned the Bonds during the Penalty Interest Period. "Taxability Date" shall mean the date as of which interest on the Bonds ceased to be excludable from gross income for federal income tax purposes, and the Trustee shall determine such date by obtaining within 15 days of a Determination of Taxability an opinion acceptable to the Bank of Bond Counsel with respect to when such date occurred and shall notify the Borrower and the Remarketing Agent of such date within 3 Business Days after receipt of such opinion. Although a claim for Additional Interest may be assigned by written notice to the Borrower,

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it shall not be transferred by transfer of any Bond itself. Additional Interest pursuant to clause (i) above shall be payable by the Borrower to the Bondholders or former Bondholders which owned the Bonds during the Penalty Interest Period, or their assigns. Additional Interest pursuant to clause (ii) shall be payable by the Borrower to the Bondholders or former Bondholders which owned the Bonds on and after the Index Change Date.

Redemption of the Bonds pursuant to Section 401(c)(1) and the payment of Additional Interest as described in this Section 304(e) are in lieu of any damages that might otherwise be payable to the Bondholders or former Bondholders by reason of the taxability of interest on the Bonds or the occurrence of the Index Change Date. Any Additional Interest, if not paid when due, shall bear interest at the FNBB Base Rate plus 3% per annum.

PAYMENTS OF ADDITIONAL INTEREST ON THE BONDS ARE UNSECURED OBLIGATIONS OF THE BORROWER; ARE NOT SUPPORTED BY THE LETTER OF CREDIT OR ANY OTHER SECURITY; WILL NOT BE PAID FROM PRIORITY FUNDS; AND ARE NOT EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. FAILURE BY THE BORROWER TO PAY SUCH ADDITIONAL INTEREST TO ANY HOLDER OR FORMER HOLDER OF A BOND AT THE TIME PRINCIPAL OF SUCH BOND IS PAID SHALL NOT AFFECT THE TIME OF MATURITY OF SUCH PRINCIPAL SO LONG AS ALL OTHER PREREQUISITES TO THE PAYMENT OF SUCH PRINCIPAL ARE SATISFIED.

(f) NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, THE INTEREST RATE ON THE BONDS SHALL NOT EXCEED 15% PRIOR TO THE INDEX CHANGE DATE OR 20% ON AND AFTER THE INDEX CHANGE DATE; PROVIDED, HOWEVER, THAT NOTHING CONTAINED IN THIS AGREEMENT OR IN ANY BOND SHALL BE DEEMED TO ESTABLISH OR REQUIRE THE PAYMENT, DIRECTLY OR INDIRECTLY, OF INTEREST AND OTHER CHARGES THE AGGREGATE OF WHICH WOULD EXCEED THE MAXIMUM RATE OF INTEREST PERMITTED BY APPLICABLE LAW. IN THE EVENT THAT ANY AMOUNTS REQUIRED TO BE SO PAID EXCEED THE MAXIMUM RATE OF INTEREST PERMITTED BY ANY SUCH LAW, SUCH AMOUNTS SHALL AUTOMATICALLY BE REDUCED TO THE MAXIMUM RATE OF INTEREST PERMITTED BY SUCH LAW.

Section 305. Lost Bonds. If any of the Bonds are lost, wrongfully taken, mutilated, destroyed or improperly cancelled, the County shall authorize the issuance of new Bonds to replace them upon proof satisfactory to the County and the Trustee and (except in the case of mutilated or improperly cancelled Bonds which are surrendered to the Trustee) upon giving to the County and Trustee an indemnity bond in such amount as the County and Trustee may require

(except as to any institutional Registered Owner, in which case its own agreement of indemnity shall be sufficient). Each new Bond shall in all respects be identical with the mutilated, lost, stolen, destroyed or improperly cancelled Bond, except that it shall include a notation of all principal previously advanced, paid or redeemed.

Section 306. Exchange and Transfer of Bonds. Upon surrender of a Bond or Bonds at the corporate trust office of the Trustee, as bond registrar, together with an assignment duly executed by the Registered Owner or his attorney or legal representative in such form and with such guaranty of signature as shall be satisfactory to the Trustee, the Bond or Bonds may be exchanged for fully registered Bonds of the same maturity, aggregating in amount the then unpaid principal amount of the Bond or Bonds surrendered, of authorized denominations.

As to any Bond, the Registered Owner shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County, the Borrower or the Trustee shall be affected by any notice to the contrary.

At the option of the Bondholder, any Bond may be presented at the corporate trust office of the Trustee for endorsement showing the balance of principal due thereon and the date to which interest has been paid.

Any Bond may be transferred upon the books kept for the registration and transfer of Bonds only upon surrender thereof to the Trustee, as bond registrar, together with an assignment duly executed by the registered owner or his attorney or legal representative in such form and with such guaranty of signature as shall be satisfactory to the Trustee. Upon the transfer of any such Bond and on request of the Trustee, the County shall execute, and the Trustee shall authenticate and deliver, a new Bond or Bonds, registered in the name of the transferee or transferees, of the same maturity, aggregating in amount the then unpaid principal amount of the Bond or Bonds surrendered, of authorized denominations.

BY ACCEPTANCE OF ANY BOND, THE BONDHOLDER AGREES THAT, EXCEPT IN CONNECTION WITH THE TENDER OF ANY BOND (OR PORTION THEREOF) HELD BY IT FOR PURCHASE PURSUANT TO SECTION 401(d) OR 401(e) OF THIS AGREEMENT, IT WILL NOT TRANSFER OR GRANT PARTICIPATIONS IN SUCH BOND IN DENOMINATIONS OF LESS THAN $50,000 AND OTHER THAN TO "ACCREDITED INVESTORS" AS DEFINED IN SECTION 230.501(a) OF REGULATION D ISSUED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, SO LONG AS SUCH BOND

BEARS AN ADJUSTABLE RATE; AND THE BONDHOLDER FURTHER AGREES THAT, EXCEPT IN CONNECTION WITH THE TENDER OF ANY BOND (OR PORTION THEREOF) FOR PURCHASE PURSUANT TO SECTION 401(e) OF THIS AGREEMENT, IT WILL NOT SELL OR GRANT PARTICIPATIONS IN SUCH BOND OTHER THAN TO SUCH "ACCREDITED INVESTORS" SO LONG AS SUCH BOND BEARS A FLEXIBLE RATE OR A FIXED RATE WITHOUT THE PRIOR WRITTEN CONSENT OF THE REMARKETING AGENT.

For the purpose of registration of transfers of any Bond purchased in accordance with Section 401(d) or 401(e), each Bondholder, by its acceptance of such Bond, appoints the Trustee as its duly authorized representative for purposes of endorsing such Bond so purchased for transfer to the purchaser thereof in accordance with said Section 401(d) or 401(e) and applicable provisions of the Depositary Agreement.

In all cases in which Bonds shall be issued in exchange for or in replacement of other Bonds, the Bonds to be issued shall be signed and sealed on behalf of the County, and authenticated by the Trustee as provided in Section 303. The obligation of the County and the rights of the Registered Owners with respect to such Bonds shall be the same as with respect to the Bonds being exchanged or replaced. Such registrations of transfers or exchanges of Bonds shall be without charge to the Registered Owners of such Bonds, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Registered Owner of the Bond requesting such registration of transfer or exchange as a condition precedent to the exercise of such privilege. Any service charge made by the Trustee for any such registration, transfer or exchange shall be paid by the Borrower.

Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Agreement, or for exchange or transfer pursuant to this Section 305, such Bond shall be promptly cancelled and destroyed by the Trustee and counterparts of a certificate of destruction evidencing such destruction shall be retained by the Trustee and, if requested by the County, the Borrower or the Bank, shall be furnished by the Trustee to the County, the Borrower or the Bank, as the case may be. At or prior to the initial issuance of the Bonds, the County shall deliver to the Trustee six extra unnumbered Bonds signed and sealed on behalf of the County for the Trustee's use in connection with transfers.

Section 307. Borrower Bonds. No principal or premium shall be paid or redeemed, or interest paid or accrued, on any Borrower Bond for so long as such Borrower Bond shall not

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have been resold to a Person other than a Borrower Affiliate; provided, however, that the prohibition on redemptions stated in this Section 307 shall not apply to redemptions under Section 401(c)(ii). Immediately upon the occurrence of any redemption of the Bonds (excluding Borrower Bonds) in full under Section 401(a), 401(b), 401(c)(i), 401(c)(iii), 501B or 502(e), and immediately upon the acceleration of the Bonds, whether by declaration or otherwise, under Section 1102, all Borrower Bonds then outstanding shall be cancelled. Borrower Bonds shall also be cancelled when and as provided in Section 7.2 of the Standby Credit Agreement and in Section 401(e) hereof.

Section 308. Temporary Bonds. Pending the preparation of definitive Bonds, the County may execute, and upon its request in writing, the Trustee shall authenticate and deliver one or more printed, lithographed or typewritten temporary Bonds (including temporary Bonds printed by offset or photocopying). Temporary Bonds shall be issuable as registered Bonds without coupons, of any authorized denomination, and substantially in the form of definitive Bonds but with such omissions, insertions and variations as may be appropriate for temporary Bonds, all as may be determined by the County. Temporary Bonds may contain such reference to any provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the County and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Bonds. As promptly as practicable the County shall execute and shall furnish definitive registered Bonds without coupons and thereupon temporary Bonds may be surrendered in exchange therefor without charge at the corporate trust office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds a like aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged the temporary Bonds shall be entitled to the same benefits under this Agreement as definitive Bonds.

Article 4 - Redemption or Purchase of Bonds Before Maturity

Section 401. Redemption or Purchase of Bonds. The Bonds are subject to redemption or purchase prior to maturity as follows:

(a) Optional Redemption. The Bonds shall be subject to redemption by the County, at the written direction of the Borrower, as provided in this Section 401(a):

(i) During an Adjustable Rate Period or a Flexible Rate Period, the Bonds shall be redeemed, from funds other than those deposited as mandatory sinking fund requirements under Section 402, on any Adjustable Rate Interest Payment Date or Flexible Rate Interest Payment Date, as appropriate, by the County, at the written direction of the Borrower, in whole or in part from time to time in the amount of $100,000 or any multiple of $50,000 greater than $100,000 (or such lesser amount as shall be necessary to redeem the Bonds in whole), at a redemption price equal to the principal amount redeemed, plus accrued interest (excluding Additional Interest, if any) to the Adjustable Rate Interest Payment Date or the Flexible Rate Interest Payment Date, as appropriate, fixed for redemption; provided, however, that the Bonds shall not be subject to redemption as provided in this subparagraph (i) prior to the expiration of six months from the Closing Date. In connection with any Option to Convert to a Flexible Rate or any Affirmative Election to enter a new Flexible Rate Period, the Borrower may as part of the written notice required by Subsection 304(b) or (c), as appropriate, irrevocably elect to waive its right to direct the County to redeem Bonds pursuant to this Paragraph 401(a)(i) on any or all Flexible Rate Interest Payment Dates during the ensuing Flexible Rate Period.

(ii) Subsequent to the conversion to the Fixed Rate, the Bonds shall be redeemed by the County, at the written direction of the Borrower, in whole or in part from time to time on any Interest Payment Date in the amount of $100,000 or any multiple of $5,000 greater than $100,000 (or such lesser amount as shall be necessary to redeem the Bonds in whole), at a redemption price equal to the principal of and unpaid accrued interest (excluding Additional Interest, if any) the Bonds to the date fixed for redemption by the Borrower plus a premium in the first year in which redemption is permitted and declining one percent in each year thereafter until there is no

redemption premium (expressed as percentages of their principal amount) as set forth below:

Number of Whole Years from the Conversion Date to the Stated Maturity of the Bonds	Years Following the Conversion Date During Which No Redemption is Permitted	Premium in First Year in which Redemption Permitted
If more than 8 years but less than 12	5 years	3%
If more than 3 years but less than 8	3 years	2%
If 3 years or less	No redemption permitted	N/A

Any optional redemption of a part of the Bonds pursuant to this Section 401(a) shall be applied to reduce the final payment and mandatory sinking fund requirements on the Bonds in inverse order of maturity.

(b) Extraordinary Optional Redemption. The Bonds may be redeemed in whole but not in part by the County at any time, at the written direction of the Borrower, at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date, without premium, under any of the following conditions:

(i) The Project, the Property or any production facility served thereby shall have been damaged or destroyed to such extent that, in the reasonable judgment of the Borrower (A) the Project or the Property cannot be reasonably restored within a period of six months from the date of such damage or destruction, or (B) the Borrower is thereby prevented from carrying on its normal operation of the Project or the Property for a period of six months from the date of such damage or destruction; or

(ii) Title to, or the temporary use of all or substantially all of the Project or the Property shall have been taken or condemned by a competent authority, which taking or condemnation results or

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is likely to result in the Borrower being thereby prevented or likely to be prevented from carrying on its normal operation of the Project for a period of six months; or

(iii) As a result of changes in the Constitution of the United States of America or of the State of South Carolina or of legislative or administrative action (whether state or federal) or by final decree or judgment of any court or administrative body (whether state or federal), the Bonds or this Agreement become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed therein or herein or unreasonable burdens or excessive liabilities are imposed upon the Borrower by reason of the operation of the Project; or

(iv) There shall have occurred a change in the economic availability of manufactured products, energy sources, operating supplies or facilities necessary for the operation of the Project or a technological or other change, which in the reasonable judgment of the Borrower renders the Project uneconomic, impractical or unfeasible for the purposes for the purposes for which then operated as permitted under this Agreement.

(c) Mandatory Redemption. The Bonds shall be subject to mandatory redemption or purchase by the Borrower as provided in this Section 401(c):

(i) At any time upon the occurrence of a Determination of Taxability prior to the Index Change Date the Bonds shall be redeemed in whole (or in part if, in the opinion of Bond Counsel, such partial redemption will preserve the tax-exempt status of interest on the Bonds outstanding subsequent to such redemption) at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest (excluding Additional Interest) to the redemption date determined by the Trustee (which redemption date shall not be later than twelve days following the date of the Determination of Taxability).

(ii) As provided in Section 3.6 of the Standby Credit Agreement, Borrower Bonds shall be redeemed by a draw under the Letter of Credit on

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the Business day next following the 180th day following the advance under the Standby Credit Agreement out of which such Borrower Bonds were purchased. As provided in said Section 3.6, the Trustee shall draw upon the Letter of Credit in an amount equal to the principal amount of such Borrower Bonds plus the amount of accrued and unpaid interest (excluding Additional Interest, if any) to the date of payment under such drawing, if any, on the advance made under the Standby Credit Agreement with respect to such Borrower Bonds; provided, that the amount so drawn under the Letter of Credit shall not exceed the sum of (A) the principal amount of the Borrower Bonds so redeemed plus (B) 127 days' interest thereon at the rate of 15% per annum.

(iii) On the Business Day next preceding the date of expiration or termination of the Letter of Credit, but not if the Letter of Credit is being renewed or replaced as contemplated by Section 512, the Bonds shall be redeemed in whole at a price equal to 100% of the principal amount of the Bonds plus accrued and unpaid interest (excluding Additional Interest, if any) to the date of expiration or termination. Such redemption shall be effected by a draw under the Letter of Credit in accordance with Section 505.

(iv) Mandatory redemption may also be required pursuant to the terms of Sections 402, 501B and 502(e). Any redemption of a part of the Bonds pursuant to said Sections 501B or 502(e) shall be applied to reduce the final payment and mandatory sinking fund requirements on the Bonds in the inverse order of maturity.

(v) Following a redemption or purchase pursuant to this subsection 401(c) or pursuant to subsections (d) or (e) of this Section 401, if required, there shall also be payable from the Borrower to each Bondholder or former Bondholder which owned the Bonds during the Penalty Interest Period Additional Interest pursuant to the provisions of clause (i) of Subsection 304(e). Failure by the Borrower to pay such Additional Interest at the time of redemption or purchase shall not affect such redemption or purchase and such Additional Interest shall not be payable from a draw under the Letter of Credit.

(d) Tender for Purchase upon Election of Bondholder.

(i) On any Business Day during an Adjustable Rate Period any Bond other than a Borrower Bond (or portion thereof that is not less than $50,000 or any multiple of $5,000 in excess of $50,000) shall be purchased in accordance with the terms of the Depository Agreement on the demand of the registered owner thereof at a price equal to the principal amount thereof plus accrued interest, if any, to the date of purchase (but excluding Additional Interest, if any) upon: (A) delivery to the Trustee at its corporate trust office of a written notice substantially in the form of Exhibit 401 hereto (a "Bondholder's Tender Notice") which (1) states the principal amount of such Bond (or the portion thereof) desired to be purchased, (2) states the date (the "Purchase Date") on which such Bond or specified portion thereof shall be purchased pursuant to this Section 401(d), which date shall not be prior to the seventh day next succeeding the date of the delivery of such notice to the Trustee (provided, however, that if the seventh day next succeeding the date of such delivery is not a Business Day, such date shall be the next succeeding Business Day), (3) irrevocably requests such purchase and (4) contains an undertaking of the Bondholder to deliver the Bond to the Depositary in accordance with this Agreement; and (B) delivery of such Bond duly endorsed in blank for transfer at the Principal Office of the Depositary at or prior to 10:00 A.M., Boston time, on the Purchase Date.

(ii) By the acceptance of each Bond, the registered owner thereof agrees that such Bond or specified portion thereof so delivered to the Depositary in accordance with this Section 401(d) shall be, on the Purchase Date specified in the Bondholder's Tender Notice, purchased at a purchase price equal to the principal amount thereof tendered for purchase plus accrued interest, if any (but excluding Additional Interest, if any), to the Purchase Date; provided, however, that, if the Purchase Date for any Bond (or portion thereof) is an Interest Payment Date, the purchase price thereof shall be the principal amount tendered for purchase and interest (excluding Additional

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Interest, if any, which shall be paid as provided in Section 304) on such Bond shall be paid to the registered owner of such Bond in the normal course. All Bonds (or portions thereof) purchased with moneys in the Bond Purchase Fund (as defined in the Depositary Agreement) and Bonds issued in replacement therefor shall remain duly authorized, issued and Outstanding Bonds, and shall remain the valid and binding limited obligations of the County, enforceable in accordance with their respective terms. To the extent only a portion of a Bond is tendered for purchase and purchased the Depositary will arrange for a new Bond in the amount of the untendered portion to be executed by the County and authenticated by the Trustee and sent to the Registered Owner of such Bond at the earliest practicable time.

(iii) At 1:00 P.M., Boston time (or as soon thereafter as possible), on each Purchase Date, moneys constituting immediately available funds in the Bond Purchase Fund (as defined in the Depository Agreement) shall be used by the Depositary to purchase Tendered Bonds in the chronological order delivered to the Depositary at the purchase price thereof established pursuant to paragraph (ii) of this Section 401(d), to the extent of such moneys.

(iv) In the event that Bondholder fails to deliver any Bond to the Depositary as provided in its Bondholder's Tender Notice, the County shall not be obliged to purchase such Bond or specified portion thereof on the Purchase Date.

(e) Tender for Mandatory Purchase or Redemption on Conversion Date or Put Date.

(i) The Bonds (other than Borrower Bonds) shall be purchased or redeemed as hereinafter provided on a Conversion Date or a Put Date at a price equal to 100% of the principal amount thereof plus accrued interest to the Conversion Date or Put Date (excluding Additional Interest, if any).

(ii) (A) Bonds subject to mandatory purchase or redemption pursuant to this Section 401(e) may be purchased by the Borrower's designee, which may be the Remarketing Agent but which may not be the Borrower or a Borrower Affiliate (the "Purchaser"),

provided, however, that Bonds shall not be eligible for purchase on a Put Date but shall be redeemed if the Borrower has not filed an Affirmative Election with respect to such Put Date as provided in Section 304(c). If Bonds are to be purchased pursuant to this Section 401(e), not less than 25 days before a Conversion Date or a Put Date the Trustee shall give notice of the mandatory tender of the Bonds to the Registered Owner of such Bond, which notice shall (i) specify the Conversion Date or Put Date on which the Bonds shall be required to be tendered for purchase, the purchase price, and the place or places where the purchase price of Bonds will be paid upon presentation and surrender thereof (which place shall include an office located in the Cities of Boston, Massachusetts or New York, New York), (ii) state whether the Bonds are being converted to the Fixed Rate, an Adjustable Rate or a Flexible Rate, and if to the Flexible Rate, the applicable Put Date and whether or not the Borrower has elected to irrevocably waive its right to direct the County to redeem Bonds on any or all Flexible Rate Interest Payment Dates during such Flexible Rate Period, (iii) state that upon mandatory tender for purchase on the Conversion Date or Put Date, the Bondholder shall cease to be the Registered Owner of the Bonds and shall be entitled to no rights or benefits with respect to the Bonds other than payment of the purchase price upon presentation and surrender of its Bond certificate and rights, if any, to Additional Interest from the Borrower under this Agreement, (iv) state that notwithstanding any mandatory tender for purchase, the Bondholder may irrevocably elect to retain its Bond, subject to its terms as converted, by delivering to the Trustee at its corporate trust office its Bond and a Bondholder's Nontender Election in substantially the form specified in Exhibit 401A (which form shall be enclosed with the notice), on or before the 16th day preceding the Conversion Date or Put Date, and (v) state that the interest rate to be borne by the Bonds on and after the Conversion Date or the Put Date will be determined by the Remarketing Agent not more than 15 nor less than 3 days prior to such Conversion Date or Put Date, and that the Bondholder may obtain information regarding such interest rate from the Remarketing Agent. Such notice may set forth any additional information relating to the mandatory tender for

purchase. Such notice shall be given by registered or certified mail to each Registered Owner of Bonds at its address on the registration books kept by the Trustee and to the Remarketing Agent and the Bank; provided, however, that failure to give such notice to any Bondholder or any defect in such notice shall not affect the validity of the proceedings for the mandatory tender of any of the other Bonds.

(B) Any Bondholder who received a notice of mandatory tender for purchase of its Bonds may irrevocably elect to retain its Bond or portion thereof (provided the principal amount retained will be in an authorized denomination after the Conversion Date or Put Date) in lieu of mandatory tender for purchase, by delivering to the Trustee not later than 16 days prior to the Conversion Date or Put Date (i) a Bondholder's Nontender Election in the form specified in Exhibit 401A and (ii) the Bond which in whole or in part is not to be subject to mandatory purchase. Upon delivery of a Bondholder's Nontender Election and the Bond as described in the preceding sentence, the Bondholder shall be deemed to have irrevocably waived its right to tender its Bond or portion thereof described in the Bondholder's Nontender Election. Upon the Conversion Date or Put Date, the Trustee shall deliver to each Bondholder who properly filed a Bondholder's Nontender Election a new Bond or Bonds in authorized denominations in the aggregate principal amount of Bonds which the Bondholder elected not to tender with appropriate notations reflecting whether the Bonds bear interest at an Adjustable Rate, a Fixed Rate or a Flexible Rate, and if appropriate, the Put Date.

(C) By 4:00 P.M., Boston time, on the Business Day immediately following the last day on which Bondholders can file a Bondholder's Nontender Election, the Trustee shall give notice by telephone, promptly confirmed in writing, to the Borrower, the Bank, and the Purchaser (whose name, telephone number and address shall be furnished in writing to the parties hereto by the Borrower not later than 2:00 P.M., Boston time, on such Business Day) of the principal amount of Bonds as to which Bondholder's Nontender Elections were not filed and, therefore, are subject to mandatory tender for

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purchase or redemption on the Conversion Date or Put Date.

(D) [Omitted].

(E) In the event that any Bond subject to purchase as provided in the following subparagraph (F) shall not have been delivered to the Depositary on the Conversion Date or Put Date, such Bond shall nevertheless be deemed tendered for purchase and purchased on such Conversion Date or Put Date at the Purchase Price and, except as otherwise provided herein, the Trustee shall hold the Purchase Price for any Bond not tendered for payment upon the subsequent presentation and surrender of the Purchased Bond.

(F) At 1:00 p.m. Boston time (or as soon thereafter as possible) on the Conversion Date or the Put Date, moneys constituting immediately available funds in the Bond Purchase Fund (as defined in the Depositary Agreement) shall be used by the Depositary to purchase Tendered Bonds tendered pursuant to this Section 401(e) in the chronological order delivered to the Depository at the purchase price thereof, to the extent of such moneys.

(iii) Any Borrower Bond outstanding on the Conversion Date or the Put Date that is not purchased in accordance with paragraph (ii)(F) of this Section 401(e) shall be cancelled and not redeemed on the Conversion Date or the Put Date.

Section 402. Sinking Fund.

As mandatory sinking fund requirements, there shall be redeemed on the first Wednesday in June in the years set forth in the table below, a principal amount of Bonds set forth opposite such years in the table below, at a redemption price equal to 100% of the principal amount redeemed plus

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EXHIBIT

APR 11 1989 NO. 14

STATE BUDGET & CONTROL BOARD

accrued interest to the redemption date (excluding Additional Interest, if any):

Year	Principal Amount
1992	$450,000
1993	$450,000
1994	$450,000
1995	$450,000
1996	$450,000
1997	$450,000
1998	$450,000
1999	$450,000
2000	$450,000
2001	$450,000
2002	$450,000
2003	$450,000
2004	$450,000
2005	$450,000
2006	$450,000
2007	$450,000

(leaving the principal amount of $300,000 to be paid on June 1, 2008, the stated maturity date of the Bonds); provided, however, that the principal amount of Bonds required to be redeemed under this Section 402 on any such Payment Date shall be reduced by the amount, if any, certified by the Bank to the Trustee as having been paid by the Borrower to the Bank as of such Payment Date pursuant to Section 1(a)(i) of the Reimbursement Agreement to reimburse the Bank for any draw on the Letter of Credit to pay principal of Borrower Bonds. For the purpose of effecting mandatory redemption the Trustee, on behalf of the County and without necessity for further action by the County or the Borrower, shall call for redemption and shall cause to be redeemed on each such date such an aggregate principal amount of the Bonds as equals the applicable mandatory sinking fund requirement.

