

MINUTES OF
Budget and
Control Board
Meeting
June 28, 1983

State of South Carolina
State Budget and Control Board

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



Box 12444
Columbia
29211

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

WILLIAM T. PUTNAM
EXECUTIVE DIRECTOR

June 29, 1983

MEMORANDUM

TO: Budget and Control Board Division Directors

FROM: William A. McInnis, Secretary *WAM*

SUBJECT: Summary of Budget and Control Board Actions at June 28, 1983 Meeting

The following is a summary of actions taken by the Budget and Control Board at the referenced meeting:

1. Approved the following proposals to issue industrial revenue bonds on the condition that the required reviews by the Attorney General's Office and the State Auditor's Office are completed with satisfactory results: (a) Bamberg County, not to exceed \$10,000,000 on behalf of the Southern Bleachery and Printworks, Inc., project; and (b) Richland County, \$1,600,000 on behalf of the R.E.M. Investments project;
2. Received as information the State Auditor's required report on the Appropriations Bill through the Governor's signature for the final report on the 1983-84 Appropriations Act;
3. Received as information the State Personnel Division's monthly reduction-in-force report;
4. Received as information the activity report of the State Fire Marshal Division for the month of May, 1983;
5. Received as information interviewee travel expense payment reports by the Department of Mental Health and Francis Marion College;
6. Approved the following requests to transfer funds: (a) Mental Retardation, \$98,975 of "other" funds from classified positions to contractual services; (b) Mental Retardation, \$477,232 of "other" funds from classified positions and employer contributions to contractual services and supplies; (c) Mental Retardation, \$200,000 of "other" funds from classified positions to contractual services; (d) Legislative Audit Council, \$14,000 of general fund monies from personal services to equipment; (e) Youth Services, \$65,669 of "other" funds

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Summary of Budget and Control Board Actions
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from personal service to equipment; (f) Executive Director's Office, \$9,000 from classified positions to other operating expenses; (g) Foster Care Review Board, \$3,001.45 from classified positions and employer contributions to equipment; and (h) Industrial Commission, \$8,663.33 from personal services to equipment;

7. Carried over a Winthrop College request for approval to reduce tuition fees for in-state and out-of-state students from \$150 to \$50 and from \$400 to \$100, respectively;

8. Provided consultation to the Joint Bond Review Committee on the establishment of funding priority and the release of projects in Priority Group 3; as required by Section 4-A of Act 179 of 1981, involving 31 projects and a total of \$12,099,839;

9. Approved the following permanent improvement project actions following their favorable review by the Joint Bond Review Committee: (a) on Summary 48-83, item 5, Clemson University, establishment of the Edisto Station office and laboratory building project and the use of \$320,000 of land and timber settlement account funds to finance it; (b) Mental Retardation, addition of \$469,200 of excess paying patient fee debt service funds to the Whitten Center renovation of Med B and Building 9 project; (c) on Summary 48-83, item 10, Mental Retardation, addition of \$800,000 of excess paying patient fee debt service funds to the Pee Dee support facility and activity program facility projects; (d) on Summary 48-83, item 11, PRT, establishment of the Lake Wateree Park development project and the use of \$111,071.04 of federal funds, \$403,164.56 of funds derived from the I-77 land trade sale, and \$439,236 of land and water conservation funds; and (e) on Summary 51-83, item 21, Vocational Rehabilitation, the addition of \$336,576 of other funds received from counties and local workshop boards to the budget of the vocational rehabilitation state office building project to bring the project budget to \$1,336,576;

10. Received as information a report from Commissioner Leeke on the safe and reasonable inmate capacity of the facilities operated by the Department of Corrections in accordance with the requirements of the Prison Overcrowding Powers Act;

11. Carried over consideration of the compensation plan proposed by the State Board for Technical and Comprehensive Education for unclassified positions;

12. Was advised that staff would have a recommendation on charges to be made for the use of state-owned autos and state-owned housing for consideration at the next meeting;

13. Approved the certification of the State Personnel Division for the next solicitation of insurance contracts, upon the recommendation of the Division of General Services;

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14. Authorized the Insurance Reserve Fund to procure aircraft insurance for state-owned or operated aircraft;
15. Approved the transfer of 16 full-time equivalent positions from the Governor's Office Energy Division to Clemson University along with the transfer of the funds for the operation of that Division, upon the recommendation of the Joint Legislative Committee on Personal Service Financing and Budgeting;
16. Approved the transfer of 640 acres of property determined to be surplus to the needs of the Department of Mental Health to the South Carolina Research Authority; and, on the condition that appropriate conditions are placed in the documents transferring the property providing for Budget and Control Board approval of the disposition of proceeds resulting from any sale or use of this property, approved the transfer of approximately 73 acres of property located at the intersection of Parklane Road and I-277 to the South Carolina Research Authority;
17. Announced formally the promotion of T. M. Copeland to a position of Deputy Executive Director of the Budget and Control Board and the appointment of Tony R. Ellis as Director of the Division of General Services and of the appointment of Ted Lightle as Director of the Division of Information Resource Management;
- 17A. Agreed that the State Personnel Division should immediately advise all agencies of the new requirement in Section 153 of the 1983-84 Appropriations Act that preference is to be given to qualified South Carolina residents in filling vacant or new positions;
18. Agreed to hold its next regular meeting at 10:00 A. M. on July 12, 1983, in the Governor's conference room;
19. Approved a request by the Wil Lou Gray Opportunity School that employee Alma Grooms be continued in service for one additional year past the age of 70;
20. Received information on a contractual matter still under negotiation and adopted a general policy on procurement methodology;
21. Approved a request by the Employment Security Commission that Ms. Mary L. Parrish be continued in service through the fiscal year ending June 30, 1984; and
22. Ratified the actions taken during executive session.

WAM:dw

025762

MINUTES OF BUDGET AND CONTROL BOARD MEETING

JUNE 28, 1983 9:30 A. M.

The State Budget and Control Board met at 9:30 A. M. on Tuesday, June 28, 1983, at the Lacey House with the following members in attendance:

Governor Richard W. Riley
Mr. Grady L. Patterson, Jr.
Mr. Earle E. Morris, Jr.
Senator Rembert C. Dennis
Representative Tom G. Mangum

Also attending were Executive Director W. T. Putnam; Board Secretary William A. McInnis; Governor's Executive Assistant Katherine M. Clarke; Deputy Attorney General Frank K. Sloan; and staff members of the various Board divisions.

BLUE AGENDA - Board members agreed to add to the blue agenda a Richland County proposal to issue industrial revenue bonds and were advised that the required reviews had not yet been completed. Board members were also advised that the reviews required in connection with blue agenda item 1, a Bamberg County proposal to issue industrial revenue bonds, had not yet been completed.

Upon a motion by Mr. Patterson, seconded by Representative Mangum, the Budget and Control Board gave conditional approval to blue agenda items 1 and 6, relating to county proposals to issue industrial revenue bonds, and approved all other items on the blue agenda.

Blue agenda items are identified as such in these minutes.

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INDUSTRIAL REVENUE BONDS (BLUE AGENDA #1 AND #6) - Upon a motion by Mr. Patterson, seconded by Representative Mangum, the Budget and Control Board approved the following county proposals to issue industrial revenue bonds, on the condition that the required reviews by the Attorney General's Office and the State Auditor's Office are completed with satisfactory results: (a) Bamberg County, not to exceed \$10,000,000 on behalf of the Southern Bleachery and Printworks, Inc., project; and (b) Richland County, \$1,600,000 on behalf of the R.E.M. Investments project.

Information relating to this matter has been retained in these files and is identified as Exhibits 1 and 2, respectively.

FINANCE DIVISION - STATE AUDITOR'S REQUIRED REPORT ON APPROPRIATIONS BILL (BLUE AGENDA #2) - The Budget and Control Board received as information the State Auditor's required report on the Appropriations Bill through the Governor's signature for the final report on the 1983-84 Appropriations Act.

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

PERSONNEL DIVISION - MONTHLY REDUCTION-IN-FORCE REPORT (BLUE AGENDA #3) - The Board received as information the State Personnel Division's monthly reduction-in-force report for May, 1983.

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

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STATE FIRE MARSHAL - ACTIVITY REPORT FOR MAY 1983 (BLUE AGENDA #4) - The Budget and Control Board received as information the activity report of the State Fire Marshal Division for the month of May, 1983.

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

OFFICE OF EXECUTIVE DIRECTOR - INTERVIEWEE TRAVEL EXPENSE PAYMENTS (BLUE AGENDA #5) - The Budget and Control Board received as information interviewee travel expense payment reports by the Department of Mental Health and Francis Marion College.

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

FINANCE DIVISION - TRANSFER REQUESTS - State Auditor Edgar A. Vaughn presented the transfer requests and noted that, with regard to requests by the Department of Mental Retardation, he had had no further contact with Senator Taylor since the last meeting although he had gotten the impression prior to that time that Senator Taylor was dropping his concern about these particular transfer requests. Mr. Vaughn recommended approval of the Mental Retardation transfer requests.

Following a brief discussion, upon a motion by Senator Dennis, seconded by Representative Mangum, the Board approved the following transfer requests by the Department of Mental Retardation: (a) \$98,975 of "other" funds from classified positions to contractual services; (b) \$477,232 of "other" funds from classified positions and employer contributions to contractual services and supplies; and (c) \$200,000 of "other" funds from classified positions to contractual services.

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State Auditor Vaughn then pointed out that the remaining transfer requests involve the policy issue of whether or not the Board will approve the transfer of personal service funds to support the acquisition of equipment and that in normal times he would have recommended approval of these rather modest requests. He also indicated that some 25 to 30 other transfer requests had been turned down by his office.

Following this discussion, upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board approved the following transfers: (d) Legislative Audit Council, \$14,000 of general fund monies from personal services to equipment; (e) Youth Services, \$65,669 of "other" funds from personal service to equipment; (f) Executive Director's Office, \$9,000 from classified positions to other operating expenses; (g) Foster Care Review Board, \$3,001.45 from classified positions and employer contributions to equipment; and (h) Industrial Commission, \$8,663.33 from personal service to equipment.

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

WINTHROP COLLEGE - INSTITUTION BOND TUITION FEE REDUCTION - In response to a general inquiry sent to the agencies and institutions involved at the Board's direction, Interim President Glenn Thomas of Winthrop College advised that the Winthrop College Board of Trustees at its April 23 meeting reduced tuition fees for in-state students from \$150 to \$50 and reduced tuition fees for out-of-state students from \$400 to \$100 and he asked that these 1983-84 tuition fees be approved by the Budget and Control Board.

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President Thomas, by letter, further indicated that the proposed tuition fee structure for 1983-84 is expected to generate \$238,000 which the State Treasurer's Office has found to be adequate to cover future debt payments on the institution bond currently outstanding. The principal and interest due on these bonds in 1983-84 is \$115,125.

President Thomas further advised that, in approving the reduced level of tuition fees, Winthrop acknowledged to students that the higher tuition fees were no longer justifiable in view of existing debt and the absence of plans for incurring additional debt in the next several years.

Mr. Putnam pointed out that staff's understanding was that this action resulted in a fee reduction to students and he questioned how Winthrop would be able to deal with its renovation and repair requirements. He pointed out that the approach proposed by Winthrop appears to be different from what has been approved by the Board at The Citadel and at Clemson in that no revenue is proposed for reallocation to another purpose and no revenue is being retained for use on building maintenance and renovation projects.

Following a brief discussion, upon a motion by Representative Mangum, seconded by Mr. Patterson, the Board carried over the Winthrop College request for approval of the 1983-84 tuition fee schedule for institution bond debt service purposes and directed that staff pursue the related questions with officials of that institution.

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

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JOINT BOND REVIEW COMMITTEE - PRIORITY GROUP 3 - Mr. Putnam distributed a slightly revised handout listing projects included in Priority Group 3 as approved by the Joint Bond Review Committee. The list distributed by Mr. Putnam included one additional project which involved an additional \$39,900 more than the amount in the materials distributed previously to Board members. A total of 31 new-start projects were included and they involved a total of \$12,476,636 of Capital Improvement Bond funds.

Following a brief discussion, upon a motion by Senator Dennis, seconded by Mr. Morris and Mr. Patterson, the Board provided the consultation to the Joint Bond Review Committee on the establishment of funding priority and the release of projects in Priority Group 3, as required by Section 4A of Act 179 of 1981, involving 31 projects and a total of \$12,476,636 of Capital Improvement Bond funds and thereby approved the establishment and release of the projects involved.

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

JOINT BOND REVIEW COMMITTEE - PERMANENT IMPROVEMENT PROJECT ACTIONS - Upon a motion by Mr. Patterson, seconded by Representative Mangum, the Board approved the following permanent improvement project actions, after having been advised that they had been reviewed favorably by the Joint Bond Review Committee: (a) on Summary 48-83, item 5, a Clemson University proposal to establish the Edisto Station office and laboratory building project and to use \$320,000 of land and timber settlement account funds to finance it;

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(b) Mental Retardation, the addition of \$469,200 of excess paying patient fee debt service funds to the Whitten Center renovation of Med B and Building 9 project; (c) on Summary 48-83, item 10, a Department of Mental Retardation request to add \$800,000 of excess paying patient fee debt service funds to the Pee Dee support facility and activity program facility project; (d) on Summary 48-83, item 11, a Parks, Recreation and Tourism proposal to establish the Lake Wateree Park development project and the use of \$111,071.04 of federal funds, \$403,164.56 of funds derived from the I-77 land trade sale, and \$439,236 of land and water conservation funds to finance it; and (e) on Summary 51-83, item 21, a request by Vocational Rehabilitation to add \$336,576 of other funds received from counties and local workshop boards to the budget of the Vocational Rehabilitation State Office Building project to bring that budget to a total of \$1,336,576.

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

DEPARTMENT OF CORRECTIONS - SAFE AND REASONABLE CAPACITY OF PRISON SYSTEM -
Mr. Putnam advised the Board that the staff committee authorized by the Board has been organized and is reviewing the information developed by the Board of Corrections. He indicated that he expects to have a final report from that group in time for the July 12 meeting and noted that the Board has until July 16 to respond under the law.

He noted that Corrections Commissioner Leeke has forwarded a statement on the operating capacity of the prison system as certified by the State Board of Corrections which indicates that the operating capacity of the prison system

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will be 7,630 as of July 1, 1983 and that this figure was developed by his agency after considering the size of each facility, its age, the character of the inmates housed, and the support services available.

Following a brief discussion, the Board received as information the report from Commissioner Leeke on the safe and reasonable inmate capacity of the facilities operated by the Department of Corrections in accordance with the requirements of the Prison Overcrowding Powers Act.

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

PERSONNEL DIVISION - TECHNICAL AND COMPREHENSIVE EDUCATION COMPENSATION
PLAN FOR UNCLASSIFIED POSITIONS - State Personnel Division Director Mullins advised the Board that the proposed Technical and Comprehensive Education plan had been reviewed by the subcommittee and suggested that the Board carry over its consideration of the portions relating to the institutional officers.

Following a brief discussion, upon a motion by Representative Mangum, seconded by Mr. Patterson, the Board carried over its consideration of the entire compensation plan proposed by the State Board for Technical and Comprehensive Education for unclassified positions.

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

EXECUTIVE DIRECTOR'S OFFICE - CHARGE FOR USE OF STATE-OWNED AUTOS AND HOUSING - Executive Director Putnam advised the Board that he expects that staff will have a recommendation on handling the charges to be made for the use of state-owned vehicles and state-owned housing for consideration at the next meeting.

025770

Mr. Morris expressed concern about the additional paperwork involved in meeting the various reporting requirements and noted that for now his office apparently will have to identify manually payments made for midday meals.

Governor Riley urged that staff discuss approaches to this problem with the Internal Revenue Service in order to keep the man-hours involved to a reasonable minimum.

GENERAL SERVICES - PROCUREMENT CERTIFICATION, STATE PERSONNEL DIVISION -

The Division of General Services recommended that certification be granted to the State Personnel Division for the next solicitation of insurance contracts. Mr. Putnam noted that the Board had asked that Dr. Mullins utilize the best expertise in the Board and a task force approach to these solicitations.

Following a brief discussion, upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved the certification of the State Personnel Division for the next solicitation of insurance contracts, upon the recommendation of the Division of General Services.

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

GENERAL SERVICES - INSURANCE FOR STATE AIRCRAFT - Mr. Putnam advised the Board that the Division of General Services has for years been providing insurance coverage on aircraft owned and operated by state agencies although it is now been pointed out that no specific authority for providing that insurance is provided. He asked that the Board formally authorize the procurement of aircraft insurance by the Insurance Reserve Fund.

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Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board authorized the Insurance Reserve Fund to procure aircraft insurance for state-owned or state-operated aircraft.

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

FINANCE DIVISION - TRANSFER OF POSITIONS FROM GOVERNOR'S OFFICE TO CLEMSON UNIVERSITY - The Finance Division advised that the Governor's Office has signed an agreement with Clemson University to transfer the Energy Division to Clemson University effective July 1, 1983. Sixteen full-time equivalent positions (two state-funded and fourteen federally-funded) are involved. The Board was advised also that the transfer includes the transfer of funds for the operation of the Energy Division.

The Joint Legislative Committee on Personal Service Financing and Budgeting recommended approval of this requested transfer.

Governor Riley noted that this shift is in the best interest of the state and that the effort had been a cooperative one between his office and Clemson. He pointed out that no new dollars and no new positions are involved and that the Governor's Office would retain a few policy people while transferring program staff.

Following this discussion, upon a motion by Senator Dennis, seconded by Mr. Patterson, the Board approved the transfer of sixteen full-time equivalent positions from the Governor's Office Energy Division to Clemson University along with the transfer of the funds for the operation of that Division, upon the recommendation of the Joint Legislative Committee on Personal Service Financing and Budgeting.

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

025772

REAL PROPERTY MANAGEMENT SECTION - PROPOSED TRANSFER OF PROPERTIES TO

RESEARCH AUTHORITY - The Board without objection agreed to add to the agenda of the present meeting its consideration of the transfer of certain properties located in the midlands area to the Research Authority.

Staff member Charles Small advised the Board that properties owned by the state under the jurisdiction of the Department of Mental Health involving approximately 640 acres and located generally in the I-277 and Farrow Road areas along with 73 other acres located on Parklane Road had been identified as possible Research Authority sites and that the transfer of both properties had been requested by the Research Authority. Mr. Small pointed out that the Board may not want to act finally on the Parklane Road property today in view of the prior assignment of approximately 30 acres of that tract to the State Board for Technical and Comprehensive Education.

Mr. Small pointed out that the Mental Health property is in three parcels including one containing approximately 325 acres, a second including approximately 260 acres and a third including about 55 acres.

Governor Riley noted that this possibility had been presented to the Research Authority at its meeting yesterday and that that Authority was very excited about all features of the Mental Health tracts. Governor Riley noted that all of the basic facilities including water, sewer, gas, etc., were present at that location. He also expressed the view that this site is superior to the previously-designated Research Authority site on Platt Springs Road because of its proximity to the Columbia Metropolitan Airport and subtle problems relating to aircraft noise and vibration.

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Mr. Small emphasized that the understanding with the Department of Mental Health is that the property proposed for transfer to the Research Authority would be used by that Authority or it would be assigned back to the Department of Mental Health.

Following this discussion, upon a motion by Mr. Morris, seconded by Representative Mangum, the Board approved the transfer of 640 acres of property determined to be surplus to the needs of the Department of Mental Health to the South Carolina Research Authority.

Following a discussion of the transfer of the 73 acres located on Parklane Road, in which Representative Mangum expressed some concern about deeding this property to the Research Authority rather than directly to the purchaser, the Board approved the transfer of approximately 73 acres of property located at the intersection of Parklane Road and I-277 to the South Carolina Research Authority, on the condition that appropriate conditions are placed in the documents transferring the property providing for Budget and Control Board approval of the disposition of proceeds resulting from any sale or use of this property.

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

EXECUTIVE DIRECTOR'S OFFICE - PERSONNEL APPOINTMENTS - Executive Director Putnam reminded the Board that, at its last meeting in executive session, it had appointed two staff persons to director positions and had promoted a third but that when these actions were ratified no press were present. It was the Board's desire to announce these appointments and the promotion in open session at this time.

025774

Mr. Putnam then announced that the Board had formally promoted T. M. Copeland to a position of Deputy Executive Director of the Board and had appointed Tony R. Ellis as Director of the Division of General Services and Ted Lightle as Director of the Division of Information Resource Management.

Board members received Mr. Putnam's statement as information and congratulated the staff members involved.

EXECUTIVE DIRECTOR'S OFFICE - ADVICE TO AGENCIES ON PREFERENCE IN FILLING VACANT OR NEW POSITIONS - Mr. Putnam called the Board's attention to a requirement included in the 1983-84 Appropriations Act that preference be given to qualified South Carolina residents in filling vacant or new positions. The provision requires the Budget and Control Board to make this requirement known to the agencies and the Board agreed that the State Personnel Division should immediately advise all agencies of this requirement in Section 153 of the 1983-84 Appropriations Act. The Board expressed no objection to that procedure.

FUTURE MEETING - The Board agreed to hold its next regular meeting at 10:00 A. M. on Tuesday, July 12, 1983, in the Governor's conference room.

[Secretary's Note: Senator Dennis pointed out that it had been reported that he did not support the policy adopted by the Board regarding the allocation of Civil Contingent Fund monies to schools or school-related organizations. He reminded Board members that he had in fact supported that policy.]

EXECUTIVE SESSION - Governor Riley declared the meeting to be in executive session for the purpose of considering one contractual matter and two personnel items.

RATIFICATION OF EXECUTIVE SESSION ACTIONS - Following the Board's consideration of executive session items, upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board ratified the following actions taken during executive session:

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(1) Approved a request by the Wil Lou Gray Opportunity School that employee Alma Grooms be continued in service for one additional year past the age of 70;

(2) Received information on a contractual matter still under negotiation and adopted a general policy on procurement methodology; and

(3) Approved a request by the Employment Security Commission that Ms. Mary L. Parrish be continued in service through the fiscal year ending June 30, 1984.

The regular business portion of this meeting was adjourned at approximately 11:30 a.m. This portion of the meeting was followed by a morning session devoted to launching the effort to prepare the operating budget for 1984-85. Following lunch at the mansion pool house, that preliminary session was continued into the mid-afternoon.

[Secretary's Note: In compliance with Section 9 of Act 593 of 1978 (the Freedom of Information Act), public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's press secretary in the State House and near the Board Secretary's office in the Wade Hampton Building at 8:30 A. M. on Monday, June 27, 1983.]

025776

PRESS

AGENDA 1984-85 BUDGET PERSPECTIVE

Lace House
June 28, 1983

TUESDAY, JUNE 28, 1983

11:00 - 11:15	Introduction	William T. Putnam
11:15 - 11:45	Economic Report	James A. Morris Andy Laurent
11:45 - 12:15	Federal Budget - FY 1984	Elmer Whitten
12:15 - 12:30	Personnel Issues	Jack Mullins
12:30 - 1:30	LUNCH	
1:30 - 2:15	Anticipated Budget Needs for FY 1984-85	Sam Griswold
2:15 - 2:45	Board Discussion on Major Budget Policy	Sam Griswold
2:45 - 3:00	Summary	William T. Putnam

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025778

AGENDA

ECONOMIC OUTLOOK - 1984-85

STATUS OF 1983-84 BUDGET

MAJOR BUDGET NEEDS - 1984-85

FEDERAL FUNDS

STATE PERSONNEL ISSUES

POLICY IMPLICATIONS

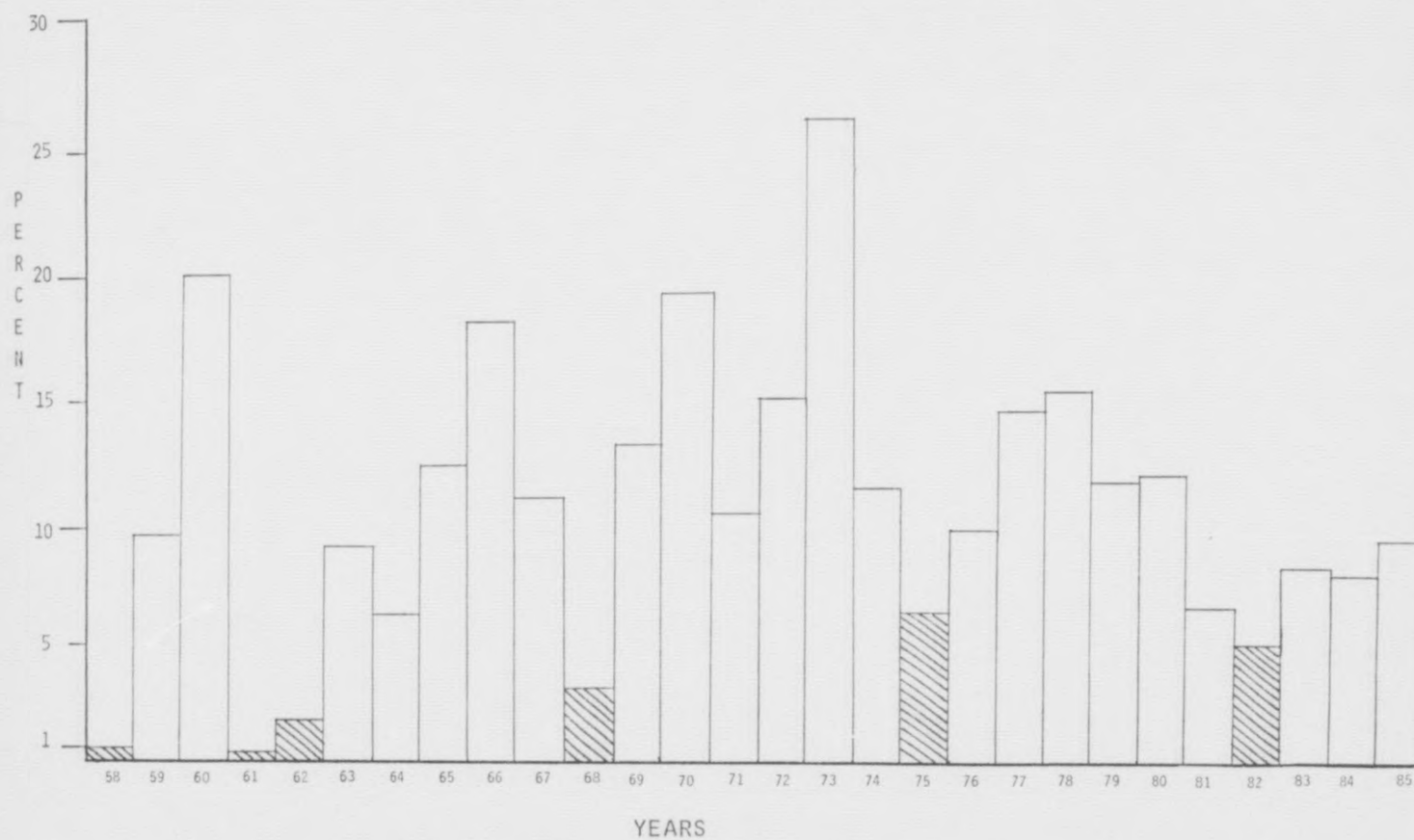
025779

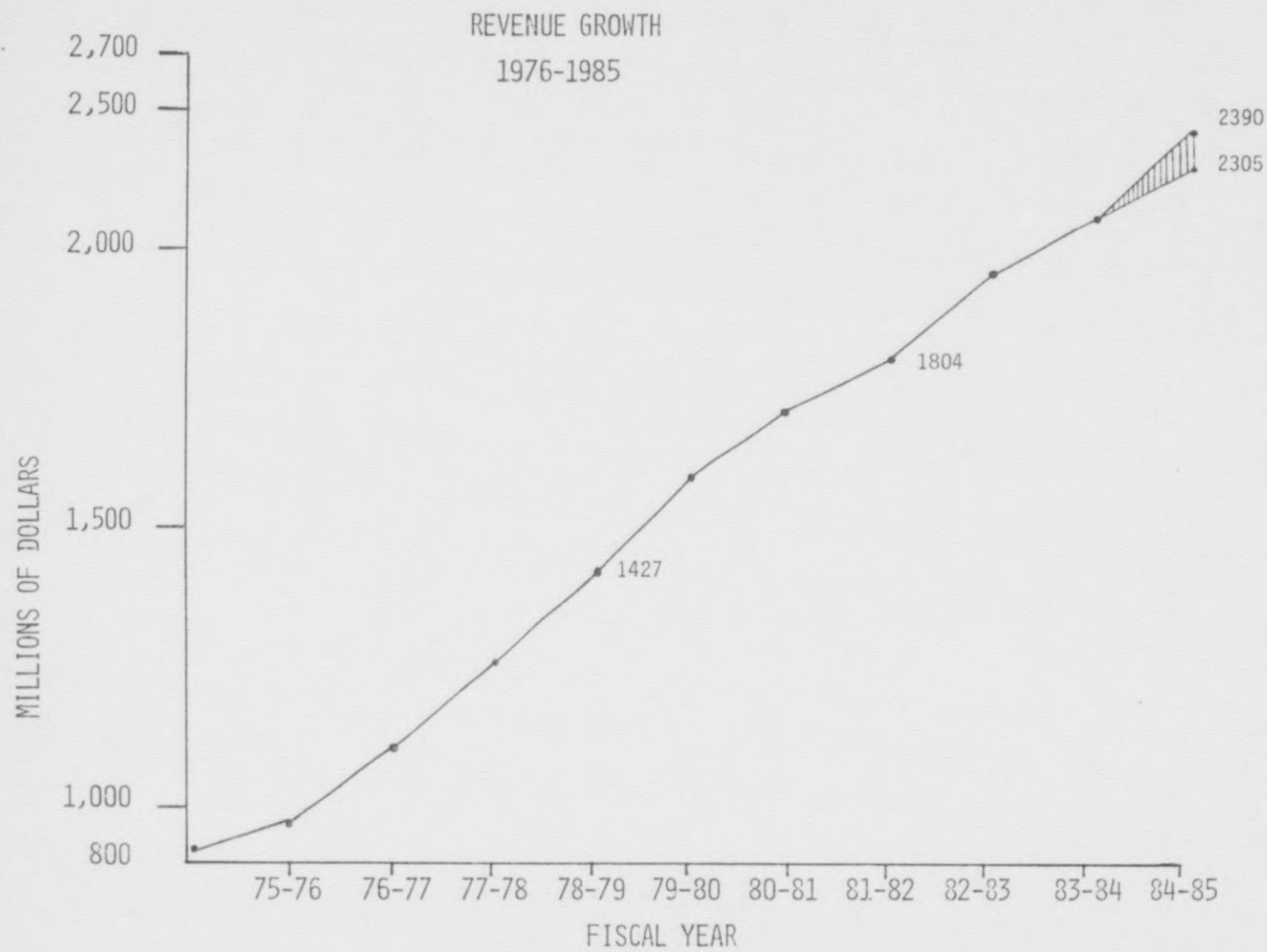
REVENUE GROWTH
1984-85



025780

REVENUE GROWTH RATE OVER PRIOR YEAR





025781

025782

TOTAL ESTIMATED REVENUE
(MILLIONS)

FY 1983-84 (CURRENT EST.)	\$ 2,134.5
* FY 1984-85 (9% GROWTH)	<u>2,326.6</u>
REVENUE ABOVE 1984 BASE	\$ 192.1

* SOURCE: DIV. OF RESEARCH AND STATISTICS

LIMITATION ON NUMBER OF STATE EMPLOYEES

FY 84-85

025783

GENERAL FUND FTE LIMIT	41,106
HOUSE BILL FY 1983-84 FTE EMPLOYEES	34,776
GROWTH ALLOWABLE	6,330 POSITIONS

SOURCE: STATE AUDITOR'S OFFICE

025784

STATUTORY SPENDING LIMITATION
PRELIMINARY ESTIMATE

(MILLIONS)

\$ 2,134.5	1983-84 ESTIMATED EXPENDITURE
X 1.085	PERSONAL INCOME GROWTH
<hr/>	
\$ 2,315.9	1984-85 SPENDING LIMIT

THREE YEAR AVERAGE PERSONAL INCOME GROWTH FOR CALENDAR
YEARS 1981, 1982, AND 1983.

SOURCE: DIV. OF RESEARCH AND STATISTICS

EXPENDITURE LIMITATION

	<u>84-85</u>	<u>85-86</u>
LIMIT (8,5% GROWTH CEILING)	2,315.9	2,461.9
REVENUE AT 9% GROWTH	<u>2,326.6</u>	<u>2,547.6</u>
REVENUE OVER LIMIT	(10.7)	(85.7)

SOURCE: DIV. OF RESEARCH AND STATISTICS

STATEWIDE ISSUES

FY 84-85

025786

DEBT SERVICE	\$ 20,781,000
AID TO SUBDIVISIONS (CURRENT LEVEL)	6,101,191
HEALTH INSURANCE PREMIUM INCREASE	6,582,775
OTHER EMPLOYEE BENEFITS/CONTRIBUTIONS	2,146,731
RESERVE FUND CONTRIBUTION	<u>39,306,000</u>
TOTAL	\$ 74,917,697

SOURCE: STATE AUDITOR'S OFFICE
DIV. OF RESEARCH AND STATISTICS

FY 84-85

AID TO SUBDIVISIONS

	<u>TOTAL</u>	<u>ADDITIONAL FUNDS</u>
1983-84 LEVEL	\$ 123,876,442	\$
TO MAINTAIN CURRENT LEVEL*	\$ 129,977,633	\$ 6,101,191
COMPLETE REMOVAL OF FREEZE	\$ 154,140,752	\$30,264,310

* CURRENT LEVEL = 68.18% REMOVAL OF FREEZE
1% REMOVAL = \$ 844,575

SOURCE: DIV. OF RESEARCH AND STATISTICS

EMPLOYEE BENEFITS INCREASES *

FY 84-85

025788

HEALTH INSURANCE

STATE EMPLOYEES	\$ 3,660,037
RETIRED STATE EMPLOYEES	1,156,248
RETIRED SCHOOL EMPLOYEES	1,766,490
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	\$ 6,582,775

OTHER

SOCIAL SECURITY - STATE EMPLOYEES	\$ 1,036,509
WORKMEN'S COMPENSATION/UNEMPLOYMENT	1,110,222
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	\$ 2,146,731

* STATE AUDITOR'S OFFICE

025789

BASE PAY INCREASE OPTIONS

FY 84-85

ESTIMATED COST OF 1% BPI	\$ 7,206,000
5%	36,030,000
6%	43,236,000
7%	50,442,000

MERIT	1%	\$ 3,636,000
	2%	7,272,000
	2½%	9,090,000
	3%	10,908,000
	3½%	12,726,000
	4%	14,544,000

LONGEVITY	\$ 800,000
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SOURCE: STATE AUDITOR'S OFFICE

MAJOR AGENCY ISSUES
FY 84-85

025790

JUDICIAL AND SOLICITORS RETIREMENT	\$ 2,152,000
PUBLIC EDUCATION	
EDUCATION FINANCE ACT - FULL FUNDING	44,555,916
GIFTED & TALENTED PHASE IN	5,221,000
SCHOOL BUS REPLACEMENT	8,000,000
GASOLINE & OTHER TRANSPORTATION COSTS	1,461,000
FREE TEXTBOOK PROGRAM	6,000,000
PUBLIC SCHOOL EMPLOYER CONTRIBUTIONS	6,665,822
MENTAL HEALTH	5,800,000
CORRECTIONS	4,050,000
TECHNICAL & COMPREHENSIVE EDUCATION	2,000,000
TOTAL	\$ 85,905,738

SOURCE: STATE AUDITOR'S OFFICE

SURVEY OF 25 MAJOR AGENCIES

FY 84-85
(MILLIONS)

025791

INFLATION	\$ 3.2
ANNUALIZATION OF NEW PROGRAMS	2.2
PROGRAM EXPANSION	65.0
OPENING/OPERATING NEW FACILITIES	5.9
OTHER MAJOR NEEDS	50.4
DEPARTMENT OF EDUCATION (UNCATEGORIZED)	149.8
RENT	<u>.7</u>
TOTAL	\$ 277.2
LESS: PRE-IDENTIFIED	<u>83.8</u>
TOTAL ADDITIONAL NEEDS. . . .	\$ 193.4

025792

BUDGET PROJECTIONS1984-85
(MILLIONS)

REVENUE

1984-85 GENERAL FUND REVENUE	\$ 2,326.6
LESS 1983-84 EXPENDITURES (EST.)	2,134.5
BALANCE.	\$ 192.1

PREDETERMINED NEEDS

STATEWIDE ISSUES	\$ 74.9
PAY INCREASE - 5%/2%	43.3
AGENCY ISSUES (STATUTORY OR POLICY MANDATE)	85.9
BALANCE.	\$ (12.1)

OTHER AGENCY NEEDS	\$ 193.4
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BALANCE.	\$ (205.5)
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025793

BUDGETING OPTIONS

FY 84-85

CURRENT LEVEL MAINTENANCE

INCREASE REVENUE

REDUCE EXPENDITURES

TARGETED CUTS

"ACROSS-THE-BOARD"

REALLOCATIONS

MAJOR BUDGET ISSUES

FY 84-85

025794

THE ECONOMIC CLIMATE

SPENDING LIMIT

RESERVE FUND REPLENISHMENT

CAPITAL IMPROVEMENTS - INFRASTRUCTURE

STATUTORY COMMITMENTS

PROGRAM EXPANSION

NON-RECURRING REVENUE vs. RECURRING EXPENDITURES

FUTURE-ORIENTED FISCAL POLICY

The State of South Carolina

JUN 28 1983



EXHIBIT

Office of the Attorney General JUN 28 1983

NO. 1

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE 803-758-2081

STATE BUDGET & CONTROL BOARD

June 28, 1983

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

Re: Not to Exceed \$10,000,000 Bamberg County,
South Carolina, Industrial Revenue Bond,
(Southern Bleachery and Printworks, Inc.)

Dear Mr. McInnis:

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

Sincerely yours,

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

David C. Eckstrom
Assistant Attorney General

DCE/cs

Enclosures

025795

NEXSEN PRUET JACOBS & POLLARD

ATTORNEYS AND COUNSELORS AT LAW
1200 FIRST NATIONAL BUILDING
POST OFFICE DRAWER 2426
COLUMBIA, SOUTH CAROLINA 29202

June 23, 1983

JULIAN J. NEXSEN
GENE V. PRUET
HAROLD W. JACOBS
THOMAS B. POLLARD, JR.
WILBURN BREWER, JR.
T. EUGENE ALLEN III
EDWARD G. MENZIE
SAMUEL F. PAINTER
ROBERT M. EARLE
JOHN C. B. SMITH, JR.
WILLIAM A. POLLARD
GLENN BOWERS
MARK L. BENDER
JAMES W. ORR
SUSAN BATTEN LIPSCOMB
PAUL A. DOMINICK
JULIAN J. NEXSEN, JR.
DOROTHY M. HELMS
G. MARCUS KNIGHT
JOHN A. SOWARDS
JAMES L. WERNER
SUSAN R. MCWILLIAMS

PAUL A. COOPER
1989-1990

FRANK B. GARY
1900-1971

C. ALVIN BROWN
1940-1978

TELEPHONE 771-8900
AREA CODE 803

EXHIBIT

HAND DELIVERED

JUN 28 1983

NO. 1

STATE BUDGET & CONTROL BOARD

The Honorable William A. McInnis
Secretary, State Budget and Control Board
Wade Hampton Building
Columbia, South Carolina 29201

Re: \$10,000,000 principal amount Bamberg County
Industrial Revenue Bond, Series 1983
(Southern Bleachery & Printworks, Inc. Project)

Dear Mr. McInnis:

Enclosed please find a certified copy of the Resolution of Bamberg County Council approving the above-referenced industrial revenue bond issue and the submission of the petition to the State Budget and Control Board. Also enclosed is a signed Petition from Bamberg County Council.

It is my understanding, pursuant to my conversation with you yesterday, that the submission of these fully executed documents fulfills the prerequisites for consideration of this bond issue by the State Budget and Control Board, and that the State Budget and Control Board will review this bond issue at its June 28, 1983 meeting. It is also my understanding that in the absence of an executed Bond Purchase Commitment, any approval by the Board will be conditional, pending a review and approval by the Board of the bond purchaser.

Please do not hesitate to contact Mark Bender or me should you require any additional information. Thank you very much for your assistance.

Sincerely,

Mark

G. Marcus Knight

GMK/pr
Enclosure

025796

NEXSEN PRUET JACOBS & POLLARD

ATTORNEYS AND COUNSELORS AT LAW
1200 FIRST NATIONAL BUILDING
POST OFFICE DRAWER 2426
COLUMBIA, SOUTH CAROLINA 29202

June 22, 1983

PAUL A. COOPER
1889-1956

FRANK B. GARY
1900-1971

C. ALVIN BROWN
1940-1978

TELEPHONE 771-8900
AREA CODE 803

JULIAN J. NEXSEN
GENE V. PRUET
HAROLD W. JACOBS
THOMAS B. POLLARD, JR.
WILBURN BREWER, JR.
T. EUGENE ALLEN, III
EDWARD G. MENZIE
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DOROTHY M. HELMS
G. MARCUS KNIGHT
JOHN A. SOWARDS
JAMES L. WERNER
SUSAN P. McWILLIAMS

HAND DELIVERED

EXHIBIT

JUN 28 1983 NO. 1

STATE BUDGET & CONTROL BOARD

The Honorable William A. McInnis
Secretary, State Budget and Control Board
Wade Hampton Building
Columbia, South Carolina 29201

Re: \$10,000,000 aggregate principal amount
Bamberg County Industrial Revenue Bond, Series 1983
(Southern Bleachery & Printworks, Inc. Project)

Dear Mr. McInnis:

Enclosed please find copies of the petition from Bamberg County Council to the State Budget and Control Board concerning the above-referenced industrial revenue bond issue. Accompanying the petition are copies of the following documents:

1. Resolution of Bamberg County Council concerning the inducement contract.
2. The inducement contract.
3. Resolution of Bamberg County Council approving the bond issue and the submission of the petition to the State Budget and Control Board.
4. Bond ordinance to which are attached as exhibits all relevant bond and loan documents.

The Bamberg County Council resolution approving the bond issue and the submission of the petition to the State Budget and Control Board was approved by unanimous vote of County Council on Monday, June 20, 1983. The enclosed copies of such resolution and petition are identical to the forms approved by

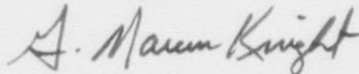
025797

The Honorable William A. McInnis
June 22, 1983
Page Two

Bamberg County Council at such meeting. We are in the process of obtaining certified copies from the Clerk of the Bamberg County Council. We will, of course, furnish the same to you as soon as possible.

Please place this bond issue on the agenda for the meeting of the State Budget and Control Board to be held on June 28, 1983. We have also enclosed for your convenience six (6) copies of a proposed resolution for approval by the State Budget and Control Board and a copy of the proposed public notice concerning such resolution. We appreciate your assistance in this matter.

Sincerely,



G. Marcus Knight

GMK/pr
Enclosures

EXHIBIT

JUN 28 1983

NO. 1

STATE BUDGET & CONTROL BOARD

025798

EXHIBIT

REVENUE BOND ISSUE PETITION PROCESSING CHECKLIST

JUN 28 1983

NO. 1

[Item for Board meeting of June 28, 1983]

STATE BUDGET & CONTROL BOARD

1. Local Government: Samberg County
2. Bond Counsel:
 - (a) Firm Nessen Priel Jacobs & Pollard
 - (b) Contact Person G. Marcus Knight Phone 771-8900
 - (c) Address Box 2426, Columbia, SC 29202
3. Project Name: Southern Bleachery & Printworks, Inc.
4. Issue Amount: \$10,000,000 Type: Industrial
5. Employment Impact of Project: Approx. 150 - 200
6. Type/Nature of Business of Firm Involved: _____

* * * * *

7. Processing Checklist	Rec'd. From	Sent To
(a) Governing body resolution/ordinance/ petition	MK 6/27	DE 6/27
(b) Documents on issuance/securing of bonds	MK 6/27	DE 6/27
(c) Financial Information: (1) Audited Statements (3 most recent years) OR (2) If private placement, "investment letter" (Purchaser: _____) (3) Review by State Auditor's Office (memo)		XXXXXXXX
(d) Health and Environmental Control certification	—	—
(e) B&C Board Resolution and Notice (<u>6</u> copies for certification for bond counsel)	MK 6/27	DE 6/27
(f) Review by Attorney General's Office (letter)	OK 6/28	XXXXXXXX

Motion: CP
 Second: TM
 Absent: —
 Vote: For 5; Against 0

Certificates signed:
 Resolutions mailed:

025799

THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

A RESOLUTION

APPROVING AN UNDERTAKING BY BAMBERG COUNTY, SOUTH CAROLINA, PURSUANT TO TITLE 4, CHAPTER 29, OF THE CODE OF LAWS OF SOUTH CAROLINA (1976), AS AMENDED, TO ASSIST IN FINANCING THE ACQUISITION WITHIN THE COUNTY OF CERTAIN INDUSTRIAL FACILITIES THROUGH THE ISSUANCE OF A NOT TO EXCEED \$10,000,000 PRINCIPAL AMOUNT BAMBERG COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE BOND, SERIES 1983, (SOUTHERN BLEACHERY & PRINTWORKS, INC. PROJECT).

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

WHEREAS, the undertaking provides for the issuance of a not to exceed TEN MILLION DOLLAR (\$10,000,000) principal amount Bamberg County, South Carolina, Industrial Revenue Bond, Series 1983 (Southern Bleachery & Printworks, Inc. Project) (the "Bond"); and

WHEREAS, pursuant to the Act, the proceeds of the Bond shall be loaned by the County to Southern Bleachery Printworks, Inc., a South Carolina corporation (the "Industry"), to be used to finance the acquisition of certain industrial facilities in the County (the "Project"); and

WHEREAS, the Industry's obligations to the County with respect to the loan shall be embodied in a loan agreement between the Industry and the County (the "Loan Agreement"); and

WHEREAS, the Industry's indebtedness to the County shall be evidenced by its mortgage note of even principal amount with the Bond (the "Mortgage Note"), providing for payments to the County sufficient to meet the payment schedule on the Bond; and

WHEREAS, the Industry's obligations under the Loan Agreement and the Mortgage Note shall be secured by an agreement granting to the County a mortgage lien and security interest in the property (both real and personal) constituting the Project (the "Mortgage"); and

WHEREAS, _____, a _____ (the "Purchaser") has agreed to purchase the Bond pursuant to its letter-agreement dated _____, 1983 (the "Bond Purchase Commitment"); and

025800

WHEREAS, the County will secure payment of all principal, interest and premium, if any, on the Bond by granting to the Purchaser a security interest in the Loan Agreement, Mortgage Note and the Mortgage (hereinafter referred to collectively as the "Loan Documents") pursuant to a collateral assignment of loan documents (the "Collateral Assignment"); and

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

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

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

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

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

(c) The Project is reasonably estimated to cost approximately TEN MILLION DOLLARS (\$10,000,000);

(d) The Project will employ approximately one hundred fifty (150) to two hundred (200) persons in the County, stimulate commerce and trade within the County and adjacent areas, and will be of benefit to the State of South Carolina, and to the County and adjacent areas in particular;

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

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

3. That notice (substantially in the form set forth as Exhibit "A" to this Resolution) of this action taken by the State Board in giving its approval to the undertaking of the County shall be published in The Advertiser Herald, which is a newspaper published in Bamberg, South Carolina, and having general circulation in the County.

EXHIBIT A
TO BUDGET AND CONTROL BOARD RESOLUTION
NOTICE OF APPROVAL OF PROJECT

025802

NOTICE OF APPROVAL OF PROJECT
BY
THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

Notice is hereby given that the State Budget and Control Board of South Carolina (the "State Board") has approved the financing by Bamberg County, South Carolina (the "County") of the acquisition of certain industrial facilities in the County (the "Project") through the issuance of a not to exceed TEN MILLION DOLLARS (\$10,000,000) principal amount Bamberg County, South Carolina, Industrial Revenue Bond, Series 1983, (Southern Bleachery & Printworks, Inc. Project) (the "Bond"), pursuant to the provisions of Title 4, Chapter 29, of the Code of Laws of South Carolina (1976), as amended.

To assist in financing the acquisition of the Project, the proceeds of the Bond will be loaned by the County to Southern Bleachery Printworks, Inc., a South Carolina corporation (the "Industry"), pursuant to a loan agreement between the County and the Industry (the "Loan Agreement"). The obligation of the Industry to repay such loan shall be evidenced by its Mortgage Note of even principal amount with the Bond (the "Mortgage Note") providing for payments to the County sufficient to pay when due all principal, interest and premium, if any, owing at any time under the Bond. The Industry shall own the Project and shall secure payments to be made under the Mortgage Note by granting to the County a first priority mortgage and security interest (the "Mortgage") in the Project, which shall constitute a foreclosable lien upon the Project. The Bond shall be payable by the County solely from payments received by the County under the Loan Agreement, the Mortgage Note and the Mortgage. The Bond shall not constitute or give rise to a pecuniary liability of the County or a charge against the general credit or taxing power of the County. Other obligations of the Industry with respect to its indebtedness to the County shall be set forth in the Loan Agreement.

Following its acquisition, the Project is reasonably expected to employ approximately one hundred fifty (150) to two hundred (200) persons in the County.

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

STATE BUDGET AND CONTROL BOARD
OF SOUTH CAROLINA

By: _____ (SEAL)
Its _____

025803

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina at _____, 1983, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of:

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

FOR MOTION

AGAINST MOTION

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 said Board in my custody as its Secretary.

That any and all conditions attached to the referenced Board action have been satisfied as of the date of this certificate.

Dated: _____ Secretary _____

025804

THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

A RESOLUTION

APPROVING AN UNDERTAKING BY BAMBERG COUNTY, SOUTH CAROLINA, PURSUANT TO TITLE 4, CHAPTER 29, OF THE CODE OF LAWS OF SOUTH CAROLINA (1976), AS AMENDED, TO ASSIST IN FINANCING THE ACQUISITION WITHIN THE COUNTY OF CERTAIN INDUSTRIAL FACILITIES THROUGH THE ISSUANCE OF A NOT TO EXCEED \$10,000,000 PRINCIPAL AMOUNT BAMBERG COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE BOND, SERIES 1983, (SOUTHERN BLEACHERY & PRINTWORKS, INC. PROJECT).

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

WHEREAS, the undertaking provides for the issuance of a not to exceed TEN MILLION DOLLAR (\$10,000,000) principal amount Bamberg County, South Carolina, Industrial Revenue Bond, Series 1983 (Southern Bleachery & Printworks, Inc. Project) (the "Bond"); and

WHEREAS, pursuant to the Act, the proceeds of the Bond shall be loaned by the County to Southern Bleachery Printworks, Inc., a South Carolina corporation (the "Industry"), to be used to finance the acquisition of certain industrial facilities in the County (the "Project"); and

WHEREAS, the Industry's obligations to the County with respect to the loan shall be embodied in a loan agreement between the Industry and the County (the "Loan Agreement"); and

WHEREAS, the Industry's indebtedness to the County shall be evidenced by its mortgage note of even principal amount with the Bond (the "Mortgage Note"), providing for payments to the County sufficient to meet the payment schedule on the Bond; and

WHEREAS, the Industry's obligations under the Loan Agreement and the Mortgage Note shall be secured by an agreement granting to the County a mortgage lien and security interest in the property (both real and personal) constituting the Project (the "Mortgage"); and

WHEREAS, _____, a _____ (the "Purchaser") has agreed to purchase the Bond pursuant to its letter-agreement dated _____, 1983 (the "Bond Purchase Commitment"); and

025805

WHEREAS, the County will secure payment of all principal, interest and premium, if any, on the Bond by granting to the Purchaser a security interest in the Loan Agreement, Mortgage Note and the Mortgage (hereinafter referred to collectively as the "Loan Documents") pursuant to a collateral assignment of loan documents (the "Collateral Assignment"); and

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

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

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

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

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

(c) The Project is reasonably estimated to cost approximately TEN MILLION DOLLARS (\$10,000,000);

(d) The Project will employ approximately one hundred fifty (150) to two hundred (200) persons in the County, stimulate commerce and trade within the County and adjacent areas, and will be of benefit to the State of South Carolina, and to the County and adjacent areas in particular;

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

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

3. That notice (substantially in the form set forth as Exhibit "A" to this Resolution) of this action taken by the State Board in giving its approval to the undertaking of the County shall be published in The Advertiser Herald, which is a newspaper published in Bamberg, South Carolina, and having general circulation in the County.

EXHIBIT A
TO BUDGET AND CONTROL BOARD RESOLUTION
NOTICE OF APPROVAL OF PROJECT

025807

NOTICE OF APPROVAL OF PROJECT
BY
THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

Notice is hereby given that the State Budget and Control Board of South Carolina (the "State Board") has approved the financing by Bamberg County, South Carolina (the "County") of the acquisition of certain industrial facilities in the County (the "Project") through the issuance of a not to exceed TEN MILLION DOLLARS (\$10,000,000) principal amount Bamberg County, South Carolina, Industrial Revenue Bond, Series 1983, (Southern Bleachery & Printworks, Inc. Project) (the "Bond"), pursuant to the provisions of Title 4, Chapter 29, of the Code of Laws of South Carolina (1976), as amended.

To assist in financing the acquisition of the Project, the proceeds of the Bond will be loaned by the County to Southern Bleachery Printworks, Inc., a South Carolina corporation (the "Industry"), pursuant to a loan agreement between the County and the Industry (the "Loan Agreement"). The obligation of the Industry to repay such loan shall be evidenced by its Mortgage Note of even principal amount with the Bond (the "Mortgage Note") providing for payments to the County sufficient to pay when due all principal, interest and premium, if any, owing at any time under the Bond. The Industry shall own the Project and shall secure payments to be made under the Mortgage Note by granting to the County a first priority mortgage and security interest (the "Mortgage") in the Project, which shall constitute a foreclosable lien upon the Project. The Bond shall be payable by the County solely from payments received by the County under the Loan Agreement, the Mortgage Note and the Mortgage. The Bond shall not constitute or give rise to a pecuniary liability of the County or a charge against the general credit or taxing power of the County. Other obligations of the Industry with respect to its indebtedness to the County shall be set forth in the Loan Agreement.

Following its acquisition, the Project is reasonably expected to employ approximately one hundred fifty (150) to two hundred (200) persons in the County.

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

STATE BUDGET AND CONTROL BOARD
OF SOUTH CAROLINA

By: _____ (SEAL)
Its _____

025808

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina at _____, 1983, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of:

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

FOR MOTION

AGAINST MOTION

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 said Board in my custody as its Secretary.

That any and all conditions attached to the referenced Board action have been satisfied as of the date of this certificate.

Dated: _____
Secretary _____

025809

THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

A RESOLUTION

APPROVING AN UNDERTAKING BY BAMBERG COUNTY, SOUTH CAROLINA, PURSUANT TO TITLE 4, CHAPTER 29, OF THE CODE OF LAWS OF SOUTH CAROLINA (1976), AS AMENDED, TO ASSIST IN FINANCING THE ACQUISITION WITHIN THE COUNTY OF CERTAIN INDUSTRIAL FACILITIES THROUGH THE ISSUANCE OF A NOT TO EXCEED \$10,000,000 PRINCIPAL AMOUNT BAMBERG COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE BOND, SERIES 1983, (SOUTHERN BLEACHERY & PRINTWORKS, INC. PROJECT).

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

WHEREAS, the undertaking provides for the issuance of a not to exceed TEN MILLION DOLLAR (\$10,000,000) principal amount Bamberg County, South Carolina, Industrial Revenue Bond, Series 1983 (Southern Bleachery & Printworks, Inc. Project) (the "Bond"); and

WHEREAS, pursuant to the Act, the proceeds of the Bond shall be loaned by the County to Southern Bleachery Printworks, Inc., a South Carolina corporation (the "Industry"), to be used to finance the acquisition of certain industrial facilities in the County (the "Project"); and

WHEREAS, the Industry's obligations to the County with respect to the loan shall be embodied in a loan agreement between the Industry and the County (the "Loan Agreement"); and

WHEREAS, the Industry's indebtedness to the County shall be evidenced by its mortgage note of even principal amount with the Bond (the "Mortgage Note"), providing for payments to the County sufficient to meet the payment schedule on the Bond; and

WHEREAS, the Industry's obligations under the Loan Agreement and the Mortgage Note shall be secured by an agreement granting to the County a mortgage lien and security interest in the property (both real and personal) constituting the Project (the "Mortgage"); and

WHEREAS, _____, a _____ (the "Purchaser") has agreed to purchase the Bond pursuant to its letter-agreement dated _____, 1983 (the "Bond Purchase Commitment"); and

WHEREAS, the County will secure payment of all principal, interest and premium, if any, on the Bond by granting to the Purchaser a security interest in the Loan Agreement, Mortgage Note and the Mortgage (hereinafter referred to collectively as the "Loan Documents") pursuant to a collateral assignment of loan documents (the "Collateral Assignment"); and

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

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

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

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

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

(c) The Project is reasonably estimated to cost approximately TEN MILLION DOLLARS (\$10,000,000);

(d) The Project will employ approximately one hundred fifty (150) to two hundred (200) persons in the County, stimulate commerce and trade within the County and adjacent areas, and will be of benefit to the State of South Carolina, and to the County and adjacent areas in particular;

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

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

3. That notice (substantially in the form set forth as Exhibit "A" to this Resolution) of this action taken by the State Board in giving its approval to the undertaking of the County shall be published in The Advertiser Herald, which is a newspaper published in Bamberg, South Carolina, and having general circulation in the County.

EXHIBIT A
TO BUDGET AND CONTROL BOARD RESOLUTION
NOTICE OF APPROVAL OF PROJECT

025812

NOTICE OF APPROVAL OF PROJECT
BY
THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

Notice is hereby given that the State Budget and Control Board of South Carolina (the "State Board") has approved the financing by Bamberg County, South Carolina (the "County") of the acquisition of certain industrial facilities in the County (the "Project") through the issuance of a not to exceed TEN MILLION DOLLARS (\$10,000,000) principal amount Bamberg County, South Carolina, Industrial Revenue Bond, Series 1983, (Southern Bleachery & Printworks, Inc. Project) (the "Bond"), pursuant to the provisions of Title 4, Chapter 29, of the Code of Laws of South Carolina (1976), as amended.

To assist in financing the acquisition of the Project, the proceeds of the Bond will be loaned by the County to Southern Bleachery Printworks, Inc., a South Carolina corporation (the "Industry"), pursuant to a loan agreement between the County and the Industry (the "Loan Agreement"). The obligation of the Industry to repay such loan shall be evidenced by its Mortgage Note of even principal amount with the Bond (the "Mortgage Note") providing for payments to the County sufficient to pay when due all principal, interest and premium, if any, owing at any time under the Bond. The Industry shall own the Project and shall secure payments to be made under the Mortgage Note by granting to the County a first priority mortgage and security interest (the "Mortgage") in the Project, which shall constitute a foreclosable lien upon the Project. The Bond shall be payable by the County solely from payments received by the County under the Loan Agreement, the Mortgage Note and the Mortgage. The Bond shall not constitute or give rise to a pecuniary liability of the County or a charge against the general credit or taxing power of the County. Other obligations of the Industry with respect to its indebtedness to the County shall be set forth in the Loan Agreement.

Following its acquisition, the Project is reasonably expected to employ approximately one hundred fifty (150) to two hundred (200) persons in the County.

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

STATE BUDGET AND CONTROL BOARD
OF SOUTH CAROLINA

By: _____ (SEAL)
Its _____

025813

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina at _____, 1983, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of:

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

FOR MOTION

AGAINST MOTION

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 said Board in my custody as its Secretary.

That any and all conditions attached to the referenced Board action have been satisfied as of the date of this certificate.

Dated: _____
Secretary _____

025814

THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

A RESOLUTION

APPROVING AN UNDERTAKING BY BAMBERG COUNTY, SOUTH CAROLINA, PURSUANT TO TITLE 4, CHAPTER 29, OF THE CODE OF LAWS OF SOUTH CAROLINA (1976), AS AMENDED, TO ASSIST IN FINANCING THE ACQUISITION WITHIN THE COUNTY OF CERTAIN INDUSTRIAL FACILITIES THROUGH THE ISSUANCE OF A NOT TO EXCEED \$10,000,000 PRINCIPAL AMOUNT BAMBERG COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE BOND, SERIES 1983, (SOUTHERN BLEACHERY & PRINTWORKS, INC. PROJECT).

