

MINUTES OF  
BUDGET AND CONTROL BOARD  
MEETING

December 16, 1986

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

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



Box 12444  
Columbia  
29211

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

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

December 16, 1986

MEMORANDUM

TO: Budget and Control Board Division Directors  
FROM: William A. McInnis, Deputy Executive Director *WAM*  
SUBJECT: Summary of Board Actions at December 16, 1986 Meeting

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

1. Approved the minutes of the December 2, 1986, Budget and Control Board meeting;
2. Approved the sale of about 2,500 square feet of Clemson University property to the Town of Hollywood, as approved by the Clemson University Board of Trustees, for the construction of a sewer pumping station;
3. Received as information the State Auditor's Office preliminary operating procedures of the Fraud Hot Line which has been established to allow the citizens of South Carolina to report incidences of waste, fraud, misuse and abuse of State tax dollars;
4. Received as information a report on the receipt and disbursement of low-level waste surcharge funds received pursuant to the provisions of Act 540 of 1986, Part II, Section 15, as of November 30, 1986;
5. Received as information a Division of Human Resource Management report that the Merit System Council and agencies required to operate under the Cooperative Interagency Merit System have amended their present Rule to reduce the financial obligation of the Merit System by eliminating the requirement to notify applicants of their removal from a register and to make consistent reference to Covered Agencies;

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6. Received as information the FTE position operating report for the month of November, 1986, which showed a net change of -584.76 positions during the month, resulting in the total authorized position base at November 30, 1986, of 64,349.72 of which 59,343.97 positions were filled and 5,005.75 were vacant;
7. Received as information a Budget Division report that 2 transfers of State personal service funds to other operating expenses totalling \$12,500 were authorized during November, 1986, and that a total of 12 transfers totalling \$1,503,275 (\$1,151,989 State, \$16,193 federal, and \$335,093 other) of 1986-87 personal service funds have been authorized;
8. Received as information a report that the following permanent improvement project actions have been reviewed favorably by the Joint Bond Review Committee and approved by staff:

On Summary 11-87: Items 1 and 3 through 5 (involving Winthrop and Tech & Comp Education).

On Summary 12-87: Items 1 through 4 (involving Citadel, College of Charleston, Tech & Comp Education and Wildlife & Marine Resources);

9. Received as information a report that the following permanent improvement project actions have been approved by staff and Joint Bond Review Committee review is not required:

On Summary 11-87: Items 8 through 17 (involving Winthrop, Tech and Comp Education, Vocational Rehabilitation and Mental Retardation).

On Summary 12-87: Items 5 through 11 (involving College of Charleston and Wildlife & Marine Resources);

10. Received as information a report by the Division of General Services that Winthrop College has made substantial progress on implementing procurement audit recommendations and which recommends that Winthrop College be allowed to continue making procurements up to \$2,500;
11. Received as information a report that Clemson University early in 1987 plans to ask Board approval of the refunding of \$9,495,000 of dormitory bonds issued in 1982 as Series I and Series J;
12. Received as information reports on the reimbursement of interviewee travel expenses by Francis Marion College (3);
13. Was advised that the CCI Relocation Task Force had withdrawn its proposed consultation with the Board on the possibility of entering into lease purchase agreements to replace CCI;

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14. Approved the establishment of a School for the Deaf and the Blind boiler replacement project on an emergency basis and authorized the allocation of \$100,000 of bond contingency revolving funds for use on the project with insurance recoveries, subject to review by the Joint Bond Review Committee, after directing staff to find the \$100,000 in other than bond proceeds sources including the possible restoration of part of the 2.6% budget reduction;
15. Approved the submission to the Legislative Council for publication in the State Register emergency regulations developed by the Fire Commission setting forth standards for implementation of the Explosives Control Act;
16. In compliance with requirements of Code Section 2-47-40, and in response to the Bond Committee's request, authorized the Department of Corrections and Board staff to proceed with efforts to gather information on the Department of Corrections request for funding authorization for three additional 600-bed medium security prisons;
17. Adopted resolutions approving proposals to issue revenue bonds, on the condition that the required reviews are completed with satisfactory results;
  - (1) Issuing Authority: Richland County  
Amount of Issue: \$2,488,000 Hospital Facilities Revenue Bonds  
Name of Project: Meridian Care Center Partners  
Project Description: Nursing home/retirement home center
  - (2) Issuing Authority: McCormick County  
Amount of Issue: \$2,800,000 Hospital Facilities Revenue Bonds  
Name of Project: McCormick County Nursing Center  
Project Description: Skilled and intermediate care nursing home and residential care facility  
(ALLOCATION NOT REQUESTED)
  - (3) Issuing Authority: Horry County  
Amount of Issue: \$4,500,000 Industrial Development Bond  
Name of Project: Lodge Associates of Myrtle Beach  
Employment Impact: 50 additional  
Project Description: Public lodging facility; renovation of restaurant facility  
(ALLOCATION APPROVED PREVIOUSLY. APPROVAL REQUESTED SUBJECT TO A FAVORABLE RULING BY THE SUPREME COURT.)