Section 403. Selection of Bonds to be Redeemed. A redemption of Bonds shall be a redemption of the whole or of any part of the Bonds from any funds available for that purpose in accordance with the provisions of this Agreement, provided, that there shall be no partial redemption of less than $5,000 ($50,000 during an Adjustable Rate Period or a Flexible Rate Period) in principal amount of Bonds. If less than all the Bonds shall be called for redemption under any provision of this Agreement permitting such partial redemption other than Section 401(c)(ii) (and other than any purchase of Bonds under Section 401(d) or (e) hereof) the

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particular Bonds to be redeemed shall be selected by the Trustee, in such manner as the Trustee in its discretion may deem fair and appropriate; provided, however (a) that the portion of any Bond to be redeemed shall be in the principal amount of $5,000 ($50,000 during an Adjustable Rate Period or a Flexible Rate Period) or any multiple of $5,000 ($50,000 during an Adjustable Rate Bond or a Flexible Rate Period) in excess thereof and (b) that, in selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by $5,000 ($50,000 during an Adjustable Rate Period or a Flexible Rate Period). If there shall be called for redemption less than all of a Bond, the County shall execute and deliver and the Trustee shall authenticate, upon surrender of such Bond, and at the expense of the Borrower and without charge to the owner thereof, for the unredeemed balance of the Bond so surrendered, Bonds of like series.

Section 404. Procedure for Redemption. (a) Except for redemptions of Bonds pursuant to Section 401(c)(ii) and except as otherwise provided in Section 401(e) with respect to the mandatory tender for purchase of Bonds, in the event any of the Bonds are called for redemption, the Trustee shall give notice, in the name of the County, of the redemption of such Bonds, which notice shall (i) specify the Bonds to be redeemed, the redemption date, the redemption price, and the place or places where amounts due upon such redemption will be payable (which shall be the Principal Office of the Trustee) and, if less than all of the Bonds are to be redeemed, the numbers of the Bonds, and the portions of the Bonds, so to be redeemed, (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Bonds to be redeemed shall cease to bear interest. Such notice may set forth any additional information relating to such redemption. Such notice shall be given by registered or certified mail at least 20 days (or, in the case of redemption of the Bonds pursuant to Section 401(c)(i) or acceleration thereof pursuant to Section 1102, seven (7) days) prior to the date fixed for redemption to each Registered Owner of Bonds to be redeemed at its address shown on the registration books kept by the Trustee; provided, however, that failure to give such notice to any Bondholder or any defect in such notice shall not affect the validity of the proceedings for the redemption of any of the other Bonds.

(b) In the case of any optional redemption requested by the Borrower, written notice stating the amount of principal of the Bonds to be redeemed and the redemption date, shall be

given to the Trustee by the Borrower at least 45 days prior to the proposed redemption date.

(c) Any Bonds and portions of Bonds which have been duly selected for redemption and which are deemed to be paid in accordance with Section 510 shall cease to bear interest on the specified redemption date.

Section 405. No Partial Redemption After Event of Default. Anything in this Agreement to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default, there shall be no redemption of less than all of the Bonds at the time outstanding.

Section 406. Trustee to Notify Bank of Redemption of Principal. Promptly after 91 days have passed since any redemption, payment or deemed payment (pursuant to Section 103 hereof) of principal of the Bonds made from moneys other than Priority Funds, if no Bankruptcy shall have occurred prior to the end of such 91-day period, the Trustee shall certify such redemption, payment or deemed payment to the Bank in writing, designating the amount of such redemption, payment or deemed payment, the date on which such redemption, payment or deemed payment was made, the nonoccurrence of a Bankruptcy during such 91-day period and the amount by which the Stated Amount of the Letter of Credit shall be reduced by reason of such redemption, payment or deemed payment. As to whether a Bankruptcy shall not have occurred prior to the end of such 91-day period the Trustee may rely on a certificate of an Authorized Borrower Representative, stating, as of the end of such period, that no Bankruptcy has occurred. In rendering such certificate the Borrower may rely upon a certificate of an officer of the County that no Bankruptcy has occurred with respect to the County during such 91-day period.

Promptly after any redemption, payment or deemed payment of principal of the Bonds made from Priority Funds other than amounts drawn under the Letter of Credit, the Trustee shall certify such redemption, payment or deemed payment to the Bank in writing designating the amount of such redemption, payment or deemed payment, the date on which such redemption, payment or deemed payment was made and the amount by which the Stated Amount of the Letter of Credit shall be reduced by reason of such redemption, payment or deemed payment.

Article 5 - Source and Application of Funds

Section 501. Project Fund. A Project Fund is hereby established by the County with the Trustee. Deposit of Bond proceeds into the Project Fund shall constitute the Loan.

A. Source and Disbursements. Proceeds of the issuance of the Bonds (other than any accrued interest required to be deposited in the Bond Fund) shall be deposited in the Project Fund.

Disbursements from the Project Fund shall be applied for the payment or reimbursement of the following costs:

(a) Costs incurred directly or indirectly for or in connection with the acquisition, construction and equipping of the Project, including preliminary planning and studies, architectural, legal, engineering and supervisory services, other labor and services, materials, acquisition and installation.

(b) Financial, legal, accounting, and printing and engraving fees, charges and expenses, and all other such fees, charges and expenses incurred in connection with the authorization, sale, issuance and delivery of the Bonds, this Agreement and other related documents.

(c) Fees and expenses (including reasonable counsel fees and expenses) of the Trustee properly incurred hereunder that may become due prior to completion of the Project.

(d) Any other incidental and necessary costs and expenses relating to the acquisition of the Project which constitute "costs of the project" as that term is defined in the Act.

Such disbursements shall be made only upon receipt by the Trustee of a written requisition signed by an Authorized Borrower Representative and countersigned and approved by the Bank and in substantially the form of Exhibit 501. The Trustee may conclusively assume that a requisition is in compliance with this Agreement if such requisition has been countersigned by the Bank.

B. Transfer of Funds from Project Fund to Bond Fund. Except as otherwise provided in the Agreement, all moneys in the Project Fund (including moneys earned thereon by

investment) remaining after the earliest to occur of (i) delivery of the Completion Certificate and payment or provision for payment in full of the costs referred to in Section 501A which are then due and payable, (ii) abandonment of the Project, or (iii) June 1, 1991 (or such later date as may be specified in an opinion of Bond Counsel), shall promptly at the written direction of an Authorized Borrower Representative be (i) paid into the Bond Fund and applied in accordance with Section 403 to redeem principal of the Bonds on the first optional redemption date on which Bonds may be redeemed without premium, without further authorization from the Borrower or the County so as, to the extent possible, to exhaust such amount, or (ii) paid into the Bond Fund and applied to pay interest on the Bonds, or (iii) such combination of either or both of the foregoing as is provided in such direction; provided that (a) before any funds are applied pursuant to this paragraph the Trustee shall have received an opinion of Bond Counsel or a ruling of the Internal Revenue Service that such payment will not adversely affect the exclusion from gross income for Federal income tax purposes of the interest paid on the Bonds and (b) the Trustee shall give notice of any redemption of Bonds pursuant to this paragraph to the Bondholders at least 20 days prior to the redemption date and otherwise in accordance with Section 404. However, amounts certified to the Trustee by the Authorized Borrower Representative shall be retained in the Project Fund for payment of costs referred to in Section 501A not then due and payable. Any such retained funds remaining after full payment of all such costs shall be likewise applied as aforesaid.

The Borrower shall ensure that any amounts deposited into the Bond Fund pursuant to the first paragraph of this Section 501B shall be held in a separate account in escrow invested to produce a Yield not higher than the Yield on the Bonds unless the Trustee is provided with an opinion of Bond Counsel or a ruling of the Internal Revenue Service that investment of such amounts will not adversely affect the exclusion from gross income for federal income tax purposes of the interest paid on the Bonds.

C. Borrower Required to Pay Costs if Project Fund Insufficient. If the moneys in the Project Fund are not sufficient to pay in full the costs to be paid therefrom, the Borrower agrees, in order to fulfill the purposes of the Act, to complete the acquisition, construction and improvement of the Project and to pay all costs therefor in excess of the moneys available in the Project Fund. The County makes no warranty, express or implied, that moneys paid into the

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Project Fund or otherwise available to complete the Project will be sufficient to pay all costs therefor.

D. Obligation of the Parties to Furnish Documents. The County and the Borrower agree to cooperate in furnishing to the Trustee the documents that are required to effect payments out of the Project Fund. Such obligation is subject to any provisions of this Agreement requiring additional documentation with respect to payments and shall not extend beyond the moneys in the Project Fund available for payment under the terms of the Agreement.

Section 502. Bond Fund. A Bond Fund is hereby established by the County with the Trustee, and the Trustee is hereby appointed paying agent for the Bonds. Except as otherwise provided in this Agreement, the Bond Fund shall be used solely for the payment of the principal (including redemptions) (excluding Additional Interest), interest and any premium on the Bonds and, to the extent permitted hereunder, Additional Payments, as and when the same shall become due. Moneys shall be deposited in the Bond Fund from time to time as follows:

(a) Proceeds equal to any accrued interest and premium paid by the Initial Purchaser or Purchasers shall be deposited into the Bond Fund.

(b) Upon completion of the Project, funds shall be transferred from the Project Fund to the Bond Fund and applied as provided in Section 501B.

(c) Loan payments by the Borrower pursuant to Section 1001A shall be deposited into the Bond Fund.

(d) Sums for the redemption of Bonds as described in Section 401 other than moneys drawn by the Trustee under the Letter of Credit shall be deposited into the Bond Fund for use for such redemption as provided in Section 403.

(e) Proceeds from insurance or condemnation awards or the sale of property required to be deposited in the Bond Fund pursuant to Section 704, 705 or 706 hereof. The Trustee shall use such amounts as provided in Section 403 for the redemption, without premium, of principal of the Bonds immediately upon the earliest practicable redemption date selected by the Trustee for the redemption without further authorization from the Borrower or the County so as, to the extent possible, to exhaust such amount. Any balance remaining after such

application shall be available for any purposes of the Bond Fund.

(f) Sums received upon exercise of remedies by the Trustee or the County after an Event of Default (excluding monies drawn under the Letter of Credit) shall be deposited in the Bond Fund, except sums received by the County pursuant to rights not assigned by the County to the Trustee hereunder.

Each payment or deposit in the Bond Fund (together with any investments thereof and the income therefrom and proceeds thereof) shall at all times prior to its transfer from the Bond Fund be held by the Trustee in a separate account in the Bond Fund separate and apart from all other moneys in the Bond Fund.

Section 503. Payment of Rebate. The Borrower covenants that it shall take all action necessary to comply with Section 148 of the Code, including the payment when due of all amounts payable to the United States thereunder, and shall refrain from taking any action contrary to the Code. For this purpose, a Rebate Fund has been established pursuant to Section 504, but to the extent any of the provisions of Section 504 are inconsistent with the Code, the Borrower shall not be required to comply with such provisions.

Section 504. Rebate Fund.

(a) A Rebate Fund is hereby established by the County with the Trustee. Such fund shall be for the sole benefit of the United States of America, shall not be commingled with any other moneys received by the Trustee under this Agreement, and shall not be subject to the lien of this Agreement or to the claim of any other Person, including without limitation the Bondholders and the County. The Rebate Fund is established for the purpose of compliance with Section 148(f) of the Code. The Borrower and the County agree that the requirements of this Section 504 are subject to, and shall be interpreted in accordance with, Section 148(f) of the Code.

(b) (1) Promptly after the close of each month, the Trustee shall provide the Borrower with a statement of the earnings on each fund and account established under the Agreement for such month. Within 15 days after the close of each Bond Year, the Borrower shall compute the amount of "Excess Earnings" if any, for the period beginning on the Closing Date and ending at the

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close of such Bond Year and (notwithstanding any provision or requirement in this Agreement to the contrary) shall direct the Trustee in writing to transfer to the Rebate Fund, no later than 30 days after the close of such Bond Year, an amount equal to the difference, if any, between the amount then in the Rebate Fund and the Excess Earnings so computed. Such amount shall be transferred, to the extent available, from the Project Fund, the Bond Fund or any other fund or account established under this Indenture into the Rebate Fund, in the manner provided in the Borrower's direction to the Trustee. To the extent funds are not available from such sources, the Borrower shall immediately pay the amount of the deficiency into the Rebate Fund.

(2) No later than 45 days after the close of each Bond Year the Authorized Borrower Representative shall provide a certificate to the Trustee that this paragraph (b) has been fully complied with and shall provide in support of such certification (i) a certificate of an independent certified public accountant as to the accuracy of the Borrower's computations or such other evidence of compliance as may be approved by the Trustee in advance, or (ii) a certificate of an independent certified public accountant or an opinion of Bond Counsel that there were no Excess Earnings required to be deposited in the Rebate Fund.

(3) If, at the close of any Bond Year, the amount in the Rebate Fund exceeds the amount that would be required to be paid to the United States of America under paragraph (d) below if the Bonds had been paid in full, upon presentation by the Authorized Borrower Representative of a certificate to that effect in a form satisfactory to the Trustee such excess shall promptly be paid into the Project Fund or, if the Completion Certificate has been delivered, to the Borrower.

(c) In general, "Excess Earnings" for any period of time means the sum of

(1) The excess of --

(A) The aggregate amount earned during such period of time on all "Nonpurpose Investments" (including gains on the disposition of such investments) in which "Gross Proceeds" of the Bonds are invested (other than amounts attributable to an excess described in this subsection (c)(1)), over

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(B) the amount that would have been earned during such period of time if the "Yield" on such Nonpurpose Investments (other than amounts attributable to an excess described in this subjection (c)(1)) had been equal to the Yield on the Bonds, plus

(2) any income during such period of time attributable to the excess described in subsection (c)(1) above, less

(3) any amounts previously rebated to the United States of America.

"Excess Earnings" will not include amounts which need not be taken into account under the special rules of Section 148(f)(4)(A)(ii) or (B) of the Code relating to bona fide debt service funds and the six month temporary investment period. Thus, for example, if during the six-month period following the Closing Date all of the Gross Proceeds of the Bonds (including for this purpose any Gross Proceeds arising from fees paid to the County) are expended for the governmental purpose of the Bonds and it is not anticipated that any other Gross Proceeds will arise during the remaining term of the Bonds no payment into the Rebate Fund under subsection (b) above is required unless such other Gross Proceeds subsequently arise. If, however, such Gross Proceeds do arise after the end of the six-month period, subsection (b) shall then apply to Excess Earnings arising from such other Gross Proceeds.

The terms "Nonpurpose Investments", "Gross Proceeds" and "Yield" shall have the meanings prescribed by Section 148 of the Code and shall be applied in the manner prescribed in such section.

(d) (1) The Borrower shall direct the Trustee to pay to the United States of America not later than 30 days after the close of the fifth Bond Year, and at least once in each five-year period thereafter, on behalf of the County an amount that ensures that at least 90% of the Excess Earnings from the Closing Date to the close of the period for which the payment is being made will have been paid. The Borrower shall direct the Trustee to pay to the United States of America no later than 60 days after the Bonds have been paid in full on behalf of the County 100% of the amount then required to be paid under Section 148(f) of the Code. The Borrower shall direct the Trustee that each such payment shall be filed with the Internal Revenue Service Center, Philadelphia, PA 19255, or at such other place as may be prescribed by the Code. Each payment shall be accompanied by

a copy of the Internal Revenue Service Form 8038 originally filed with respect to the Bonds and a statement summarizing the determination of the amount then required to be paid, which form and Statement shall be provided to the Trustee by the Borrower.

(2) Not later than 15 days prior to each date on which a payment could become due under subsection (d)(1) above (a "Rebate Payment Date"), the Borrower shall deliver to the Trustee (A) a copy of the Form 8038 originally filed with respect to the Bonds, (B) a statement summarizing the determination of the amount then required to be paid pursuant to subsection (d)(1) above, (C) a certificate of an independent certified public accountant as to the accuracy of such determination or such other evidence of compliance as may be approved by the Trustee in advance, and (D) if the amount then held in the Rebate Fund is less than the amount so determined, an amount in immediately available funds on such 15th day equal to the difference. Upon receipt of such materials, the Trustee shall make the payment provided for in subsection (d)(1) above. In the event that the Trustee shall not have received all of such materials on or within five days following the period specified in the first sentence of this subsection (d), it shall pay over to the United States within the period prescribed in subsection (d)(1) above all of the funds then held in the Rebate Fund, and, if so provided by the Borrower, items (A) and (B) described in this subsection.

(3) No earlier than 60 days, or later than 35 days, before each Rebate Payment Date, the Trustee shall notify the Borrower at its Notice Address by registered or certified mail, postage prepaid, or by telegram, of its obligation to comply with the requirements of this subsection (d).

(e) In the event the Trustee fails to receive the materials described in subsection (d)(2) above, the Trustee will notify the Borrower within five days at its Notice Address by registered or certified mail, postage prepaid, or by telegram, of the following requirement: The Borrower must provide to the Trustee within 45 days from the date of such notice an unqualified opinion acceptable to the Bank of Bond Counsel stating that no further action by the Borrower or the Trustee is necessary for full compliance with Section 148(f) of the Code. A copy of the notice and opinion referred to in the first sentence of this subsection (e) shall also be sent by the Trustee promptly by registered or certified mail, postage prepaid, or by telegram, to each Bondholder at its address as it appears on the bond registration books and, if

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the Letter of Credit is in effect, to the Bank at its Notice Address.

(f) The Trustee assumes no responsibility whatsoever for compliance by the Borrower or the County with the requirements of Section 148(f) of the Code. Each of the Borrower and the County expressly agrees that (notwithstanding any other provision of this Agreement) any failure of the Trustee to give any such notice, for any reason whatsoever, shall not cause the Trustee to be responsible for any failure of the Borrower or the County to comply with the requirements of said Section 148(f). The Trustee shall not be responsible for making the calculations required to be made pursuant to this Section, nor shall it have any responsibility to review the correctness or accuracy of the calculations or for determining whether the investment directions given by the Borrower comply with Section 148(f) of the Code.

(g) The Borrower and the Trustee, on behalf of the County, and the County shall keep such records as will enable them to fulfill their respective responsibilities under this Section and Section 148(f) of the Code and shall retain such records for at least six years following the final payment of principal on the Bonds. For purposes of the computation required by subsections (b), (c) and (d) above, the Trustee shall make available to the Borrower and the County during normal business hours all information in the Trustee's control which is necessary to such computations.

(h) The County shall not take any action, or knowingly omit to take any action within its control, which, if taken or omitted, respectively, would violate its non-arbitrage certificate delivered upon the initial issuance of the Bonds.

Section 505. Letter of Credit Fund. A Letter of Credit Fund is hereby established with the Trustee for the benefit of the Bondholders and the Bank. The moneys deposited in the Letter of Credit Fund shall be held in escrow by the Trustee, shall not be commingled with any other moneys received by the Trustee under this Agreement, and shall consist solely of sums drawn by the Trustee under the Letter of Credit and any earnings thereon. Immediately upon acceleration of the Bonds pursuant to Section 1102, upon the occurrence of a Determination of Taxability affecting all of the Bonds, and on the Business Day next preceding the expiration or termination of the Letter of Credit (but not if the Letter of Credit is being renewed or replaced as contemplated by Section 512), the Trustee shall draw on the Letter of Credit,

in an amount equal to the lesser of (a) the then undrawn Stated Amount of the Letter of Credit or (b) an amount equal to the sum of (i) the aggregate unpaid principal of and premium, if any, and interest (not including Additional Interest) to the Payment Date determined by the Trustee as provided in Section 401(c) or 1102 or the date of expiration or termination of the Letter of Credit, as the case may be, on the Bonds other than Borrower Bonds then outstanding plus (ii) the aggregate amount of payments of principal of and premium, if any, and interest (not including Additional Interest) on such Bonds (excluding payments made wholly with Priority Funds and purchases pursuant to Section 401(d) or 401(e) hereof) made (A) if Bankruptcy shall have occurred on or before the demand for such draw, during the period commencing 91 days prior to Bankruptcy and ending on the redemption date established by the Trustee pursuant to the last clause of this paragraph or (B) during the period commencing 91 days prior to the date of the demand for such draw and ending on the acceleration date or redemption date established by the Trustee as provided herein; and the Trustee shall immediately take such actions and give such notice (if not already given) as may be required to pay or redeem the Outstanding Bonds on the Payment Date as provided herein out of the proceeds of such drawing.

All amounts drawn by the Trustee on the Letter of Credit pursuant to the preceding paragraph of this Section 505 that are not used to pay principal of and premium, if any, and interest on the Bonds shall be held in the Letter of Credit Fund to reimburse the Trustee or any Bondholder for the amount, if any, repaid by the Trustee or such holder pursuant to a Preference Determination. However, such money and investments held in the Letter of Credit Fund shall be returned to the Bank (i) in the case of a drawing to which clause (ii)(B) of said paragraph applies, if the period of 91 days referred to therein shall expire without a Bankruptcy having occurred (as certified to the Trustee by a certificate signed by an Authorized Borrower Representative accompanied by an opinion of the Borrower's counsel to the same effect), (ii) if and to the extent that a No Preference Determination shall occur with respect to the payments covered thereby, (iii) if the bankruptcy proceedings are terminated without a Preference Determination or (iv) if one year shall have elapsed from the date moneys were drawn under the Letter of Credit by the Trustee and a Preference Determination has not been issued. In rendering the certificate and opinion referred to in clause (i) of this paragraph, the Borrower and its counsel may rely upon a certificate of an officer of the County that no Bankruptcy has occurred with respect to the

County during the 91-day period referred to in said clause (i).

Any Bonds the principal of which is paid out of proceeds of the Letter of Credit shall be redeemed and shall not be remarketed.

Section 506. Investment of Moneys in Funds. The Trustee shall invest moneys in the Project Fund, the Bond Fund and the Rebate Fund in any Qualified Investments and may sell or liquidate any such investment, in each case upon the written direction of an Authorized Borrower Representative. Moneys in the Bond Fund and the Letter of Credit Fund shall be invested by the Trustee (but only to the extent that such investments are available) only in direct obligations of the United States, the maturities or redemption dates of which shall coincide as nearly as practicable with, but not be later than, the time or times at which said moneys will be required for the purposes of this Agreement; provided, however, that moneys drawn under the Letter of Credit shall be invested only in direct obligations of the United States with maturities of 30 or fewer days. Any investments pursuant to this Section 506 may be purchased from the Trustee or the Bank. The Trustee is authorized to sell or otherwise convert into cash investments credited to any fund or account created under this Agreement at the times and in the amounts necessary to meet payments when due from such fund or account and shall include all proceeds from such investments. No order of the Borrower shall restrict such authorization, and the Trustee shall not be liable for any loss occurring from any such sale or conversion to cash. Each fund shall include all investments made from moneys credited to such fund and shall include all proceeds from such investments. For purposes of this Agreement, such investments in the Rebate Fund shall be valued at amortized cost or market value, whichever is less.

Section 507. Maximum Investments in Nonpurpose Obligations.

(a) The Borrower agrees, except as otherwise provided in Section 148(d)(3) of the Code,

(i) at no time during any Bond Year shall the aggregate amount of Gross Proceeds (within the meaning of Section 148(f) of the Code) of the Bonds invested in Nonpurpose Investments (excluding, in accordance with Section 148(d)(3) of the Code, Gross Proceeds invested during certain temporary periods) with a Yield higher than the Yield on the

Bonds exceed 150% of the debt service on the Bonds for such Bond Year, and

(ii) such aggregate amount of Gross Proceeds so invested shall be promptly and appropriately reduced as the amount of outstanding Bonds is reduced.

(b) The requirements of this Section 507 are subject to and shall be interpreted in accordance with, Section 148(d)(3) of the Code.

Section 508. Avoidance of Arbitrage. Each of the County and the Borrower agrees to restrict the use of Bond proceeds in such manner and to such extent as necessary to assure that the Bonds will not constitute arbitrage bonds under Section 148 of the Code. [Without limiting the generality of the foregoing, the Borrower shall not enter into any "prohibited payment" within the meaning of the Code and Temporary Regulation 1.103-15 AT(d)(6) promulgated under the Internal Revenue Code of 1954, as amended, or any successor provision of similar import under the Code.] Any officer of the County (including the Chairman of the County Council, the Clerk of the County Council or the County Administrator), having responsibility with respect to the issuance of the Bonds is authorized and directed, alone or in conjunction with any other officer, employee or consultant of the County or the Borrower, to give an appropriate certificate on behalf of the County, for inclusion in the transcript of proceedings for the Bonds, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to Section 148 of the Code.

Section 509. Authorized Application of Funds; Moneys to be Held in Trust. The Trustee is authorized to apply each Fund as provided in this Agreement. All moneys deposited with the Trustee hereunder shall be held by the Trustee in trust but need not be segregated from other funds except as required by law or by this Agreement. The Trustee will withdraw sufficient funds from the Bond Fund to pay principal of and premium, if any, and interest on the Bonds (excluding Additional Interest, which is a direct obligation of the Borrower) on behalf of the County as the same become due and payable. If and to the extent that, following acceleration, by declaration or otherwise, under Section 1102, sufficient Priority Funds, including moneys drawn under the Letter of Credit, are not available to pay principal of, premium, if any, and interest on the Bonds (excluding Additional Interest, which is a direct obligation of the Borrower), then other available moneys, including amounts realized pursuant

to Article 11, shall be used to pay principal of and premium, if any, and interest on the Bonds (excluding Additional Interest, which is a direct obligation of the Borrower).

Section 510. Nonpresentment of Bonds. From and after any Payment Date, if Priority Funds sufficient to pay principal of, premium, if any, and interest on any Bond (excluding Additional Interest, which is a direct obligation of the Borrower) then due have been deposited with the Trustee and irrevocably committed thereto, all liability of the County and the Borrower for the payment of such amount shall forthwith cease in accordance with Section 103. The Trustee shall hold such funds, without liability for interest thereon, for the benefit of the registered owner of such Bond or Tendered Bond, who shall thereafter be restricted exclusively to such funds for any claim with respect to such amount. Any such funds which remain unclaimed for three years after such due date shall upon request in writing by the Borrower be paid to the Borrower without any interest thereon, and the Trustee shall have no further responsibility with respect to such moneys.

The payment of Additional Interest shall be solely an obligation of the Borrower, and neither the County nor the Trustee shall have any liability for the payment of such moneys.

Section 511. Bonds Are Not General Obligations. Notwithstanding anything herein to the contrary, the Bonds and the interest and any premium, if any, thereon do not and shall never constitute a general obligation or indebtedness of the County or of the State of South Carolina within the meaning of any state constitutional provision or statutory limitation and do not and shall never constitute or given rise to a pecuniary liability of the County or of the State of South Carolina or a charge against the general credit or taxing power of the County or the State of South Carolina. The principal of, premium, if any, and interest on the Bonds shall be secured by the County solely by the revenues specifically pledged hereunder and by this Agreement, including without limiting the foregoing, by the pledge to the Trustee made under this Agreement of said revenues and certain of the rights of the County under this Agreement, and by moneys drawn under the Letter of Credit or the Standby Credit Agreement.