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

WHEREAS, the undertaking provides for the issuance of a not to exceed TEN MILLION DOLLAR (\$10,000,000) principal amount Bamberg County, South Carolina, Industrial Revenue Bond, Series 1983 (Southern Bleachery & Printworks, Inc. Project) (the "Bond"); and

WHEREAS, pursuant to the Act, the proceeds of the Bond shall be loaned by the County to Southern Bleachery Printworks, Inc., a South Carolina corporation (the "Industry"), to be used to finance the acquisition of certain industrial facilities in the County (the "Project"); and

WHEREAS, the Industry's obligations to the County with respect to the loan shall be embodied in a loan agreement between the Industry and the County (the "Loan Agreement"); and

WHEREAS, the Industry's indebtedness to the County shall be evidenced by its mortgage note of even principal amount with the Bond (the "Mortgage Note"), providing for payments to the County sufficient to meet the payment schedule on the Bond; and

WHEREAS, the Industry's obligations under the Loan Agreement and the Mortgage Note shall be secured by an agreement granting to the County a mortgage lien and security interest in the property (both real and personal) constituting the Project (the "Mortgage"); and

WHEREAS, _____, a _____ (the "Purchaser") has agreed to purchase the Bond pursuant to its letter-agreement dated _____, 1983 (the "Bond Purchase Commitment"); and

025815

WHEREAS, the County will secure payment of all principal, interest and premium, if any, on the Bond by granting to the Purchaser a security interest in the Loan Agreement, Mortgage Note and the Mortgage (hereinafter referred to collectively as the "Loan Documents") pursuant to a collateral assignment of loan documents (the "Collateral Assignment"); and

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

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

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

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

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

(c) The Project is reasonably estimated to cost approximately TEN MILLION DOLLARS (\$10,000,000);

(d) The Project will employ approximately one hundred fifty (150) to two hundred (200) persons in the County, stimulate commerce and trade within the County and adjacent areas, and will be of benefit to the State of South Carolina, and to the County and adjacent areas in particular;

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

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

3. That notice (substantially in the form set forth as Exhibit "A" to this Resolution) of this action taken by the State Board in giving its approval to the undertaking of the County shall be published in The Advertiser Herald, which is a newspaper published in Bamberg, South Carolina, and having general circulation in the County.

EXHIBIT A
TO BUDGET AND CONTROL BOARD RESOLUTION
NOTICE OF APPROVAL OF PROJECT

025817

NOTICE OF APPROVAL OF PROJECT
BY
THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

Notice is hereby given that the State Budget and Control Board of South Carolina (the "State Board") has approved the financing by Bamberg County, South Carolina (the "County") of the acquisition of certain industrial facilities in the County (the "Project") through the issuance of a not to exceed TEN MILLION DOLLARS (\$10,000,000) principal amount Bamberg County, South Carolina, Industrial Revenue Bond, Series 1983, (Southern Bleachery & Printworks, Inc. Project) (the "Bond"), pursuant to the provisions of Title 4, Chapter 29, of the Code of Laws of South Carolina (1976), as amended.

To assist in financing the acquisition of the Project, the proceeds of the Bond will be loaned by the County to Southern Bleachery Printworks, Inc., a South Carolina corporation (the "Industry"), pursuant to a loan agreement between the County and the Industry (the "Loan Agreement"). The obligation of the Industry to repay such loan shall be evidenced by its Mortgage Note of even principal amount with the Bond (the "Mortgage Note") providing for payments to the County sufficient to pay when due all principal, interest and premium, if any, owing at any time under the Bond. The Industry shall own the Project and shall secure payments to be made under the Mortgage Note by granting to the County a first priority mortgage and security interest (the "Mortgage") in the Project, which shall constitute a foreclosable lien upon the Project. The Bond shall be payable by the County solely from payments received by the County under the Loan Agreement, the Mortgage Note and the Mortgage. The Bond shall not constitute or give rise to a pecuniary liability of the County or a charge against the general credit or taxing power of the County. Other obligations of the Industry with respect to its indebtedness to the County shall be set forth in the Loan Agreement.

Following its acquisition, the Project is reasonably expected to employ approximately one hundred fifty (150) to two hundred (200) persons in the County.

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

STATE BUDGET AND CONTROL BOARD
OF SOUTH CAROLINA

By: _____ (SEAL)
Its _____

025818

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina at _____, 1983, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of:

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

FOR MOTION

AGAINST MOTION

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 said Board in my custody as its Secretary.

That any and all conditions attached to the referenced Board action have been satisfied as of the date of this certificate.

Dated: _____
Secretary _____

025819

THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

A RESOLUTION

APPROVING AN UNDERTAKING BY BAMBERG COUNTY, SOUTH CAROLINA, PURSUANT TO TITLE 4, CHAPTER 29, OF THE CODE OF LAWS OF SOUTH CAROLINA (1976), AS AMENDED, TO ASSIST IN FINANCING THE ACQUISITION WITHIN THE COUNTY OF CERTAIN INDUSTRIAL FACILITIES THROUGH THE ISSUANCE OF A NOT TO EXCEED \$10,000,000 PRINCIPAL AMOUNT BAMBERG COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE BOND, SERIES 1983, (SOUTHERN BLEACHERY & PRINTWORKS, INC. PROJECT).

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

WHEREAS, the undertaking provides for the issuance of a not to exceed TEN MILLION DOLLAR (\$10,000,000) principal amount Bamberg County, South Carolina, Industrial Revenue Bond, Series 1983 (Southern Bleachery & Printworks, Inc. Project) (the "Bond"); and

WHEREAS, pursuant to the Act, the proceeds of the Bond shall be loaned by the County to Southern Bleachery Printworks, Inc., a South Carolina corporation (the "Industry"), to be used to finance the acquisition of certain industrial facilities in the County (the "Project"); and

WHEREAS, the Industry's obligations to the County with respect to the loan shall be embodied in a loan agreement between the Industry and the County (the "Loan Agreement"); and

WHEREAS, the Industry's indebtedness to the County shall be evidenced by its mortgage note of even principal amount with the Bond (the "Mortgage Note"), providing for payments to the County sufficient to meet the payment schedule on the Bond; and

WHEREAS, the Industry's obligations under the Loan Agreement and the Mortgage Note shall be secured by an agreement granting to the County a mortgage lien and security interest in the property (both real and personal) constituting the Project (the "Mortgage"); and

WHEREAS, _____, a _____ (the "Purchaser") has agreed to purchase the Bond pursuant to its letter-agreement dated _____, 1983 (the "Bond Purchase Commitment"); and

025820

WHEREAS, the County will secure payment of all principal, interest and premium, if any, on the Bond by granting to the Purchaser a security interest in the Loan Agreement, Mortgage Note and the Mortgage (hereinafter referred to collectively as the "Loan Documents") pursuant to a collateral assignment of loan documents (the "Collateral Assignment"); and

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

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

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

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

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

(c) The Project is reasonably estimated to cost approximately TEN MILLION DOLLARS (\$10,000,000);

(d) The Project will employ approximately one hundred fifty (150) to two hundred (200) persons in the County, stimulate commerce and trade within the County and adjacent areas, and will be of benefit to the State of South Carolina, and to the County and adjacent areas in particular;

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

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

3. That notice (substantially in the form set forth as Exhibit "A" to this Resolution) of this action taken by the State Board in giving its approval to the undertaking of the County shall be published in The Advertiser Herald, which is a newspaper published in Bamberg, South Carolina, and having general circulation in the County.

EXHIBIT A
TO BUDGET AND CONTROL BOARD RESOLUTION
NOTICE OF APPROVAL OF PROJECT

025822

NOTICE OF APPROVAL OF PROJECT
BY
THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

Notice is hereby given that the State Budget and Control Board of South Carolina (the "State Board") has approved the financing by Bamberg County, South Carolina (the "County") of the acquisition of certain industrial facilities in the County (the "Project") through the issuance of a not to exceed TEN MILLION DOLLARS (\$10,000,000) principal amount Bamberg County, South Carolina, Industrial Revenue Bond, Series 1983, (Southern Bleachery & Printworks, Inc. Project) (the "Bond"), pursuant to the provisions of Title 4, Chapter 29, of the Code of Laws of South Carolina (1976), as amended.

To assist in financing the acquisition of the Project, the proceeds of the Bond will be loaned by the County to Southern Bleachery Printworks, Inc., a South Carolina corporation (the "Industry"), pursuant to a loan agreement between the County and the Industry (the "Loan Agreement"). The obligation of the Industry to repay such loan shall be evidenced by its Mortgage Note of even principal amount with the Bond (the "Mortgage Note") providing for payments to the County sufficient to pay when due all principal, interest and premium, if any, owing at any time under the Bond. The Industry shall own the Project and shall secure payments to be made under the Mortgage Note by granting to the County a first priority mortgage and security interest (the "Mortgage") in the Project, which shall constitute a foreclosable lien upon the Project. The Bond shall be payable by the County solely from payments received by the County under the Loan Agreement, the Mortgage Note and the Mortgage. The Bond shall not constitute or give rise to a pecuniary liability of the County or a charge against the general credit or taxing power of the County. Other obligations of the Industry with respect to its indebtedness to the County shall be set forth in the Loan Agreement.

Following its acquisition, the Project is reasonably expected to employ approximately one hundred fifty (150) to two hundred (200) persons in the County.

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

STATE BUDGET AND CONTROL BOARD
OF SOUTH CAROLINA

By: _____ (SEAL)
Its _____

025823

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina at _____, 1983, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of:

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

FOR MOTION

AGAINST MOTION

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 said Board in my custody as its Secretary.

That any and all conditions attached to the referenced Board action have been satisfied as of the date of this certificate.

Dated: _____
Secretary _____

025824

THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

A RESOLUTION

APPROVING AN UNDERTAKING BY BAMBERG COUNTY, SOUTH CAROLINA, PURSUANT TO TITLE 4, CHAPTER 29, OF THE CODE OF LAWS OF SOUTH CAROLINA (1976), AS AMENDED, TO ASSIST IN FINANCING THE ACQUISITION WITHIN THE COUNTY OF CERTAIN INDUSTRIAL FACILITIES THROUGH THE ISSUANCE OF A NOT TO EXCEED \$10,000,000 PRINCIPAL AMOUNT BAMBERG COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE BOND, SERIES 1983, (SOUTHERN BLEACHERY & PRINTWORKS, INC. PROJECT).

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

WHEREAS, the undertaking provides for the issuance of a not to exceed TEN MILLION DOLLAR (\$10,000,000) principal amount Bamberg County, South Carolina, Industrial Revenue Bond, Series 1983 (Southern Bleachery & Printworks, Inc. Project) (the "Bond"); and

WHEREAS, pursuant to the Act, the proceeds of the Bond shall be loaned by the County to Southern Bleachery Printworks, Inc., a South Carolina corporation (the "Industry"), to be used to finance the acquisition of certain industrial facilities in the County (the "Project"); and

WHEREAS, the Industry's obligations to the County with respect to the loan shall be embodied in a loan agreement between the Industry and the County (the "Loan Agreement"); and

WHEREAS, the Industry's indebtedness to the County shall be evidenced by its mortgage note of even principal amount with the Bond (the "Mortgage Note"), providing for payments to the County sufficient to meet the payment schedule on the Bond; and

WHEREAS, the Industry's obligations under the Loan Agreement and the Mortgage Note shall be secured by an agreement granting to the County a mortgage lien and security interest in the property (both real and personal) constituting the Project (the "Mortgage"); and

WHEREAS, _____, a _____ (the "Purchaser") has agreed to purchase the Bond pursuant to its letter-agreement dated _____, 1983 (the "Bond Purchase Commitment"); and

025825

WHEREAS, the County will secure payment of all principal, interest and premium, if any, on the Bond by granting to the Purchaser a security interest in the Loan Agreement, Mortgage Note and the Mortgage (hereinafter referred to collectively as the "Loan Documents") pursuant to a collateral assignment of loan documents (the "Collateral Assignment"); and

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

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

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

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

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

(c) The Project is reasonably estimated to cost approximately TEN MILLION DOLLARS (\$10,000,000);

(d) The Project will employ approximately one hundred fifty (150) to two hundred (200) persons in the County, stimulate commerce and trade within the County and adjacent areas, and will be of benefit to the State of South Carolina, and to the County and adjacent areas in particular;

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

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

3. That notice (substantially in the form set forth as Exhibit "A" to this Resolution) of this action taken by the State Board in giving its approval to the undertaking of the County shall be published in The Advertiser Herald, which is a newspaper published in Bamberg, South Carolina, and having general circulation in the County.

EXHIBIT A
TO BUDGET AND CONTROL BOARD RESOLUTION
NOTICE OF APPROVAL OF PROJECT

025827

NOTICE OF APPROVAL OF PROJECT
BY
THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

Notice is hereby given that the State Budget and Control Board of South Carolina (the "State Board") has approved the financing by Bamberg County, South Carolina (the "County") of the acquisition of certain industrial facilities in the County (the "Project") through the issuance of a not to exceed TEN MILLION DOLLARS (\$10,000,000) principal amount Bamberg County, South Carolina, Industrial Revenue Bond, Series 1983, (Southern Bleachery & Printworks, Inc. Project) (the "Bond"), pursuant to the provisions of Title 4, Chapter 29, of the Code of Laws of South Carolina (1976), as amended.

To assist in financing the acquisition of the Project, the proceeds of the Bond will be loaned by the County to Southern Bleachery Printworks, Inc., a South Carolina corporation (the "Industry"), pursuant to a loan agreement between the County and the Industry (the "Loan Agreement"). The obligation of the Industry to repay such loan shall be evidenced by its Mortgage Note of even principal amount with the Bond (the "Mortgage Note") providing for payments to the County sufficient to pay when due all principal, interest and premium, if any, owing at any time under the Bond. The Industry shall own the Project and shall secure payments to be made under the Mortgage Note by granting to the County a first priority mortgage and security interest (the "Mortgage") in the Project, which shall constitute a foreclosable lien upon the Project. The Bond shall be payable by the County solely from payments received by the County under the Loan Agreement, the Mortgage Note and the Mortgage. The Bond shall not constitute or give rise to a pecuniary liability of the County or a charge against the general credit or taxing power of the County. Other obligations of the Industry with respect to its indebtedness to the County shall be set forth in the Loan Agreement.

Following its acquisition, the Project is reasonably expected to employ approximately one hundred fifty (150) to two hundred (200) persons in the County.

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

STATE BUDGET AND CONTROL BOARD
OF SOUTH CAROLINA

By: _____ (SEAL)
Its _____

025828

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina at _____, 1983, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of:

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

FOR MOTION

AGAINST MOTION

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 said Board in my custody as its Secretary.

That any and all conditions attached to the referenced Board action have been satisfied as of the date of this certificate.

Dated: _____
Secretary _____

025829

STATE OF SOUTH CAROLINA)
)
COUNTY OF BAMBERG)

EXHIBIT

JUN 28 1983 NO. 1

PETITION
TO THE
STATE BUDGET AND CONTROL BOARD
OF SOUTH CAROLINA

STATE BUDGET & CONTROL BOARD

This Petition of County Council of Bamberg County, South Carolina (the "County Council") respectfully shows:

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

2. The County proposes, pursuant to the Act, to issue a not to exceed \$10,000,000 principal amount Bamberg County, South Carolina, Industrial Revenue Bond, Series 1983 (Southern Bleachery & Printworks, Inc. Project) (the "Bond") and loan the proceeds thereof to Southern Bleachery & Printworks, Inc. (the "Industry") to provide financing for the acquisition of certain industrial facilities (including both real and personal property) located within the County (the "Project").

3. Accompanying this Petition are the following documents:

- a. Copy of the Resolution of County Council authorizing the entering into of an Inducement Contract with the Industry in connection with the Project.
- b. Copy of the Inducement Contract referred to in item (a) above.
- c. Copy of the Resolution of County Council approving the issuance of the Bond and authorizing the submission of this Petition.
- d. Proposed form of Bond Ordinance pursuant to which the issuance and delivery of the Bond are expected to be authorized. Exhibits to the Bond Ordinance include proposed forms of the financing agreement and other documents expected to govern the terms and conditions of the proposed financing.

4. In the Resolution authorizing this Petition (a copy of which is submitted herewith) County Council has made certain

025830

findings of fact with respect to the proposed financing, which findings are by this reference incorporated herein and made a part hereof as if set forth herein verbatim.

Upon the basis of the foregoing, the County Council respectfully prays that the State Budget and Control Board of South Carolina accept the filing of this Petition; that it as soon as practicable make such independent investigation of the matters addressed herein as it shall deem advisable; that it find the proposed financing is intended to promote the purposes of the Act and is reasonably anticipated to effect such result; that it approve the issuance of the Bond for the purpose and in accordance with the terms and conditions of the proposed financing as presented in connection herewith, together with such modifications thereof which do not materially affect the basis for its approval; and that it give published notice of its approval in the manner set forth in the Act.

Dated: June 22, 1983.

Respectfully submitted,

BAMBERG COUNTY COUNCIL

By: J. Wesley Crum

Its: Chairman

(SEAL)

ATTEST:

Barbara M. Wilson
Clerk, Bamberg County Council

EXHIBIT

INDUCEMENT CONTRACT

JUN 28 1983

NO. 1

STATE BUDGET & CONTROL BOARD

THIS CONTRACT made and entered into by and between BAMBERG COUNTY, a body politic and corporate, and a political subdivision of the State of South Carolina (the "County"), and SOUTHERN BLEACHERY & PRINTWORKS, INC., a corporation organized and existing under the laws of the State of South Carolina (the "Industry").

W I T N E S S E T H :

ARTICLE I

RECITATION OF FACTS

SECTION 1.01

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

1. The County is a body politic and corporate, and a political subdivision of the State of South Carolina, and is authorized and empowered by the provisions of Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended (the "Act"), to issue industrial revenue bonds and make the proceeds thereof available to assist in financing the cost of acquiring industrial facilities used for manufacturing purposes, thereby benefiting the public welfare through the additional employment, trade and commerce resulting from the industrial facilities, the locating of which in the County is induced by the availability of such financing assistance.

025832

2. The Industry proposes to acquire facilities in the County to be used for the manufacturing of textile products (the "Project"). The cost of the acquisition of the Project is estimated to be approximately \$10,000,000. Following the acquisition by the Industry, the Project is expected to employ approximately 150 to 200 persons.

3. The Industry has advised the County that the feasibility of the proposed acquisition depends upon the availability of assistance which the County might render through the issuance and sale of industrial revenue bonds pursuant to the Act, the proceeds of which would be made available by the County to assist in financing the costs of acquiring the Project.

4. The County has given due consideration to all of the proposals and requests of the Industry submitted to it and has agreed to endeavor to provide such financing assistance on the terms and conditions hereinafter set forth.

ARTICLE II

UNDERTAKINGS ON THE PART OF THE COUNTY

SECTION 2.01

That it shall to the extent authorized by and consistent with the Act, endeavor to issue one or more Bamberg County, South Carolina industrial revenue bonds in the aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000) (the "Bonds"), at such time as the Industry may request the County to do so.

SECTION 2.02

That it shall permit the Industry to arrange for the sale of the Bonds, and if successful and acceptable market arrangements can be made, it shall adopt such proceedings as are necessary (a) for the issuance and securing of the Bonds, and (b) to make the proceeds thereof available to assist in financing the costs incurred in connection with the issuance of the Bonds and the acquisition of the Project, including the repayment of any funds advanced or loans incurred by the Industry for such purposes.

SECTION 2.03

That prior to the issuance of the Bonds it shall enter into a Financing Agreement and Security Agreement (as defined in the Act) and such other agreements as may be permitted by the Act, as may be reasonably required to effectuate the financing herein described; such Financing Agreement to contain all provisions, terms and conditions as may be required by the Act or by the purchaser of the Bonds, including without limitation a provision for payment to the County of such sums as may be required to pay the principal, interest and premium, if any, on the Bonds, as and when the same become due and payable, and the expenses of the County incurred in connection with the financing herein described.

SECTION 2.04

That it shall execute such other documents and instruments, perform such other acts and adopt such further proceedings as may be required to faithfully implement and consummate within the terms of the Act the financing herein described.

025834

ARTICLE III

UNDERTAKINGS ON THE PART OF THE INDUSTRY

SECTION 3.01

That the County shall have no obligation to find a purchaser of the Bonds and the Industry shall endeavor to market the Bonds as aforesaid on behalf of the County to the extent required to finance the cost of financing the Bonds and the acquisition of the Project.

SECTION 3.02

That the Industry shall obligate itself to pay to the County (a) sums sufficient to pay the principal, interest and premium, if any, on the Bonds, as and when the same become due and payable, (b) the expenses of the County relating to the financing herein described, and (c) such additional payments as may be required by the Act, including, but not limited to, payments in lieu of taxes.

SECTION 3.03

That the Industry shall 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 contract and the Act and in the implementation of the terms and provisions of this Contract.

ARTICLE IV

GENERAL PROVISIONS

SECTION 4.01

All commitments of the County under this Contract are subject to all of the provisions of the Act and the condition that

025835

nothing contained in this Contract 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 agree that the Industry may proceed with the Project prior to the issuance of the Bonds subject to the terms of the Act.

SECTION 4.03

All commitments of the County and the Industry hereunder are subject to the condition that the County and the Industry do agree on mutually acceptable terms and conditions of all documents whose execution and delivery are contemplated by the provisions hereof.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have duly executed this Contract as of the ____ day of _____, 1983.

BAMBERG COUNTY, SOUTH CAROLINA

By: A. Wesley Crum
Chairman, Bamberg County Council

ATTEST: (SEAL)

By: Barbara M. Wilson
Clerk, Bamberg County Council

SOUTHERN BLEACHERY & PRINTWORKS,
INC.

By: _____
Its: _____

ATTEST: (SEAL)

By: _____
Its: _____

025836

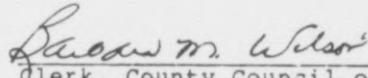
STATE OF SOUTH CAROLINA)
)
COUNTY OF BAMBERG)

I, the undersigned, Clerk of the County Council of Bamberg County, South Carolina, DO HEREBY CERTIFY:

That the foregoing constitutes a true, correct and verbatim copy of a Resolution adopted by said County Council at a meeting duly called and held on June 16, 1983 at which meeting a quorum of Council was present and voted unanimously in favor of the adoption thereof.

That the original of said Resolution is duly entered in the permanent records of said Council, in my custody as such Clerk.

IN WITNESS WHEREOF, I have hereunto set my Hand and the Seal of Bamberg County, South Carolina this ____ day of ____, 1983.



Clerk, County Council of Bamberg
County

(SEAL)

EXHIBIT

JUN 28 1983 NO. 1

A RESOLUTION

STATE BUDGET & CONTROL BOARD

AUTHORIZING AN INDUCEMENT CONTRACT BETWEEN BAMBERG COUNTY, SOUTH CAROLINA AND SOUTHERN BLEACHERY & PRINTWORKS, INC., RELATING TO THE ISSUANCE OF NOT TO EXCEED \$10,000,000 AGGREGATE PRINCIPAL AMOUNT BAMBERG COUNTY INDUSTRIAL REVENUE BONDS (SOUTHERN BLEACHERY & PRINTWORKS, INC. PROJECT) TO FINANCE THE ACQUISITION, OF INDUSTRIAL FACILITIES.

WHEREAS, Southern Bleachery & Printworks, Inc., a corporation organized and existing under the laws of the State of South Carolina (the "Industry"), has requested Bamberg County, South Carolina (the "County") to issue one or more industrial revenue bonds and make available to the Industry the proceeds thereof in order to assist in financing the cost of the acquisition, of certain industrial facilities used for the manufacturing of textile products (the "Project"); and

WHEREAS, the Bamberg County Council (the "County Council") has determined that the granting of such assistance will subserve the purposes of Title 4, Chapter 29 of the Code of Laws of South Carolina, 1976 as amended (the "Act"); and

WHEREAS, County Council, after due consideration, has determined to exercise the powers vested in it by the Act to provide to the Industry such assistance, and to that end resolves to enter into a contract with the Industry whereby the County agrees to make available financing for the Project as aforesaid.

NOW, THEREFORE, BE IT RESOLVED by County Council in meeting duly assembled:

1. That the County shall, to the extent authorized by and consistent with the Act, endeavor to issue one or more Bamberg County Industrial Revenue Bonds in the aggregate principal

025828

amount not to exceed Ten Million Dollars (\$10,000,000) and make the proceeds thereof available to the Industry to assist in financing the cost of the Project.

2. That an agreement to implement the action to be taken pursuant to paragraph 1 hereinabove in substantially the form presented to the meeting and attached hereto (but with such changes, if any, as the persons hereinafter authorized to execute the same shall approve, such approval to be evidenced by their execution thereof) shall be executed and delivered on behalf of the County by the Chairman of the County Council under seal of the County and duly attested by the Clerk of the County Council.

3. That the County Council and its duly constituted officers, agents or other representatives shall take any and all further action as may be necessary or convenient to effectuate the action herewith taken and the agreement herein authorized.

4. This Resolution shall take effect immediately.

Adopted by unanimous vote of Council duly assembled this 16th day of June, 1983.

BAMBERG COUNTY, SOUTH CAROLINA

By: *J. Wesley Crum*
Chairman, Bamberg County Council
(SEAL)

ATTEST:

Sarah M. Wilson
Clerk, Bamberg County Council

EXHIBIT

JUN 28 1983 NO. 1

A RESOLUTION

STATE BUDGET & CONTROL BOARD

MAKING CERTAIN FINDINGS WITH RESPECT TO AND APPROVING THE ISSUANCE OF A NOT TO EXCEED \$10,000,000 PRINCIPAL AMOUNT BAMBERG COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE BOND, SERIES 1983 (SOUTHERN BLEACHERY & PRINTWORKS, INC. PROJECT), TO FINANCE THE ACQUISITION OF CERTAIN INDUSTRIAL FACILITIES; AND AUTHORIZING A PETITION TO THE STATE BUDGET AND CONTROL BOARD FOR ITS APPROVAL OF SUCH UNDERTAKING.

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

ARTICLE I

FINDINGS OF FACT

As an incident to the adoption of this Resolution, the Bamberg County Council (the "County Council"), the Governing Board of Bamberg County, South Carolina (the "County") within the meaning of Title 4, Chapter 29, of the Code of Laws of South Carolina (1976), as amended (the "Act"), has made the following findings:

1. Southern Bleachery & Printworks, Inc. (the "Industry") is considering the acquisition of an industrial facility within the County to be used in connection with bleaching, finishing and other textile manufacturing operations. The facility, including land and improvements, fixtures, equipment and other personal property located or installed thereon, is hereinafter referred to as the "Project."

2. The Industry has advised the County Council that the availability of industrial revenue bond financing to assist in acquiring the Project is a major factor influencing the Industry's decision on whether to acquire the Project, and has requested such assistance from the County.

3. The County proposes to issue a not to exceed \$10,000,000 principal amount Bamberg County, South Carolina, Industrial Revenue Bond, Series 1983 (Southern Bleachery & Printworks, Inc. Project) (the "Bond") and loan the proceeds thereof to the Industry to provide financing assistance for the acquisition of the Project.

4. The Industry estimates that the operations to be conducted at the Project following the acquisition will employ approximately one hundred fifty (150) to two hundred (200) persons.

025840

5. The Project is anticipated to benefit the general public welfare of the County by preserving existing jobs and providing additional employment opportunities and promoting trade within the area. Such preservation of existing jobs, creation of additional employment opportunities and promotion of trade development would not arise if the Project is not acquired. Therefore, the issuance of the Bond to assist in financing the acquisition of the Project will subserve the purposes of the Act.

6. The amount necessary to finance the acquisition of the Project, including both real and personal property and the costs and charges incident to the issuance and delivery of the Bond, is estimated to be approximately TEN MILLION DOLLARS (\$10,000,000).

7. The loan of Bond proceeds to the Industry shall be made pursuant to a financing agreement and other documents in compliance with the Act which shall obligate the Industry to pay (a) to the County such amounts as may be necessary to pay as and when due all principal, interest and premium, if any, under the Bond, and all costs, expenses or other payments that may come due under, with respect to or in connection with the Bond or its issuance, and (b) for the adequate maintenance and insurance of the Project.

8. In no event will the issuance of the Bond or the County's participation in the financing of the acquisition of the Project give rise to any pecuniary liability of the County or a charge against its general credit or taxing power.

9. No reserve fund is deemed necessary nor shall be established in connection with the retirement of the Bond or the maintenance of the Project.

10. The Industry has agreed to arrange for the purchase of the Bond prior to its issuance.

11. The Industry has submitted to County Council drafts of a proposed form of Bond, Loan Agreement (providing for the issuance of the Bond and the loan of the proceeds thereof to the Industry for use in connection with the Project), Mortgage Note (evidencing the Industry's obligation to repay the loan and make all other payments required under the Loan Agreement), Mortgage and Security Agreement (securing the Mortgage Note by a pledge of all real and personal property constituting the Project) and Collateral Assignment of Loan Documents (whereby the Loan Agreement, Mortgage Note and Mortgage and Security Agreement shall be pledged to the purchaser of the Bond as security for the amounts due thereunder.)

ARTICLE II

APPROVAL OF FINANCING

Subject to Article IV hereof and due compliance with all other requirements of the Act and other applicable law, County Council hereby approves the undertaking of providing industrial revenue bond financing to assist the acquisition of the Project in accordance with the findings set forth in Article I hereof.

ARTICLE III

SUBMISSION OF PETITION

A petition substantially in the form attached hereto as Exhibit A shall be submitted by the County Council to the State Budget and Control Board requesting the approval required by the Act. Such petition shall be executed by the Chairman of the County Council and attested by the Clerk of the County Council.

ARTICLE IV

PUBLIC HEARING AND NOTICE

Prior to County Council's final adoption of an ordinance authorizing the issuance and delivery of the Bond, a public hearing concerning this matter shall be held in compliance with the requirements of Section 103(k) of the Internal Revenue Code of 1954, as amended. Notice of such hearing substantially in the form attached hereto as Exhibit B shall be published at least fourteen (14) days prior to such hearing in The Advertiser Herald, a newspaper of general circulation in the County.

EXHIBIT A
TO RESOLUTION

PETITION TO THE STATE BUDGET AND CONTROL BOARD

025843

STATE OF SOUTH CAROLINA)
)
COUNTY OF BAMBERG)

PETITION
TO THE
STATE BUDGET AND CONTROL BOARD
OF SOUTH CAROLINA

This Petition of County Council of Bamberg County, South Carolina (the "County Council") respectfully shows:

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

2. The County proposes, pursuant to the Act, to issue a not to exceed \$10,000,000 principal amount Bamberg County, South Carolina, Industrial Revenue Bond, Series 1983 (Southern Bleachery & Printworks, Inc. Project) (the "Bond") and loan the proceeds thereof to Southern Bleachery & Printworks, Inc. (the "Industry") to provide financing for the acquisition of certain industrial facilities (including both real and personal property) located within the County (the "Project").

3. Accompanying this Petition are the following documents:

- a. Copy of the Resolution of County Council authorizing the entering into of an Inducement Contract with the Industry in connection with the Project.
- b. Copy of the Inducement Contract referred to in item (a) above.
- c. Copy of the Resolution of County Council approving the issuance of the Bond and authorizing the submission of this Petition.
- d. Proposed form of Bond Ordinance pursuant to which the issuance and delivery of the Bond are expected to be authorized. Exhibits to the Bond Ordinance include proposed forms of the financing agreement and other documents expected to govern the terms and conditions of the proposed financing.

4. In the Resolution authorizing this Petition (a copy of which is submitted herewith) County Council has made certain

025844

findings of fact with respect to the proposed financing, which findings are by this reference incorporated herein and made a part hereof as if set forth herein verbatim.

Upon the basis of the foregoing, the County Council respectfully prays that the State Budget and Control Board of South Carolina accept the filing of this Petition; that it as soon as practicable make such independent investigation of the matters addressed herein as it shall deem advisable; that it find the proposed financing is intended to promote the purposes of the Act and is reasonably anticipated to effect such result; that it approve the issuance of the Bond for the purpose and in accordance with the terms and conditions of the proposed financing as presented in connection herewith, together with such modifications thereof which do not materially affect the basis for its approval; and that it give published notice of its approval in the manner set forth in the Act.

Dated: _____, 1983. Respectfully submitted,

BAMBERG COUNTY COUNCIL

By: _____
Its: Chairman

(SEAL)

ATTEST:

Clerk, Bamberg County Council

EXHIBIT B
TO RESOLUTION

NOTICE OF PUBLIC HEARING

025846

NOTICE OF PUBLIC HEARING

Notice is hereby given by Bamberg County Council (the "County Council") of two public hearings relating to the proposed issuance and delivery by Bamberg County, South Carolina (the "County") of a not to exceed \$10,000,000 principal amount Bamberg County, South Carolina, Industrial Revenue Bond, Series 1983 (Southern Bleachery & Printworks, Inc. Project)(the "Bond") pursuant to Title 4, Chapter 29, Code of Laws of South Carolina, (1976), as amended, which Bond is to be issued to finance the acquisition of certain industrial facilities (including both real and personal property) located in or about the area of downtown Bamberg, South Carolina, along Calhoun Street between Elm and Weimer Streets, by Southern Bleachery & Printworks, Inc. (the "Industry") for use in the Industry's bleaching, finishing and other textile manufacturing operations.

The proceeds from the sale of the Bond will be loaned by the County to the Industry to finance the acquisition of the Project pursuant to a loan agreement and related documents (the "Loan Documents") between the County and the Industry. The Industry will irrevocably covenant and agree to pay when due all sums required to pay all principal, interest and premium, if any, at any time payable under the Bond.

The Bond will be payable by the County solely from the amounts to be paid to the County by the Industry pursuant to the Loan Documents. In no event will the issuance of the Bond give rise to any pecuniary liability of the County or a charge against its general credit or taxing power.

Following its acquisition by the Industry, the Project is expected to provide employment for approximately one hundred fifty (150) to two hundred (200) persons.

The first hearing will be held at the Human Resource Center, Log Branch Road, Bamberg, South Carolina, at 7:00 p.m., July 11, 1983.

The second hearing will be held at the Human Resource Center, Log Branch Road, Bamberg, South Carolina, at 7:00 p.m., July 25, 1983.

025847

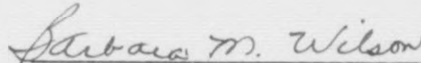
STATE OF SOUTH CAROLINA)
)
COUNTY OF BAMBERG)

I, the undersigned, Clerk of the County Council of Bamberg County, South Carolina, DO HEREBY CERTIFY:

(1) That the foregoing constitutes a true, correct and verbatim copy of a Resolution adopted by said County Council upon unanimous vote of a quorum of its members present at a meeting duly called and held on June 20, 1983.

(2) That the original of said Resolution is duly entered in the permanent records of said Council, in my custody as such Clerk.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of Bamberg County, South Carolina this 20th day of June, 1983.



Clerk, Bamberg County Council

(SEAL)

025848

EXHIBIT

JUN 28 1983 NO. 1

NOTICE OF APPROVAL OF PROJECT
BY
THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA
STATE BUDGET & CONTROL BOARD

Notice is hereby given that the State Budget and Control Board of South Carolina (the "State Board") has approved the financing by Bamberg County, South Carolina (the "County") of the acquisition of certain industrial facilities in the County (the "Project") through the issuance of a not to exceed TEN MILLION DOLLARS (\$10,000,000) principal amount Bamberg County, South Carolina, Industrial Revenue Bond, Series 1983, (Southern Bleachery & Printworks, Inc. Project) (the "Bond"), pursuant to the provisions of Title 4, Chapter 29, of the Code of Laws of South Carolina (1976), as amended.

To assist in financing the acquisition of the Project, the proceeds of the Bond will be loaned by the County to Southern Bleachery Printworks, Inc., a South Carolina corporation (the "Industry"), pursuant to a loan agreement between the County and the Industry (the "Loan Agreement"). The obligation of the Industry to repay such loan shall be evidenced by its Mortgage Note of even principal amount with the Bond (the "Mortgage Note") providing for payments to the County sufficient to pay when due all principal, interest and premium, if any, owing at any time under the Bond. The Industry shall own the Project and shall secure payments to be made under the Mortgage Note by granting to the County a first priority mortgage and security interest (the "Mortgage") in the Project, which shall constitute a foreclosable lien upon the Project. The Bond shall be payable by the County solely from payments received by the County under the Loan Agreement, the Mortgage Note and the Mortgage. The Bond shall not constitute or give rise to a pecuniary liability of the County or a charge against the general credit or taxing power of the County. Other obligations of the Industry with respect to its indebtedness to the County shall be set forth in the Loan Agreement.

Following its acquisition, the Project is reasonably expected to employ approximately one hundred fifty (150) to two hundred (200) persons in the County.

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

STATE BUDGET AND CONTROL BOARD
OF SOUTH CAROLINA

By: _____ (SEAL)
Its _____

025849

EXHIBIT

JUN 28 1983

NO. 1

AN ORDINANCE

STATE BUDGET & CONTROL BOARD

AUTHORIZING THE ISSUANCE OF A NOT TO EXCEED \$10,000,000 PRINCIPAL AMOUNT BAMBERG COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE BOND, SERIES 1983 (SOUTHERN BLEACHERY & PRINTWORKS, INC. PROJECT), FOR THE PURPOSE OF FINANCING THE COST OF ACQUIRING CERTAIN INDUSTRIAL FACILITIES; AND AUTHORIZING OTHER RELATED MATTERS.

BE IT ORDAINED BY THE COUNTY COUNCIL OF BAMBERG COUNTY, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:

ARTICLE I

DEFINITIONS AND FINDINGS OF FACT

Section 1.01. Definitions. For all purposes of this Ordinance the following terms shall have the respective meanings hereinafter set forth.

"ACQUISITION FUND" means the account to be established by the Industry with the Custodian in which shall be deposited the proceeds from the sale of the Bond.

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

"BOND" means a not to exceed \$10,000,000 principal amount Bamberg County, South Carolina, Industrial Revenue Bond, Series 1983 (Southern Bleachery & Printworks, Inc. Project) to be issued by the County and sold and delivered to the Registered Owner, the proceeds of which are to be loaned to the Industry pursuant to the Loan Agreement to assist the financing of the Project.

"BOND PURCHASE COMMITMENT" means the agreement of the person who becomes the initial Registered Owner to initially purchase the Bond.

"CHAIRMAN" means the duly elected Chairman of County Council or, in his absence or incapacity, such other officer of County Council duly authorized to act in his stead.

"CLERK" means the Clerk of County Council or, in her absence or incapacity, such other person as may be duly authorized to act in her stead.

"CODE" means the Internal Revenue Code of 1954, as amended, and all regulations promulgated thereunder.

025850

"COLLATERAL ASSIGNMENT" means the Collateral Assignment of Loan Documents by the County to the Registered Owner as security for the Bond.

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

"COUNTY COUNCIL" means the County Council of the County, and any successor body.

"CUSTODIAN" means the Trust Department of First National Bank of South Carolina, and any successor thereof.

"INDUSTRY" means Southern Bleachery & Printworks, Inc., a corporation organized and existing under the laws of the State of South Carolina.

"LOAN AGREEMENT" means the Loan Agreement between the County and the Industry providing the terms and conditions under which the proceeds of the Bond are to be loaned by the County to the Industry.

"LOAN DOCUMENTS" means the Loan Agreement, the Mortgage Note and Mortgage.

"MORTGAGE" means the Mortgage and Security Agreement by which the Industry grants to the County a first priority lien and security interest in the Project to secure the Mortgage Note.

"MORTGAGE NOTE" means the Industry's promissory note of even principal amount with the Bond to the County evidencing the Industry's obligation to make the payments required by the Loan Agreement.

"PROJECT" means the industrial facilities (including the land, buildings, improvements, machinery and equipment) located in or about the area of downtown Bamberg, South Carolina, near Calhoun Street between Elm and Weimer Streets, which industrial facilities shall be used in the Industry's bleaching, finishing, and textile manufacturing operations and shall be acquired by the Industry with the proceeds of the Bond.

"REGISTERED OWNER" means the person or persons in whose name or names the Bond shall be registered from time to time on the records of the Custodian maintained for that purpose in accordance with this Loan Agreement.

"TAXABLE RATE" means the rate of interest on the Bond applicable without regard to a Determination of Taxability multiplied by a fraction whose numerator equals one hundred (100) and whose denominator equals the difference between one hundred (100) less

the number of percentage points in the highest marginal corporate income tax rate under the Code as of the date for which the Taxable Rate is determined.

Section 1.02. Findings of Fact. As an incident to the adoption of this Ordinance the County Council has made and hereby affirms the following findings:

(a) The Industry is considering the acquisition of the Project.

(b) The Industry has advised the County Council that the availability of industrial revenue bond financing to assist in acquiring the Project is a major factor influencing the Industry's decision on whether to acquire the Project, and has requested such assistance from the County.

(c) The County proposes to issue the Bond and loan the proceeds thereof to the Industry to provide financing assistance for the acquisition of the Project.

(d) The Industry estimates that the operations to be conducted at the Project following the acquisition will employ approximately one hundred fifty (150) to two hundred (200) persons.

(e) The Project is anticipated to benefit the general public welfare of the County by preserving existing jobs and providing additional employment opportunities and promoting trade within the area. Such preservation of existing jobs, creation of additional employment opportunities and promotion of trade development would not arise if the Project is not acquired. Therefore, the issuance of the Bond to assist in financing the acquisition of the Project will subserve the purposes of the Act.

(f) The amount necessary to finance the acquisition of the Project, including both real and personal property and the costs and charges incident to the issuance and delivery of the Bond, is estimated to be approximately TEN MILLION DOLLARS (\$10,000,000).

(g) The loan of Bond proceeds to the Industry shall be made pursuant to a financing agreement and other documents in compliance with the Act which shall obligate the Industry to pay (a) to the County such amounts as may be necessary to pay as and when due all principal, interest and premium, if any, under the Bond, and all costs, expenses or other payments that may come due under, with respect to or in connection with the Bond or its issuance, and (b) for the adequate maintenance and insurance of the Project.

(h) In no event will the issuance of the Bond or the County's participation in the financing of the acquisition of the Project give rise to any pecuniary liability of the County or a charge against its general credit or taxing power.

(i) No reserve fund is deemed necessary nor shall be established in connection with the retirement of the Bond or the maintenance of the Project.

(j) The Industry has agreed to arrange for the purchase of the Bond prior to its issuance.

(k) The Industry has submitted to County Council drafts of a proposed form of Bond, Loan Agreement, Mortgage Note, Mortgage and Collateral Assignment.

ARTICLE II

THE BOND

Section 2.01. Restriction on Issuance. No bond may be issued under this Ordinance except in accordance with this Article II.

Section 2.02. Principal Amount. The principal amount of the bond that may be issued hereunder shall not exceed TEN MILLION DOLLARS (\$10,000,000).

Section 2.03. Terms of Bond. The Bond shall be issued in registered form in the principal amount not to exceed TEN MILLION DOLLARS (\$10,000,000) and designated Bamberg County, South Carolina, Industrial Revenue Bond, Series 1983 (Southern Bleachery & Printworks, Inc. Project). The Bond shall be dated the date of delivery and the entire principal amount thereof shall be due and payable at such time (not to exceed fifteen (15) years from such date) as may be agreed to between the Industry and the initial Registered Owner and communicated in writing to the County prior to the date of issuance. Interest on the principal balance outstanding from time to time shall accrue at such rate as may be agreed to between the Industry and the initial Registered Owner and communicated in writing to the County prior to the date of issuance, which rate, exclusive of any additional interest (as described below) resulting from a "Determination of Taxability" as defined in the Loan Agreement, shall not exceed eighteen percent (18%) per annum. Upon the occurrence of a "Determination of Taxability" as defined in the Loan Agreement, the interest rate of the Bond shall be increased to equal the Taxable Rate, which rate shall apply both prospectively and retroactively to the accrual of interest on the principal balance outstanding at all times to which the Determina-

tion of Taxability relates. The additional interest resulting from such retroactive interest rate adjustment shall be due and payable to the existing or any prior Registered Owner entitled thereto, for the period or periods in question. There shall also be due and payable as additional interest to any such existing or prior Registered Owner, upon demand, an amount equal to the sum of: (a) any interest or penalties on overdue federal income taxes paid or payable by such Registered Owner (or, in the case of a Registered Owner who held the Bond as a nominee or trustee, to the principal or any beneficiary thereof) as a result of the failure of such Registered Owner (or principal or beneficiary) to include in gross income interest on the Bond as required by the Determination of Taxability. Overdue installments of principal, and to the extent permitted by law, interest (including all additional interest arising out of a Determination of Taxability) with respect to the Bond shall bear interest at the rate equal to the Taxable Rate. The Bond may be pre-paid without penalty in whole or in part upon thirty (30) days written notice to the Registered Owner. All payments due under the Bond shall be made in federal or other immediately available funds to the Registered Owner at the address listed on the registration records maintained by the Custodian. The Bond shall contain such other terms and conditions, and be substantially in the form, as set forth in Exhibit A.

Section 2.04. Execution and Delivery. The Bond shall be executed on behalf of the County by the Chairman, attested by the Clerk, and have impressed thereon the corporate seal of the County. The Bond shall be delivered to the purchaser thereof upon deposit of the purchase price in the Acquisition Fund, which deposit and delivery shall constitute the sale of the Bond by the County to the purchaser thereof. Thereupon the Custodian shall designate such purchaser on the registration records as the initial Registered Owner.

Section 2.05. Limited Obligation. Notwithstanding any other provision of this Ordinance or any other document, the Bond shall constitute a limited obligation of the County payable solely from payments received by the County under the Loan Documents (exclusive of amounts constituting revenues from any tax or license or otherwise due the County pursuant to Sections 6.04, 6.06, 7.02, 7.03 or 9.04 of the Loan Agreement). The Bond and all amounts due thereunder shall never constitute an indebtedness of the County within the meaning of any South Carolina constitutional or statutory debt limitation nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

ARTICLE III

CUSTODY AND APPLICATION OF PROCEEDS

Section 3.01. Loan to Industry. The proceeds of the Bond shall be loaned to the Industry pursuant to and in accordance with the Loan Documents for use in connection with payment of the costs and expenses incident to the issuance and sale of the Bond and the acquisition of the Project.

Section 3.02. Acquisition Fund. The proceeds of the Bond shall be made available to the Industry by the deposit thereof in the Acquisition Fund. Disbursements from the Acquisition Fund and the investment of monies held therein pending disbursement shall be made pursuant to and in accordance with the Loan Agreement.

ARTICLE IV

AUTHORIZATIONS

Section 4.01. Undertakings of the County. The issuance, sale and delivery of the Bond, the loan of the proceeds thereof to the Industry, and the undertaking and performance of the obligations incident to the foregoing set forth in the Bond and the Loan Documents are hereby authorized to be done pursuant to and in accordance with this Ordinance.

Section 4.02. Actions on Behalf of County. The Chairman is authorized and directed to take such action and do such things on behalf of the County as he deems necessary or appropriate to accomplish the purposes of this Ordinance and effect the transactions contemplated hereby, including without limitation the execution, seal and delivery of the Bond, the Collateral Assignment, and the Loan Documents, with such changes or modifications thereof and together with such additional instruments or documents, which are consistent with this Ordinance and do not materially adversely affect the interests of the County. The Clerk is authorized and directed to attest the signature of the Chairman in each such instance. The execution, seal and delivery of such documents and instruments by the Chairman shall be conclusive evidence of their due execution, seal and delivery on behalf of the County in accordance with the Ordinance, whereupon each such document or instrument shall become binding upon and enforceable against the County.

ARTICLE V

MISCELLANEOUS

Section 5.01. Severability. The invalidity or unenforceability of any provision of this Ordinance under the applicable

law of any jurisdiction shall not render invalid or unenforceable any other provision thereof.

Section 5.02. Exhibits. The form of Bond, the Loan Agreement, the Mortgage Note, the Mortgage, the Collateral Assignment and Bond Purchase Commitment are attached hereto as Exhibits A, B, C, D, E, and F, respectively, and shall for all purposes constitute a part hereof and by each reference thereto are incorporated into and made a part of the body of this Ordinance as if set forth verbatim in their entirety.

Section 5.03. Contract. This Ordinance shall be deemed to be a contract which shall bind the County to the performance of its obligations hereunder and which shall be enforceable against the County by the Industry, the initial Registered Owner and any subsequent Registered Owner as their respective rights may appear.

Section 5.04. Public Hearing. Prior to the third reading hereof, and upon at least fourteen (14) days public notice thereof published in a newspaper of general circulation in the County, a public hearing concerning this matter shall be held in compliance with the requirements of Section 103(k) of the Code.

Section 5.0). Effective Date. This Ordinance shall take effect immediately upon the third reading and vote of adoption by the County Council.

STATE OF SOUTH CAROLINA)
)
COUNTY OF BAMBERG)

I, the undersigned, Clerk of the County Council of Bamberg County, South Carolina, DO HEREBY CERTIFY:

(1) That the foregoing constitutes a true, correct and verbatim copy of an Ordinance read and adopted by unanimous vote of a quorum of members present at three duly called meetings of said County Council held on June 20, 1983, July 11, 1983 and July 25, 1983.

(2) That the original of said Ordinance is duly entered in the permanent records of said Council, in my custody as such Clerk.

IN WITNESS WHEREOF, I have hereunto set my Hand and the Seal of Bamberg County, South Carolina this ____ day of _____, 1983.

Clerk, Bamberg County Council
(SEAL)

EXHIBIT A
TO THE BOND ORDINANCE

[THE BOND]

025858

BAMBERG COUNTY, SOUTH CAROLINA
INDUSTRIAL REVENUE BOND, SERIES 1983
(SOUTHERN BLEACHERY & PRINTWORKS, INC. PROJECT)

\$10,000,000.00

Bamberg, South Carolina
_____, 1983

KNOW ALL MEN BY THESE PRESENTS, that BAMBERG COUNTY, SOUTH CAROLINA, a body politic and corporate and a political subdivision of the State of South Carolina (the "County"), hereby promises to pay, but only from the source and as hereinafter provided, to the Registered Owner hereof, or registered assigns, the principal sum of TEN MILLION DOLLARS (\$10,000,000.00), together with interest on the principal balance outstanding from time to time from the date hereof at the rate hereinafter set forth.

All terms herein shall have the meanings given them by the Loan Agreement of even date herewith between the County and the Industry (the "Loan Agreement") unless the context clearly requires otherwise.

This Bond is the "Bond" referred to in the Loan Agreement, pursuant to which the proceeds of the sale of this Bond are to be loaned to the Industry to assist in financing the acquisition of the Project. To evidence its obligation to repay such loan, the Industry has made and delivered to the County its Mortgage Note secured by the Mortgage of the Project. To better secure the due and timely payment of all amounts payable under this Bond, the County has, pursuant to the Collateral Assignment, assigned to the Registered Owner all of its right, title and interest in, to and under the Loan Documents. Copies of the Collateral Assignment and Loan Documents are on file with the office of the Clerk of Court of Bamberg County, South Carolina, and reference is made to such documents for a fuller description of the security and the provisions with respect to the nature and extent of the rights, remedies, duties and obligations of the County, the Industry, the Custodian and the Registered Owner.

The entire principal amount hereof shall be payable on _____, 19__.

THE PRINCIPAL, INTEREST AND OTHER AMOUNTS DUE UNDER OR IN CONNECTION WITH THIS BOND ARE NOT AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE COUNTY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

025859

Interest shall accrue hereunder from _____, 1983 on the principal balance outstanding from time to time and shall be payable in _____ installments commencing _____, 198_, and thereafter on the _____ day of every succeeding _____, until this Bond has been paid in full. Interest shall accrue at a rate per annum (computed on the basis of a 360-day year and actual number of days elapsed) equal to _____.

Notwithstanding the foregoing, in the event of a change in the maximum marginal tax rate imposed on corporations under federal income tax law, the interest rate shall be adjusted to equal the multiplicative product of the otherwise applicable rate times a fraction the numerator of which equals one hundred (100) minus the number of percentage points constituting such new maximum marginal tax rate and the denominator of which equals fifty-four (54); provided, however, such adjustment shall not be made with respect to any period to which a Determination of Taxability relates.

Interest shall accrue hereunder on overdue installments of principal and, to the extent legally enforceable, on overdue installments of interest, at an annual rate equal to the Taxable Rate (as hereinafter defined) for each day of delinquency until paid.

All payments hereunder shall be applied first to accrued but unpaid interest (including additional interest, if any) and then to principal.

This Bond is subject to optional prepayment as a whole or in part at any time upon not less than thirty (30) days written notice to the Registered Owner. Any prepayment shall be at a prepayment price equal to one hundred percent (100%) of the principal amount to be prepaid, plus accrued interest thereon to the date of prepayment.

Payment of principal, interest and all other amounts due hereunder shall be made in federal or other immediately available funds to the Registered Owner at his address appearing on the registration records of the Custodian.

Upon the occurrence of a Determination of Taxability, the interest rate of this Bond shall be increased to equal the Taxable Rate, which rate shall apply both prospectively and retroactively to the accrual of interest on the principal balance hereof outstanding at all times to which the Determination of Taxability relates. The additional interest resulting from such retroactive interest rate adjustment shall be immediately due and payable to the existing or any prior Registered Owner entitled thereto for the period or periods in question. The "Taxable Rate" means the rate of interest on the Bond applicable

without regard to a Determination of Taxability multiplied by a fraction whose numerator equals one hundred (100) and whose denominator equals the difference between one hundred (100) less the number of percentage points in the highest marginal corporate income tax rate under the Code as of the date for which the Taxable Rate is determined. The County further agrees to pay as additional interest to any such existing or prior Registered Owner, upon demand, and in addition to all other amounts paid or to be paid hereunder, an amount equal to any penalties or interest on overdue federal income taxes paid or payable by such Registered Owner (or, in the case of a Registered Owner who held this Bond as a nominee or trustee, to the principal or any beneficiary thereof) as a result of the failure of such Registered Owner (or principal or beneficiary) to include in gross income interest on the Bond as required by the Determination of Taxability. All future accruals of interest at the Taxable Rate shall be due and payable on the interest installment payment dates set forth hereinabove. The obligation to make all additional interest payments provided for hereinabove resulting from a Determination of Taxability shall survive and continue in full force and effect beyond any intervening event or occurrence, including without limitation the cancellation or extinguishment, at maturity or otherwise, of this Bond.

Subject to the limitation that this Bond shall not constitute a pecuniary liability of the County or a charge against its general credit or taxing powers, the obligation of the County to make (solely from the revenues and receipts arising out of the sources designated herein) the payments required hereunder shall be absolute and unconditional, and shall not be subject to diminution by set-off, counterclaim, abatement or otherwise.

This Bond has been issued in fully registered form, and all principal, interest or other amounts due hereunder shall be payable only to the Registered Owner hereof. The County has designated the Custodian as bond registrar and has directed the Custodian to maintain registration records for the registration or transfer of this Bond. This Bond may be transferred only upon assignment duly executed by the Registered Owner and validated by the Custodian by both endorsement upon the Bond and entry of the assignee's name and address upon said registration records. Any such assignment of this Bond shall be deemed automatically to constitute and effect an assignment to such new Registered Owner of all the assignor's right, title and interest in, to and under the Collateral Assignment and Loan Documents. So long as any amount remains outstanding hereunder, there may be only one Registered Owner of this Bond at any time. Any purported assignment in contravention of the foregoing requirements shall be, as to both the Industry and the County, absolutely null and void. The person in whose name this Bond shall be registered

shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of and interest on this Bond shall be made only to or upon the order of the Registered Owner or his legal representative. All such payments shall be valid and effective to satisfy and discharge the liability of the County upon this Bond to the extent of the sum or sums so paid. No person other than the Registered Owner shall have any right to receive payments, pursue remedies, enforce obligations or exercise or enjoy any other rights under this Bond, the Collateral Assignment or the Loan Documents as against the County or the Industry. However, notwithstanding the foregoing, nothing herein shall operate to void or limit the rights of a person having a beneficial interest in this Bond as against a person (including the Registered Owner) other than the County or the Industry, as in the case where the Registered Owner is a trustee or nominee for two or more beneficial owners of an interest in this Bond.

This Bond is issued pursuant to the authorization of and for the purposes prescribed by Title 4, Chapter 29 of the Code of Laws of South Carolina (1976), as amended, (the "Act"), and it is certified to any purchaser hereof that all provisions of the Act, the Constitution of the State of South Carolina and all other laws relating to the due and lawful authorization, issuance, delivery and sale of this Bond, and the execution and delivery of the Collateral Assignment, have been complied with.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS BOND OR ANY OTHER DOCUMENT TO THE CONTRARY, THIS BOND IS A LIMITED OBLIGATION OF THE COUNTY PAYABLE SOLELY OUT OF THE INCOME, REVENUES AND RECEIPTS DERIVED UNDER THE LOAN DOCUMENTS, EXCLUSIVE OF AMOUNTS CONSTITUTING REVENUES FROM ANY TAX OR LICENSE OR OTHERWISE DUE THE COUNTY PURSUANT TO SECTIONS 6.04, 6.06, 7.02, 7.03 or 9.04 OF THE LOAN AGREEMENT. THIS BOND AND ALL AMOUNTS DUE HEREUNDER SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY SOUTH CAROLINA CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE COUNTY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

Upon the occurrence of a default under the Loan Documents or Collateral Assignment, or upon failure to pay when due all principal, interest or any other amount hereunder, the principal of the Bond then outstanding, together with interest accrued thereon and all other amounts payable hereunder, may be declared immediately due and payable without notice.

It is agreed that in the event any part of the amounts payable hereunder are not paid when due, or if this Bond is placed in the hands of an attorney for collection, or if this debt or any part is collected by an attorney or by legal proceedings of any kind, all costs and expenses incident to such collection,

including without limitation reasonable attorneys' fees, shall be added to the principal amount of this Bond, and shall be collectible as a part hereof.

Any addition to or expansion of the rights and remedies of the Registered Owner contained in the Loan Agreement, and all other provisions therein relating to this Bond not inconsistent with the terms hereof, are by this reference incorporated herein and made a part hereof as if set forth herein verbatim.

The County hereby waives presentment, demand, dishonor, protest, notice for payment, notice of non-payment, notice of default, notice of compromise or surrender, and any other demand or notice whatsoever in connection with the payment of this Bond.

This Bond is issued with the intent that the laws of the State of South Carolina shall govern its construction. In the event that at any time any payment of interest provided for hereunder shall be required to be made at a rate which exceeds the highest rate permitted by applicable law, such highest legal rate shall be substituted for the rate of interest provided herein.

IN WITNESS WHEREOF, BAMBERG COUNTY, SOUTH CAROLINA, has caused this Bond to be executed by the Chairman of its County Council, by his manual signature, and its corporate seal to be impressed or reproduced hereon, and attested by the Clerk of its County Council, by her manual signature, all as of this ____ day of _____, 1983.

BAMBERG COUNTY, SOUTH CAROLINA

By: _____
Its: Chairman, Bamberg County
Council

ATTEST: (SEAL)

By: _____
Clerk, Bamberg County Council

CORRECTION

including without limitation reasonable attorneys' fees, shall be added to the principal amount of this Bond, and shall be collectible as a part hereof.

Any addition to or expansion of the rights and remedies of the Registered Owner contained in the Loan Agreement, and all other provisions therein relating to this Bond not inconsistent with the terms hereof, are by this reference incorporated herein and made a part hereof as if set forth herein verbatim.

The County hereby waives presentment, demand, dishonor, protest, notice for payment, notice of non-payment, notice of default, notice of compromise or surrender, and any other demand or notice whatsoever in connection with the payment of this Bond.

This Bond is issued with the intent that the laws of the State of South Carolina shall govern its construction. In the event that at any time any payment of interest provided for hereunder shall be required to be made at a rate which exceeds the highest rate permitted by applicable law, such highest legal rate shall be substituted for the rate of interest provided herein.

IN WITNESS WHEREOF, BAMBERG COUNTY, SOUTH CAROLINA, has caused this Bond to be executed by the Chairman of its County Council, by his manual signature, and its corporate seal to be impressed or reproduced hereon, and attested by the Clerk of its County Council, by her manual signature, all as of this ____ day of _____, 1983.

BAMBERG COUNTY, SOUTH CAROLINA

By: _____
Its: Chairman, Bamberg County
Council

ATTEST: (SEAL)

By: _____
Clerk, Bamberg County Council

EXHIBIT B
TO THE BOND ORDINANCE
[THE LOAN AGREEMENT]

025864

L O A N A G R E E M E N T

by and between
BAMBERG COUNTY, SOUTH CAROLINA
and
SOUTHERN BLEACHERY & PRINTWORKS, INC.
dated as of
_____, 1983

in connection with

\$10,000,000 BAMBERG COUNTY, SOUTH CAROLINA
INDUSTRIAL REVENUE BOND, SERIES 1983
(SOUTHERN BLEACHERY & PRINTWORKS, INC. PROJECT)

025865

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LOAN AGREEMENT

THIS LOAN AGREEMENT, made as of the ____ day of _____, 1983, by and between BAMBERG COUNTY, SOUTH CAROLINA, a body politic and corporate and a political subdivision of the State of South Carolina, and SOUTHERN BLEACHERY & PRINTWORKS, INC., a corporation organized and existing under the laws of the State of South Carolina.

WITNESSETH:

IN CONSIDERATION of the respective covenants and agreements hereinafter contained, the parties hereto do hereby agree as follows:

ARTICLE I

PROVISIONS OF GENERAL APPLICATION

Section 1.01. Definitions. For purposes of this Loan Agreement, the following terms shall have the meanings hereinafter set forth, unless the context clearly requires otherwise:

"ACQUISITION FUND" means the account to be established by the Industry with the Custodian in which shall be deposited the proceeds from the sale of the Bond, all as provided for in Section 4.01 hereinbelow.

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

"AUTHORIZED INDUSTRY REPRESENTATIVE" means the person or persons, or either of them, from time to time designated to act on behalf of the Industry by written certificate furnished to the Custodian and the Registered Owner, containing the specimen signature of such persons and signed by the Industry.

"BOND" means a not to exceed \$10,000,000 principal amount Bamberg County, South Carolina, Industrial Revenue Bond, Series 1983 (Southern Bleachery & Printworks, Inc. Project), substantially in the form attached hereto as Exhibit A, to be issued by the County and sold and delivered to the initial Registered Owner, the proceeds of which are to be loaned to the Industry pursuant to this Loan Agreement to assist the financing of the Project.

"CHAIRMAN" means the duly elected Chairman of County Council or, in his absence or incapacity, such other officer of County Council duly authorized to act in his stead.

"CLERK" means the Clerk of County Council or, in her absence or incapacity, such other person as may be duly authorized to act in her stead.

"CODE" means the Internal Revenue Code of 1954, as amended, and all regulations promulgated thereunder.

"COLLATERAL ASSIGNMENT" means the Collateral Assignment of Loan Documents by the County to the initial Registered Owner substantially in the form attached hereto as Exhibit B.

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

"COUNTY COUNCIL" means the County Council of the County, and any successor body.

"CUSTODIAN" means the Trust Department of the First National Bank of South Carolina, and any successor thereto.

"INDUSTRY" means Southern Bleachery & Printworks, Inc., a corporation organized and existing under the laws of the State of South Carolina.

"LOAN AGREEMENT" means the within Loan Agreement between the County and the Industry.

"LOAN DOCUMENTS" means this Loan Agreement, the Mortgage Note and the Mortgage.

"MORTGAGE" means the Mortgage and Security Agreement, substantially in the form attached hereto as Exhibit C, by which the Industry grants to the County a first priority lien and security interest in the Project to secure the Mortgage Note.

"MORTGAGE NOTE" means the Industry's promissory note of even principal amount with the Bond to the County, substantially in the form attached hereto as Exhibit D, evidencing the Industry's obligation to make the payments required by this Loan Agreement.

"PROJECT" means the land, buildings, improvements, machinery equipment and other property to be acquired by the Industry with the proceeds of the Bond for use by the Industry in its bleaching, finishing and other textile manufacturing operations.

"REGISTERED OWNER" means the person in whose name the Bond shall be registered from time to time on the records of the Custodian maintained for that purpose in accordance with this Loan Agreement.

"TAXABLE RATE" means the rate of interest on the Bond applicable without regard to a Determination of Taxability (as hereinafter defined) multiplied by a fraction whose numerator equals one hundred (100) and whose denominator equals the difference between one hundred (100) less the number of percentage points in the highest marginal corporate income tax rate under the Code as of the date for which the Taxable Rate is determined.

Section 1.02. Headings. All references to designated "Articles" or "Sections" are to the Articles and Sections of this Agreement as originally executed. The Table of Contents and all headings are provided for convenience only and are not intended to limit, expand or otherwise modify any provision hereof.

Section 1.03. Usage. All pronouns and defined terms appearing herein shall be deemed to include both the singular and plural, and to refer to all genders, unless the context clearly requires otherwise. The words "hereby", "herein",

"hereof", "hereunder" and words of similar import shall refer to this Agreement in its entirety and not to any particular provision or subdivision hereof.

Section 1.04. Notices. All notices, approvals, consents, requests, certificates or other communications hereunder shall be in writing and shall be deemed to have been given when sent, postage prepaid, by registered mail or certified mail, return receipt requested, to the following addresses: (a) if to the County, at Post Office Box 149, Bamberg, South Carolina 29003, Attention: Chairman of County Council; (b) if to the Industry, at _____, Attention: President; (c) if to the Registered Owner, at the address shown on the registration records kept by the Custodian; or (d) if to the Custodian, at Post Office Box 111, Columbia, South Carolina 29202, Attention: Senior Trust Officer. The parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, approvals, consents, requests or other communications given hereunder shall be sent or persons to whose attention the same shall be directed.

Section 1.05. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the County and the Industry, and their respective successors and assigns, forever. It is the specific intent and agreement of the Industry and the County that the initial Registered Owner and any subsequent Registered Owners shall be deemed for all purposes hereof to be third party beneficiaries under this Loan Agreement.

Section 1.06. Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable, that holding shall not invalidate or render unenforceable any other provision of this Loan Agreement.

Section 1.07. Execution of Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1.08. Law Govering Construction of Loan Agreement. This Loan Agreement shall be governed by and construed in accordance with the laws of the State of South Carolina.

ARTICLE II

THE BOND

Section 2.01. Title. The Bond shall be titled "\$10,000,000 BAMBERG COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE BOND, SERIES 1983 (SOUTHERN BLEACHERY & PRINTWORKS, INC. PROJECT)".

Section 2.02. Limited Obligation. The Bond shall be when issued, and at all times thereafter shall remain, a limited obligation of the County, payable solely out of the revenues and receipts received by the County under the Loan Documents, exclusive of amounts received under Sections 6.04, 6.06, 7.02, 7.03 or 9.04 of this Loan Agreement. Neither the Bond, nor any amount due thereunder, nor any other obligation in connection therewith, shall ever constitute an indebtedness of the County within the meaning of any South Carolina constitutional or statutory provision or limitation, nor constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

Section 2.03. Form and Execution. The Bond shall be issued in fully registered form to the initial purchaser of the Bond, as the Registered Owner thereof. The Bond shall be executed on behalf of the County by the signature of the Chairman and attested with the signature of the Clerk and shall have impressed thereon the seal of the County. In case any officer of the County whose signature shall appear on the Bond shall cease to be such officer before the Bond is issued and delivered, such signature shall nevertheless be valid and sufficient for all purposes and the Bond may be issued and delivered as though said officer had remained in office until such issuance and delivery.

Section 2.04. Registration and Transfer. The County hereby designates the Custodian as bond registrar and hereby directs the Custodian to maintain registration records for the registration of the initial and all subsequent owners of the Bond. The Bond may be transferred only upon assignment duly executed by the Registered Owner and validated by the Custodian by both endorsement upon the Bond and entry of the assignee's name and address upon said registration records. Any such assignment of the Bond shall be deemed automatically to constitute and effect an assignment to such new Registered Owner of all the assignor's right, title and interest in, to and under the Collateral Assignment and Loan Documents. So long as any amount remains outstanding under the Bond there may be only one Registered Owner thereof at any one time. Any purported assignment in contravention of this Section 2.04 shall be, as to both the Industry and the County, absolutely null and void, and the Custodian shall refuse to validate such assignment. The person in whose name the Bond shall be registered shall be deemed and regarded

as the absolute owner thereof for all purposes, and payment of the principal of and interest on the Bond shall be made only to or upon the order of the Registered Owner or his legal representative. All such payments shall be valid and effective to satisfy and discharge the liability of the County upon the Bond to the extent of the sum or sums so paid. No person other than the Registered Owner shall have any right to receive payments, pursue remedies, enforce obligations or exercise or enjoy any other rights under the Bond, the Collateral Assignment or the Loan Documents as against the County or the Industry. However, notwithstanding the foregoing, nothing herein shall operate to void or limit the rights of a person having a beneficial interest in the Bond as against a person (including the Registered Owner) other than the County or the Industry, as in the case where the Registered Owner is a trustee or nominee for two or more beneficial owners of an interest in the Bond.

Section 2.05. Issuance, Sale and Application of Proceeds. In order to provide the Industry, by way of loan, with funds for the payment of the costs of the acquisition of the Project, the County is authorized to issue, sell and deliver the Bond to the initial Registered Owner. The Bond shall be sold for a price equal to its principal face amount, without discount. The proceeds from the sale of the Bond shall be deposited in the Acquisition Fund and used to acquire the Project, as provided in Articles III and IV hereof.

Section 2.06. Optional Prepayment. The Bond may be prepaid at any time upon thirty (30) days written notice, in whole or in part, upon the exercise by the Industry of its option to prepay the Mortgage Note in whole or in part as provided in Section 3.05 hereof; provided that prepayment of the Bond shall be in an amount equal to the amount of the prepayment of the Mortgage Note; and provided further that partial prepayments shall be credited against installments of principal in inverse order of their maturity.

Section 2.07. Security. Payment of all amounts coming due under the Bond shall be secured by a collateral assignment to the Registered Owner of all the County's right, title and interest in and to the Loan Documents, all as more particularly described in Section 3.04 hereinbelow.

ARTICLE III

THE LOAN

Section 3.01. Funding. The County shall loan the proceeds from the sale of the Bond to the Industry in accordance with the provisions of this Loan Agreement for the purpose of financing the cost of the acquisition of the Project.

Section 3.02. Execution, Delivery and Effect of Loan Documents. Contemporaneously with the deposit of the Bond proceeds in the Acquisition Fund, the Industry shall execute and deliver to the County this Loan Agreement, the Mortgage Note and the Mortgage. The Loan Agreement shall establish the terms and conditions upon which the loan shall be repaid. The Mortgage Note shall evidence the obligations of the Industry to make such repayment. The Mortgage shall secure such repayment obligation by granting to the County a first priority mortgage lien and security interest in the Project. Except as contemplated by the Mortgage, the County shall not be vested with title to the Project.

Section 3.03. Obligations of the Industry. The Industry agrees to make full and prompt payment of all amounts payable under the Mortgage Note as the same become due and payable. Notwithstanding any other provision of the Loan Documents to the contrary, the Industry shall be obligated at all times to pay to the County or for its account, all amounts due and payable under the Bond and/or Collateral Assignment. The obligation of the Industry to make the payments required to be made under the Loan Documents and to perform and observe the other agreements on its part contained therein shall be absolute and unconditional and shall not be subject to diminution by any present or future claim or defense or by set-off, counterclaim, abatement, recoupment or otherwise, regardless of any present or future breach of the County, Custodian or any Registered Owner of any obligation to the Industry, whether hereunder or otherwise. The Industry (i) shall not suspend or discontinue any payments required to be made under the Loan Documents except to the extent the same have been prepaid (and then only to the extent such prepayments have been received by the Registered Owner), (ii) shall perform and observe all its other agreements contained in the Loan Documents, and (iii) except as provided in Section 3.05 hereof, shall not terminate this Loan Agreement or its obligations under the Mortgage Note or Mortgage for any cause including, without limiting the generality of the foregoing, the invalidity or unenforceability of the Bond, failure of the Industry's title to the Project or any part thereof, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, sale, loss, destruction or condemnation of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws or administrative rulings of or

administrative acts by or under the authority of the United States of America, the State of South Carolina, or any political subdivision of either thereof, or any failure of the County, the Custodian or any Registered Owner to perform or observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or in connection with the Loan Documents. Nothing contained in this Section shall be construed to release the County from the performance of any of the agreements on its part contained in this Loan Agreement. The Industry, however, at its own cost and expense and in its own name or, to the extent lawful, in the name of the County, may prosecute or defend any action or proceeding or take any other action involving third persons which the Industry deems reasonably necessary in order to secure or protect its rights hereunder, and in such event the County hereby agrees to cooperate fully with the Industry, but at the Industry's expense, and to take all action necessary to effect a substitution of the Industry for the County in any such action or proceeding if the Industry shall so request.

Section 3.04. Collateral Assignment of Loan Documents. Contemporaneously with the issuance of the Bond and as security therefore, the Loan Documents shall be assigned and pledged to the initial Registered Owner pursuant to the Collateral Assignment. Thereafter, any assignment of the Bond by the Registered Owner effected in accordance with the provisions of Section 2.04 hereinabove shall operate as an assignment of all the transferor Registered Owner's right, title and interest in, to and under the Collateral Assignment and the Loan Documents to the successor Registered Owner. The Industry hereby consents to all such assignments and pledges and agrees that all payments required to be made under the Loan Documents shall be paid directly to the Registered Owner for the account of the County. The County and Industry agree that the Registered Owner, as constituted from time to time, shall succeed to all rights of the County under the Loan Documents in accordance with the Collateral Assignment and such Registered Owner shall be deemed to be the agent of the County with full power and authority, with or without prior notice to the County or the Industry, to enforce each and every such right to the extent consistent with the Collateral Assignment.

Section 3.05. Option to Prepay the Mortgage Note. The Industry shall have the option to prepay the Mortgage Note at any time upon thirty (30) days written notice as herein provided, in whole or in part, without premium. To exercise the option granted in this Section, the Industry shall give such written notice to the County and the Registered Owner of its intention to prepay the Mortgage Note in whole or in part and shall specify therein the principal amount of the Mortgage Note to be prepaid and the date on which such prepayment shall be

made. Any prepayment of the Mortgage Note in accordance with the provisions of this Section shall be applied to the prepayment of the Bond as provided in Section 2.06 hereof.

Section 3.06. Obligation to Pay Taxable Rate . Upon occurrence of a Determination of Taxability (as defined hereinbelow), the interest rate of the Bond and the Mortgage Note shall be increased to equal the Taxable Rate, which rate shall apply both prospectively and retroactively to the accrual of interest on the principal balance thereof outstanding at all times to which the Determination of Taxability relates. The additional interest resulting from such retroactive interest rate adjustment shall be immediately due and payable to the existing or any prior Registered Owner entitled thereto for the period or periods in question. The Industry further agrees to pay as additional interest to such existing or prior Registered Owners, upon demand, and in addition to all other amounts paid or to be paid under the Loan Documents, an amount equal to any penalties or interest on overdue federal income taxes which are paid or payable by such Registered Owner (or, in the case of a Registered Owner who held the Bond as a nominee or trustee, to the principal or any beneficiary thereof) as a result of the failure of such Registered Owner (or principal or beneficiary) to include in gross income interest on the Bond as required by the Determination of Taxability. All future accruals of interest at the Taxable Rate shall be due and payable on the interest installment payment dates set forth in the Bond and Mortgage Note, respectively. The obligation to make all additional interest payments provided for hereinabove resulting from a Determination of Taxability shall survive and continue in full force and effect beyond any intervening event or occurrence, including without limitation the cancellation or extinguishment, at maturity or otherwise, of this Loan Agreement, the Bond or the Mortgage Note.

A "Determination of Taxability" means any determination, decree or decision by the Commissioner or any District Director of the Internal Revenue Service, including without limitation any notice of deficiency or assessment, or of any court of competent jurisdiction, that the interest payable on the Bond, or any portion thereof, is includable for federal income tax purposes in the gross income of any existing or prior Registered Owner (or any beneficiary thereof) (other than a person who is a "substantial user" of the Project or a "related person" thereto within the meaning of Section 103(b) of the Code) except by reason of the application of subsection (j) of Section 103 of the Code.

ARTICLE IV

THE ACQUISITION FUND

Section 4.01. Establishment. Contemporaneously with the sale and delivery of the Bond to the initial Registered Owner, the County shall establish the Acquisition Fund with the Custodian and immediately deposit therein the proceeds of such sale. Such proceeds shall, upon execution and delivery of the Loan Documents by the Industry to the County, be deemed to have been loaned by the County to the Industry pursuant to this Loan Agreement.

Section 4.02. Disbursements. Monies in the Acquisition Fund shall be used for the following purposes and, subject to the provisions of Section 4.03 of this Loan Agreement, for no other purpose:

(a) Payment of the costs associated with granting, perfecting and protecting any mortgage or security interest in the Project or other real or personal property pledged to secure full payment of or performance under the Bond or the Loan Documents;

(b) Payment of all costs of acquisition of the Project;

(c) Payment of all legal, financing, insurance, accounting, printing and other expenses incurred in connection with the authorization, issuance and sale of the Bond or the financing and acquisition of the Project;

(d) Payment of all fees coming due to the Custodian in connection with supervision of the Acquisition Fund; and

(e) Payment of any and all other costs or expenses relating to the acquisition of the Project.

Any payment made pursuant to items (a) through (e) above, inclusive, of this section may be made only for obligations or expenses paid or incurred after June 16, 1983. No payment shall be made for any item except upon receipt by the Custodian of a disbursement request from the Authorized Industry Representative in form and substance substantially in accordance with Exhibit E attached hereto, accompanied by such other documentary or evidentiary material as the Custodian may require in its sole discretion. Payments from the Acquisition Fund shall be made within five (5) days from the receipt by the Custodian of the disbursement request and all such accompanying documentary or evidentiary material and may be made either to the Industry, by way of reimbursement for expenses already paid from its own separate funds, or directly to any third parties entitled to payment. The Industry shall permit the Custodian, upon request,

to audit or cause to be audited the records of the Company relating to the Project costs. A copy of such audit shall be furnished to the County upon request.

Any and all funds remaining in the Acquisition Fund after payment in full of the costs of acquiring the Project, and after payment of all other items specified in items (a) through (e), inclusive, of this Section 4.02, shall be immediately applied by the Custodian on behalf of the Industry to prepay the Mortgage Note and the Bond in accordance with the terms thereof and Sections 3.05 and 2.06, respectively, of this Loan Agreement.

Section 4.03. Temporary Investment. Any monies held as a part of the Acquisition Fund may be invested and reinvested by the Custodian at the direction of the Industry, if and to the extent permitted by law, only in: (i) securities or obligations issued or guaranteed by the United States of America, or any agency or corporation which is or may hereafter be created by or pursuant to an Act of Congress as an agency or instrumentality of the United States of America; (ii) certificates of deposit or time deposits constituting direct obligations of any state or national banking association having a reported capital and surplus aggregating at least \$150,000,000; (iii) certificates of deposit or time deposits of any such bank having a reported capital and surplus of less than \$150,000,000 but only to the extent insured by the Federal Deposit Insurance Corporation or similar agencies or fully secured by securities or obligations described in item (i) above; (iv) repurchase agreements with any bank described in item (ii) above with respect to securities or obligations described in item (i) above; or (v) money market funds that invest substantially all of their assets in securities or obligations described in item (i) above.

All monies and investments which are part of the Acquisition Fund shall be, and are hereby, pledged to the County as additional security for the obligations of the Industry under the Loan Documents, and the Custodian shall be deemed to be in possession of such monies and investments as the agent of the County for purposes of perfection of the lien of the County therein. Upon the sale, assignment or other disposition of any said investment, the proceeds thereof shall be immediately redeposited in the Acquisition Fund, payments out of which shall be made for the purposes and according to the procedures set out in Section 4.02 hereinabove.

In making any investment or reinvestment of funds held as a part of the Acquisition Fund at the direction of the Industry, the Custodian shall have no responsibility or liability for the financial performance of any such investment nor for the occurrence of any Determination of Taxability (as defined in Section 3.06 hereof) resulting from any such investment or reinvestment.

The Industry covenants that it will not direct the Custodian to make investments which would cause the Bond to be an "arbitrage bond" within the meaning of Section 103(c) of the Code, and the Industry agrees to furnish to the County accurate information necessary to enable the appropriate County officers and bond counsel to make all necessary certifications required by Section 103(c) of the Code.

Section 4.04. Rights of Custodian. In making any payment from the Acquisition Fund, the Custodian may rely on any information, direction, representation or certification delivered to it pursuant to Section 4.02 hereof and the Custodian shall have no liability for making payments in accordance with such information, direction, representation or certification. However, if the Custodian shall believe, in its sole discretion, that any such information, direction, representation or certification is incomplete or misleading in any material respect, then it shall have no obligation to make any further payment from the Acquisition Fund until the validity of the request in question shall have been resolved to its sole satisfaction. The Custodian shall be entitled to receive, and the Industry shall be obligated to pay, upon demand, a reasonable fee in respect of the Custodian's services under this Loan Agreement and reimbursement for all out-of-pocket expenses related to such services.

Section 4.05. Removal of Custodian. The Registered Owner may, with the consent of the County and the Industry, which consent shall not be unreasonably withheld, upon thirty (30) days written notice, remove the existing Custodian and appoint a successor. The successor Custodian must be a trust department of a bank described in clause (ii) of Section 4.03 hereinabove and must consent in writing to serve as Custodian.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Section 5.01. Representations and Warranties of the County.
As an inducement to the Industry to enter into this Loan Agreement the County hereby represents and warrants as follows:

(a) The County is a body politic and corporate and a political subdivision of the State of South Carolina, and is authorized and empowered to execute and deliver the Bond, Collateral Assignment and each of the Loan Documents, and perform its obligations thereunder.

(b) Neither the execution and delivery of the Bond, Collateral Assignment or the Loan Documents, nor the performance by the County of any of its obligations thereunder, violate or conflict with any existing law, rule, regulation, judgment, order or decree to which it is subject or result in a breach of or default under any agreement, contract, instrument or other document to which it is a party or by which it is bound.

(c) There is no action, suit, proceeding, inquiry or investigation pending or threatening by or before any judicial or administrative court, agency, public board or other governmental body, nor any decision, ruling, finding, order or decree by any of the foregoing, which would have a material adverse affect upon the transactions contemplated by the Bond, the Collateral Assignment and the Loan Documents, or the validity or enforceability thereof, or the County's performance of its obligations thereunder.

(d) All consents, authorizations or approvals required in connection with County's execution and delivery of the Bond, Collateral Assignment and the Loan Documents or the performance of its obligations thereunder have been obtained and remain in full force and effect as of the date hereof.

(e) The County Council has found that the Project is a valid "Project" within the meaning of the Act and will subserve the purposes thereof. The Budget and Control Board of the State of South Carolina has given its approval of the Project and the financing reflected herein as required by the Act.

(f) Except pursuant to the Collateral Assignment, the County has not sold, assigned or pledged its interest in, to or under the Loan Documents or any of them.

(g) The Bonds, Collateral Assignment and Loan Documents have been duly executed and delivered by, and constitute legal, valid and binding obligations of, the County, enforceable in accordance with their respective terms.

Section 5.02. Representations and Warranties of the Industry. As an inducement to the County to enter into this Loan Agreement, the Industry represents and warrants as follows:

(a) The Industry is a corporation duly organized and in good standing under the laws of the State of South Carolina and is duly qualified to do business in every other jurisdiction where such qualification is necessary. The Industry has all necessary power and authority to enter into and perform its obligations under each and every one of the Loan Documents.

(b) Neither the Industry's execution and delivery of any of the Loan Documents, nor the performance of its obligations thereunder, conflict with or result in a breach of any of the terms, conditions or provisions of the Industry's Articles of Incorporation, By-laws or of any agreement, restriction, statute, law, rule, order or regulation to which the Industry is a party or by which it is bound.

(c) There is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any judicial or administrative court or agency, public board or body, nor any decision, ruling, finding, order or decree by any of the foregoing, which would have a material adverse affect upon the transactions contemplated by the Loan Documents, the validity or enforceability thereof, or the Industry's performance of its obligations thereunder. There are no judgments outstanding and unsatisfied against the Industry.

(d) This Loan Agreement and each of the other Loan Documents have been duly executed and delivered by, and are legal, valid and binding obligations of, the Industry, enforceable in accordance with their terms.

(e) All covenants, approvals or authorizations, if any, of any governmental body or authority required on the part of the Industry in connection with the completion of the Project and its execution, delivery and performance of all obligations under the Loan Documents have been obtained and remain in full force and effect.

(f) There is not now outstanding one or more issues of obligations, the interest on which is excludable from the holder's federal income tax by reason of Section 103 of the Code (whether or not the issuer of each such issue is the same), other than the Bond described in this Loan Agreement, that are or will be used primarily with respect to facilities located in the County, a principal user of which is or is expected to be the Industry or any related person thereto as defined in Section 103(b)(6)(C) of the Code.

(g) There are no bonds, notes or other obligations which have been issued, or which are contemplated to be issued, for the benefit of the Industry or any related person within the meaning of Section 103(b)(6)(C) of the Code, which (i) have been, or will be sold at substantially the same time as the Bond, (ii) have been or will be, sold pursuant to a common plan of marketing with the Bond, (iii) have been, or will be sold at substantially the same interest rate as the interest rate on the Bond, and (iv) use or have available, or will use or will have available, a common or pooled security to pay debt service which will also be used or made available to pay debt service on the Bond.

(h) The information furnished by the Industry in connection with the preparation by the County of the election filed pursuant to Section 103(b)(6)(D) of the Code is true, accurate and complete as of the date of filing said election.

(i) As of June 16, 1983, the Industry had not entered into any construction contracts, purchase orders or other agreements with respect to the acquisition, construction, fabrication or installation of any components of the Project. No portion of the Bond proceeds will be used to reimburse the Industry for any costs paid or incurred prior to June 16, 1983.

(j) The collateral described in and subject to the lien of the Mortgage has been purchased exclusively for use in connection with the operation of the Project and is reasonably necessary for that purpose.

(k) The issuance of the Bond and the use of the proceeds from the sale of the Bond to finance the cost of the Project has induced the Industry to locate the Project in the County.

(l) The Industry estimates in good faith that the operation of the Project contemplated by it shall employ approximately one hundred fifty (150) to two hundred (200) persons.

ARTICLE VI

PROTECTION OF COLLATERAL

Section 6.01. Negative Covenants. While any amount remains outstanding and unpaid by the Industry under the Loan Documents, the Industry shall not:

(a) Sell, lease, assign, transfer, convey or otherwise dispose of any of the property or assets constituting the Project or comprising the collateral under the Mortgage (the "Collateral") or any replacements or substitutions thereof.

(b) Incur or permit to exist any encumbrance, security interest, pledge or lien against the Collateral, except (i) liens or security interests securing indebtedness owed under the Loan Documents; (ii) pledges or deposits in connection with or to secure workmen's compensation, unemployment insurance, pensions, or other employee benefits occurring under provisions of law; (iii) governmental liens for special assessments, taxes or other governmental charges not due and payable; (iv) liens of mechanics, materialmen and laborers for work or services performed or materials furnished in connection with the Project which are not due and payable; and (v) liens that arise automatically by operation of law, provided that the Industry shall discharge such liens at the time that payment of the obligations secured by such liens finally become due.

(c) Suffer or permit dissolution or liquidation either in whole or in part, or sell all or substantially all of its assets, or merge into or consolidate with another entity.

Section 6.02. Preservation of Mortgage. The Industry shall at all times act reasonably and in good faith to preserve the validity, priority and effectiveness of the Mortgage.

Section 6.03. Maintenance, Modification and Use. The Industry shall at its own expense keep the Collateral in good repair and operating condition, reasonable wear and tear only excepted. The Industry may, also at its own expense, make from time to time any additions, modifications or improvements to the Collateral that it may deem desirable for its business purposes and that do not adversely affect the value of the Collateral or its use for the purpose for which it is intended and which (i) do not change the nature of the Project as a permitted "project" under the Act; (ii) do not impair the security of the County or the Registered Owner, and (iii) do not affect the tax-exempt status of interest on the Bond. The Industry shall use the Collateral at all times in a lawful and reasonable manner.

Section 6.04. Taxes and Other Charges. The Industry shall pay, as the same become due, all taxes, assessments for public

improvements, utility and other charges, claims for labor, supplies, rent and other obligations, which, if unpaid, might become a lien against the Collateral or any portion thereof; provided, however, that the Industry may, upon written notice to the Registered Owner, in good faith and at its expense, contest any such taxes, assessments, charges and obligations and, in that event, may permit such taxes, assessments, charges and obligations to remain unpaid during the period of contest and any appeal; provided further, however, that the Industry shall first escrow with the Custodian for the benefit of the Registered Owner, cash or securities of the kind described in Section 4.03 in an amount (computed on the basis of fair market value in the case of securities) sufficient to pay in full all such obligations ultimately determined to be owing.

Section 6.05. Insurance Required. (a) The Industry shall, at its expense and contemporaneously with the delivery of these presents to the Registered Owner, furnish the Registered Owner with a mortgage policy of title insurance with respect to the Project in an amount equal to the face amount of the Bond. Such policy shall be issued by a title insurance company reasonably acceptable to the Registered Owner and contain no exceptions other than those relating to taxes not yet due and payable, easements for utility service and maintenance which do not interfere with the Industry's intended use of the Project, and the indebtedness under the Loan Documents.

(b) The Industry shall keep the Project constantly insured for the benefit of the Registered Owner, until all principal, interest and other amounts due in respect of the indebtedness owing under the Loan Documents are fully paid, against fire and such other hazards and risks customarily covered by the standard form of extended coverage endorsement available in the State of South Carolina, including risks of vandalism and malicious mischief, and shall further provide flood insurance (if the Project is situated in an area which is considered a flood risk area by the U.S. Department of Housing and Urban Development or as otherwise required by the Flood Disaster Protection Act of 1973 and regulations issued thereunder), comprehensive general public liability insurance against claims for bodily injury, death or property damage, and such other insurance covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general area as the Project, all in such amounts as reasonably requested by the Registered Owner from time to time (but not in excess of that normally carried by similar businesses owning similar properties in the same general area as the Project) and shall deliver to the Registered Owner the insurance policies or certified copies with premiums fully paid and with standard mortgagee clauses or such other mortgagee clauses as may be satisfactory to the Registered Owner attached, and renewals thereof shall likewise be delivered to the Registered Owner at least fifteen (15) days before the expiration of any existing policies.

(c) All such policies (other than any general public liability policy) shall include standard loss payable clauses in favor of the Registered Owner and shall provide that the same may not be cancelled or terminated without giving the Registered Owner at least thirty (30) days prior written notice of such cancellation or termination. Should the Industry fail to insure or fail to pay the premiums on any such insurance or fail to deliver the policies or renewals thereof as provided above, the Registered Owner at its option may have such insurance written or renewed and pay the premiums thereon for the account of the Industry.

(d) In the event of loss or damage to the Project or any part thereof, the proceeds of said insurance shall at the election of the Registered Owner be applied first toward reimbursement of all costs and expenses of the Registered Owner in collecting such proceeds and then toward payment of the indebtedness owing under the Loan Documents or any portion, thereof, whether or not then due or payable; provided, however, that if no Event of default has occurred and is continuing, and if the Industry notifies the Registered Owner by written notice given within sixty (60) days following such loss or damage of its intention to rebuild, repair or replace the Project, such proceeds shall be applied by the Registered Owner to the payment of the cost of repairing, rebuilding or replacing the Project so damaged or destroyed (hereinafter referred to as the "work"), subject to the following conditions:

(i) If the amount of the insurance proceeds is \$50,000 or less, then upon approval by the Registered Owner of the plans and specifications for the work, which approval shall not be unreasonably withheld or delayed (it being nevertheless understood that to the extent feasible said plans and specifications shall provide for such work that, upon completion thereof, the Project shall be at least equal in value and general utility to its condition prior to the damage or destruction), and receipt by the Registered Owner of sufficient security or other assurances acceptable to it to cover any estimated costs of completion of the work in excess of the insurance proceeds, then the Registered Owner shall deliver the full amount of such proceeds to the Industry. Thereupon, the Industry shall promptly commence the work and proceed diligently to the completion thereof.

(ii) If the amount of the insurance proceeds exceeds \$50,000, the work shall be supervised by an architect or engineer acceptable to the Registered Owner and before the Industry commences any work, other than temporary work to protect property or prevent interference with business, the Registered Owner shall have approved the plans and specifications for the work to be submitted by the Industry, which approval shall not be unreasonably withheld or delayed (it being nevertheless

understood that to the extent feasible said plans and specifications shall provide for such work that, upon completion thereof, the Project shall be at least equal in value and general utility to its condition prior to the damage or destruction). The the Registered Owner or its designee shall hold such proceeds and shall disburse same from time to time (but no more frequently than every thirty (30) days) upon receipt of a request for payment in form and substance satisfactory to the Registered Owner and subject to the following additional conditions:

(A) Each request for payment shall be delivered to the Registered Owner at least seven (7) days prior to the requested date of disbursement and shall be accompanied by a certificate to be made by such architect or engineer, stating (1) that all of the work completed has been done in compliance with the approved plans and specifications, (2) that the sum requested is justly required to reimburse the Industry for payments by the Industry to, or is justly due to, the contractor, subcontractors, materialmen, laborers, engineers, architects or other persons rendering services or materials for the work (giving a brief description of such services and materials), and that when added to all sums previously paid out by the Registered Owner does not exceed the value of the work done to the date of such certificate, and (3) that the amount of such proceeds remaining in the hands of the Registered Owner will be sufficient on completion of the work to pay for the same in full (giving in such reasonable detail as the Registered Owner may require an estimate of the cost of such completion);

(B) Each request shall be accompanied by waivers of lien satisfactory to the Registered Owner covering that part of the work for which payment or reimbursement is being requested and by a search prepared by a title company or by other evidence satisfactory to the Registered Owner that there has not been filed with respect to the Project, or any part thereof, any mechanic's or other lien or instrument for the retention of title not discharged of record in respect to any part of the work, and the title insurance company shall have committed to issue an endorsement to the mortgagee policy of title insurance on the Project insuring the continued priority of the Mortgage as a first lien upon the Project as to the full amount of the Mortgage Indebtedness then outstanding;

(C) No Event of Default shall have occurred and be continuing hereunder;

(D) The request for any payment after the work has been completed shall be accompanied by a copy of any certificate or certificates required by law to render occupancy of the Project legal; and

(E) Such other conditions as the Registered Owner may reasonably impose.

Upon the completion of the work and payment in full therefor, or upon any failure on the part of the Industry promptly to commence or continue the work, or at any time upon request by the Industry, the Registered Owner may, at its option, either apply the amount of any such proceeds then or thereafter in the hands of the Registered Owner to the payment of the indebtedness owing under the Loan Documents or any portion thereof, whether or not then due and payable, or remit such amount to the Industry.

(e) In the event of a foreclosure of the Mortgage, the purchaser of the Project shall succeed to all of the rights of the Industry under said insurance policies payable to the Registered Owner with respect to the purchased Project, including any right to unearned premiums and the right to receive the proceeds of any insurance payable by reason of any loss theretofore or thereafter occurring.

(f) So long as any amount remains outstanding and unpaid under the Loan Documents, no settlement of any claim greater than \$50,000 shall be effected without the written consent of the Registered Owner.

Section 6.06. Advances by the County or the Registered Owner. In the event that the Industry shall fail to maintain the full insurance coverage required by the Mortgage or this Loan Agreement or shall fail to keep the Project in good repair and good operating condition, or shall fail to pay the taxes and other charges as required by this Loan Agreement, or shall otherwise fail to comply with any covenant or agreement contained in or incorporated into this Loan Agreement, or any of the Loan Documents, the County or the Registered Owner after notice to the Industry may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or make the required repairs, renewals and replacements or make the required payments and take all other action that the County or the Registered Owner may deem necessary to cause the Industry to comply with any covenant or agreement contained in or incorporated into the Loan Documents; and all amounts so advanced by the County or the Registered Owner shall become an additional obligation of the Industry hereunder. The Industry agrees to pay upon demand the amounts so advanced with interest at the Taxable Rate from the date of advancement to the date of payment.

Section 6.07. Condemnation. In the event that title to, or the temporary use of, the Collateral or any part of the Collateral shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm

or corporation acting under governmental authority, the Industry shall apply the net proceeds received by it relating to such eminent domain proceedings for one of the purposes and according to the procedures described in Section 6.05(d) hereinabove.

If the Industry elects to repair or replace the Collateral, all net proceeds of the payment remaining after payment of the costs of this repair or replacement shall be applied to prepay the Mortgage Note and Bond, as more fully described in Sections 3.05 and 2.06 hereof, respectively.

In no event shall the Industry voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceeding with respect to the Collateral or any part thereof that materially diminishes the value, utility or function of the Collateral, without the consent of the Registered Owner.

Section 6.08. Damage and Impairment. If prior to full payment of all amounts due under the Loan Documents, the Collateral or any part thereof is damaged by fire or other casualty or if the title of the Industry to the real property portion of the Collateral or any part thereof is impaired or is discovered to have been impaired, the Industry shall at its election, either: (i) promptly terminate this Loan Agreement in accordance with the provisions of Article VIII on the first date after which the requisite notice shall have been given and the notice period shall have expired; (ii) promptly repair or replace the property affected in accordance with the provisions of Section 6.05(d) hereinabove; or (iii) otherwise cure the impairment to the reasonable satisfaction of the Registered Owner.

If the Industry elects to replace or repair the Collateral or cure the impairment and if the net proceeds of insurance are not sufficient to pay in full the costs of repair or replacement or cure, the Industry will nonetheless complete this undertaking and will pay that portion of all costs in excess of the amount of the net proceeds of insurance. The Industry shall not be entitled to any reimbursement from the County or the Registered Owner for payment of these excess costs; nor shall the Industry be entitled to any abatement or diminution of the amounts payable under the Loan Documents.

All net proceeds remaining after payment of all costs of repair or replacement or cure, shall be paid by the Industry to the Registered Owner to serve as prepayments on the Bond and the Mortgage Note pursuant to Sections 3.05 and 2.06 hereof, respectively.

Section 6.09. Right of Inspection. Both the County and the Registered Owner shall have the right to inspect the Collateral at any reasonable time or times of their choosing until all amounts due under the Loan Documents are paid in full.

ARTICLE VII

FURTHER OBLIGATIONS OF THE INDUSTRY

Section 7.01. Protection of Tax Exempt Status. The Industry covenants and agrees that:

(a) it has not caused or suffered, and shall not cause or suffer, the occurrence of any act or omission, including without limitation the incurring of "capital expenditures" within the meaning of section 103(b)(6)(D) of the Code in excess of the limitation prescribed thereby, resulting in the interest on the Bond being subject to federal or South Carolina income tax;

(b) it shall, as to matters within its control, take such action as is necessary from time to time to preserve the tax-exempt status of the interest on the Bond, including without limitation the filing when due of all statements and certifications required by Treas. Reg. § 1.103-10(b)(2)(vi)(a) and (e) or other applicable regulations.

(c) all of the proceeds of the sale of the Bond (including amounts received as income or profit at any time from securities or obligations, other than the Mortgage Note, purchased with the proceeds of the Bond) shall be expended and used within two and one-half (2-1/2) years of the issuance, sale and delivery of the Bond (i) to acquire the Project, which will consist entirely of land and property of a character subject to the allowance for depreciation under the Code, (ii) to pay any expenses allowed herein and incurred in connection with the acquisition of the Project or relating to the issuance of the Bond, and (iii) to make payments of interest on, or repayments of principal of, the Bond. All amounts received as income or profit at any time from securities or obligations purchased with the proceeds of the Bond shall be used for the aforesaid purposes no later than one (1) year after said amounts are received. No part of the proceeds of the Bond shall be used to finance inventory or for working capital.

Section 7.02. Payment of Expenses of County. The Industry shall pay upon demand by the County all fees and expenses, including attorneys' fees, incurred by the County in connection with the issuance, sale and delivery of the Bond and otherwise arising from the transactions described in this Loan Agreement.

Section 7.03. Indemnification. (a) The Industry shall and agrees to indemnify and hold harmless the County and the Custodian, and their officers, agents or employees, against and from all claims by or on behalf of any person, firm or corporation, and all other loss, damage or expenses (including without limitation legal fees and other costs of defending or settling litigation or otherwise related to such claim, loss, damage or

expense) arising out of the acquisition, management or operation of, or from any work or thing done on, the Project, or otherwise in connection with any other matter, transaction or activity contemplated by the Loan Documents, including without limitation all claims, loss, damage or expense arising from (i) any condition of or on the Project, (ii) any breach or default on the part of the Industry in the performance of any of its obligations under this Loan Agreement, (iii) any act of negligence of the Industry, or of any of its agents, contractors, servants, employees or licensees, and (iv) any act of negligence of any assignee of the Industry, or of any agents, contractors, servants, employees or licensees of any assignee of the Industry. The Industry further agrees that it shall, upon notice therefrom, defend the County and Custodian, or any of them, in any action, litigation or other proceeding related to any of the foregoing.

(b) Notwithstanding the fact that it is the intention of the parties that the County shall not incur pecuniary liability by reason of the terms of this Loan Agreement, or the undertakings required of the County hereunder, by reason of the issuance of the Bond, by reason of the execution of the Collateral Assignment, by reason of the performance of any act requested of it by the Industry, or by reason of the County's assistance in financing the Project or the management or operation of the Project by the Industry, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing; nevertheless, if the County should incur any such pecuniary liability, then in such event the Industry shall indemnify and hold harmless the County against and from all claims by or on behalf of any person, firm or corporation, arising out of the same, and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the County, the Industry shall defend the County in any such action or proceeding.

Section 7.04. Affirmative Covenants. So long as any amounts remain outstanding under the Loan Documents, the Industry covenants and agrees that it shall:

(a) Within ninety (90) days of the close of each fiscal year of the Industry, furnish the Registered Owner with audited financial statements prepared by an independent certified public accountant reasonably acceptable to the Registered Owner and certified thereby. Such financial statements shall be prepared in accordance with generally accepted accounting principles and shall include (i) a balance sheet, (ii) a statement of income and expense, (iii) a statement of changes in financial condition, and (iv) such other notes and statements as may be required by generally accepted accounting principles. Accompanying such financial statements shall be an opinion by the

preparer thereof as to the Industry's compliance with its covenants and agreements under this Loan Agreement.

(b) Within sixty (60) days from the last day of the third, sixth and ninth months of each fiscal year of the Industry, furnish the Registered Owner with unaudited interim financial statements consisting of at least a statement of income and expense for the relevant period of the then current fiscal year and a balance sheet as of the last day of such period, all certified by the president or chief financial officer of the Industry as true, accurate and complete.

(c) Furnish the Registered Owner within a reasonable period of time such additional information and financial statements as the Registered Owner may from time to time reasonably request.

(d) Comply in all material respects with all statutes and government regulations.

(e) Maintain its corporate existence and comply in all material respects with all valid and applicable statutes, rules and regulations, and maintain its properties in good operating condition.

(f) On the dates the financial statements required under items (a) and (b) are delivered each year, cause to be delivered to the Registered Owner a certificate of the Authorized Industry Representative that all insurance required hereunder is in full force and effect, that all taxes, assessments and charges relating to the Project have been paid, that all notices required to be given to the County and the Registered Owner hereunder have been given, and that no Event of Default has occurred.

Section 7.05. Obligation to Complete Acquisition of Project. In the event the funds in the Acquisition Fund shall not be sufficient to pay the costs of acquiring the Project in full, the Industry shall pay all additional costs to complete the acquisition of the Project and shall complete such acquisition. The County and the Registered Owner make no warranty that the funds which will be paid into the Acquisition Fund in fact will be sufficient to pay all costs which have been or will be incurred in connection with the acquisition of the Project. The Industry agrees that, even if it shall not be fully reimbursed for these additional costs of acquiring the Project through payments from the Acquisition Fund, it shall not be entitled to any further funds from the County or from the Registered Owner.

ARTICLE VIII

EFFECTIVE DATE; TERMINATION

Section 8.01. Effective Date of this Loan Agreement. This Loan Agreement shall become effective upon its delivery, and shall continue in full force and effect until all amounts payable under the Bond have been fully paid, together with all sums to which the County or the Registered Owner are entitled under the Loan Documents.

Section 8.02. Option to Terminate. At any time and for any reason upon at least thirty (30) days written notice to the County and the Registered Owner the Industry may terminate this Loan Agreement by paying to the Registered Owner for the account of the County the full principal outstanding and interest accrued on the Bond and any and all other sums owing under the Loan Documents. Except as provided above, the Industry cannot terminate this Loan Agreement for any cause, including, without limiting the generality of the foregoing, failure of the Project to function at its intended level, the occurrence of any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of South Carolina or any political subdivision of either of these, or any failure of the County or the initial Registered Owner to perform or observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement, or failure of the Project at any time to comply with any existing or future statute, rule or regulation.

Section 8.03. Consequences of Termination. In the event of any termination of this Loan Agreement and upon satisfaction by the Industry of its obligations under Section 8.02 hereinabove, all property, rights, and interest conveyed, assigned or pledged pursuant to the Loan Documents shall revert to the Industry, and the estate, right, title and interest of the County and the Registered Owner therein shall thereupon cease, terminate and become void; and (except as provided in Section 3.06 hereinabove) the Loan Documents and the covenants of the Industry contained therein shall be discharged, and the County and the Registered Owner in such case on demand of the Industry and at the expense of the Industry, shall execute and deliver to the Industry a proper instrument or proper instruments acknowledging the satisfaction and termination of the Loan Documents, together with Uniform Commercial Code termination statements and shall convey, assign and transfer or cause to be conveyed, assigned or transferred, and shall deliver or cause to be delivered, to the Industry, all property, including money, then held by the Registered Owner, together with the Mortgage Note marked paid or cancelled.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default Defined. The occurrence of any one or more of the following shall be an "Event of Default" under this Loan Agreement:

(a) A default in the payment of any amount due under the Bond or the Loan Documents;

(b) The failure by the Industry to observe, perform or comply with any covenant, condition or agreement by which it is bound under the Loan Documents which failure shall continue for more than ten (10) days after the Industry knows or reasonably should have known of the existence of such failure;

(c) If any covenant, certification, warranty or representation made or given by the Industry in or pursuant to the Loan Documents is or becomes false, inaccurate or misleading in any material respect; or

(d) If the Industry shall fail to pay when due (or within any applicable grace period) any debt in excess of \$50,000.00 except any debt contested reasonably and in good faith; provided, however, that the Registered Owner is given timely written notice of such contest and is kept reasonably informed concerning the progress thereof.

(e) If the Industry shall make an assignment for the benefit of creditors, shall file a petition in bankruptcy, shall be adjudicated insolvent or bankrupt, shall petition or apply to any tribunal for any receiver of or any trustee for itself or of any substantial part of its property; or shall commence as debtor any proceeding under any bankruptcy, insolvency, reorganization, arrangement or readjustment of debt law or statute or similar law or statute of any jurisdiction, whether now or hereafter in effect; or if there shall be commenced against the Industry any such proceeding which remains undismissed for a period of thirty (30) days; or if the Industry indicates its consent to, approval of, or acquiescence in any such proceeding or the appointment of any receiver of or trustee for itself or any substantial part of its property; or if the Industry suffers any such receivership or trusteeship to continue undischarged for a period of thirty (30) days.

Section 9.02. Remedies on Default. Whenever any Event of Default referred to in Section 9.01 hereinabove shall have happened and be continuing the Registered Owner may:

(a) By notice in writing to the County and the Industry, declare the unpaid principal, interest and other amounts

owing under the Bond and the Loan Documents immediately due and payable whereupon the same shall become immediately due and payable; and

(b) Take whatever action at law or in equity which may appear necessary or desirable to collect the payments and other amounts then due or to enforce performance and observance of any obligation, agreement or covenant of the County or the Industry under or described in the Loan Documents or otherwise.

Section 9.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to the County or the Registered Owner is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or any other document now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 9.04. Agreement to Pay Attorneys' Fees and Expenses. In the event there shall occur an Event of Default and the Registered Owner or the County should employ attorneys or incur other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Industry or incur expenses for the protection of or realization upon collateral given to secure these obligations and agreements, the Industry shall upon demand pay to the Registered Owner or the County the reasonable fees and expenses of such attorneys and such other reasonable expenses so incurred by the Registered Owner or the County.

Section 9.05. No Additional Waiver Implied by One Waiver. In the event any warranty, covenant or agreement contained in this Loan Agreement should be breached by the Industry and thereafter waived by the Registered Owner, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach of the same or any other provision.

ARTICLE X

MISCELLANEOUS

Section 10.01. Liability of County. Notwithstanding any other provision of this Loan Agreement or any other document or instrument to the contrary, neither the County's execution of the Bond, Collateral Assignment or Loan Documents nor any other act or omission by or on behalf of the County in connection with the transactions contemplated thereby shall give rise to any pecuniary liability of the County or a charge against its general credit or taxing powers; it being the intent hereof that any payments so required of the County shall be payable only from the income, revenues and receipts derived by it under the Loan Documents, exclusive of amounts received by the County pursuant to Sections 6.04, 6.06, 7.02, 7.03 or 9.04 of this Loan Agreement.

Section 10.02. Liability of Custodian. Any other provision of this Loan Agreement to the contrary notwithstanding, the Custodian shall not have any liability whatsoever in connection with its duties or obligations under the Loan Documents except for its gross negligence or intentional misconduct.

Section 10.03. No Warranties. Neither the County nor the initial Registered Owner makes any warranty, either express or implied, as to the condition of the Project, or that it is or will be suitable for the Industry's purposes or needs.

Section 10.04. Waiver of Presentment, etc. The Industry hereby waives presentment, demand, dishonor, protest, notice for payment, notice of nonpayment, notice of default, notice of compromise or surrender and any other demand or notice whatsoever in connection with the payment of any and all amounts due or which may become due under the Loan Documents.

Section 10.05. Payments Due on Saturday, Sunday and Holidays. Whenever any payment to be made hereunder shall come due on a Saturday, a Sunday or a public holiday under the laws of the State of South Carolina, such payment shall be made on the next succeeding business day, and such extension of time shall in such case be included in computing interest, if any, in connection with such payment.

Section 10.06. Amendments, Changes and Modifications. This Loan Agreement may not be amended, changed, modified, altered or terminated without the written consent of the Registered Owner.

IN WITNESS WHEREOF, Bamberg County, South Carolina, and Southern Bleachery & Printworks, Inc. have caused this Loan Agreement to be duly executed and delivered, all as of the date first above written.

BAMBERG COUNTY, SOUTH CAROLINA

By: _____
Chairman of County Council

ATTEST: (SEAL)

By: _____
Clerk of County Council

SOUTHERN BLEACHERY & PRINTWORKS,
INC.

By: _____
Its: _____

ATTEST: (SEAL)

By: _____
Its: _____

ACCEPTED AS CUSTODIAN:

FIRST NATIONAL BANK OF SOUTH
CAROLINA TRUST DEPARTMENT

By: _____
Its: _____

EXHIBIT A
TO THE LOAN AGREEMENT

[BOND]

025837

EXHIBIT B
TO THE LOAN AGREEMENT
[COLLATERAL ASSIGNMENT]

025838

EXHIBIT C
TO THE LOAN AGREEMENT

[MORTGAGE]

025839

EXHIBIT D
TO THE LOAN AGREEMENT
[MORTGAGE NOTE]

025800

EXHIBIT E
TO THE LOAN AGREEMENT
[DISBURSEMENT REQUEST]

025901

EXHIBIT C
TO THE BOND ORDINANCE
[THE MORTGAGE NOTE]

025902

SOUTHERN BLEACHERY & PRINTWORKS, INC.

MORTGAGE NOTE

\$10,000,000.00

Bamberg, South Carolina
_____, 1983.

FOR VALUE RECEIVED, SOUTHERN BLEACHERY & PRINTWORKS, INC., a corporation organized and existing under the laws of the State of South Carolina (the "Industry"), hereby promises to pay, in lawful money of the United States of America, to the order of BAMBERG COUNTY, SOUTH CAROLINA (the "County"), its successors and assigns, the principal sum of TEN MILLION DOLLARS (\$10,000,000), with interest on the unpaid principal amount from the date hereof at the rate to be determined as hereinafter set forth.

All terms herein shall have the meanings given them by the Loan Agreement of even date herewith between the County and the Industry (the "Loan Agreement") unless the context clearly requires otherwise.

This Mortgage Note is the "Mortgage Note" referred to in the Loan Agreement and is additionally secured by the terms of the Mortgage of the Project, which Mortgage (together with the Loan Agreement and this Mortgage Note) have been assigned and pledged by the County to the initial Registered Owner of the Bond pursuant to the Collateral Assignment to secure the prompt payment, when due, of all amounts payable under the Bond. The Bond is to be issued for the purpose of financing the acquisition of the Project. Under the Loan Agreement, the Industry must pay to the Registered Owner, for the account of the County, such payments as will be fully sufficient to pay the principal of, premium, if any, and interest on the Bond as the same matures and becomes due. Copies of the Loan Agreement, the Mortgage, Collateral Assignment, and the Bond are on file with the Office of the Clerk of Court of Bamberg County, South Carolina, and reference is made to such documents for a fuller description of the security and the provisions with respect to the nature and extent of the rights, remedies, duties and obligations of the County, the Industry, the Custodian and the Registered Owner.

The entire principal amount hereof shall be payable on _____, 19__.

Interest shall accrue hereunder from _____, 1983 on the principal balance outstanding from time to time and shall be payable in _____ installments commencing _____, 198_, and thereafter on the _____ day of every succeeding _____, and _____ until this Mortgage Note has been paid in full. Interest shall accrue at a rate per annum (computed on the basis of a 360-day year and actual number of days elapsed) equal to _____.

025903

Notwithstanding the foregoing, in the event of a change in the maximum marginal tax rate imposed on corporations under federal income tax law, the interest rate shall be adjusted to equal the multiplicative product of the otherwise applicable rate times a fraction the numerator of which equals one hundred (100) minus the number of percentage points constituting such new maximum marginal tax rate and the denominator of which equals fifty-four (54); provided, however, such adjustment shall not be made with respect to any period to which a Determination of Taxability relates.

Interest shall accrue hereunder on overdue installments of principal and, to the extent legally enforceable, on overdue installments of interest, at an annual rate equal to the Taxable Rate (as hereinafter defined) for each day of delinquency until paid.

All payments hereunder shall be applied first to accrued but unpaid interest (including additional interest, if any) and then to principal.

This Mortgage Note is subject to optional prepayment as a whole or in part at any time, upon not less than thirty (30) days prior written notice to the County and the Registered Owner. Any prepayment shall be at a prepayment price equal to one hundred percent (100%) of the principal amount to be prepaid, plus accrued interest thereon to the date of prepayment.

Payments of principal, interest and all other amounts hereunder shall be made in federal or other immediately available funds directly to the Registered Owner for the account of the County at the address appearing on the Bond registration records maintained by the Custodian. Any purported assignment of this Mortgage Note in contravention of the requirements of Section 2.04 of the Loan Agreement shall be absolutely null and void as to the Industry.

Upon the occurrence of a Determination of Taxability, the interest rate of this Mortgage Note shall be increased to equal the Taxable Rate, which rate shall apply both prospectively and retroactively to the accrual of interest on the principal balance hereof outstanding at all times to which the Determination of Taxability relates. The additional interest resulting from such retroactive interest rate adjustment shall be immediately due and payable to the existing or any prior Registered Owner entitled thereto for the period or periods in question. The "Taxable Rate" means the rate of interest on this Mortgage Note applicable without regard to a Determination of Taxability multiplied by a fraction whose numerator equals one hundred (100) and whose denominator equals the difference between one hundred (100) less the number of percentage points in the highest marginal corporate income tax rate under the Code as of the date for

which the Taxable Rate is determined. The Industry further agrees to pay as additional interest to any such existing or prior Registered Owner, upon demand, and in addition to all other amounts paid or to be paid hereunder, an amount equal to any penalties or interest on overdue federal income taxes paid or payable by such Registered Owner (or, in the case of a Registered Owner who held the Bond as a nominee or trustee, to the principal or any beneficiary thereof) as a result of the failure of such Registered Owner (or principal or beneficiary) to include in gross income interest on the Bond as required by the Determination of Taxability. All future accruals of interest at the Taxable Rate shall be due and payable on the interest installment payment dates set forth hereinabove. The obligation to make all additional interest payments provided for hereinabove resulting from a Determination of Taxability shall survive and continue in full force and effect beyond any intervening event or occurrence, including without limitation the cancellation or extinguishment, at maturity or otherwise, of this Mortgage Note.

The obligations of the Industry to make the payments required to be made hereunder shall be absolute and unconditional, and shall not be subject to diminution by set-off, counterclaim, abatement or otherwise. Until such time as the principal of, interest on and all other amounts due under the Bond shall have been fully paid or provision for the payment thereof shall have been made as provided in the Loan Agreement, the Industry (i) shall not suspend or discontinue any payments required to be made hereunder except to the extent of any prepayment thereof, and (ii) shall not terminate its obligations hereunder for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, sale, loss, destruction or condemnation of or damage to the Project, or any failure of the County, the Custodian, or the initial and any subsequent Registered Owner to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or in connection with the Loan Documents.

Notwithstanding any other provision hereof or of the Loan Agreement to the contrary, there shall always be due and payable hereunder an amount sufficient to pay when due all amounts due and payable under the Bond and the Loan Documents.

Payments of all amounts due hereunder are to be irrevocably assigned and pledged to and for the benefit of the Registered Owner pursuant to the Collateral Assignment.

Upon the occurrence of a default under the Loan Documents or Collateral Assignment, or upon failure to pay when due all principal, interest or any other amount hereunder, the principal of

this Mortgage Note then outstanding, together with interest accrued and all other amounts payable hereunder, may be declared immediately due and payable without notice.

It is agreed that in the event any part of the amounts payable hereunder are not paid when due, or if this Mortgage Note is placed in the hands of an attorney for collection, or if this debt or any part is collected by an attorney or by legal proceedings of any kind, all costs and expenses incident to such collection, including without limitation reasonable attorneys' fees, shall be added to the principal amount of this Mortgage Note, and shall be collectible as a part hereof.

Any addition to or expansion of the rights and remedies of the Registered Owner of the Bond contained in the Loan Agreement, and all other provisions therein relating to this Mortgage Note not inconsistent with the terms hereof, are by this reference incorporated herein and made a part hereof as if set forth herein verbatim.

The Industry hereby waives presentment, demand, dishonor, protest, notice for payment, notice of non-payment, notice of default, notice of compromise or surrender and any other demand or notice whatsoever in connection with payment of this Mortgage Note.

This Mortgage Note is issued with the intent that the laws of the State of South Carolina shall govern its construction. In the event that at any time any payment of interest provided for hereunder shall be required to be made at a rate which exceeds the highest rate permitted by applicable law, such highest legal rate shall be substituted for the rate of interest provided herein.

IN WITNESS WHEREOF, The Industry has caused this Mortgage Note to be executed in its corporate name and its seal to be hereunto affixed and attested, this ____ day of _____, 1983.

SOUTHERN BLEACHERY & PRINTWORKS,
INC.

By: _____
Its: _____

ATTEST: (SEAL)

By: _____
Its: _____

EXHIBIT D
TO THE BOND ORDINANCE

[THE MORTGAGE]

025907

STATE OF SOUTH CAROLINA

COUNTY OF BAMBERG

)
)
)

MORTGAGE AND
SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (the "Mortgage"), made as of this _____ day of _____, 1983, by SOUTHERN BLEACHERY & PRINTWORKS, INC., a South Carolina Corporation with an address at _____, Bamberg, South Carolina _____ (herein called the "Mortgagor") to BAMBERG COUNTY, SOUTH CAROLINA, a body politic and corporate and political subdivision of the State of South Carolina, with an address at Post Office Box 149, Bamberg, South Carolina 29003, its successors and assigns (herein called the "Mortgagee"), pursuant to that certain loan agreement of even date herewith between the Mortgagor and the Mortgagee (the "Loan Agreement"). All terms not otherwise defined herein shall have and be used with the same meaning as set forth in the Loan Agreement.

WITNESSETH:

WHEREAS, pursuant to the Loan Agreement, the Mortgagor is indebted to the Mortgagee in the principal sum of TEN MILLION DOLLARS (\$10,000,000.00), together with interest thereon at the rate and according to the terms and conditions, including maturity date, set forth in that certain mortgage note of the Mortgagor to the Mortgagee in like amount and of even date with the Loan Agreement (the "Mortgage Note"), a copy of which is attached hereto as Exhibit A and by this reference is incorporated herein and made a part hereof as if set forth herein verbatim; and

WHEREAS, the Mortgagor is indebted to the Mortgagee for such other amounts as may be prescribed by or come due under this Mortgage, the Mortgage Note, or the Loan Agreement (such documents being hereinafter collectively referred to as the "Loan Documents") in accordance with the terms and conditions thereof (such amounts, together with the indebtedness evidenced by the Mortgage Note, being hereinafter referred to, in whole or in part, as the "Mortgage Indebtedness");

NOW, THEREFORE, in consideration of the aforesaid indebtedness, whether now existing or hereafter arising, and for the better securing of the payment thereof; and also in consideration of the further sum of FIVE DOLLARS (\$5.00) to the Mortgagor in hand well and truly paid by the Mortgagee at and before the sealing and delivery of these presents, the receipt and sufficiency of which is hereby acknowledged, the Mortgagor has granted, conveyed, bargained, sold, aliened, remised, released, assigned, transferred, mortgaged, hypothecated, pledged, set over and confirmed, and by these presents does hereby grant, convey, bargain, sell, alien, remise, release, assign, transfer,

025908

mortgage, hypothecate, pledge, set over and confirm unto the Mortgagee all property, rights, privileges and franchises of the Mortgagor of every kind and description, real, personal or mixed, tangible and intangible, whether now owned or hereafter acquired by the Mortgagor, wherever located (all of such property, rights, privileges and franchises are hereinafter referred to collectively as the "Collateral"), and grants a security interest therein for the purposes herein expressed, and including all and singular the following:

FIRST,

All of the Mortgagor's right, title and interest in and to the lands, parcels, tracts, premises, and property (hereinafter referred to collectively as the "Mortgaged Premises") particularly described in Exhibit B hereto, which by this reference is incorporated herein and made a part hereof as if set forth herein verbatim, including without limitation (i) all buildings and improvements now or hereafter situated upon the Mortgaged Premises or any part thereof, (ii) all heating, plumbing and lighting apparati, motors, engines, machinery, electrical equipment, incinerator apparati, air-conditioning equipment, water and gas apparati, pipes, faucets, and all other fixtures of every description which are now or may hereafter be placed or used upon the Mortgaged Premises or in any building or improvement now or hereafter situated thereon, (iii) all land lying in the bed of any street, road, avenue, alley or walkway, opened, proposed or vacated, or any strip or gore, in front of or adjoining the Mortgaged Premises, and (iv) all easements, rights-of-way, licenses, privileges, members, tenements, estates, hereditaments, appurtenances and other rights and interests now or hereafter in any wise belonging, incident or appertaining to the Mortgaged Premises or any part thereof, and any reversions and remainders of any of the foregoing.