Section 512. Substitute Letter of Credit; Substitute Standby Credit Agreement. At any time prior to the expiration of the Letter of Credit, the Borrower may, at its option, provide for the delivery to the Trustee of a

Substitute Letter of Credit and, unless the Bonds have been converted to a Fixed Interest Rate, a Substitute Standby Credit Agreement. No Substitute Letter of Credit provided for an Adjustable Rate Period or a Flexible Rate Period shall be delivered to the Trustee unless there is also delivered to the Trustee a Substitute Standby Credit Agreement for such Rate Period complying with the provisions of this Section 512. Except as otherwise provided in this section, the stated termination date of any Substitute Letter of Credit and Substitute Standby Credit Agreement shall not be earlier than one year subsequent to the date on which such Substitute Letter of Credit is issued, except that any Substitute Letter of Credit and Substitute Standby Credit Agreement may provide that it will terminate on a Conversion Date or a Put Date, as appropriate. Any Substitute Letter of Credit or Substitute Standby Credit Agreement provided for an Adjustable Rate Period or any portion thereof shall provide for the payment of the principal of and at least 127 days' interest accrued on the Bonds (calculated on the basis of an assumed rate of not less than 15% per annum and a 365- or 366-day year, as applicable, and the number of days actually elapsed), excluding Additional Interest. Any Substitute Letter of Credit and Substitute Standby Credit Agreement provided for a Flexible Rate Period shall provide for the payment of the principal of and at least 285 days' interest accrued on the Bonds (calculated on the basis of a year having 360 days and twelve 30-day months), excluding Additional Interest, at the Flexible Rate. Any Substitute Letter of Credit provided for the Fixed Rate Period or any portion thereof shall provide for the payment of the principal of and at least 285 days' interest accrued on the Bonds (calculated on the basis of a year having 360 days and twelve 30-day months), excluding Additional Interest, at the Fixed Rate, and the maximum applicable redemption premium under Section 401(a)(ii) during the Fixed Rate Period. On or prior to the date of the delivery of such Substitute Letter of Credit and Substitute Standby Credit Agreement to the Trustee, the Borrower shall furnish to the Trustee and the County (i) an opinion of Bond Counsel stating that the delivery of such Substitute Letter of Credit and Substitute Standby Credit Agreement to the Trustee is authorized under this Agreement and complies with the terms hereof and does not result (either prospectively or retroactively) in the inclusion of interest on the Bonds for federal income tax purposes in the gross income of any Bondholder or former Bondholder, (ii) an opinion of counsel delivered to the Trustee (and substantially similar in content with respect to the Substitute Letter of Credit as those opinions originally rendered with respect to the Letter of Credit in connection with the original issuance of the Bonds) to the effect that the Substitute Letter of Credit is

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the valid, binding and enforceable obligation of the bank or other financial institution issuing it (subject to customary exceptions as to limitations on enforceability by bankruptcy and other laws affecting creditors' rights generally and by the application of equitable principles) and that payments on the Bonds out of the proceeds of a drawing on the Substitute Letter of Credit will not constitute voidable preferences under the federal Bankruptcy Code or other applicable laws and regulations, and (iii) either (A) written evidence from Moody's, if the Bonds are then rated by Moody's, or S&P, if the Bonds are then rated by S&P, to the effect that such rating agency has reviewed the proposed Substitute Letter of Credit and Substitute Standby Credit Agreement and that the substitution of the proposed Substitute Letter of Credit for the Letter of Credit and of the proposed Substitute Standby Credit Agreement for the Standby Credit Agreement will not, by themselves, or in conjunction with a change in interest rate mode as provided in this Agreement, result in a reduction or increase of such agency's rating of the Bonds from that which then prevails, unless the Trustee receives an opinion of Bond Counsel that such change in rating will not result (either prospectively or retroactively) in the inclusion of interest on the Bonds for federal income tax purposes in the gross income of any Bondholder or former Bondholder, or (B) written evidence confirming to the Trustee that the commercial bank or other financial institution issuing or delivering such Substitute Letter of Credit and Substitute Standby Letter of Credit Agreement has senior debt (or, in the absence of such senior debt, has issued a letter of credit, insurance policy or other credit enhancement device in support of a third party's debt) which has a rating from Moody's and/or S&P either (x) equal to or better than the second highest long-term debt rating category (excluding pluses or minuses), or (y) equal to or better than such rating of long-term obligations of the issuer of the credit facility being replaced by such Substitute Letter of Credit and Substitute Standby Credit Agreement (excluding pluses or minuses). Upon the substitution of a Substitute Letter of Credit, the Trustee shall provide the issuer being substituted with such superseded Letter of Credit.

The Letter of Credit may by its terms provide for extensions thereof and the Bank may, at its election, provide for one or more additional extensions of the Letter of Credit for any period.

Nothing contained in this Agreement or any other Basic Agreement shall be construed as an obligation of the Bank to issue or deliver a Substitute Letter of Credit or a Substitute Standby Credit Agreement.

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PART III: THE PROJECT

Article 6 - Completion of the Project

Section 601. Borrower's Obligations to Complete Project, etc. The Borrower shall cause the Project to be completed as promptly as feasible and shall at its expense do or cause to be done all things necessary or proper for such completion in accordance with applicable law and regulations.

Until completion of the Project, the Borrower shall make no changes in the Project as described in the Application or take any other action which would affect the qualification of the Project as a "Project", as defined in the Act, or would affect in any material respect the description of the Project approved by the County.

Section 602. Completion Certificate. Completion of the Project shall be evidenced to the Trustee by a Completion Certificate signed by the Authorized Borrower Representative (i) stating that the Project has been substantially completed in accordance with the Plans and Specifications and all costs then due and payable in connection therewith have been paid, and that completion has been accomplished in such a manner as to conform with all applicable zoning, planning, building, environmental and other regulations of all governmental authorities having jurisdiction; (ii) specifying the date by which the foregoing events had occurred; (iii) stating that there is no laborer, supplier, materialman, or other person then entitled to assert a materialman's or other similar lien upon the Property (unless a bond shall have been posted to secure the payment thereof); (iv) indicating the nature and estimated cost of any work to be done on the Property which is ancillary or supplemental to the Project; and (v) stating that it is given without prejudice to any rights against third parties which then exist or may subsequently come into being.

Article 7 - Operation of the Project

Section 701. The Inducement. The Loan has induced the Borrower to establish, expand or maintain the Project in Orangeburg County, South Carolina.

Section 702. Compliance with Act and Application. The Project is and at all times while the Bonds are outstanding will be used in such a manner as to be included within the definition of a "project" in the Act and will be constructed,

acquired and equipped substantially as described in the Application, and the average maturity of the Bonds will not exceed 120% of the average economic life of the Project.

Section 703. Maintenance and Insurance. The Borrower shall use, maintain and operate the Project, or cause it to be used, maintained and operated, in good repair, in accordance with all applicable laws, rules and regulations and with the terms and conditions set forth in the Mortgage and Security Agreement; provided, however, that, with the prior written consent of the Bank, the Borrower shall not be required to use, maintain or operate the Project or any portion thereof to the extent it is economically infeasible or imprudent to do so. The Borrower may make modifications, replacements and renewals of and to the Project as the Borrower shall deem necessary or desirable and that do not materially adversely affect the value of the Project provided that all such additions, modifications or improvements comply with all applicable federal, state and local codes and with the terms and conditions set forth in the Mortgage and Security Agreement. All such renewals, replacements, additions, modifications and improvements shall become part of the Project. The Borrower shall keep the Project continuously insured against such risks as are customarily insured against by businesses of like size and type, paying as the same become due all premiums in respect thereto and shall comply with such additional requirements regarding insurance as may be imposed by the Mortgage and Security Agreement.

Section 704. Insurance Proceeds. After the happening of any casualty causing damage to the Project or the Property, the Borrower shall give prompt written notice thereof to Trustee and the Bank, and there shall be no abatement or reduction in the payments required to be made by the Borrower under this Agreement, the Reimbursement Agreement, the Standby Credit Agreement or any other Basic Agreement.

In the event of the destruction of any part of the Property or any damage thereto, as provided in the Mortgage and Security Agreement, all proceeds of insurance (after payment of any costs of collection) shall be paid to the Trustee and held in a separate account and, so long as no Default under this Agreement, the Reimbursement Agreement, and the Standby Credit Agreement or the Mortgage and Security Agreement shall have occurred and be continuing and with the consent of the Bank (which consent shall not unreasonably be withheld or delayed), such proceeds shall be applied for the restoration of the property by the Borrower in the manner and

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subject to the conditions provided in this Agreement for moneys in the Project Fund established hereunder, including without limitation the presentation and approval of requisitions in the form prescribed herein, and, pending disbursement, such money shall be held for the security of the Bank under the Reimbursement Agreement and the Standby Credit Agreement. Plans and specifications for such restoration shall be subject to the reasonable approval of the Bank, and the Bank may require satisfactory evidence that the cost of such restoration will not exceed available funds. If such proceeds are insufficient for such restoration, the Borrower will provide for payment of the costs of completion from its own moneys. Any insurance proceeds remaining after payment of all such costs shall be paid to the Borrower. However, if within 30 days after the damage or destruction, the Borrower determines in good faith that (A) the Property cannot be reasonably restored within a period of twelve months from the date of such damage or destruction, or (B) the Borrower is thereby prevented from carrying on its normal operation of the Property for a period of twelve months from the date of such damage or destruction and the Borrower so notifies the Trustee and the Bank in writing, the Borrower shall not be obligated to restore the property and the net insurance proceeds shall be paid into the Bond Fund.

Section 705. Eminent Domain. Should the Property, or any part thereof or interest therein, be taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner (a "Taking"), or should the Borrower receive any notice or other information regarding such proceeding, the Borrower shall give prompt written notice thereof to the Trustee and the Bank and there shall be no abatement or reduction in the payments required to be made by the Borrower under this Agreement or the Reimbursement Agreement, the Standby Credit Agreement or any other Basic Agreement.

In the event of any such Taking, so long as no Default under this Agreement, the Reimbursement Agreement, the Standby Credit Agreement, the Mortgage and Security Agreement or any other Basic Agreement shall have occurred and be continuing and upon the written consent of the Bank (which consent shall not be unreasonably withheld), the Borrower at its option (i) shall repair or construct the Property so as to restore it to substantially its prior value, (ii) shall furnish substitute collateral satisfactory to the Bank having a fair market value equivalent to the prior value of the Property. In either event, the compensation, awards, damages, rights of action and proceeds awarded to the Borrower in connection with such Taking, net of costs of

collection, if any, (the "Proceeds") shall be deposited in a separate account with the Trustee, which shall disburse them to the Borrower for the purpose of such restoration or acquisition of substitute collateral substantially in the manner and subject to the conditions provided in this Agreement for the disbursement of moneys from the Project Fund, and, pending disbursement, such moneys shall be held for the security of the Bank under the Reimbursement Agreement and the Standby Credit Agreement. Plans and specifications for such restoration or acquisition will not exceed available funds. Upon the completion of such restoration or acquisition and of any actions necessary to mortgage or grant a security interest in any new collateral to the Bank, the Trustee shall pay the balance, if any, of the Proceeds to the Borrower.

If within 60 days following any Taking of all or substantially all of the Project (any such taking being herein called a "Total Taking"), in any case which, in the sole discretion of the Bank, renders the Project remaining after such Taking unsuitable for restoration for use as property of substantially the same value, condition, character and general utility as the Project prior to such Taking, then the net awards received by the Bank or the Borrower on account of such Total Taking or pursuant to the Mortgage and Security Agreement shall be applied to redeem Bonds in the manner provided in Sections 401(c)(iv) and 502(e) of this Agreement.

Section 706. Title Insurance Proceeds. All proceeds received by the Borrower or the Bank for any loss under any title insurance policy or policies in connection with the Mortgage, shall be deposited with the Trustee and applied as provided in Section 705 of this Agreement with respect to condemnation awards.

PART IV: REPRESENTATIONS AND AGREEMENTS OF COUNTY AND BORROWER

Article 8 - Representations and Agreements of County

Section 707. Due Organization and Authorization of Bonds. The County represents and warrants as follows:

(a) It is a body corporate and politic and a political subdivision of the State of South Carolina, with the power under and pursuant to the Act, to execute and deliver the Bond Purchase Agreement and this

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Agreement, to perform its obligations under each thereof and to issue and sell the Bonds pursuant thereto.

(b) It has taken all necessary action and has complied with all provisions of the Constitution of the State of South Carolina and the Act, including but not limited to the making of the findings required by Section 4-29-60 of the Act, required to make the Bond Purchase Agreement, this Agreement and the Bonds the valid obligations they purport to be; and, when executed and delivered by the parties thereto, this Agreement and the Bond Purchase Agreement will constitute valid and binding agreements of the County and be enforceable in accordance with their respective terms, except as enforceability may be subject to the exercise of judicial discretion in accordance with general equitable principles and to applicable bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors heretofore or hereafter enacted to the extent that the same may be constitutionally applied; and

(c) When delivered to and paid for by the purchasers thereof in accordance with the terms of this Agreement, the Bonds will constitute valid and binding limited obligations of the County enforceable in accordance with their terms, except as enforceability may be subject to the exercise of judicial discretion in accordance with general equitable principles and to applicable bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors heretofore or hereafter enacted to the extent that the same may be constitutionally applied, and will be entitled to the benefits of this Agreement.

(d) the County makes no representation or warranty that interest on the Bonds is or will continue to be excludable from gross income for federal or state income tax purposes.

Section 708. Payment of Bonds; Trustee's Rights with Respect to the Loan; Cooperation with Trustee. The County agrees that it will promptly pay or cause to be paid the principal of, premium, if any, and interest (excluding Additional Interest, if any) on all Bonds as herein provided. The County agrees that the Trustee may enforce all rights of the County (except those rights not assigned under this Agreement) and all obligations of the Borrower with respect to the Loan for and on behalf of the Bondholders, whether or not the County is in default hereunder. The County agrees

that, except as provided herein, it will not mortgage, encumber or alienate any part of the Pledged Receipts.

All agreements of the County in this Section 802 are subject to the limitation described in Section 511.

Article 9 - Representations of the Borrower

The Borrower hereby confirms to the County and the Trustee its representations and warranties made or incorporated by reference in Section 4 of the Reimbursement Agreement, and hereby further represents and warrants to the County, the Trustee and the Bank and, as to Sections 903 and 905, covenants as follows:

Section 901. Legal Proceedings. There is no action, suit, proceeding or investigation at law or in equity before or by any court or public board or body pending or, to the knowledge of the Borrower, threatened against it, wherein an unfavorable decision, ruling or finding would in any material respect adversely affect the business, assets or condition (financial or otherwise) of the Borrower or the transactions contemplated by the Basic Agreements to which the Borrower is a party, or which in any way would adversely affect the validity of any of the Basic Agreements to which the Borrower is a party.

Section 902. Compliance with Law; Consents, etc. The Borrower is not in violation of any term or provision of its corporate charter or bylaws or in material violation of any term or provision of any mortgage, lease, agreement or other instrument which is material to its business or assets, or of any judgment, decree, governmental order, statute, rule or regulation by which it is bound or to which it or any of its assets is subject. The execution, delivery and performance of and compliance by the Borrower with the Basic Agreements will not violate or constitute a default under the corporate charter or bylaws of the Borrower or of any term or provision of any mortgage, lease, agreement or other instrument, or of any judgment, decree, governmental order, statute, rule or regulation by which the Borrower is bound or to which any of its assets is subject. No approval by, authorization of, or filing with any federal, state, or municipal or other governmental commission, board, or County or other governmental authority is necessary in connection with the execution and delivery by the Borrower of any of the Basic Agreements, except for necessary approvals under the Act, which have been, or by the time of delivery of the Bonds will have been, obtained.

Section 903. Tax Matters. The Borrower will comply fully with its representations, warranties and covenants set forth and contained in the Tax Statement.

Section 904. Adequacy of Disclosure. Neither this Agreement nor the Bond Purchase Agreement nor the Reimbursement Agreement or any other document, certificate or statement furnished to the Bank, the County or the Trustee by the Borrower in connection with the transactions contemplated hereby or thereby contains any untrue statement of a material fact with respect to the Borrower or any of its properties (including, without limitation, the Project) or omits to state a material fact with respect to the Borrower or any of its properties (including, without limitation, the Project) necessary in order to make the statements contained herein and therein not misleading.

Article 10 - Certain Agreements of Borrower

The Borrower agrees as follows:

Section 1001. Borrower to Make Loan Payments Sufficient to Meet Debt Service on Bonds and Additional Payments.

A. The Borrower agrees to pay by 5:00 p.m., on the third Business Day prior to each Payment Date as a Loan payment to the Trustee for deposit into the Bond Fund a sum in immediately available funds equal to all such payments due on such Payment Date less amounts in immediately available funds already on deposit in the Bond Fund and available for the purpose. If on the Business Day prior to such Payment Date a deficiency exists in the Bond Fund, the Trustee shall immediately give notice by telephone or telecopy to the Borrower of such deficiency and, notwithstanding its having duly made such payment, the Borrower shall make a supplemental Loan payment to the Trustee in an amount which, when added to amounts then available in the Bond Fund (excluding amounts in the Bond Fund which are then held for purposes other than the payment of principal of, and interest and any premium on the Bonds then due) shall be sufficient to make the payment of principal of, and interest and any premium on the Bonds then due.

In addition to the payments required by the immediately preceding paragraph of this Section 1001, the Borrower shall pay into the Bond Fund as a Loan payment in immediately available funds on the first Business Day of March, September and December commencing September 1, 1991, an amount equal to 25% of the annual principal payment to be made in each such

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year pursuant to Section 402. Such Loan payments shall be held in the Bond Fund and, except as otherwise provided in Sections 503 or 504, shall be applied to the payment of the amounts required under said Section 402. In the event any moneys are transferred from the Bond Fund to the Rebate Fund, the Borrower shall forthwith pay to the Trustee for deposit in the Bond Fund any resulting deficiency.

In any event the Loan payments payable under the preceding two paragraphs shall be sufficient to pay the total principal of, premium, if any, and interest on the Bonds (excluding Additional Interest, if any) as and when due. If at any time when said payments are due the balance in the Bond Fund available for said purpose is insufficient to make such payments, the Borrower will forthwith pay to the Trustee any such deficiency. Subject to such obligation and the obligation of the Borrower under the two preceding paragraphs, the Borrower shall not be required to make any Loan payment to the extent its application would result in an excess in the Bond Fund over the amounts necessary to meet obligations then due and payable from the Bond Fund plus, if applicable, any additional amounts then required to be maintained in the Bond Fund. On the date of a drawing under the Letter of Credit pursuant to any provision of this Agreement, if the amount available to be drawn under the Letter of Credit is insufficient for the purpose of such drawing for any reason, then the Borrower immediately upon telephonic notice from the Trustee, to be promptly confirmed in writing, shall furnish to the Trustee in immediately available funds a sum equal to the amount of such insufficiency.

B. Additional Interest. The Borrower agrees to pay (i) Additional Interest pursuant to clause (ii) of Section 304(e) to the Bondholders on and after the Index Change Date, and (ii) Additional Interest pursuant to clause (i) of Section 304(e) to each Bondholder and, if applicable, former Bondholder which owned the Bonds during the Penalty Interest Period. Such payments shall be made to the applicable Bondholders and former Bondholders at their respective addresses as shown on the registration books of the bond registrar.

C. Additional Payments. The Borrower agrees to pay within 30 days after written demand therefor (by the County or the Trustee, as the case may be) Additional Payments as follows:

(i) To the County, as reimbursement for all costs, expenses and liabilities paid or incurred by the County

in satisfaction of any obligations of the Borrower not performed by the Borrower as required hereunder or under the Bond Purchase Agreement.

(ii) To the County, as reimbursement for or prepayment of all costs, expenses and liabilities paid or incurred or to be paid or incurred by the County or any of its directors, officers, employees or agents at the request of the Borrower or as required by this Agreement, the Act or the Bond Purchase Agreement, other than any rebates due to the United States of America under Section 148(f) of the Code on account of moneys and investments held by the County.

(iii) To the Trustee, its reasonable fees and expenses as trustee, bond registrar and paying agent, including the reasonable fees and expenses of its attorneys and agents, and any other amounts due to the Trustee under this Agreement.

D. Bank Obligations. The Borrower agrees to pay all Bank Obligations when due.

E. Obligations Unconditional. The Borrower's obligations to make the payments required by this Agreement shall be absolute and unconditional and shall not be subject to any right of recoupment or set-off. Until this Agreement has terminated and ceased to have effect, the Borrower will not (i) suspend or discontinue any payments required by this Agreement or (ii) fail to fulfill its other agreements herein for any cause, including without limitation failure fully to acquire and install the Project, or damage to the Project or the Property, any failure of consideration or commercial frustration of purpose, any change in federal or state or other laws or administrative rulings or actions or any failure of the County to fulfill any agreement, duty, liability or obligation related to this Agreement.

Section 1002. Borrower to Maintain Its Legal Existence. Except as otherwise permitted under the Reimbursement Agreement, the Borrower will maintain its legal existence and will remain in good standing under the laws of the State of South Carolina.

Section 1003. Borrower to Give Notification of Determination of Taxability. The Borrower will notify promptly the Trustee and the Bank of the occurrence of any Determination of Taxability or any basis therefor, and of any allegation by any federal or state County that any such event

has occurred, of which the Borrower has or acquires knowledge.

Section 1004. Indemnification of County, Bank and Trustee. Notwithstanding its insurance agreements in the Mortgage and Security Agreement or in the Reimbursement Agreement, to the extent not prohibited by applicable law, the Borrower shall indemnify and save harmless the County, the Bank and the Trustee and their respective directors, officers, employees and agents against and from any and all liability and expenses arising from their participation in the transactions contemplated hereby, including without limitation (a) any and all claims by or on behalf of any person arising out of (i) any condition of the Project or the Property, or (ii) the acquisition, installation, construction, reconstruction, improvement, use, occupancy, conduct of any work or anything whatsoever done or omitted to be done in or about the Project or the Property, or (iii) any accident, injury or damage whatsoever to any person occurring in or about the Project or the Property, or (iv) any breach or default by the Borrower of any of its obligations under the Basic Agreements, or (v) any act or omission of the Borrower or any of its agents, contractors, servants, employees, or licensees, or (vi) the offering, issuance, sale or resale of the Bonds, or (vii) any action, suit, claim or proceedings instituted or threatened in connection with the transactions contemplated by this Agreement, (b) any and all losses, costs, counsel fees, expenses or liabilities reasonably incurred in connection with any such claim or any action or proceeding brought thereon and (c) any Costs of Collection; provided, however, that the Borrower shall not be required to indemnify any Person otherwise to be indemnified under this Section 1004 for any liabilities or expenses incurred by such Person to the extent caused by or resulting from the wilful misconduct or negligence of such Person. In case any action or proceeding is brought against the County, the Bank or the Trustee or any such director, officer, employee or agent by reason of such claim, the Borrower, upon notice from the affected party, shall resist or defend such action or proceeding. Subject to the foregoing, the County, the Bank and the Trustee shall cooperate and join with the Borrower at the expense of the Borrower as may be required in connection with any action taken or defended by the Borrower.

The County, the Bank and the Trustee and their respective directors, officers, employees and agents shall be entitled to the advice of counsel (who may also be counsel for the Borrower or any Bondholder) and shall be wholly protected as to action taken or omitted to be taken in good faith in reliance on such advice. They may rely conclusively

on any communication or other document furnished to them under the Basic Agreements and reasonably believed by them to be genuine. They shall not be liable for any action (i) taken by them in good faith and reasonably believed by them to be within the discretion or powers conferred upon them, or (ii) in good faith not taken by them because reasonably believed to be beyond the discretion or powers conferred upon them, or (iii) taken by them pursuant to any direction or instruction by which they are governed by the Basic Agreements, or (iv) omitted to be taken by them by reason of the lack of any direction or instruction required hereby or by any of the other Basic Agreements for such action; nor shall they be responsible for the consequences of any error or judgment reasonably made by them. The County, the Bank and the Trustee shall in no event be liable for the application or misapplication of funds, or for other acts or defaults, by any Person, except their own directors, officers and employees and, as to the Trustee, others specified in Section 1201(b). When any consent or other action by them is called for by the Basic Agreements, they may defer such action pending receipt of such certificates, opinions, documents or other supporting evidence as they may reasonably require. They shall not be required to take any remedial action (other than the giving of notice) unless indemnity reasonably satisfactory to them is furnished for any expense or liability to be incurred thereby; provided, however, that the Trustee shall not be entitled to any such indemnity in connection with declaring an acceleration or drawing under the Letter of Credit pursuant to any provision of this Agreement. They shall be entitled to reimbursement for expenses reasonably incurred or advances reasonably made, with interest at the FNBB Base Rate, in the exercise of their rights or the performance of their obligations hereunder, to the extent that they act without previously obtaining indemnity. No permissive right or power to act which they may have shall be construed as a requirement to act; and no delay in the exercise of a right or power shall affect the subsequent exercise of that right or power. The County shall not be required to take notice of any breach or default by the Borrower under any Basic Agreement, except when given notice thereof by the Trustee, nor shall it be required to monitor the financial condition of the Borrower or the physical condition of the Project or the Property. No recourse shall be had by the Borrower, the Trustee, the Bank or any Bondholder for any claim based on any Basic Agreement against any director, officer, employee or agent of the County alleging personal liability on the part of such person unless such claim is based upon the willful dishonesty of or intentional violation of law by such person.

PART V: EVENTS OF DEFAULT

Article 11 - Default Provisions and Remedies of Trustee, Bank, Bondholders and County.

Section 1101. Events of Default; Defaults. The occurrence of any of the following events shall constitute an "Event of Default" hereunder:

(a) Failure to pay interest on any Bond when due and payable.

(b) Failure to pay any principal or premium on any Bond when due and payable, whether at stated maturity or pursuant to any redemption or purchase requirements under Section 401.

(c) Failure by the Borrower to make any Loan payment when due and payable and such failure shall remain unremedied for two Business Days.

(d) [Omitted.]

(e) Failure by the Borrower to make any Additional Payment or any payment of Additional Interest when due; or failure by the Borrower or the County to observe or perform any other covenant, condition or agreement on its part to be observed or performed in this Agreement or the Bonds, for a period of thirty (30) days after notice of such failure shall have been given to the Borrower by the Trustee or the County or to the County by the Trustee.

(f) Receipt by the Trustee of notice from the Bank that an "Event of Default" within the meaning of the Reimbursement Agreement has occurred.

(g) The Letter of Credit shall be revoked or terminated for any reason prior to its stated expiration date and a Substitute Letter of Credit shall not have been issued prior to or on the date of such revocation or termination, or the Bank shall wrongfully refuse to honor the Letter of Credit.

(h) The material inaccuracy or incompleteness of any material representation or warranty made in writing by the Borrower or on its behalf by an Authorized Borrower Representative or by the County under any of the Basic Agreements in connection with the transactions contemplated hereby.

(i) The occurrence of a Bankruptcy.

(j) The occurrence of an Act of Bank Bankruptcy unless a Substitute Letter of Credit has been issued within 30 days of such event.

The Borrower agrees to notify the County, the Bank and the Trustee promptly in writing of the occurrence of any known Event of Default.

Within five days after actual knowledge of an Event of Default by an officer in its Corporate Trust Division under subsection (a), (b), (c) or (f) above, the Trustee shall give written notice, by registered or certified mail, to the County, the Borrower, the Bank and all of the Bondholders, and upon notice as provided in Section 1201(d) shall give similar notice of any other Event of Default.

Section 1102. Acceleration. Upon the occurrence of any Event of Default described in subsection (a), (b), (f) or (g) of Section 1101, the Trustee shall immediately, and upon the occurrence of an Event of Default described in any other subsection of Section 1101 the Trustee shall upon and only upon the written request of the Bank, declare all Bonds then outstanding to be due and payable immediately, and, upon the declaration, all principal and interest accrued thereon shall become immediately due and payable, and there shall be an automatic corresponding acceleration of the Borrower's indebtedness on the Loan; provided, however, that if there shall have occurred any Event of Default under subsection (i) or (j) of Section 1101, the principal of and premium, if any, on all Bonds then outstanding and the interest accrued thereon and all the Borrower's indebtedness on the Loan automatically shall become immediately due and payable without any action by the Trustee and provided, further, that Additional Interest, if any, shall be payable to the Bondholders directly by the Borrower. Interest shall accrue on the Bonds and the Loan to the date of acceleration.

The provisions of this Section 1102 are subject to the condition that with respect to an Event of Default under subsection (f) of Section 1101, any waiver by the Bank of any "Event of Default" under the Reimbursement Agreement and rescission and annulment of its consequences shall constitute a waiver of the corresponding Event of Default under this Agreement and a rescission and annulment of the consequences thereof. No such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon. Notwithstanding the

foregoing, no waiver, rescission or annulment of an Event of Default hereunder shall be made if the Bank shall theretofore have honored in full a drawing under the Letter of Credit in respect of such Event of Default.

Section 1103. Other Remedies; Rights of Bank and Bondholders. Upon acceleration under Section 1102, or upon the occurrence of an Event of Default under subsection (i) or (j) of Section 1101, whether or not acceleration has occurred, the Trustee immediately shall draw upon the Letter of Credit as provided in Section 505.

Upon the continuance of an Event of Default, if so requested by the Bank or, unless and until the principal of and interest on the Bonds shall be paid in full, a Majority of the Bondholders, and if satisfactory indemnity has been furnished to it, the Trustee shall exercise such of the rights and powers conferred by this Agrement as the Trustee, being advised by counsel, shall deem most effective to enforce and protect the interests of the Bondholders and the Bank.

No remedy under this Agreement is intended to be exclusive, and to the extent permitted by law each remedy shall be cumulative and in addition to any other remedy hereunder or now or hereafter existing; provided, however, that upon acceleration under Section 1102 the Trustee shall first draw upon the Letter of Credit as provided in Section 505.

No delay or omission to exercise any right or power shall impair such right or power or constitute a waiver of any Default or Event of Default or acquiescence therein; and each such right and power may be exercised as often as deemed expedient.

No waiver by the Trustee, the Bank or the Bondholders of any Default or Event of Default shall extend to any subsequent Default or Event of Default.

Section 1104. Right of Bank and Bondholders to Direct Proceedings. Anything in this Agreement to the contrary notwithstanding, the Bank and, so long as Bonds are outstanding, a Majority of the Bondholders shall have the right at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Agreement, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction

shall be in accordance with applicable law and this Agreement, and provided that the Trustee shall be indemnified to its satisfaction. In the event of a disagreement between the Bank and a Majority of the Bondholders in the exercise of their rights under this Section 1104, then so long as the Bonds are outstanding, the direction of a Majority of the Bondholders shall be controlling.

Section 1105. [Omitted].

Section 1106. Application of Moneys. Upon the occurrence and continuance of an Event of Default, there shall be deposited in the Bond Fund all moneys and proceeds held or received by the Trustee or any receiver pursuant to this Agreement or any related document or the exercise of any rights granted hereby or thereby, except amounts in the Rebate Fund, which shall be held and applied in accordance with Section 504, and except amounts drawn under the Letter of Credit, which amounts shall be deposited in the Letter of Credit Fund, and all moneys in the Letter of Credit Fund shall be applied to the payment of interest on (excluding Additional Interest, if any) and principal of (and, during the Fixed Rate Period, premium, if any, on) the Bonds, and all moneys in the Bond Fund (except funds for which provision has been made under Section 510) shall be applied after payment of all Costs of Collection incurred by the Trustee or any receiver (i) to the payment of any amounts due as Additional Payments under Section 1001C or amounts due under Section 1004, (ii) then to the payment of interest (excluding Additional Interest, if any), including interest on overdue principal, then due on the Bonds (excluding Borrower Bonds), without regard to when such interest became due, (iii) then to the payment of principal and premium, if any, then due on the Bonds (excluding Borrower Bonds), without regard to when such principal or premium, if any, became due, and (iv) then to the payment of any Bank Obligations then remaining due; or in such other order as may be determined by the Trustee with the written consent of all of the Bondholders and, if the County is affected thereby, the written consent of the County. Payments shall be made ratably, according to the amounts due respectively for interest (excluding Additional Interest, if any) and principal and premium, if any, among Bondholders entitled to receive the payment being made.

Section 1107. Remedies Vested in Trustee. All rights of action (including the right to file proofs of claim) under this Agreement or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or their production in any proceeding; and any such proceeding instituted by the Trustee shall be brought in its name, as

Trustee, without the necessity of joining as plaintiffs or defendants any holders of the Bonds or the Bank; and any recovery of the judgment shall be for the benefit of the holders of the Bonds and the Bank, subject, however, to the provisions of this Agreement.

Section 1108. Rights and Remedies of Bank and Bondholders. Neither the Bank nor any Bondholder shall have any right to institute any proceeding for the enforcement of this Agreement or any right or remedy granted hereby unless (i) an Event of Default is continuing, (ii) the Trustee is deemed to have notice or knowledge thereof or has been notified as provided in Section 1201(d), (iii) the Bank or the holders of at least 25% in aggregate principal amount of Bonds then outstanding shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to exercise its powers or to institute such proceeding in its own name, and have offered to the Trustee indemnity satisfactory to it, and (iv) the Trustee shall have failed or refused to exercise its power or to institute such proceeding. Such notice, request and offer of indemnity shall at the option of the Trustee be conditions precedent to the execution of the powers and trusts of this Agreement, and to any action for the enforcement of this Agreement or of any right or remedy granted hereby (provided, however, that the Trustee shall not be entitled to any such indemnity in connection with declaring an acceleration or drawing under the Letter of Credit pursuant to any provision of this Agreement); it being understood and intended that neither the Bank nor any one or more holders of the Bonds shall have any right to affect or prejudice the lien of this Agreement by its or their action or to enforce any right hereunder except in the manner herein provided and that proceedings shall be instituted and maintained in the manner herein provided and for the benefit of the Bank and the holders of all Bonds then outstanding. Notwithstanding the foregoing, (a) each Bondholder shall have a right of action to enforce the payment of the principal of and premium, if any, and interest on any Bond held by it at and after the maturity thereof, from the sources and in the manner expressed in such Bond and (b) the Bank shall have the exclusive right (except with respect to actions by the Trustee under Section 10 of the Standby Credit Agreement) to enforce the provisions of the Reimbursement Agreement, the Standby Credit Agreement and the Borrower's obligations to it thereunder.

Section 1109. Waivers of Events of Default. The Trustee shall waive (in advance or otherwise) any Event of Default and its consequences and rescind any declaration of maturity of principal upon the written request of all of the

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Bondholders (or, if the Bonds are no longer outstanding, the Bank) and, with respect to any right of the County or the Trustee to payment or reimbursement pursuant to Section 1001B or 1004, the written consent of the County or the Trustee (as the case may be), but no such waiver (except as specifically provided therein) or rescission shall extend to any subsequent or other Event of Default. Notwithstanding the foregoing, the Trustee shall waive an Event of Default under Section 1101(f) and its consequences and rescind any declaration of maturity of principal only upon the express written consent of the Bank.

Section 1110. Intervention by Trustee. In any judicial proceeding which the Trustee believes has a substantial bearing on the interests of the Bank or the Bondholders, the Trustee may intervene on behalf of the Bank or the Bondholders.

Section 1111. Remedies of County on Event of Default. Upon the occurrence and continuance of an Event of Default, the County (i) shall, if requested by the Trustee, confirm in writing any acceleration of Loan indebtedness, (ii) may, upon the request of the Trustee, take such action in law or equity as may appear desirable to collect any past due or accelerated Loan indebtedness or other payments hereunder or to enforce compliance with any obligation or agreement of the Borrower in this Agreement and (iii) shall have access to and may examine and make copies of the books, accounts and other data and tax returns of the Borrower. However, the County shall not be required to take any action which in its opinion might cause it to expend time or money or otherwise incur any liability unless satisfactory indemnity has been furnished to it. Notwithstanding any contrary provision in this Agreement, the County may enforce its rights under Section 1001C or 1004 by any lawful available remedy.

PART IV: THE TRUSTEE

Article 12 - The Trustee

Section 1201. Acceptance of Trusts. The Trustee accepts the trusts imposed upon it by this Agreement and agrees to perform such trusts, but only upon the terms and conditions contained herein and in Section 1004.

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Agreement and the other Basic Agreements

to which it is a party, and no implied agreements or obligations shall be read into this Agreement or any other Basic Agreement against the Trustee. In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Agreement and the other Basic Agreements, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Trustee may execute any of its trusts or powers and perform any of its duties through attorneys, agents, receivers or employees but shall be answerable for their conduct in accordance with the above standard, except that as to attorneys, agents and receivers the Trustee shall be answerable only as to the selection of same in accordance with said standards. The Trustee shall be entitled to advice of counsel concerning all matters of trust duties hereunder, and may pay reasonable compensation to all such attorneys, agents, receivers, employees and counsel as may reasonably be employed.

(c) Any action taken by the Trustee pursuant to this Agreement upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the holder of any Bond shall be conclusive and binding upon all future holders of such Bond.

(d) The Trustee shall not be required to take notice or be deemed to have notice or knowledge of any default hereunder, except defaults described in Section 1101(a), (b), (c) or (f), unless an officer in the Corporate Trust Division of the Trustee shall be notified in writing of such default by the Borrower, the County, the Bank or by the holders of at least 25% in aggregate principal amount of Bonds then outstanding. Until such notice is received, the Trustee may conclusively assume there is no such default.

(e) The Trustee shall not be required to give any bond or surety.

Section 1202. Fees and Expenses of Trustee. The Trustee shall be entitled to fees for its services rendered hereunder during any period that no Event of Default has occurred or is continuing in the amounts of an acceptance fee of $3,600 payable on the date of delivery of the Bonds to the

Initial Purchaser or Purchasers and an annual fee of $5,100 or such other amount as may be agreed to from time to time between the Trustee and the Borrower payable annually in advance on the date of delivery of the Bonds to the Initial Purchaser and thereafter on the first Wednesday in June in each year, commencing June 6, 1990. The Trustee also shall be entitled to a fee of $175 in connection with each tender of a Bond under Section 401(d) and to be reimbursed for all advances, counsel fees and other out-of-pocket expenses reasonably made or incurred by the Trustee in connection with its services hereunder and for such reasonable fees as it may charge after an Event of Default has occurred and is continuing.

Section 1203. Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer all or substantially all its trust business and assets, and any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer, ipso facto, shall be and become successor Trustee hereunder and vested with all the trusts, power, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding; provided, however, that any such successor Trustee shall be a trust company or bank in good standing having trust powers and (unless permitted by the Act) authorized to act as Trustee in the State of South Carolina.

Section 1204. Resignation by Trustee; Removal. The Trustee may at any time resign from the trusts hereby created by giving 30 days' written notice to the County, to the Borrower, to the Bank and to each Bondholder, but such resignation shall not take effect until the appointment of a successor Trustee and acceptance by the successor Trustee of such trusts. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and to the County and signed by a Majority of the Bondholders or, if the Bonds are no longer outstanding, the Bank.

Section 1205. Appointment of Successor Trustee. If the Trustee hereunder shall resign or be removed, or be dissolved, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the Borrower. If the Borrower does not appoint a successor Trustee within thirty

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(30) days of the Trustee providing notice of its resignation, the Trustee may petition a court of competent jurisdiction to appoint a successor Trustee. At any time within one year after any such vacancy shall have occurred and provided a court has not appointed a successor Trustee as provided above, a Majority of the Bondholders or, if a Majority of the Bondholders have not so acted or the Bonds are no longer outstanding, the Bank may appoint a successor Trustee by an instrument or concurrent instruments in writing signed by or on behalf of such holders, which appointment shall supersede any Trustee theretofore appointed by the Borrower. Each successor Trustee shall be a trust company or bank in good standing having trust powers and having a reported capital and surplus of not less than $50,000,000. Any such successor Trustee shall become Trustee upon giving notice to the Borrower, the County, the Bank and the Bondholders, if any, of its acceptance of the appointment, vested with all the property, rights and powers of the Trustee hereunder, without any further act or conveyance. Any predecessor Trustee shall execute, deliver and record and file such instruments as the Trustee may reasonably require to confirm or perfect any such succession.

Section 1206. Dealing in Bonds. The Trustee and any of its directors, officers, employees or agents may become the owners of any or all of the Bonds secured hereby.

Section 1207. Trustee as Bond Registrar; List of Bondholders. The Trustee is hereby designated as bond registrar for the Bonds and, as such, will keep on file a list of names and addresses of the holders of all Bonds; provided, however, that the Trustee shall be under no responsibility with regard to the accuracy of the address of any Bondholder. At reasonable times and under reasonable regulations established by the Trustee, such list may be inspected and copied by the Borrower or by owners (or a designated representative thereof) of Bonds then outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Section 1208. Successor Trustee as Custodian of Funds, Bond Registrar and Paying Agent. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be custodian of any funds it may hold pursuant to this Agreement, and cease to be the bond registrar and paying agent for any of the Bonds, and the successor trustee shall become such custodian, bond registrar and paying agent.

Section 1209. Adoption of Authentication. In case any Bonds shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of the predecessor Trustee and deliver the Bonds as so authenticated.

Section 1210. Designation and Succession of Paying Agents. After 15 days' written notice to the Borrower and subject to the Borrower's approval, the Trustee may designate any other banks or trust companies as paying agent. Any bank or trust company with or into which any paying agent other than the Trustee may be merged or consolidated, or to which the assets and business of such paying agent may be sold, shall be deemed the successor such paying agent for the purposes of this Agreement. If the position of such paying agent shall become vacant for any reason, the Trustee shall, within 30 days thereafter, appoint a bank or trust company located in the same state as such paying agent to fill such vacancy. The paying agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in Section 1201 with respect to the Trustee, insofar as such provisions may be applicable.

Section 1211. Designation of Remarketing Agent and Depositary. The First National Bank of Boston is hereby designated as the initial Remarketing Agent for the Bonds, pursuant to the terms and conditions of the Remarketing Agreement. The First National Bank of Boston is hereby designated as the initial Depositary for remarketing the Bonds, pursuant to the terms and conditions of the Depositary Agreement.

Section 1212. Trust Estate May Be Vested in Co-Trustee. It is the purpose hereof that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State of South Carolina) denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation hereunder, and in particular in case of the occurrence of an Event of Default, it may be necessary that the Trustee appoint an additional institution as a separate Trustee or Co-Trustee. The following provisions of this Section are adapted to these ends.

Upon the incapacity or lack of authority of the Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers and trusts herein granted to the Trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed herein or intended to be

exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in a separate Trustee or Co-Trustee appointed by the Trustee but only to the extent necessary to enable the separate Trustee or Co-Trustee to exercise such rights, powers and trusts, and every agreement and obligation necessary to the exercise thereof by such separate Trustee or Co-Trustee shall run to and be enforceable by either of them.

Should any deed, conveyance or instrument in writing from the County be required by the separate Trustee or Co-Trustee so appointed by the Trustee in order to more fully and certainly vest in and confirm to him or it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments shall, on request, be executed, acknowledged and delivered by the County. In case any separate Trustee or Co-Trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate Trustee or Co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate Trustee or Co-Trustee.

PART VII: SUPPLEMENTAL AGREEMENT AND WAIVERS; MISCELLANEOUS

Article 13 - Supplemental Agreements and Waivers

Section 1301. Supplemental Agreements Not Requiring Consent of Bondholders. The parties may without the consent of, or notice to, any of the Bondholders, enter into agreements supplemental to this Agreement and financing statements or other instruments evidencing the existence of a lien as shall not, in their opinion, be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

(a) To cure any ambiguity, inconsistency or formal defect or omission in this Agreement;

(b) To grant to or confer upon the Trustee for the benefit of the Bondholders and the Bank any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Bondholders, the Bank or the Trustee;

(c) To subject to the lien and pledge of this Agreement additional revenues or collateral;

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(d) To evidence any succession to the County and the assumption by such successor of the agreements of the County contained in this Agreement and the Bonds;

(e) To evidence any succession to the Bank as the Standby Bank and as the issuer of the Letter of Credit or any Substitute Letter of Credit or to make any changes required herein by the terms of any line of credit or other arrangement replacing the Standby Credit Agreement or of such Substitute Letter of Credit which, in the judgment of the Remarketing Agent, are not prejudicial to the interests of the Bondholders;

(f) To the extent required by law, to permit registration of the Bonds under the federal Securities Act of 1933, as amended, the federal Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), or any applicable state securities law, and to permit qualification of the Agreement under the Trust Indenture Act;

(g) To provide for uncertificated Bonds or, to the extent permitted by law, for the issuance of coupons and bearer Bonds or Bonds registered only as to principal without causing interest on such Bonds to be subject to federal income taxation;

(h) To revise the provisions of Section 504 hereof or any other provision of this Agreement relating to rebate of arbitrage profits to the United States, provided the Trustee shall have received an opinion acceptable to the Bank of Bond Counsel that such revision does not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes;

(i) To permit altered use of the Project, provided that such altered use would not affect the exclusion from gross income for federal income tax purposes of interest on the Bonds and would be permitted under the Act; and

(j) To effect any other change herein which, in the judgment of the Trustee and the Bank, is not to the prejudice of the holders of the Bonds.

Section 1302. Supplemental Agreements Requiring Consent of Bondholders. In addition to supplemental agreements permitted by Section 1301, a Majority of the Bondholders

shall have the right, from time to time, to consent to and approve the execution by the parties hereto of such other agreement or agreements supplemental hereto for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Agreement or in any supplemental agreement; provided, however, that nothing in this Section 1302 shall permit (a) an extension of the stated maturity of the principal of or the interest on any Bond without the consent of the holder of such Bond; (b) a reduction in the principal amount of any Bond, the rate of interest thereon or the premium to be paid upon the prepayment thereof prior to maturity without the consent of the holders of such Bond; and (c) the establishment of a privilege or priority of any Bond or Bonds over any other Bond or Bonds without the consent of all the Bondholders; (d) a reduction in the aggregate principal amount of Bonds the holders of which are required to consent to any such supplemental agreement without the consent of the holders of all the Bonds at the time outstanding which would be affected by the action to be taken; (e) a modification of the rights, duties or immunities of the County, the Trustee or the Bank without the written consent of the affected party and all the Bondholders; (f) any amendment of the provisions of this Agreement pertaining to the drawing and application of proceeds of the Letter of Credit or the definition or application of Priority Funds without the consent of the holders of all the Bonds outstanding; or (g) any modification, amendment or revocation of the Letter of Credit without the consent of the holders of all of the Bonds secured thereby (except as otherwise provided in Section 1304).

If at any time the County or the Borrower shall request the Trustee to enter into any supplemental agreement pursuant to this Section 1302, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution to be made in the manner required for redemptions of principal of Bonds pursuant to Section 404; provided, however, that failure to give such notice, or any defect therein, shall not affect the validity of the proceedings.

Such notice shall briefly set forth the nature of the proposed supplemental agreement and shall state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Bondholders. Except as otherwise provided in this Section 1302, if, within 60 days or such longer period (not to exceed two years) as shall be prescribed by the County following the final mailing of such notice, not less than a Majority of the Bondholders at the

time of the execution of any such supplemental agreement shall have consented to and approved the execution thereof, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee, the County or the Borrower from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental agreement as in this Section permitted and provided, this Agreement shall be and be deemed to be modified and amended in accordance therewith.

Section 1303. Opinion of Counsel. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it, who may be counsel for the County or the Bank, as conclusive evidence that any amendment to the Letter of Credit is not prejudicial to the interest of any Bondholder and that, in the case of a proposed supplemental agreement, that any such proposed supplemental agreement complies with the provisions of this Agreement and that it is proper for the Trustee, under the provisions of this Article, to join in the execution of such supplemental agreement.

Section 1304. Consent of Bank; Amendments to Letter of Credit. Anything herein to the contrary notwithstanding, so long as a Letter of Credit is in effect, the Bank has not wrongfully refused to honor the Letter of Credit, and no Act of Bank Bankruptcy has occurred, a supplemental agreement under this Article shall not become effective unless and until the Bank shall have consented in writing to the execution and delivery of such supplemental agreement. The Letter of Credit may not be amended without the consent of the holders of all of the Bonds secured thereby, except to correct a mistake or omission so long as such correction is not, in the opinion of the Trustee, prejudicial to the interest of any Bondholder. Subject to the foregoing, the Reimbursement Agreement may be amended without notice to or consent of any Person other than the Bank and the Borrower.

Section 1305. Modification by Unanimous Consent. Notwithstanding anything contained elsewhere in this Agreement, the rights and obligations of the County and of the holders of the Bonds, and the terms and provisions of the Bonds and this Agreement or any supplemental agreement may be modified or altered in any respect with the consent of the Borrower, the County, the Trustee, the holders of all of the Bonds then outstanding and the Bank.

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Article 14 - Miscellaneous

Section 1401. Consents, etc., of Bondholders. Any consent, request, direction, approval, objection or other instrument required by this Agreement to be executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be executed by such Bondholders in person or by agent appointed in writing.

Section 1402. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or implied from this Agreement or the Bonds shall give to any Person other than the parties hereto and the holders of the Bonds any right or remedy with respect to this Agreement. This Agreement and all of the covenants, conditions and provisions hereof are for the sole and exclusive benefit of the parties hereto and the holders of the Bonds as herein provided.

Section 1403. Severability. In the event that any provision of this Agreement shall be held to be invalid in any circumstance, such invalidity shall not affect any other provision or circumstance.

Section 1404. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and, except (i) as provided in Section 304(d) regarding written confirmation to be given by the Borrower of an Affirmative Election by Federal Express or other overnight courier acceptable to the Trustee, and (ii) as provided in Section 504 regarding certificates or other materials to be provided to the Borrower or the County or notices to be given by the Trustee, and (iii) as provided in Section 1201(d), and (iv) with respect to notices to be given by the Borrower to the Remarketing Agent under Sections 304(a), 304(b) and 304(c) and by the Trustee to the Remarketing Agent under Section 401(e)(ii)(A), which shall be deemed to be delivered only if actually received by the Remarketing Agent at its Notice Address, or as otherwise provided in this Agreement, shall be deemed to be delivered if in writing or in the form of a telex addressed to the appropriate Notice Address and if either (i) actually delivered at said address (evidenced in the case of a telex by receipt of the correct answer back) or (ii) in the case of a letter, three Business Days shall have elapsed after the same shall have been deposited in the United States mails, first-class postage prepaid and registered or certified, provided that any failure to furnish a copy of any such notice, certificate or other communication to Metal Leve S.A. shall not affect the validity or effectiveness of the delivery of such notice to the Borrower

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in accordance with this Section 1404. A copy of each notice, certificate or other communication given by any party hereto shall also be given to each other party hereto in the manner provided for in this Section 1404.

Section 1405. Payments Due on Saturdays, Sundays and Holidays. In any case where a Payment Date is not a Business Day, then payment of interest or principal and any premium due on such day need not be made by the Trustee on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the Payment Date.

Section 1406. Extent of County Covenants; No Personal Liability. No covenant, stipulation, obligation or agreement of the County contained in this Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future director, officer, employee or agent of the County in his individual capacity; and no such person (including any such person executing the Bonds) shall be liable personally on the Bonds or be subject to any personal liability by reason of their issuance.

Section 1407. Bonds Owned by County, Borrower or Bank. In determining whether Bondholders of the requisite aggregate principal amount of the Bonds have concurred in any direction, consent or waiver under this Agreement, Bonds which are owned by the County, the Borrower, the Bank or any Borrower Affiliate (unless the County, the Borrower, the Bank or such Person owns all Bonds which are then outstanding, determined without regard to this Section 1407) shall be disregarded and deemed not to be outstanding for the purpose of any such determination, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only Bonds which the Trustee knows are so owned shall be so disregarded. Bonds so owned which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the County, the Borrower, the Bank or any Borrower Affiliate (unless such pledgee owns all Bonds which are then outstanding, determined without regard to this Section 1407). In case of a dispute as to such right, any decision by the Trustee taken in good faith upon the advice of counsel shall be full protection to the Trustee in accordance with its standards of performance hereunder.

Section 1408. Captions; Index. The captions, headings and index in this Agreement are for convenience only and in

no way define or describe the scope or content of any provision of this Agreement.

Section 1409. Instruments of Further Assurance; Recordings and Filing. The Borrower will do, execute, acknowledge and deliver or cause to be performed such supplemental and deliver or cause to be performed such supplemental indentures and such further acts, instruments and transfers as the Trustee or any Bondholders may reasonably require for the better assuring, transferring, pledging, assigning and conferring unto the Trustee the property and rights herein described and the income and revenue pledged hereby.

The Borrower will cause this Indenture and any necessary financing statements, and other instruments (and supplements and amendments to any of the foregoing) to be recorded and filed as may be required by law in order to preserve fully and protect the security of the holders of the Bonds and the rights of the Trustee hereunder.