SECOND,

All of the equipment, machinery, apparati, fittings, fixtures or other tangible property, wherever situated, in which the Mortgagor now or hereafter has or acquires any right, title or interest, including without limitation the items more particularly described in Exhibit C hereto, which by this reference is incorporated herein and made a part hereof as if set forth herein verbatim.

THIRD,

Together with all additions, accessions, increases, parts, replacements, substitutions, repairs and betterments of any item of Collateral.

FOURTH,

Together with all awards, proceeds, profits, rents, issues or other payments in respect to any item of Collateral.

PROVIDED, however, that there is expressly excepted and excluded from the lien of this Mortgage the property particularly described in Exhibit D hereto, which by this reference is incorporated herein and made a part hereof as if set forth herein verbatim.

PROVIDED FURTHER, however, that until the happening of an Event of Default, the Mortgagor shall be permitted to possess and use the Collateral in a manner consistent with the rights of the Mortgagee, its successors and assigns, and the terms and conditions of the Loan Documents.

PROVIDED ALWAYS, NEVERTHELESS, that if the Mortgagor shall well and truly pay or cause to be paid to the Mortgagee, its successors and assigns, all indebtedness hereby secured, including all interest thereon, in accordance with the Loan Documents, then this instrument shall cease, determine and be utterly null and void; otherwise it shall remain in full force, virtue and effect.

AND, the Mortgagor does hereby covenant, agree, warrant and represent as follows:

1. Performance of Obligations. The Mortgagor shall pay or cause to be paid the principal of and interest on the Mortgage Indebtedness according to the terms thereof, and shall keep and perform all the covenants, promises and agreements in this Mortgage and the other Loan Documents, all in the manner herein or therein set forth.

2. Covenants of Title. As of the date hereof the Mortgagor has good and indefeasible title to the entire Collateral, and to the Mortgaged Premises in fee simple, with good right and full power to grant, bargain, sell, alien, remise, release, convey, assign, transfer, mortgage, pledge, hypothecate, set over and confirm unto the Mortgagee the Collateral in whole or in part. The Collateral is free and clear of easements, restrictions, liens, leases and encumbrances, except those easements, restrictions, liens, leases and encumbrances particularly described in Exhibit E hereto, which by this reference is incorporated herein and made a part hereof as if set forth herein verbatim; and the Mortgagor will warrant and defend the Collateral against all lawful claims and demands whatsoever. The Mortgagee shall have the right, at its option and at such time or times as it, in its sole discretion, shall deem necessary, to take whatever action it may deem necessary to enforce any of its rights hereunder or any obligation secured hereby, including without

limitation, the right to institute appropriate legal proceedings for such purposes.

3. Payment of Taxes, Assessments and Charges. The Mortgagor shall pay, when due, and before any interest, collection fees or penalties shall accrue, all ad valorem taxes, special assessments, water and sewer charges or other governmental charges and impositions levied or assessed with respect to the Collateral or any part thereof, except such as may in good faith be diligently contested by Mortgagor, provided that provision is made to the satisfaction of the Mortgagee for the eventual payment thereof in the event it is found that such are payable by the Mortgagor. Should the Mortgagor fail to pay such taxes, special assessments, water and sewer charges or other governmental charges or impositions, the Mortgagee may, at its option, pay the same for the account of the Mortgagor.

4. Payment of Other Obligations. Except as is otherwise provided under the Loan Agreement, the Mortgagor shall also pay any and all other obligations, liabilities or debts which may become liens, security interests, or encumbrances upon or charges against the Collateral for any repairs or improvements that are now completed or are in progress or which may hereafter be made thereon, or for any other goods, services, or utilities furnished in respect of the Collateral, and shall not permit any lien, security interest, encumbrance or charge of any kind securing the repayment of borrowed funds (including the deferred purchase price for any property) to accrue and remain outstanding against the Collateral or any part thereof, or any improvements thereon or thereto.

5. Maintenance and Repair; Inspection. The Mortgagor shall keep the Collateral in good order and repair, and the Mortgagor expressly agrees that it shall not commit or permit waste on the Mortgaged Premises nor do any other act whereby the Collateral will become less valuable or the lien hereof may be impaired. Should the Mortgagor fail to effect the necessary repairs, the Mortgagee may at its option make such repairs for the account of the Mortgagor. The Mortgagee, and any person authorized by the Mortgagee, shall have the right to inspect the Collateral at all reasonable times and in connection therewith to enter upon any premises of the Mortgagor where any part of the Collateral may be situated.

6. Insurance.

(a) Mortgagor shall, at its expense and contemporaneously with the delivery of these presents to Mortgagee, furnish Mortgagee with a mortgage policy of title insurance with respect to the Mortgaged Premises in an amount equal to the face amount of the Bond. Such policy shall be issued by a title insurance company reasonably acceptable to Mortgagee and contain no excep-

tions other than those relating to taxes not yet due and payable, easements for utility service and maintenance which do not interfere with Mortgagor's intended use of the Mortgaged Premises, and the Mortgage Indebtedness.

(b) The Mortgagor shall keep the Collateral constantly insured for the benefit of the Mortgagee, until all principal, interest and other amounts due in respect of the indebtedness secured hereby are fully paid, against fire and such other hazards and risks customarily covered by the standard form of extended coverage endorsement available in the State of South Carolina, including risks of vandalism and malicious mischief, and shall further provide flood insurance (if the Mortgaged Premises are situated in an area which is considered a flood risk area by the U.S. Department of Housing and Urban Development or as otherwise required by the Flood Disaster Protection Act of 1973 and regulations issued thereunder), comprehensive general public liability insurance against claims for bodily injury, death or property damage, and such other insurance covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general area as the Collateral, all in such amounts as reasonably requested by the Mortgagee from time to time (but not in excess of that normally carried by similar businesses owning similar properties in the same general area as the Collateral) and shall deliver to the Mortgagee at its principal office aforesaid or at such other place as may be designated by the holder hereof the insurance policies or certified copies with premiums fully paid and with standard mortgagee clauses or such other mortgagee clauses as may be satisfactory to the Mortgagee attached, and renewals thereof shall likewise be delivered to the Mortgagee at least fifteen (15) days before the expiration of any existing policies.

(c) All such policies (other than any general public liability policy) shall include standard loss payable clauses in favor of the Mortgagee and shall provide that the same may not be cancelled or terminated without giving the Mortgagee at least thirty (30) days prior written notice of such cancellation or termination. Should the Mortgagor fail to insure or fail to pay the premiums on any such insurance or fail to deliver the policies or renewals thereof as provided above, the Mortgagee at its option may have such insurance written or renewed and pay the premiums thereon for the account of the Mortgagor.

(d) In the event of loss or damage to the Collateral or any part thereof, the proceeds of said insurance shall at the election of the Mortgagee be applied first toward reimbursement of all costs and expenses of the Mortgagee in collecting such proceeds and then toward payment of the Mortgage Indebtedness or any portion, thereof, whether or not then due or payable; provided, however, that if no Event of default has occurred and is

continuing, and if Mortgagor notifies Mortgagee by written notice given within sixty (60) days following such loss or damage of its intention to rebuild, repair or replace the Collateral, such proceeds shall be applied by the Mortgagee to the payment of the cost of repairing, rebuilding or replacing the Collateral so damaged or destroyed (hereinafter referred to as the "work"), subject to the following conditions:

(i) If the amount of the insurance proceeds is \$50,000 or less, then upon approval by the Mortgagee of the plans and specifications for the work, which approval shall not be unreasonably withheld or delayed (it being nevertheless understood that to the extent feasible said plans and specifications shall provide for such work that, upon completion thereof, the Collateral shall be at least equal in value and general utility to its condition prior to the damage or destruction), and receipt by the Mortgagee of sufficient security or other assurances acceptable to it to cover any estimated costs of completion of the work in excess of the insurance proceeds, then Mortgagee shall deliver the full amount of such proceeds to Mortgagor. Thereupon, Mortgagor shall promptly commence the work and proceed diligently to the completion thereof.

(ii) If the amount of the insurance proceeds exceeds \$50,000, the work shall be supervised by an architect or engineer acceptable to Mortgagee and before the Mortgagor commences any work, other than temporary work to protect property or prevent interference with business, the Mortgagee shall have approved the plans and specifications for the work to be submitted by the Mortgagor, which approval shall not be unreasonably withheld or delayed (it being nevertheless understood that to the extent feasible said plans and specifications shall provide for such work that, upon completion thereof, the Collateral shall be at least equal in value and general utility to its condition prior to the damage or destruction). The Mortgagee or its designee shall hold such proceeds and shall disburse same from time to time (but no more frequently than every thirty (30) days) upon receipt of a request for payment in form and substance satisfactory to Mortgagee and subject to the following additional conditions:

(A) Each request for payment shall be delivered to the Mortgagee at least seven (7) days prior to the requested date of disbursement and shall be accompanied by a certificate to be made by such architect or engineer, stating (1) that all of the work completed has been done in compliance with the approved plans and specifications, (2) that the sum requested is justly required to reimburse the Mortgagor for payments by the Mortgagor to, or is justly due to, the contractor, subcontractors, materialmen, laborers, engineers, architects or other persons rendering services or materials for the work (giving a brief description of such services and materials), and that when

added to all sums previously paid out by the Mortgagee does not exceed the value of the work done to the date of such certificate, and (3) that the amount of such proceeds remaining in the hands of the Mortgagee will be sufficient on completion of the work to pay for the same in full (giving in such reasonable detail as the Mortgagee may require an estimate of the cost of such completion);

(B) Each request shall be accompanied by waivers of lien satisfactory to the Mortgagee covering that part of the work for which payment or reimbursement is being requested and by a search prepared by a title company or by other evidence satisfactory to the Mortgagee that there has not been filed with respect to the Collateral, or any part thereof, any mechanic's or other lien or instrument for the retention of title not discharged of record in respect to any part of the work, and the title insurance company shall have committed to issue an endorsement to the mortgagee policy of title insurance on the Mortgaged Premises insuring the continued priority of this Mortgage as a first lien upon the Mortgaged Premises as to the full amount of the Mortgage Indebtedness then outstanding;

(C) No Event of Default shall have occurred and be continuing under this Mortgage;

(D) The request for any payment after the work has been completed shall be accompanied by a copy of any certificate or certificates required by law to render occupancy of the Mortgaged Premises legal; and

(E) Such other conditions as Mortgagee may reasonably impose.

Upon the completion of the work and payment in full therefor, or upon any failure on the part of the Mortgagor promptly to commence or continue the work, or at any time upon request by the Mortgagor, the Mortgagee may, at its option, either apply the amount of any such proceeds then or thereafter in the hands of the Mortgagee to the payment of the Mortgage Indebtedness or any portion thereof, whether or not then due and payable, or remit such amount to the Mortgagor.

(e) In the event of a foreclosure of this Mortgage, the purchaser of the Collateral shall succeed to all of the rights of the Mortgagor under said insurance policies payable to the Mortgagee with respect to the purchased Collateral, including any right to unearned premiums and the right to receive the proceeds of any insurance payable by reason of any loss theretofore or thereafter occurring.

7. Eminent Domain. Notwithstanding any taking under the power of eminent domain, alteration of the grade of any street,

or other injury to or decrease in value of the Collateral by any public or quasi-public authority or corporation, the Mortgagor shall continue to pay the Mortgage Indebtedness in accordance with the terms of the Notes or of any promissory note or notes then evidencing the same, and any reduction in the principal sum resulting from the application by the Mortgagee of such award or payment as hereinafter set forth shall be deemed to take effect only upon the receipt by the Mortgagee of such award. The Mortgagor hereby assigns the entire proceeds of any award or payment to the Mortgagee. Such proceeds shall be collected and applied as though such proceeds were insurance proceeds to be applied pursuant to Paragraph 6(d) hereof.

8. Reimbursement of Advances by Mortgagee. The Mortgagor shall pay to the Mortgagee, upon demand, all sums expended by the Mortgagee (a) to pay taxes, assessments, water and sewer charges and other governmental charges and impositions and insurance premiums, with respect to the Collateral, or (b) to maintain or repair the Collateral, as provided herein, whether expended by the Mortgagee or any receiver appointed at the request of the Mortgagee, unless such sums shall be paid out of the rents, income and profits from the Collateral, or (c) to defend the lien of this Mortgage as a lien against the Collateral subject only to the permitted encumbrances hereinabove expressly set forth, or (d) to discharge any lien or encumbrance affecting the Collateral which shall be superior to the lien of this Mortgage and as to which this Mortgage is not expressly subject and subordinate, or (e) to cure any default of the Mortgagor under any lease or other agreement covering the Collateral, or (f) to cure any default of the Mortgagor hereunder or under any of the Loan Documents, or (g) for or in connection with any other action taken by the Mortgagee to preserve the security of this Mortgage or any other security for the Mortgage Indebtedness or to protect any of the Mortgagee's rights hereunder. All such expenditures as shall be made by the Mortgagee hereunder or pursuant to any other provision of this Mortgage or the other Loan Documents, including any reasonable attorneys' fees incurred by the Mortgagee in connection with the foregoing, shall be payable upon demand and be secured by this Mortgage and shall bear interest at the default rate set forth in the Mortgage Note or in any other promissory note or notes now or hereafter evidencing the Mortgage Indebtedness or any portion thereof, including penalty interest if any.

9. Change in Taxes. In the event any tax shall be due or become due and payable to the United States of America, the State of South Carolina or any political subdivision thereof with respect to the execution and delivery or recordation of this Mortgage or any note or other instrument or agreement evidencing or securing repayment of the Mortgage Indebtedness or the interest of the Mortgagee in the Collateral, the Mortgagor shall pay such tax at the time and in the manner required by

applicable law and the Mortgagor shall hold the Mortgagee harmless and shall indemnify the Mortgagee against any liability of any nature whatsoever as a result of the imposition of any such tax.

In the event of the passage after the date of this Mortgage of any law in the State of South Carolina deducting from the value of real property for purposes of taxation any lien thereon, or changing in any way the laws now in force for the taxation of mortgages or debts secured thereby (including the interest thereon) for state or local purposes, or changing the manner of collection of any such taxes, the Mortgagor shall hold the Mortgagee harmless and shall indemnify the Mortgagee against any liability of any nature whatsoever as a result of the imposition of any such tax.

10. Events of Default. Any breach, violation, or failure to perform, observe or comply with, any term, condition, covenant, agreement or other obligation under this Mortgage by the Mortgagor, or the occurrence of an Event of Default under the Loan Agreement, shall be deemed an Event of Default hereunder and shall entitle the Mortgagee to exercise its remedies hereunder and under any of the Loan Documents or as otherwise provided by law. The failure of the Mortgagor to pay in accordance with the terms hereof any taxes or assessments assessed or levied against the Collateral or any installment thereof, or any premiums payable with respect to any insurance policy covering the Collateral, or any installment thereof, shall constitute waste and an Event of Default hereunder.

11. Remedies upon Default. Immediately upon the occurrence of any of the Events of Default referred to above in Paragraph 10, the Mortgagee shall have the option, in addition to and not in lieu of or substitution for all other rights and remedies provided in this Mortgage or any other Loan Documents or provided by law, and is hereby authorized and empowered by the Mortgagor, to do any or all of the following:

(a) Declare the entire unpaid amount of the Mortgage Indebtedness, together with accrued and unpaid interest thereon, and any and all charges payable by the Mortgagor to the Mortgagee pursuant to any of the Loan Documents, immediately due and payable and, at the Mortgagee's option, (i) bring suit therefor, or (ii) bring suit for any delinquent payment of or upon the Mortgage Indebtedness, or (iii) take any and all steps and institute any and all other proceedings that the Mortgagee deems necessary to enforce payment of the Mortgage Indebtedness and performance of other obligations secured hereunder and to protect the lien of this Mortgage.

(b) Commence foreclosure proceedings against the Collateral through judicial proceedings or by advertisement, at the

option of the Mortgagee, pursuant to the statutes in such case made and provided, and to sell the Collateral or to cause the same to be sold at public sale, and to convey the same to the purchaser, in accordance with said statutes in whole or in several parts at the option of the Mortgagee. Each purchaser at any such sale or other disposition shall hold the Collateral free from any claim or right of Mortgagor of whatever kind, including any equity or right of redemption of Mortgagor. Mortgagor specifically waives (to the extent permitted by law) all rights of redemption, stay or appraisal which it had or may have under any rule of law or statute now existing or hereafter adopted.

(c) Cause to be brought down to date an abstract or abstracts and tax histories of the Mortgaged Premises, procure title insurance or title reports or, if necessary, procure new abstracts and tax histories.

(d) Obtain a receiver to manage the Collateral and collect the rents, profits and income therefrom. The Mortgagor agrees to consent and does hereby consent to possession, management and control of or other action with respect to, the Collateral by a receiver at such time or times as the Mortgagee believes necessary or desirable in protecting or enforcing Mortgagee's rights hereunder.

(e) In the event of any sale of the Collateral by foreclosure, through judicial proceedings, by advertisement or otherwise, apply the proceeds of any such sale in the order following to: (i) all expenses incurred for the collection of the Mortgage Indebtedness and the foreclosure of this Mortgage, including reasonable attorneys' fees, or such attorneys' fees as are permitted by law; (ii) all sums expended or incurred by the Mortgagee directly or indirectly in carrying out the terms, covenants and agreements of this Mortgage and of the other Loan Documents, together with interest thereon as therein provided; (iii) all accrued and unpaid interest upon the Mortgage Indebtedness; (iv) the unpaid principal amount of the Mortgage Indebtedness; and (v) the surplus, if any there be, unless a court of competent jurisdiction decrees otherwise, to the Mortgagor.

12. Successors in Ownership. In the event ownership of the Collateral or any part thereof becomes vested in a person or persons other than the Mortgagor without the prior written approval of the Mortgagee, the Mortgagee may (but shall not be obligated to) deal with such successor or successors in interest with reference to this Mortgage and the other Loan Documents in the same manner as with the Mortgagor, without in any manner discharging or otherwise affecting the Mortgagor's liability hereunder or upon the Mortgage Indebtedness.

13. Security Interest. This Mortgage shall, as to any personal property covered hereby, be deemed to grant a security interest therein pursuant to the Uniform Commercial Code as in effect in the State of South Carolina. The Mortgagor agrees, upon reasonable prior request of the Mortgagee, to furnish an inventory of personal property owned by the Mortgagor and subject to this Mortgage and, upon request by the Mortgagee, to execute any supplements to this Mortgage, any separate security agreement and any financing statements to include specifically said inventory of personal property. Upon the occurrence of any of the Events of Default referred to in Paragraph 10 hereof, the Mortgagee shall have all of the rights and remedies therein provided or otherwise provided by law or by this Mortgage, including but not limited to the right to sell and dispose of the same and distribute the proceeds according to law. The parties hereto agree that the Mortgagee shall send notice to the Mortgagor of any such sale at least ten (10) days prior to the date of sale, disposition or other event giving rise to the required notice, and that the proceeds of any disposition of any of such personal property may be applied by the Mortgagee first to the reasonable expenses in connection therewith, including reasonable attorneys' fees and legal expenses incurred, and then to payment of the Mortgage Indebtedness.

14. Assignment of Leases and Rents. As of the date of this Mortgage, as security in addition to the property described in this Mortgage, the Mortgagor hereby assigns to the Mortgagee all its right, title and interest in and to all written and oral leases, whether now in existence or which may hereafter come into existence during the term of this Mortgage, or any extension hereof, covering the Mortgaged Premises, or any part thereof (but without an assumption by the Mortgagee of liabilities of the Mortgagor under any such leases by virtue of this assignment), and the Mortgagor hereby assigns to the Mortgagee the rents, issues and profits of the Mortgaged Premises. If an Event of Default shall have occurred and remain uncured during any applicable grace period, the Mortgagee may receive and collect said rents, issues and profits through a court appointed receiver so long as any such default shall exist and during the pendency of any foreclosure proceedings and during any redemption period. The collection of rents by the Mortgagee shall in no way waive the right of the Mortgagee to foreclose this Mortgage in the case of the occurrence of an Event of Default.

15. No Other Liens. Except as is permitted under the Loan Agreement, the Mortgagor shall not consent or agree to any lien, mortgage, security interest or sale and leaseback transaction upon or affecting the Collateral, or any part thereof, except as granted in this Mortgage and any other lien or security interest granted to the Mortgagee.

16. Obligations under Leases, etc. The Mortgagor shall promptly and diligently observe and perform all of the terms, conditions, covenants and agreements to be observed or performed by the landlord and enforce every obligation of the tenant under any lease assigned to the Mortgagee and every tenant in which rents are assigned to the Mortgagee. The Mortgagor shall not, without the prior written consent of the Mortgagee, which consent shall not be unreasonably withheld, cancel, modify, amend or supplement, or consent to any cancellation, modification, amendment or supplement of any lease assigned to the Mortgagee, nor assign or transfer any such lease.

17. Restriction on Use of Collateral. Except as is permitted by the Loan Agreement, the Mortgagor will not make, suffer, or permit, without the written consent of the Mortgagee first had and obtained, (a) any use of the Collateral for any purpose other than that for which the same are now used or intended to be used, or (b) any sale, transfer, assignment, lease, conveyance or other disposition of all or any part of the Collateral or (c) the abandonment or vacating of the Collateral for a period in excess of sixty (60) consecutive days. The Mortgagor will not make, suffer, or permit any construction upon or other alteration of the Collateral if in any such case the priority of the lien of this Mortgage would in any way be thereby threatened or affected or if any such construction or alteration would in the reasonable judgment of the Mortgagee, materially and adversely affect the use, value or operation of the Collateral.

18. Permitted Contests. If no Event of Default shall have occurred hereunder, the Mortgagor shall not be required, nor shall Mortgagee have the right, to pay, discharge or remove any tax, assessment, levy, fee, charge, lien or encumbrance, for so long as Mortgagor shall diligently contest in good faith and at its own expense the existence, the amount or validity thereof by appropriate proceedings which shall prevent the collection of or any realization upon the tax, assessment, levy, fee, charge, lien or encumbrance so contested and the sale, forfeiture or loss of all or any part of the Mortgaged Premises to satisfy same.

19. Severability. If any provision hereof is in conflict with any statute or rule of law of the State of South Carolina or is otherwise unenforceable for any reason whatsoever, then such provision shall be deemed null and void to the extent of such conflict or unenforceability and shall be deemed severable from but shall not invalidate any other provisions of this Mortgage.

20. Waiver. No waiver by the Mortgagee of any right or remedy granted hereunder or failure to insist on strict performance by the Mortgagor hereunder shall affect or extend to or act as a waiver of any other right or remedy of the Mortgagee

hereunder, nor affect the subsequent exercise of the same right or remedy by the Mortgagee for any further or subsequent default by the Mortgagor hereunder.

No remedy herein conferred upon or reserved to the Mortgagee is intended to be exclusive of any other remedy herein or by law provided, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. If there exists additional security for the performance of the obligations secured hereby, the Mortgagee, at its sole option, and without limiting or affecting any of its rights or remedies hereunder either concurrently with whatever right and remedies it may have in connection with such other security or in such order as it may determine. Any application of any amounts or any portion thereof held by Mortgagee at any time as additional security hereunder, to any indebtedness secured hereby shall not extend or postpone the due dates of any payments due from Mortgagor to Mortgagee or change the amounts of any such payments or otherwise be construed to cure or waive any default or notice of default hereunder or invalidate any act done pursuant to any such default or notice.

21. Marshalling. The Mortgagor hereby waives, in the event of foreclosure of this Mortgage or the enforcement by the Mortgagee of any other rights and remedies hereunder, any right otherwise available in respect to marshalling of assets which secure the Mortgage Indebtedness or to require the Mortgagee to pursue its remedies against any other such assets.

22. Estoppel Certificate. The Mortgagor agrees, forthwith upon request of the Mortgagee, to execute and deliver to the Mortgagee, or to any person designated by the Mortgagee, a statement certifying as to the principal amount of the Mortgage Indebtedness then outstanding and the date from which interest thereon is payable and confirming whether any offsets or defenses exist against payment of the Mortgage Indebtedness.

23. Notices. Any notice which the Mortgagee may give or is required to give under this Mortgage shall, if mailed, be effective when sent as registered or certified mail, return receipt requested, postage prepaid, addressed to the Mortgagor (Attention: President) at the Mortgagor's address first above set forth or at such other address as the Mortgagor shall provide to the Mortgagee in writing.

24. Governing Law; Binding Effect. This Mortgage, made in the state of South Carolina shall be construed according to the laws thereof and shall be binding upon the Mortgagor and its successors and assigns and any subsequent owners of the Mortgaged Premises, and all of the covenants herein contained shall run with the land, and this Mortgage and all of the covenants

herein contained shall inure to the benefit of the Mortgagee, its successors and assigns.

25. Headings. The headings in this Mortgage are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

IN WITNESS WHEREOF, the Mortgagor has caused these presents to be duly executed, sealed and delivered as of the day and year first above written.

SOUTHERN BLEACHERY & PRINTWORKS,
INC.

Witness

By: _____ (SEAL)
Its: _____

Witness

ATTEST:

By: _____
Its: _____

STATE OF SOUTH CAROLINA
COUNTY OF BAMBERG

)
)
)

PROBATE

PERSONALLY APPEARED before me the undersigned witness, who,
after first being duly sworn, deposes and says that s/he saw the
within named Southern Bleachery & Printworks, Inc. by act
of _____ its _____,
and _____, its _____,
sign, seal and, as its act and deed, deliver the foregoing
instrument; and that s/he with the other witness whose name is
subscribed thereto witnessed the execution thereof.

SWORN TO before me this
___ day of _____, 1983.

_____(L.S.)
Notary Public for South Carolina
My Commission Expires: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF BAMBERG)

Southern Bleachery &)
Printworks, Inc.,)
)
 Mortgagor,)
)
 to)
)
Bamberg County, South Carolina,)
)
 Mortgagee.)

AFFIDAVIT AS TO
STAMP TAXES

The undersigned affiant being duly sworn deposes and says:
that (s)he is familiar with the captioned mortgage and that no
stamp taxes are due thereon pursuant to § 4-29-130 of the Code
of Laws of South Carolina (1976), as amended.

(Affiant)

SWORN TO before me this
____ day of _____, 1983.

(L.S.)
Notary Public for South Carolina
My Commission expires: _____

EXHIBIT A
TO THE MORTGAGE

[MORTGAGE NOTE]

025924

EXHIBIT B
TO THE MORTGAGE

[DESCRIPTION OF REAL ESTATE]

025925

EXHIBIT C
TO THE MORTGAGE

[DESCRIPTION OF PERSONAL PROPERTY]

025926

EXHIBIT D
TO THE MORTGAGE
[EXCLUDED PROPERTY]

025927

EXHIBIT E
TO THE MORTGAGE
[PERMITTED LIENS]

025928

EXHIBIT E
TO THE BOND ORDINANCE
[THE COLLATERAL ASSIGNMENT]

025929

COLLATERAL ASSIGNMENT OF LOAN DOCUMENTS

by

BAMBERG COUNTY, SOUTH CAROLINA

to

THE REGISTERED OWNER

DATED AS OF _____, 1983

025930

THIS COLLATERAL ASSIGNMENT OF LOAN DOCUMENTS, made and entered into as of this ____ day of _____, 1983, by and between Bamberg County, South Carolina, a political subdivision and a body politic and corporate of the State of South Carolina (the "County"), and _____, (the "Registered Owner").

WHEREAS, the County proposes to issue a not to exceed \$10,000,000 principal amount Industrial Revenue Bond, Series 1983 (Southern Bleachery & Printworks, Inc. Project) (the "Bond") to assist Southern Bleachery & Printworks, Inc., a corporation organized and existing under the laws of the State of South Carolina (the "Industry"), in financing the acquisition of certain industrial facilities (the "Project"); and

WHEREAS, pursuant to a loan agreement of even date herewith between the County and the Industry (the "Loan Agreement"), the County has agreed to loan the proceeds from the sale of the Bond to the Industry, and the Industry has agreed to make and deliver to the County the Industry's mortgage note of even principal amount with the Bond (the "Mortgage Note") to evidence its indebtedness to the County for repayment of such loan; and

WHEREAS, to secure the prompt payment of all amounts due and coming due under the Mortgage Note and the Loan Agreement the Industry has, pursuant to a mortgage and security agreement dated _____, 1983, recorded in the Office of the Clerk of Court of Bamberg County in Mortgage Book _____, at page _____, (the "Mortgage"), agreed to grant to the County a first priority lien and security interest in the Project; and

WHEREAS, the Registered Owner, pursuant to a bond purchase commitment dated _____, 1983, (the "Bond Purchase Commitment") has committed to purchase the Bond for a purchase price equal to the original face amount of the Bond, without discount; and

WHEREAS, the Registered Owner's commitment to purchase the Bond requires that the Bond shall be secured by a collateral assignment to the Registered Owner, consented to by the Industry, of all the County's right, title and interest in, to and under the Loan Agreement, the Mortgage Note and the Mortgage (the Loan Agreement, the Mortgage Note and the Mortgage being sometimes hereinafter referred to collectively as the "Loan Documents"), which assignment is to be effected by the within Collateral Assignment of Loan Documents (the "Collateral Assignment").

NOW, THEREFORE, in consideration of the premises hereof, the purchase of the Bond by the Registered Owner and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, in order to better secure the payment of

025931

all amounts payable in accordance with the terms of the Bond and the payment of any other amounts herein specified, the County and the Registered Owner do hereby agree as follows:

1. SECURITY INTEREST. The County does hereby bargain, sell, convey, grant, alien, remise, release, mortgage, hypothecate, pledge, assign, transfer, set over and confirm to the Registered Owner as original purchaser, owner and holder of the Bond, and the Registered Owner does hereby accept, all and singular of the County's right, title and interest in, to and under the Loan Documents, including without limitation the right to all revenues, receipts and payments thereunder (excepting only payments made by the Industry to the County pursuant to Sections 6.04, 6.06, 7.02, 7.03 or 9.04 of the Loan Agreement); and all proceeds of any of the foregoing, to have and to hold forever; provided always, however, that if the County shall pay or cause to be paid all amounts due to the Registered Owner under the Bond, the Loan Documents and this Collateral Assignment, then the assignment effected hereby shall cease, determine and be utterly null and void; otherwise it shall remain in full force and effect.

2. PROTECTION OF COLLATERAL. The County shall not by act or omission cause or consent to (i) the sale, assignment, transfer, conveyance or other disposition of, or the pledge, hypothecation, or other creation or existence of any security interest, lien, encumbrance, or other interest in, the Loan Documents (including the revenues, receipts or other payments thereunder), except such transfers or granting of interests to or in favor of the Registered Owner in connection with the transactions described in the Loan Agreement, or (ii) the release, waiver, amendment or other modification of any provision of any of the Loan Documents, without the prior written consent of the Registered Owner. By way of amplification, and not by way of limitation, of the rights of the Registered Owner set forth in Section 3.04 of the Loan Agreement, the County hereby appoints the Registered Owner as its agent with full power and authority (with or without prior notice to the County):

(a) to accept a mortgage or security interest in any additional collateral to secure payment of the amounts due under the Loan Documents;

(b) to receive and hold any collateral subject to any security interest granted to secure payment of the amounts due under the Loan Documents;

(c) to release any and all collateral from the Mortgage or any other mortgage or security interest granted to secure payment of the amounts due under the Loan Documents;

(d) to permit any or all of the collateral under the Mortgage to secure indebtedness incurred by the Industry in addition to that evidenced by the Mortgage Note; and

(e) otherwise to amend the Mortgage.

3. DEFAULTS AND OTHER PROVISIONS. A default shall exist under this Collateral Assignment if and when there shall occur (i) a default in the payment of principal, interest or any other amount due under the Bond, (ii) an "Event of Default" by the County or the Industry under the Loan Documents, or any of them, or (iii) a violation of Paragraph 2 hereinabove. In the event of a default hereunder, the entire unpaid balance of principal, interest and all other amounts payable under the Bond shall at the election of the Registered Owner be immediately due and payable, and the Registered Owner, without any requirement of any further act, notice or proceeding of any kind by the Registered Owner or any other person or entity, shall immediately be vested with and succeed to all of the County's rights and remedies in, to and under the Loan Documents and shall have the rights and remedies of a secured party under the Uniform Commercial Code as in effect in the State of South Carolina, and be entitled to enforce all or any such rights and remedies by all lawful means, including without limitation the institution of suit or suits or proceedings in equity or at law, and whether for foreclosure hereunder, or for the appointment of a receiver or receivers for the property pledged as security under the Loan Documents or hereunder, or any part thereof, or for the recovery of judgment for the indebtedness hereby secured, or for the enforcement of any other proper, legal or equitable remedy available under applicable law. The County covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged, and delivered, such further acts, instruments, documents and things as may be reasonably required by the Registered Owner, including without limitation the unconditional and unqualified endorsement of the Mortgage Note, to effectuate the realization or enforcement by the Registered Owner of the rights to which it hereby succeeds under the Loan Documents. No delay or omission of the Registered Owner to exercise any right or power arising from any default hereunder shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Registered Owner of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom. The Registered Owner may exercise any one or more or all of the remedies hereunder and no remedy is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to each and every other remedy given hereunder or otherwise existing now or hereafter at law or in equity; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness hereby secured

operate to prejudice, waive or affect the rights, powers or remedies obtained or available under the Loan Documents or this Collateral Assignment or any hereunder; nor shall the Registered Owner be required to first look to, enforce or exhaust such other or additional security, collateral or guarantees.

4. MISCELLANEOUS. (a) The unenforceability or invalidity of any provision or provisions of this Collateral Assignment shall not render any other provision or provisions herein contained unenforceable or invalid.

(b) All notices or other communications provided for herein shall be transmitted in the manner and form, and to the recipient's address, provided for in Section 1.04 of the Loan Agreement.

(c) In the event of an assignment of the Bond to a successor Registered Owner in compliance with Section 2.04 of the Loan Agreement, this Collateral Assignment shall be deemed to have been assigned to, and shall inure to the benefit of, such successor Registered Owner.

IT IS THE EXPRESS CONDITION of this Collateral Assignment that nothing herein shall constitute an indebtedness of the County within the meaning of any state constitutional provision or statutory limitation and nothing herein shall ever constitute or give rise to any pecuniary liability of the County or any charge against its taxing powers or upon its general credit. Any obligation of the County hereunder for the payment of money shall be payable solely from the payments received by the County under or in connection with the Loan Documents (excepting only payments made by the Industry to the County pursuant to Sections 6.04, 6.06, 7.02, 7.03 or 9.04 of the Loan Agreement) and nothing in this Collateral Assignment shall be considered as pledging any other funds or assets of the County.

IN WITNESS WHEREOF, the parties hereto have caused this Collateral Assignment of Loan Documents to be duly executed, sealed and delivered, all as of the date first above written.

COUNTY:

WITNESSES:

BAMBERG COUNTY, SOUTH CAROLINA

By: _____

Its: Chairman

ATTEST: _____

(SEAL)

Clerk, Bamberg County Council

The Industry hereby consents to and acknowledges the effectiveness of the within Collateral Assignment.

WITNESSES:

INDUSTRY:

SOUTHERN BLEACHERY & PRINTWORKS,
INC.

By: _____

Its: _____

ATTEST:

(SEAL)

Its:

STATE OF SOUTH CAROLINA
COUNTY OF BAMBERG

)
)
)

PROBATE

PERSONALLY APPEARED before me the undersigned witness, who being duly sworn, says that s/he saw the within named Bamberg County, South Carolina, by act of _____, its Chairman of County Council and _____, its Clerk of County Council, for and on its behalf, sign, seal and deliver the foregoing instrument; and that s/he together with the other witness whose name is subscribed thereto witnessed the execution thereof.

SWORN TO before me this

____ day of _____, 1982.

_____(L.S.)
Notary Public for South Carolina
My Commission Expires:_____.

STATE OF SOUTH CAROLINA
COUNTY OF BAMBERG

)
)
)

PROBATE

PERSONALLY APPEARED before me the undersigned witness, who being duly sworn, says that s/he saw the within named Southern Bleachery & Printworks, Inc., by act of _____, its _____ and _____, its _____, for and on its behalf, sign, seal and deliver the foregoing instrument; and that s/he together with the other witness whose name is subscribed thereto witnessed the execution thereof.

SWORN TO before me this
____ day of _____, 1982.

_____(L.S.)
Notary Public for South Carolina
My Commission Expires:_____.

EXHIBIT F
TO THE BOND ORDINANCE
[THE BOND PURCHASE COMMITMENT]

025938

[Bond Purchase Commitment]

_____, 1983

Bamberg County Council
Post Office Box 149
Bamberg, South Carolina 29003

Attention: James H. Zorn, Jr., Chairman

Re: Bamberg County, South Carolina
\$10,000,000 Industrial Revenue Bond, Series 1983
(Southern Bleachery & Printworks, Inc. Project)

Gentlemen:

Please be advised that the undersigned (the "Purchaser") has investigated the financial strength of Southern Bleachery & Printworks, Inc. (the "Industry") in connection with the above-referenced financing. Based on this investigation, the Purchaser agrees, on or before _____, 1983, to purchase the above-referenced industrial revenue bond (the "Bond"), for a price equal to the face amount thereof, subject to the following: (1) the execution of definitive documents, in form and substance acceptable to the Purchaser and its counsel, relating to the issuance of the Bond, which definitive documents shall include (without limitation) a Loan Agreement, Mortgage Note, Mortgage, the Bond and a Collateral Assignment of Loan Documents; (2) the satisfaction of the conditions set forth in each such document on or before the date of purchase; (3) the adoption of all proceedings and the occurrence of all other happenings necessary for the issuance and sale of the Bond, and all other related transactions, to be in compliance with all applicable laws; (4) the execution and delivery of documents in form and substance acceptable to the Purchaser governing the acquisition of the property (both real and personal) constituting the Project to be financed with the Bond proceeds; and (5) receipt by the Purchaser prior to closing of such legal opinions and other documents or instruments as it deems necessary or appropriate, including without limitation the opinion of Bond Counsel in customary form that interest on the Bond shall be free from federal income taxes.

025939

Bamberg County Council
Page 2

The Purchaser will purchase the Bond for investment and not with a view to distribution. Although the Purchaser will reserve the right to transfer the Bond, please be advised that the Purchaser has no present intention of transferring the Bond.

Very truly yours,

By: _____
Its: _____

025940

The State of South Carolina

EXHIBIT



JUN 28 1983

NO. 2

STATE BUDGET & CONTROL BOARD

Office of the Attorney General

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE 803-758-2081

July 15, 1983

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

Re: \$1,600,000 Richland County, South Carolina
Industrial Revenue Bond, (R.E.M. Investments)

Dear Mr. McInnis:

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

Sincerely yours,

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

David C. Eckstrom
Assistant Attorney General

DCE/cs

Enclosures

025941

EXHIBIT

JUN 28 1983

NO. 2

STATE BUDGET & CONTROL BOARD

OK
6-28-83



BANKERS
TRUST

June 27, 1983

State Budget and Control Board
P. O. Box 1244
Columbia, S. C. 29211

Re: Richland County, South Carolina,
Industrial Revenue Bonds (R.E.M.
Investments) - \$800,000

Gentlemen:

Bankers Trust of South Carolina has made a commitment to purchase the above referenced issue of Richland County, South Carolina. In connection with this commitment, the bank has requested and been provided with certain financial information by the company, and the information to the extent that it has been furnished is satisfactory. The agreement to purchase this issue is made for the banks own investment as loan purposes and we do not presently contemplate the resale, distribution or redistribution of the issue.

Very truly yours,

Frank R. Knox
Vice President
Bankers Trust of South Carolina

FRK:sbw

025942

A RESOLUTION APPROVING THE ISSUANCE BY RICHLAND COUNTY, SOUTH CAROLINA OF \$1,600,000 PRINCIPAL AMOUNT INDUSTRIAL REVENUE BONDS, (R.E.M. INVESTMENTS PROJECT) 1983 PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976).

WHEREAS, the County Council of Richland County, South Carolina (the "County 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) (the "Act"), requested the approval by the State Budget and Control Board of the issuance by Richland County (the "County") pursuant to the Act of its Industrial Revenue Bonds (R.E.M. Investments Project) 1983, in the aggregate principal amount of \$1,600,000 (the "Bonds"); and

WHEREAS, the County proposes to issue the Bonds for the purpose of defraying the costs of acquiring by construction and purchase, certain land, buildings, machinery, apparatus, equipment, office facilities and furnishings (the "Project") to be used in a facility for storage and wholesale distribution of fresh farm produce; and

WHEREAS, R.E.M. Investments (the "Company") is to make payments sufficient to pay the principal of and premium, if any, and interest on the Bonds and the costs and expenses related to the issuance of the Bonds; and

WHEREAS, it is proposed that the Bonds will be secured by a pledge of the revenues to be derived from the Project, and in addition by a first mortgage on the Project; and

WHEREAS, the County has submitted with the Petition drafts of the documents to be entered into by the County in connection with the issuance of the Bonds, for review by the State Budget and Control Board, 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;

EXHIBIT

JUN 28 1983 NO. 2

STATE BUDGET & CONTROL BOARD

025943

(b) The Petition filed by the County 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 County 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 finance the project by the issuance of Bonds secured by a pledge of the revenues to be derived from the Project and a first mortgage on the Project, be and the same is hereby in all respects approved.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in a newspaper having general circulation in Richland 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

Notice is hereby given pursuant to the provisions and requirements of Section 4-29-140 of South Carolina Code Annotated, as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Richland County, South Carolina, has given its approval to the following undertaking by Richland County, South Carolina:

The issuance by Richland County of its Industrial Revenue Bonds (R.E.M. Investments Project) 1983, in the aggregate principal amount of \$1,600,000 (the "Bonds"), to defray the costs of acquiring, by construction and purchase, certain land, buildings, machinery, apparatus, equipment, office facilities and furnishings to be used as a facility for storage and wholesale distribution of fresh farm produce (the "Project") to be located in Richland County. The Project will be owned by R.E.M. Investments, a general partnership which will unconditionally covenant to pay the principal of, premium (if any) and interest on the Bonds. The Bonds will be payable solely and exclusively out of revenues to be derived from such payments, and are to be additionally secured by a pledge of the Loan Agreement with respect to the Project and a first mortgage on 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 Bonds by Richland County to finance the same, by action de novo instituted in the Circuit Court for Richland County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, Secretary

Dated: _____, 1983

025945

EXHIBIT

STATE OF SOUTH CAROLINA

JUN 28 1983 NO. 2

COUNTY OF RICHLAND

STATE BUDGET & CONTROL BOARD

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

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina at 9:30 A. M., Tuesday, June 28, 1983, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of: none.

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

FOR MOTION

5

AGAINST MOTION

0

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

That any and all conditions attached to the referenced Board action have been satisfied as of the date of this certificate.

025946

July 18, 1983

William A. McInnis
Secretary

EXHIBIT

JUN 28 1983

NO. 2

REVENUE BOND ISSUE PETITION PROCESSING CHECKLIST

[Item for Board meeting of June 28, 1983 STATE BUDGET & CONTROL BOARD]

1. Local Government: Richland County
2. Bond Counsel:
 - (a) Firm Boyd, Knowlton, Sale & Finlay
 - (b) Contact Person John H. Foster Phone 779-3080
 - (c) Address Box 11598, Columbia, SC 29211
3. Project Name: R.E.M. Investments
4. Issue Amount: \$ 1,600,000 Type: Industrial
5. Employment Impact of Project: Approx. 50
6. Type/Nature of Business of Firm Involved: Facility for storage and wholesale distribution of fresh farm produce

* * * * *

7. Processing Checklist	Rec'd. From	Sent To
(a) Governing body resolution/ordinance/ petition	JF 6/27	DE 6/27
(b) Documents on issuance/securing of bonds	JF 6/27	DE 6/27
(c) Financial Information:		
(1) Audited Statements (3 most recent years) OR		
(2) If private placement, "investment letter" (Purchaser: <u>Barkner Trust</u>)	JF 6/27	EAV 6/27
(3) Review by State Auditor's Office (memo)	OK 7/7	XXXXXXXX
(d) Health and Environmental Control certification	—	—
(e) B&C Board Resolution and Notice (<u>7</u> copies for certification for bond counsel)	JF 6/27	DE 6/27
(f) Review by Attorney General's Office (letter)		XXXXXXXX

Motion: CP
 Second: TM
 Absent: —
 Vote: For 5 ; Against 0

Certificates signed: 7-18-83

Resolutions mailed: Picked up

025947

CHARLES W. KNOWLTON
H. SIMMONS TATE, JR.
KIRKMAN FINLAY, JR.
WILLIAM C. BOYD, III
FRANCIS P. MOOD
J. DONALD DIAL, JR.
JOHN H. LUMPKIN, JR.
MANTON M. GRIER
GEORGE S. KING, JR.
THOMAS R. GOTTSCHALL
HAMILTON OSBORNE, JR.
EARL D. HEWLETTE, JR.
DARYL L. WILLIAMS
HENRY L. MOISE
ROBERT M. NETTLES, JR.
JOHN W. FOSTER
JOHN C. BRUTON, JR.
WALTER W. THEUS, JR.
ELIZABETH A. CARPENTIER
BENTON D. WILLIAMSON
SUE C. ERWIN
ROBERT S. GALLOWAY, III
JOHN B. MCARTHUR
CLARKE W. DUBOSE
JAMES H. LENGEL

BOYD, KNOWLTON, TATE & FINLAY

ATTORNEYS AT LAW
TWELFTH FLOOR SCN CENTER
1122 LADY STREET
POST OFFICE BOX 11598
COLUMBIA, SOUTH CAROLINA 29211
TELEPHONE 803 779-3080
CABLE ADDRESS: PALMETTO

W. C. BOYD 1904-1975
JOHN C. BRUTON 1907-1969
JOHN H. LUMPKIN, SR.
OF COUNSEL

HILTON HEAD ISLAND OFFICE
GINN BUILDING
SEA PINES CIRCLE
POST OFFICE BOX 6095
HILTON HEAD, S. C. 29938
TELEPHONE 803 842-5254

June 27, 1983

EXHIBIT

JUN 28 1983 NO. 2

STATE BUDGET & CONTROL BOARD

State Budget and Control Board
Wade Hampton Building
Room 212
Columbia, South Carolina 29201

Re: Richland County, South Carolina
Industrial Revenue Bonds (R.E.M.
Investments Project) 1983

Gentlemen:

You will find enclosed a Petition and Resolution by the Richland County Council respectfully requesting your approval, pursuant to S. C. Code Ann. §4-29-140 of the above referenced bond issue. Also enclosed are drafts of the Loan Agreement and Assignment, and the commitment letter from Bankers Trust of South Carolina, pertaining to this matter.

The following information responds to S. C. Code Ann. §4-29-140:

(a) The Project will be a facility for storage and wholesale distribution of fresh farm produce to be located in Richland County. The County has determined that, in addition to the employment provided for those engaged in the construction of the Project, it is anticipated that after the Project has been completed and placed in operation, the Project will provide additional permanent employment for approximately 50 citizens of the County with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conducting of industrial operations.

025948

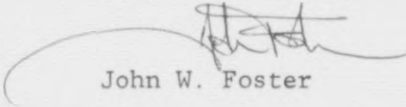
State Budget and Control Board
June 27, 1983
Page Two

(b) The Project is reasonably estimated to cost in excess of \$2,000,000.

(c) Bankers Trust of South Carolina has agreed to purchase the revenue bonds. The Company will grant a first mortgage lien on the Project to the Lender. The Loan Agreement entered into between the County and the Company will provide that the County will incur no pecuniary liability or any charge upon its general credit or against its taxing powers.

On the basis of the foregoing, it is respectfully requested that this matter be placed on the June 28, 1983 agenda, that this Board approve the transaction described above and that it allow the notice required by S. C. Code Ann. §4-29-140 to be published.

Very truly yours,



John W. Foster

JWF/lb
Enclosures

EXHIBIT

JUN 28 1983 NO. 2

STATE BUDGET & CONTROL BOARD

025949

EXHIBIT

JUN 28 1983 NO. 2

RESOLUTION

STATE BUDGET & CONTROL BOARD

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE OF RICHLAND COUNTY, SOUTH CAROLINA, OF ITS INDUSTRIAL REVENUE BONDS (R.E.M. INVESTMENTS PROJECT) 1983, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976) IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$1,600,000.

WHEREAS, Richland 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 finance properties 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 the revenues from the financing agreement with respect to any such project and secured by a pledge of said revenues; and

WHEREAS, the County and R.E.M. Investments, a general partnership (the "Company"), have entered into an Inducement Agreement (the "Inducement Agreement") authorized by an Inducement Resolution passed on February 15, 1983, pursuant to which and in order to implement the public purposes enumerated in the Act, the County proposes to issue its Industrial Revenue Bonds (R.E.M. Investments Project) 1983 (the "Bonds") in the principal amount of not exceeding \$1,600,000 under and pursuant to the Act to defray the costs of acquiring certain equipment and other improvements (the "Project") to be located in the County, and subject to the approval of the State Budget and Control Board of South Carolina, to finance the Project under and pursuant to the terms of the Loan Agreement to be entered into between the County and the Company; and

WHEREAS, it is now deemed advisable by the County Board 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 Richland County, South Carolina, as follows:

Section 1. It is hereby found, determined and declared as follows:

025950

(a) The Project will constitute a "project" as said term is referred to and defined in Section 4-29-10(3) of the Act, and the issuance of the Bonds in the principal amount of not exceeding \$1,600,000 to finance the Project will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(b) Neither the Project, the Bonds proposed to be issued by the County to finance 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.

(c) The issuance of the Bonds by the County in the principal amount of not exceeding \$1,600,000 will be required to defray the cost of the Project.

(d) Inasmuch as the Company is a company 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.

(e) The Project will be financed by the County upon terms which will require the Company, at its own expense, to maintain the Project in good repair and to carry all proper insurance with respect thereto.

(f) The Project will consist of certain land, buildings and equipment to be used in a facility for canning farm produce.

(g) A reasonable estimate of the cost of the Project including necessary expenses incident thereto is in excess of \$1,600,000.

(h) In addition to the employment provided for those engaged in the construction of the Project, it is anticipated that after the Project has been completed and placed in operation, the Project will provide additional permanent employment for citizens of the County with a resulting alleviation of unemployment, and a substantial increase in payrolls and other public benefits incident to the conducting of industrial operations.

Section 2. There be and is hereby authorized and directed the submission on behalf of the County, of a Petition by this County Council requesting the approval of the proposed financing 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

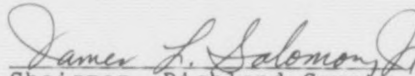
025951

attached hereto as Exhibit A.

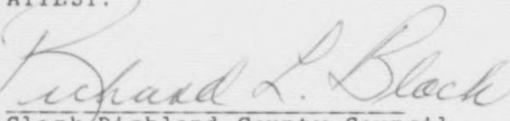
Section 3. The Chairman of County Council be and is hereby authorized and directed to execute said Petition in the name and on behalf of the County; and the Clerk of the County Council be and is hereby authorized and directed to affix the seal of the County to said Petition and to attest the same and 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.

Passed and approved June 7, 1983.


Chairman, Richland County
Council

ATTEST:


Clerk Richland County Council

025952

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

TO THE STATE BUDGET AND CONTROL)
)
BOARD OF SOUTH CAROLINA)
)

P E T I T I O N

This Petition of Richland 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 Richland County (the "County Council") is the governing body of the County and as such is the "County Board" of the County referred to in the Act.

2. The Act empowers the County, subject to obtaining the approval of the State Budget and Control Board: (i) To acquire or cause to be acquired, 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 County; (ii) enter into a financing agreement with such industry prescribing the terms and conditions of the payments to be made by the industry to the issuer, or its assignee, to meet payments that shall become due on bonds; 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. The County has agreed to assist R.E.M. Investments (the "Company") by issuing its revenue bonds for the purpose of defraying the cost of acquiring certain land, buildings and equipment to be used in a facility for storage and wholesale distribution of fresh farm produce, to be located in the County (the "Project").

4. The County has been advised by the Company that the estimated cost of the Project will be in excess of \$1,600,000 and it has requested the County to execute and deliver its Industrial Revenue Bonds (R.E.M. Investments Project) 1983 (the "Bonds") in the principal amount of not exceeding \$1,600,000 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

025953

Project will subserve the purposes of the Act; (ii) the Project will give rise to no pecuniary liability of the County or a charge against its general credit or taxing power; (iii) the principal amount of the Bonds required to finance the Project is expected to be \$1,600,000; (iv) the amount necessary in each year to pay the principal of and the interest on the Bonds are set forth in drafts of the proposed Loan Agreement between the County and the Company to be submitted to the State Budget and Control Board; (v) the County does not deem it necessary to establish any reserve funds in connection with the retirement of the Bonds and the maintenance of the Project; and (vi) the terms under which the Project is to be financed provide that the Company shall maintain the Project and carry all proper insurance with respect thereto.

6. Pursuant to Section 4-29-140 of the Act, the County sets forth the following information:

(a) The Project consists of certain land, buildings, equipment and other improvements to be used in a facility for canning farm produce. It is anticipated that, upon completion, the Project will provide stimulation to the economy of the County and areas adjacent 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 in excess of \$1,600,000.

(c) The following summary of terms is in no wise intended to affect or alter the actual terms of the documents themselves.

(i) The proposed Loan Agreement between the Company and the County will provide in general:

(A) Proceeds derived from the placement of the Bonds, will be used and applied by the County upon request of the Company 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 Company 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 Company, to pay principal, interest and premium, if any, on the Bonds as the same become due; and to pay the cost of maintaining and insuring the Project.

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(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 Assignment (the "Assignment") from the County to the Lender will provide in general:

(A) An irrevocable pledge and assignment for the benefit of the holder of the Bonds of the County's right, title and interest in and to the Project, the Loan Agreement and all payments, receipts and revenues which the County has a right to receive under the Loan Agreement or any lease or the sale of the Project (except payments and rights to payments of certain indemnification payments and administration expenses), and all the moneys and securities in funds created under the Loan Agreement.

(B) The execution of the Assignment 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 (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 proposed financing of the cost thereof by the County through the issuance of the Bonds pursuant to the Act (including changes in

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any details of the said financing as finally consummated which do not materially affect the undertaking of the County), and (iv) give published notice of its approval in the manner set forth in Section 4-29-140 of the Act.

Respectfully submitted,

RICHLAND COUNTY, SOUTH CAROLINA

By James L. Salmon, Jr.
Chairman of County Council

Dated: 6/23/83

(SEAL.)

ATTEST:

Richard L. Black
Clerk of the County Council

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EXHIBIT

JUN 28 1983 NO. 2

STATE BUDGET & CONTROL BOARD

RICHLAND COUNTY, SOUTH CAROLINA

AND

BANKERS TRUST OF SOUTH CAROLINA

ASSIGNMENT

Dated as of _____, 1983

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THIS ASSIGNMENT, dated as of _____, 1983 (hereinafter called the "Assignment"), is entered into by and between Richland County, South Carolina, a body politic and a political subdivision of the State of South Carolina (hereinafter called the "Issuer"), as assignor, and Bankers Trust of South Carolina, a South Carolina banking institution (hereinafter called the "Lender") as assignee.

WITNESSETH:

WHEREAS, Chapter 29 of Title 4 of the Code of Laws of South Carolina, 1976, as amended (hereinafter said Chapter and amendments are collectively referred to as the "Act") authorizes the several counties and incorporated municipalities of the State of South Carolina to acquire or cause to be acquired one or more projects (as such term is defined in the Act), to enter into agreements with an industry to construct, operate, maintain and improve such a project, to enter into a Financing Agreement with such industry; to issue revenue bonds and apply the proceeds thereof to defray the cost of acquiring, enlarging, improving and expanding such a project and to secure such bonds in the manner authorized in the Act; and

WHEREAS, R.E.M. Investments, a South Carolina general partnership (hereinafter referred to as the "Company") has requested the Issuer to issue its revenue bonds and make the proceeds thereof available to defray the cost of acquiring, by construction and purchase, certain land, equipment and other improvements constituting a facility for storage and wholesale distribution of fresh farm produce (hereinafter referred to as the "Project") all to be located within the jurisdiction of the Issuer; and

WHEREAS, the Issuer has by due corporate action authorized the issuance of its revenue bonds pursuant to the Act and to make the proceeds thereof available to defray the cost of acquiring the Project to be made available to the Company pursuant to the terms of a Loan Agreement dated as of _____, 1983 (hereinafter called the "Agreement") between the Issuer and the Company under the terms of which the Company is obligated to make payments to or for the account of the Issuer in the amount necessary to pay the principal, premium, if any, and interest on such revenue bond as and when the same becomes due and payable and all other expenses and costs incurred by the Issuer or the Lender in connection with this Assignment, the Agreement or the Project; and

WHEREAS, the Issuer has determined to issue hereunder an initial bond to be designated "Richland County, South Carolina, Industrial Revenue Bonds (R.E.M. Investments Project) 1983" (herein sometimes called the "Bond") in the original principal amount of \$1,600,000 for the purpose of providing funds to

defray the cost of acquiring the Project to be made available for the Company pursuant to the Agreement; and

WHEREAS, in order to provide for the payment of the principal, premium, if any, and interest on the Bond to the Lender, the Issuer has duly authorized and directed the execution and delivery of this Assignment; and

WHEREAS, the Issuer has duly authorized the execution and delivery of the Agreement and the execution and delivery of the Bond upon and subject to the terms and conditions therein set forth; and

WHEREAS, all acts and things have been done and performed which are necessary to make the Bond, when executed and delivered by the Issuer, the legal, valid and binding limited obligation of the Issuer in accordance with its terms and to make this Assignment a valid and binding agreement for the assignment of the obligations of the Company to the Lender.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS ASSIGNMENT WITNESSETH:

The Issuer, in consideration of the premises and of the purchase and acceptance of the Bond issued pursuant to the Agreement by the holder and owner thereof, and of the execution and delivery by the Company of the Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to provide for the payment of the principal, premium, if any, and interest on the Bond according to its tenor and effect and the performance and observance by the Issuer of all covenants expressed or implied in the Agreement and in the Bond, does hereby, subject to the terms and provisions of the Agreement, sell, assign and convey unto Bankers Trust of South Carolina, as initial holder of the Bond, and unto its successors and assigns as holders of the Bond forever, all of the right, title and interest of the Issuer in and to the Agreement (except for the rights of the Issuer to receive payments, if any, of administration expenses pursuant to Section 4.01 of the Agreement and indemnification payments pursuant to Section 7.04 of the Agreement), the revenues under the Agreement, and all monies and securities in the Construction Fund (as defined in the Agreement).

The Issuer hereby authorizes the Lender to exercise all rights of the Issuer under the Agreement in the name of the Lender and, to the extent that any such right is required by law to be exercised in the name of the Issuer, the Issuer hereby authorizes the Lender to pursue such right in the name of the Issuer and for the benefit of the Lender.

IN WITNESS WHEREOF, Richland County, South Carolina, has executed this Assignment by causing its name to be hereunto

subscribed by the Chairman of its County Council and attested to by the Clerk of its County Council and Bankers Trust of South Carolina has accepted this Assignment by causing its name to be hereunto subscribed by its _____, all as of the date first above written.

Richland County, South Carolina

By: _____
Chairman of County Council

SEAL

ATTEST:

Clerk, Richland County
Council South Carolina

Bankers Trust of South Carolina

By: _____
Its:

SEAL

ATTEST:

EXHIBIT

JUN 28 1983

NO. 2

STATE BUDGET & CONTROL BOARD

RICHLAND COUNTY, SOUTH CAROLINA

and

R.E.M. INVESTMENTS

LOAN AGREEMENT

Dated as of July 1, 1983

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LOAN AGREEMENT

THIS LOAN AGREEMENT, made and entered into as of July 1, 1983, by and between RICHLAND COUNTY, SOUTH CAROLINA, a body politic and corporate and a political subdivision of the State of South Carolina (hereinafter referred to as the "Issuer"), and R.E.M. INVESTMENTS, a South Carolina general partnership (hereinafter referred to as the "Company"),

WITNESSETH:

WHEREAS, the Act (as hereinafter defined) authorizes the several counties of the State of South Carolina to cause to be acquired one or more projects (as such term is defined in the Act), to enter into agreements with industries to construct, operate, maintain and improve such projects, to enter into loan agreements with such industries, to issue revenue bonds, and to defray the cost of acquiring, enlarging, improving and expanding such projects and to secure such bonds in the manner authorized in the Act; and

WHEREAS, the Company has requested the Issuer to issue its revenue bonds and make the proceeds thereof available to defray the cost of acquiring, by construction and purchase, land, buildings (or any enlargement, improvement or expansion thereof or to existing buildings) and equipment, which facilities are deemed necessary, suitable or useful by the Company for the purpose of leasing said facilities to the Lessees as defined herein for storage and wholesale distribution of fresh farm produce (hereinafter referred to as the "Project"), all to be located within the jurisdiction of the Issuer; and

WHEREAS, the Issuer has, by due corporate action authorized the issuance of its revenue bonds pursuant to the Act and agreed to make the proceeds thereof available to defray the cost of acquiring and constructing the Project to be made available to the Company pursuant to the terms of this Loan Agreement (hereinafter called the "Agreement") under the terms of which the Company is obligated to make payments to or for the account of the Issuer in the amount necessary to pay the principal, premium, if any, and interest on such revenue bonds as and when the same becomes due and payable and all other expenses and costs incurred by the Issuer in connection with this Agreement or the Project.