The Trustee shall cause to be filed any continuation statements or instruments of a similar character serving a similar purpose which, in its opinion, are required by law in order to preserve nd protect the security of the Bondholders.

Section 1410. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Agreement.

Section 1411. Governing Law. The validity and interpretation of this Agreement and the Bonds shall be governed by the laws of the State of South Carolina.

Section 1412. Agreements to Constitute Covenants. Words of agreement and promises shall also constitute covenants.

Section 1413. Bank Consent. Notwithstanding any other provision of this Agreement to the contrary, the consent of, notice to or the approval of the Bank shall not be required if (i) each of the Standby Credit Agreement and the Letter of Credit or any Substitute Letter of Credit and Substitute Standby Credit Agreement has expired or been terminated and all of the Bank Obligations under the Basic Agreements have been performed or satisfied in full, or (ii) the Bank has wrongfully refused to honor the Letter or Credit, or (iii) an Act of Bank Bankruptcy has occurred.

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IN WITNESS WHEREOF, each of the Borrower, the County and the Bank has caused this Agreement to be executed and delivered in its name and behalf by its authorized officer, the County has caused its seal to be impressed and attested by its authorized officer and to evidence its acceptance of the trusts hereby created, the Trustee has caused this Agreement to be executed in its name and behalf by its authorized officer, all as of the date appearing on page 1.

[SEAL]

Attest:

_____
Gary Smoak
County Administrator

ORANGEBURG COUNTY, SOUTH CAROLINA

By _____
Vernon Ott, Jr.
Chairman of Its County Council

METAL LEVE, INC.

By _____
Title:

THE FIRST NATIONAL BANK OF BOSTON,
AS TRUSTEE

By _____
Authorized Officer

THE FIRST NATIONAL BANK OF BOSTON

By _____
Title:

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EXHIBIT 301

FORM OF BOND

No. R-___ $_____

UNITED STATES OF AMERICA

ORANGEBURG COUNTY, SOUTH CAROLINA

FLEXIBLE MODE INDUSTRIAL DEVELOPMENT REVENUE BOND

(Metal Leve, Inc. Series)

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

MATURITY DATE: June 1, 2008

BOND DATE: As of June __, 1989

THIS BOND AND THE INTEREST AND PREMIUM, IF ANY HEREON, DO NOT AND SHALL NEVER CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF ORANGEBURG COUNTY, SOUTH CAROLINA OR OF THE STATE OF SOUTH CAROLINA WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND DO NOT AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF ORANGEBURG COUNTY, SOUTH CAROLINA OR OF THE STATE OF SOUTH CAROLINA OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF ORANGEBURG COUNTY, SOUTH CAROLINA OR THE STATE OF SOUTH CAROLINA. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS BOND SHALL BE SECURED BY ORANGEBURG COUNTY, SOUTH CAROLINA SOLELY BY THE REVENUES SPECIFICALLY PLEDGED UNDER AND BY THE LOAN AND TRUST AGREEMENT REFERRED TO HEREIN AND BY MONEYS DRAWN UNDER THE LETTER OF CREDIT OR THE STANDBY CREDIT AGREEMENT REFERRED TO HEREIN.

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1. Payment Provisions. Orangeburg County, South Carolina (the "County"), for value received, promises to pay

to the Registered Owner of this Bond, or registered assigns or legal representatives (but only from the limited sources and in the manner herein described), the Principal Amount on the Maturity Date unless redeemed prior thereto as hereinafter provided, and, except as otherwise provided herein, to pay interest on the unpaid Principal Amount of this Bond outstanding from time to time from the Bond Date at the rates set forth below on Adjustable Rate Interest Payment Dates during an Adjustable Rate Period, the Flexible Rate Interest Payment Dates during a Flexible Rate Period and the Fixed Rate Interest Payment Dates during the Fixed Rate Period (all as hereinafter defined).

The final payment of principal, premium, if any, and interest with respect to this Bond (excluding Additional Interest hereinafter defined, if any) shall be payable in immediately available funds at the corporate trust office of the Trustee (hereinafter defined) upon surrender of this Bond, and other payments (except as otherwise provided herein) shall be payable by wire transfer of immediately available funds, provided sufficient wire transfer instructions have been given to the Trustee, and otherwise by check or draft mailed by the Trustee to the Registered Owner at its address appearing on the bond register kept by the Trustee, as of the close of business on the Record Date, which when used herein shall mean with respect to any Adjustable Rate Interest Payment Date, the Business Day next preceding such Adjustable Rate Interest Payment Date, or with respect to any Flexible Rate Interest Payment Date or Fixed Rate Interest Payment Date, the fifteenth day of the month next preceding such Interest Payment Date. As used herein, "Business Day" means any day other than a Saturday, Sunday or other day on which banks are authorized or required to be closed in any of the Cities of Boston, Massachusetts, or Orangeburg, South Carolina, or the municipalities in which the principal offices of the Trustee, the Remarketing Agent (hereinafter defined) and the Bank (hereinafter defined) are located.

[For printed bonds, use the following paragraph:

THE TERMS AND CONDITIONS OF THIS BOND ARE CONTINUED ON THE REVERSE HEREOF AND SUCH CONTINUED TERMS AND PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.]

Principal and premium, if any, and interest are payable in lawful money of the United States of America.

2. Interest on the Bonds. This Bond shall bear interest from and including the date hereof (except as herein provided) until payment of the principal hereof shall have been made or provided for in accordance with the provisions hereof and of the Agreement (hereinafter defined) whether at maturity, upon redemption or otherwise. NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY CONTAINED HEREIN OR IN THE AGREEMENT, THE INTEREST RATE ON THE BONDS SHALL NOT EXCEED 15% PRIOR TO THE INDEX CHANGE DATE (HEREINAFTER DEFINED) OR 20% AFTER THE INDEX CHANGE DATE; PROVIDED, HOWEVER, THAT NOTHING CONTAINED IN THIS BOND OR THE AGREEMENT SHALL BE DEEMED TO ESTABLISH OR REQUIRE THE PAYMENT, DIRECTLY OR INDIRECTLY, OF INTEREST OR OTHER CHARGES THE AGGREGATE OF WHICH WOULD EXCEED THE MAXIMUM RATE OF INTEREST PERMITTED BY ANY APPLICABLE LAW. IN THE EVENT THAT ANY AMOUNTS REQUIRED TO BE SO PAID EXCEED THE MAXIMUM RATE OF INTEREST PERMITTED BY ANY SUCH LAW, SUCH AMOUNTS SHALL AUTOMATICALLY BE REDUCED TO THE MAXIMUM RATE OF INTEREST PERMITTED BY SUCH LAW.

(a) Adjustable Rate Period; Taxable Rate Option. During an Adjustable Rate Period (as hereinafter defined) this Bond shall bear interest at a rate (the "Adjustable Rate") equal to a floating rate established as herein provided.

Except as provided in the last sentence of this paragraph, the Adjustable Rate shall be equal to the Adjustable Rate Index plus a fixed interest component ("FIC") equal to one half of one percent (0.50%), provided that:

(i) if the Trustee shall have received a notice tendering any of the Bonds for purchase as described in Section 5(d) hereof and if the Remarketing Agent (initially The First National Bank of Boston pursuant to a Remarketing Agreement dated as of June 1, 1989 (as in effect from time to time, the "Remarketing Agreement") among the Borrower (hereinafter defined), the Trustee and said Bank and including any successor or replacement Remarketing Agent) shall remarket all or a portion of the Bonds, the floating rate of interest for all of the Bonds shall be equal to the sum of (A) the Adjustable Rate Index plus (B) the FIC, plus (C), if required to enable the Remarketing Agent to remarket such tendered Bonds at par plus accrued interest, an additional interest component ("AIC") determined as hereinafter provided. The AIC shall be equal to that percentage of interest, determined by the Remarketing Agent in connection with any remarketing effort and expressed in increments of 1/8th of 1% per annum, which when added to the sum of the Adjustable Rate Index plus the FIC will

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produce the interest rate per annum necessary to enable the Remarketing Agent to remarket such Bonds at par plus accrued interest. The AIC shall become effective with respect to all Bonds as of the purchase date with respect to Bonds tendered as described in Section 6(d) hereof, unless such date occurs after the last Wednesday of an Adjustable Rate Interest Period, in which case such AIC shall become effective as of the first Wednesday of the next Adjustable Rate Interest Period;

(ii) if an AIC is added to the floating rate pursuant to the preceding clause (i), such AIC shall remain in effect until the end of the Adjustable Rate Interest Period in which Bonds were remarketed (except as provided in clause (iii) below), until a further adjustment to the floating rate is made pursuant to the preceding clause (i), or until the interest rate on the Bonds is otherwise determined as provided herein;

(iii) if the Remarketing Agent shall have advised the Borrower, the County, the Trustee and each Registered Owner not less than seven days prior to the first Wednesday of any Adjustable Rate Interest Period that the discontinuance of the AIC would result in the Bonds bearing interest at a rate different from the interest rate per annum necessary to enable the Remarketing Agent to remarket the Bonds at par plus accrued interest, the floating rate shall be equal to the floating rate as last adjusted pursuant to the preceding clause (i) until such time as the floating rate may again be adjusted pursuant to such clause (i) or until the interest rate on the Bonds is otherwise determined as provided for herein; and

(iv) in addition, from time to time upon written notice from the Remarketing Agent to the Trustee, the County and the Borrower given at least seven days prior to the first Wednesday in an Adjustable Rate Interest Period, the FIC may be adjusted as of such day with respect to the Bonds to an amount other than one half of one percent (0.50%) if necessary or appropriate in the case of an increase to enable the Remarketing Agent to remarket the Bonds at par plus accrued interest or in the case of a decrease to avoid the rate of interest on the Bonds being higher than that reasonably necessary to enable the Remarketing Agent to remarket the Bonds at par plus accrued interest, each such determination to be made by the Remarketing Agent in its sole judgment in accordance with such factors as it deems relevant and

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provided that the FIC shall not be increased to more than one percent or decreased to less than zero.

In the event that either (i) The First National Bank of Boston discontinues the announcement of ARBI (hereinafter defined) prior to the Index Change Date (hereinafter defined), or (ii) The First National Bank of Boston ceases to be the Remarketing Agent, the Adjustable Rate shall be equal to the average coupon rate of interest expressed as a percentage of the yield evaluations at par of United States Treasury obligations having a maturity of 91 days, which shall be announced by the Remarketing Agent to the Trustee, the County and the Borrower on Wednesday of each week, beginning on the first such Wednesday following the discontinuance of ARBI, or the appointment of a Remarketing Agent other than The First National Bank of Boston, as the case may be, each change in such Adjustable Rate to take effect on the Wednesday next following its announcement. On and after the Index Change Date, the Bonds will bear interest from time to time in accordance with the Taxable Rate Index.

As used herein, "Adjustable Rate Index" shall mean ARBI, or, following the Borrower's election pursuant to Section 304(a) of the Agreement to cause interest on the Bonds to no longer be excluded from gross income for federal income tax purposes, the Taxable Rate Index.

As used herein, "ARBI" means the rate, calculated as a percentage (the "ARBI Percent") of the FNBB Base Rate, which, in the sole judgment of The First National Bank of Boston, when combined with the FIC and, if appropriate, the AIC, will result in the minimum yield attainable on the date announced on tax-exempt adjustable-rate bonds priced at par and supported by the Letter of Credit (hereinafter defined). ARBI shall change as and when the FNBB Base Rate changes, provided that (a) ARBI shall not be lower on any day during any Adjustable Rate Interest Period than on the first Wednesday of such Interest Period, and (b) changes in the FNBB Base Rate of which the Trustee is given notice after the last Wednesday in any Adjustable Rate Interest Period shall become effective on the first Wednesday of the next succeeding Adjustable Rate Interest Period. Changes in ARBI which result from a change in the ARBI Percent shall become effective with respect to an Adjustable Rate Interest Period only if the Trustee is given notice of such change in the ARBI Percent at least seven days prior to the first Wednesday of such Adjustable Rate Interest Period. Changes in ARBI shall be communicated by the Remarketing Agent (hereinafter defined) to the Trustee promptly after they are announced.

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As used herein, "FNBB Base Rate" means the per annum rate of interest from time to time announced by The First National Bank of Boston at its principal office in Boston, Massachusetts as its Base Rate.

As used herein, "Adjustable Rate Interest Period" means each period during the Adjustable Rate Period commencing on (and including) the first Wednesday of each calendar month (or in the case of the first such period, or the date designated in an Affirmative Election to convert to an Adjustable Rate, as applicable, the date of delivery of the Bonds to the original purchaser or purchasers or the date designated in an Affirmative Election to convert to an Adjustable Rate, as applicable) and ending on (but excluding) the first Wednesday of the next succeeding calendar month.

As used herein, "Adjustable Rate Period" means the period from either (i) the date of issuance and delivery of the Bonds or (ii) the date designated in an Affirmative Election to convert to an Adjustable Rate, as applicable, to and including the earlier of (x) a Conversion Date or (y) the date the principal of, premium, if any, and interest on the Bonds (excluding Additional Interest, if any) shall have been paid in full in accordance with the Agreement and the Bonds.

As used herein, "Taxable Rate" or "Taxable Rate Index" means the rate, calculated as a percentage (the "Taxable Rate Index Percent") of the FNBB Base Rate, which in the sole judgment of the Remarketing Agent will result in the minimum yield attainable on the day announced on thirty-day taxable adjustable-rate bonds priced at par and supported by the Letter of Credit. The Taxable Rate Index shall change as and when the FNBB Base Rate changes, provided that (a) the Taxable Rate Index shall not be lower on any day during the Adjustable Rate Interest Period than on the first Wednesday of such Interest Period, and (b) changes in the FNBB Base Rate of which the Trustee is given notice after the last Wednesday in any Adjustable Rate Interest Period shall become effective on the first Wednesday of the next succeeding Adjustable Rate Interest Period. Changes in the Taxable Rate Index which result from a change in the Taxable Rate Index Percent shall become effective with respect to an Adjustable Rate Interest Period only if the Trustee is given notice of such change in the Taxable Rate Index Percent at least seven days prior to the first Wednesday of such Adjustable Rate Interest Period. Changes in the Taxable Rate Index shall be communicated by the Remarketing Agent to the Trustee and the Borrower promptly after they are announced.

The Adjustable Rate Index used in computing the Adjustable Rate on this Bond during the Adjustable Rate Period will cease to be ARBI and will become the Taxable Rate Index for the remainder of the Adjustable Rate Period upon the Index Change Date (hereinafter defined) following the election by the Borrower to exercise its option to change to the Taxable Rate Index as herein provided on such date which is a Business Day as the Borrower shall select, subject to the terms and conditions hereof (the "Index Change Date"). The Borrower may exercise such option at any time during the Adjustable Rate Period by giving written notice to the County, the Trustee, the Remarketing Agent and the Bank signed on behalf of the Borrower by a duly authorized officer stating (A) its intention to exceed the maximum amount of capital expenditures permitted under Section 144(a)(4) of the Internal Revenue Code of 1986, as amended, (the "Code") on a date on or after the Index Change Date in such manner as would cause the interest on the Bond from and after the Index Change Date to no longer be excludable from gross income for federal income tax purposes, (B) the Index Change Date, which date shall not be less than 30, nor more than 120 days from the date of such notice, and (C) that there exists no Determination of Taxability, nor to the best of the Borrower's knowledge, any basis therefor, accompanied by the opinion described in Section 304 of the Agreement (hereinafter defined). Upon receipt of such notice, the Trustee shall promptly notify the Registered Owner of the Borrower's election to change to the Taxable Rate Index and request that the Bond(s) be surrendered to the Trustee for the notation of the Index Change Date and the affixation of the following legend in a conspicuous manner on the face of the Bond(s): "INTEREST ON THIS BOND ON AND AFTER THE INDEX CHANGE DATE IS NOT EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES; AND PAYMENTS OF INTEREST IN EXCESS OF 15% PER ANNUM ARE NOT PAYABLE UNDER THE LETTER OF CREDIT OR SUPPORTED BY ANY OTHER SECURITY."

The Trustee is authorized to affix the foregoing legend on any Bond surrendered to it at any time following the Index Change Date. After the Index Change Date, the Remarketing Agent shall not be obligated to remarket and the Trustee shall not be obligated to effect the transfer of any Bond not bearing the legend set forth above. The notice of election by the Borrower to change to the Taxable Rate Index shall be irrevocable, except that in the event that a Determination of Taxability has occurred at the time of election or occurs at any time prior to the Index Change Date, such election shall be deemed rescinded and of no force or effect and this Bond shall be subject to mandatory redemption as described in paragraph 4 hereof.

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EXHIBIT

APR 11 1989 NO. 14

STATE BUDGET & CONTROL BOARD

Interest during an Adjustable Rate Period shall be computed on the basis of a 365-or 366-day year, as applicable, and the number of days actually elapsed and shall be payable on (i) the first Wednesday in each calendar month during the Adjustable Rate Period, commencing on the first Wednesday of each calendar month succeeding (i) the date of delivery of the Bonds to the original purchaser or purchasers, (ii) the Conversion Date, and (iii) the date the principal of, premium, if any, and interest on the Bonds (excluding Additional Interest, if any) shall have been paid in full in accordance with the provisions of the Agreement and the Bonds (each such date being herein referred to as an "Adjustable Rate Interest Payment Date").

(b) Conversion to Flexible, Fixed or Adjustable Rates. The Bonds are issued subject to the provision that the interest rate on the Bonds may change from the Adjustable Rate (unless the Bonds bear a Taxable Rate) and (i) may be converted to a Flexible Rate (as hereinafter defined) until a Put Date (as hereinafter defined) or (ii) will become irrevocably fixed until maturity at the Fixed Rate (as hereinafter defined) upon the election by the Borrower to exercise an option to convert on such date which is the first day of the month as the Borrower shall select, subject to the terms and conditions of the Agreement (the "Conversion Date"), by giving written notice to the County, the Trustee, the Remarketing Agent and the Bank not less than 30 days nor more than 90 days before the Conversion Date, together with an opinion of Bond Counsel (hereinafter defined), all as more particularly described in the Agreement. Upon receipt of such written notice and opinion, the Trustee shall call all of the Bonds for mandatory tender for purchase on the Conversion Date as provided in Section 6(e) hereof.

If the Interest on the Bonds has been converted to a Flexible Rate for a Flexible Rate Period (as hereinafter defined), the Borrower must give written (or, under certain circumstances, telephonic) notice as described in the Agreement to the County, the Remarketing Agent and the Bank of its irrevocable election (an "Affirmative Election") as of the Put Date then in effect to enter another Flexible Rate Period or to convert to either (i) an Adjustable Rate or (ii) the Fixed Rate not less than 30 nor more than 90 days before such Put Date, together within an opinion of Bond Counsel, all as more particularly described in the Agreement. Upon receipt of such written notice and opinion, the Trustee shall call all of the Bonds for purchase or redemption on such Put Date as provided in Section 6(e) hereof, provided that if the Borrower fails to give valid written notice as specified herein and in the

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Agreement, the Bonds shall be redeemed and shall not be eligible for purchase as described in Section 6(e).

As used herein, "Fixed Rate" means, when the Borrower exercises its option to convert to the Fixed Rate, the rate of interest certified to the Borrower and the Trustee by the Remarketing Agent no more than ten or less than three Business Days prior to the Conversion Date or the Put Date, as appropriate, as the minimum rate of interest during the Fixed Rate Period which, in the sole judgment of the Remarketing Agent, is necessary to sell the Bonds in a secondary sale (by private placement, so long as the Remarketing Agent shall be an entity not allowed to sell Bonds publicly) on the Conversion Date or the Put Date at a price equal to 100% of the outstanding principal amount thereof.

"Fixed Rate Interest Payment Date" means the June 1 or December 1 during the Fixed Rate Period next succeeding the Conversion Date or the Put Date and each June 1 and December 1 thereafter until the principal of, premium, if any, and interest (excluding Additional Interest, if any) on the Bonds shall have been paid in full.

As used herein, "Flexible Rate" means, when the Borrower exercises its option to convert to a Flexible Rate Period or makes an Affirmative Election to enter into a new Flexible Rate Period, the rate of interest certified to the Borrower and the Trustee by the Remarketing Agent no more than ten or less than three Business Days prior to a Conversion Date or a Put Date, as appropriate, as the minimum rate of interest during a Flexible Rate Period which, in the sole judgment of the Remarketing Agent, is necessary to sell the Bonds in a secondary market (by private placement, so long as the Remarketing Agent shall be an entity not allowed to sell Bonds publicly) on a Conversion Date or a Put Date at a price equal to 100% of the outstanding principal amount thereof.

As used herein, "Flexible Rate Interest Payment Date" means, with respect to any Flexible Rate Period, the first day of the sixth calendar month after the commencement of such Flexible Rate Period and the first day of each sixth calendar month thereafter, and (ii) the Put Date.

As used herein, "Flexible Rate Period" means the period beginning on a Conversion Date on which the Borrower has exercised its option to convert to a Flexible Rate or on a Put Date on which the Borrower has made an election to enter a new Flexible Rate Period, as applicable, and ending on the next succeeding Put Date.

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As used herein, "Put Date" means the date designated by the Borrower upon exercising its option to convert to a Flexible Rate or to enter a new Flexible Rate Period, as applicable, as the date as of which the Flexible Rate Period shall terminate, which date shall be the second Flexible Rate Interest Payment Date in the Flexible Rate Period or any second Flexible Rate Interest Payment Date thereafter or, if earlier, the Maturity Date.

As used herein, "Bond Counsel" means the McNair Law Firm, P.A., Ropes & Gray or any other attorney at law or a firm of attorneys acceptable to the Bank of nationally recognized standing in matters pertaining to the validity of and the tax-exempt nature of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

Interest during any Flexible Rate Period shall be computed on the basis of a 360-day year consisting of twelve 30-day months and shall be payable on each Flexible Rate Interest Payment Date during such Flexible Rate Period. Interest after conversion to the Fixed Rate shall be calculated on the basis of a 360- day year consisting of twelve 30-day months and shall be payable on each Fixed Rate Interest Payment Date during the Fixed Rate Period.

3. Description of Bond Issue. This Bond is one of an issue of $7,500,000 Orangeburg County, South Carolina Flexible Mode Industrial Development Revenue Bonds (Metal Leve, Inc. Series) (the "Bonds") issued under a Loan and Trust Agreement dated as of June 1, 1989 (as in effect from time to time, the "Agreement") among Metal Leve, Inc. (the "Borrower"), the County, The First National Bank of Boston, as Trustee (the "Trustee", which term includes any successors in said trust or, where the context so requires, any separate Trustee or Co-Trustee appointed by the Trustee pursuant to the provisions of the Agreement), and The First National Bank of Boston, as issuer of a Letter of Credit supporting the Bonds. The proceeds of the Bonds will be loaned (the "Loan") by the County to the Borrower under the Agreement to finance the cost of acquiring and installing industrial development facilities to be owned and used by the Borrower in Orangeburg County, South Carolina, including costs incidental thereto. The Bonds are issued pursuant to and in full compliance with the laws of the State of South Carolina, including Chapter 29 of the Title 4 of the Code of Laws of South Carolina, 1976, as amended, and an ordinance duly adopted by the County Council of the County, which ordinance also authorizes the execution and delivery of the

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Agreement. Loan payments sufficient for the prompt payment when due of the principal of, premium, if any, and interest (excluding Additional Interest, if any) on the Bonds are to be paid by the Borrower to the Trustee for the account of the County and deposited in the Bond Fund established by the Agreement and have been duly pledged for that purpose.

During an Adjustable Rate Period principal of and interest on the Bonds are further supported by moneys which may be drawn by the Trustee under an irrevocable standby letter of credit issued by the Bank to the Trustee (or any substituted credit facility issued in accordance with Section 512 of the Agreement) to the extent and in the manner provided therein *11A*. The Borrower may, but is not obligated to, provide for the issuance of a Letter of Credit and the supporting the Bonds during a Flexible Rate Period or after conversion to the Fixed Rate. References herein to the "Letter of Credit" shall mean said letter of credit issued by The First National Bank of Boston, or a substituted credit facility, whichever is then in effect, and references herein to the "Bank" shall mean The First National Bank of Boston, or, where appropriate, the issuer of a substituted credit facility or substitute Standby Credit Agreement. The initial Letter of Credit has been issued under a Reimbursement Agreement dated as of June 1, 1989 (as in effect from time to time, the "Reimbursement Agreement") between the Borrower and the Bank.

The Trustee is entitled under the initial Letter of Credit (which is scheduled to expire on the earlier of (i) June 2, 1996, or (ii) a Conversion Date or (iii) a Put Date, as appropriate, but may be extended, renewed or replaced by a substitute credit facility, on or before such date) upon the occurrence of an Event of Default under the Agreement to draw up to (a) the aggregate principal amount of the Bonds then outstanding to pay the principal of the Bonds, and (b) an amount equal to up to 127 days' interest accrued on the Bonds (calculated at a maximum rate of 15% per annum) on or prior to the maturity thereof, during the period prior to a Conversion Date or a Put Date.*11B*

INTEREST PAYMENTS ON THIS BOND IN EXCESS OF 15% PER ANNUM ARE NOT PAYABLE UNDER THE LETTER OF CREDIT OR SUPPORTED BY ANY OTHER SECURITY.

The Borrower has caused the Letter of Credit to be delivered to the Trustee pursuant to the requirements of the Agreement which permits a substitution of a substitute credit facility (including any irrevocable transferable letter of credit, insurance policy, guaranty, surety bond or other

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agreement) if the Borrower shall furnish to the Trustee (i) an opinion of Bond Counsel (as defined in the Agreement) stating that the delivery of such substitute credit facility to the Trustee is authorized under the Agreement and complies with the terms thereof and does not result (either prospectively or retroactively) in the inclusion of interest on the Bonds for federal income tax purposes in the gross income of any Bondholder or former Bondholder, (ii) an opinion of counsel in form and substance reasonably satisfactory to the Trustee (and substantially similar in content with respect to the substitute credit facility as those opinions originally rendered with respect to the Letter of Credit in connection with the original issuance of the Bonds) to the effect that the substitute credit facility is the valid, binding and enforceable obligation of the bank or other institution issuing it and that payments on the Bonds out of the proceeds of a drawing on the substitute credit facility will not constitute voidable preferences under the federal Bankruptcy Code or other applicable laws and regulations and (iii) either (A) written evidence from Moody's Investors Service, Inc. ("Moody's"), if this Bond is then rated by Moody's, or Standard & Poor's Corporation ("S&P"), if this Bond is then rated by S&P, in each case to the effect that such rating agency has reviewed the proposed substitute credit facility and that the substitution of the proposed substitute credit facility for the Letter of Credit will not, by itself or in conjunction with a change in interest rate made as provided in this Agreement, result in a reduction or increase of such agency's rating of this Bond from that which then prevails or unless the Trustee receives an opinion of Bond Counsel that such change in rating will not result (either prospectively or retroactively) in the inclusion of interest on the Bonds for federal income tax purposes in the gross income of any Bondholder or former Bondholder, or (B) written evidence confirming to the Trustee that the Bank issuing such substitute credit facility has senior debt (or, in the absence of such senior debt, has issued a letter of credit, insurance policy or other credit enhancement device in support of a third party's debt which has a rating from Moody's or S&P either (x) equal to or better than the second highest long-term debt rating category (excluding pluses or minuses), or (y) equal to or better than such rating of long-term obligations of the issuer of the credit facility being replaced by such substitute credit facility (excluding pluses or minuses). The Agreement also permits a substitution of a substitute Standby Credit Agreement complying with the provisions of Section 512 of the Agreement. The Letter of Credit may by its terms provide for extensions thereof and the Bank may, at its election, but shall not be obligated to, extend the Letter of Credit; or

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the Borrower may provide for a substitute credit facility for the period after the expiration of the Letter of Credit.

The Bonds are to be equally and ratably secured and entitled to the protection given by the Agreement and the Letter of Credit, the Standby Credit Agreement or any substitute credit facility. Reference is hereby made to such documents for a description of the nature and the extent of the security for the Bonds, the rights, duties and obligations and immunities of the County, the Trustee and the Registered Owners and the terms upon which the Bonds are or may be issued and secured.

4. Effect of Determination of Taxability; Additional Interest Payments. Upon the occurrence of a Determination of Taxability (hereinafter defined) prior to the Index Change Date, the Bonds shall be redeemed by the County (but only from the limited sources and in the manner herein described), prior to stated maturity, in whole (or in part if, in the opinion of Bond Counsel, such partial redemption will preserve the tax-exempt status of interest on the Bonds outstanding subsequent to such redemption). The redemption price for the Bonds to be redeemed in such event shall be equal to the sum of the outstanding principal amount thereof plus accrued and unpaid interest thereon to the redemption date, at the Adjustable Rate, the Flexible Rate or the Fixed Rate, as the case may be.

"Determination of Taxability" means a determination that the interest income on any of the Bonds does not qualify as interest excludable from gross income under Section 103 of the Code ("exempt interest"), for a reason other than that a Registered Owner is or former Registered Owner was a "substantial user" of the Project or a "related person" of a "substantial user" within the meaning of Section 147(a) of the Code, which determination shall be deemed to have been made upon the occurrence of any of the following:

(a) 30 days following the date on which the Trustee notifies the Borrower that it has received from the County, the Bank or any present or former Bondholder an opinion of Bond Counsel that the interest income on any of the Bonds does not qualify as exempt interest, promptly after which 30-day period the Trustee shall give notification of the receipt of such opinion to the Borrower, the County, the Bank, the Remarketing Agent and each Bondholder and former Bondholder unless prior to the end of such 30-day period the Borrower shall have supplied the Trustee with an unqualified opinion acceptable to the Bank of other Bond Counsel that the

interest income on the Bonds does qualify as exempt interest; or

(b) 30 days following the date on which the Trustee notifies the Borrower that it has received from the County, the Bank or any present or former Bondholder an opinion of Bond Counsel to the effect that a change in law or regulation has become effective, or that the Internal Revenue Service has issued a private ruling, technical advice or any other written communication, with or to the effect that the interest income on any of the Bonds does not qualify as exempt interest, promptly after which 30-day period the Trustee shall give notification of the receipt of such opinion to the Borrower, the County, the Bank, the Remarketing Agent and each Bondholder and former Bondholder unless prior to the end of such 30-day period the Borrower shall have supplied the Trustee and the Person or Persons who furnished the opinion of Bond Counsel to the Trustee with an unqualified opinion acceptable to the Bank of other Bond Counsel that the interest income on the Bonds does qualify as exempt interest; or

(c) the date on which the Borrower receives notice from the Trustee in writing (which notice the Trustee shall give promptly to the Borrower, the County, the Bank, the Remarketing Agent and each other Bondholder and former Bondholder following receipt thereof) that the Trustee has been advised by any Bondholder or former Bondholder that the Internal Revenue Service has issued a 30-day letter or other notice to it that asserts that the interest on such Bonds does not qualify as exempt interest, which letter or other notice is not revoked or otherwise withdrawn during the period of contest described in the proviso below; or

(d) 30 days following the date on which the Trustee receives from the Bank, any present or former Bondholder, the Borrower or the County, an opinion of Bond Counsel or an independent certified public accountant to the effect that the Borrower has exceeded the maximum amount of capital expenditures permitted under Section 144(a)(4) of the Code (which opinion shall include a statement of when such limit was exceeded), promptly after which 30-day period the Trustee shall give notification of the receipt of such opinion to the Borrower, the County, the Bank, the Remarketing Agent and each Bondholder and former Bondholder unless prior to the end of such 30-day period the Borrower shall have supplied the Trustee with an unqualified opinion

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acceptable to the Bank of other Bond Counsel or other independent certified public accountant to the effect that the Borrower has not exceeded the maximum amount of capital expenditures permitted under Section 144(a)(4) of the Code; or

(e) 30 days following the date on which the Trustee receives from the Bank, any present or former Bondholder, the Borrower or the County an opinion of Bond Counsel that the interest income on any of the Bonds does not qualify as exempt interest because of a failure for any reason of any Person to comply with the requirements of Section 148(f) of the Code, promptly after which 30-day period the Trustee shall give notification of the receipt of such opinion to the Borrower, the County, the Bank, the Remarketing Agent and each Bondholder and former Bondholder unless prior to the end of such 30-day period the Borrower shall have the supplied the Trustee with an unqualified opinion acceptable to the Bank of other Bond Counsel that interest income on the Bonds does qualify as exempt interest;

provided, however, that no Determination of Taxability under clause (c) above shall be deemed to have occurred unless the Borrower has been given written notice of such Determination of Taxability and is contesting the same in good faith in its own name or in the name of such Bondholder or former Bondholder until the earlier to occur of (i) abandonment of such contest, or (ii) receipt of an adverse final order of a court from which no further appeal may be or is taken, or (iii) the date which is 180 days after the date of the notice described in clause (c). By its acceptance of any Bond, each Bondholder or former Bondholder agrees to permit any such contest by the Borrower acting in its behalf, provided that such Bondholder or former Bondholder shall have no responsibility for any fees and expenses of such contest.

Any such redemption shall be made not more than 12 days after the Determination of Taxability. Any Determination of Taxability shall be conclusive as to the County, the Borrower and the Registered Owner or former Registered Owner.

Upon a Determination of Taxability there shall also be due from the Borrower to each Registered Owner or former Registered Owner of this Bond which owned the Bond during the Penalty Interest Period (as defined below) Additional Interest pursuant to clause (i) below (calculated as interest is calculated during the Adjustable Rate Period, the Flexible Rate Period or the Fixed Rate Period, as applicable) within

forty-five (45) days of the redemption date or, if the Index Change Date has occurred, within 45 days of the date of the Determination of Taxability. On and after the Index Change Date, Additional Interest pursuant to clause (ii) below shall be due and payable to each Registered Owner on the first Wednesday of each month. As used herein, "Additional Interest" means interest on the unpaid Principal Amount of this Bond outstanding from time to time (i) from the Taxability Date (as defined below) to the earlier of the redemption date or the Index Change Date (the "Penalty Interest Period") at rates in effect from time to time during the Penalty Interest Period equal to the difference between the Taxable Penalty Rates (as defined below) and the Adjustable Rates, the Flexible Rate or, the Fixed Rate in effect from time to time during the Penalty Interest Period, or (ii) from and after the Index Change Date, at rates equal to the difference between the Taxable Rate and 15% per annum as computed from time to time in accordance with the provisions of the Agreement. As used herein "Taxable Penalty Rates" means per annum rates of interest equal to a fraction in which the numerator is the Adjustable Rate, Flexible Rate or Fixed Rate in effect from time to time during the Penalty Interest Period and the denominator is equal to one minus the maximum statutory marginal income tax rate applicable to either corporations or individuals (whichever is higher) in effect from time to time during the Penalty Interest Period. The Taxable Penalty Rates and the periods after the Taxability Date (which is determined as described below) during which each Taxable Penalty Rate is in effect shall be determined by the Remarketing Agent, and such determination shall be conclusive and binding on the Borrower, the Trustee, the County, the Bank, and any Bondholder or former Bondholder which owned the Bonds during the Penalty Interest Period. "Taxability Date" shall mean the date as of which interest on the Bonds ceased to be excluded from gross income for federal income tax purposes, and the Trustee shall determine such date by obtaining within 15 days of a Determination of Taxability an opinion acceptable to the Bank of Bond Counsel with respect to when such date occurred and so notifying the Borrower and the Remarketing Agent of such date within 3 Business Days after receipt of such opinion. Although a claim for Additional Interest on this Bond may be assigned by written notice to the Borrower, it shall not be transferred by transfer of this Bond. Additional Interest pursuant to clause (i) above shall be payable by the Borrower to the Registered Owner or former Registered Owners which owned this Bond during the Penalty Interest Period, or their assigns. Additional Interest pursuant to clause (ii) above shall be payable by the Borrower to the Registered Owner or former

Registered Owners which owned this Bond on and after the Index Change Date.

Redemption of this Bond and the payment of Additional Interest as described in this Section 4 are in lieu of any damages that might otherwise be payable to the Registered Owner or former Registered Owners of this Bond by reason of a Determination of Taxability. Any Additional Interest, if not paid when due, shall bear interest at the FNBB Base Rate plus 3% per annum.

PAYMENTS OF ADDITIONAL INTEREST ARE NOT SUPPORTED BY THE LETTER OF CREDIT OR ANY OTHER SECURITY AND WILL NOT BE PAID FROM PRIORITY FUNDS, BUT ARE UNSECURED OBLIGATIONS SOLELY OF THE BORROWER UNDER THE AGREEMENT WHICH SURVIVE PAYMENT OF THE BONDS. ANY PAYMENTS OF ADDITIONAL INTEREST ON THIS BOND ARE NOT EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. Failure by the Borrower to pay such Additional Interest to any registered owner or former registered owner of a Bond at the time principal of such Bond is paid shall not affect the time of maturity of such principal so long as all other prerequisites to the payment of such principal are satisfied.

5. Exchange and Transfer. This Bond is exchangeable for fully registered bonds in denominations of not less than $50,000 or any multiple of $5,000 in excess of $50,000 so long as this Bond bears an Adjustable Rate and in denominations of $5,000 or any multiple thereof so long as this Bond bears a Flexible Rate or Fixed Rate.

This Bond is transferable on the bond register upon its surrender at the corporate trust office of the Trustee, accompanied by a written instrument of transfer in form satisfactory to the Trustee, duly executed by the Registered Owner or its attorney or legal representative but only in the manner and subject to the limitations and conditions provided in the Agreement.

BY ACCEPTANCE OF THIS BOND, THE REGISTERED OWNER AGREES THAT, EXCEPT IN CONNECTION WITH THE TENDER OF THIS BOND FOR PURCHASE PURSUANT TO SECTION 401(d) OR 401(e) OF THE AGREEMENT, IT WILL NOT TRANSFER OR GRANT PARTICIPATIONS IN THIS BOND IN DENOMINATIONS OF LESS THAN $50,000 AND OTHER THAN TO "ACCREDITED INVESTORS" AS DEFINED IN SECTION 230.501(a) OF REGULATION D ISSUED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, SO LONG AS THIS BOND BEARS AN ADJUSTABLE RATE; AND THE REGISTERED OWNER FURTHER AGREES THAT, EXCEPT IN CONNECTION WITH THE TENDER OF THIS BOND (OR PORTIONS THEREOF) FOR PURCHASE PURSUANT TO SECTION 401(e) OF THE AGREEMENT, IT

WILL NOT SELL OR GRANT PARTICIPATIONS IN THIS BOND OTHER THAN TO SUCH "ACCREDITED INVESTORS" SO LONG AS THIS BOND BEARS A FLEXIBLE RATE OR A FIXED RATE WITHOUT THE PRIOR WRITTEN CONSENT OF THE REMARKETING AGENT.

6. Redemption or Purchase of Bonds. Principal of the Bonds is subject to redemption or purchase as follows:

(a) Optional Redemption. (i) During an Adjustable Rate Period or a Flexible Rate Period the Bonds shall be redeemed as provided in Section 401(a) of the Agreement, by the County at the written direction of the Borrower (but only from the limited sources and in the manner herein described), in whole or in part from time to time in the amount of $100,000 or any multiple of $50,000 greater than $100,000 (or such lesser amount as shall be necessary to redeem the Bonds in whole), on any Adjustable Rate Interest Payment Date or Flexible Rate Interest Payment Date, as appropriate, at a redemption price equal to the principal amount redeemed, plus accrued interest to the redemption date, subject to the limitations on redemption set forth in said Section 401(a); provided that no such redemption shall occur prior to the expiration of six months from closing date of the issuance and sale of this Bond to the initial purchaser hereof.

(ii) Subsequent to the conversion to the Fixed Rate, the Bonds shall be redeemed by the County, at the written direction of the Borrower, in whole or in part from time to time on any Fixed Rate Interest Payment Date in the amount of $100,000 or any multiple of $5,000 greater than $100,000 (or such lesser amount as shall be necessary to redeem the Bonds in whole), at a redemption price equal to the principal of and unpaid accrued interest on the Bonds to the date fixed for redemption by the Borrower plus a premium in the first year in which redemption is permitted declining one percent in each year thereafter until no redemption premium remains

in effect (expressed as percentages of their principal amount) as set forth below:

Number of Whole Years from the Conversion Date to the Stated Maturity of the Bonds	Years Following the Conversion Date During Which No Redemption is Permitted	Premium
If more than 8 years but less than 12	5 years	3%
If more than 3 years but less than 8	3 years	2%
If 3 years or less	No redemption permitted	N/A

Any optional redemption of a part of the Bonds pursuant to this section 6(a) shall be applied to reduce the final payment and mandatory sinking fund requirements on the Bonds in inverse order of maturity.

(b) Extraordinary Optional Redemption. Principal of the Bonds shall be redeemed in whole but not in part by the County (but only from the limited sources and in the manner herein described), at the option and direction of the Borrower, on any date at a redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date, upon the occurrence of any extraordinary event described in Section 401(b) of the Agreement.

(c) Mandatory Redemption. Principal of the Bonds shall be redeemed from funds deposited in the Bond Fund pursuant to Sections 501B and 502(e) of the Agreement to the extent, in the manner and at the times provided for therein at 100% of the principal amount redeemed, plus accrued interest to the redemption date (excluding Additional Interest, if any). The Bonds shall also be redeemed: (i) as provided in Section 4 above, in whole or in part, upon a Determination of Taxability, (ii) in whole on the Business Day next preceding the date of expiration or termination of the Letter of Credit (unless such Letter of Credit is being renewed or replaced as contemplated by Section 512 of the Agreement), or (iii) in whole or in part upon the occurrence of any other event described in Section 401(c) of the Agreement at the redemption price and on the terms set forth therein.

(d) Tender for Purchase upon Election of Bondholder. As provided in Section 401(d) of the Agreement, during an

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Adjustable Rate Period this Bond (so long as it is not a "Borrower Bond" as that term is defined in the Agreement and the Standby Credit Agreement referred to therein), or any portion thereof that not less than $50,000, or any multiple of $5,000 in excess of $50,000 may be tendered for purchase in accordance with the Depositary Agreement (hereinafter defined) and to the extent of available funds on the demand of the Registered Owner on any Business Day at a purchase price equal to the principal amount thereof plus accrued interest to the date of purchase (but excluding Additional Interest, if any) upon: (A) delivery to the Trustee at its corporate trust office of a written notice in substantially the form appended as Exhibit 401 to the Agreement (a "Bondholder's Tender Notice") which (i) states the principal amount of this Bond or the portion thereof desired to be purchased; (ii) states the date on which this Bond or specified portion thereof shall be purchased, which date shall not be prior to the seventh day next succeeding the date of the delivery of such notice to the Trustee (provided, however, that if the seventh day next succeeding the date of such delivery is not a Business Day, such date shall be the next succeeding Business Day), (iii) irrevocably requests such purchase, and (iv) contains an undertaking of the Registered Owner hereof to deliver this Bond to The First National Bank of Boston, as depositary or any successor depositary (the "Depositary"), as provided in such notice; and (B) delivery of this Bond duly endorsed in blank for transfer at the principal office of the Depositary at or prior to 10:00 A.M., Boston time, on the purchase date.

By the acceptance of this Bond, the Registered Owner agrees that if there are funds available for such purpose in the Bond Purchase Fund established with the Depositary under the Depositary Agreement dated as of June 1, 1989 (as in effect from time to time, the "Depositary Agreement") among the Trustee, the Borrower, the Remarketing Agent and the Depositary, then this Bond or specified portion thereof tendered to the Depositary for purchase as provided in the preceding paragraph shall be, on the date specified in the Bondholder's Tender Notice, purchased at a purchase price equal to the principal amount tendered for purchase plus accrued interest, if any (but excluding Additional Interest, if any), to the date of purchase; provided, however, that if the purchase date for this Bond or portion hereof is an Interest Payment Date, the purchase price hereof shall be the principal amount tendered for purchase and interest (excluding Additional Interest, if any which shall be paid as provided in Section 4) on this Bond shall be paid to the Registered Owner of this Bond in the normal course. Moneys in the aforesaid Bond Purchase Fund shall be used by the

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Depositary to purchase tendered Bonds in the chronological order delivered to the Depositary.

NOTICE BY THE REGISTERED OWNER OF TENDER OF THIS BOND OR SPECIFIED PORTION HEREOF UNDER THIS SUBSECTION IS IRREVOCABLE. BY ACCEPTANCE OF THIS BOND THE REGISTERED OWNER AGREES THAT UPON RECEIPT BY THE DEPOSITARY OF THE PURCHASE PRICE FROM A PURCHASER HEREOF THE REGISTERED OWNER SHALL SURRENDER THIS BOND TO THE DEPOSITARY. IN THE EVENT THAT THE REGISTERED OWNER SHALL FAIL TO DELIVER THIS BOND TO THE DEPOSITARY AS PROVIDED IN ITS BONDHOLDER'S TENDER NOTICE, THE COUNTY SHALL NOT BE OBLIGED TO PURCHASE THIS BOND OR SPECIFIED PORTION HEREOF ON THE TENDER DATE.

(e) Tender for Mandatory Purchase or Redemption on Conversion Date or Put Date. As provided in Section 401(e) of the Agreement, this Bond (so long as it is not a Borrower Bond) shall be redeemed or purchased on a Conversion Date or a Put Date at a price equal to the principal amount thereof plus accrued interest to the Conversion Date or Put Date (excluding Additional Interest, if any).

By acceptance of this Bond, the Registered Owner agrees to tender this Bond for redemption or purchase in connection with the occurrence of a Conversion Date or a Put Date pursuant to Section 401(e) of the Agreement, except that the Bondholder may under certain circumstances irrevocably elect to retain all or a portion of this Bond by filing with the Trustee (not later than 16 days prior to such Conversion Date or Put Date) a Nontender Election in substantially in the form of Exhibit 401A to the Agreement, all as provided in the Section 401(e) of Agreement. IN THE EVENT THAT THE REGISTERED OWNER SHALL FAIL TO DELIVER ALL OR A PORTION OF THIS BOND WHICH IS SUBJECT TO PURCHASE ON A CONVERSION DATE OR A PUT DATE TO THE TRUSTEE ON SUCH CONVERSION OR PUT DATE, THIS BOND (OR SPECIFIED PORTION HEREOF) SHALL NEVERTHELESS BE DEEMED TO HAVE BEEN TENDERED FOR PURCHASE AND PURCHASED BY THE TRUSTEE ON SUCH CONVERSION OR PUT DATE, AND THE TRUSTEE SHALL HOLD THE PURCHASE PRICE THEREFOR FOR PAYMENT UPON SUBSEQUENT PRESENTATION AND SURRENDER OF THIS BOND (OR SPECIFIED PORTION HEREOF).

By acceptance of this Bond, the Registered Owner appoints the Trustee as its duly authorized representative for purposes of endorsing this Bond, if purchased in accordance with the provisions of Section 401(d) or 401(e) of the Agreement, for transfer to the purchaser thereof in accordance with said Section 401(d) or 401(e).

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(f) Redemption Pursuant to Mandatory Sinking Fund Requirements. The Bonds are also subject to mandatory redemption pursuant to the terms of the mandatory sinking fund requirements and mandatory redemption obligations provided in Section 402 of the Agreement on the first Wednesday in June in each of the years set forth in the table below, in the principal amounts set forth opposite such years, at a redemption price of 100% of the principal amount redeemed, plus accrued interest to the redemption date (but excluding Additional Interest, if any):

Year	Principal Amount
1992	$450,000
1993	$450,000
1994	$450,000
1995	$450,000
1996	$450,000
1997	$450,000
1998	$450,000
1999	$450,000
2000	$450,000
2001	$450,000
2002	$450,000
2003	$450,000
2004	$450,000
2005	$450,000
2006	$450,000
2007	$450,000

(leaving the principal amount of $300,000 to be paid on the Maturity Date); provided, however, that the principal amount of Bonds required to be redeemed on any such date shall be reduced by the amount, if any, required to be paid by the Borrower to the Bank on such Payment Date pursuant to Section 1(a)(i) of the Reimbursement Agreement.

(g) Notice of Redemption; Selection of Bonds to be Redeemed. Any redemption either as a whole or in part, shall be made upon notice given by mail at least 20 days (or, in the case of redemption on account of a Determination of Taxability, seven (7) days) prior to the date fixed for redemption to the Registered Owners of Bonds to be redeemed; provided, however, that failure duly to give such notice by mail to any Registered Owner, or any defect therein, shall not affect the validity of the proceedings for the redemption of any of the other Bonds. On the date designated for redemption, notice having been given as provided in the Agreement, the Bonds or portions thereof so called for

redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds or such portions thereof on such date, and, if moneys for payment of the redemption price and the accrued interest (excluding Additional Interest, if any) shall be held by the Trustee or any paying agent, all as provided in the Agreement, interest on such Bonds or such portions thereof so called for redemption shall cease to accrue, such Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security for redemption under the Agreement, and the Registered Owners thereof shall have no rights in respect of such Bonds or such portions thereof so called for redemption except to receive payment of the redemption price thereof and the accrued interest so held by the Trustee or by any paying agent. If a portion of this Bond shall be called for redemption, a new registered Bond in principal amount equal to the unredeemed portion hereof will be issued to the Registered Owner upon the surrender hereof.

If less than all of the Bonds shall be called for redemption pursuant to the foregoing subsections (a), (c) or (f), the particular Bonds or portions of Bonds to be redeemed shall be selected by the Trustee in the manner provided in Section 403 of the Agreement. Notice of any redemption shall be given to the extent, and in the manner, required by the Agreement. That portion of this Bond called for redemption shall cease to bear interest on the specified redemption dated provided sufficient Priority Funds (as defined in the Agreement) to redeem such portion and to pay accrued interest (excluding Additional Interest, if any) thereon to the redemption date are on deposit with the Trustee at that time. Thereafter such portion shall cease to be outstanding under the Agreement.

7. Acceleration. In certain events as provided in the Agreement, the principal of all the Bonds then outstanding under the Agreement may become or be declared due and payable before their stated maturity, together with interest accrued thereon.

8. Additional Provisions. The Registered Owner shall have no right to enforce the provisions of the Agreement or to institute or appear in proceedings with respect to the Agreement or its enforcement except as provided in the Agreement. Modifications or alterations of the Agreement, or of any supplements thereto, may be made only as provided by the Agreement.

Reference is hereby made to the Agreement, the Letter of Credit, the Reimbursement Agreement, the Standby Credit

Agreement and the Depositary Agreement, each of which is on file and may be inspected during regular business hours at the corporate trust office of the Trustee, for a description of the security for the Bonds and for the provisions thereof with respect to the rights, limitations of rights, duties, obligations and immunities of the County, the Borrower, the Trustee, the Bank, the Depositary and the Registered Owner hereof.

This Bond shall not constitute the personal obligation, either jointly or severally, of any member, officer, employee or agent of the County.

This Bond shall not be valid or entitled to any security or benefit under the Agreement until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, Orangeburg County, South Carolina has caused this Bond to be duly executed in its name by the Chairman of its County Council, and the corporate seal to be hereunto manually impressed or imprinted by facsimile and attested, by the manual or facsimile signature of its County Administrator.

(Seal or Facsimile) ORANGEBURG COUNTY, SOUTH CAROLINA

Attest:

_____ By _____
Gary Smoak Vernon Ott, Jr.
County Administrator Chairman of Its County Council

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the aforementioned Agreement.

THE FIRST NATIONAL BANK OF BOSTON,
as Trustee

By _____
Authorized Signature

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NOTATIONS OF ELECTION TO CONVERT TO FLEXIBLE RATE

A. From _____, the Bond will bear interest at the rate of _____ percent (___%) per annum through _____.

THE FIRST NATIONAL BANK OF BOSTON,
as Trustee

By _____
Authorized Signature

B. From _____, the Bond will bear interest at the rate of _____ percent (___%) per annum through _____.

THE FIRST NATIONAL BANK OF BOSTON,
as Trustee

By _____
Authorized Signature

C. From _____, the Bond will bear interest at the rate of _____ percent (___%) per annum through _____.

THE FIRST NATIONAL BANK OF BOSTON,
as Trustee

By _____
Authorized Signature

11375

NOTATIONS OF ELECTION TO CONVERT TO ADJUSTABLE RATE

A. From _____, the Bond will bear interest at the Adjustable Rate until converted to the Flexible Rate or the Fixed Rate.

THE FIRST NATIONAL BANK OF BOSTON,
as Trustee

By _____
Authorized Signature

B. From _____, the Bond will bear interest at the Adjustable Rate until converted to the Flexible Rate or the Fixed Rate.

THE FIRST NATIONAL BANK OF BOSTON,
as Trustee

By _____
Authorized Signature

C. From _____, the Bond will bear interest at the Adjustable Rate until converted to the Flexible Rate or the Fixed Rate.

THE FIRST NATIONAL BANK OF BOSTON,
as Trustee

By _____
Authorized Signature

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NOTATION OF CONVERSION TO FIXED RATE

From _____, this Bond will bear interest at the rate of _____ percent (_____%) per annum.