NOW, THEREFORE, in consideration of the respective representations and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

"Act" shall mean the Industrial Revenue Bond Act, Chapter 29 of Title 4 of the Code of Laws of South Carolina, 1976, as amended to and including the date hereof.

"Additional Bonds" shall mean Bonds, other than the 1983 Bonds, duly executed and delivered under the terms hereof.

"Administration Expenses" shall mean the reasonable and necessary expenses incurred by the Issuer with respect to the Project and this Agreement, and the compensation and expenses paid to or incurred by the Lender or the Depositary under this Agreement; provided, however, that no such expense shall be considered an Administration Expense until the Issuer, the Lender or the Depositary, as the case may be, has furnished to the Company a statement in writing indicating the amount of such expense and the reason it has been or will be incurred.

"Agreement" shall mean this Loan Agreement dated as of July 1, 1983, between the Issuer and the Company, and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

"Architect" shall mean the person chosen by the Company and approved by the Lender to prepare the Plans and Specifications for the Project.

"Assignment" shall mean the Assignment, dated the date hereof, whereby the Issuer has assigned certain of its rights hereunder to the Lender.

"Authorized Company Representative" shall mean any person at the time designated to act on behalf of the Company by a written certificate furnished to the Issuer and the Lender containing the specimen signature of each such person, and signed on behalf of the Company by the person or persons signing this Agreement on behalf of the Company or by such other persons who have the legal authority to bind the Company. Such certificate may designate an alternate or alternates, and may designate different Authorized Company Representatives to act for the Company with respect to different sections of this Agreement. An Authorized Company Representative may be an employee of the Company. Lender or Issuer may require additional certificates, opinions of

counsel, indemnities or other instruments to assure either of them to the satisfaction of either of them of the authority of any Authorized Company Representative to legally bind the Company.

"Bond" or "Bonds" shall mean any or all, as the case may be, of the Richland County, South Carolina, Industrial Revenue Bonds (R.E.M. Investments Project) authorized, executed and delivered by the Issuer and delivered under the provisions of this Agreement, including the 1983 Bonds and any Additional Bonds.

"Bond Counsel" shall mean legal counsel experienced in matters relating to municipal obligations and the exemption from taxation of the interest thereon.

"Bondholder" or "Holder of the Bonds" or "Holder" shall mean the Registered Owner of any Bond.

"Completion Date" shall mean the date of completion of the acquisition, construction and installation of the Project, as that date shall be certified pursuant to Section 3.06 hereof.

"Construction Fund" shall mean the fund created under Section 3.03 hereof.

"Company Office" shall mean the principal office of the Company at which, at any particular time, its business records shall be principally administered and maintained.

"Company" shall mean R.E.M. Investments, a general partnership.

"Cost" or "Cost of the Project" shall mean the cost of acquiring, by construction or purchase, the Project and shall be deemed to include, whether incurred prior to or after the date of this Agreement, (a) obligations of the Company incurred for labor, materials and other expenses to contractors, builders and materialmen in connection with the acquisition, construction and installation of the Project; (b) the cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of construction of the Project which is not paid by the contractor or contractors or otherwise provided for; (c) the expenses of the Company for test borings, surveys, test and pilot operations, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction, as well as for the performance of all other duties required by or reasonably necessary in connection with the acquisition, construction and installation of the Project; (d) compensation and expenses of the Lender, the Issuer and the Depositary, legal, accounting, financial and printing expenses, and all other expenses

incurred in connection with the execution and delivery of the Bond; (e) all other costs which the Company shall be required to pay under the terms of any contract or contracts for the acquisition, construction and installation of the Project; (f) any sums required to reimburse the Company for advances made by it for any of the above items; and (g) any amount specified for the payment of interest on Bonds up to one year following the Completion Date.

"Depository" shall mean the Trust Department of Bankers Trust of South Carolina, a state bank, and its successors and assigns.

"Determination of Taxability" shall mean (a) the issuance of a statutory notice of deficiency by the Internal Revenue Service which holds in effect that the interest paid or payable on any portion of the Bond is includable in the gross income of a holder or former holder thereof; (b) the issuance of a statement by the Company to the effect that it has taken or intends to take some action with the effect of exceeding the limit set forth under IRC Section 103(b)(6)(D); or (c) the receipt of an opinion by the Lender from Bond Counsel stating that the interest on the Bond has become includable in the gross income of the holder thereof for any reason other than that such holder is a substantial user of the Project or a related person within the meaning of IRC Section 103(b)(9); provided, nevertheless, that no Determination of Taxability under clause (a) hereof shall occur if there is available to the Company, either directly, or with the cooperation of any holder or former holders of the Bond, a protest being actively prosecuted in good faith by the Company which, if successful, would result in a revocation, rescission, or retraction of any such statutory notice of deficiency by the Internal Revenue Service.

"Event of Default" shall mean, with reference to this Agreement, any of the occurrences described in Section 9.01 hereof.

"General Contractor" shall mean the person chosen by the Company and approved by the Lender to construct the Project.

"Guarantors" shall mean C. B. Marchant Company, Inc., a South Carolina corporation, James C. Richardson, Jr., Gregory A. Edgell and Thomas Gene Morris, jointly and severally.

"Guaranty" or "Guaranties" shall mean the guaranty agreements executed by the Guarantors of even date herewith.

"Interest Payment Date" shall mean each date specified in the Bonds for the payment of interest thereon.

"IRC" shall mean the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder by the Department of the Treasury as such code and regulations apply to any particular Bond.

"Issuer" shall mean Richland County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina and its successors and assigns.

"Lender" shall mean Bankers Trust of South Carolina, a state bank, and its successors and assigns as the Holder of the 1983 Bond.

"Lessees" shall mean C. B. Marchant Company, Inc., Albion Trucking Company and Gene Morris Company, all of which are (State) corporations, and which shall be lessees of the Project.

"Loan Documents" shall mean the documents evidencing advancement of funds to the Company and providing security for such advances to the Lender.

"Mortgage" shall mean the Mortgage and Security Agreement, including all financing statements, executed by the Company, as the same may be supplemented from time to time in conformity with Section 7.11 of this Agreement.

"Neutral Costs" shall mean, with respect to any Bond, that amount of the proceeds from the sale of such Bond used for (i) the payment of the reasonable expenses of issuing such Bond including, without limitations, advertising, recording and printing costs; accountant's, financial advisor's and counsel fees; rating agency fees, initial fees of the Depositary, charges of the Lender and all similar expenses; and (ii) the provision of any reasonably required debt service reserve fund with respect to the Bonds.

"Note" shall mean that certain promissory note executed by the Company and delivered to the Lender in the principal amount of \$1,600,000.

"Opinion of Counsel" shall mean an opinion in writing signed by legal counsel satisfactory to the Lender.

"Outstanding" when used with reference to the Bonds shall mean, at any date as of which the amount of Outstanding Bonds is to be determined, the aggregate of all such Bonds authorized, executed and delivered hereunder, except:

(a) Bonds canceled or surrendered to the Company or the Issuer for cancellation upon payment;

(b) Bonds in substitution for which another Bond or Bonds shall have been executed and delivered.

In determining whether the Holders of the requisite aggregate principal amount of the Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under this Agreement, Bonds which are owned by the Issuer or the Company shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

"Permitted Encumbrances" shall mean as of any particular time: (i) liens for ad valorem taxes and special assessments not then delinquent; (ii) liens for ad valorem taxes and special assessments which are delinquent but the validity of which is being contested in accordance with Section 7.10 of this Agreement; (iii) the Mortgage or any other security interest held by the Lender; (iv) the leases to the Lessees; (v) utility, access and other easements and rights of way, flood rights, leases, restrictions and exceptions that an independent engineer or architect not an employee of the Company and the Authorized Company Representative each certify will not interfere with or impair the operations being conducted therein, or the operations for which the Project was designed or last modified; (vi) such minor defects, irregularities, encumbrances, easements, rights of way and clouds on title as do not, in the aggregate, in the opinion of counsel satisfactory to the Lender, materially impair the property affected thereby for the purposes for which it was acquired or is held by the Company; (vii) mechanic's and materialman's liens not filed or perfected in the manner prescribed by law in effect on the date of execution hereof; and (viii) any mortgage, lease or security interest with respect to machinery and equipment not constituting part of the Project granted in the ordinary course of business.

"Permitted Investments" shall mean any one or more of the following investments, if and to the extent of the same are then legal investments under the applicable laws of the State and regulations governing the Depositary for moneys proposed to be invested therein: (i) direct and general obligations of the United States of America or obligations for which the United States of America has unconditionally guaranteed or assumed the obligation of the payment of the principal and interest thereon; (ii) obligations of the Federal Land Bank, Federal Home Loan Banks, Federal National Mortgage Association, Federal Intermediate Credit Corporation, Federal Bank for Cooperatives, International Bank for Reconstruction and Development, Asian

Development Bank, and direct and general obligations of any agency of the United States of America not included in the foregoing listing; (iii) direct and general full faith and credit obligations of any political unit in the State; (iv) repurchase agreements collaterally secured by government agencies; (v) short-term government money market funds; (vi) obligations of savings and loan associations; (vii) certificates of deposit of any bank or trust company (viii) commercial paper rated Prime-1 by Moody's or A-1 by Standard & Poor's rating Services and (ix) any other investment permitted by law.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision.

"Plans and Specifications" shall mean the plans and specifications dated _____, 1983 prepared for the Project by the Architect on file at the Company Office, as the same may be implemented and detailed from time to time and as the same may be revised from time to time prior to the completion of the acquisition, construction and installation of the Project in accordance with Section 3.11 of this Agreement. The Plans and Specifications shall be made available to the Lender and the Issuer for inspection at such times as the Lender or the Issuer may reasonably request.

"Principal Payment Date" shall mean any date on which any payment of the principal of any Bond shall become due, whether at maturity or by prepayment or acceleration.

"Project" shall mean the land and a building or buildings (or any enlargement, improvement or expansion thereof) or other improvements thereon described on Exhibit A hereto including any modification thereof, substitutions therefor and additions thereto and excluding deletions therefrom, all as provided in the Plans and Specifications.

"Project Site" shall mean the land described in Exhibit A hereto.

"Project Supervisor" means the person appointed by the Company with the written approval of the Lender to supervise the construction of the Project.

"Qualifying Costs" shall mean those Costs of the Project which: (i) are not Neutral Costs; (ii) are for the acquisition of land or property of a character subject to the allowance for depreciation under IRC Section 167, and shall include all amounts paid or payable and incurred which are chargeable to the capital account for the Project or which

would be so chargeable either with a proper election by a taxpayer or but for a proper election by a taxpayer to deduct such amounts; and (iii) are paid or incurred by the Company or any related person, as such term is employed in IRC Section 103, after February 15, 1983.

"Registered Owner" shall mean the Person or Persons in whose name or names a particular Bond shall be registered on the Bond Register, as defined in the Agreement.

"Requisition for Advance" shall mean the form of request to be made to the Depository for the advancement of funds from the Construction Fund, which request shall include (i) the requisition number; (ii) the name and address of the Person to whom payment is due or has been made; (iii) the amount to be paid; (iv) the statement that no obligation, item of cost or expense mentioned therein has been the basis of any previous withdrawal; (v) the statement that the payment of such amount is a proper charge against the Construction Fund and specifying the purpose and circumstances of such obligation in reasonable detail, accompanied by a bill or statement of account for such obligation; (vi) the statement that at least 90% of the proceeds received from the Bond issue (after payment of Neutral Costs) thereto requisitioned from the Construction Fund, including the amount requisitioned has been or, when applied as stated in the Requisition for Advance, will have been expended for Qualifying Costs; (vii) the statement that the person signing such requisition has no notice of any vendor's, mechanic's or other liens, or rights to liens or conditional sales contracts, or other contracts or obligations, which have not been released or will not be released simultaneously with such payment and which would be satisfied or discharged before such payment is made; (viii) the statement that such requisition contains no item representing payment on account of any retained percentages under any contract which, as of the date of such requisition, is not required to be paid; (ix) the statement that with respect to any such requisition for payment for labor, services, materials, supplies, furnishings, apparatus or equipment, that such labor or services were actually performed or such materials, supplies, furnishings, apparatus or equipment were actually used in or about the construction or installation of the Project or delivered at the site thereof for such purpose, or delivered for storage or fabrication at a place or places approved by the signer or the signers or if not so used or delivered, that an advance payment therefor is required by the supplier thereof; and (x) confirmation of Lender's rights as a secured party under the Mortgage or other necessary security documents pursuant to Section 7.11 of this Agreement.

"State" shall mean the State of South Carolina.

"Supplemental Agreement" or "agreement supplemental hereto" shall mean any agreement supplemental to or amendatory of this Agreement as originally executed which is duly entered into in accordance with the provisions hereof.

"Title Insurance Policy" shall mean a paid policy of mortgagee title insurance in the form of American Land Title Association Loan Policy - 1970 (Rev. 10-17-70) naming the Lender as the insured, without exceptions which are unacceptable to the Lender, in the full principal amount of the 1983 Bonds, issued by a title company approved by the Lender and insuring title to the Project, free and clear of all other liens, claims and encumbrances except Permitted Encumbrances and such other exceptions as Lender shall approve in writing. Such title insurance policy shall contain a pending mortgage disbursement clause acceptable to the Lender insuring the priority of the Mortgage as provided therein for the full amount of the 1983 Bonds advanced by the Depositary over any and all mechanics', materialmen's and laborers' liens, whether recorded or unrecorded and regardless of the priority of such liens under applicable law.

"1983 Bond" or "1983 Bonds" shall mean the Bond in the original principal amount of \$1,600,000 initially issued under the provisions of this Agreement.

ARTICLE II
REPRESENTATIONS

SECTION 2.01. Representations by Issuer. The Issuer makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Issuer is a duly constituted political subdivision of the State and is duly authorized under the laws of the State, including the Act, to enter into the transactions contemplated by this Agreement and the Assignment and to carry out its obligations hereunder and thereunder. By proper action the Issuer has duly authorized the execution and delivery of this Agreement, the Assignment, the 1983 Bonds and all agreements collateral hereto and thereto;

(b) The South Carolina State Budget and Control Board has duly approved the proposal of the Issuer to issue the 1983 Bond and to finance the Project. No other consent or approval is required by any governmental authority as a condition to the performance by the Issuer of its obligations under this Agreement or the Assignment or to the issuance of the 1983 Bond;

(c) The Issuer is entering into this Agreement and the Assignment, issuing the 1983 Bond and defraying the Cost of the Project for the purpose of promoting industrial development;

(d) The Issuer is not in default under any of the provisions of the laws of the State, where any such default would affect the issuance, validity or enforceability of the 1983 Bond, or the transactions contemplated by this Agreement or the Assignment; and

(e) The authorization, execution and delivery of this Agreement and the Assignment, and the compliance by the Issuer with the provisions hereof and thereof, will not conflict with or constitute a breach of, or a default under, any existing law, regulation, decree, order or any provision of the Constitution or laws of the State relating to the establishment of the Issuer or its affairs, or any agreement, mortgage, lease or other instrument to which the Issuer is subject or by which it is bound.

SECTION 2.02. Representations by the Company. The Company makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Company is a general partnership duly organized and validly existing under the laws of the State of South Carolina, has power to enter into this Agreement and by proper action has duly authorized the execution and delivery of this Agreement;

(b) The execution and delivery of this Agreement and the Mortgage and the Note, the consummation of the transactions contemplated hereby and thereby, or the fulfillment of or compliance with the terms and conditions of this Agreement and the Mortgage is not prevented or limited by, does not conflict with, does not result in a breach or contravention of, and does not constitute a default under, the Company's articles of incorporation or by-laws or any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Company is now a party or by which it is bound, or any existing law, rule, regulation, judgment, order or decree binding upon it, and will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Company prohibited under the terms of any such instrument or agreement;

(c) Acquisition and construction of the Project was commenced subsequent to February 15, 1983;

(d) The Company intends to lease the Project to the Lessees and to use the Project for such other purposes permitted under the Act as the Company deems appropriate;

(e) The Project is subject to no mortgage, lien or encumbrance prior to the lien of the Mortgage, except as may be disclosed in the Title Insurance Policy;

(f) Neither the Company nor the Lessees are a party to any litigation, suit, injunction, hearing or other proceeding pending, or to the best of the Company's knowledge, threatened, against any of them which would, if decided adversely to the Company or the Lessees, have a material adverse impact on any of them or which would prohibit or interfere with any of the transactions contemplated herein;

(g) Neither the Company nor any "related person" to the Company (as such term is defined under the applicable provisions of the Internal Revenue Code as amended) has been a principal user with respect to any industrial development bonds issued pursuant to Section 103(b)(6)(A) or (D) of the Internal Revenue Code as amended;

(h) The average maturity of the principal installment payments on the 1983 Bonds does not exceed 120% of the economic life of the Project as determined by Section 103(b)(14) of the IRC.

ARTICLE III

CONSTRUCTION OF THE PROJECT BY THE COMPANY; CONSTRUCTION FUND; ISSUANCE OF THE 1983 BOND

SECTION 3.01. Construction of Project. Pursuant to the Act, the Issuer authorizes the Company and the Company agrees to construct the Project. The Company agrees to effect such construction in accordance with the Plans and Specifications with all reasonable dispatch; and will use its best efforts to cause such construction to be completed as soon as may be practicable, but no later than the Completion Date, delays incident to strikes, riots, acts of God, the public enemy or any delay beyond the reasonable control of the Company only excepted. The Project shall belong to and be the property of the Company.

If the Company elects to prepay the Outstanding Bonds in full pursuant to the provisions of Section 10.01 hereof, any sums remaining in the Construction Fund and not otherwise required to pay the Cost of the Project shall be used to effect such prepayment at the direction of an Authorized Company Representative.

The Company will maintain such records in connection with the acquisition of the Project as to permit ready identification thereof.

SECTION 3.02. Issuance of 1983 Bond. In order to provide funds to defray a portion of the Cost of the Project, the Issuer will issue, execute and deliver the 1983 Bond and deposit the proceeds thereof with the Depositary.

SECTION 3.03. Creation of Construction Fund. There is hereby created and established with the Depositary a special and separate trust fund of the Issuer to be known and designated as the "Richland County, South Carolina, Industrial Revenue Bond Construction Fund (R.E.M. Investments Project)." The Issuer shall pay to the Depositary the proceeds from the sale by the Issuer of the Bonds, and the Depositary shall deposit the same in the Construction Fund.

The Depositary shall be responsible only for the duties expressly contained in this Agreement, and shall be entitled to compensation for the performance of such duties at its standard published rates, which compensation shall constitute an Administration Expense. The Depositary may resign from such duties upon 30 days' written notice to the Company, the Lender and the Issuer.

SECTION 3.04. Application of Moneys in Construction Fund. The moneys in the Construction Fund, until applied in payment of any item of the Cost of the Project, shall be held in trust by the Depositary and, pending such application, shall be subject to a lien and charge in favor of the Holders of the Bonds and for the further security of such Bonds until paid out as herein provided.

SECTION 3.05. Disbursements from the Construction Fund.

A. The obligation of the Depositary to make any advance out of the Construction Fund to the Company is subject to notification from the Lender of satisfaction of the following conditions at the time of making such advance:

(1) All representations and warranties of the Company shall be true and correct as of the date of the advance;

(2) The Company shall not be in default under the terms of this Agreement and the Company and all other parties shall not be in default under any of the terms of the Loan Documents and no event shall exist which by notice, passage of time or otherwise would constitute an event of default under the terms of this Agreement or any of the terms of the Loan Documents;

(3) The County and Company shall have complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the date of such advance;

(4) The Project shall not have been materially injured or damaged by fire or other casualty; or if so damaged, provisions satisfactory to the Lender have been made to effect necessary restoration or repair as herein provided;

If required by the Lender, the Company shall furnish to the Depositary a certificate, dated the date of such advance and executed by the Authorized Company Representative and in such detail as the Lender may require, as to the satisfaction of any one or more of conditions of the foregoing paragraphs (1) through (4).

(5) The Depositary shall have received evidence satisfactory to the Lender that all work and improvements requiring inspection by governmental authorities having jurisdiction have been inspected and approved by such authorities, by the rating or inspection offices having jurisdiction and by any other persons or entities having

the right to inspect and approve construction; that such governmental authorities have accepted dedication of roads, sewers and other facilities where necessary and all required certificates and other approvals have been duly issued; and that the requirements of all environmental agencies have been satisfied;

(6) Once the foundations and footings for the Buildings are in place, the Lender shall have received and approved an updated survey showing the location of such foundations and footings, along with certification by the surveyor that such foundations and footings are located wholly within the boundaries of the Project Site and do not interfere with or violate any easement, right-of-way, building and use restriction or setback line;

(7) The Company shall obtain and deliver to Lender, concurrently with any advance made hereunder, including the final advance, an endorsement to the Title Insurance Policy issued to the Lender insuring the priority of the Mortgage increasing the coverage of said policy to an amount at least equal to all advances made under this Loan Agreement and affirmatively insuring against any mechanics' or materialmen's liens, recorded or unrecorded;

(8) The Depository shall have received a Requisition for Advance.

B. The obligation of the Depository to make the first advance hereunder to the Company is subject to the receipt of notification from the Lender of its receipt of the following:

(1) Executed copies of all Loan Documents;

(2) Copies of the Plans and Specifications, acceptable to Lender, together with written approval thereof by the Company, the Project Supervisor, the General Contractor, any lessee whose approval is required under the terms of its lease and any and all municipal and governmental agencies that so require;

(3) Evidence of compliance with all laws, zoning and other ordinances, rules, regulations and restrictions affecting the construction, installation and use of the Project, and evidence of approval of the Project by all local environmental and ecology boards, zoning and planning commissions and any other land use regulatory bodies;

(4) All required building permits and all other authorizations, if any, which are required for the construction, installation and use of the Project;

(5) A current survey, certified to the Lender and to the title insurance company providing the Title Insurance Policy, showing all easements (existing and proposed, labeled accordingly), rights of way, utilities, means of ingress and egress, setback lines and encroachments, if any, and a copy of soil tests, acceptable to the Project Supervisor, indicating the subsoil and geological conditions of the Project Site;

(6) The Title Insurance Policy;

(7) Copies of insurance policies described in Section 5.03 herein;

(8) A completion and draw schedule and a satisfactory cost breakdown of construction clearly identifying development, construction, financing (including an adequate interest reserve) and all other direct and indirect costs, all of which have been approved in writing by the Lender and Project Supervisor.

(9) A copy of the construction contract with the General Contractor (and any other construction contract relating to the Project) in form and substance satisfactory to the Lender; copies of the General Contractor's financial statements, dated a recent date;

(10) The written undertaking of the General Contractor and Architect to continue performance on the Lender's behalf without additional cost in the event of a default by the Company hereunder or under the Loan Documents;

(11) A satisfactory payment and performance bond in an amount not less than the General Contractor's contract;

(12) If required by the title insurance company providing the Title Insurance Policy, an executed loan disbursement agreement among the Depositary, Lender, the Company and the title insurance company in form and substance satisfactory to the Lender, providing for disbursement of the Construction Fund through such title insurance company;

(13) Evidence satisfactory to the Lender that all utilities, including water, sanitary sewer, storm sewer and drainage, gas, electricity and telephone, are or will be available in sufficient size and quantity and at the proper time for the successful operation of the Project, and that requirements, if any, of the Federal Flood Insurance Program have been satisfied;

(14) A true copy of all leases between the Company and the Lessees;

(15) An opinion of counsel to the Company and of Bond Counsel in form and substance satisfactory to the Lender; and

C. In addition to the requirements set forth above, the obligation of the Depositary to make the final advance of the Construction Fund is subject to the receipt by the Depositary of notification from the Lender of its receipt of the following:

(1) Evidence satisfactory to the Lender of the issuance of a certificate of use and occupancy for all portions of the Project issued by all appropriate governmental authorities;

(2) A final as-built survey showing the completed Project, together with at least three photographs of different views of the completed Project;

(3) Evidence satisfactory to the Lender that the Project has been completed lien free in accordance with the Plans and Specifications;

(4) Estoppel certificates and Non-disturbance, Attornment and Subordination Agreements in form satisfactory to the Lender from all tenants, including the Lessees, under any lease or sublease covering a portion of the Project; and

(5) Evidence of the paid insurance policies, as required under Section 5.03 hereof.

SECTION 3.06. Procedure for Advances.

A. Provided all applicable requirements for advances set forth herein have been satisfied, and subject to the provisions set forth below, the Depositary shall make advances from the Construction Fund to pay the Costs of the Project upon receipt by the Depositary of a Requisition for Advance (upon which both the Depositary and the Issuer shall rely and shall be protected in relying) signed by an Authorized Company

Representative, the Project Supervisor, and the General Contractor. The Company shall be entitled to not more than one advance each month. Requisitions for Advance meeting the requirements of this Agreement shall be delivered to the Depositary not less than five (5) working days prior to the date of the requested advance. The Company shall be entitled to receive ninety percent (90%) of the actual costs of in-place improvements as certified by the Company, the Project Supervisor, and the General Contractor, less amounts previously advanced. Additionally the Company shall be entitled to receive ninety percent (90%) of other construction related costs based upon invoices delivered to the Depositary and approved by the Depositary, in its sole discretion. Notwithstanding anything herein to the contrary, the Depositary shall at all times retain sufficient funds in the Construction Fund which it reasonably determines are adequate to complete the acquisition, construction and installation of the Project. The Depositary shall make no advances for materials stored on the Project unless such materials are fully insured against loss by theft and other perils.

B. Upon completion of all the work to be performed on the Project in accordance with the Plans and Specifications, so certified by the General Contractor, (and by the Project Supervisor if the Lender so requires) and upon inspection and approval by the Project Supervisor and by others who have reserved the right to approve construction and upon satisfaction of all the conditions set forth in Section 3.05 above, the Lender shall so notify the Depositary and the retainage held back by the Depositary pursuant to this Agreement, shall be advanced to the Company. The foregoing notwithstanding, the Lender may instruct the Depositary to withhold advances for the payment of retainage to any subcontractor if in Lender's opinion a dispute exists as to the proper completion by such subcontractor of his work on the Project or as to the amount due him. Any balance in the Construction Fund not reserved for payment for a Cost of the Project shall be immediately applied to the payment of principal on the Bonds in inverse order of maturity.

Anything contained in this Agreement to the contrary notwithstanding:

(1) The Lender shall be authorized and empowered to instruct the Depositary to establish reserves from the undisbursed portion of the Construction Fund of such sums which in the opinion of the Lender, are sufficient to pay or satisfy, in whole or in part, any lien or claim prejudicial to the liens or security interests of the Lender and/or any expenditure or allocation of funds shown on the cost breakdown described in Subsection 3.05(B)(8) above. The aggregate amount of any such reserves shall be

deducted from the proceeds of the Construction Fund otherwise available for advance in accordance with this Agreement, and any such reserved funds, when advanced by the Depositary upon instruction by the Lender, shall be deemed to be proceeds of the Construction Fund advanced under this Agreement, whether or not advanced to the Company.

(2) The Depositary shall not be under any obligation to make any advance of the Construction Fund if the Lender shall determine that the remaining total Project costs are in excess of the remaining undisbursed portion of the Construction Fund, unless a cash deposit in the amount of such excess is made by the Company to the Lender.

SECTION 3.07. Retention of Requisitions. For a minimum of five years from the date thereof the Depositary shall retain in its possession all Requisitions received by it, subject to the inspection of the Lender or the Issuer, its agents and representatives, the Company and Bondholders and their representatives at all reasonable times.

SECTION 3.08. Moneys to be Continuously Secured. All moneys received by the Depositary hereunder shall be continuously held for the benefit of the Holders of the Bonds.

SECTION 3.09. Investment of Moneys. Moneys on deposit to the credit of the Construction Fund or Depositary shall be retained uninvested as trust funds and shall, upon written direction from the Company, if an Event of Default shall not then exist or be continuing, be invested by the Depositary in Permitted Investments.

Any securities purchased with the moneys in the Construction Fund shall be deemed a part of such fund and, for the purpose of determining the amount of moneys therein, the securities therein shall be valued at their cost or market value, excluding accrued interest, whichever is lower. The interest, including realized increment on securities purchased at a discount, received on all such securities (after deduction for accrued interest, commissions, if any, and premium paid from the Construction Fund, at time of purchase) shall be deposited by the Depositary in the Construction Fund and any loss resulting from such investments will be charged to the Construction Fund. The Depositary shall not be liable or responsible for any loss resulting from any such investment or resulting from the redemption, sale or maturity of any such investment as in this Agreement authorized. If at any time it

shall become necessary that some or all of the securities purchased with the moneys in the Construction Fund be redeemed or sold in order to raise moneys necessary to comply with the provisions of this Agreement, the Depositary shall effect such redemption or sale, employing, in the case of a sale, any commercially reasonable method selected by the Depositary.

SECTION 3.10. Completion of Project; Use of Surplus Funds. In the event the moneys in the Construction Fund available for payment for the Cost of the Project (including moneys from the proceeds of any Additional Bonds issued to finance the completion of the Project) shall not be sufficient to pay the Cost of the Project in full, the Issuer makes no warranty, either express or implied, that the moneys which will be paid into the Construction Fund, as required in Section 7.13, will be sufficient to pay the Cost of the Project. If the Company shall pay any portion of the Cost of the Project pursuant to Section 7.13, it shall not be entitled to any reimbursement therefor from the Issuer (except from the proceeds of Additional Bonds), the Lender or the Holders of any of the Bonds, nor shall it be entitled to any diminution or postponement of the payments required under this Agreement.

SECTION 3.11. Revision of Plans and Specifications. The Company may revise the Plans and Specifications at any time and from time to time prior to the Completion Date provided that in the case of any change that would render materially inaccurate the description of the Project contained in Exhibit A hereto, there shall first be delivered to the Depositary, the Lender and the Issuer (i) revised Exhibit A containing a description of the Project as revised by the revision in the Plans and Specifications, the accuracy of which shall have been certified by an Authorized Company Representative, (ii) an Opinion of Counsel who shall be Bond Counsel that the Project described in the revised Exhibit A is such that the expenditure of substantially all of the proceeds of the Bonds for the Cost of the Project described therein would not impair the exemption of interest on Outstanding Bonds from Federal income taxation; and (iii) an Opinion of Counsel that all approvals required by law, including the Act, necessary in connection with the Project described in the revised Exhibit A have been obtained and remain in full force and effect. Upon satisfactory receipt of such documents and approval by the Lender, such revision shall be effective.

SECTION 3.12. Additional Bonds. Subsequent to the execution and delivery of the 1983 Bond, one or more Additional Bonds may be issued for the purpose of providing funds to (i) finance the Cost of completion of the Project; (ii) finance

the Cost of enlargements, improvements or expansions to the Project; or (iii) to refund any Bonds then Outstanding. Any such Additional Bonds shall be on a parity with and secured in the same manner as all other Bonds then outstanding. The issuer may execute and deliver such Additional Bonds to the purchaser thereof, provided that, prior to such delivery:

(a) The Issuer shall adopt or enact such resolution, resolutions, ordinance or ordinances authorizing such Additional Bonds as are then required;

(b) The Issuer shall adopt or enact such resolution, resolutions, ordinance or ordinances authorizing the execution and delivery by the Issuer of any agreement which is necessary to amend this Agreement to (i) increase or adjust the payments to be made under the Agreement to an amount sufficient to pay, as and when the same mature or become due, the principal, premium, if any, and interest on all Outstanding Bonds, including such Additional Bonds, (ii) include as part of the Project all land and any building or buildings or other improvements thereon and any machinery, apparatus, equipment, office facilities or furnishings, the cost of which is being defrayed by the issuance and sale of such Additional Bonds, and (iii) make such other revisions to the Agreement as are necessitated by the issuance of such Additional Bonds (provided, however, that such other revisions shall not prejudice the rights of the Holders of Outstanding Bonds as granted them under the terms of this Agreement) as are required by the Act or other statutes of the State;

(c) The Issuer shall receive a written statement by the Company (i) approving the issuance of such Additional Bonds and (ii) certifying that it is not then in default under this Agreement;

(d) The Issuer shall receive a written statement signed by the Lender approving the issuance of such Additional Bonds;

(e) The Issuer shall have received an Opinion of Bond Counsel addressed to the Issuer and the Lender, to the effect that all the conditions precedent to the issuance of such Additional Bonds set forth in this Agreement and the Supplemental Agreement authorizing such Additional Bonds have been satisfied and such issuance will not impair the exemption of interest on the 1983 Bond and any other Additional Bonds previously issued as "tax exempt" bonds, interest on which is exempt from Federal income taxation;

(f) The Issuer shall have made provision satisfactory to the Lender for the application of the proceeds of such Additional Bonds as is required by the Act, this Agreement and the Supplemental Agreement pursuant to which such Additional Bonds are issued; and

(g) There shall have been delivered to the Lender and the Holder of any other Bond then Outstanding a duplicate copy of all the documents used in connection with the issuance of the Additional Bonds and an Opinion of Counsel satisfactory to the Lender stating that the Mortgage will continue to have the priority accorded hereto prior to the issuance of such Additional Bonds.

SECTION 3.13. Amendment of Agreement upon Issuance of Additional Bonds. The Company agrees that in the event the Issuer shall, at the request of the Company: (i) issue one or more Additional Bonds for the purpose of (A) completing the payment of the Cost of the Project or (B) enlarging, improving or expanding the Project, or (ii) issue one or more Additional Bonds for the purpose of refunding any Bonds, the Company will, if necessary, enter into an amendment to this Agreement containing such provisions as shall be required in respect of the issuance of such Additional Bonds including without limitation the provisions required pursuant to Section 3.12 of this Agreement. The amount of the payments required to be made by the Company pursuant to Section 4.01 hereof shall be adjusted or increased, if necessary, by the amount required to pay in full as and when due the principal, premium, if any, and interest payable on each Additional Bond.

ARTICLE IV

PAYMENTS BY COMPANY TO ISSUER

SECTION 4.01. Payments to be made by Company. In consideration of the application of the proceeds of the sale of each Bond to defray the Cost of the Project or for the purposes specified in Sections 3.06 and 3.12 hereof, the Company absolutely and unconditionally obligates itself to pay to or to the order of the Issuer at the time and places required the amounts required to pay when due the principal, premium, if any, and interest on all the Bonds Outstanding together with the Administration Expenses and any other amounts required to be paid under the terms hereof. Without limiting the generality of the foregoing, the Company agrees to pay to, or to the order of, the Issuer, as payment of such amounts a sum equal to the aggregate principal amount of each Bond, together with interest on the unpaid balances on each Bond, and any premium thereon, in the amounts and on the dates as follows:

(A) On or before each Interest Payment Date with respect to each Bond, the sum which will equal the interest to be paid on such Bond on such Interest Payment Date; and

(B) On or before each Principal Payment Date or mandatory redemption date, the sum which will equal the principal of each Bond which will become due and payable on such Principal Payment Date or mandatory redemption date.

In addition to the options and obligations of the Company under Article X hereof to prepay the entire unpaid balance payable under this Section 4.01, the Company shall have the option to make from time to time prepayments in part of any installment due as aforesaid on account of such payments. The Lender shall apply such partial prepayments pro rata against principal payments due, in inverse order of maturity.

The Company agrees to pay to the Issuer, the Lender and the Depositary the amount of Administration Expenses not theretofore provided for which have then accrued and become payable.

In the event the Company should fail to make any of the payments required in this Section, the item or installment so in default shall continue as an obligation of the Company until the amount in default shall have been fully paid, and the Company agrees to pay the same with interest thereon (to the

extent permitted by law) at the rate per annum, which is equal to the _____ charged by the Lender from time to time plus _____ until the amount in default shall have been fully paid.

SECTION 4.02. Assignment by the Issuer to the Lender. It is understood and agreed that this Agreement and all revenues and receipts derived by the Issuer pursuant to this Agreement (except payment of Administration Expenses payable to the Issuer pursuant to Section 4.01 of this Agreement and indemnification payments pursuant to Section 7.04 of this Agreement) and the moneys held in the funds and accounts established hereunder, including the investment income thereon, are to be assigned by the Issuer to the Lender pursuant to the Assignment. The Company assents to such assignment and agrees that its obligation to make payments required hereunder to the Lender shall be absolute and unconditional and shall not be subject to any defense (other than payment) or any right of set-off, counterclaim or recoupment arising out of any breach by the Issuer of any obligation to the Company, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to the Company by the Issuer. The Issuer directs the Company, and the Company agrees, to pay to the Lender, as Holder of the 1983 Bond at the address of the Lender as it appears herein or as it may be changed from time to time by the Lender in writing, all payments payable by the Company to the Issuer pursuant to this Agreement by reason of the issuance of the 1983 Bond (except payment of Administration Expenses payable to the Issuer pursuant to Section 4.01 of this Agreement and indemnification payments pursuant to Section 7.04 of this Agreement).

ARTICLE V

MAINTENANCE, TAXES AND INSURANCE

SECTION 5.01. Maintenance and Modification of Project by Company. The Company will maintain, preserve and keep the Project or cause the Project to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition and will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals; provided, however, that the Company will have no obligation to maintain, repair, replace or renew any element or unit of the Project the maintenance, repair, replacement or renewal of which becomes uneconomic to the Company because of damage or destruction by a cause not within the control of the Company or obsolescence or change in economic or business conditions, or change in government standards and regulations applicable to the Project, or if the Company prepaays all amounts due under the provisions of Section 10.01 hereof.

The Company covenants that so long as any Bond is Outstanding the Project will be maintained and operated as a "project" within the meaning of the Act. The Company will also pay or cause to be paid, in addition to all other payments required under this Agreement, the expenses of operation of the Project.

SECTION 5.02. Taxes, other Governmental Charges and Utility Charges. The Company will: (a) pay, or make provision for payment of, all lawful taxes and assessments, including income, profits, property or excise taxes, if any, or other municipal or governmental charges, levied or assessed by any Federal, state or any municipal government upon the Issuer or the Company with respect to or upon the Project or any part thereof or upon any payments hereunder or with respect to or upon any funds held hereunder when the same shall become due; (b) duly observe and comply with all valid requirements of any governmental authority relative to the Project; (c) not create or suffer to be created any lien or charge upon the payments to be made by the Company pursuant to Section 4.01 of this Agreement other than as provided in Section 4.02 hereof to the Lender. If the Company shall in good faith contest any such tax, assessment, lien or charge as permitted in Section 7.10 hereof, such action by the Company shall not be considered as a breach by it of any of its covenants under this Agreement.

SECTION 5.03. Insurance. (a) The Company shall at its expense continuously maintain or cause to be maintained insurance with specific reference to the Project under valid and enforceable policies with insurers having a Best's rating of at least A:IX, insuring against such risks as are customarily insured against by businesses of like size and character, paying as and when the same become due all premiums with respect thereto, including but not necessarily limited to:

(i) Fire and Extended Coverage. Policies of insurance against loss or damage to the Project and any other property covered by the Mortgage by fire, with standard extended coverage endorsement covering loss or damage, by lightning, windstorm, explosion, aircraft, smoke damage, vehicle damage, sprinkler leakage, vandalism, malicious mischief and such other risks as are normally covered under such endorsement or required by Lender with deductible provisions not exceeding \$10,000. Such policy shall contain an agreed value endorsement (which value shall be not less than the principal amount of the Bonds Outstanding in any year) and a co-insurance provision not less than 80%. During the construction of any improvements constituting a part of the Project, the Company shall keep, or cause the General Contractor to keep, any improvements constituting a part of the Project insured under "builders risk" insurance (or similar insurance) in such amount as is required in this paragraph.

(ii) Public Liability. General comprehensive public liability insurance against liability for bodily injury to or death of persons and for damage to or loss of property occurring on or about the Project and the adjoining sidewalks and passageways, or in any way related to the operations of the Project, in the minimum amounts of \$1,000,000 for death of or bodily injury to any one person, \$5,000,000 for aggregate death and bodily injury claims resulting from any one occurrence, and \$1,000,000 for property damage.

(b) All policies of insurance required pursuant to paragraphs (a) and (b) this Section may be in the form of blanket policies of insurance. So long as any of the Bonds remain Outstanding, policies of insurance required by paragraph (a) (i) of this Section shall contain standard mortgagee clauses requiring that all net proceeds of insurance in excess of \$10,000 resulting from any claim for loss or damage covered thereby be paid to the Lender. The net proceeds of all policies required by paragraph (a) (i) of this Section shall be applied as provided in Section 6.01 hereof. The net proceeds of all policies required by paragraph (a) (ii) of this Section

shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid. All such policies shall, to the extent obtainable, provide that any loss shall be payable notwithstanding any act of negligence of the Company which might otherwise result in forfeiture of said insurance.

The policies of insurance required by this Section shall contain an undertaking by the respective insurers, to the extent obtainable, that such policies shall not be modified adversely to the interests of the Issuer or the Lender or cancelled without at least thirty (30) days' prior written notice to the Issuer and the Lender.

The Company covenants to furnish to the Issuer or Lender, promptly upon request, true copies of policies from the insurers evidencing the existence of all insurance coverage required by this Section; and prior to the expiration of any such policy the Company shall furnish the Issuer or Lender with evidence satisfactory to them, that the policy has been renewed or replaced or is no longer required by this Agreement.

(c) The net proceeds of any payments under the Title Insurance Policy shall be applied, at the direction of the Lender with the approval of the Company, (i) to remedy any title defect, resulting in the payment thereof and, to the extent not required to remedy such defect, to effect the prepayment of installments of principal on the Bonds in accordance with the terms of this Agreement; or (ii) to effect the prepayment of installments of principal on the Bonds in accordance with the terms of this Agreement.

ARTICLE VI

DAMAGE, DESTRUCTION AND CONDEMNATION

SECTION 6.01. Damage and Destruction. If at any time Bonds are Outstanding, all or any part of the Project shall be destroyed or damaged, the Company, at its sole cost and expense (whether or not the insurance proceeds hereinafter mentioned are sufficient for this purpose), shall (unless the Lender determines that the rebuilding, restoration, replacement or repair of the Project is not practicable or desirable and the Lender exercises its option to apply such proceeds to the prepayment of Bonds), promptly and diligently rebuild, restore, replace and repair the same in such manner as to restore the Project to either the value thereof immediately prior to such damage or destruction or to such extent as is necessary to resume use of the Project as it was being used immediately prior thereto. In the event the insurance proceeds available therefor are not sufficient to pay the costs of rebuilding, replacing, restoring or repairing the Project and the excess costs thereof are paid by the Company, the Company shall not be entitled to any reimbursement of such excess costs from the Issuer or the Lender or any abatement, postponement or diminution of the amounts payable under Article IV hereof. If the estimated cost of rebuilding, replacing, restoring or repairing the Project after any particular incident shall exceed \$10,000, the Company shall promptly notify the Issuer and the Lender of the occurrence of such incident and the completion of the required rebuilding, replacement, restoration or repair.

The net proceeds of insurance carried pursuant to Section 5.03(a)(1) hereof received by the Lender shall, in the discretion of the Lender, be available to the Company to pay the cost of the required rebuilding, restoration, replacement or repair of the Project or, if the Lender exercises its option to apply such proceeds to the prepayment of Bonds, to prepay the Bonds. Upon the Company's compliance with the provisions of this Agreement including without limitation Section 3.05 hereof, and the receipt by the Lender of the certificates, instruments and opinions referred to in Section 3.06, the Company shall, in the discretion of Lender, be paid from the insurance proceeds received and held by the Lender on account of such damage or destruction, the cost of the repairs, rebuilding or restoration, as certified to the Lender in accordance with Section 3.06, up to the full amount of such

insurance proceeds and the balance, if any, of such insurance proceeds shall be applied to the prepayment of the Bonds. Any balance of such insurance proceeds exceeding the amount necessary to prepay all the Bonds then Outstanding, together with the premium, if any, and interest due and to become due thereon and to pay all other amounts due hereunder shall be paid to the Company.

SECTION 6.02. Condemnation. If at any time Bonds are Outstanding, title to, or the temporary use of all or part of the Project shall be taken by the exercise of the power of eminent domain or condemnation by any governmental body or by any person, firm, public utility, or corporation acting under governmental authority, the Company shall notify the Issuer and the Lender as to the nature and extent of such loss. The Lender and the Company shall, subject to all the terms of this Agreement, be entitled to, and shall receive, the entire award for the taking as their interests may appear. So long as any of the Bonds remain Outstanding, the Issuer and the Company hereby irrevocably assign all their right title and interest in and to such award or awards to the Lender, and the Issuer and the Company shall immediately pay the same to the Lender.

If after such taking, the Lender does not exercise its option to apply such proceeds to the prepayment of Bonds, this Agreement shall nevertheless continue in full force and effect without abatement (except such credit as is expressly provided pursuant to Section 4.01 hereof as a result of the prepayment of all or a portion of the Bonds). If such taking shall have caused damage to, or necessitated restoration or rebuilding of any of the Project, unless the Lender exercises its option to apply such proceeds to the prepayment of Bonds, the Company, at its sole cost and expense, shall promptly and diligently restore and rebuild the Project to such condition as shall be reasonable in view of the nature of the taking and the then intended use of the Project by the Company, whether or not the award is sufficient for this purpose.

The award held by the Lender as a result of such taking shall be available to the Company to pay the cost of the required restoration or rebuilding of the Project or, if the Lender exercises its option to apply such proceeds to the prepayment of Bonds, to pay the prepayment price thereof. Upon the Company's compliance with the provisions of this Agreement, including without limitation Section 3.05 hereof, and the receipt by the Lender of the certificates, instruments and opinions referred to in Section 3.06, there shall, in the discretion of the Lender, be paid from the award received and held by the Lender on account of such taking, the cost of the repairs or restoration as certified to the Lender in accordance with Section 3.06, up to the full amount of such award and the balance, if any, of such award shall be applied to the

prepayment of the Bonds. Any balance of such award exceeding the amount necessary to prepay all the Bonds then Outstanding, together with the premium, if any, and interest due and to become due thereon and to pay all other amounts due hereunder shall be paid to the Company.

The Issuer shall cooperate fully with the Company in the handling and conduct of any prospective or pending condemnation proceeding with respect to the Project or any part thereof and will, to the extent it may lawfully do so, permit the Company to litigate in any such proceeding in the name and behalf of the Issuer. In no event will the Issuer voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceeding with respect to the Project without the consent of the Company.

ARTICLE VII

SPECIAL COVENANTS

SECTION 7.01. No Warranty of Design, Condition or Suitability by the Issuer. The Issuer makes no warranty, either express or implied, as to the design, capabilities or condition of the Project or that it will be suitable for the Company's purposes or needs.

SECTION 7.02. Maintenance of Existence. The Company agrees that so long as any Bond is Outstanding it will maintain its existence as a general partnership.

SECTION 7.03. Covenants with Respect to Tax. The Company represents, warrants and covenants to the Issuer, for the benefit of any Person who shall at any time be or become a Holder of any Bond issued hereunder, the interest on which is excludable from the gross incomes of such Holders when such Bonds were issued (except such Holders as are "substantial users" of the Project or related thereto under IRC Section 103), that it has taken no action and will take no action or fail to take any required action the consequence of which would be to forego, jeopardize or terminate such exemption of interest.

Without limiting the generality of the foregoing, the Company covenants that it will not make, or give its consent for the Depositary to make any use of the proceeds of any of the Bonds or of any moneys which may be deemed to be the proceeds of the Bonds pursuant to section 103(c) of the IRC and the applicable regulations thereunder, which, if such use had been reasonably expected on the date of issuance of the Bonds, would have caused any of the Bonds to be an "arbitrage bond" within the meaning of said section 103(c) of the IRC and said regulations, as in effect at the time of such use and applicable to obligations issued on the date of issuance of the Bonds.

SECTION 7.04. Indemnification. Company shall and agrees to indemnify and save the Issuer, the Lender, and the Depositary harmless against and from all claims by or on behalf of any person, firm or corporation arising from the conduct or management of, or from any work or thing done on, the Project during the time any Bonds are Outstanding, and the Company further shall indemnify and save the Issuer, the Lender, and the Depositary harmless against and from all claims arising during the time any Bonds are Outstanding from (i) any condition of the Project, (ii) any breach or default on the part of the Company in the performance of any of its obligations under this Agreement, (iii) any act of negligence

of the Company or any of its agents, contractors, servants, employees or licensees, excepting from said indemnity any claims arising from any acts by the Issuer, Lender, or Depositary as lessees from the Company or Lessees. The Company shall indemnify and save the Issuer, Lender, and the Depositary harmless from and against all costs and expenses incurred in or in connection with any action or proceeding brought in connection with the above-mentioned claims, and upon notice from the Issuer, the Lender, or the Depositary, the Company shall defend them or any of them in any such action or proceeding.

Notwithstanding the fact that it is the intention of the parties that the Issuer shall not incur pecuniary liability by reason of the terms of this Agreement, or the undertakings required of the Issuer hereunder, by reason of the execution of the Bonds, by reason of the performance of any act requested of it by the Company, or the operation of the Project by the Company, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if the Issuer should incur any such pecuniary liability, then in such event the Company shall indemnify and hold harmless the Issuer against all claims by or on behalf of any person, firm or corporation, arising out of the same, and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the, the Company shall defend the Issuer in any such action or proceeding.

SECTION 7.05. Financial Information. The Company shall provide, or cause to be provided, the Lender with the following financial information on the Company and the Lessees: (i) within 90 days after the close of the fiscal year for each entity, consolidated balance sheets and consolidated statements of income, retained earnings and changes in financial position showing the consolidated financial condition of the Company and the Lessees as of the close of the year and the results of operations of the entity for each fiscal year prepared in conformity with generally accepted accounting principal applied on a basis consistant with that of the preceding year or containing the disclosures to the effect on financial position or results of operations of any changes in the application of accounting principals during the year and accompanied by a report thereon containing an opinion unqualified as to scope limitations imposed by the entity of a firm of independent certified public accountants selected by the entity and acceptable to the bank and accompanied by consolidating figures which may be unaudited; (ii) within 45 days of the close of each fiscal quarter, consolidated financial statements of the Company and the Lessees certified by a partner or officer of the Company or Lessees and

accompanied by consolidating figures; (iii) at the time of delivery of (i) and (ii) above, a certificate of a partner or officer of the Company and the Lessees that there exists no Event of Default under this Agreement or the Bonds; and (iv) such other information that the Lender may reasonably request. Furthermore, the Company shall provide, or cause to be provided, on an annual basis current financial statements on all Guarantors.

The Company shall notify the Lender promptly upon the occurrence of any Event of Default hereunder or under any other agreement or contract to which it is a party or by which it is bound.

SECTION 7.06. Applications and Licenses. In the event it may be necessary, for the proper performance of this Agreement, on the part of the Issuer or the Company, that any application or applications for any permit or license to do or to perform certain things be made to any governmental or other agency by the Company or the Issuer, the Company and the Issuer each agree to execute upon the request of the other such application or applications.

SECTION 7.07. Recording, Filing and Registering. The Company covenants that it will take all action required to effect the recording, filing and registering required under the provisions of the Mortgage.

SECTION 7.08. No Liability of Issuer's Personnel. All covenants, stipulations, promises, agreements and obligations of the Issuer contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member of the governing body of the Issuer or any officer, agent, servant or employee of the Issuer in his individual capacity, and no recourse shall be had for the payment of any moneys hereunder or the performance of any of the covenants and agreements of the Issuer herein contained or for any claims based thereon against any member of the governing body of the Issuer or any officer, agent, servants or employee of the Issuer.

SECTION 7.09. Liens. Subject to Section 7.10 hereof, the Company will not create or permit to be created or to remain, and will discharge, any lien, encumbrance or charge (other than Permitted Encumbrances) upon the Project, any part thereof, or any other property owned by the Company on the date the Bonds are executed and delivered.

SECTION 7.10. Permitted Contests. The Company shall not be required to pay, discharge or remove any tax, lien, or assessment, or any mechanic's, laborer's or materialman's lien or encumbrance, or any other imposition or charge against the

Project or any part thereof, or comply with any law, ordinance, order, rule, regulation or requirement, so long as the Company shall, after prior written notice to the Issuer and the Lender, at the Company's expense, contest the same or the validity thereof in good faith, by action or inaction which shall operate to prevent the collection of the tax, lien, assessment, encumbrance, imposition or charge so contested, or the enforcement of such law, ordinance, order, rule, regulation or requirement, as the case may be, and the sale of said Project or any part thereof to satisfy the same or to enforce such compliance provided that the Company shall have given reasonable security as may be demanded by the Issuer or the Lender, or both to insure such payment and prevent any sale or forfeiture of the Project or any part thereof by reason of such nonpayment or noncompliance. Such contest may be made by the Company in the name of the Issuer or, of the Company, or both, as the Company shall determine, and the Issuer agrees that it will, at Company's expense, cooperate with the Company in any such contest to such extent as the Company may reasonably request. It is understood, however, that the Issuer shall not be subject to any liability for the payments of any costs or expenses in connection with any such proceeding brought by the Company, and the Company covenants to pay, and indemnify and save harmless the Issuer from any such costs or expenses.

SECTION 7.11. The Mortgage. The Company shall deliver, concurrently with the requisition of any funds from the Construction Fund, such mortgages, security agreements, financing statements, assignments of leases, pledges or other instruments necessary to grant Lender a first lien on any part of the Project, including all real and personal property, and giving Lender such rights as it may reasonably request as a secured party, whether in confirmation of, or in addition to, its rights hereunder.

SECTION 7.12. Distributions. The Company shall make no distribution or other payment, in money or in kind, to any of its shareholders if there shall have occurred and be continuing any Event of Default under this Agreement.

SECTION 7.13. Completion of Project. If at any time, in the judgment of the Lender, there is not enough money available in the Construction Fund to complete the Project, Company will contribute such additional funds as may be necessary to complete the Project in accordance with the Plans and Specifications.

SECTION 7.14. Use of Advances. The Company will not cause, suffer or permit the advances made to it from the Construction Fund to be expended or allocated other than as shown on the said cost breakdown without the prior written consent of the Lender.

SECTION 7.15. Construction of the Project. The Company warrants that the Project shall be constructed and operated in accordance with all applicable ordinances and statutes and the requirements of all regulatory authorities having jurisdiction and in compliance with the requirements of any lessee, and of any rating or inspection office having jurisdiction; the Project shall be constructed entirely on the property described in Exhibit A and will not unlawfully encroach upon any easement, right-of-way or land of others; and the Project when completed will not violate any setback lines, applicable use restrictions or other restrictions or regulations.

SECTION 7.16. Cure of Structural Defects. In the event the Lender shall have given the Company written notification of a structural defect in the Project or departure from the Plans, not approved by the Lender, the Company agrees that it shall, within thirty days of receipt of such notice, take all necessary steps to cure such structural defect or departure from the Plans and Specifications, or if such steps cannot be completed within such time, the Company shall commence such steps within such thirty-day period and continue diligently to complete them. While the Company is engaged in curing such structural defect or departure from the Plans the Lender may, at its option, instruct the Depositary to continue to make advances of disbursements from the Construction Fund in accordance with the terms of this Agreement for work and items other than those giving rise to such structural defect or departure from the Plans and Specifications or relating to the curing of same, or withhold subsequent disbursements until such time as such structural defect or departure from the Plans and Specifications has been cured to the satisfaction of the Lender and Project Supervisor.

ARTICLE VIII

ASSIGNMENT, LEASING AND SELLING

SECTION 8.01. Assignment, Leasing and Selling of Project. So long as any Bond is Outstanding, the Company will not sell, lease or otherwise dispose of or encumber its interest in the Project, other than leases to Lessees which are approved in writing by Lender, except with the written consent of the Lender.

SECTION 8.02. Limitations on Issuer. Except as provided in Section 4.02 hereof, the Issuer will not sell, assign, transfer, convey or otherwise dispose of its interest in this Agreement or the receipts and revenues derived by the Issuer from the Company pursuant to this Agreement.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

SECTION 9.01. Events of Default Defined. An "Event of Default" or a "Default" shall mean, whenever such terms are used in this Agreement, any one or more of the following events, the occurrence of any one of which, without presentation, demand, protest, or notice of any kind (except as expressly provided), shall give rise to the remedies described in this Agreement:

(a) Failure by the Company to make any payment in respect of principal or interest on the Bonds or any other payment of money required under this Agreement when such payment shall be due;

(b) Failure by the Company or the Guarantors to observe and perform any covenant, condition or agreement on its part to be observed or performed in this Agreement or in the Guaranty other than as referred to in subsection (a) of this Section 9.01, which failure shall continue for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, is given to the Company or the Guarantors by the Lender by certified mail, unless the Lender shall agree in writing to an extension of such time prior to its expiration;

(c) The event that any representation or warranty of the Company contained in this Agreement or of the Guarantors in the Guaranty or of either the Company or the Guarantors or any party acting on their behalf in any other document delivered in connection with the transactions contemplated herein was materially false or erroneous when made;

(d) The commencement by the Company, a partner in the Company, or any of the Guarantors of any case, proceeding or other action in bankruptcy or seeking reorganization, liquidation, dissolution, winding-up, arrangement, composition or readjustment of their respective debts, or for any other relief, under any bankruptcy, insolvency, reorganization, liquidation, dissolution, arrangement, composition, readjustment of debt or other similar act or law of any jurisdiction, now or hereafter existing; or the application by the Company, a partner in the Company, or any of the Guarantors for a receiver, custodian or trustee of the Company, a partner in the Company, or any of the Guarantors or for all or a substantial part of their respective property; or the making by the Company, a partner in the Company, or any of the Guarantors of an

assignment for the benefit of creditors; or the inability by the Company, a partner in the Company, or any of the Guarantors or the admission in writing of the inability to pay their respective debts as they become due; or a default by the Company, a partner in the Company, or any of the Guarantors in payment of any other indebtedness owed to the Lender which results in the acceleration in time of payment of other indebtedness owed to the Lender without such acceleration having been rescinded or annulled; or the taking of any action by the Company, a partner in the Company, or any of the Guarantors indicating their consent to approve of or acquiescence in, or in the furtherance of, any of the foregoing.

(e) The entry of a decree or order by a court having jurisdiction in the premises for relief in respect of the Company, a partner in the Company, or any of the Guarantors, or adjudging the Company, a partner in the Company, or any of the Guarantors a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, adjustment or composition of or in respect of the Company, a partner in the Company, or any of the Guarantors under the Federal Bankruptcy Act or any other applicable law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or similar official) of or for the Company, a partner in the Company, or any of the Guarantors or any substantial part of their respective property, or ordering the winding up or liquidation of their respective affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days.

SECTION 9.02. Remedies. Whenever any Event of Default referred to in Section 9.01 hereof shall have happened and be subsisting, any one or more of the following remedial steps may be taken:

(a) The Lender may, at its option, terminate any obligation to instruct or notify the Depositary to make any advances of the Construction Fund and/or declare all unpaid amounts payable under Section 4.01 hereof to be immediately due and payable.

(b) The Lender may, at its option, enter onto the Project and perform any and all work and labor necessary to complete the Project substantially according to the Plans and Specifications, and take all appropriate steps to secure and protect the Project. All sums expended by the Lender for such purpose shall be deemed to have been paid the Company and secured by the security devices set forth in the various Loan Documents and other agreements. The Company consents to have the Lender complete the Project in

the name of the Company, and hereby empowers the Lender to use any funds of the Company, including any funds which may remain unadvanced out of the Construction Fund for the purpose of completing the Project in the manner called for by the Plans and Specifications, and to make such other additions and changes and corrections in the Plans and Specifications which may be necessary or desirable to complete the Project and employ the existing contractors, subcontractors, and agents, architects and inspectors so long as the same are not in default, and execute all applications and certificates on behalf of the Company which may be required by any contract documents relating to the Project, and to do any and every act which the Company could be required by the Lender to do in its own behalf. The Lender shall also have power to prosecute and defend all actions or proceedings in connection with the construction and security of the Project or in any other respect relating to the property described in the Mortgage, and to take such action and require such performance as it deems necessary under any bonds. The Company hereby assigns to the Lender all sums unadvanced out of the Construction Fund conditioned upon the use of said sums in the completion of improvements upon said land and payment of all costs directly related to such completion and security thereof, such assignment to become effective only in case of the Company's default. In the event of such default and the Lender entering upon the Project for the purpose of completing construction, all materials purchased by the Company shall be used in the construction if appropriate, the Lender shall be free to dispose of the balance of such materials as it deems fit, and no liability shall accrue in favor of the Company against the Lender as a result thereof except to credit any consideration received by the Lender therefor as a payment as set forth above. In addition, the Company agrees at the request of the Lender to assign, transfer and set over the Lender, by appropriate instrument in writing, all of the Company's rights, title and interest in and to any construction contract, bond or other contract relating to the construction and operation of the Project; provided, however, that the Company shall assign any license, permit or authorization issued by the federal, state or local government or any agency thereof only to the extent permitted by law.

(c) Enforce any and all of the Loan Documents, and, by way of illustration but not by way of limitation, cause all and singular the property described in the Mortgage or any of the other Loan Documents to be seized and sold under executory process without appraisal, appraisal being hereby expressly waived, as an entirety or in parcels, as

the Lender may determine, in accordance with law, including any remedies of the South Carolina Uniform Commercial Code.