THE FIRST NATIONAL BANK OF BOSTON,
as Trustee

By _____
Authorized Signature

SCHEDULE OF PAYMENTS

NOTE: At any time at the option of the Registered Owner this Bond may be submitted to the Trustee for endorsement showing the balance of principal due thereon and the date to which interest has been paid.

Date of Entry	Balance of Principal Due	Date of which Interest Paid	Signature of Trustee
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned, hereby sells, assigns, and transfers unto

Please insert Social Security or other identifying number of assignee

_____

_____

(please print or typewrite name and address including zip code of transferee)

_____

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints

_____

attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

_____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guarantee:

_____

Bank, Trust Company or Brokerage Firm

By _____

Authorized Signature

EXHIBIT 401

FORM OF BONDHOLDER'S TENDER NOTICE

Date: _____

To: The First National Bank of Boston,
as Trustee under the Loan and Trust
Agreement dated as of June 1, 1989
(the "Agreement") among Orangeburg,
South Carolina, Metal Leve, Inc.,
The First National Bank of Boston
and said Trustee

100 Federal Street
Boston, Massachusetts 02110

Attention: Corporate Trust Division

Ladies and Gentlemen:

Pursuant to the provisions of Section 401(d) of the Agreement, the undersigned hereby irrevocably request(s) the purchase of all or a portion of the Bond described below.

1. The Bond is one of the $7,500,000 Orangeburg County, South Carolina Flexible Mode Industrial Development Revenue Bonds (Metal Leve, Inc. Series), numbered R-____, the principal amount of which is $_____; and if only a portion of the Bond is desired to be purchased, the principal amount of such portion desired to be purchased is $_____ (which must be not less than $50,000 or any multiple of $5,000 in excess of $50,000).

2. The date on which the Bond or portion thereof described above shall be purchased, which date shall not prior to the seventh calendar day next succeeding the date of delivery of this Notice (provided, however, that if the seventh day next succeeding the date of such delivery is not a Business Day, such date shall be the next succeeding Business Day), shall be _____.

3. The name of the Registered Owner is_____ _____ and the address of such owner is _____ _____.

4. The person to whom or to whose order the proceeds of the Bond or portion thereof desired to be purchased are to be paid, and the address of such payee is _____ _____.

5. I (we) hereby undertake to deliver such Bond to the Depositary at 100 Federal Street, Boston, Massachusetts 02110 no later than 10:00 A.M., Boston time, on the Business Day set forth in paragraph 2 above.

Name and signature of Registered Owner or Registered Owner's duly authorized attorney-in-fact:

Name Signature

EXHIBIT 401A

FORM OF BONDHOLDER'S NONTENDER ELECTION

Date: _____

To: The First National Bank of Boston,
as Trustee under the Loan and Trust
Agreement dated as of June 1, 1989
(the "Agreement") among Orangeburg
County, South Carolina, Metal Leve,
Inc., The First National Bank of
Boston and said Trustee

100 Federal Street
Boston, Massachusetts 02110

Attention: Corporate Trust Division

Ladies and Gentlemen:

Pursuant to the provisions of Section 401(e) of the Agreement, the undersigned hereby irrevocably elects to retain all or a portion of the Bond described below after the upcoming Conversion Date or Put Date.

The Bond is one of the $7,500,000 Orangeburg County, South Carolina Flexible Mode Industrial Development Revenue Bonds (Metal Leve, Inc. Series), numbered R-___, the principal amount of which is $_____; and if only a portion of the Bond is to be retained, the principal amount of such portion is desired to be purchased is $_____ (which must be not less than $50,000 or any multiple of $5,000 in excess of $50,000).

2. This Notice, accompanied by the Bond to be retained by the undersigned in whole or in part, is being delivered to the Trustee not later than 16 days prior to the applicable Conversion Date or Put Date, which is _____. [Date to be inserted by Trustee prior to mailing this form pursuant to Section 401(e)(ii)(A)(v) of the Agreement.]

3. The name of the Registered Owner is _____ _____ and the address of such Registered Owner is _____.

Name and signature of Registered Owner or Registered Owner's duly authorized attorney-in-fact:

Name	Signature

EXHIBIT 501

FORM OF REQUISITION FOR PAYMENT
FROM PROJECT FUND

To: The First National Bank of Boston, as Trustee under the Loan and Trust Agreement dated as of June 1, 1989 (the "Agreement") among Orangeburg County, South Carolina, Metal Leve, Inc., The First National Bank of Boston and said Trustee.

Requisition No. _____

This requisition is made pursuant to Section 501A of the Agreement. Terms used in this requisition shall have the meanings specified for them in the Agreement.

The Trustee is hereby authorized and directed to make payment from the Project Fund as follows:

Amount:

Name and address of payee:

Date of Requested Disbursement:

Description of use of proceeds (if requested by the Bank, attach copies of invoices or statements, where available, from a contractor, vendor or other payee for the acquisition, construction and installation or other costs of the Project; if unavailable, provide other evidence satisfactory to the Bank):

Applicable subsection of Section 501A (circle one or more):

(a) (b) (c) (d)

The undersigned Authorized Borrower Representative hereby certifies to you in connection with such payment requested by this requisition, as follows:

1. The obligations set forth on the requisition were incurred in connection with the acquisition, construction and installation of the Project and (except payments referred to in subsections (b) or (c) above) in accordance with the Plans and Specifications, and the obligations have not been the basis for a prior requisition which has been paid.

2. This requisition contains no items representing payment on account of any retained percentage entitled to be retained by the Borrower at the date hereof.

3. The undersigned has reviewed the provisions of the Tax Statement and the payment of this requisition will not result in any proceeds of the Bonds being expended in violation of the provisions of said Tax Statement. Without in any way limiting the generality of the foregoing, the payment of this requisition when added to all previous requisitions, will not result in (i) less than 95% of the proceeds of the Bonds withdrawn from the Project Fund (including investment earnings on amounts therein) and used for purposes of acquisition, construction, reconstruction or improvement of land or property of a character subject to the allowance for depreciation within the meaning of Section 144(a)(1)(A) of the Code, nor (ii) more than an amount equal to 2% of the principal amount of the Bonds withdrawn from the Project Fund and used for issuance costs within the meaning of Section 147(g) of the Code.

4. This requisition does not request reimbursement for any payments or payment for any obligations originally paid or incurred before _____.

5. Any item of machinery or equipment described herein for which payment is proposed to be made has been delivered to and accepted by the Borrower, or such item has not been so delivered and accepted as of this date and there is delivered herewith an opinion of nationally recognized bond counsel acceptable to the Bank that the payment proposed to be made for such item will not adversely affect the exclusion from gross income for federal income tax purposes of the interest paid on the Bonds.

6. The obligation for which payment is proposed to be made does not represent a material change from the Plans and Specifications as of the date of delivery of the Bonds, or payment for such obligation has been approved in writing by the Bank and a copy of such approval filed concurrently with the Trustee.

7. If the requested disbursement is for payment of costs of acquisition, improvement or construction of real property, the Borrower has furnished the Trustee with an endorsement acceptable to the Bank to the title insurance policy covering the property described in Exhibit A to the Mortgage and Security Agreement, revising the date of the policy to the date of disbursement of such proceeds,

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EXHIBIT

APR 11 1989 NO. 14

STATE BUDGET & CONTROL BOARD

increasing the amount of the policy by the amount of such proceeds, and adding no exceptions to the policy (unless the Bank waives such exceptions).

8. If the requested disbursement is for personal property, the Borrower is delivering to the Trustee herewith such UCC-1 financing statements executed on behalf of the Borrower in such form as the Bank may specify from time to time.

9. No notice of any mechanics' or other lien or encumbrance upon the Property by reason of work, labor, services or materials supplied or claimed to be supplied for or in connection with the Property has been received by the Borrower or has been filed in the Registry of Mesne Conveyances of Orangeburg County, South Carolina, or if any notice of any such lien or encumbrance upon the Property has been received by the Borrower or has been filed in such Registry, such lien or encumbrance has been discharged or dissolved or will be discharged or dissolved concurrently with payment of the requisition, or the Borrower is contesting the same in the manner provided in the Agreement.

10. No Default has occurred or will occur by the payment of this requisition.

Dated: , 19__. _____
Authorized Borrower Representative

The undersigned hereby approves this requisition.

[Name of Issuer of Letter of Credit]

By: _____
Title:

BKGLATA.BK

11385

STATE OF SOUTH CAROLINA

State Budget and Control Board

OFFICE OF THE EXECUTIVE DIRECTOR

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

P.O. BOX 12444
COLUMBIA, SOUTH CAROLINA 29211
(803) 734-2320

JAMES M. WADDELL, JR.
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

May 11, 1989

Ms. April C. Lucas
McNair Law Firm, P.A.
P.O. Box 11390
Columbia, SC 29211

Dear Ms. Lucas:

Re: $7,500,000 Orangeburg County, SC
Industrial Development Revenue Bonds
Metal Leve, Inc., Project

I am forwarding my certified copies of the State Budget and Control Board resolution approving the referenced undertaking, on the condition that you supply to us the additional information Ms. Treva Ashworth of the Attorney General's Office advises is required. A copy of her May 11, 1989, letter to me describing that additional information also is enclosed.

Sincerely,

William A. McInnis
Secretary

M
Enclosures

11386

MAY 11 1989

The State of South Carolina

Office of the Attorney General

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE: 803-734-3680
FACSIMILE: 803-253-6283

May 11, 1989

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
612 Wade Hampton Office Building
Post Office Box 12444
Columbia, South Carolina 29211

RE: $10,000,000 Orangeburg County, South Carolina
Industrial Development Revenue Bonds
Metal Leve, Inc.

Dear Mr. McInnis:

Regarding the above-referenced obligation, we have reviewed the Petition and other documents forwarded to us by the State Budget and Control Board. These represent a portion of the documents that have been submitted to the Board for its approval pursuant to Section 4-29-140, et seq., Code of Laws of South Carolina, 1976, as amended. The documents, with one exception, appear to comply with the requirements of the referenced Code sections that certain specific information be addressed in these documents.

Section 4-29-140 (b) requires a reasonable estimate of the cost of the project. This information would be found in the findings that the governing body must make pursuant to Section 4-29-60, regarding not only the amount of bonds necessary to finance the project, but the amount necessary each year to pay the principal of and interest on the bonds proposed to be issued to finance the project be stated. This office has been repeatedly advised by various bond counsel that information regarding the amount necessary in each year to pay the principal of and interest on bonds cannot be supplied until the final

documents are signed. It should be noted, therefore, that this specific information required by the code is not included in the information submitted to this office. However, the Petition of the County at Section 6,v, specifically provides that this information will be made a part of the proceedings of the County regarding these Bonds.

This opinion addresses only the fact that the documents, other than the exceptions noted above, appear to meet the conditions imposed by State law that certain specific matters be included in the documentation. No opinion is expressed as to any other matters, including whether the Petition should be approved as a matter of policy.

Office of the Attorney General

By:

TGA/lk

MAY 11 1989

The State of South Carolina

EXHIBIT
APR 11 1989 NO. 14(C)
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
FACSIMILE: 803-253-6283

May 11, 1989

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
612 Wade Hampton Office Building
Post Office Box 12444
Columbia, South Carolina 29211

RE: $10,000,000 Orangeburg County, South Carolina
Industrial Development Revenue Bonds
Metal Leve, Inc.

Dear Mr. McInnis:

Regarding the above-referenced obligation, we have reviewed the Petition and other documents forwarded to us by the State Budget and Control Board. These represent a portion of the documents that have been submitted to the Board for its approval pursuant to Section 4-29-140, et seq., Code of Laws of South Carolina, 1976, as amended. The documents, with one exception, appear to comply with the requirements of the referenced Code sections that certain specific information be addressed in these documents.

Section 4-29-140 (b) requires a reasonable estimate of the cost of the project. This information would be found in the findings that the governing body must make pursuant to Section 4-29-60, regarding not only the amount of bonds necessary to finance the project, but the amount necessary each year to pay the principal of and interest on the bonds proposed to be issued to finance the project be stated. This office has been repeatedly advised by various bond counsel that information regarding the amount necessary in each year to pay the principal of and interest on bonds cannot be supplied until the final

documents are signed. It should be noted, therefore, that this specific information required by the code is not included in the information submitted to this office. However, the Petition of the County at Section 6,v, specifically provides that this information will be made a part of the proceedings of the County regarding these Bonds.

This opinion addresses only the fact that the documents, other than the exceptions noted above, appear to meet the conditions imposed by State law that certain specific matters be included in the documentation. No opinion is expressed as to any other matters, including whether the Petition should be approved as a matter of policy.

Office of the Attorney General

By: Drew Ashworth

TGA/lk

EXHIBIT

APR 11 1989 NO. 14(c)

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA
STATE BUDGET AND CONTROL BOARD
Standard Form Credit Enhancement Letter

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

RE: Sale by Orangeburg County, South Carolina (the "Issuer")
of its $7,500,000 Industrial Development Revenue Bonds (the "Bonds")
On behalf of Metal Leve, Inc. (the "Company")

(the "Project")
Credit Enhancement Provided by The First National Bank of Boston

(the "Bank")

The Bank has agreed to issue a non-revocable Letter of Credit in favor of a Trustee to be named with respect to the issuance of the bonds on behalf of the Company. In connection with the referenced sale of Bonds by the Issuer, the Bank makes the following representations and certifications:

1. The Bank 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 Bank is financially able to bear the economic risk of its proposed investment in the Bonds for an indefinite period;

3. The Bank 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 credit enhancement with respect to the Bonds;

4. The Bank 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

SWORN to and subscribed
before me this 21st day
of APRIL, 1989.

Notary Public

My commission expires

WILLIAM B. LANGILLE, Notary Public
My Commission Expires Oct. 19, 1990

Bank: The First National Bank of Boston
Auth. Official: William A. Flemer
Title: Vice President
Address: 100 Federal Street
Boston, MA 02110

BY: _____
Signature of Authorized Official

DATE: APRIL 21, 1989

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EXHIBIT

STATE OF SOUTH CAROLINA

State Budget and Control Board

APR 11 1989 NO. 14(c)

OFFICE OF THE EXECUTIVE DIRECTOR STATE BUDGET & CONTROL BOARD

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

JAMES M. WADDELL, JR.
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

P.O. BOX 12444
COLUMBIA, SOUTH CAROLINA 29211
(803) 734-2320

May 11, 1989

Ms. April C. Lucas
McNair Law Firm, P.A.
P.O. Box 11390
Columbia, SC 29211

Dear Ms. Lucas:

Re: $7,500,000 Orangeburg County, SC
Industrial Development Revenue Bonds
Metal Leve, Inc., Project

I am forwarding my certified copies of the State Budget and Control Board resolution approving the referenced undertaking, on the condition that you supply to us the additional information Ms. Treva Ashworth of the Attorney General's Office advises is required. A copy of her May 11, 1989, letter to me describing that additional information also is enclosed.

Sincerely,

William A. McInnis
Secretary

M
Enclosures

11391

MAY 11 1989

The State of South Carolina

EXHIBIT
APR 11 1989 NO. 14
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
FACSIMILE: 803-253-6283

May 11, 1989

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
612 Wade Hampton Office Building
Post Office Box 12444
Columbia, South Carolina 29211

RE: $10,000,000 Orangeburg County, South Carolina
Industrial Development Revenue Bonds
Metal Leve, Inc.

Dear Mr. McInnis:

Regarding the above-referenced obligation, we have reviewed the Petition and other documents forwarded to us by the State Budget and Control Board. These represent a portion of the documents that have been submitted to the Board for its approval pursuant to Section 4-29-140, et seq., Code of Laws of South Carolina, 1976, as amended. The documents, with one exception, appear to comply with the requirements of the referenced Code sections that certain specific information be addressed in these documents.

Section 4-29-140 (b) requires a reasonable estimate of the cost of the project. This information would be found in the findings that the governing body must make pursuant to Section 4-29-60, regarding not only the amount of bonds necessary to finance the project, but the amount necessary each year to pay the principal of and interest on the bonds proposed to be issued to finance the project be stated. This office has been repeatedly advised by various bond counsel that information regarding the amount necessary in each year to pay the principal of and interest on bonds cannot be supplied until the final

EXHIBIT

APR 11 1989 NO. 14 (c)

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA)

COUNTY OF RICHLAND)

$7,500,000 Metal Leve, Inc. Project

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, Carroll A. Campbell, Jr., Governor and Chairman of the Board;

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

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

The Honorable James M. Waddell, Jr., Chairman of the Senate Finance Committee; and

The Honorable Robert N. McLellan, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 a.m. on Tuesday, April 11, 1989, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting.

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

FOR MOTION	AGAINST MOTION
5	0

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

May 11, 1989

William A McInnis

11393

CORRECTION

MAY 11 1989

The State of South Carolina

EXHIBIT
APR 11 1989 NO. 14
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
FACSIMILE: 803-253-6283

May 11, 1989

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
612 Wade Hampton Office Building
Post Office Box 12444
Columbia, South Carolina 29211

RE: $10,000,000 Orangeburg County, South Carolina
Industrial Development Revenue Bonds
Metal Leve, Inc.

Dear Mr. McInnis:

Regarding the above-referenced obligation, we have reviewed the Petition and other documents forwarded to us by the State Budget and Control Board. These represent a portion of the documents that have been submitted to the Board for its approval pursuant to Section 4-29-140, et seq., Code of Laws of South Carolina, 1976, as amended. The documents, with one exception, appear to comply with the requirements of the referenced Code sections that certain specific information be addressed in these documents.

Section 4-29-140 (b) requires a reasonable estimate of the cost of the project. This information would be found in the findings that the governing body must make pursuant to Section 4-29-60, regarding not only the amount of bonds necessary to finance the project, but the amount necessary each year to pay the principal of and interest on the bonds proposed to be issued to finance the project be stated. This office has been repeatedly advised by various bond counsel that information regarding the amount necessary in each year to pay the principal of and interest on bonds cannot be supplied until the final

documents are signed. It should be noted, therefore, that this specific information required by the code is not included in the information submitted to this office. However, the Petition of the County at Section 6,v, specifically provides that this information will be made a part of the proceedings of the County regarding these Bonds.

This opinion addresses only the fact that the documents, other than the exceptions noted above, appear to meet the conditions imposed by State law that certain specific matters be included in the documentation. No opinion is expressed as to any other matters, including whether the Petition should be approved as a matter of policy.

Office of the Attorney General

By:

TGA/lk

EXHIBIT

APR 11 1989 NO. 14 (c)

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA)

COUNTY OF RICHLAND)

$7,500,000 Metal Leve, Inc. Project

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, Carroll A. Campbell, Jr., Governor and Chairman of the Board;

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

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

The Honorable James M. Waddell, Jr., Chairman of the Senate Finance Committee; and

The Honorable Robert N. McLellan, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 a.m. on Tuesday, April 11, 1989, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting.

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

FOR MOTION	AGAINST MOTION
5	0

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

May 11, 1989

William A McInnis

11393

EXHIBIT
APR 11 1989 NO. 14
STATE BUDGET & CONTROL BOARD

A RESOLUTION APPROVING THE ISSUANCE BY ORANGEBURG COUNTY, SOUTH CAROLINA, OF NOT EXCEEDING $7,500,000 AGGREGATE PRINCIPAL AMOUNT INDUSTRIAL DEVELOPMENT REVENUE BONDS (METAL LEVE, INC. PROJECT) 1989, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED.

WHEREAS, the County Council of Orangeburg County, South Carolina (the "Governing Board") has heretofore, by submitting a petition (the "Petition"), under and pursuant to the provisions of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended, (the "Act") requested the approval by the State Budget and Control Board of the issuance by Orangeburg County (the "County") pursuant to the Act of its Industrial Development Revenue Bonds (Metal Leve, Inc. Project) in the aggregate principal amount of not exceeding $7,500,000 (the "Bonds"); and

WHEREAS, the County proposes to issue the Bonds for the purpose of defraying the cost of acquiring, by construction and purchase a building or buildings and other improvements, and all machinery, apparatus, equipment, office facilities and furnishings to be installed therein (the "Project") to be used for the purpose of manufacturing pistons for diesel engines; and

WHEREAS, the Project is to be made available to Metal Leve, Inc., a Texas corporation qualified to do business in South Carolina, (the "Corporation") upon terms which require the Corporation to make payments to or for the account of the County in amounts sufficient to pay the principal, premium, if any, and interest on the Bonds and which secure the obligation of the Corporation by a mortgage and security interest in the Project; and

WHEREAS, the Bonds will be payable from and secured by an assignment of the obligations of the Corporation and the mortgage and security interest in the Project; and

WHEREAS, the County has submitted with the Petition (i) an Inducement Agreement by and between the Corporation and the County executed by the Corporation on April 6, 1989, and executed by the Governing Board on October 31, 1988 and (ii) a copy of a resolution and petition adopted by the County on April 3, 1989, and this Board has reviewed and considered each of said documents in its consideration of said Petition by the County;

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

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Section 1. The Board has made an independent investigation of the matters set forth in the Petition, and on the basis of such investigation it is hereby found, determined and declared:

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 4-29-140 of the Act; and

(c) The Project subject of the Petition of the Governing Board is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

Section 2. In consequence of the foregoing, the proposal of the County to defray the cost of acquiring the Project, to make the Project available to the Corporation, to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Bonds, in substantially the form set forth in the Indenture, secured by an assignment of the revenues to be derived from the Financing Agreement and by a Letter of Credit issued by The First National Bank of Boston, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the Orangeburg County Council and the Corporation, and do not make inaccurate, except as to dates and amounts, the summaries of the Financing Agreement and the Indenture and the description of the Project.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in the The State Newspaper and The Orangeburg Times and Democrat, newspapers having general circulation in Orangeburg County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution shall take effect immediately.

EXHIBIT

APR 11 1989 NO. 14

STATE BUDGET & CONTROL BOARD

EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS
OF SOUTH CAROLINA CODE ANNOTATED,
TITLE 4, CHAPTER 29
(1976), AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended, (the "Act") that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Orangeburg County, South Carolina, has given its approval to the following undertaking by Orrangeburg County, South Carolina:

The issuance by Orangeburg County of its Industrial Development Revenue Bonds (Metal Leve, Inc. Project) in the aggregate principal amount of not exceeding $7,500,000 (the "Bonds"), to defray the costs of acquiring, by construction and purchase a building or buildings and other improvements, and all machinery, apparatus, equipment, office facilities and furnishings to be installed therein, to be owned and operated by Metal Leve, Inc., a Texas corporation qualified to do business in South Carolina, as an industrial facility for the purpose of manufacturing pistons for diesel engines (the "Project") to be located in Orangeburg County . The Project will be made available to Metal Leve, Inc. which will unconditionally covenant to make payments sufficient to pay the principal, premium, if any, and interest on the Bonds. The Bonds will be payable by Orangeburg County solely and exclusively out of payments to be made by Metal Leve, Inc. for the use of the Project, and are to be additionally secured by a Letter of Credit issued by The First National Bank of Boston.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Project and the issuance of the Bonds by Orangeburg County to defray the cost thereof, by action de novo instituted in the Circuit Court for Orangeburg County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, Secretary

Dated: April 11, 1989.

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EXHIBIT

APR 11 1989 NO. 14(c)

STATE BUDGET & CONTROL BOARD

State of South Carolina

State Budget and Control Board

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR
GRADY L. PATTERSON, JR.
STATE TREASURER
EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

JAMES M. WADDELL, JR.
CHAIRMAN, SENATE FINANCE COMMITTEE
ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

Box 12444
Columbia
29211

April 11, 1989

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

TENTATIVE ALLOCATION, CALENDAR YEAR 1989

TO: Orangeburg County
$7,500,000
Industrial Development Revenue Bonds
(Metal Leve, Inc., Project)

In accord with Section 1-11-500 et seq. of the South Carolina Code of Laws, 1976, as amended, the State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Tax Reform Act of 1986 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1989 only. It will expire on July 10, 1989, which is ninety (90) consecutive calendar days from 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, Code Section 1-11-550 requires 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.

Grady L. Patterson, Jr.

Attest:

William A. McInnis, Secretary

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EXHIBIT

APR 11 1989 NO. 14 (c)

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA)
)
ORANGEBURG COUNTY)

TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

PETITION

This Petition of Orangeburg County, South Carolina (the "County"), pursuant to South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended, (the "Act") and specifically Section 4-29-140 thereof, respectfully shows:

1. The County Council of Orangeburg County, South Carolina (the "County Council"), is the governing body of the County and as such is the "governing board" of the County referred to in the Act.

2. The Act, among other things, empowers the County, subject to obtaining the approval of the State Budget and Control Board, pursuant to Section 4-29-140 of the Act: (i) to acquire, and, in connection with such acquisition, to enlarge, improve and expand, whether by construction, purchase, gift or lease, one or more projects which shall be located within the jurisdiction of the County; (ii) to make any or all of its projects available to any industry or industries for such payments and upon such terms and conditions as the governing board may deem advisable and as shall not conflict with the provisions of the Act; and (iii) to issue revenue bonds for the purpose of defraying the cost of acquiring, by construction and purchase, and in connection with any such acquisition, to enlarge, improve and expand any project, and to secure the payment of such bonds all as in the Act provided.

3. Pursuant to the provisions of Act No. 117 of the Acts and Joint Resolutions for the General Assembly of the State of South Carolina for the year 1987 and regulations approved thereunder, the State Budget and Control Board and the Joint Bond Review Committee have been assigned certain responsibilities with respect to allocation of the private activity bond ceiling applicable to the State of South Carolina under Section 146 of the Internal Revenue Code of 1986, as amended (the "Volume Cap").

4. The County has agreed to assist Metal Leve, Inc., a Texas corporation, qualified to do business as a corporation in South Carolina (the "Corporation") by issuing its revenue

11398

bonds for the purpose of defraying the cost of acquiring certain facilities (the "Project") more fully described below, located in the County.

5. The County has been advised by the Corporation that the estimated cost of the Project will be $10,000,000 and it has requested the County to issue and sell its Industrial Development Revenue Bonds (Metal Leve, Inc. Project) (the "Bonds") in the aggregate principal amount of not exceeding $10,000,000 to defray such costs.