SECTION 9.03. Application of Moneys upon Event of Default. Any moneys received by the Lender pursuant to this Article IX shall, after payment of all Administration Expenses, be applied as follows:

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

First--To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, with interest on overdue installments of interest, to the extent permitted by law, at the highest rate per annum borne by the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of such interest then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

Second--To the payment to the Persons entitled thereto of the unpaid principal or premium, if any, on any of the Bonds which shall have become due with interest as aforesaid on such principal and premium, if any, from the respective dates upon which the same became due and, if the amount available shall not be sufficient to pay in full the amount of principal and premium, if any, due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal, premium, if any, and interest thereon, due on such date, to the Persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest thereon, as aforesaid, without preference or priority of principal and premium, if any, over interest or of interest over principal and premium, if any, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due, respectively, for principal, premium, if any, and

interest, to the Persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of Section 9.04 hereof, then, subject to the provisions of paragraph (b) of this Section 9.03 which shall be applicable in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section 9.03.

Whenever moneys are to be applied pursuant to the provisions of this Section 9.03, such moneys shall be applied at such times, and from time to time, as the Lender shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Lender shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Depositary shall give such notice by mail as it may deem appropriate of the receipt by it of any such moneys and of the fixing of such date.

SECTION 9.04. No Remedy Exclusive. All powers and remedies herein conferred upon or reserved to the Issuer or the Lender shall be cumulative and not intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Lender to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. The Lender may, from time to time, at its sole discretion, rescind any declaration given under this Article IX.

SECTION 9.05. Attorney's Fees and Expenses. In the event under any of the provisions of this Agreement, the Issuer or the Lender should employ attorneys or incur other expenses for the collection of amounts due hereunder or the enforcement of performance or observance of any obligation or agreement on

the part of the Company herein contained, the Company agrees that it will on demand therefor pay to the Issuer or the Lender the reasonable fees of such attorneys and such other reasonable expenses so incurred.

SECTION 9.06. Nonwaiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. In view of the assignment of the rights of the Issuer under and its interest in this Agreement to the Lender by the provisions of the Assignment, the Issuer shall have no power to waive any default hereunder by the Company without the consent of the Lender to such waiver and the Issuer shall be bound by any waiver of the Lender which does not affect any unassigned rights of the Issuer hereunder.

ARTICLE X
PREPAYMENTS

SECTION 10.01. Optional Prepayment. The Company shall have, and is hereby granted, the option to prepay, at any time upon thirty (30) days' written notice delivered to the Lender, in whole or in part the amounts payable under Section 4.01 hereof with respect to one or more Bonds.

In the event the Company exercises the option granted pursuant to this Section, the Company shall pay a sum sufficient, together with other funds held by the Lender and available for such purpose (i) to prepay at the earliest practicable date the Bonds to be prepaid at a prepayment price equal to the principal amount thereof to be prepaid, such payment to reduce principal payments pro rata, in inverse order of maturity, (ii) to pay the interest which will become due on such Bonds to the date or dates fixed for prepayment and (iii) to pay all Administration Expenses relating to such Bonds accrued and to accrue through the date or dates fixed for prepayment.

SECTION 10.02. Notice of Exercise of Option. If prepayment of amounts payable under Section 4.01 hereof is made pursuant to Section 10.01 hereof, the Company shall give the Issuer and the Lender written notice of the date of such prepayment.

SECTION 10.03. Mandatory Prepayment. In the event after completion of the Project there remain monies in the Construction Fund not needed for the payment of Costs of the Project, the Bonds shall be prepaid with such proceeds or such monies, prepayments reducing principal payments pro rata.

ARTICLE XI
MISCELLANEOUS

SECTION 11.01. Termination. This Agreement shall terminate upon (i) payment in full of the Bonds (including interest and premium, if any, thereon); (ii) payment or satisfaction of all other obligations incurred by the Issuer or the Company under this Agreement, including (without limitation) interest, premiums and other charges, if any, thereon; and (iii) the payment of all Administration Expenses due and to become due.

SECTION 11.02. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by first class mail (except as otherwise specified herein), postage prepaid, addressed as follows:

(i)

if to the Issuer,

Richland County Council
Post Office Box 192
Columbia, South Carolina 29202
Attention: County Attorney

(ii)

if to the Company,

R.E.M. Investments
Post Office Box 13511
Columbia, South Carolina 29202

(iii)

if to the Lender,

Bankers Trust of South Carolina
Mortgage Loan Division
Post Office Box 448
Columbia, South Carolina 29202
Attention: John H. Crabtree, III

(iv)

if to the Depositary,

Bankers Trust of South Carolina
Trust Department

Columbia, South Carolina 29202
Attention: _____

A duplicate copy of each notice, certificate or other communication given hereunder by either the Issuer or the Company to the other shall also be given to the Lender. The Issuer, the Company and the Lender may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 11.03. Successors and Assigns. This Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Company and their respective successors and assigns, subject, however, to the limitations contained in Sections 7.02, 8.01 and 8.02 hereof.

SECTION 11.04. Severability. If any clause, provision or section of this Agreement be held illegal or invalid by any court for any reasons, the remaining clauses, provisions or sections shall be unimpaired and such illegal or invalid provisions shall be construed and applied so as to most closely legitimately effectuate its intent. In case any agreement or obligation contained in this Agreement be held by any court to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Issuer or the Company, as the case may be, to the full extent permitted by law.

SECTION 11.05. Amendments. No amendment, change, modification, alteration or termination of this Agreement shall be made other than pursuant to a written instrument signed by the Issuer and the Company and consented to in writing by the Lender.

SECTION 11.06. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 11.07. Limited Obligation of the Issuer. Anything herein to the contrary notwithstanding: (a) any obligation the Issuer may incur hereunder including for the payment of money, shall not be deemed to constitute a debt or general obligation of the Issuer but shall be payable solely and exclusively from the proceeds of the Bonds available

therefor and other available moneys derived by the Issuer pursuant to this Agreement; (b) the Issuer may require as a condition to the participation by it with the Company in obtaining any license or permit or other legal approvals a deposit by the Company of such amount as determined by the Issuer to be reasonable to assure the reimbursement to the Issuer of the costs incurred by it in such participation, with any amount of such deposit in excess of such costs to be returned to the Company; and (c) the liability of the Issuer for any breach of any of the representations or warranties by it or any covenant or agreement set forth herein shall be limited solely and exclusively to the proceeds of the Bonds available therefor and other available moneys derived by the Issuer pursuant to this Agreement.

SECTION 11.08 State Law to Govern. The laws of the State shall govern the construction of this Agreement.

SECTION 11.09 Rights of Lender. The agreements or obligations made herein by the Company to or for the benefit of the Lender are intended by the Company to be specifically enforceable by the Lender and the Company acknowledges that the acquisition of the 1983 Bond by the Lender is consideration for any such agreements or obligations.

IN WITNESS WHEREOF, Richland County, South Carolina, has executed this Loan Agreement by causing its name to be hereunto subscribed by the Chairman of its County Council and attested by the Clerk of its County Council and R.E.M. Investments has executed this Loan Agreement by causing its name to be hereunto subscribed by all of its partners, all as of the date first above written.

RICHLAND COUNTY, SOUTH CAROLINA

By: _____
Chairman, Richland County
Council

ATTEST:

Clerk, Richland County
Council South Carolina

R.E.M. INVESTMENTS, a general
partnership

By: _____ (SEAL)
James C. Richlardon, Jr.
Partner

By: _____ (SEAL)
Gregory A. Edgell,
Partner

By: _____ (SEAL)
Thomas Gene Morris,
Partner

EXHIBIT A

EXHIBIT B

Form of Bond

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
RICHLAND COUNTY
INDUSTRIAL REVENUE BOND
(R.E.M. INVESTMENTS PROJECT)

1983

\$1,600,000

_____, 1983

Richland County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (the "Issuer"), for value received, hereby promises to pay to Bankers Trust of South Carolina or registered assigns, the principal sum of One Million Six Hundred Thousand Dollars (\$1,600,000), payable in monthly installments on the first day of each month, commencing on the first day of the first month following the issuance and delivery of this bond as set out below:

<u>PAYMENT NO.</u>	<u>PRINCIPAL</u>	<u>PAYMENT NO.</u>	<u>PRINCIPAL</u>
--------------------	------------------	--------------------	------------------

together with interest on the unpaid principal balance until paid, payable on the first day of each month, commencing July 1, 1983, to and including final maturity. The interest rate on this bond shall be a rate per annum equal to seventy per cent (70%) of the prime interest rate charged by Bankers Trust of South Carolina, adjusted monthly on the first calendar day of each month, for the period during which the interest on this Bond to be determined has accrued.

Upon a Determination of Taxability, as defined in the Loan Agreement, the interest rate shall be a rate equal to the prime interest rate of Bankers Trust of South Carolina plus two (2%) percent, adjusted monthly on the first calendar day of each month, such rate to apply retroactively to the date on which interest on this bond became taxable.

During such time as interest on this Bond is exempt from federal income taxes, in the event the maximum federal marginal income tax rate for corporations (hereinafter referred to as the "Bank Tax Rate") - currently Forty-six per cent (46%) - shall change, then the rate of interest on this Bond shall be adjusted as of the effective date of the change in the Bank Tax Rate, by multiplying the rate of interest on this Bond by a

fraction, the denominator of which is one hundred per cent (100%) minus the Bank Tax Rate on the date of the execution of this Bond and the numerator of which is one hundred per cent (100%) minus the Bank Tax Rate after the change.

The installments of principal, premium, if any, and interest on this Bond are payable in any coin or currency of the United States of America which, at the respective times of payment, is legal tender for the payment of public and private debts. The final installment of principal and premium, if any, on this Bond is payable, upon surrender hereof, to the Depository (hereinafter referred to). The interest on this Bond and all other payments of principal and premium, if any, when due and payable, shall be paid to the registered owner hereof in immediately available funds by check or draft mailed to such person at his address appearing in the Loan Agreement (hereinafter referred to) or at such place as he may have informed the Company (hereinafter referred to) in writing.

This Bond is duly authorized and issued by the Issuer and designated as "Richland County, South Carolina, Hospital Revenue Bond (Richland County Hospital Medical Office Building Project) 1983" (the "1983 Bond"), issued in the original principal amount of \$1,600,000 under and pursuant to the Constitution and Laws of the State of South Carolina, particularly Article 11, Chapter 7 of Title 44 of the Code of Laws of South Carolina, 1976, as amended (the "Act") and under a Loan Agreement (the "Loan Agreement") and Assignment (the "Assignment") by and between the Issuer and R.E.M. Investments, a general partnership (the "Company"), each dated as of July 1, 1983. The 1983 Bond is being issued to defray the costs of acquiring land, a building or buildings or any enlargement, improvement thereon or expansion thereof and all machinery, apparatus, equipment, office facilities and furnishings to be used for the purpose of office facilities for hospital staff members and physicians (the "Project"). As provided in the Loan Agreement, additional bonds may be issued for the purpose of (a) defraying the cost of completing the Project or the cost of enlarging, improving or expanding the Project, or (b) refunding any bonds issued and outstanding under the Loan Agreement (said additional bonds and the 1983 Bond and all bonds issued and outstanding under the Loan Agreement being referred to as the "Bonds").

Pursuant to the terms of the Loan Agreement, the Company has obligated itself to make payments to or for the account of the Issuer sufficient to pay as and when the same becomes due, the principal, premium, if any, and interest on the Bonds. Pursuant to the Assignment, the Issuer has assigned its rights to receive payments under the Loan Agreement (except

for certain rights of indemnification and reimbursement of expenses) to Bankers Trust of South Carolina and its successors and assigns as holder of this Bond (the "Lender") to facilitate payment of the Bonds.

Copies of the Loan Agreement and Assignment are on file at the principal corporate office of the Lender and in the Office of the Clerk of Court for Richland County, South Carolina, and reference is made to the Mortgage and Security Agreement executed by the Company (the "Mortgage") (and all mortgages and security agreements supplementary thereto and amendatory thereof), the Loan Agreement and the Assignment (and all amendments or supplements thereto) for the provisions relating, among other things, to the terms and security for the Bonds, the collection and disposition of the revenues and receipts of the Issuer derived pursuant to the Loan Agreement, the custody and application of the proceeds of the Bonds, the rights and remedies of the holders of Bonds, the rights, duties and obligations of the Issuer, the Company and the Lender and the modification or amendment of any of the foregoing.

The 1983 Bond and the Bonds are and will be equally and ratably secured, to the extent provided in the Loan Agreement. THE BONDS AND THE INTEREST PAYMENTS BECOMING DUE HEREON AND THEREON ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED BY THE ISSUER PURSUANT TO THE LOAN AGREEMENT, AND DO NOT AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND DO NOT AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER OR A CHARGE AGAINST THE ISSUER'S GENERAL CREDIT OR TAXING POWER. THE FULL FAITH, CREDIT AND TAXING POWER OF THE ISSUER ARE NOT PLEDGED FOR THE PAYMENT OF THE PRINCIPAL, PREMIUM, IF ANY, OR INTEREST ON THE BONDS.

The transfer of this Bond is registrable, as provided in the Loan Agreement, at the principal office of Bankers Trust of South Carolina as Depositary under the Loan Agreement (the "Depositary"), by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Depositary duly executed by the registered owner or his attorney duly authorized in writing, whereupon such Bond shall be reissued to the transferee with a notation as to the principal amount outstanding as of the date of such transfer as provided in the Loan Agreement, and upon payment of the charges therein prescribed. The Issuer and the Company may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The 1983 Bond will be subject to prepayment prior to the stated maturity hereof:

(a) As a whole or in part at any time upon 30 days' notice upon the exercise by the Company of its option under the Loan Agreement to prepay in whole or in part any payment required to be paid under the Loan Agreement.

(b) In part upon the completion of the Project from moneys remaining in the Construction Fund (as such term is defined in the Loan Agreement) not needed for the payment of the Cost of the Project (as such term is defined in the Loan Agreement).

(c) As a whole or in part at the option of the Lender in the event that certain insurance or condemnation proceeds are paid, as is more fully described in the Loan Agreement.

In each such case, the 1983 Bond shall be prepaid at a prepayment price equal to the principal amount thereof, together with unpaid interest accrued to the date fixed for prepayment, in the manner and subject to the provisions of the Loan Agreement; such partial prepayments to apply to principal payments pro rata in inverse order of maturity.

The Lender or any subsequent holder of this Bond shall have the right to institute any suit, action or proceeding for the enforcement of the Mortgage or hereunder as provided in the Loan Agreement. In certain events, on the conditions, in the manner and with the effect set forth in the Loan Agreement, the outstanding principal balance of the Bonds may be declared due and payable before the stated maturity thereof, together with interest accrued thereon.

As provided in the Loan Agreement, modifications or alterations of the Loan Agreement, or of any agreement supplemental thereto, and of the rights and obligations of the Issuer and of the holder of the Bonds in any particular may be made only with the consent of the Company and the holders of each of the affected Bonds then outstanding under the Loan Agreement. Any such consent by the holder of this Bond shall be conclusive and binding upon such holder and all future holders and owners of this Bond irrespective of whether any notation of such consent is made upon this Bond.

It is hereby certified and recited that all conditions, acts and things required by law and the Loan Agreement to exist, to have happened and to have been performed precedent to and in the issuance of this Bond, exist, have happened and have been performed in due time, form and manner, and that the issuance of this Bond and the issue of which it

forms a part are within every debt and other limit prescribed by the Constitution and laws of the State of South Carolina.

IN WITNESS WHEREOF, Richland County, South Carolina has caused this Bond to be executed in its name and on its behalf by the manual signature of the Chairman of its County Council and its seal to be impressed, imprinted, engraved or otherwise affixed or reproduced thereon and attested by the manual signature of the Clerk of its County Council, as of the date first above written.

RICHLAND COUNTY, SOUTH CAROLINA

By _____
Chairman, County Council of
Richland County, South Carolina

(SEAL)

ATTEST:

By _____
Clerk, County Council of
Richland County, South
Carolina

EXHIBIT

JUN 28 1983 NO. 2

STATE BUDGET & CONTROL BOARD

026017

EXHIBIT

STATE BUDGET AND CONTROL BOARD

MEETING OF June 28, 1983

JUN 28 1983

NO.

3

BLUE AGENDA

ITEM NUMBER

2

Agency: Finance Division

STATE BUDGET & CONTROL BOARD

Subject: State Auditor's Required Report on Appropriations Bill

Attached is the report of the State Auditor to the General Assembly which is required at each step of the appropriations process. This report reflects the situation through the Governor's signature and is the final report on the 1983-84 Appropriations Act.

Board Action Requested:

Receive as information.

Staff Comment:

Attachments:

Referenced report.

026018

EXHIBIT⁸⁻⁵¹

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

JUN 28 1983 NO. 3

For meeting scheduled for:

June 28, 1983

STATE BUDGET & CONTROL BOARD
☒ Blue Agenda
☐ Regular Session Agenda
☐ Executive Session Agenda

1. Submitted By: Finance Division/Budget Development - Curtis Holt
2. Subject: The State Auditor's Required Report
3. Summary Background Information:

The attached State Auditor's Statutory Report to the General Assembly must be made at each step of the Appropriation process. This report is thru the Governor's signature and is therefore made on the 1983-84 Appropriation Act and is the final report for the year.

Budget & Control Board Staff Recommendation:


Curtis Holt

APPROVED

DISAPPROVED

4. What is Board Asked To Do?

5. Supporting Documents:

List Those Attached

List Those Not Attached But Available
from Submitter

1. State Auditor's Statutory Report

026019

EXHIBIT

JUN 28 1983

NO. 3

STATE BUDGET & CONTROL BOARD

STATE AUDITOR'S REPORT
ON
THE 1983-84 APPROPRIATION ACT

PREPARED BY:
THE OFFICE OF BUDGET DEVELOPMENT
JUNE 21, 1983

026020

EXHIBIT

JUN 28 1983

NO. 3

STATE AUDITOR'S OFFICE SUMMARY OF THE 1983-84 APPROPRIATION ACT

STATE BUDGET & CONTROL BOARD

	GENERAL FUND ONLY	GENERAL FUND PLUS STATE HIGHWAY TRUST FUND
Estimated 1983-84 Gross Revenues	\$ 2,142,200,593	\$ 2,400,028,555
Less: Reserve Fund Contribution	18,041,690	18,041,690
Available 1983-84 Net Revenues	\$ 2,124,158,903	\$ 2,381,986,865
Less: 1982-83 Estimated Expenditures (Revised)	1,960,539,664*	2,312,282,416 *
New Funds Available	\$ 163,619,239	\$ 69,704,449
Refer to Schedule I		
1983-84 State Expenditure Limit	\$ 2,162,475,249	\$ 2,550,447,505
Less: 1982-83 Estimated Expenditures (Revised)	1,960,539,664*	2,312,282,416 *
1983-84 Expenditure Growth Allowable	\$ 201,935,585	\$ 238,165,089
Shortfall in New Funds Available Vs Expenditure Growth Allowable	\$ (38,316,346)	\$ (168,460,640)

* 1982-83 Estimated Expenditures (Revised) Includes Specific Appropriation Reduction of \$4,759,000 Approved March 10, 1983.

Prepared By:
The Office of Budget Development
June 21, 1983

026021

SCHEDULE I

STATE AUDITOR'S OFFICE
COMPUTATION OF ANNUAL LIMITATION ON
STATE EXPENDITURES
FOR THE 1983-84 APPROPRIATION ACT

	GENERAL FUND ONLY	GENERAL FUND PLUS STATE HIGHWAY TRUST FUND
1982-83 Estimated Expenditures (Revised)	\$1,960,539,664*	\$2,312,282,416
Three Year Average Personal Income Growth for Calendar Years 1980, 1981 and Estimated 1982	X 1.103	X 1.103
1983-84 State Expenditure Limit	\$2,162,475,249	\$2,550,447,505

* 1982-83 Estimated Expenditures (Revised) Includes Specific Appropriation Reduction of \$4,759,000 Approved March 10, 1983.

In Compliance with Section 11-33-40 to the 1982 Cumulative Supplement to the 1976 Code.

Prepared By:
The Office of Budget Development
June 21, 1983

026022

EXHIBIT

JUN 28 1983

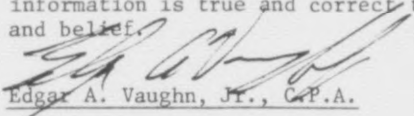
NO. 8

STATE AUDITOR'S OFFICE
COMPUTATION OF ANNUAL LIMITATION ON
THE NUMBER OF STATE EMPLOYEES
FOR THE 1983-84 APPROPRIATION ACT

STATE BUDGET & CONTROL BOARD

1980-81 State Population	<u>3,191,996</u>
1980-81 State Employees (FTE)	<u>38,183.69</u>
1980-81 Ratio of State Employees (FTE) To Total State Population	$\frac{38,183.69}{3,191,996} = 1.1962\%$
1983-84 State Population Estimate	3,373,375
1980-81 State Employees (FTE) Ratio To Total State Population	<u>X .011962</u>
1983-84 State Employees (FTE) Limitation	<u>40,352.31</u>
1983-84 Budget and Control Board Recommended State Funded Employees (FTE)	<u>34,684.58</u>
1983-84 Ways and Means Committee Bill State Funded Employees (FTE)	<u>34,782.84</u>
1983-84 House Appropriation Bill State Funded Employees (FTE)	<u>34,775.84</u>
1983-84 Senate Finance Committee Appropriation Bill State Funded Employees (FTE)	<u>34,924.04</u>
1983-84 Senate Appropriation Bill State Funded Employees (FTE)	<u>34,961.14</u>
1983-84 Appropriation Act State Funded Employees (FTE)	<u>34,961.14</u>

In Compliance With Section 11-33-50 of the 1981 Cumulative Supplement to the 1976 Code, I certify that the above information is true and correct to the best of my knowledge and belief.


Edgar A. Vaughn, Jr., C.P.A.

State Auditor

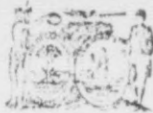
June 21, 1983

026023

1983-84
FTE
POSITION
REPORT

PREPARED BY:
THE OFFICE OF BUDGET DEVELOPMENT
JUNE 21, 1983

026024



STATE OF SOUTH CAROLINA

OFFICE OF THE STATE AUDITOR
P.O. BOX 11333
COLUMBIA
29211

EDGAR A. VAUGHN, JR., CPA
STATE AUDITOR
(803) 758-3106

JESSE A. COLES, JR., PhD
DEPUTY STATE AUDITOR
(803) 758-3106

MEMORANDUM

FROM: Curtis Holt *CH*
SUBJECT: Authorized FTE Positions Analysis Report
DATE: June 21, 1983

The following is a brief description of each schedule included in the above referenced report.

Schedule I - This report reflects the bottom line net change in FTE Positions by committee. It gives a complete summarized picture of the statewide authorized FTE Positions beginning with the appropriated headcount as contained in the previous Appropriation Act.

Schedule II - Is a cumulative report reflecting the net new FTE Positions added by each committee in the appropriation process. If a subsequent committee deletes any FTE Positions added by a previous committee, the entries will be identified by a minus sign, i.e., (-0.00). The bottom line of the last two columns should always give the cumulative new FTE Positions added to the Appropriation Bill.

Schedule III - Is a report that combines Schedule IV authorized FTE Positions added or deleted and Schedule V new FTE Positions added and reflects the net action of the last committee considering the bill.

Schedule IV - This report reflects all action on existing FTE Positions taken by the last committee considering the bill. It shows all existing FTE Positions added, deleted, transferred and/or restored.

SCHEDULE V and its attachment - Is a report reflecting only the new FTE Positions added by the previous committee considering the bill. The Explanations and Justification for the action is attached.

CH/dd

026025

Prepared By:
The Office of Budget Development
June 21, 1983

SCHEDULE I

EXHIBIT

JUN 28 1983

NO. 3

STATE AUDITOR'S OFFICE
SUMMARY OF NET CHANGES
IN AUTHORIZED FTE POSITIONS BASE

STATE BUDGET & CONTROL BOARD

	<u>TOTAL FTE POSITIONS</u>	<u>STATE FTE POSITIONS</u>	<u>FEDERAL FTE POSITIONS</u>	<u>OTHER FTE POSITIONS</u>
FTE Positions Authorized in The 1982-83 Act	59,331.01	34,847.69	8,822.55	15,660.77
Changes:				
1982-83 FTE Reconciliation Adjustments	32.48	7.39	(54.11)	79.20
1982-83 Authorized FTE Positions Operational Adjustments	(184.87)	(99.11)	(6.19)	(79.57)
1982-83 Adjusted FTE Positions Base 10/31/82	59,178.62	34,755.97	8,762.25	15,660.40
Change:	(181.19)	(71.39)	(266.90)	157.10
1983-84 FTE Positions Base as Recommended by the B & C Board	58,997.43	34,684.58	8,495.35	15,817.50
Change:	(133.40)	98.26	(68.00)	(163.66)
1983-84 Ways and Means Appropriation Bill	58,864.03	34,782.84	8,427.35	15,653.84
Change:	(3.00)	(7.00)	0	4.00
1983-84 House Appropriation Bill	58,861.03	34,775.84	8,427.35	15,657.84
Change:	108.77	148.20	(42.94)	3.51
1983-84 Senate Finance Appropriation Bill	58,969.80	34,924.04	8,384.41	15,661.35
Change:	37.10	37.10		
1983-84 Senate Appropriation Bill	59,006.90	34,961.14	8,384.41	15,661.35
Change:	0	0	0	0
1983-84 Appropriation Act	59,006.90	34,961.14	8,384.41	15,661.35

026026

Prepared By:
The Office of Budget Development
June 21, 1983

STATE AUDITOR'S OFFICE
CUMULATIVE ANALYSIS OF NEW FTE POSITIONS
ADDED TO THE 1983-84 APPROPRIATION BILL
BY COMMITTEE

SCHEDULE 11

SECTION NO.	AGENCY	B & C BOARD RECOMMENDED		WAYS AND MEANS		HOUSE		SENATE FINANCE		SENATE		CUMULATIVE REPORT	
		TOTAL	STATE	TOTAL	STATE	TOTAL	STATE	TOTAL	STATE	TOTAL	STATE	TOTAL	STATE
		FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
3C	Spec. Svc.Both Hous.							1.00	1.00			1.00	1.00
4	Judicial	1.00	1.00	(1.00)	(1.00)			6.20	6.20	27.00	27.00	33.20	33.20
7	Sect. of State							1.00	1.00			1.00	1.00
8	Comptrlr. Gen.	4.00	4.00	(4.00)	(4.00)			5.00	5.00			5.00	5.00
9	St. Treasurer	5.00	5.00	(5.00)	(5.00)			3.00	3.00			3.00	3.00
10	Attorney General			6.00	6.00							6.00	6.00
11A	Senten.&Guideln.Com.									3.00	3.00	3.00	3.00
12	Adjutant General							7.00	0.25			7.00	0.25
13	Election Commission	0.10	0.10									0.10	0.10
14B	B&C Bd.-Finance							1.00	1.00			1.00	1.00
14D	B&C Bd.-Gen. Svcs.	5.00	0									5.00	0
14E	B&C Bd.-St. Fire Msh.			1.00	0							1.00	0
14F	B&C Bd.-Mtr.Veh.Mngt.							2.00	0			2.00	0
14G	B&C Bd.-Retirement	3.00	0									3.00	0
14H	B&C Bd.-Personnel	4.00	0									4.00	0
15	Higher Ed. Comm.	1.00	1.00									1.00	1.00
17	The Citadel	1.00	1.00									1.00	1.00
19	Coll. of Charleston							31.50	0			31.50	0
21	Lander College	3.88	2.86	(2.86)	(2.86)							1.02	0
22	S.C. State College	22.00	22.00									22.00	22.00
27	Technical Ed.	26.20	2.00									26.20	2.00
36	Arts Commission	0.45	0									0.45	0
37	Museum Commission							1.00	1.00			1.00	1.00
39	Mental Health					4.00	0	6.00	6.00			10.00	6.00
43	John De La Howe							1.00	1.00			1.00	1.00
52	Corrections	63.00	63.00	103.00	103.00							166.00	166.00
53	Parole&Comm.Corr.							29.00	29.00			29.00	29.00
54	Youth Services							26.00	26.00			26.00	26.00
55	Law Enforcement Tr.							7.00	0			7.00	0
59	State Forestry							5.00	5.00			5.00	5.00
60	Agriculture	1.00	0					2.00	2.00			3.00	2.00
62	Clemson PSA							3.00	3.00			3.00	3.00

026027

Prepared By:
The Office of Budget Development
June 21, 1983

STATE AUDITOR'S OFFICE
CUMULATIVE ANALYSIS OF NEW FTE POSITIONS
ADDED TO THE 1983-84 APPROPRIATION BILL
BY COMMITTEE

SECTION NO.	AGENCY	B & C BOARD RECOMMENDED		WAYS AND MEANS		HOUSE		SENATE FINANCE		SENATE		CUMULATIVE REPORT	
		TOTAL	STATE	TOTAL	STATE	TOTAL	STATE	TOTAL	STATE	TOTAL	STATE	TOTAL	STATE
		FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
63	Wildlife			3.00	0			6.00	6.00	1.00	1.00	10.00	7.00
65	Sea Grants Consor.	3.00	0									3.00	0
68	Patriot's Point	5.00	0									5.00	0
70	Old Exchange	1.00	0									1.00	0
72	Pub. Serv. Comm.									2.00	2.00	2.00	2.00
73	Industrial Comm.			1.00	1.00							1.00	1.00
74	Workmens Comp.	6.00	0									6.00	0
77C	Consumer Fin. Div.			1.00	1.00							1.00	1.00
78	Consumer Affairs			1.00	1.00							1.00	1.00
80	Labor							0.50	0.50			0.50	0.50
82	ABC	0.44	0.44					3.00	3.00			3.44	3.44
85	Accountancy Bd.	0.40	0.40									0.40	0.40
91	Contractrs Lic. Bd.	2.00	2.00	(1.00)	(1.00)	(1.00)	(1.00)	1.00	1.00			1.00	1.00
95	Envor. Sstm. Bd.	1.00	1.00									1.00	1.00
99	Nursing Lic. Bd.	0.53	0.53									0.53	0.53
104	Pharmacy Board			0.25	0.25							0.25	0.25
105	Physical Ther. Bd.									0.10	0.10	0.10	0.10
121	DH&PT			80.00	0							80.00	0
TOTAL		160.00	106.33	182.39	98.39	3.00	(1.00)	148.20	100.95	33.10	33.10	526.69	337.77

EXHIBIT
JUN 28 1983 NO. 3
STATE BUDGET & CONTROL BOARD

026028

STATE BUDGET AND CONTROL BOARD
MEETING OF June 28, 1983

BLUE AGENDA
ITEM NUMBER 3

Agency: Personnel Division

Subject: Monthly Reduction in Force Report

Please refer to attached report for details on reduction in force activities of the Personnel Division and the placement of persons involved in reductions in force for the month of May 1983 and for the period September 1982 through May 31, 1983.

EXHIBIT

JUN 28 1983 NO. 4

STATE BUDGET & CONTROL BOARD

Board Action Requested:

Receive as information.

Staff Comment:

Attachments:

Reference Report

026029

MEMORANDUM

TO: Members of the Budget and Control Board

FROM: Dr. Jack S. Mullins

DATE: June 21, 1983

SUBJECT: Reduction in Force Report

EXHIBIT

JUN 28 1983 NO. 4

STATE BUDGET & CONTROL BOARD

Attached is the statistical information representing the reduction in force activity for the month of May. Also included is the statistical information on the cumulative reporting period September 1, 1982, through May 31, 1983.

<u>Reduction in Force</u>	<u>May 1, through May 31, 1983</u>	<u>September 1, 1982 through May 31, 1983</u>
Number of Agencies Affected by RIF ¹	2	21
Total Number of RIF'd Employees ²	7	500
Placed Within Agency ³	1	120
Placed in Other Agencies ⁴	0	79
Placed in Other Government Employment ⁵	0	12
Placed in Private Sector	0	15
Retired	0	5
Number Declining Services ⁶	6	160
Net RIF'd Available ⁷	0	109
 Source of Funds RIF Populations		
RIF Population	7	500
Federally-Funded	0	65.3
State Funded	5	264.7
Other Funds	2	170
 Full-Time/Part-Time Positions		
RIF Population	7	500
Full-Time Positions	7	481
Part-Time Positions	0	19

¹Department of Highways and Public Transportation (1 employee);
Midlands Technical College (6 employees)

²Indicates employees who were notified they would be RIF'd with an effective date (May 1 - May 31, 1983) (September 1, 1982 - May 31, 1983).

³Indicates employees who were either placed in another position within their agency prior to separation of employment or have been recalled since separation.

⁴Indicates hired by other State agencies following RIF.

⁵Indicates hired by other divisions of government either local or federal.

⁶Indicates employees affected by RIF and advised of employment assistance but have not completed application or indicated no interest in assistance.

⁷Indicates employees affected by RIF and actively seeking employment.

026030

EXHIBIT

STATE BUDGET AND CONTROL BOARD

MEETING OF June 28, 1983 JUN 28 1983

NO. 5

BLUE AGENDA

ITEM NUMBER

4

Agency: State Fire Marshal

STATE BUDGET & CONTROL BOARD

Subject: Activity Report for May 1983

Please refer to attached report on inspections made, daily activities of the Deputy State Fire Marshals and LP Gas Inspectors for the month.

Board Action Requested:

Receive as information.

Staff Comment:

Attachments:

Referenced report.

026031

EXHIBIT

MAY, 1983

MONTHLY REPORT

JUN 28 1983

NO. 5

DIVISION OF STATE FIRE MARSHAL

STATE BUDGET & CONTROL BOARD

1109 Belleview Street

Columbia, S. C.

The State Fire Marshal's Office has the responsibility of fire prevention and fire protection of lives and property from fire and through the assistance of local officials and other state agencies. Through our concentrated efforts in fulfilling these responsibilities, we have obtained ----- 969 ----- full compliances in conditions which were ruled hazards to life. In conjunction with the May compliances, we conducted the following inspections:

	<u>MAY</u>	<u>YEAR TO DATE</u>
I. CONFERENCES AND INVESTIGATIONS	552	6459
a. Fire Drills Held	23	144
b. Fire Extinguisher Demonstrations	32	348
II. EDUCATIONAL:		
a. Schools	66	504
b. Universities	-	2
c. Colleges	3	19
d. Academies	4	8
e. Nursery Schools	34	431
f. Kindergartens	21	141
III. RESIDENTIAL:		
a. Hotels	-	9
b. Motels	5	65
IV. REQUESTED INSPECTIONS:		
a. Homes for Aged	11	129
b. Boarding Homes	16	118
c. Orphanages	1	17
V. SERVICE STATIONS:		
a. Self Service and Full Service	-	1

026032

EXHIBIT

-2-

JUN 28 1983

NO. 5

STATE BUDGET & CONTROL BOARD

VI. OTHER:

a. Prisons, Detention Centers, Etc.	-	17
b. Foster Homes	38	195
c. Condominiums	7	185
d. Miscellaneous	26	239

VII. PUBLIC ASSEMBLIES:

a. Lounges, Restaurants, Recreation Halls, Etc.	48	289
b. Conferences and Investigations	40	321

VIII. INSTITUTIONAL & EDUCATIONAL TRAINING PROGRAMS:

a. Training Programs Presented	32	480
b. Hospitals Visited	3	44
c. Nursing Care Facilities Visited	3	64
d. Total Number of Persons in Attendance	2506	36049
e. Special Areas, Civic Groups, Schools, Etc.	10	178

IX. PLANS:

a. Plans & Specifications Reviewed	24	183
b. Conferences & Investigations	12	112

026033

State of South Carolina
Division of State Fire Marshal



RICHARD S. CAMPBELL, P.E.
State Fire Marshal

Budget and Control Board
1109 Belleview Street
Columbia, S.C. 29201
(803) 758-2941

EXHIBIT

JUN 28 1983

NO. 5

STATE BUDGET & CONTROL BOARD

LP GAS & ANHYDROUS
AMMONIA
(803) 758-2247

LIQUEFIED PETROLEUM GAS DIVISION

DIVISION OF STATE FIRE MARSHAL

June 21, 1983

The following are statistics on the inspections made by the LP
Gas Division for the Month of May.

During this month the LP Gas Division Inspectors have made a total
of --- --- corrections in accordance with our NFPA Pamphlet #58.

	<u>May</u>
Bulk Plants	43
Bulk Trucks	45
Cylinder Trucks	13
Trnasports	6
Motor Fuel Installations	15
Cylinder Charging Plants	38
Individual Installations	1,869
Conferences	200
Re-inspections	<u>242</u>
TOTAL INSPECTIONS	2,471
Faulty Inspections	297

026034

EXHIBIT

STATE BUDGET AND CONTROL BOARD

JUN 28 1983

NO. 6 BLUE AGENDA

MEETING OF June 28, 1983

ITEM NUMBER

5

STATE BUDGET & CONTROL BOARD

Agency: Office of Executive Director

Subject: Interviewee Travel Expense Payments

Payments of interviewee travel expenses are made pursuant to authority granted by the Board. Board policy requires that any exercise of that authority be reported within thirty days.

Attached are reports on the payments of interviewee travel expenses by the Department of Mental Health (1) and Francis Marion College (1).

Board Action Requested:

Receive as information.

Staff Comment:

Attachments:

Referenced reports.

026035

JUN 20 1983

EXHIBIT RECEIVED

JUN 28 1983

NO. 6

JUN 16 1983

STATE BUDGET & CONTROL BOARD

State Commissioner of
Mental Health
S. C. Dept. of Mental Health

MEMORANDUM

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

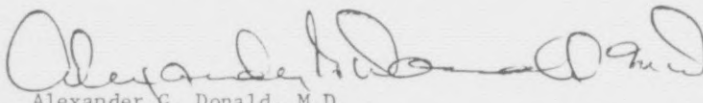
FROM: Alexander G. Donald, M.D.
Director, William S. Hall Psychiatric Institute

DATE: June 15, 1983

SUBJECT: Reimbursement for Interview Travel

I request approval of travel reimbursement in the amount of approximately \$400 for Jerome M. Young, M.D., to interview at the Institute for the position of Teaching Psychiatrist.

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 this interview will be significantly less than to pay the costs of five staff members to travel to Dayton, Ohio, for the interview. In addition, it is imperative that the applicant see the Institute in order to make an informed decision. Following advertisement of this position in national journals, we have had no individuals qualified for the position within South Carolina submit applications.



Alexander G. Donald, M.D.
Director, William S. Hall Psychiatric Institute

AGD/DWM/jas

c Mr. William S. McInnis
Deputy Executive Director
State Budget and Control Board



Hall M.D.

026036



Office of Business Affairs

Francis Marion College

FLORENCE, SOUTH CAROLINA 29501
(803) 669-4121

June 14, 1983

EXHIBIT

JUN 28 1983

NO. 6

TO: President Walter D. Smith

FROM: N. C. Frederick

STATE BUDGET & CONTROL BOARD

Your approval is requested to invite Jack Spencer to campus for an interview for a position in the College Center and to pay his travel expense. The significance of this position is such that it warrants the costs of an interview. Further, the participation of a number of Francis Marion College persons is vital to this particular interview; therefore the costs of bringing Mr. Spencer to the campus would be far less than would be the expense of conducting the interview at his home area or elsewhere.

Estimated Costs:

Travel	\$115.00
Food	25.00
Lodging	40.00
	<u>\$180.00</u>

N. C. Frederick
N. C. Frederick
Vice President for
Business & Finance

Initial Approval: 180.00/
Date: 6/14/83

Actual Costs:

Travel	\$ <u>69.00</u>
Food	
Lodging	<u>33.28</u>
TOTAL	\$ <u>102.28</u>

026037

APPROVAL RECOMMENDED
Date 6/20/83

APPROVED
Date 6/20/83

EXHIBIT

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION AGENDA

MEETING OF June 28, 1983 JUN 28 1983

NO. 7 ITEM NUMBER

1

Agency: Finance Division **STATE BUDGET & CONTROL BOARD**

Subject: Transfer Requests

The following transfer requests are submitted for consideration by the Board:

- (1) Department of Mental Retardation, \$98,975 of "other" funds from classified positions to contractual services;
- (2) Department of Mental Retardation, \$477,232 of "other" funds from classified positions and employer contributions to contractual services and supplies;
- (3) Department of Mental Retardation, \$200,000 of "other" funds from classified positions to contractual services;

Request number one is intended to make it possible to align funds budgeted and encumbered in certain of the agency's regional operations in accord with the Appropriations Act. Request number two is the item which has been carried over repeatedly which was first initiated by the Department in November as part of the 4.6% reduction plan to help make up lost State-appropriated operating funds. Request number three is prompted by the Department's efforts to overcome nursing shortages by contracting for nursing care from a private agency.

- (4) Legislative Audit Council, \$14,000 of general fund monies from personal service to equipment;

- (5) Youth Services, \$65,669 "other" funds from personal service to equipment. The funds involved were brought forward as Education Finance Funds.

- (6) Office of Executive Director, \$9,000 from classified positions to other operating expenses;

- (7) Foster Care Review Board, \$3,001.45 from classified positions and employer contributions to equipment; and

- (8) Industrial Commission, \$8,663.33 of general fund monies from personal services to equipment.

Board Action Requested:

Consider.

Staff Comment:

Attachments:

Agenda item worksheets and attachments.

026038

AGENCY NUMBER **516** AGENCY BATCH NUMBER _____ OBJECT CODE HASH TOTAL _____ TOTAL BATCH AMOUNT _____ BATCH DATE _____ BATCH NUMBER _____ DOCUMENT NUMBER **3**

AGENCY VOUCHER NUMBER

AT-54

AGENCY TRANSFERRED TO (ICR):

NAME **S. C. Dept. of Mental Retardation**

ADDRESS

P. O. Box 4706

Columbia, SC 29240

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD - FINANCE DIVISION

APPROPRIATION TRANSFER

TO REQUESTING AGENCY:

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

CG WARRANT NUMBER

AGENCY TRANSFERRED FROM (ICR):

NAME **S. C. Dept. of Mental Retardation**

ADDRESS

P. O. Box 4706

Columbia, SC 29240

REASON FOR TRANSFER: To Adjust 82/83 Allocation with Projected Expenditures

FROM

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE	C G R
09	350	J16	0602	3000						0158	17,137.00		
09	350	J16	0605	3000						0158	99,349.00		
09	350	J16	0606	3000						0200	202.00		
EXHIBIT													
JUN 28 1983 NO. 7													
STATE BUDGET & CONTROL BOARD													
										TOTAL 0516	116,688.00		

TO

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE	C G R
09	300	J16	0601	3000						0200	98,975.00		
09	300	J16	0605	3000						0200	202.00		
09	300	J16	0606	3000						0158	2,004.00		
09	300	J16	1446	3000						1300	15,507.00		
										TOTAL 1858	116,688.00		

REQUESTED BY *H. C. Staley* DATE 3/24/83 STATE BUDGET *Recomm. Approved - 6/28/83*

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are as

026039

STATE AUDITOR _____ D/

(11) a

83-14

BUDGET AND CONTROL BOARD
AGENDA ITEM WORKSHEET

For meeting scheduled for:

Blue AgendaNext Regular MeetingX Regular Session Agenda
Executive Session Agenda

1. Submitted By: Finance - Budget Office - George Dorn

2. Subject: Transfer # AT-54 Mental Retardation Department

3. Summary Background Information: Agency has some funds budgeted and encumbered in some of its regional operations that are aligned slightly differently from the Appropriations Act. Recent auditing by the State Audit Division has suggested the agency make the attached transfer.

EXHIBIT

JUN 28 1983

NO. 7

STATE BUDGET & CONTROL BOARD

DISAPPROVED

4. What is Board Asked To Do? To approve the attached transfer.

5. Supporting Documents:

List Those Attached	List Those Not Attached But Available from Submitter
Letter, Department of Mental Retardation, March 28, 1983.	
Letter, Department of Mental Retardation, March 22, 1983.	

(1) b

026040

CHARLES D. BARNETT, Ph.D.
Commissioner

WALTER A. TODD
Deputy Commissioner,
Administration

WADE C. WIETERS, Ed.D.
Deputy Commissioner,
Professional Services



MENTAL RETARDATION COMMISSION
The Rev. J. E. Hunter, D. Min., Chairman
Herbert Rudnick, Vice Chairman
Mrs. Mary C. Ramsay, Secretary
Robert H. Lovvorn, Sr.
William deB. Mebane
R. B. Robinson
The Rev. George W. Watson

STATE OF SOUTH CAROLINA
DEPARTMENT OF MENTAL RETARDATION
2712 MIDDLEBURG DRIVE
P. O. BOX 4706
COLUMBIA, SOUTH CAROLINA 29240

March 28, 1983

EXHIBIT

MEMORANDUM

JUN 28 1983

NO. 7

TO: George Dorn
State Budget Analyst

STATE BUDGET & CONTROL BOARD

FROM: Steve Mattison *as told*
Budget Supervisor

SUBJECT: AT-54

The transfers listed are those that are necessary to fully reconcile consolidated regional operating budgets with the FY '82/83 Appropriations Act as of this date. The \$17,137 is being transferred to budget for unanticipated increases in costs in Services Support. The transfer of \$99,349 from Personal Service consists of the following: (1) \$81,838 to Services Support (0200) to replace other operating funds lost in the mandated 4.6% budget reduction; (2) \$15,507 to insure that Employer Contribution needs are fully met; (3) and \$2,004 to Prevention and Research (0158) to fund a position reclassification. The transfer of \$202 to Residential (0200) represents a change in expenditures when clients were transferred to the Sumter Community Residence.

Please call me if I can be of further assistance.

SM/jbb

cc: Harold Steele

David Steele

RECEIVED

MAR 31 1983

STATE AUDITOR'S OFFICE
BUDGET DIVISION

(1) c

026041

CHARLES D. BARNETT, Ph.D.
Commissioner

WALTER B. TODD
Deputy Commissioner,
Administration

WADE C. WIETERS, Ed.D.
Deputy Commissioner,
Professional Services



MENTAL RETARDATION COMMISSION
The Rev. J. E. Hunter, D.Min., Chairman
Herbert Rudnick, Vice Chairman
Mrs. Mary C. Ramsay, Secretary
Robert H. Lovvorn, Sr.
William deB. Mebane
R. B. Robinson
The Rev. George W. Watson

STATE OF SOUTH CAROLINA
DEPARTMENT OF MENTAL RETARDATION
2712 MIDDLEBURG DRIVE
P. O. BOX 4706
COLUMBIA, SOUTH CAROLINA 29240

March 22, 1983

EXHIBIT

JUN 28 1983

NO. 7

STATE BUDGET & CONTROL BOARD

MEMORANDUM

TO: George Dorn
Budget Analyst

FROM: Steve Mattison *stee*
Budget Supervisor

SUBJECT: FY '82/83 Budget Transfers

Your assistance is requested in making the following transfers in other funds.

<u>FROM</u>		<u>TO</u>	
Developmental (0158)	\$ 17,137	Services Support (0200)	\$ 43,667
Residential (0158)	99,349		55,308
Prevention/Research (0158) ⁰²⁰⁰	202	Residential (0200)	202
		Prevention/Research (0158)	2,004
		Employer Contributions	15,507
Total	\$116,688		\$116,688

These transfers are necessary to bring the FY '82/83 allocation in line with projected expenditures for FY '82/83. No reduction in force will be necessitated by this transfer.

Please call me if you have any questions.

SM/jbb

cc: Lonnie Bowman
Harold Steele

RECEIVED
MAR 23 1983
STATE BUDGET & CONTROL BOARD
BUDGET DIVISION

026042

(1)d

AGENCY NUMBER J16	AGENCY BATCH NUMBER	OBJECT CODE HASH TOTAL	TOTAL BATCH AMOUNT	BATCH DATE	BATCH NUMBER	DOCUMENT 3
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*AGENCY VOUCHER NUMBER

AT-23

STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

CG WARRANT NUMBER

AGENCY TRANSFERRED TO (CIR)

NAME S. C. Dept. of
Mental Retardation

ADDRESS

P. O. Box 4706

Columbia, SC 29240

APPROPRIATION TRANSFER

TO REQUESTING AGENCY:

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

AGENCY TRANSFERRED FROM (CIR)

NAME S. C. Dept. of
Mental Retardation

ADDRESS

P. O. Box 4706

Columbia, SC 29240

REASON FOR TRANSFER: Promulgated by 4.6% Reduction in Appropriation per Attached Letter
FROM: From Walter B. Todd, 12/2/82

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE	CG R
06	350	J16	0600	3000						0158	2,517.00	Admin.	
06	350	J16	0601	3000						0158	133,137.00	Sup. Ser.	
06	350	J16	0602	3000						0158	28,653.00	Devel.	
06	350	J16	0603	3000						0158	94,233.00	Health	
06	350	J16	0604	3000						0158	8,604.00	Comm.	
06	350	J16	0605	3000						0158	130,255.00	Resid.	
06	350	J16	0606	3000						0158	294.00	Prev/Res.	
TOTAL											(Continued)		

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE	CG R
06	300	J16	0601	3000						0200	192,042.00	Sup. Ser.	
06	300	J16	0601	3000						0300	285,190.00	Sup. Ser.	
TOTAL											0500	477,232.00	

REQUESTED BY H. C. Staley DATE 12/2/82 STATE BUDGET ANALYST Rebecca A. [Signature] DATE 27/2/83

To the Comptroller General and Treasurer. By unanimous approval of the Budget and Control Board, the above appropriation transfers are a:

STATE AUDITOR

026043

2(a)

EXHIBIT

JUN 28 1983


NO. 7

STATE BUDGET & CONTROL BOARD

MEMORANDUM

TO: Mr. Vaughn

THRU: Mr. Cantrell
Dr. Coles

FROM: George N. Dorn, Jr. 

DATE: January 28, 1983

RE: Department of Mental Retardation Transfer Request #AT 23.

Attached please find a Department of Mental Retardation transfer request to move \$477,232 personal service and related funds to other operating categories. The transfer request affects all programs.

This request was first initiated by Mental Retardation in November as part of the 4.6% reduction plan. Although this request deals with "other" funds, Mental Retardation indicates it is related to the "4.6%" to help make up lost State appropriated "operating" funds.

When the Whitten Center situation arose, I asked the Department of Mental Retardation to review the request and resubmit, only if still applicable. They indicate that the request is still applicable as part of the 4.6% reduction plan. Further, they indicate that no reduction-in-force (see letter attached) would be caused by this action. I interpret this to mean no additional RIF, and that this action does not lend itself to RIF.

The request is related to increased utility costs and food costs.

/dmc

attachments

026045

(2)c

CHARLES D. BARNETT, Ph.D.
Commissioner

WALTER B. TODD
Deputy Commissioner,
Administration

WADE C. WIETERS, Ed.D.
Deputy Commissioner,
Professional Services



MENTAL RETARDATION COMMISSION

The Rev. J. E. Hunter, D.Min., Chairman
Herbert Rudnick, Vice-Chairman
Mrs. Elizabeth P. Stall, Secretary
Robert H. Lovvorn, Sr.
Mrs. Mary C. Ramsay
R. B. Robinson
The Rev. George W. Watson

STATE OF SOUTH CAROLINA
DEPARTMENT OF MENTAL RETARDATION
2712 MIDDLEBURG DRIVE
P. O. BOX 4706
COLUMBIA, SOUTH CAROLINA 29240

December 2, 1982

Mr. George N. Dorn, Jr.
Budget Analyst
State Auditor's Office
207 Wade Hampton Office Building
Post Office Box 11333
Columbia, South Carolina 29211

Dear Mr. Dorn:

Funds requested to be transferred in AT-23 (\$477,232) were related to the 4.6% reduction in state appropriations as mandated by the Budget and Control Board. Funding for DMR Medicaid positions was reduced to 96%, i.e. 4% vacancy allowance, as a part of the agency's plan to absorb the total reduction. The amount produced by this action (\$477,232) was requested to be moved into other operating expenses so that this amount could be withdrawn as State dollars toward the mandated cut. No reduction in force will be caused by this transfer.

Please contact Steve Mattison, Budget Supervisor, if any additional information is needed.

Sincerely,

Walter B. Todd
Deputy Commissioner,
Administration

WBT/jvb

cc: Steve Mattison
Harold Steele
Lonnie Bowman

RECEIVED
DEC 06 1982
STATE AUDITOR'S OFFICE
BUDGET DIVISION

026046

(2) d

Commissioner
WALTER B. TODD
Deputy Commissioner,
Administration
WADE C. WIETERS, Ed.D.
Deputy Commissioner,
Professional Services



MENTAL RETARDATION COMMISSION
The Rev. J. E. Hunter, D.Min., Chairman
Herbert Rudnick, Vice-Chairman
Mrs. Elizabeth P. Stall, Secretary
Robert H. Lovvorn, Sr.
Mrs. Mary C. Ramsay
R. B. Robinson
The Rev. George W. Watson

STATE OF SOUTH CAROLINA
DEPARTMENT OF MENTAL RETARDATION
2712 MIDDLEBURG DRIVE
P. O. BOX 4708
COLUMBIA, SOUTH CAROLINA 29240

October 14, 1982

EXHIBIT

JUN 28 1983 NO. 7

STATE BUDGET & CONTROL BOARD

Mr. George N. Dorn, Jr.
State Budget Analyst
State Auditor's Office
207 Wade Hampton Office Building
Post Office Box 11333
Columbia, South Carolina 29211

Dear Mr. Dorn:

As a result of the Budget and Control Board's mandated 4.6% reduction in state appropriated funds, the Department of Mental Retardation has reduced its FY 1982/83 and FY 1983/84 budget by \$2,409,962. The items reduced-as well as their dollar amounts and expected impacts-are listed below. Please note that item 2 (Decrease Medicaid Salary Funding Level) will require a transfer of funds from Medicaid. Personal Service to Medicaid Other Operating Expenses. The amount of Medicaid dollars placed into Other Operating Expenses, i.e. \$477,232, will then be withdrawn as state dollars and submitted as this item's part of the overall reduction. This transfer is necessary to minimize the necessary reduction in force (RIF) and to create the least impact on services.

1. Decrease State Salary Funding Level - \$1,136,440

This will require close management of vacancies and hiring practices to insure that sufficient lapse is developed to balance funds available to payroll requirements. This action will also limit the Department's capacity to fund classification reallocations directed by State Personnel and to reclassify and promote within the Department to improve efficiency.

2. ~~Increase~~ ^{DECREASE} Medicaid Salary Funding Level - \$477,232 ^{TO OTHER OPERATING.}

This will have the same impact for Medicaid paid employees as indicated above for those paid from State appropriated funds.

3. Eliminate Summer Training Services in June 1983 - \$85,083

Summer training for school age retarded children is normally conducted during each of the summer months to prevent regression and provide parent respite. This reduction will reduce such training by approximately one third.

026047

(2)2

Mr. George N. Dorn, Jr.
October 14, 1982
page two

4. Reduce the Budget of All Day Programs by 2.3% - \$181,029

These programs conducted by non-profit organizations under contract to the Department are very susceptible to inflation-particularly for salaries, transportation and food supplies. They were not increased in FY 1982-83 although this was needed. This reduction will result in a requirement for further economies in provision of services such as elimination or reduction in meals served, lowered staff to client ratios and shortened bus pick-up routes.

5. A Reduction in Force of 37 Positions - \$530,178

This action will have widely varied impacts related to the types of positions eliminated. Positions include clerical, medical, direct care, therapy, education and support. These positions had all been deemed essential for the populations served. Accordingly, it can be expected that less services will be available in the affected areas.

All eliminated positions were vacant except nine. Of these, six incumbents were terminated and three were moved to other positions. One of these terminated will be relieved October 22nd.

Please contact me or Steve Mattison, Budget Supervisor, if you have any questions.

Sincerely,

Walter B. Todd (Lm)

Walter B. Todd
Deputy Commissioner,
Administration

WBT/hs

cc: Steve Mattison
Lonnie Bowman
Harold C. Steele, Jr.

026048

(2)f

BUDGET AND CONTROL BOARD
AGENDA ITEM WORKSHEET

For meeting scheduled for:

May 24, 1983

Blue Agenda

X Regular Session Agenda

Executive Session Agenda

1. Submitted By: Finance Division - Budget Development - George Dorn
2. Subject: Request Mental Retardation Department To Transfer Personal Service To Other Operating Expenses.
3. Summary Background Information:

Midlands Mental Retardation Center has experienced nursing shortages this year as have many other areas of the state. In order to provide adequate services Mental Retardation Department has contracted for nursing care from a private agency. This request would move some of the funds previously budgeted for nursing personal service to contractual services to help offset the expenditure for contracted nursing services. There is a "special item" line which could be used, however Mental Retardation Department is holding that item pending a federal audit exception appeal.

Note: The agency indicated no reduction-in-force is involved with this request.

DISAPPROVED

4. What is Board Asked To Do?
To approve the request.

5. Supporting Documents:

List Those Attached

List Those Not Attached But Available
from Submitter

1. Letter - Mental Retardation
Department - April 21, 1983

026049

(3) a

AGENCY NUMBER J16 AGENCY BATCH NUMBER OBJECT CODE HASH TOTAL TOTAL BATCH AMOUNT BATCH DATE BATCH NUMBER DOCUMENT 3

AGENCY VOUCHER NUMBER

AT-65

STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

CG WARRANT NUMBER

AGENCY TRANSFERRED TO (CRI)

NAME S. C. Dept. of
Mental Retardation

ADDRESS

P. O. Box 4706

Columbia, SC 29240

APPROPRIATION TRANSFER

TO REQUESTING AGENCY:

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

AGENCY TRANSFERRED FROM (DRI)

NAME S. C. Dept. of
Mental Retardation

ADDRESS

P. O. Box 4706

Columbia, SC 29240

See Attached Memorandum

REASON FOR TRANSFER:

FROM

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE	C G R
10	350	J16	0602	3000						0158	60,000.00		
10	350	J16	0603	3000						0158	140,000.00		
TOTAL										0316	200,000.00		

TO

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE	C G R
10	300	J16	0603	3000						0200	136,275.00		
10	300	J16	0604	3000						0200	26,000.00		
10	300	J16	0605	3000						0200	37,725.00		
TOTAL										0600	200,000.00		

REQUESTED BY H. C. [Signature] DATE 4/25/83 STATE BUDGET ANALYST [Signature]

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized.

STATE AUDITOR

026050

DATE

(3) b

CHARLES D. BARNETT, Ph.D.
Commissioner

WALTER H. TODD
Deputy Commissioner,
Administration

WADE C. WIETERS, Ed.D.
Deputy Commissioner,
Professional Services



MENTAL RETARDATION COMMISSION
The Rev. J. E. Hunter, D.Min., Chairman
Herbert Rudnick, Vice Chairman
Mrs. Mary C. Ramsay, Secretary
Robert H. Lovvorn, Sr.
William deB. Mebane
R. B. Robinson
The Rev. George W. Watson

STATE OF SOUTH CAROLINA
DEPARTMENT OF MENTAL RETARDATION
2712 MIDDLEBURG DRIVE
P. O. BOX 4706
COLUMBIA, SOUTH CAROLINA 29240

April 21, 1983

EXHIBIT

JUN 28 1983

NO. 7

STATE BUDGET & CONTROL BOARD

MEMORANDUM

TO: George Dorn
State Budget Analyst

FROM: Steve Mattison *SM*
Budget Supervisor

SUBJECT: FY '82/83 Transfer of Funds

Your assistance is required in making the following transfers
in Other Funds:

FROM

Developmental (0158) \$60,000
Health (0158) \$140,000

TO

Health (0200) \$136,275
Community (0200) \$26,000
Residential (0200) \$37,725

This transfer is necessary to enable Midlands Center to meet minimal nursing coverage as required by Intermediate Care Facility (ICF) and Skilled Nursing Facility (SNF) Medicaid regulations. Midlands Center has been particularly affected by the severe statewide shortage of nurses and as a result has continually had an exceptionally large number of unfilled nursing positions. To alleviate the problem, temporary LPN/RN nursing staff have been hired by contractual arrangement with outside private agencies. The funds requested to be transferred are those which are directly associated with the vacant nursing positions. It is requested that these lapsed Personal Service funds be transferred to Other Operating Expenses to preserve regional budget integrity. No RIF will be caused by this transfer.

Please contact me if you have any questions.

SM/jbb

cc: Walter Todd
Harold Steele
Lonnie Bowman

026051

(3)c

BUDGET AND CONTROL BOARD
AGENDA ITEM WORKSHEET

For meeting scheduled for:

June 14, 1983

Blue Agenda
☒ Regular Session Agenda
Executive Session Agenda

1. Submitted By: Finance Division/Budget Development - Charles Case

Legislative Audit Council

2. Subject: Request to transfer Personal Service Funds to equipment

3. Summary Background Information:

General Services has recommended the purchase of two mini(personal) computers to increase the effectiveness of the Legislative Audit Councils' reporting and auditing function. However, the requested use of funds are from those that were identified as being available to off-set the 1982-83 Budget Reduction.

Budget & Control Board Staff Recommendation: None - Charles Case

APPROVED

DISAPPROVED

4. What is Board Asked To Do?

Consider the request for transfer of Personal Service funds to equipment.

5. Supporting Documents:

List Those Attached

1. Letter of Transmittal
2. Form 30 Transfer

List Those Not Attached But Available
from Submitter

026052

(4)^a

620330

AGENCY NUMBER AGENCY BATCH NUMBER OBJECT CODE HASH TOTAL TOTAL BATCH AMOUNT BATCH DATE BATCH NUMBER DOCUMENT

AGENCY VOUCHER NUMBER

AGENCY TRANSFERRED TO (ORI)

NAME
Leg Audit Council

ADDRESS
620 Bankers Trust Tow
Columbia SC 29201

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD - FINANCE DIVISION
APPROPRIATION TRANSFER

TO REQUESTING AGENCY:
This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

CG WARRANT NUMBER

AGENCY TRANSFERRED FROM (ORI)

NAME
Leg Audit Council

ADDRESS
620 Bankers Trust Tow
Columbia SC 29201

REASON FOR TRANSFER: PURCHASE OF COMPUTER EQUIPMENT PER ATTACHED LETTER

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE	CG R
12	350	A20	0009	1001						9706	\$14,000		
TOTAL										9706	\$14,000		

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE	CG R
12	300	A20	0009	1001						0600	\$14,000	820225	
TOTAL										0600	\$14,000		

REQUESTED BY [Signature] DATE June 1, 1983 STATE BUDGET ANALYST _____ DATE _____

To the Comptroller General and Treasurer By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized.

(4) b

STATE AUDITOR 026053 DATE _____



LEGISLATIVE AUDIT COUNCIL

STATE OF SOUTH CAROLINA

620 BANKERS TRUST TOWER
COLUMBIA, SOUTH CAROLINA 29201

May 17, 1983

TELEPHONE:
803 - 758-5322

PUBLIC MEMBERS

ROBERT S. SMALL, JR.
Chairman

F. HALL YARBOROUGH

JERRY D. GAMBRELL

Mr. Earle E. Morris, Jr.
Comptroller General
Wade Hampton Office Building
P.O. Box 11228
Columbia, SC 29211

Dear Earle:

As I indicated in our conversation of May 16, 1983 the Legislative Audit Council has been studying methods for improving its efficiency. Part of this evaluation consisted of a review by the Office of Information Resource Management in General Services.

EX-OFFICIO MEMBERS

SENATE

NANCY STEVENSON
Li. Governor
Pres. - Senate

L. MARION GRESSETTE
Pres. Pro Tempore
Chm. - Judiciary Comm.

REMBERT C. DENNIS
Chm. - Finance Comm.

General Services felt that we could improve our productivity with the increased use of office automation. Due to financial limitations we do not feel that it is feasible to follow all of their recommendations at this time. However, we believe that maximum benefit can be achieved in the near future through the use of personal computers. Your staff has been most helpful in discussing their use of the personal computer.

The personal computer would give us word processing capability to improve the productivity of the audit report creation and revision process. The graphics capability would save time in the preparation of charts and graphs. Software packages would assist auditors in analyzing cost data of agencies. We would also be able to gain access to other state audit/information systems through "dial-up" technology."

HOUSE

RAMON SCHWARTZ, JR.
Speaker of House
TOM G. MANGUM
Chm. - Ways & Means Comm.

ROBERT J. SHEFFEN
Chm. - Judiciary Comm.

Two personal computers should provide us with the capability we need considering our office size and financial resources. About \$17,000 would be needed to purchase these and some services to be provided by your office. There are sufficient funds in our FY 82-83 budget to cover this, but the funds need to be transferred to the proper account. In an April 13, 1983 memorandum to the State Budget Development Office we identified a surplus of \$47,830.34 in personal services funds. Consequently, we are requesting the Budget and Control Board to transfer \$17,000 in order that we might purchase this equipment.

I greatly appreciate your assistance in this matter.

GEORGE L. SCHROEDER
Director

Sincerely,

George
George L. Schroeder
Director

026054

(4) c

GLS/tld

83-49

BUDGET AND CONTROL BOARD
AGENDA ITEM WORKSHEET

For meeting scheduled for:

June 28, 1983

Blue Agenda

☒ Regular Session Agenda☐ Executive Session Agenda

1. Submitted By: Finance Division/Budget Development - George Dorn
2. Subject: Youth Services Request to Transfer Personal Service to Equipment
3. Summary Background Information:

This is the equipment part of the Youth Services Transfer request carried over from the June 21, 1983 Board Meeting Item #5-9. We are resubmitting for Board consideration.

Budget & Control Board Staff Recommendation:


George Dorn
APPROVED

DISAPPROVED

4. What is Board Asked To Do?

The Board is requested to approve the transfer of \$65,669.00 from Personal Service to equipment.

5. Supporting Documents:

List Those Attached

List Those Not Attached But Available
from Submitter

1. Agency's letter
2. Form 30 Transfer.

026055

(5) a

AGENCY NUMBER N12	AGENCY BATCH NUMBER T-061A	OBJECT CODE HASH TOTAL 2854	TOTAL BATCH AMOUNT 131,338.00	BATCH DATE	BATCH NUMBER	DOCUMENT 3
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AGENCY VOUCHER NUMBER

013

AGENCY TRANSFERRED TO (CRI)

NAME

Youth Services

ADDRESS

STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

APPROPRIATION TRANSFER

TO REQUESTING AGENCY:

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

C.G. WARRANT NUMBER

AGENCY TRANSFERRED FROM (DRI)

NAME

Youth Services

ADDRESS

REASON FOR TRANSFER:

FROM

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE	C G R
12	350	N12	3254	3000						0160	40,300.00		
12	350	N12	1490	3000						0194	17,528.00		
12	350	N12	1491	3000						1300	7,841.00		
										TOTAL	160	65,669.00	

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE	C G R
12	300	N12	3254	3000						0600	3,730.00		
12	300	N12	3256	3000						0600	61,939.00		
										TOTAL	1200	65,669.00	

REQUESTED BY *Hathaway Mills* DATE *June 22, 1983* STATE BUDGET ANALYST *REC. App* *22 (red)*

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized

Per [Signature] On 21 June 83

STATE AUDITOR

DATE

026056

(5) b



Harry W. Davis, Jr.
Commissioner

Youth Services

P.O. Box 7367/Columbia, S.C. 29202
Telephone (803) 758-3610

June 8, 1983

Mr. George Dorn
Budget Analyst, State Auditor's Office
207 Wade Hampton Office Building
P.O. Box 11333
Columbia, S. C. 29211

Dear George:

In reference to our conversation this morning I would like to further explain our 3000 transfer of funds into contractual services and equipment. The explanations are as follows:

(1) Funds to be utilized are carry forward EFA funds. These funds were brought forward with approval of your office and JARC.

(2) These funds must be utilized by July 1, 1983, or returned to the General Fund.

(3) Routine maintenance has been impossible due to budgetary restrictions. Since the Department must address programmatic issues first, the maintenance and the upgrade of facilities must routinely be neglected. While the agency is attempting to "build in" routine maintenance, funds are simply not available to do what is needed.

Your cooperation in processing this transfer is greatly appreciated.

Sincerely,

Susan DeWitt
Director of Finance

SD:pj

026057

STATE AUDITOR'S OFFICE
COLUMBIA, S.C.

(5)c



Harry W. Davis, Jr.
Commissioner

Youth Services

P.O. Box 7367/Columbia, S.C. 29202
Telephone (803) 758-3610

EXHIBIT

JUN 28 1983

NO. 7

May 30, 1983

STATE BUDGET & CONTROL BOARD

Mr. George N. Dorn
Budget Analyst, State Auditor's Office
207 Wade Hampton Office Building
P. O. Box 11333
Columbia, South Carolina 29211

RECEIVED
MAY 30 1983
STATE AUDITOR'S OFFICE
BUDGET DIVISION

Dear George:

*2/50
wood replant*
*utility
renew*
Please note that the attached transfer reflects major increases to contractual services and equipment. The areas to be increased would cover items or projects which are considered mandatory. Budgetary restrictions have not allowed the Agency flexibility to repair or replace items which are part of our day to day operations. Unfortunately, the delay of these purchases has created an urgent situation. The items being considered are as follows: (1) exterior painting on all campuses; (2) interior painting where necessary on all campuses; (3) replacement of power poles; (4) replacement of the Birchwood Gym floor; (5) replacement of the washing machine in the laundry; (6) replacement of the boiler in the laundry. Since we cannot be sure exactly how much these items will cost the list may have to be lengthened or shortened. Should the list be made longer you can be assured that all expenses will be made in the best interest of the Agency and will be improvements for services offered.

The majority of the authorizations being made available is due to a decrease in EFA revenue. Due to a reduction to the Education Department Allocation agencies receiving funds from them were also cut. The other excess authorization is simply due to changes in grants or improper authorizations throughout the year.

Your review and approval of this authorization change will be appreciated.

Sincerely,

Susan DeWitt

Susan DeWitt
Director of Finance

SD/gs
SD/gs

026058

(5) d

BUDGET AND CONTROL BOARD
AGENDA ITEM WORKSHEET

For meeting scheduled for:

June 21, 1983

Blue Agenda

☒ Regular Session Agenda

☐ Executive Session Agenda

1. Submitted By: Finance Division/Budget Development - Charles Case

2. Subject: B&C Office of Exec. Dir. - Request transfer of funds from
personal service to other operating expense.

3. Summary Background Information:

The transfer of personal service funds is needed in order to pay 1982-83 obligations. The personal service funds was generated from vacancies.

EXHIBIT

JUN 28 1983 NO. 7

STATE BUDGET & CONTROL BOARD

Budget & Control Board Staff Recommendation:

Charles M. Case

Charles M. Case

APPROVED

DISAPPROVED

4. What is Board Asked To Do?

Approve the transfer.

5. Supporting Documents:

List Those Attached

List Those Not Attached But Available
from Submitter

1. Letter of transmittal.

2. Form 30 Transfer.

026059

(6) a

000000

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

1203 GERVAIS STREET
COLUMBIA, S.C. 29201
(803) 758-0208



RICHARD W. RILEY, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

REMBERT C. DENNIS
CHAIRMAN,
SENATE FINANCE COMMITTEE

TOM G. MANGUM
CHAIRMAN,
HOUSE WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM
EXECUTIVE DIRECTOR

M E M O R A N D U M

EXHIBIT

JUN 28 1983 NO. 7

STATE BUDGET & CONTROL BOARD

TO: Ed Vaughn
FROM: Jimmy Simpson *Jimmy*
SUBJECT: Appropriation Transfer
DATE: June 13, 1983

It is respectfully requested that \$9,000 be transferred from Personal Services - Classified Positions, Office of Executive Director - Administration to Office of Executive Director - General Operations Account for the purpose of cleaning up bills for fiscal year 1982-83.

We would appreciate your having this put on the Board agenda for June 21, 1983.

Your assistance in this matter is greatly appreciated.

JS/ch

cc: William T. Putnam
William McInnis

026061

(6)c

BUDGET AND CONTROL BOARD
AGENDA ITEM WORKSHEET

For meeting scheduled for:

June 28, 1983

Blue Agenda

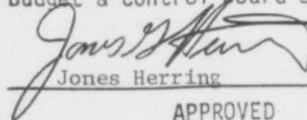
☒ Regular Session Agenda

Executive Session Agenda

1. Submitted By: Finance Division/Budget Development - Jones Herring
2. Subject: Foster Care Review Board Request to Transfer Personal Service Fund to Equipment.
3. Summary Background Information:

This is the equipment transfer carryover from the June 21, 1983 Budget and Control Board meeting Item #5-12. We are resubmitting for the Board consideration.

Budget & Control Board Staff Recommendation:


Jones Herring

APPROVED

DISAPPROVED

4. What is Board Asked To Do?
To approve the transfer of \$3,001.45 from Personal Service to Equipment.

5. Supporting Documents:

List Those Attached

1. Agency's letter
2. Form 30 Transfer

List Those Not Attached But Available
from Submitter

026062

(7) a

AGENCY NUMBER L16	AGENCY BATCH NUMBER	OBJECT CODE HASH TOTAL 0794	TOTAL BATCH AMOUNT 6,002.90	BATCH DATE	BATCH NUMBER	DOCUMENT 3
----------------------	---------------------	--------------------------------	--------------------------------	------------	--------------	---------------

AGENCY VOUCHER NUMBER

T10

AGENCY TRANSFERRED TO (CIR)

NAME

Foster Care Review Board

ADDRESS

STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

APPROPRIATION TRANSFER

TO REQUESTING AGENCY

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

CG WARRANT NUMBER

AGENCY TRANSFERRED FROM (CIR)

NAME

Foster Care Review Board

ADDRESS

REASON FOR TRANSFER: To meet agency's expenditure obligations.

FROM

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE	C G R
12	350	L16	0657	1001						0194	3,001.45		
TOTAL										0194	3,001.45		

TO

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE	C G R
12	350	L16	0657	1001						0600	3,001.45		
TOTAL										0600	3,001.45		

REQUESTED BY Barton Chappell DATE 6/22/83 STATE BUDGET ANALYST _____ DATE _____

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized.

026063

STATE AUDITOR _____ DATE 7/8/83



State of South Carolina
CHILDREN'S FOSTER CARE REVIEW BOARD SYSTEM
2221 Devine Street, Suite 418
Columbia, South Carolina 29205
758-3953 or 758-3296

EXHIBIT

June 22, 1983

JUN 28 1983 NO. 7

STATE BUDGET & CONTROL BOARD

Mr. Jones Herring
State Auditor's Office
403 Wade Hampton Building
Columbia, South Carolina

Dear Jones:

As you requested, the following is a list of the equipment which we believe is necessary in order for us to efficiently and effectively manage our Agency. The following equipment and furniture is necessary due to reorganization of staff as outlined in our letter to Mr. McInnis dated June 16, 1983 (copy attached).

2 dictating transcriber units	\$240.00 ea.	\$ 498.00
6 dictating recording units	99.00 ea.	594.00
6 adaptors for recorders	20.00 ea.	120.00
2 secretarial chairs	85.00 ea.	170.00
2 tables	57.00 ea.	114.00
2 bookcases	143.00 ea.	286.00
2 file cabinets	144.50 ea.	289.00
1 telephone line to efficiently handle incoming and outgoing calls		35.00
13 button connections for telephones	5.50 ea.	71.50
2 extra tables are needed for work space for statistical work by staff since the desks are being used by the secretaries	57.00 ea.	114.00
		<u>\$2,291.50</u>

Two other items which we felt were necessary are an adding machine and a paper shredder. The adding machine is needed by the Administrative Assistant for compiling statistical information. The paper shredder is needed to comply with state confidentiality requirements. The cost of these two items is as follows:

1 adding machine	69.00
1 table top paper shredder	640.00
	<u>709.00</u>

TOTAL COST

\$3,001.45

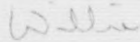
026064

(7)c

Mr. Jones Herring
Page 2
June 22, 1983

We appreciate your help in this matter. If you need further information or clarification, please do not hesitate to call me.

Sincerely,



WILHELMINA RHODARMER
Accountant

/wr

attachment

cc: Ms. Barbara Chappell

026065

(7) d



State of South Carolina
CHILDREN'S FOSTER CARE REVIEW BOARD SYSTEM
2221 Devine Street, Suite 418
Columbia, South Carolina 29205
758-3953 or 758-3296

EXHIBIT

JUN 28 1983 NO. 7

June 16, 1983

STATE BUDGET & CONTROL BOARD

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

Dear Mr. McInnis:

As we discussed via telephone this morning, our Agency needs approximately \$3,000.00 for necessary equipment due to the reorganization of staff in our office. This reorganization was needed because of the reduction in force for the 1982-1983 and 1983-1984 fiscal years.

In order for our Agency to function efficiently and to continue to review the children in foster care as mandated by law, we hired two secretaries (Grade 14) instead of two coordinators (Grade 26). This relieves the present coordinators from typing and they are able to handle the caseload. We need the transfer of money to purchase the necessary equipment for the secretaries. If we are unable to purchase the equipment, there is a possibility that we will have to RIF the secretaries and again hire coordinators. This will result in an additional cost of approximately \$6,000.00 per year.

We appreciate your help in this matter. If you need further information, please do not hesitate to call me.

Sincerely,

W Rhodarmer

WILHELMINA RHODARMER
Accountant

/wr

bcc: Barbara Chappell

026066

(7) e

BUDGET AND CONTROL BOARD
AGENDA ITEM WORKSHEET

For meeting scheduled for:

June 21, 1983

Blue Agenda

☒ Regular Session Agenda

☐ Executive Session Agenda

1. Submitted By: Finance Division- Budget Development-Jones G. Herring
2. Subject: The South Carolina Industrial Commission Request to Transfer
Personal Service to Equipment
3. Summary Background Information:

The Industrial Commission will have surplus appropriations in several personal service lines that will lapse at year end. The request to transfer these appropriations to the equipment line will double the memory of the Commission's new computer system to help store and retrieve information of current and closed files for case work.

EXHIBIT

JUN 28 1983 NO. 7

STATE BUDGET & CONTROL BOARD

Budget & Control Board Staff Recommendation:


APPROVED

DISAPPROVED

4. What is Board Asked To Do?

Approve the transfer of \$8,663.33 from personal service to equipment

5. Supporting Documents:

List Those Attached	List Those Not Attached But Available from Submitter
1. B & C Board Appropriations transfer Form 30.	
2. Agency's Letter dated June 15, 1983	

026067

(8) a

The South Carolina Industrial Commission

ADMINISTERING THE WORKMEN'S COMPENSATION ACT
MIDDLEBURG OFFICE PARK
1800 ST. JULIAN PLACE

T.M. Nelson 758-3498
Chairman

Commissioners
James J. Reid 758-3348
Paul M. Macmillan, Jr. 758-3120
J. Dawson Addis 758-2134
Holmes C. Dreher 758-2282
Reinhardt G. Brown 758-7108
Frederick M. Zeigler 758-3086



Columbia, S.C. 29204
June 15, 1983

Samuel E. Kirven 758-5005
Administrative Director
John E. Nabors 758-3880
Executive Director
Lewis W. Weeks 758-3251
Judicial Administrator

RECEIVED

JUN 16 1983
BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

Mr. Jones Herring
State Budget Analyst
Wade Hampton Building
Room 404
Columbia, South Carolina 29211

EXHIBIT

JUN 28 1983 NO. 7

STATE BUDGET & CONTROL BOARD

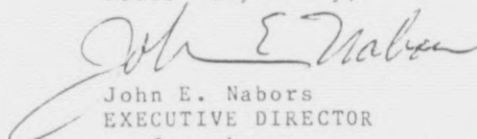
Dear Jones:

Please be advised I am requesting a transfer of funds from Personal Services to Equipment. This will not cause a reduction in force nor will it cause anyone's salary to be reduced. The reason I am making this request is because the computer we purchased which is now in operation, needs to be expanded so we may add additional CRT's and also memory to our computer. We will increase the memory from 128KB - 256KB. A new MUX will increase the number of Ports available from 8 to 16. We have a one (1) time purchase for the 83-84 budget which is \$98,000; however, it would not include these pieces of equipment to update our computer so it may handle software which is now on contract.

You will need to refer this request to the Budget and Control Board.

Thank you for your assistance in this matter. If I may assist you in the future, please do not hesitate to call on me.

Yours very truly,


John E. Nabors
EXECUTIVE DIRECTOR
for the
CHAIRMAN

026068

JEN/oan
Enclosure/ Appropriation Transfer
CC/ The Honorable Earle E. Morris, Jr.
Mr. William T. Putnam

Division of Claims and Statistics
758-2556

Division of Medical Services
758-3183

Division of Coverage and Compliance
758-2655/758-3294

(8)b

EXHIBIT

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION AGENDA

MEETING OF June 28, 1983 JUN 28 1983

NO. 8 ITEM NUMBER 2

Agency: Winthrop College **STATE BUDGET & CONTROL BOARD**

Subject: Institution Bond Tuition Fee Reduction

The Board, at its meeting on May 24, directed staff to make a special effort to ensure that the Board's role under the law with respect to the setting of tuition fees for institution bond debt purposes is understood clearly. A letter was sent to each of the institutions of higher learning involved with outstanding institution bond debt which advised them that the specific amount of the tuition fee charged each student is to be prescribed by the various boards of trustees and is to be approved by the Board and that once that fee has been prescribed and approved the revenues derived from it are to be remitted to the State Treasurer.

In response to that letter, interim president Glenn Thomas of Winthrop College advised that the Winthrop College Board of Trustees, in its April 23 meeting, reduced tuition fees for in-state students from \$150 to \$50 and reduced tuition fees for out-of-state students from \$400 to \$100. Dr. Thomas asked that the 1983-84 tuition fees be submitted formally to the Board for approval.

President Thomas further indicates that the proposed tuition fee structure for 1983-84 is expected to generate \$238,000 which the State Treasurer's Office finds to be adequate to cover future debt payments on the institution bond debt payment currently outstanding (the principal and interest due on these bonds in 1983-84 is \$115,125).

The Winthrop Board of Trustees, in approving the reduced level of tuition fees, in President Thomas' words, "...acknowledged to students that the higher tuition fees were no longer justifiable in view of existing debt and the absence of plans for incurring additional debt in the next several years."

This approach by Winthrop is different from what has happened at the Citadel and at Clemson University in that no revenue is proposed for reallocation to another purpose. Instead, tuition fee revenue has been reduced. This is different from the Clemson and Citadel situations also in that no revenue is retained under this approach for use on building maintenance and renovation projects.

Board Action Requested:

Winthrop College asks for Board approval of the 1983-84 tuition fee structure for institution bond debt purposes.

Staff Comment:

Attachments:

Thomas June 15 letter to McInnis plus attachments.

026070

JUN 6 1983

Winthrop College

Rock Hill, South Carolina 29733

OFFICE OF THE PRESIDENT

TELEPHONE
803-323-2225

June 3, 1983

EXHIBIT

JUN 28 1983 NO. 8

STATE BUDGET & CONTROL BOARD

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

RE: Tuition Fees

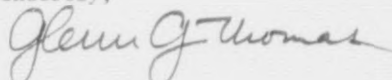
Dear Bill:

In response to your request of June 1, enclosed please find schedules of tuition and other fees adopted by the Winthrop College Board of Trustees in its April 23 meeting. As you are no doubt aware, the indicated adjustment in tuition fees for the 1983-1984 academic term more than satisfies our institutional debt service obligations.

Accordingly, I would request that the enclosed 1983-1984 tuition fees be formally submitted to the Budget and Control Board for approval, and that other fee material submitted be conveyed to the Board as information.

I very much appreciate your assistance and cooperation in this matter. Should you have any questions or comments regarding enclosed material please do not hesitate to contact me.

Sincerely,



Glenn G. Thomas
Interim President

GGT:vcd

Enclosures

026071

WINTHROP COLLEGE

Tuition Fees

EXHIBIT

JUN 28 1983 NO. 8

STATE BUDGET & CONTROL BOARD

	<u>In-State</u>	<u>Out-of-State</u>
1982-83 Tuition Fee	\$150.00	\$400.00
1983-84 Tuition Fee	\$ 50.00	\$100.00
Approved by Board of Trustees on April 23, 1983		

Budget Office
6/3/83

026072

WINTHROP COLLEGE
Student Fees 1983-84

EXHIBIT
JUN 28 1983 NO. 8
STATE BUDGET & CONTROL BOARD

	<u>In-State</u>	<u>Out-of-State</u>
General Educational Fees	\$1,152.00	\$2,000.00
Residence Hall Fees	900.00	900.00
Food Service Fees	656.00	656.00

Budget Office
6/3/83

026073

State of South Carolina
State Budget and Control Board

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

Box 12444
Columbia
29211

June 1, 1983

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

WILLIAM T. PUTNAM
EXECUTIVE DIRECTOR

EXHIBIT

JUN 28 1983 NO. 8

Acting President Glenn G. Thomas
Winthrop College
Rock Hill, SC 29733

STATE BUDGET & CONTROL BOARD

Dear President Thomas:

Because some misunderstandings apparently exist with regard to the setting of tuition fees and the approval process involved, the Budget and Control Board, at its meeting on May 24, 1983, directed staff to make a special effort to ensure that the Board's role under the law is understood clearly.

Code Section 59-107-20 provides that the respective Boards of Trustees of the several institutions involved are to prescribe the amount of tuition fees with the approval of the Budget and Control Board. That is interpreted to mean that the specific amount of tuition fee charged each student is what the trustees will prescribe with the approval of the Budget and Control Board. Once that fee has been prescribed and approved, the revenues derived from it are to be remitted to the State Treasurer in accord with Code Section 59-107-30. These are the funds which would go into the institution bond debt service account in the State Treasurer's custody and the aggregate amounts generated must be sufficient to provide the funds needed to meet the debt service and debt service reserve requirements on outstanding institution bonds.

The net effect of these requirements is that any change in the tuition fee must be approved by the Budget and Control Board. In addition, the Board expressed particular concern that requests for Board approval of specific tuition fees be submitted formally in a timely fashion which would permit the Board to act on such requests in advance of the collection of such fees.

Sincerely,

William A. McInnis
William A. McInnis
Deputy Executive Director

WAM:dw

cc: Dallas R. Fox

026074

State of South Carolina
State Budget and Control Board

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

Box 12444
Columbia
29211

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

WILLIAM T. PUTNAM
EXECUTIVE DIRECTOR

June 6, 1983

EXHIBIT

JUN 28 1983 NO. 8

STATE BUDGET & CONTROL BOARD

Dr. Glenn G. Thomas
Interim President
Winthrop College
Rock Hill, SC 29733

Dear Dr. Thomas:

With further reference to the tuition fee question raised in my June 1 letter and your June 3 response, there are some additional pieces of information needed to enable us to present the entire picture to the Budget and Control Board for its consideration.

In particular, the aggregate tuition fee revenues projected to be produced in 1983-84 by the \$50 in-state and the \$100 out-of-state fees should be presented. We also will need verifying information from the State Treasurer's Office on the status of your institution bond debt service account along with their comment on the adequacy of the fees you propose to charge in 1983-84.

In addition, the Budget and Control Board, in other cases involving tuition fee adjustments, has been advised of the aggregate amount of what had been tuition fees which are proposed for reallocation to other purposes. In your case, this would require that you give us aggregate estimated revenues to be reallocated as a result of the \$100 reduction in the in-state tuition fee and the \$300 reduction in the out-of-state tuition fee. The Board also should be advised of the uses you propose to make of the reallocated fees. In previous actions in this area, the Board has required that the reallocated tuition fee revenues be used for capital-type projects including maintenance, repair, and renovation of facilities.

Because you could not get this additional information to me by our Wednesday, June 8 deadline for agenda materials for the Budget and Control Board meeting scheduled for June 14, I will plan to include this matter on the agenda of the Board meeting scheduled for June 28.

Sincerely,

William A. McInnis

William A. McInnis
Deputy Executive Director

026075

WAM:dw

cc: Deputy State Treasurer James H. Windham

JUN 17 1983

Winthrop College

Rock Hill, South Carolina 29733

OFFICE OF THE PRESIDENT

TELEPHONE
803-323-2225

June 15, 1983

EXHIBIT

JUN 28 1983 NO. 8

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
Box 12444
Columbia, SC 29211

Dear Bill:

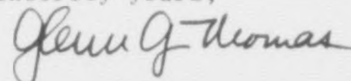
In response to your request of June 6, the \$50 in-state and \$100 out-of-state tuition fee approved by the Winthrop College Board of Trustees in April of this year will generate \$238,000 in tuition revenue for 1983-84. State Institution Bonds outstanding on June 30, 1983 total \$425,000, with an annual debt service requirement of \$100,000 principal and \$20,000 interest. Accordingly, the reduced level of tuition appears more than adequate to service the existing debt.

In approving the reduced level of tuition, the Board acknowledged to students that the higher tuition fees were no longer justifiable in view of existing debt and the absence of plans for incurring additional debt in the next several years.

In summary, Winthrop trustees have not "reallocated" tuition fees but have, in fact, reduced those fees to reflect real institutional conditions. Should this action be reversed by the Budget and Control Board, the reinstituted fees would be escrowed with the State Treasurer, with the resulting cost passed on to the student.

I am confident that the Board will agree with our trustees that the citizens of South Carolina deserve quality higher education for the least possible cost, and will support this tuition reduction. Should you have any further questions regarding this matter, please do not hesitate to contact me.

Sincerely yours,



026076

Glenn G. Thomas
Interim President

STATE OF SOUTH CAROLINA

OFFICE OF STATE TREASURER

GRADY L. PATTERSON, JR.
TREASURER



P. O. DRAWER 1177B

COLUMBIA
29211

June 22, 1983

EXHIBIT

JUN 28 1983 NO. 8

STATE BUDGET & CONTROL BOARD

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

Dear Mr. McInnis:

At your request we have compared revenue projections submitted by Winthrop College in a letter to you dated June 15, 1983 with our projection of debt payments for Institution Bonds. We find that the revenue projected will be adequate to cover future debt payments on Institution Bond Debt currently outstanding.

Very truly yours,

Henry Larrymore
Senior Accountant

HL:clo

Enclosure

026077

Winthrop College - Series D Institution Bonds

6/20/8

Fiscal Year Ended	EXHIBIT	Remaining * Principal and Interest
1984	JUN 28 1983 NO. 8	11512500
1985	STATE BUDGET & CONTROL BOARD	11112500
1986		10712500
1987		12756250
Total		46093750
* Excluding Deferred Bonds		
Winthrop would require an annual enrollment of approximately 2000 in-state students (2,000 x \$50.00) and 275 out-of-state students (275 x \$400.00) or some combination thereof totaling \$127,500.00.		
026078		

EXHIBIT

STATUS AND LIMITATIONS ON USE OF REQUIRED DEBT SERVICE FUND

NO. 8

REPORT AS OF 6/18/83

STATE BUDGET & CONTROL BOARD

INSTITUTION: WINTHROP COLLEGE

1. This report is on the status of the fund established to ensure the timely payment of principal and interest costs of the following bond issue(s):

(a) Type of Bonds State Institution Bonds Series D - General Obligations

(b) Issue Amount(s)	\$ 925,000.00	\$	\$
Date(s)	9/1/77		

(c) Issued Pursuant to:

(1) Act(s) Title 59 ch 107 of 1976 as amended

(2) Resolution(s) Dated 7/27/77

(d) Source(s) of Fund Revenues Reported Tuition Fees

2. STATUS AND LIMITATIONS ON USE OF DEBT SERVICE FUND

(a) Sub Fund # 4648 Balance \$ 2,742,845.52

(b) LESS amount required for debt service in current fiscal year:

(1) Due June 1, and Dec 1,

(2) For Interest \$ -

(3) For Principal \$ -

(4) For Paying Agent's Fee \$ -

(5) Total Current Fiscal Year Debt Service Requirement (- 0 -)

(c) LESS maximum annual debt service requirement of any ensuing fiscal year (fiscal year 1986-87) (127,562.50)

(d) Less funds previously authorized but not drawn:

McLaurin + Nance Buildings Retrofit 3,000,000 ()

3. SURPLUS FUNDS AVAILABLE (PER DEFINITION IN SECTION 59-107-200) \$ 2,615,283.02

* * * * *

4. PRINCIPAL BALANCE OF BONDS OUTSTANDING (EXCLUDING DEFEASED BONDS) \$ 425,000.00

026079

STATE BUDGET AND CONTROL BOARD
MEETING OF June 28, 1983

REGULAR SESSION AGENDA
ITEM NUMBER 3

Agency: Joint Bond Review Committee

Subject: Release of Capital Improvement Bond Fund Projects in Priority Group Three

The Joint Bond Review Committee, at its meeting on June 23, 1983, finalized the listing of projects in priority group three. Thirty new-start projects are included and they involve \$12,059,939 of Capital Improvement Bond Funds.

EXHIBIT

JUN 28 1983 NO. 9

STATE BUDGET & CONTROL BOARD

Board Action Requested:

Provide consultation with Joint Bond Review Committee on the establishment of funding priority and the release of projects in priority group three, as required by section 4-A of Act 179 of 1981.

Staff Comment:

026080

Attachments:

Smith June 23 letter to McInnis plus attachment.

EXHIBIT

JUN 28 1983 NO. 9

STATE BUDGET & CONTROL BOARD

179 81

27

Priorities for funding

SECTION 4A. No project authorized in whole or in part for capital improvement bond funding in this act or previous acts shall be implemented until funds can be made available and until the Joint Bond Review Committee, in consultation with the Budget and Control Board, establishes priorities for the funding of the projects. The

179 81

28

Joint Bond Review Committee shall report its priorities to the members of the General Assembly within thirty days of the establishment of the funding priorities.

026081

Capital Improvements Joint Bond Review Committee

Horace C. Smith
Senate
Chairman

Scott R. Inkley
Director of Research and Administration/
Budget and Control Board Liaison



Tom G. Mangum
House of Representatives
Vice Chairman

Lib Croft
Administrative Assistant

P. O. BOX 142 TELEPHONE (803) 758-5088 or -8900
ROOM 410, GRESSETTE BUILDING
Columbia, South Carolina 29202

June 27, 1983

Senate Members:

Horace C. Smith
James M. Waddell, Jr.
William W. Doar, Jr.
Jeff R. Richardson, Jr.
Hugh K. Leatherman

House Members:

Tom G. Mangum
Marion P. Carnell
Jennings G. McAbee
~~Bill Campbell~~
T. W. Edwards, Jr.
R.N. McLellan

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

EXHIBIT

JUN 28 1983 NO. 9

STATE BUDGET & CONTROL BOARD

In Re: Capital Improvement Bond Funded Projects
Priority Group No.3

Dear Mr. McInnis:

Transmitted herewith for the Budget and Control Board's review is the Joint Bond Review Committee's Priority Group No.3 listing of Capital Improvement Bond Funded projects which was finalized at the Committee meeting of June 23, 1983. There are thirty-one projects included in Group No.3 representing \$12,099,839 of authorized Capital Improvement Bonds. The amount of \$6,150,821 will be drawn in the July-December, 1983 period; \$3,299,824 will be drawn in the January-June, 1984 period; \$2,056,000 will be drawn in the July-December, 1984 period; and the final draw of \$593,194 will come in January-June, 1985.

Twenty-one of the thirty-one projects do not include any increase in operating costs or positions. Not including the Department of Corrections for which operating costs have been included in the 1983-84 Appropriations Act, there is a projected operating cost increase of about \$333,000 and five new custodial positions when the Group No.3 projects are completed. This increase in operating costs is less than one quarter of a percent of the new dollars projected for a fiscal year.

026082

Mr. W. A. McInnis

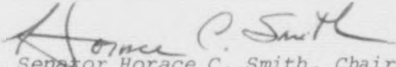
- 2 -

June 27, 1983

Please note that the Committee approved PRT Santee State Park Erosion at \$158,831 which shows up as \$97,651 in the Priority Program; the difference of \$61,180 is to be funded from money currently available to PRT. Also, note that the Committee approved \$345,000 for the USC-Columbia Federal Building to be drawn from the USC-Spartanburg Humanities/Science Building trailing draw available in Group No. 3. This action was taken with the understanding that USC-Columbia will repay the \$345,000 to USC-Spartanburg in Group No.4 where it is now prioritized.

With kind regards,

Sincerely,


Senator Horace C. Smith, Chairman
Joint Bond Review Committee

HCS:lc

Enc.

cc: Mr. John A. McPherson

026083

JOINT BOND REVIEW COMMITTEE

Friday June 24, 1983

3:02 PM

Priority Group Number Three
Capital Improvement Bond Funded Projects

Page 1

Project	Group 3 (July-Dec '83)	Second Draw (Jan-June '84)	Third Draw (July-Dec '84)	Fourth Draw (Jan-June '85)	NOTES
Aeronautics Berkeley Airport	20,000				this project will complete the new apron that is 90% funded with federal grants. No operating cost increase. Bid deadline.
		Total for all 4 draws:		20,000	
Aeronautics Greenville/Sprtnbrg Airport	66,287			15,880	Federal and local funds available as match No operating cost
		Total for all 4 draws:		82,167	
Aeronautics	86,287			15,880	
		Aeronautics totals:		102,167	
B & C Board State Park Water District	49,900				This project was approved by the B&CB with a swap from the B&CB Account of Handicap/Depreciation Reserve. No operating Costs.
		Total for all 4 draws:		49,900	
B & C Board	49,900				
		B & C Board totals:		49,900	
Citadel Letellier Hall	200,000	236,000			Renovations will save future capital costs. No operating cost
		Total for all 4 draws:		436,000	
Citadel	200,000	236,000			
		Citadel totals:		436,000	
Clemson Germ Plasma Res.	428,832				Controlled environment for developing new and improved vaccines. \$2,000 increase in operating costs.
		Total for all 4 draws:		428,832	

026084

JOINT BOND REVIEW COMMITTEE

Friday June 24, 1983

3:02 PM

Priority Group Number Three
Capital Improvement Bond Funded Projects

Page 2

Project	Group 3 (July-Dec '83)	Second Draw (Jan-June '84)	Third Draw (July-Dec '84)	Fourth Draw (Jan-June '85)	NOTES
Clemson	428,832		Clemson totals:	428,832	
Coastal Council Beach Erosion	232,203		Total for all 4 draws:	232,203	Local match of 10% is required No operating cost
Coastal Council	232,203		Coastal Council totals:	232,203	
Corrections Washer Replacement	365,000		Total for all 4 draws:	365,000	Replacement equipment for laundry. Released by Board & Committee. The laundry earns revenue for the department.
Corrections Midlands Pre-release	126,000		Total for all 4 draws:	126,000	Payback for renovations, (144 beds) Operating costs included in 1983-84 Appropriations Bill.
Corrections Montcrief State Park	250,000		Total for all 4 draws:	250,000	Renovations to State Park as approved, (144 beds). Operating funds in 1983-84 appropriations bill :\$1,800,000.
Corrections Piedmont	45,000		Total for all 4 draws:	45,000	Pay back of completed renovations. No operating cost increase.
Corrections Watkins Pre-release	89,000		Total for all 4 draws:	89,000	Renovations to provide mentally retarded inmates a minimum security setting. No operating cost increase.

026085

JOINT BOND REVIEW COMMITTEE

Friday June 24, 1983

3:02 PM

Priority Group Number Three
Capital Improvement Bond Funded Projects

Page 3

Project	Group 3 (July-Dec '83)	Second Draw (Jan-June '84)	Third Draw (July-Dec '84)	Fourth Draw (Jan-June '85)	NOTES
Corrections	875,000		Corrections totals:	875,000	
ETV Greenwood Transmitter	406,157		Total for all 4 draws:	406,157	This completes new transmitter station started four years ago. Operating expenses of \$80,000 and 1 custodian is projected.
ETV	406,157		ETV totals:	406,157	
J. D. La Howe Reroofing	96,000		Total for all 4 draws:	96,000	Roof replacement to save future capital costs. No operating cost.
J. D. La Howe	96,000		J. D. La Howe totals:	96,000	
PRT Hickory Knob Lodging	73,640		Total for all 4 draws:	73,640	Completion of lodging will provide an increase in revenues to the Park.
PRT Hunting Island Sewage	75,000		Total for all 4 draws:	75,000	Sewage problems must be corrected or DHEC will close the Park for public safety. No operating costs.
PRT Kings Mountain Sewage	220,000		Total for all 4 draws:	220,000	There is raw sewage seeping out of the plant and into the Park. No operating cost increase.

026086

JOINT BOND REVIEW COMMITTEE

Friday June 24, 1983

3:02 PM

Priority Group Number Three
Capital Improvement Bond Funded Projects

Page 4

Project	Group 3 (July-Dec '83)	Second Draw (Jan-June '84)	Third Draw (July-Dec '84)	Fourth Draw (Jan-June '85)	NOTES
PRT Santee State Park Erosion	97,651				The erosion problem is about to cause the loss of the sewage plant, Tackle shop and office. No operating costs.
		Total for all 4 draws:		97,651	
PRT	466,291		PRT totals:	466,291	
TEC Midlands Airport Site	475,000				Completion of phase III site work. No operating cost
		Total for all 4 draws:		475,000	
TEC Sumter Dev. Studio	400,000	455,064			Sumter TEC and USC will share use of this building needed to meet enrollment. \$16,000 operating cost increase projected.
		Total for all 4 draws:		855,064	
TEC	875,000	455,064	TEC totals:	1,330,064	
USC Aiken Fine Arts	515,000	564,000	421,000		\$1,500,000 local funds pledged as 50% match. Operating increase projected to be \$43,000 and two new custodians.
		Total for all 4 draws:		1,500,000	
USC Beaufort Marine Sci.	25,000	150,000	150,000	67,314	Lab to replace converted classroom which inadequately serves as a makeshift lab. \$30,000 operating cost is projected.
		Total for all 4 draws:		392,314	
USC Sumter Hum./Sci.	510,000	1,315,000	985,000	510,000	Building needed to meet enrollment growth. \$58,275 operating costs projected and two new custodial workers.
		Total for all 4 draws:		3,320,000	

026087

JOINT BOND REVIEW COMMITTEE

Friday June 24, 1983

3:02 PM

Priority Group Number Three
Capital Improvement Bond Funded Projects

Page 5

Project	Group 3 (July-Dec '83)	Second Draw (Jan-June '84)	Third Draw (July-Dec '84)	Fourth Draw (Jan-June '85)	NOTES
USC	1,050,000	2,029,000	1,556,000 USC totals:	577,314 5,212,314	
Voc. Ed. Hampton 2	422,154				Replacement Vocational wing required for accreditation. No operating cost increase.
		Total for all 4 draws:		422,154	
Voc. Ed. Kershaw	500,000	500,000	500,000		Seven replacement labs and five new ones. \$100,000 operating cost increase projected
		Total for all 4 draws:		1,500,000	
Voc. Ed. Union	40,000	79,760			Replacement pre-vocational lab. No operating cost increase.
		Total for all 4 draws:		119,760	
Voc. Ed.	962,154	579,760	500,000 Voc. Ed. totals:	2,041,914	
Youth Services Barrier-Free	24,922				Compliance with handicap regulations. No operating costs.
		Total for all 4 draws:		24,922	
Youth Services Farm Equip.	262,528				Replacement farm equipment, some new. \$4,000 cost for gas.
		Total for all 4 draws:		262,528	
Youth Services Food Service	124,750				Renovation of kitchen and equipment replacement. No operating cost.
		Total for all 4 draws:		124,750	

026088

JOINT BOND REVIEW COMMITTEE

Friday June 24, 1983

3:02 PM

Priority Group Number Three
Capital Improvement Bond Funded Projects

Page 6

Project	Group 3 (July-Dec '83)	Second Draw (Jan-June '84)	Third Draw (July-Dec '84)	Fourth Draw (Jan-June '85)	NOTES
Youth Services Htg/Air Cond.	2,961				Replacing dormitory heat/AC which should bring cost savings.
		Total for all 4 draws:		2,961	
Youth Services Internal Roads	3,046				To improve security an internal road system is to be built, closing public access. No operating cost.
		Total for all 4 draws:		3,046	
Youth Services Utility Poles	4,790				Replacement of old utility poles. No operating cost.
		Total for all 4 draws:		4,790	
Youth Services	422,997				
		Youth Services totals:		422,997	

026089

JOINT BOND REVIEW COMMITTEE

Friday June 24, 1983

3:02 PM

Priority Group Number Three
Capital Improvement Bond Funded Projects

Page 7

Project	Group 3 (July-Dec '83)	Second Draw (Jan-June '84)	Third Draw (July-Dec '84)	Fourth Draw (Jan-June '85)	NOTES
All Projects	6,150,821	3,299,824	2,056,000	593,194	
		Total for ALL projects:		12,099,839	

026090

Friday June 24, 1983

3:02 PM

JOINT BOND REVIEW COMMITTEE

Tentative, Subject to Change

Tentative Priority Start Date and Cash Draw for Groups 1 - 8
Capital Improvement Bond Funded Projects

Page 52

Project	Group 1 (Jy-De 82)	Group 2 (Ja-Jn 83)	Group 3 (Jy-De 83)	Group 4 (Ja-Jn 84)	Group 5 (Jy-De 84)	Group 6 (Ja-Jn 85)	Group 7 (Jy-De 85)	Group 8 (Ja-Jn 86)	Total for all Groups
Totals for GROUP 1:	12,848,600	11,377,483	8,852,094	5,062,497	4,756,984	1,998,761	4,217,216	5,713,052	54,826,687
Totals for GROUP 2:		8,743,050	11,456,909	9,477,168	4,858,233	3,343,572	1,206,939		39,085,871
Totals for GROUP 3:			6,150,821	3,299,824	2,056,000	593,194	376,797		12,476,636
Totals for GROUP 4:				14,311,535	13,868,073	9,560,620	6,203,539		43,943,767
Totals for GROUP 5:					3,686,277	5,016,565	4,551,400	3,792,786	17,047,028
Totals for GROUP 6:						8,535,501	8,599,708	5,930,428	23,065,637
Totals for GROUP 7:							4,674,522	1,885,467	6,559,989
Totals for GROUP 8:								9,571,196	9,571,196
ALL Groups:	12,848,600	20,120,533	26,459,824	32,151,024	29,225,567	29,048,213	29,830,121	26,892,929	206,576,811
Available Funds:	13,456,581	20,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	213,456,581
Difference:	607,981	-120,533	3,540,176	-2,151,024	774,433	951,787	169,879	3,107,071	6,879,770

026091

EXHIBIT
JUN 28 1983 NO. 9
STATE BUDGET & CONTROL BOARD

EXHIBIT

STATE BUDGET AND CONTROL BOARD
MEETING OF June 28, 1983

JUN 28 1983
NO. 10

REGULAR SESSION AGENDA

ITEM NUMBER 4

STATE BUDGET & CONTROL BOARD

Agency: Joint Bond Review Committee

Subject: Permanent Improvement Project Actions

The Joint Bond Review Committee has favorably reviewed the following project actions:

- (1) On summary 48-83, item 5, which is a Clemson University proposal to establish the Edisto Station office and laboratory building project and the use of \$320,000 of land and timber settlement account funds to finance it;
- (2) On summary 48-83, item 9, which is a Mental Retardation request to add \$469,200 of excess paying patients fee debt service funds to the Whitten Center renovation of Med B and building nine project;
- (3) On summary 48-83, item 10, which is a Mental Retardation request to add \$800,000 of excess paying patient fee debt service funds to the PeeDee Support Facility and Activity Program Facility Project;
- (4) On summary 48-83, item 11, which is a PRT request to establish the Lake Wateree Park Development Project and the use of \$111,071.04 of federal funds; the use of \$403,164.56 of funds derived from the I-77 land trade sale; and \$439,236 of land and water conservation funds;
- (5) On summary 51-83, item 21, which is a Vocational Rehabilitation request to add \$336,576 of other funds received from counties and local workshop boards for participation in the rehabilitation program to the budget of the Vocational Rehabilitation State Office Building Project (to bring the project budget to \$1,336,576).

Board Action Requested:

Approve.

Staff Comment:

026092

Attachments:

Reference summaries.

026093

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

NUMBER

48-83

Assembled by staff of Budget and Control Board.

Forwarded to Bond Review Committee 6/2/83.Page 2 of 5.

SOURCE OF FUNDS	
Code	Code
(1) Capital Improvement Bond Proceeds	(5) (Reserved for later use)
(2) Dept. Capital Improv Bond Proceeds	(6) Appropriated - State
(3) Institution (Tuition) Bond Proceeds	(7) Federal
(4) Revenue Bond Proceeds	(8) Athletic
(4) Excess Debt Service/Reserve	(9) Other

NAME OF AGENCY OR INSTITUTION	ACTION PROPOSED	FUNDING CHANGE PROPOSED Amount/Source	PROJECT NUMBER	PROJECT NAME/PURPOSE OF REVISION/IMPACT ON SCOPE	COMMITTEE REVIEW	BOARD APPROVAL
3. Clemson University	Increase budget to 2,421,452.94	Add \$25,000 [0] Capital Improvement Bond Funds	H12-0732	Additions, Expansion, and Improvement of Utility Systems, Etc.: To reflect latest spending intentions by adding \$25,000 of capital improvement bond funds to project budget. The priority schedule is affected by this request to the extent that \$25,000 should be shifted from the funds for Handicap Access on page 12 of the schedule to Utility System. Both adjustments are to be made to the amounts in priority group 6		
Supporting document page 3-3A						
4. Clemson University	Increase budget to 13,032,556.91	Add \$6,379.91 [4] Excess Student and Faculty Housing Debt Service/Reserve Funds	H12-7286	New Student Housing Facilities: To provide additional funds needed to cover the final contract cost on this project.		
Supporting document page 4						
5. Clemson University	Establish project and source of funds	\$320,000 [9] Land and Timber Settlement Account	P20-8159	Edisto Station - Office and Laboratory Building: To provide a 12,000 square foot office and laboratory building including 14 labs, 17 offices, 1 multi-purpose room, 1 computer room, 2 storage rooms, and other facilities.	Approved 6-23-83	
Supporting document pages 5-6						
6. Clemson University	Establish project and source of funds	\$30,000 [9] Campers Fee Account	P20-8160	Camp Bob Cooper - Phase I Building: To provide a 900 square foot, one-story reception, office, first aid, storage facility.		
Supporting document pages 7-8						
7. Francis Marion College	Reduce budget to \$29,940	Deduct \$60,000 [6] State Appropriated	H18-8073	McNair Science Building Roof Repairs: To close project and to transfer balance to operating funds.		
Supporting document pages 9-10						

EXHIBIT

JUN 28 1983

NO. 10

STATE BUDGET & CONTROL BOARD



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

Source of Funds	Code
(1) Capital Improvement Bond Proceeds	(5) (Reserved for later use)
(2) Dept. Capital Improv. Bond Proceeds	(6) Appropriated - State
(3) Institution (Tuition) Bond Proceeds	(7) Federal
(4) Revenue Bond Proceeds	(8) Athletic
(5) Excess Debt Service/Reserve	(9) Other

Assembled by staff of Budget and Control Board.
Forwarded to Bond Review Committee 6/20/83.
Page 4 of 5.

NUMBER
51-83

NAME OF AGENCY OR INSTITUTION	ACTION PROPOSED	FUNDING CHANGE PROPOSED Amount/Source	PROJECT NUMBER	PROJECT NAME/PURPOSE OF REVISION/IMPACT ON SCOPE	COMMITTEE REVIEW	BOARD APPROVAL
18. Mental Retardation Supporting document pages 60-81	Establish Project and Source of Funds	\$135,000.00 [4] Excess paying patient fee Debt Service Funds	J16-8182	Coastal-Community Residence at Moncks Corner: To provide funding for the purchase and renovation of a one-story brick veneer residence with an attached two-story rough wood siding apartment on a lot of less than 1/2 acre. The facilities would be used as an intermediate care facility to house eight residents in a community setting. Note that \$200 is proposed in the project budget for the acquisition of art work.		
19. Mental Retardation Supporting document pages 82-87	Establish Project and Source of Funds	\$60,000.00 [4] Excess paying patient Fee Debt Service Funds	J16-8181	Whitten Center-Master Antenna Television System: To provide for the purchase and hook-up of head-in and equipment and antenna, Phase II of the MATV System.		
20. Mental Retardation Supporting document pages 88-92	Increase Budget to \$45,000.00	Add \$28,000.00 [4] Excess paying patient fee Debt Service Funds	J16-7968	Midlands Region-Restroom Facilities for Greenhouses: To provide the funding needed to enable the agency to proceed with the project to provide restroom facilities accessible to the handicapped for the horticulture program at the Midlands Center.		
21. Vocational Rehabilitation Supporting document page 93	Increase Budget to \$1,336,576.00	Add \$336,576.00 [9] (Other Funds received from counties and local Workshop Boards for participating in Rehabilitation program for deposit in Permanent Improvement Account.)	H73-8011	Vocational Rehabilitation State Office Building: Reflect additional funds needed in order for this project to be funded adequately.	Approved 6-23-83	←

EXHIBIT
JUN 28 1983 NO. 10
STATE BUDGET & CONTROL BOARD

026094

026095

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

NUMBER

48-83

Assembled by staff of Budget and Control Board.

Forwarded to Bond Review Committee 6/2/83

Page 3 of 5

NAME OF AGENCY OR INSTITUTION	ACTION PROPOSED	FUNDING CHANCE PROPOSED		PROJECT NUMBER	PROJECT NAME/PURPOSE OF REVISION/IMPACT ON SCOPE	COMMITTEE REVIEW	BOARD APPROVAL
		Amount	Source				
8. Health and Environmental Control	Establish project and source of funds	\$3,500 [6]	State appropriated	J04-8161	Appalachia I Renovation: To create office spaces in existing large open area at the district office in Anderson to make possible better utilization of space.		
Supporting document pages 11-14							
9. Mental Retardation	Increase budget to \$1,309,200	Add \$469,200 [4]	Excess Paying Patient Fee Debt Service Funds	J16-8150	Whitten Center - Renovation of Med B and Bldg. 9: To provide the additional funds required to award a contract for the renovation of Building 9 and to provide for the purchase of equipment for Med B and Building 9. Bids were received on May 26 and are valid for 60 days.	Approved 6-23-83	←
Supporting document pages 15-21							
10. Mental Retardation	Increase budget to \$1,906,000	Add \$800,000 [4]	Excess Paying Patient Fee Debt Service Funds	J16-7747	Pee Dee - Support Facility and Activity Program Facility: To provide funds required to finance the renovation of the gymnasium and physical therapy building portion of this overall project.	Approved 6-23-83	←
Supporting document pages 22-27							
11. Parks, Recreation and Tourism	Establish project and source of funds	\$953,471.60: \$111,071.04 [7] Federal, I-77; \$403,164.56 [9] Land Trade Sale, I-77; \$439,236 [7] LWCF		P28-8162	Lake Wateree Park Development: To provide funds for the construction of a new state park including roads, utilities, one residence, one shop, a 60-site campground, 2 comfort stations, double boat ramp and parking, one restroom, tackle shop and docks. Project is estimated to add \$8,000 per year to the operating costs of the agency.	Approved 6-23-83	STATE BUDGET & CONTROL BOARD
Supporting document pages 28-33							
12. Parks, Recreation and Tourism	Establish project and source of funds	\$200,000 [0]	Capital Improvement Bond Funds (in Priority Group 2)	P28-8168	Drayton Hall Development: To provide funds for the construction of roads and parking on the Drayton Hall historic site owned by the National Trust for Historic Preservation. This project is to be planned and contracted by the National Trust.		
Supporting document pages 34-38							

JUN 28 1983

NO. 10

EXHIBIT

EXHIBIT

STATE BUDGET AND CONTROL BOARD

JUN 28 1983

NO. 11

REGULAR SESSION AGENDA

MEETING OF June 28, 1983

ITEM NUMBER

5

STATE BUDGET & CONTROL BOARD

Agency: Department of Corrections

Subject: Operating Capacity of Corrections System

In accord with the requirements of the Prison Overcrowding Powers Act, Commissioner Leeke has forwarded an operating capacity report as it was certified by the State Board of Corrections at its March 1983 meeting.

Commissioner Leeke points out that the report indicates that the operating capacity of the prison system will be 7,630 as of July 1, 1983, and that this capacity figure was developed by his agency after considering the size of each facility, its age, the character of the inmates housed and the support services available at its institution. He also reports that his agency has begun to canvas other state agencies and local governments to see if other facilities exists which could be used for housing prisoners.

Board Action Requested:

Consider.

Staff Comment:

026096

Attachments:

Leeke June 20 letter to Putnam plus attachments.



south carolina
department of corrections

P.O. BOX 21787/4444 BROAD RIVER ROAD/COLUMBIA, SOUTH CAROLINA 29221-1787
TELEPHONE (803) 758-6444
WILLIAM D. LEEKE, Commissioner

RECEIVED

JUN 28 1983
BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

June 20, 1983

EXHIBIT

JUN 28 1983 NO. 11

STATE BUDGET & CONTROL BOARD

Mr. William T. Putnam, Executive
Director
Budget & Control Board
Post Office Box 12444
Columbia, South Carolina 29211

RE: Prison Overcrowding Powers Act

Dear Mr. Putnam:

I am writing pursuant to Section 3 of the above referenced Act, which requires the Board of Corrections and the Budget & Control Board to establish the operating capacity of the corrections system in South Carolina.

You will find attached hereto the Operating Capacities Report as required in Section 24-3-1120(k), Code of Laws of South Carolina, 1976, as amended. This report was certified by the State Board of Corrections at its March 1983 meeting.

The report indicates that the operating capacity of the prison system will be 7630 as of July 1, 1983. In order to establish this figure, a committee was appointed to consider the size of each facility, its age, the character of the inmates housed therein, and the support services available at that institution. (See report.) In addition, we have begun to canvass other state agencies and local governments to determine if other facilities exist for the housing of prisoners, including temporary structures and unused or under-utilized buildings, as required in Section 24-3-1120(4) of the Act.

Hugh Clements will represent me in discussions with designated members of your staff and the Governor's staff to answer any questions that may arise before formal Budget & Control Board action on our operating capacity. Hopefully, there will be no problems that can't be worked out within the next month.

026097

BOARD OF
CORRECTIONS

BETTY M. CONDON
Chairman
Mt. Pleasant, S.C.

CLARENCE E. WATKINS
Vice-Chairman
Camden, S.C.

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NORMAN KIRKLAND
Member
Bamberg, S.C.

CHARLES C. MOORE
Member
Spartanburg, S.C.

GOV. RICHARD W. RILEY, Member, Ex-Officio, Columbia, S.C.

Letter to William T. Putnam
June 20, 1983
Page Two

If we have not heard from you within a few days, Hugh will be in touch with you to set up a schedule to work on the issues involved.

Kindest personal regards.

Sincerely,



William D. Leeke

WDL:dnt

attachment

EXHIBIT

JUN 28 1983 NO. 11

STATE BUDGET & CONTROL BOARD

026098

SOUTH CAROLINA DEPARTMENT OF CORRECTIONS
SAFE AND REASONABLE INMATE CAPACITIES
EMERGENCY OVERCROWDING POWERS ACT (S-258 - H-2618)
ADOPTED BY BOARD OF CORRECTIONS
MARCH 8, 1983

EXHIBIT

JUN 28 1983

NO. 1 1

STATE BUDGET & CONTROL BOARD

COLUMN	1	2	3	4	5
	COUNT	DESIGN	OVER	MAXIMUM	OVER (UNDER)
REGION/INSTITUTION	5/11/83	CAPACITY	(UNDER) DESIGN	SAFE & REASONABLE CAPACITY	SAFE & REASONABLE CAPACITY
<u>APPALACHIAN CORRECTIONAL REGION</u>					
Blue Ridge Work Release Center	192	143	49	180	12
Cross Anchor Correctional Institution	362**	528	(166)	528	(166)
Dutchman Correctional Institution	498	528	(30)	528	(30)
Givens Youth Correction Center	136	68	68	102	34
Greenwood Correctional Center	92	48	44	72	20
Livesay Work Release Center	93	96	(3)	96	(3)
Northside Correctional Center	234	174	60	212	22
Perry Correctional Institution	995	576	419	768	227
SUB-TOTAL	2,602	2,161	441	2,486	116
<u>DIVISION OF INSTITUTIONAL OPERATIONS/MINIMUM SECURITY</u>					
Aiken Youth Correction Center	366	224	142	253	113
Campbell Work Release Center	172	100	72	100	72
Catawba Work Release Center	84	86	(2)	96	(12)
Goodman Correctional Institution	203	187	16	187	16
Lower Savannah Work Release Center	78	45	33	48	30
Stevenson Correctional Institution	204	129	75	152	52
Walden Correctional Institution	246	150	96	152	94
Wateree River Correctional Institution	612	456	156	492	120
Watkins Pre-Release Center	0	0 (144)	--	0*	--
SUB-TOTAL	1,965	1,377	588	1,480	485
<u>DIVISION OF INSTITUTIONAL OPERATIONS/MEDIUM-MAXIMUM SECURITY</u>					
Central Correctional Institution	1,125	1,215	(90)	1,229***	(104)
Kirkland Correctional Institution	827	448	379	672	155
Manning Correctional Institution	493	346	147	376	117
Maximum Security Center	90	77	13	77	13
Midlands Reception & Evaluation Center	234	192	42	192	42
Women's Correctional Center	306	173	133	269	37
SUB-TOTAL	3,075	2,451	624	2,815	260
<u>COASTAL CORRECTIONAL REGION</u>					
Coastal Work Release Center	76	96 (62)	(20)	96*	(20)
MacDougall Youth Correction Center	450	240	210	472	(22)
Palmer Work Release Center	98	50	48	75	23
SUB-TOTAL	624	386	238	643	(19)
TOTAL SCDC FACILITIES:	8,266	6,375	1,891	7,424	842
			129%		111%
OTHER FACILITIES/PROGRAMS:	1,313				
TOTAL SCDC JURISDICTION:	9,579				

*62 beds Coastal and 144 beds Watkins have been completed since July, 1982 but could not be used. No funds are available for staff and operating expenses. Our Safe and Reasonable operating capacity will increase by 206 to 7,630 when funds to operate these facilities are appropriated.

**Opened March 1, 1983, will build to full capacity by July 1. FY 82-83 funds for Cross Anchor for only seven months. Must have \$1.53 million more to annualize salaries and operating expenses for FY 83-82. Funds in House passed bill.

***Maximum population permitted by Consent Agreement in Mattison suit.

026099

HMC
5/12/83

EXHIBIT

STATE BUDGET AND CONTROL BOARD

MEETING OF June 28, 1983

JUN 28 1983

NO. 12

REGULAR SESSION AGENDA

ITEM NUMBER

6

Agency: Personnel Division

STATE BUDGET & CONTROL BOARD

Subject: TEC Compensation Plan for Unclassified Positions

Please refer to attachments for details, including the summary of proposed changes immediately following this cover sheet.