6. Pursuant to Section 4-29-60 of the Act, the County Council has made the requisite findings that: (i) the Project will subserve the purposes of the Act; (ii) it is anticipated that the Project will benefit the general public welfare of the County by providing employment and other public benefits not otherwise provided locally; (iii) the Project will give rise to no pecuniary liability of the County or a charge against its general credit or taxing power; (iv) the aggregate principal amount of the Bonds required to finance the Project is expected to be not exceeding $10,000,000; (v) the amount necessary in each year to pay the principal, premium, if any, and the interest on the Bonds proposed to be issued to defray the cost of the Project will be made a part of the proceedings of the County with respect to the Bonds; (vi) the County does not deem it necessary to establish any reserve funds in connection with the retirement of the proposed Bonds and the maintenance of the Project; and (vii) the terms under which the Project is to be made available to the Corporation provide that the Corporation shall maintain the Project and carry all proper insurance with respect thereto.

7. Pursuant to Section 4-29-140 of the Act, the County sets forth the following information:

(a) The Project consists of land, a building or buildings and other improvements and all machinery, apparatus, equipment, office facilities and furnishings to be installed therein for the purpose of manufacturing pistons for diesel engines. It is anticipated that, upon completion, the Project will provide permanent full time employment for approximately 80 people in the County and neighboring areas and that the Project will provide stimulation to the economy of the County and neighboring areas thereto by increased payrolls, capital investment and tax revenues.

(b) It is estimated that the cost of the Project, including the items of cost authorized in the Act, will be $10,000,000.

(c) Following is a summary of the terms of the Loan Agreement and the Trust Indenture, which summary is in no way intended to affect or alter the actual terms of the documents themselves:

(i) The proposed Loan Agreement between the Corporation and the County provides in general:

(A) Proceeds derived from the sale of the Bonds, except any accrued interest paid by the original purchasers and amounts used to pay issuing expenses, will be used and applied by the County upon request of the Corporation solely for the payment of the costs (as that term is defined in the Act) incident to the acquisition, by construction and purchase, of the Project.

(B) Under the terms of the Loan Agreement, the Corporation obligates itself: to effect the completion of the Project if the proceeds derived from the sale of the Bonds prove insufficient therefor without diminution of any payments to the County required by the Loan Agreement; to meet the payments of principal, premium, if any, and interest on the Bonds as the same become due; and to pay the cost of maintaining and insuring the Project to the extent and in the manner provided in the Loan Agreement.

(C) The Loan Agreement contains no provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing powers.

(ii) The proposed Trust Indenture between the County and The First National Bank of Boston as Trustee (the "Trustee"), provides in general:

(A) An irrevocable pledge and assignment for the benefit of the owners of the Bonds of the County's right, title and interest in and to the Loan Agreement and all payments, receipts and revenues which the County has a right to receive under the Loan Agreement or with respect to any security afforded thereunder or any other financing agreement (except payments and rights to indemnification payments and administration expenses), and all the moneys and securities

11400

in funds created under the Trust Indenture, except any rebate fund.

(B) The terms of the Bonds, the provisions for exchange and transfer of the Bonds, the redemption provisions, the means of disbursement and investment of the proceeds thereof, provisions for issuance of additional parity bonds, default provisions and remedies therefor and various other matters relating to the Bonds.

(C) The execution of the Trust Indenture imposes no pecuniary liability on the County and does not create a charge upon the general credit or taxing power of the County.

(D) That payment of the principal of, premium, if any, interest on and Purchase Price (as defined in the Indenture) of, the Bonds shall be secured by an irrevocable Letter of Credit.

Upon the basis of the foregoing, the County respectfully prays that the State Budget and Control Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such investigation as it deems advisable, (iii) if it finds that the Project is intended to promote the purposes of the Act and may be reasonably anticipated to effect such result, that it approve the Project and the issuance and sale of the Bonds by the County pursuant to the Act to defray the cost of the Project (including changes in any details of the said financing as finally consummated which do not materially affect the undertaking of the County) (iv) give published notice of its approval in the manner set forth in Section 4-29-140 of the

11401

Act, and (v) allocate not exceeding $10,000,000 of the Volume Cap for the Bonds.

Respectfully submitted,

ORANGEBURG COUNTY, SOUTH CAROLINA

By _____
Vernon Ott, Jr., Chairman,
County Council of Orangeburg
County, South Carolina

Dated: April 3, 1989

EXHIBIT

APR 11 1989 NO. 14

STATE BUDGET & CONTROL BOARD

(SEAL)

ATTEST:

By: _____
Gary A. Smoak, County Administrator
Orangeburg County, South Carolina
South Carolina

11402

EXHIBIT

APR 11 1989 NO. 14(c)

STATE BUDGET & CONTROL BOARD

RESOLUTION

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY ORANGEBURG COUNTY, SOUTH CAROLINA OF ITS INDUSTRIAL DEVELOPMENT REVENUE BONDS (METAL LEVE, INC. PROJECT) 1989, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976) AS AMENDED IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING $10,000,000.

WHEREAS, Orangeburg County, South Carolina (the "County"), acting by and through its County Council is authorized and empowered under and pursuant to the provisions of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended, (the "Act") to acquire and cause to be acquired properties that are projects under the Act through which the industrial development of the State of South Carolina will be promoted and trade developed by inducing industrial enterprises to locate in and remain in the State of South Carolina and thus utilize and employ the manpower, agricultural products and natural resources of the State; and

WHEREAS, the County is further authorized by the Act to issue revenue bonds payable solely from revenues and receipts from any financing agreement with respect to such project and secured by a pledge of said revenues and receipts and by an assignment of such a financing agreement; and

WHEREAS, the County and Metal Leve, Inc., a Texas corporation qualified to do business as a corporation in South Carolina, (the "Corporation") entered into an Inducement Agreement authorized by the County on October 31, 1988, (the "Inducement Agreement"), pursuant to which and in order to implement the public purposes enumerated in the Act and in furtherance thereof to comply with the undertakings of the County pursuant to the Inducement Agreement, the County proposes to issue not exceeding $10,000,000 aggregate principal amount of its Industrial Development Revenue Bonds, Series 1989 (Metal Leve, Inc. Project) (the "Bonds") under and pursuant to the Act to defray a portion of the cost of acquiring by construction and purchase land, a building or buildings and other improvements, and all machinery, apparatus, equipment, office facilities and furnishings to be installed therein, for the purpose of manufacturing pistons for diesel engines (the "Project") to be located in the jurisdiction of the County and, subject to the approval of the State Budget and Control Board of South Carolina, to make the Project available to the Corporation under and pursuant to the terms of a Loan Agreement (the "Agreement") to be entered into between the County and the Corporation; and

WHEREAS, it is now deemed advisable by the County Council to file with the State Budget and Control Board of South Carolina, in compliance with Section 4-29-140 of the Act, the Petition of the County requesting approval of the proposed financing by the State Budget and Control Board;

NOW, THEREFORE, BE IT RESOLVED by the County Council of Orangeburg County, South Carolina, as follows:

Section 1. It is hereby found, determined and declared as follows:

(a) The Project will constitute a "project" as said term is referred to and defined in Section 4-29-10 of the Act, and the issuance of the Bonds in the aggregate principal amount of not exceeding $10,000,000 to defray the cost of the Project will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(b) It is anticipated that the Project will benefit the general public welfare of the County by providing employment for those engaged in construction of the Project, and by maintaining permanent employment for approximately 80 people from the County and adjacent areas when the Project is placed in full operation with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of industrial operations not otherwise provided locally.

(c) Neither the Project, the Bonds proposed to be issued by the County to defray the cost of the Project, nor any documents or agreements entered into by the County in connection therewith will constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

(d) The issuance of the Bonds by the County in the aggregate principal amount of not exceeding $10,000,000 will be required to defray the cost of the Project.

(e) Inasmuch as the Corporation is a corporation with established credit, the establishment of reserve funds in connection with the retirement of the Bonds and the maintenance of the Project is deemed unnecessary.

(f) The Project will be made available by the County to the Corporation upon terms which will require the Corporation, at its own expense, to maintain the Project in good repair and to carry all proper insurance with respect thereto.

(g) The Project will consist of the items described in the recital clauses hereof.

(h) A reasonable estimate of the cost of the Project including necessary expenses incident thereto is $10,000,000.

Section 2. There be and is hereby authorized and directed the submission on behalf of the County, of a Petition requesting the approval of the proposal of the County to issue the Bonds by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 4-29-140 of the Act, said Petition, which constitutes and is hereby made a part of this authorizing resolution, to be in substantially the form attached hereto.

Section 3. The Chairman of the County Council is hereby authorized and directed to execute said Petition in the name and on behalf of the County; and the County Administrator of the County is hereby authorized and directed to affix the seal of the County to said Petition and to attest the same and thereafter to submit an executed copy of this resolution, to the State Budget and Control Board, in Columbia, South Carolina.

Section 4. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved April 3, 1989.

ORANGEBURG COUNTY, SOUTH CAROLINA

By _____
Vernon Ott, Jr. Chairman of
County Council, Orangeburg
County, South Carolina

(SEAL)

ATTEST:

_____
Gary A. Smoak, County Administrator
Orangeburg County, South Carolina

11405

EXHIBIT

APR 11 1989 NO. 14(c)

STATE BUDGET & CONTROL BOARD

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT BY AND BETWEEN ORANGEBURG COUNTY, SOUTH CAROLINA AND METAL LEVE, INC. WHEREBY, UNDER CERTAIN CONDITIONS, ORANGEBURG COUNTY WILL ISSUE NOT EXCEEDING TEN MILLION DOLLARS ($10,000,000) INDUSTRIAL DEVELOPMENT REVENUE BONDS OR NOTES.

WHEREAS, Orangeburg County, South Carolina (the "County") acting by and through its County Council (the "County Council"), is authorized and empowered under and pursuant to the provisions of Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended, (the "Act") to acquire, or cause to be acquired, properties (which such properties constitute "projects" as defined in the Act) and to enter into agreements with any industry to construct, operate, maintain and improve such projects; to enter into financing agreements with respect to such projects; to issue revenue bonds to defray the costs of such projects; and to accept any grants for such projects through which powers the industrial development of the State of South Carolina will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State of South Carolina and thus utilize and employ the manpower, agricultural products and natural resources of the State; and

WHEREAS, the County is authorized by the Act to issue revenue bonds, as defined in the Act to include notes, payable solely out of the revenues derived from a financing agreement with respect to such project and may further be secured by a pledge of said revenues, a trust indenture or indenture covering all or any part of such project, and a pledge of any financing agreement with respect to such project; and

WHEREAS, Metal Leve, Inc., a Texas corporation (the "Corporation"), has requested the County to issue not exceeding $10,000,000 of its Industrial Development Revenue Bonds or Notes (Metal Leve, Inc. Project) pursuant to the Act for the purpose of defraying the cost of acquiring by lease and/or purchase land, a building or buildings and other improvements and all machinery, apparatus, equipment, office facilities and furnishings to be installed therein, for the purpose of manufacturing pistons for diesel engines, constituting an industrial facility (the "Project"), all as more fully set forth in the Inducement Agreement attached hereto; and

WHEREAS, the County has determined on the basis of the information supplied to it by the Corporation that the Project would be a "project" as that term is defined in the Act and that the Project would subserve the purposes of the Act.

NOW, THEREFORE, BE IT RESOLVED, by the County Council as follows:

Section 1. Pursuant to the authority of the Act and subject to the approval by the State Budget and Control Board, and for the purpose of defraying a portion of the cost (as defined in the Act) of acquiring the Project, there is hereby authorized to be issued revenue bonds or notes of the County in the principal amount of not exceeding Ten Million Dollars ($10,000,000) to be designated "Orangeburg County, South Carolina, Industrial Development Revenue Bonds or Notes (Metal Leve, Inc. Project)" (the "Bonds").

Section 2. The provisions, terms and conditions of the financing agreement by and between the County and the Corporation, the provisions, terms and conditions of the trust indenture or indenture by and between the County and the Trustee or Bondholder, yet to be named, and the form, details, rate or rates of interest, maturity and redemption provisions, if any, of the Bonds shall be prescribed by subsequent resolution or ordinance of the County Council.

Section 3. The Chairman of the County Council is hereby authorized and directed to execute the Inducement Agreement attached hereto in the name and on behalf of the County, and the Clerk of the County Council is hereby authorized and directed to affix thereto the seal of the County Council and to attest the same; and the Chairman of the County Council is hereby further authorized and directed to deliver said executed Inducement Agreement to the Corporation.

Section 4. Prior to the issuance of any Bonds, the County Council will comply with the provisions of the Home Rule Act regarding the procedural requirements for adopting ordinances and resolutions.

Section 5. All orders, resolutions, and parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This resolution shall take effect and be in full force from and after its passage by the County Council.

Section 6. It is the intention of the County Council that this resolution shall constitute an official action on the part of the County within the meaning of the applicable regulations of the United States Treasury Department relating to the issuance of industrial revenue bonds.

Done in meeting duly assembled on the 31st day of October, 1988.

ORANGEBURG OUNTY, SOUTH CAROLINA

By: _____
Vernon Ott, Jr., Chairman
County Council of Orangeburg
County, South Carolina

(SEAL)

ATTEST:

By: Susan L. Matthews
Susan L. Matthews, Clerk
County Council of
Orangeburg County, South Carolina

EXHIBIT NO. 14(c)
APR 11 1989
STATE BUDGET & CONTROL BOARD

A RESOLUTION APPROVING THE ISSUANCE BY ORANGEBURG COUNTY, SOUTH CAROLINA, OF NOT EXCEEDING $10,000,000 AGGREGATE PRINCIPAL AMOUNT INDUSTRIAL DEVELOPMENT REVENUE BONDS (METAL LEVE, INC. PROJECT) 1989, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED.

WHEREAS, the County Council of Orangeburg County, South Carolina (the "Governing Board") has heretofore, by submitting a petition (the "Petition"), under and pursuant to the provisions of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended, (the "Act") requested the approval by the State Budget and Control Board of the issuance by Orangeburg County (the "County") pursuant to the Act of its Industrial Development Revenue Bonds (Metal Leve, Inc. Project) in the aggregate principal amount of not exceeding $10,000,000 (the "Bonds"); and

WHEREAS, the County proposes to issue the Bonds for the purpose of defraying the cost of acquiring, by construction and purchase certain land, a building or buildings and other improvements thereon, and all machinery, apparatus, equipment, office facilities and furnishings to be installed therein (the "Project") to be used for the purpose of manufacturing pistons for diesel engines; and

WHEREAS, the Project is to be made available to Metal Leve, Inc., a Texas corporation qualified to do business in South Carolina, (the "Corporation") upon terms which require the Corporation to make payments to or for the account of the County in amounts sufficient to pay the principal, premium, if any, and interest on the Bonds and which secure the obligation of the Corporation by a mortgage and security interest in the Project; and

WHEREAS, the Bonds will be payable from and secured by an assignment of the obligations of the Corporation and the mortgage and security interest in the Project; and

WHEREAS, the County has submitted with the Petition (i) an Inducement Resolution of the County executed by the Governing Board on October 31, 1988 and (ii) a copy of a resolution and petition adopted by the County on April 3, 1989, and this Board has reviewed and considered each of said documents in its consideration of said Petition by the County;

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

Section 1. The Board has made an independent investigation of the matters set forth in the Petition, and

on the basis of such investigation it is hereby found, determined and declared:

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 4-29-140 of the Act; and

(c) The Project subject of the Petition of the Governing Board is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

Section 2. In consequence of the foregoing, the proposal of the County to defray the cost of acquiring the Project, to make the Project available to the Corporation, to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Bonds, in substantially the form set forth in the Indenture, secured by an assignment of the revenues to be derived from the Financing Agreement and by a Letter of Credit issued by The First National Bank of Boston, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the Orangeburg County Council and the Corporation, and do not make inaccurate, except as to dates and amounts, the summaries of the Financing Agreement and the Indenture and the description of the Project.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in the The State Newspaper and the Orangeburg Times and Democrat, newspapers having general circulation in Orangeburg County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution shall take effect immediately.

EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS
OF SOUTH CAROLINA CODE ANNOTATED,
TITLE 4, CHAPTER 29
(1976), AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended, (the "Act") that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Orangeburg County, South Carolina, has given its approval to the following undertaking by Orangeburg County, South Carolina:

The issuance by Orangeburg County of its Industrial Development Revenue Bonds (Metal Leve, Inc. Project) in the aggregate principal amount of not exceeding $10,000,000 (the "Bonds"), to defray the costs of acquiring, by construction and purchase certain land, a building or buildings and other improvements thereon, and all machinery, apparatus, equipment, office facilities and furnishings to be installed therein, to be owned and operated by Metal Leve, Inc., a Texas corporation qualified to do business in South Carolina, as an industrial facility for the purpose of manufacturing pistons for diesel engines (the "Project") to be located in Orangeburg County . The Project will be made available to Metal Leve, Inc. which will unconditionally covenant to make payments sufficient to pay the principal, premium, if any, and interest on the Bonds. The Bonds will be payable by Orangeburg County solely and exclusively out of payments to be made by Metal Leve, Inc. for the use of the Project, and are to be additionally secured by a Letter of Credit issued by The First National Bank of Boston.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Project and the issuance of the Bonds by Orangeburg County to defray the cost thereof, by action de novo instituted in the Circuit Court for Orangeburg County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, Secretary

Dated: April 11, 1989.

11411

TRANSMITTAL FORM, REVENUE BONDS

Date: April 5, 1989

Submitted for BCB Meeting on: April 11, 1989

FROM:
McNair Law Firm, P. A.
Name of Law Firm
Columbia, South Carolina 29201
City, State, Zip Code

RE: $10,000,000
Amount of Issue
Orangeburg County, South Carolina
Issuing Authority Name

EXHIBIT NO. 14(c)
APR 11 1989
STATE BUDGET & CONTROL BOARD

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

1301 Gervais Street, NCNB Towers
Street Address/Box Number
(803) 799-9800
Telephone Area Code and Number

Industrial Development Revenue Bonds
Type of Bonds or Notes
about May 15, 1989
Projected Issue Date

Project Name: Metal Leve, Inc.
Project Description:
Manufacturing pistons for diesel engines

Employment as result of project: 80

CEILING ALLOCATION REQUIRED	REFUNDING INVOLVED	PROJECT APPROVED PREVIOUSLY
X Yes ($ 10,000,000) Amount ___ No	___ Yes ($) Amount x No	___ Yes ( ) Date x No

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)
Credit Enhancement
(Purchaser: Letter of Credit Bank First National Bank of Boston)

OR ___ Audited financial statements for three most recent years

E. NA Department of Health and Environmental Control certificate IF REQUIRED

F. X Budget and Control Board Resolution and Public Notice (original)
[Plus 10 copies for certification and return to counsel]

G. X* Processing fee
Amount $ 3,000.00 Check No. ___
Payor Metal Leve, Inc.

Bond Counsel: April C. Lucas
Typed Name

By: April C. Lucas
Signature

*Will be forwarded to you later this week

APR 5 1989
12:56 pm

OED 1/86

11412

APR 11 1989
9:35 A.M.

McNAIR LAW FIRM, P. A.
ATTORNEYS AND COUNSELORS AT LAW
NCNB TOWER
1301 GERVAIS STREET
POST OFFICE BOX 11390
COLUMBIA, SOUTH CAROLINA 29211
803-799-9800
TELECOPIER 803-799-9804

CHARLESTON OFFICE
140 EAST BAY STREET
POST OFFICE BOX 1431
CHARLESTON, S.C. 29402
803-723-7831

GEORGETOWN OFFICE
1112 HIGHMARKET STREET
POST OFFICE DRAWER 459
GEORGETOWN, S.C. 29442
803-546-6131

GEORGETOWN OFFICE
121 SCREVEN STREET
POST OFFICE DRAWER 418
GEORGETOWN, S.C. 29442
803-546-6102

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

HILTON HEAD ISLAND OFFICE
McNAIR LAW BUILDING
10 POPE AVENUE EXECUTIVE PARK
POST OFFICE DRAWER 7787
HILTON HEAD ISLAND, S.C. 29938
803-785-5169

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

April 11, 1989

(Via Courier)

William A. McInnis
Wade Hampton Building
6th Floor
Columbia, South Carolina

RE: $9,000,000 Fairfield County, South Carolina Industrial Development Revenue Bonds (Fuji Copian Corportion Project)

Dear Bill:

This is to advise you that the company and the Bank of Boston which will issue the letter of credit for the above-captioned transaction have agreed to a more accurate amount for the bonds. Accordingly, we hereby reduce our request for approval to not exceeding $7,500,000. We will forward to you a revised Resolution of the Budget and Control Board in the new amount as soon as possible.

Sincerely,

April C. Lucas (csb)

April C. Lucas

ACL:csb

Enclosure: 1

11413

EXHIBIT

APR 11 1989 NO. 14 (c)

STATE OF SOUTH CAROLINA
STATE BUDGET AND CONTROL BOARD
Standard Form Credit Enhancement Letter

STATE BUDGET & CONTROL BOARD

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

RE: Sale by Orangeburg County, South Carolina (the "Issuer")
Of its ~~$10,000,000~~ $7,500,000 WBD Industrial Development Revenue Bonds (the "Bonds")
On behalf of Metal Leve, Inc. (the "Company")
(the "Project")
Credit Enhancement Provided by The First National Bank of Boston
(the "Bank")

The Bank has agreed to issue a non-revocable Letter of Credit in favor of a Trustee to be named with respect to the issuance of the bonds on behalf of the Company. In connection with the referenced sale of Bonds by the Issuer, the Bank makes the following representations and certifications:

1. The Bank 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 Bank is financially able to bear the economic risk of its proposed investment in the Bonds for an indefinite period;

3. The Bank 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 credit enhancement with respect to the Bonds;

4. The Bank 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

SWORN to and subscribed
before me this 10 day
of April, 1989.

Notary Public

My Commission expires
1/4/91.

Bank: THE FIRST NATIONAL BANK OF BOSTON
Auth. Official: WILLIAM A FLEMER
Title: VICE PRESIDENT
Address: 100 FEDERAL ST.
BOSTON MA 02110

BY: William A Flemer
Signature of Authorized Official

DATE: 4/10/89

11414

TOTAL P.03

EXHIBIT

APR 11 1989 NO. 14 (c)

STATE BUDGET & CONTROL BOARD

McNAIR LAW FIRM, P. A.
ATTORNEYS AND COUNSELORS AT LAW
NCNB TOWER
1301 GERVAIS STREET
POST OFFICE BOX 11390
COLUMBIA, SOUTH CAROLINA 29211
803-799-9800
TELECOPIER 803-799-9804

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140 EAST BAY STREET
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CHARLESTON, S.C. 29402
803-723-7831

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803-546-6131

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GEORGETOWN, S.C. 29442
803-546-6102

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803-271-4940

HILTON HEAD ISLAND OFFICE
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10 POPE AVENUE EXECUTIVE PARK
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HILTON HEAD ISLAND, S.C. 29938
803-785-5169

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

April 25, 1989

Ms. Donna Williams
State Budget and Control Board
Wade Hampton Office Building, 6th Floor
Columbia, South Carolina 29201

Re: $7,500,000 Orangeburg County, South Carolina Industrial Development Revenue Bonds (Metal Leve, Inc. Project)

Dear Donna:

In accordance with our telephone conversation last week, I am enclosing the original Credit Enhancement Letter in connection with the above-captioned project which was approved by the State Budget and Control Board at their meeting on April 11, 1989.

Yours very truly,

Barbara

Barbara C. Streett
Paralegal, Bond Department

/bcs

Enclosure

11415

APR 21 1989

McNAIR LAW FIRM, P. A.
ATTORNEYS AND COUNSELORS AT LAW
NCNB TOWER
1301 GERVAIS STREET
POST OFFICE BOX 11390
COLUMBIA, SOUTH CAROLINA 29211
803-799-9800
TELECOPIER 803-799-9804

CHARLESTON OFFICE
140 EAST BAY STREET
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803-546-6131

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803-546-6102

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GREENVILLE, S.C. 29601
803-271-4940

HILTON HEAD ISLAND OFFICE
McNAIR LAW BUILDING
10 POPE AVENUE EXECUTIVE PARK
POST OFFICE DRAWER 7787
HILTON HEAD ISLAND, S.C. 29938
803-785-5169

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

April 21, 1989

Ms. Donna Williams
State Budget and Control Board
Wade Hampton Office Building, 6th Floor
Columbia, South Carolina 29201

Re: $7,500,000 Orangeburg County, South Carolina Industrial Development Revenue Bonds (Metal Leve, Inc. Project), Series 1989

Dear Donna:

Enclosed please find the original and ten copies of the revised Resolution Approving the Issuance in the amount of $7,500,000 for the above-captioned issue to replace the one you now have for $10,000,000. This project received conditional approval on April 11 in the amount of $7,500,000.

Yours very truly,

April C. Lucas

April C. Lucas

ACL/bcs

Enclosures

11416

APR - 6 1989
4:20 P.M.

McNAIR LAW FIRM, P. A.
ATTORNEYS AND COUNSELORS AT LAW
NCNB TOWER
1301 GERVAIS STREET
POST OFFICE BOX 11390
COLUMBIA, SOUTH CAROLINA 29211
803-799-9800
TELECOPIER 803-799-9804

CHARLESTON OFFICE
140 EAST BAY STREET
POST OFFICE BOX 1431
CHARLESTON, S.C. 29402
803-723-7831

GEORGETOWN OFFICE
1112 HIGHMARKET STREET
POST OFFICE DRAWER 459
GEORGETOWN, S.C. 29442
803-546-6131

GEORGETOWN OFFICE
121 SCREVEN STREET
POST OFFICE DRAWER 418
GEORGETOWN, S.C. 29442
803-546-6102

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

HILTON HEAD ISLAND OFFICE
McNAIR LAW BUILDING
10 POPE AVENUE EXECUTIVE PARK
POST OFFICE DRAWER 7787
HILTON HEAD ISLAND, S.C. 29938
803-785-5169

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

April 6, 1989

Ms. Donna Williams
State Budget and Control Board
6th Floor, Wade Hampton Office Building
Columbia, South Carolina 29201

Re: $10,000,000 Orangeburg County, South Carolina Industrial Development Revenue Bonds (Metal Leve, Inc. Project)

Dear Donna:

Yesterday we submitted the captioned package to you for the April 11 meeting. We now have the following signed documents which we would appreciate your inserting into the package in lieu of the unsigned documents sent to you:

1. The original and two copies of the signed Petition; and

2. A copy of the Resolution.

Also enclosed is check number 1965 from Metal Leve Inc. in the amount of $3,000.00. As soon as we receive the signed Credit Enhancement Letter, we will forward it to you.

Thank you.

Yours very truly,

Barbara

Barbara C. Streett
Paralegal, Bond Department

/bcs

Enclosures

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