Board Action Requested:

Approve requested changes to the Compensation Plan.

Staff Comment:

Attachments:

Agenda item worksheet plus attachments.

026100

BUDGET AND CONTROL BOARD
AGENDA ITEM WORKSHEET

For meeting scheduled for:

June 28, 1983

Blue Agenda

☒ Regular Session Agenda
☐ Executive Session Agenda

1. Submitted By: State Personnel Division

2. Subject: Compensation Plan for Unclassified Positions at the State Board
for Technical and Comprehensive Education

3. Summary Background Information:

See attached "Summary of Proposed Changes."

EXHIBIT

JUN 28 1983 NO. 12

STATE BUDGET & CONTROL BOARD

4. What is Board Asked To Do?

Approve changes to the compensation plan.

5. Supporting Documents:

List Those Attached	List Those Not Attached But Available from Submitter
1. Letter of June 17, 1983, G. William Dudley to Jack S. Mullins	Narrative of the "Compensation Plan for Faculty Personnel"
2. Summary of Proposed Changes	
3. Rationale for Increase in Institutional Officers' Salary Ranges	

026101



STATE BOARD FOR TECHNICAL
AND
COMPREHENSIVE EDUCATION

G. WILLIAM DUDLEY, JR.
EXECUTIVE DIRECTOR

RECEIVED
JUN 20 1983
S. C. STATE
PERSONNEL DIVISION

111 EXECUTIVE CENTER DRIVE
COLUMBIA, S. C. 29210

June 17, 1983

EXHIBIT

JUN 28 1983

NO. 12

STATE BUDGET & CONTROL BOARD

Dr. Jack S. Mullins, Director
S.C. State Personnel Division
1205 Pendleton Street
Columbia, South Carolina 29211

Dear Jack:

Enclosed are copies of our compensation plans for unclassified institutional officers and for unclassified faculty personnel in the technical colleges. These plans reflect proposed revisions for implementation in the 1983-84 academic year. Staff members from our personnel department have discussed the revisions to the plans with members of your staff.

The two revisions to the institutional officers compensation plan are relatively minor. We have added specific training and experience requirements where we did not have such included in the plan in the past. The second version is to increase the minimum and maximum salaries by 7%. This increase is to provide for the 2% increase that all unclassified employees received on January 1, 1983 and will allow for the 5% cost of living increase provided in the 1983-84 appropriations bill.

The majority of the revisions to the Compensation Plan for Faculty Personnel are compositional in nature and are intended to clarify and/or put the plan in better procedural form. These changes do not alter the substance of the plan.

The substantive revisions to the plan are in four areas:

8-2-102.1-I.H - This section has been revised to reflect more stringent requirements for individual faculty members to advance into salary schedules 5 and 6.

8-2-102.1-III.E and IV.E - These revisions/additions are designed to compensate those faculty who are administrators at a rate greater than that offered to those faculty members who are considered teaching faculty.

026102

026102

Dr. Jack S. Mullins
June 17, 1983
Page 2

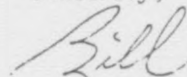
8-2-102A (pp. 1-6) - This section incorporates minimum training and experience requirements for all faculty positions into the compensation plan. In the past, such requirements were not a part of the plan.

8-2-102.1B - The addition of the minimum training and experience requirements eliminates the need for salary schedule 1. Therefore, that schedule has been deleted. The minimum and maximum of all salary ranges have been increased by 12%. In July of 1981 when all state employees were granted a 7% cost of living increase, we chose not to adjust our faculty salary ranges. We are now proposing to adjust the ranges to reflect the 7% increase of 1981 and to provide for the 1983-84 5% COL.

We respectfully request that you take the necessary steps to present these proposed revisions to the Budget and Control Board for its approval at the next scheduled meeting. Your support of this request will be sincerely appreciated.

Should you have questions concerning any of the revisions or require further documentation or explanation, please call Leroy Mosely, our Personnel Director.

Sincerely,



G. William Dudley, Jr.
Executive Director

GWDjr/at

026103

051850

EXHIBIT

JUN 28 1983

NO. 12

Summary of Proposed Changes

STATE BUDGET & CONTROL BOARD

- I. Addition of specific training and experience requirements to the institutional officers compensation plan (applies to presidents and vice presidents).
- II. Increase the minimum and maximum of the pay ranges of the institutional officer's compensation plan by 7%.

Pay ranges for classified employees and Hay System positions are being adjusted by 5% and received no adjustment last year.
- III. More stringent requirements for individual faculty members to advance to the highest pay ranges.
- IV. Supplemental compensation of \$200 per month for administrative faculty who serve as deans of instructional divisions.

The total salary of each employee is subject to the salary limitations established by the Budget and Control Board and the Appropriation Act regarding unclassified employees.
- V. Elimination of the first level of the salary schedule as a result of the addition of minimum training and experience requirements for faculty.
- VI. Increase the minimum and maximum of the salary ranges of the faculty pay schedule by 12%.

The salary schedule of classified employees has been adjusted by 12% since the last adjustment by TEC to the faculty pay schedule.

026104



EXHIBIT

JUN 28 1983

NO. 12

STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

STATE BUDGET & CONTROL BOARD

G. WILLIAM DUDLEY, JR.
EXECUTIVE DIRECTOR

111 EXECUTIVE CENTER DRIVE
COLUMBIA, S. C. 29210

Rationale for Increase in Institutional Officers Salary Ranges

For several years now, we have been aware that our salaries for institutional officers (Presidents and Vice Presidents) of our technical colleges were below the national and southeastern averages for similar positions. This has presented serious problems when we have attempted to recruit for these positions and found that the prime candidates, who possessed the required credentials, in many instances were already being paid higher salaries than our ranges would allow us to offer. In reviewing the data contained in the College and University Personnel Association's Administrative Compensation Survey and from various informal sources, including our own recruitment experience, we have repeatedly found that we are not in competition. We realize, however, that for a number of reasons we are not in a position to raise our ranges to a level that would make us competitive. Two of the major reasons we are not at this time requesting competitive ranges are budgetary constraints and the necessity of keeping maximum salaries of our Presidents below that of our Executive Director. We feel very strongly that the ranges we are requesting are reasonable and will allow us to compensate the Presidents and Vice Presidents of our larger technical colleges at a rate more competitive with their peers as well as give us a competitive edge in our efforts to recruit and retain the high quality persons needed to provide innovative leadership for our colleges.

We respectfully request your approval of these increased salary ranges.

026105

STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

PROCEDURE

Title Compensation Plan for Faculty Personnel	Number	Page
	8-2-102.1	I of II
Based on Policy Number 8-2-102	Title Unclassified Employment and Compensation	
Office of Responsibility Personnel		Revision

Division Director

Date

Executive Director

Date

I. General

- A. All individuals employed after the implementation of this Compensation Plan for Faculty Personnel shall be appointed within the salary range for the appropriate salary schedule.
- B. Initial placement of all persons within the Compensation Plan for Faculty Personnel will be determined by the institutional chief executive officer or his designee with approval of the Area Commission and the concurrence of the State Board for Technical and Comprehensive Education and the Budget and Control Board.
- C. Salaries shall be determined by required position qualifications and applicant availability. The salary of the new employee will be determined by the institutional chief executive officer with the approval of the Area Commission and concurrence of the State Board for Technical and Comprehensive Education and the Budget and Control Board.
- D. The minimum qualifications for faculty personnel shall be adhered to in the employment of new faculty personnel.
- E. In the employment of faculty personnel, the supply and demand factors are of considerable significance to the State TEC System and are especially critical in such areas as the skilled trades and crafts, allied health, and certain other technologies. Normally all initial placements will be made in salary schedules two through four. Placements into salary schedules five and six may be granted by the institutional chief executive officer with approval of the Area Commission when the individual has valid qualifications to meet the entry requirements of these schedules and the need justifies this action.
- F. When individual circumstances warrant such action, exceptions in the minimum qualifications and/or salary ranges may be made with complete justification to and prior approval of the State Board.

026106

STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

PROCEDURE

Title		Number	Page
Compensation Plan for Faculty Personnel		8-2-102.1	2 of 11
Based on Policy Number	Title	Date	
8-2-102	Unclassified Employment and Compensation		
Office of Responsibility	Personnel	Revision	

- G. Initial faculty appointments shall be in probationary employment status during the first nine months of employment. All faculty members who are initially granted less than six-month contracts shall be considered as temporary faculty and are not subject to the provisions of this plan.
- H. Advancement from one salary schedule to another will be based on five (5) factors: (1) the individual faculty member must meet the minimum qualifications for the new schedule; (2) the individual faculty member must perform all teaching and other assignments in a manner satisfactory to the institutional chief executive officer; (3) the individual faculty member must have participated in a manner acceptable to the institutional chief executive officer in institutional faculty development programs; (4) the advance from one salary schedule to another must be recommended by the chief executive officer of the institution and approved by the Area Commission; (5) salary schedules five (5) and six (6) shall be reserved for those faculty members who have completed a specific approved professional development plan and whose work has been characterized by exemplary accomplishments and whose performance has considerably and consistently exceeded the requirements of the position as acknowledged by an Exceeds Performance Requirement rating for the past academic year.
- I. It is of utmost importance that the instructional programs be current, relevant and continuously updated to keep pace with changes occurring in the world of work. The faculty member is the vital key to the entire instructional process, therefore considerable emphasis is placed on faculty development programs.

All faculty members are expected to participate in system and institutional faculty development programs to be better informed on technological development and educational methods. Participation in these programs is considered in the faculty member's annual performance evaluation.

- J. Faculty may be considered for allowable pay increases and salary schedule advancement on an annual basis, to be effective at the beginning (fall quarter) of the academic contract year.

Salary increases must be supported by an overall performance rating for the past academic year of Meets Performance Requirements or Exceeds Performance Requirements. The annual performance evaluation will encompass performance

026107

STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

PROCEDURE

Title	Compensation Plan for Faculty Personnel	Number	Page
		8-2-102.1	3 of 11
Based on Policy Number	Title	Date	
8-2-102	Unclassified Employment and Compensation		
Office of	Personnel	Revision	
Responsibility			

as an educator as determined by review and evaluation of the specific job duties of the faculty position, progress in meeting predetermined project/program and individual professional development objectives.

The total amount of funds used to grant increases to faculty may not exceed the budgetary provisions or limitations established each year for that purpose.

- K. A faculty member whose salary is above the minimum of his approved salary schedule may not receive an increase in pay unless the range of the salary schedule is increased or he is advanced to a higher salary schedule. An individual's salary may remain above the maximum for a period not to exceed two years. At the end of this period his salary will be adjusted to the maximum of his salary schedule.

II. Teaching Faculty

- A. The category teaching faculty includes all faculty personnel whose primary duty is classroom instruction and activities in direct support of instructional activities and certain other personnel who perform a combination of instructional and administrative duties. Position titles designated within this category are Instructor, Vocational Teacher, Department Head, and Division Chairman.
- B. To compensate and provide time for performance of administrative duties and responsibilities, Department Heads and Division Chairmen may be authorized one of the following:
 - 1. A reduction in normal teaching load of up to 10% per instructor for Department Heads and up to 10% for each department for Division Chairmen; or
 - 2. A pay supplement for Department Heads of up to \$50 per month and pay supplement for Division Chairmen of up to \$100 per month; or
 - 3. A Department Head supervising a department of four or more instructors and a Division Chairman supervising four or more departments may be given both a reduction in teaching load and a pay supplement as outlined above.

026108

STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

PROCEDURE

Title	Number	Page
Compensation Plan for Faculty Personnel	8-2-102.1	4 of 11
Based on Policy Number	Title	Date
8-2-102	Unclassified Employment and Compensation	
Office of Responsibility	Personnel	Revision

These actions are taken at the discretion of the institutional chief executive officer.

- C. Teaching faculty in programs scheduled for three quarters a year shall normally be employed in accordance with the Compensation Plan under the 39 week salary range. Additional compensation may be paid for teaching or other duties performed during any period beyond the basic 39 week employment period. Such compensation is based on the weekly equivalent (1/39th) of the full-time rate for the previous academic year, prorated or adjusted to reflect actual services rendered, part-time or full-time, for the period of additional employment. Personnel designated as teaching faculty in programs scheduled for four quarters a year may be employed in accordance with the Compensation Plan under the 39 week or 52 week salary range. The 52 week salary range will be used only where continuing student enrollment warrants.

- D. Full-time teaching faculty employed under 39 week employment agreements will divide their time as follows according to the provisions of the instructional academic calendar:

35 weeks....to include three (3) academic quarters of classroom instruction, preliminary school work, in-service training, post-quarter duties, etc.

4 weeks....non-work days (includes provisions for annual leave and state holidays).

Full-time teaching faculty employed under 52 week employment agreements will divide their time as follows according to the provisions of the institutional academic calendar:

47 weeks....to include four (4) academic quarters of classroom instruction, preliminary school work, in-service training, post-quarter duties, etc.

5 weeks....non-work days (includes provisions for annual leave and state holidays).

Full-time teaching faculty who are employed for more than 39 weeks, but less than 52 weeks, shall have the non-work days specified for the 39 week schedule.

026109

STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

PROCEDURE

Title	Number	Page
Compensation Plan for Faculty Personnel	8-2-102.1	5 of 11
Based on Policy Number	Title	Date
8-2-102	Unclassified Employment and Compensation	
Office of Responsibility	Personnel	Revision

- E. For permanent teaching faculty, emergency absences while school is in session may be taken as a non-work day at the discretion of the chief executive officer.
- F. For permanent teaching faculty, sick leave will be credited at the rate of one and one-fourth days for each calendar month of full-time equivalent teaching completed during a current period of salaried employment. The maximum accumulation of sick leave cannot exceed ninety (90) days at the end of the calendar year.
- G. Teaching faculty do not accrue annual leave. In lieu of the accrual of annual leave and recognition of normal state holidays, provision is made within the 39 week and 52 week schedule for non-work days. Teaching faculty non-work days are scheduled within the institutional academic calendar at the discretion of the chief executive officer.
- H. Technical colleges are directed to be closed on general election day in November of each even-numbered year, therefore, this day is granted as an additional non-work day for teaching faculty.
- I. Other leave with pay for teaching faculty will be administered in accordance with the respective State Board for Technical and Comprehensive Education procedures for Court Leave (8-3-103.1), Short-term Military Training (8-3-103.3) and Death in Immediate Family (8-3-103.4).

III. Non-teaching Faculty

- A. The category of non-teaching faculty includes those individuals so closely involved with the instructional process that their community of interest is much closer to that of the teaching faculty than it is to the group of employees referred to as classified. Position titles designated within this category are Deans of Instructional Divisions, Deans of Learning Resource Centers, and Librarians. Other professional personnel whose principle work is in close support of the overall instructional process may be designated as non-teaching faculty upon the submission of a detailed job description justification from the institutional chief executive officer and the recommendation by the Area Commission for Budget and Control Board approval.

026110

STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

PROCEDURE

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- B. Personnel designated as non-teaching faculty shall normally be employed in accordance with the Compensation Plan under the 52 week salary range.
- C. Non-teaching faculty will follow the normal institutional calendar and working hours for classified employees, rather than the 39 week or 52 week calendar for teaching faculty. Leave for non-teaching faculty will be administered in accordance with the annual leave procedures set forth in the State Board for Technical and Comprehensive Education Annual Leave Policy (8-3-100).
- D. For non-teaching faculty, sick leave will be credited at the rate of one and one-fourth days for each calendar month of full-time or equivalent service completed during a current period of salaried employment. The maximum accumulation of sick leave cannot exceed ninety (90) days at the end of the calendar year.
- E. To compensate and provide time for performance of administrative duties and responsibilities, a pay supplement of up to \$200 per month may be authorized for Deans of Instructional Divisions, if four or more departments are supervised.

IV. Administrative Faculty

- A. The category of Administrative Faculty includes those individuals with responsibility for the administration of a major component of the instructional process with duties more directly related to the instructional program than those of the group of employees referred to as classified. Position titles designated in this category are Dean of Instruction, Dean of Students and Dean of Continuing Education.
- B. Personnel designated as administrative faculty shall normally be employed in accordance with the Compensation Plan under the 52 week salary range.
- C. Administrative faculty will follow the normal institutional calendar and working hours for classified employees, rather than the 39 week or 52 week calendar for teaching faculty. Leave for administrative faculty will be administered in accordance with the annual leave procedures set forth in the State Board for Technical and Comprehensive Education Annual Leave Policy (8-3-100).

026111

STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

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- D. For administrative faculty, sick leave will be credited at the rate of one and one-fourth days for each calendar month of full-time or equivalent service completed during a current period of salaried employment. The maximum accumulation of sick leave cannot exceed ninety (90) days at the end of the calendar year.
- E. To compensate and provide time for performance of administrative duties and responsibilities, a pay supplement of up to \$200 per month may be authorized for Deans of Instructional Divisions if four or more departments are supervised.

V. Evaluation Criteria for Salary Schedule Placement

A. Post-secondary Education

All TEC institutions will be guided by the applicable standards for faculty as promulgated by accrediting agencies such as the Southern Association of Colleges and Schools. Other guidelines pertaining to faculty qualifications are established by professional groups such as the Engineer's Council for Professional Development, Nursing Associations, etc.

1. A creditable diploma, granted by a post-secondary institution, will be counted as one or two years of post-secondary education, depending upon the required length of the program.
2. A creditable associate degree will be counted as two years of post-secondary education.
3. A creditable bachelor's degree will be counted as four years of post-secondary education. Credits earned towards a creditable bachelor's degree may be recognized by granting one year for 30 semester credits or 45 quarter credits, two years for 60 semester credits or 90 quarter credits, and three years for 90 semester credits or 135 quarter credits. Credit will be granted in one year increments only for credits earned toward a creditable bachelor's degree. A bachelor's degree that does not have a direct relationship to the course content within the faculty member's subject field will be counted as two years of post-secondary education in recognition of the core courses taken in the freshman and sophomore years.

026112

STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

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4. A creditable master's degree will be counted as five years of post-secondary education.
5. A creditable specialist's degree will be counted as six years of post-secondary education.
6. A creditable doctor's degree will be counted as seven years of post-secondary education.

Only the single highest creditable degree will be allowed in determining post-secondary education.

B. Teaching Experience

A minimum of three (3) quarters (two semesters) and a maximum of four (4) quarters (three semesters) of full-time teaching will be considered as one year of creditable teaching experience provided that it was in, or directly related to, the subject field or job assignment for which the applicant is being considered. Part-time creditable teaching experience shall be equated to full-time teaching experience on a pro rata basis. The relevancy of the teaching experience to the position for which the applicant is being considered is the most important criteria, whether it is secondary or post-secondary teaching experience.

1. Full credit shall be granted for secondary or post-secondary teaching experience totally in the subject field. Other teaching experience at this level may be credited on a pro rata basis as the subject matter taught would apply to the faculty member's subject field.
2. One-half credit shall be granted to faculty teaching at the advanced level for elementary teaching experience totally in the subject field. Less than one-half credit shall be granted on a pro rata basis for the portion of the elementary instruction that would have a direct relationship to the faculty member's subject field. However, in the case of faculty whose primary responsibility is teaching in developmental education sections, up to full credit may be granted for elementary instruction as it is deemed relevant to the subject field.
3. Other teaching experience may be credited as appropriate with documentation and justification demonstrating the relevance of the faculty member's subject field.

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C. Work Experience

The criteria for granting work experience credit is the occupational value of the work experience and its relevance to the faculty member's subject field. Creditable work experience over a period of years should indicate that it was progressively more complex and of increasing responsibility. Military work experience may be just as creditable in certain fields of endeavor as civilian experience.

1. Work experience shall be carefully evaluated for its relevance and credit granted accordingly.
2. Twelve (12) calendar months shall be considered as one year in crediting work experience. Part-time creditable work experience shall be equated to full-time work experience on a pro rata basis.

VI. Management Guidelines and Principles

- A. It is extremely important that consistence be maintained in the evaluation of training and experience of all faculty members and potential faculty.
- B. When circumstances require exceptions to the minimum qualifications, waiver of certain teaching or other experience requirements or placement at more than 50% above the minimum salary of the assigned salary schedule, supporting documentation should always be submitted. This may include, but is not limited to, waivers by the Area Commission, justification statements on supply and demand factors, explanation of unique circumstances associated with the particular faculty member or position, etc.
- C. While the initial placement of all faculty members and the determination of salaries is the responsibility of the chief executive officer of the institution, it should be kept in mind that the salary schedule placement is subject to concurrence by the State Board for Technical and Comprehensive Education and the salary determination is subject to concurrence by both the State TEC Board and the State Budget and Control Board. With this in mind, it is recommended that where possible all recruitment and selection activity be completed prior to the effective job date. This will eliminate the obvious problems associated with non-concurrence on a faculty member already on board.

026114

STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

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- D. It is the intent of the compensation plan to give credit for all applicable experience, teaching experience, and post-secondary education. However, there are instances where an individual's education or experience may be indirectly related or related only by a small degree of the faculty member's specific area of responsibility. In these cases, the occupational value of the experience or education and its relevance to the specific area of responsibility should determine the amount of credit to be granted for such experience or education. For example, a faculty member who was employed in a position where only a part of his responsibility directly related to the specific area of responsibility in TEC, should be given credit proportionately as it applies. If a faculty member has taught for two years as an instructor of mathematics and history and the TEC responsibility was to be in mathematics alone, then only one year of credit should be granted toward placement in the faculty compensation plan as a mathematics instructor. There may also be instances where a faculty member's experience on a particular non-TEC job may be somewhat related to this TEC responsibility but is not directly related or is not the most desirable experience. In these instances, judgment should be used in deciding the relative value of this experience.
- E. Employment of full-time teaching faculty under 52 week employment agreements are limited to faculty in programs scheduled for four quarters a year and within those programs the 52 week agreement should be granted only where continuing student enrollment warrants such action. In situations where four-quarter enrollments are not stabilized, this might be used only for the Department Head, or the Department Head and some, but not all, of the instructors in that program. When this is done, it is recommended that the same instructor(s) is not granted the 52 week employment agreement year after year, but these employment agreements be granted to a different instructor(s) each year. In the event a 39 week supplement agreement has been granted to an instructor and it is determined that this instructor is needed for the fourth quarter, a 13 week supplement agreement may be granted. This action will result in a 52 week employment agreement. When a faculty member's services are required beyond the 39 week period but less than the full 52 week period, the 39 week employment agreement should be granted with a supplemental agreement for the additional period.
- F. The categories of non-teaching and administrative faculty are intended for those positions so closely involved with the instructional process that their community of interest is much closer to that of the teaching faculty than it

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is to the group of employees referred to as classified. Routine use of unclassified non-teaching and administrative faculty positions should be limited to Deans of Instruction, Deans of Student Affairs, Deans of Continuing Education, Deans of Instructional Divisions, Deans of Learning Resource Centers, and Librarians. All other requests for establishment of non-teaching faculty positions (usually Lecturer and Other Faculty) should be supported by a detailed justification for the use of non-classified status signed by the chief executive officer of the institution and forwarded to the State TEC Board for Budget and Control Board approval.

026116

STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

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Division Director

Date

Executive Director

Date

These requirements are in accordance with the standards of the Southern Association of Colleges and Schools (SACS) and other accrediting bodies and will be updated as necessary when accreditation standards change.

TEACHING FACULTY

AGRICULTURE TECHNOLOGY CLUSTER

Faculty will have a minimum of either (1) a master's degree in an appropriate major, or (2) a bachelor's degree in an appropriate major plus three years related experience with the exception of the animal health faculty which will hold a Doctor of Veterinary Medicine degree.

ARTS AND SCIENCE CLUSTER

Faculty will have a minimum of a master's degree with 18 graduate hours in the discipline to be taught.

BUSINESS TECHNOLOGY CLUSTER

Faculty will have a minimum of either (1) a master's degree in an appropriate major, or (2) a bachelor's degree in an appropriate major plus three years related experience. Professional certification in an appropriate major may be accepted in lieu of a master's degree.

ENGINEERING TECHNOLOGY CLUSTER

Faculty will have a minimum of either (1) a master's degree in Engineering or Engineering Technology, or (2) a Bachelor of Science degree in Engineering or Engineering Technology plus three years related work experience. Professional certification in an appropriate major may be accepted in lieu of a master's degree.

026117

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HEALTH SCIENCE CLUSTER

Dental Assistant

Faculty will have a minimum of an associate degree and must be a certified dental assistant. The department head must be either a certified dental assistant, registered dental hygienist, or dentist.

Dental Hygienist

Faculty will have a minimum of an associate degree and must be a registered dental hygienist. The department head must be either a registered dental hygienist or dentist.

Histotechnology-Histologic Technologist

Faculty will have a minimum of an associate degree in science and be a registered histologic technician (ASCP) or a registered histotechnologist (ASCP) with three years of experience in histology.

Medical Assistant Technology

Faculty will have a minimum of a bachelor's degree in science and be a registered medical technologist with three years of laboratory experience. One year of the laboratory experience must have been in a teaching capacity for the department head.

Medical Laboratory Technology

Faculty will have a minimum of a bachelor's degree in science and be a certified medical technologist with three years of laboratory experience. One year of the laboratory experience must have been in a teaching capacity for the department head.

Nuclear Medicine

Faculty will have a minimum of an associate degree plus three years experience at the staff and/or senior nuclear medicine technologist level and be certified in Nuclear Medicine Technology by the American Society of Clinical Pathologist Board of Registry or the American Registry of Radiologic Technologists.

026118

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Nursing (ADN)

Lead faculty will have a minimum of a master's degree in nursing plus one year of professional nursing experience. Faculty will have a minimum of a bachelor's degree in nursing plus one year of recent professional nursing experience. The department head must have an additional four years of professional nursing experience, three of which must have been in a teaching capacity. All faculty will hold a current license to practice nursing in South Carolina.

Nursing (LPN)

Faculty will have a minimum of a bachelor's degree in nursing, plus three of the past five years experience in nursing service/nursing education. All faculty will hold a current license to practice nursing in South Carolina.

Ophthalmic Medical Assistant

Faculty will have a minimum of an associate degree in ophthalmic medical assisting plus two years of experience in ophthalmic medicine.

Optometric Technology

Faculty will have a minimum of an associate degree in optometric technology plus two years related work experience. The department head must have a Bachelor of Science degree plus three years related work experience.

Pharmacy Technician

Faculty will have a minimum of a master's degree in the biological sciences plus two years teaching experience in the sciences at the college level or be a registered pharmacist.

Physical Therapist Assistant

Faculty will have a minimum of a bachelor's degree in physical therapy from an accredited program. The department head must have a bachelor's degree in physical therapy from an accredited program and a minimum of two years professional experience in education and/or administration.

026119

STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

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Radiologic Technology (X-Ray)

Faculty will have a minimum of an associate degree and be registered by the American Registry of Radiologic Technologists, plus two years clinical experience. The department head must have four years professional experience.

Respiratory Therapy

Faculty will have an associate degree in respiratory therapy and be a registered or certified respiratory therapist. The department head must have (1) four years of professional experience, two of which have been as a faculty member of an accredited respiratory therapy program, or (2) hold a bachelor's degree in respiratory therapy and be a registered respiratory therapist, or (3) be a duly qualified licensed physician.

Surgical Technology (ORT)

Faculty will have as a minimum certification in surgical technology with an associate degree or be a registered nurse. A minimum of one year's operating room experience is required.

INDUSTRIAL TECHNOLOGY CLUSTER

Faculty will have a minimum of an associate degree or its equivalent in an appropriate major plus three years of related work experience, or a high school diploma (or General Education Development Certificate (G.E.D.) plus five years related work and/or postsecondary educational experience.

PUBLIC SERVICE CLUSTER

Criminal Justice

Faculty will have a minimum of a master's degree in criminal justice or a bachelor's degree in an appropriate major plus three years related experience. Professional certification may be accepted in lieu of a master's degree.

026120

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Human Services

Faculty will have a minimum of a master's degree in psychology or sociology or a bachelor's degree in an appropriate major plus three years related experience. Professional certification may be accepted in lieu of a master's degree.

DEVELOPMENTAL STUDIES

Faculty will have a minimum of a bachelor's degree in the appropriate major.

GENERAL EDUCATION

Faculty will have a minimum of a master's degree with 15 graduate hours in the discipline to be taught.

Division Chairman

Unless otherwise defined in the program, requirements will have the minimum training and experience for cluster faculty plus three years additional experience.

Department Head

Unless otherwise defined in the program, requirements will have the minimum training and experience for cluster faculty plus two years additional experience.

NON-TEACHING FACULTY

DEAN OF INSTRUCTIONAL DIVISION

Unless otherwise defined in the program, requirements will have the minimum training and experience for cluster faculty plus three years additional experience.

DEAN OF LEARNING RESOURCE CENTER

Master of Library Science degree from an American Library Association accredited program plus three years related work experience.

026121

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LIBRARIAN

Head librarian will have a Master of Library Science degree from an American Library Association accredited program plus three years related work experience. Other librarians will have a Master of Library Science degree from an American Library Association accredited program.

ADMINISTRATIVE FACULTY

DEAN OF INSTRUCTION

Master's degree required, earned doctorate preferred, plus seven years combined teaching and postsecondary administrative experience.

DEAN OF STUDENTS

Master's degree required, earned doctorate preferred, plus seven years combined related work experience and postsecondary management experience.

DEAN OF CONTINUING EDUCATION

Master's degree required, plus seven years related work experience.

026122

STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

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Division Director	Date	Executive Director	Date
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Salary Schedule	Salary Ranges	
	39 Week	52 Week
2	\$ 7,777 to \$15,720	\$10,370 to \$20,960
3	\$ 9,073 to \$17,965	\$12,097 to \$23,953
4	\$11,019 to \$21,959	\$14,689 to \$29,278
5	\$12,962 to \$23,953	\$17,282 to \$31,938
6	\$15,555 to \$26,948	\$20,738 to \$35,931

Minimum Qualifications

Any combination of applicable work experience, teaching experience, or post-secondary education which totals at least 4 years.

Any combination of applicable work experience, teaching experience, or post-secondary education which totals at least 8 years. In addition, there must be at least 2 years of teaching experience in the subject field unless waived by the Area Commission upon recommendation of the chief executive officer.

Any combination of applicable work experience, teaching experience, or post-secondary education which totals at least 12 years. In addition, there must be at least 3 years of teaching experience in the subject field unless waived by the Area Commission upon recommendation of the chief executive officer.

Any combination of applicable work experience, teaching experience, or post-secondary education which totals at least 16 years. In addition, there must be at least 5 years of teaching experience in the subject field unless waived by the Area Commission upon recommendation of the chief executive officer.

Any combination of applicable work experience, teaching experience, or post-secondary education which totals at least 20 years. In addition, there must be at least 7 years of teaching experience in the subject field unless waived by the Area Commission upon recommendation of the chief executive officer.

026123

STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

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		3/16/1983	

Alfred W. Shady 3/16/83
Division Director Date

William W. Smith 3/16/83
Executive Director Date

1. The title of President is appropriate for use in any technical college. The title is used to designate the chief executive officer of the institution.
2. One or more positions of Vice President for certain non-classified institutional officers may be established with the prior approval of the State Board. The all-inclusive functional groupings considered appropriate to be headed by the Vice President are:
 - (1) Business and Finance - (Chief Business Officer)
 - (2) Educational Programs - (Chief Academic Officer, includes student services library, etc.)
 - (3) Development - (Chief Development Officer)
3. Any technical college desiring to establish one or more positions of Vice President will submit a separate detailed request to the State Board specifying the title, area of overall functional responsibility, and the rationale for establishment of each such position. The request will be supported by a complete job description outlining the functions for which the officer will be responsible, the specific duties to be performed, the required personal qualifications, and a listing of the individuals, by position and/or major function, who will report to the officer. The request will also be accompanied by an organizational chart which illustrates that the requested position has been assigned overall responsibility for the all-inclusive functional grouping within the institution, has been delegated authority to make decisions necessary to fulfill the assigned responsibilities, and is in fact the chief institutional officer for the major functional area to be administered.
4. Appointment of non-classified institutional officers at institutions under the jurisdiction of the State Board for Technical and Comprehensive Education is by the local Area Commission with the concurrence of the State Board. In order to be considered for employment in a non-classified institutional officer position, an applicant must possess the minimum training and experience or an acceptable equivalency as approved by the State Board for Technical and Comprehensive Education.

026124

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5. The salary, procedure for performance appraisal and evaluation, dismissal, and other appropriate conditions of employment of non-classified institutional officers are established jointly by the local Area Commission and the State Board, taking into consideration the size, location, purpose and any special needs of the institution, and the experience and educational qualifications of the individual plus any special or unique capabilities needed by or valuable to the institution. Among other factors considered are the number and types of educational programs offered, numbers of full-time and part-time students, number of full-time equivalent students, size of faculty and administrative staff, budget to be administered, federal and other special programs to be administered, capital investment in physical plant and other significant matters considered relevant to establishment of a fair and equitable salary for the position and the person.

026125

STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION

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Division Director

Date

Executive Director

Date

Group

Position

Annual Salary Ranges (Twelve Months)

I

President

\$38,384 to \$57,298

II

Vice President

\$28,222 to \$42,374

EXHIBIT

JUN 28 1983

NO. 1 2

STATE BUDGET & CONTROL BOARD

026126

EXHIBIT

STATE BUDGET AND CONTROL BOARD

MEETING OF June 28, 1983

JUN 28 1983

NO. 13

REGULAR SESSION AGENDA

ITEM NUMBER

8

Agency: General Services

STATE BUDGET & CONTROL BOARD

Subject: Procurement Certification, State Personnel Division

The Division of General Services recommends, on the basis of the recent audit of the State Personnel Division, that certification be granted to State Personnel for the next solicitation of insurance contracts.

Board Action Requested:

Requested certify State Personnel for the next solicitation of insurance contracts.

Staff Comment:

026127

Attachments:

Agenda item worksheet.

BUDGET AND CONTROL BOARD
AGENDA ITEM WORKSHEET

EXHIBIT

JUN 28 1983

NO. 13

STATE BUDGET & CONTROL BOARD

For Meeting Scheduled For:
June 28

Blue Agenda
X Regular Session Agenda
Executive Session Agenda

1. Submitted By:

Division of General Services

2. Subject:

Procurement certification - State Personnel

3. Summary Background Information:

The audit and certification section of General Services audited State Personnel last year to solicit bids for insurance contracts. The Board, upon recommendation of General Services, certified State Personnel to solicit bids for insurance contracts. Based upon the recent audit of State Personnel, it is recommended that certification be granted for the next solicitation of insurance contracts.

4. What Is Board Asked To Do?
Certify State Personnel for the next solicitation of insurance contracts.

5. Supporting Documents:

List Those Attached

: List Those Not Attached But
: Available From Submitter

:
:
:
:
:

026128

Joy R. Ellis 6-22-83

EXHIBIT

STATE BUDGET AND CONTROL BOARD

MEETING OF June 28, 1983

JUN 28 1983

NO. 14

REGULAR SESSION AGENDA

ITEM NUMBER

9

Agency: General Services

STATE BUDGET & CONTROL BOARD

Subject: Insurance for State Aircraft

The Division asks that Insurance Reserve Fund be formally authorized to provide aircraft insurance for aircraft owned or operated by state agencies.

Board Action Requested:

Requested authorize the Insurance Reserve Fund to procure aircraft insurance for state owned or operated aircraft.

Staff Comment:

026129

Attachments:

Agenda item worksheet plus attachment.

BUDGET AND CONTROL BOARD
AGENDA ITEM WORKSHEET

EXHIBIT

JUN 28 1983

NO. 14

STATE BUDGET & CONTROL BOARD

For Meeting Scheduled For:
June 28

Blue Agenda
☒ Regular Session Agenda
Executive Session Agenda

1. Submitted By:

Division of General Services

2. Subject:

Insurance for state aircraft

3. Summary Background Information:

The Insurance Reserve Fund has been purchasing aircraft insurance for state aircraft based on the assumption that authority for such activity was granted by Executive Order. However, no verification of such an order can be found. Since the Insurance Reserve Fund is providing such coverage, it is requested the Board approve the following:

"The Insurance Reserve Fund is authorized to provide aircraft insurance for aircraft owned or operated by State agencies."

4. What Is Board Asked To Do?

Authorize the Insurance Reserve Fund to procure aircraft insurance for state owned or operated aircraft.

5. Supporting Documents:

List Those Attached : List Those Not Attached But
: Available From Submitter

Memo from Trussell to Moore
dated June 16, 1983

026130

Joy R. Elter 6-21-83

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES

P.O. BOX 11066
1122 LADY STREET, SUITE 600
COLUMBIA, SC 29211
(803) 758-3541



RICHARD W. RILEY, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARL E. MORRIS, JR.
COMPTROLLER GENERAL

HERBERT C. DENNIS
CHAIRMAN
SENATE FINANCE COMMITTEE

TOM G. MANGUM
CHAIRMAN
HOUSE WAYS AND MEANS COMMITTEE


WILLIAM L. PUTNAM
EXECUTIVE DIRECTOR

WILLIAM A. MOORE, CPCU
ASSISTANT DIVISION DIRECTOR

MEMORANDUM

EXHIBIT
JUN 28 1983 NO. 14
STATE BUDGET & CONTROL BOARD

TO: William A. Moore
Insurance Reserve Fund Officer

FROM: John Trussell 
Manager, Casualty Department

SUBJECT: Aircraft Insurance

DATE: June 16, 1983

The Fund has been purchasing aircraft insurance for State aircraft, based on the assumption that authority for such activity was granted by an Executive Order. Unfortunately, I have been unable to locate or obtain a copy of this Executive Order. A search by Clay Carruth and the Governor's Office has been unsuccessful and I must assume that any Order pertaining to aircraft insurance either never existed or has been lost.

Since we are committed to providing aircraft insurance, I believe we should request a resolution from the Budget and Control Board incorporating the following wording:

The Insurance Reserve Fund is authorized to provide aircraft insurance for aircraft owned or operated by State agencies in South Carolina.

026131

JT/bec

JUN 17 1983

INSURANCE RESERVE FUNDS

PROFESSIONAL LIABILITY
INSURANCE

LEGAL

SAFETY
ENGINEERING

CLAIMS

MANAGEMENT INFORMATION
SERVICES

CASUALTY
INSURANCE

PROPERTY
INSURANCE

EXHIBIT

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION AGENDA

MEETING OF June 28, 1983 JUN 28 1983

NO. 15

ITEM NUMBER 10

Agency: Finance Division **STATE BUDGET & CONTROL BOARD**

Subject: Transfer of FTE Positions from Governor's Office to Clemson

The Division advises that the Governor's Office has signed an agreement with Clemson University to transfer the Energy Division to Clemson effective July 1, 1983. Sixteen full-time equivalent positions (2 state funded and 14 federally funded) are involved. The transfer also includes the transfer of funds for the operation of the Energy Division.

The Joint Legislative Committee on Personal Service Financing and Budgeting recommends approval of the requested transfer.

Board Action Requested:

Approve the referenced transfer of positions and funds.

Staff Comment:

026132

Attachments:

Agenda item worksheet plus attachments.

EXHIBIT

47-JU

BUDGET AND CONTROL BOARD
AGENDA ITEM WORKSHEET

JUN 28 1983

NO. 15

For meeting scheduled for:

June 28, 1983

STATE BUDGET & CONTROL BOARD
Blue Agenda

☒ Regular Session Agenda
☐ Executive Session Agenda

1. Submitted By: Finance Division/Budget Development - Curtis Holt
2. Subject: Transfer FTE Positions From The Governor's Office Of Executive Policy & Programs To Clemson University E & G
3. Summary Background Information:

The Governor's Office has signed an agreement with Clemson University to transfer the Energy Division to them effective July 1, 1983. This action requires the transfer of Sixteen (16.00) FTE Positions, Two (2.00) State Funded and Fourteen (14.00) Federally Funded, it also includes the funds for operation.

Budget & Control Board Staff Recommendation:

Curtis Holt
Curtis Holt

APPROVED

DISAPPROVED

4. What is Board Asked To Do?

The transfer of the Energy Division of the Governor's Office to Clemson University including funds and Sixteen (16.00) FTE Positions.

5. Supporting Documents:

List Those Attached

List Those Not Attached But Available
from Submitter

1. Letter From the Governor's Office
2. FTE Position Summary Form
3. FTE Position Request Form

026133



P. O. BOX 142
Columbia, S. C. 29202

EXHIBIT

JUN 28 1983

NO. 15

STATE BUDGET & CONTROL BOARD

June 22, 1983

Dr. Jesse A. Coles
Deputy State Auditor
407 Wade Hampton Office Building
Columbia, South Carolina 29201

Dear Dr. Coles:

The Joint Legislative Committee on Personal Service Financing and Budgeting is, by telephone poll, recommending approval of Request No. 84-2. This request involves the transfer of sixteen (16.00) FTE Positions (two (2.00) State Funded and fourteen (14.00) Federally Funded) from the Governor's Office to Clemson University. I will appreciate your forwarding this to the Budget and Control Board for their consideration.

If you should have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "James M. Waddell, Jr.".

James M. Waddell, Jr.
Chairman

mn

cc: Governor Riley
Don Hinson
Dr. Atchley
Melvin Barnette

026134

REQUEST FOR INCREASE
IN AUTHORIZED POSITION
COUNT

Date 6/17/83

Item Number 84-2

Agency: D17 Governor's Office - Office of Executive Policy and Programs

Subject: FTE Positions Transfer

The Governor's Office has signed an agreement with Clemson University to transfer the Energy Division to them effective July 1, 1983. This action requires the transfer of Sixteen (16.00) FTE Positions, Two (2.00) State Funded and Fourteen (14.00) Federally Funded. It also includes the funds for operation.

EXHIBIT

JUN 28 1983 NO. 15

STATE BUDGET & CONTROL BOARD

Board Action Requested:

Approve the transfer of Sixteen (16.00) FTE Positions from the Governor's Office to Clemson University E & G.

Joint Legislative Committee on Personal Service Financing and Budgeting

Comment:

Recommended approval (6/22/83)

Attachments:

1. Letter From The Governor's Office
2. FTE Position Summary Form
3. FTE Position Request Form

026135

POSITION SUMMARY

AGENCY D17 Governor's Office - OEPP

DATE COMPILED 6/10/83

	TOTAL FUND	STATE FUND	FEDERAL FUND	OTHER FUNDS
AUTHORIZED	263.75	99.53	164.22	0
NOT ESTABLISHED	(0.25)	(0.75)	0.50	0
ESTABLISHED	264.00	100.28	163.72	0
FILLED	239.00	93.28	145.72	0
VACANT	25.00	7.00	18.00	0

COMMENTS:

1. Item #84-2
2. This attached request is to take place on 7/1/83

EXHIBIT

JUN 28 1983 NO. 15

STATE BUDGET & CONTROL BOARD

026136

REQUEST FOR INCREASE
IN AUTHORIZED POSITION
COUNT

Date 6/17/83

Item Number 84-2

Agency: H12 Clemson University E & G

Subject: FTE Position Transfer - 2.00 State and 14.00 Federal

From

The Governor's Office of Executive Policy & Programs

To

Clemson University E & G

EXHIBIT

JUN 28 1983 NO. 15

STATE BUDGET & CONTROL BOARD

Board Action Requested:

Joint Legislative Committee on Personal Service Financing and Budgeting

Comment:

Attachments:

026137

POSITION SUMMARY

AGENCY H12 Clemson University E & G

DATE COMPILED 6/10/83

	TOTAL FUND	STATE FUND	FEDERAL FUND	OTHER FUNDS
AUTHORIZED	3,561.47	2,170.62	497.87	892.98
NOT ESTABLISHED	(0.97)	2.24	0.60	(3.81)
ESTABLISHED	3,562.44	2,168.38	497.27	896.79
FILLED	3,209.92	1,984.77	428.14	797.01
VACANT	352.52	183.61	69.13	99.78

COMMENTS:

1. Item #84-2
2. This attached request is to take place on 7/1/83

EXHIBIT

JUN 28 1983 NO. 15

STATE BUDGET & CONTROL BOARD

026138

Code No. D17 - O5C

Agency Governor's Office - OEPP

Subject:

Request is to transfer 16 position(s) to Clemson University
as follows:

Position Title	Grade	Class Code	Est. Annual Salary	Source of Funds (Percent)		
				State	Federal	Other
Unclassified	00	9146	38,101	100		
Unclassified	00	9999	29,511		100	
Project Admin	36	2474	30,755	50	50	
Admin Prog Anlst	35	2476	23,000		100	
Admin Prog Anlst	35	2476	23,880		100	
Energy Prog Mgr	34	6425	19,299		100	
Energy Prog Mgr	34	6425	20,874		100	
Energy Prog Mgr	34	6425	Vacant		100	
Data Mgmt Res Admin	33	3025	20,671		100	
Pub Info Spec II	28	3102	15,863		100	
Admin Asst I	25	2408	14,236		100	
Budget Anlst	24	1406	15,552		100	
Staff Asst II	22	0572	17,587	50	50	
Staff Asst II	22	0572	12,957		100	

Request Justification:

EXHIBIT

JUN 28 1983 NO. 15

STATE BUDGET & CONTROL BOARD

H. Max Delitt

BUDGET DEVELOPMENT:

☐ Recommend Approval

☐ Recommend Disapproval

GRANTS & REVIEW SECTION:

☐ Recommend Approval

☐ Recommend Disapproval

State Budget Analyst

Date

Grants & Review Analyst

Date

Budget Development Director

Date

Grants & Review Director

Date

State Auditor

Date

BUDGET AND CONTROL BOARD ACTION:

026139

Code No. D17 - O5C

Agency Governor's Office - OEPP

Subject:

Request is to transfer 16 position(s) to Clemson University
as follows:

Position Title	Grade	Class Code	Est. Annual Salary	Source of Funds (Percent)		
				State Federal Other		
Acct Clk III	19	0378	11,939	100		
Staff Asst I	19	0571	13,171	100		
Total FTE:				2.00	14.00	

The salaries listed do NOT include 5% Cost of Living increase

EXHIBIT

JUN 28 1983 NO. 15

STATE BUDGET & CONTROL BOARD

Request Justification:

To transfer the State's Energy Program responsibility to Clemson University.

F. Max Gresham

BUDGET DEVELOPMENT:

☐ Recommend Approval
☐ Recommend Disapproval

GRANTS & REVIEW SECTION:

☐ Recommend Approval
☐ Recommend Disapproval

State Budget Analyst

Date

Grants & Review Analyst

Date

Budget Development Director

Date

Grants & Review Director

Date

State Auditor

Date

BUDGET AND CONTROL BOARD ACTION:

026140



EXHIBIT

JUN 28 1983

NO. 15

STATE BUDGET & CONTROL BOARD

State of South Carolina

Office of the Governor

RICHARD W. RILEY
GOVERNOR

OFFICE OF EXECUTIVE
POLICY AND PROGRAMS

MEMORANDUM

TO: Curtis Holt
FROM: H. Max Nesbitt *HMN*
DATE: June 15, 1983
SUBJECT: Transfer of Positions

The Governor has signed an agreement with Clemson University to transfer our Energy Division to them effective July 1, 1983.

This will require the transfer of State and Federal funds along with sixteen positions. The attached form shows the details of the positions being transferred.

Your assistance in obtaining Budget & Control Board approval will be appreciated.

CC: Don Hinson
Kitty Clarke

Attachment

026141

EXHIBIT

JUN 28 1983

NO. 16

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

STATE BUDGET & CONTROL BOARD

For meeting scheduled for:

Blue Agenda

Regular Session Agenda

Executive Session Agenda

1. Submitted By: Charles I. Small, Director, Real Property Management

2. Subject: SC Research Authority Property "Central Midlands"

3. Summary Background Information: As certain properties owned by the State and operated by Mental Health and Property Management at I-277 and Farrow Road 640+ acres and 73 acres at Parklane have been identified as possible SC Research Authority sites. These same sites having been requested by the SC Research Authority by Resolution enclosed their Board meeting of June 27, 1983, to Budget and Control Board.

Dept. of Mental Health Board having voted that this 640+ acres is surplus to their long term master plan and agreed to pass to Budget and Control Board for SC Research Authority purposes. Knowing that such reduction in acreage makes the 350+ acres on Farrow Road at Killian their only recreational area and being assured it shall stay in such use with the transfer of the 640 acres, Mental Health relinquishes all rights to use the 640 acres.

4. What is Board Asked To Do? ^(73 acres) Transfer the Parklane site and the 640 acres at Farrow Road to SC Research Authority with the understanding that if this 640+ acres is not used by them it will be assigned back to Mental Health. Details to be arranged by Property Management section.

5. Supporting Documents:

List Those Attached

List Those Not Attached But Available
from Submitter

026142

EXHIBIT
JUN 28 1983
STATE BUDGET & CONTROL BOARD
NO 16

PARKWAY



026143

RECEIVED

FEB 7 1984

State of South Carolina
State Budget and Control Board

BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

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

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

Box 12444
Columbia
29211

WILLIAM T. PUTNAM
EXECUTIVE DIRECTOR

MEMO TO: William T. Putnam

FROM: Charles I. Small *Charles I. Small*

SUBJECT: Deed - South Carolina Research Authority
Farrow Road, I-77

DATE: February 6, 1984

I am enclosing a revised deed that has been drawn by Property Management and reviewed by the Scarborough law firm on the 600 plus/minus acres deeded to the South Carolina Research Authority by the Budget and Control Board in October. After we had filed the deed signed in October, it was discovered that we had some minor errors in the plat prepared for the Research Authority by Lott Parrish and Associates. These errors were pointed out to us by Lott Parrish Associates at which time they wanted to correct the plat in the courthouse. Upon discussing the correction with Will Nelson of the Scarborough law firm, we decided that we should also correct the title at the same time. Please note that the corrections in the survey amount to less than 5/10 of an acre and are of very minor points. Most of them are due to reevaluating the South Carolina Highway Department right-of-way of I-77.

We would like to go ahead and execute this amended copy of the deed for the Research Authority. Please note the Whereas clause in the deed stating the need for a new corrective deed and plat. If you have any questions, please feel free to call me.

CIS:hw

Enclosure

026144

State of South Carolina,

County of Richland

WHEREAS, by a deed dated October 20, 1983, and recorded in the RMC Office for Richland County in Deed Book D-667 at page 979, the State of South Carolina conveyed to the South Carolina Research Authority the below described three tracts of land, and

WHEREAS, the property descriptions in said deed were taken from a plat prepared for the South Carolina Research Authority by Lott Parrish and Associates dated September 22, 1983, and it now appears that there are some minor discrepancies ~~known All Men by These Presents~~ in some of the metes and bounds of Tract 2 and Tract 3 as shown on said plat, and

WHEREAS, a revised plat dated December 28, 1983, has been prepared by Lott Parrish and Associates which corrects the minor discrepancies, and

WHEREAS, the State of South Carolina therefore wishes to give a corrective deed to the South Carolina Research Authority so as to correct the discrepancies.

KNOWN ALL MEN BY THESE PRESENTS, That the State of South Carolina

in the State aforesaid, for and ----- in consideration of the sum of One Dollar (\$1.00) -----

to it ---- paid by South Carolina Research Authority -----

in the State aforesaid the receipt and sufficiency of which is hereby acknowledged -----

have granted, bargained, sold and released, and by these presents do grant, bargain, sell and release unto the said South Carolina Research Authority, its successors and assigns forever:

The subject property being situated near the City of Columbia, in the County of Richland and State of South Carolina; being more fully depicted by a plat prepared for the South Carolina Research Authority; prepared by Lott Parrish and Associates, Michael C. Hammack S.C.R.L.S. #9059 dated September 22, 1983; and revised December 28, 1983, and is described as follows:

TRACT 1

Commencing at an iron pin, the "point of beginning" which is the intersection of the western right-of-way of Powell Road (S-1560), said right-of-way being 66' wide and the northern right-of-way of Pisgah Church Road (S-34), said right-of-way being 66' wide; thence along the northern right-of-way of Pisgah Church Road N53°33'50"W 1168.66' to an iron pin; thence along a curve an arc distance of 258.64', said curve having a radius of 2,831.79' and a chord of N50°56'50"W 258.55' to an iron pin; thence N48°19'50"W 275.26' to an iron pin; thence along a curve an arc distance of 272.34', said curve having a radius of 2,897.79' and a chord of N50°41'17"W 272.24' to an iron pin; thence N53°42'50"W 1992.07' to an iron pin; thence along the eastern property line of SCE&G N15°33'45"E 1704.63' to an iron pin; thence along the southern property line of Summerhill subdivision N68°21'38"E 38.84' to an iron pin; thence N69°31'59"E 147.94' to an iron pin; thence N70°03'19"E 1648.60' to an iron pin; thence along the eastern property line of Summerhill subdivision N05°31'12"E 420.83' to a granite monument; thence along the southern property line of Hunt-Taylor-Hardy Investments N79°47'02"E 1499.25' to a granite monument; thence along the western property line of Richland County S04°22'58"E 903.33' to an iron pin; thence along the western property line of Grace C. Haskell S04°33'57"E 951.94' to an iron pin; thence along the southern property line of Grace C. Haskell said property line being the center of Cumbess Creek, S71°08'19"E 44.94' to a point; thence S77°05'23"E 94.68' to an iron pin; thence along the western right-of-way of Powell Road S12°43'51"W 2903.70' to an iron pin; thence along a curve an arc distance of 394.38', said curve having a radius of 5,696.58' and a chord of S14°42'50"W 394.30 to an iron pin; thence S16°41'51"W 258.68' to the "point of beginning" and containing 293.80 acres more or less.

TRACT 2

Commencing at a concrete monument, the "point of beginning" which is the intersection of the western right-of-way of the southbound exit ramp of I-77 and the western right-of-way of Farrow Road (Hwy 555), said right-of-way being 220' wide; thence along the western right-of-way of Farrow Road S38°06'50"W 497.76 to a concrete monument; thence S21°24'53"W 104.40' to an iron pin; thence S37°54'07"W 609.57 to an iron pin; thence along a curve an

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arc distance of 1095.65', said curve having a radius of 1,557.02' and a chord of S58°24'10"W 1073.18' to a concrete monument, thence S78°26'47"W 235.40' to an iron pin; thence S10°07'34"E 46.88' to an iron pin; thence S77°38'05"W 488.72' to an iron pin; thence along the northeastern property line of Pisgah Methodist Church N11°32'03"W 399.49' to an iron pin; thence N39°52'46"W 385.59' to an iron pin; thence N71°29'46"W 660.94' to an iron pin; thence along the eastern right-of-way of Powell Road along a curve an arc distance of 320.74', said curve having a radius of 5,762.58' and chord of N14°19'31"E 320.70' to an iron pin; thence N12°43'51"E 2901.56' to an iron pin; thence along the southern property line of Grace C. Haskell and the southern property line of Charles B. Stuck, said property line being the center of Cumbess Creek, S53°10'53"E 87.76' to a point; thence N75°43'13"E 294.64' to a point; thence N44°46'00"E 105.97' to a point; thence N60°19'37"E 63.82' to a point; thence N81°01'31"E 66.60' to a point; thence S89°14'31"E 182.22' to a point; thence N73°53'36"E 85.77' to a point; thence S81°19'32"E 92.46' to a point; thence N87°42'03"E 117.37' to a point; thence N46°23'43"E 616.94' to a point; thence N49°19'20"E 148.40' to a point; thence N63°52'16"E 103.41' to a point; thence N69°58'30"E 390.60' to an iron pin; thence S83°45'36"E 12.85' to an iron pin; thence S75°04'06"E 77.83' to an iron pin; thence along the western right-of-way of I-77 along a curve an arc distance of 866.37' said curve having a radius of 5,909.58' and a chord of S14°08'29"E 865.59' to a concrete monument; thence S17°07'25"E 588.64' to a concrete monument; thence along a curve an arc distance of 502.53', said curve having a radius of 1,075.92' and a chord of S01°58'45"E 497.97' to a concrete monument; thence S11°14'29"W 226.15' to a concrete monument; thence S26°48'38"W 113.23' to a concrete monument; thence along a curve an arc distance of 598.95', said curve having a radius of 1,054.93' and a chord of S04°52'23"E 590.94' to a concrete monument; thence S35°02'17"E 86.58' to a concrete monument; thence S24°57'25"E 134.41' to a concrete monument; thence S11°20'47"W 135.99' to the "point of beginning" and containing 247.44 acres more or less.

TRACT 3

Commencing at a concrete monument, the "point of beginning" which is the intersection of the northeastern right-of-way of the northbound on ramp of I-77 and the western right-of-way of Farrow Road (Hwy.555) said right-of-way being 90' from the centerline of Farrow Road; thence along the right-of-way of I-77 on ramp S45°04'58"W 316.01' to a concrete monument; thence S74°09'57"W 79.56' to a concrete monument; thence N84°56'48"W 83.67' to a concrete monument; thence N81°59'23"W 361.82' to a concrete monument; thence along a curve an arc distance of 946.55' said curve having a radius of 874.93' and a chord of N51°01'20"W 901.06' to a concrete monument; thence along the eastern right-of-way of I-77 along a curve an arc distance of 691.21', said curve having a radius of 5,543.58' and a chord of N15°14'36"W 690.76' to an iron pin; thence along the southern property line of Charles B. Stuck, said property line being the center of Cumbess Creek, S60°49'37"E 96.78' to a point; thence S66°15'36"E 469.81' to a point; thence S77°48'49"E 218.19' to a point; thence S86°45'23"E 128.68' to a point; thence N85°21'44"E 279.26' to a point; thence S85°10'45"E 149.82' to an iron pin; thence (cont'd on Att A)
TOGETHER with all and singular, the rights, members, hereditaments and appurtenances to the said premises belonging or in anywise incident or appertaining.

To HAVE AND TO HOLD all and singular the premises before mentioned unto the said South Carolina Research Authority, its successors -----

~~XXXX~~ and Assigns forever. The State of South Carolina does hereby bind itself, its successors,

~~XXXX~~ Assigns ~~XXXXXXXXXXXX~~ ~~XXXXXX~~ Executors
and ~~XXXXXXXXXXXX~~ to warrant and forever defend all and singular the said premises unto the said South Carolina Research Authority, its successors -----

~~XXXX~~ and Assigns, against itself --- and its successors ----- ~~XXXXXXXXXXXX~~
~~XXXXXXXXXXXX~~ lawfully claiming, or to claim, the same or any part thereof.

WITNESS whereof by its Hand and Seal this day of
in the year of our Lord one thousand nine hundred and eighty-four
and in the two hundredth and eighth year of the Sovereignty
and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF
Naomis S. Kellum
William A. McAnis

The State of South Carolina
William T. Putnam (SEAL)
William T. Putnam, Executive Director
South Carolina State Budget and Control Board (SEAL)

026146

STATE OF SOUTH CAROLINA,

COUNTY.

PERSONALLY appeared before me

William A. McInnis

and made oath that

he

saw the within-named

William T. Putnam

sign, seal and, as

his

act and deed, deliver the within-written Deed for the uses and purposes therein

mentioned and that he, with

Naomi S. Kellum

witnessed the

execution thereof.

SWORN to before me this *8th*

day of *February*, 19*84*

Donald R. Williams (L. S.)

Notary Public of S. C.

My Commission Expires: *May 3, 1989*

STATE OF SOUTH CAROLINA,

COUNTY.

RENUNCIATION OF DOWER

I,

N/A

, do hereby certify

unto all whom it may concern, that Mrs.

the wife of the within-named

did this day appear before me, and upon being privately and separately examined by me, did declare that she does freely,

voluntarily and without any compulsion, dread, or fear of any person or persons whomsoever, renounce, release and

forever relinquish unto the within-named

heirs

and assigns, all her interest and estate, and also all her right and claim of Dower of, in or to all and singular the premises

within mentioned and released.

Given under my Hand and Seal, this

day of

Anno Domini 19

(L. S.)

Notary Public of S. C.

My Commission expires: _____

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ATTACHMENT A

Legal Description Continued:

S81°27'39"E 56.02' to an iron pin; thence S81°56'39"E 397.47' to an iron pin; thence N82°36'57"E 54.36' to an iron pin; thence N76°50'20"E 95.06' to a point; thence N72°24'36"E 208.11' to an iron pin; thence N71°32'18"E 85.55' to an iron pin; thence N74°05'35"E 131.77' to an iron pin; thence N82°48'37"E 112.21' to an iron pin; thence S81°12'19"E 43.87' to an iron pin; thence along the western right-of-way of Farrow Road S41°22'44"W 253.67' to an iron pin; thence along a curve an arc distance of 668.52', said curve having a radius of 5,809.58' and a chord of S45°03'33"W 668.15' to an iron pin; thence S40°57'42"W 267.86' to the "point of beginning" and containing 37.33 acres more or less.

This being a portion of the property heretofore conveyed to the grantor herein by John M. Jones by his deed dated October 15, 1910, and recorded November 9, 1910 in the Richland County RMC Office in Deed Book AX, Page 89, by Sarah P. Boylston by her deed dated December 9, 1910, and recorded December 20, 1910 in Deed Book AX at Page 170 and by deed of Samuel C. Moore by his deed recorded November 10, 1910 in Deed Book AX at Page 90.

Mailing address of Grantee: c/o Dr. Robert Henderson
PO Box 12025
Columbia, SC 29211

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