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| (4) Issuing Authority: | Family Farm Development Authority  |
| Amount of Issue:       | \$190,000 Agricultural Development Revenue Bond  |
| Name of Project:       | Setzler Farms, Inc.  |
| Project Description:   | Construct 3 turkey houses, growout houses and equipment to expand turkey farm operation  |
| Maturity Schedule:     | 10 equal payments of \$30,922.50 payable annually, together with interest at a rate not exceeding 12% (Authority staff say rate is 10% fixed.) |
| Bond Purchaser:        | NCNB South Carolina  |
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|---------------------------|---|
| (5) Issuing Authority:    | Pickens County                            |
| Amount of Issue:          | \$6,555,000 Hospital Facilities Refunding |
| Revenue Bonds             |   |
| Name of Project:          | Cannon Memorial Hospital                  |
| Project Description:      | 56-bed acute care facility                |
| (ALLOCATION NOT REQUIRED) |   |
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|---|--|
| (6) Issuing Authority:                        | Richland County  |
| Amount of Issue:                              | \$6,000,000 Industrial Revenue Bonds   |
| (INCLUDES \$5,400,000 Refunding Bonds)        |  |
| Name of Project:                              | Mills Partners   |
| Employment Impact:                            | 50 additional Project  |
| Description:                                  | Acquisition by lease and renovation of Robert Mills Building on State Hospital grounds |
| (ALLOCATION REQUIRED) (INCOMPLETE SUBMISSION) |  |
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18. Allocated a portion of the State Ceiling to projects 1 (Meridian Care Center) and 4 (Setzler Farms, Inc.) for a total of \$2,678,000;
19. Extended the life of the \$12,000,000 Pavilion Towers project ceiling allocation to December 31, 1986; and agreed to allow the Redevelopment Commission for Congaree Vista to carry the allocation forward to 1987;
20. Received as information a report that the State Housing Authority has relinquished a \$50,000,000 ceiling allocation and reaffirmed its agreement to allocate to the State Housing Authority for carryforward into 1987 any of the 1986 Ceiling not allocated to other issuing authorities;
21. Approved a Charleston County request to increase the amount of the Charleston Surgery Center Limited Partnership project from \$1,500,000 to \$1,650,000, on the condition that the required reviews are completed with satisfactory results; and allocated an additional \$150,000 of the State Ceiling to the project;

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22. Received as information a status report on the State Ceiling;
23. Approved the submission to the Legislative Council for publication in the State Register emergency regulations setting forth the procedure for allocating the State Ceiling on private activity bonds;
24. Received as information a report that representatives of local housing authorities attended a December 9 public hearing on proposed regulations pursuant to Act 369 relating to the basic authority for local housing authority participation in multifamily bond issues and expressed support for the adoption of the regulations as proposed; and approved the proposed regulations for submission to the General Assembly;
25. Granted conditional approval to the City of Hartsville Housing Authority petition to issue \$1,600,000 of its multifamily housing mortgage revenue bonds; agreed that this request should be processed under the regulations approved for submission to the General Assembly and approved the submission to the Legislative Council for publication in the State Register as emergency regulations the same regulations approved for submission to the General Assembly; and delegated to the State Treasurer authority to approve, under the regulations, (a) the net interest cost of the bonds; (b) the form and substance of the various security or financing documents entered into by the Authority; and (c) the terms and conditions under which the bonds are to be sold;
26. Approved the following permanent improvement project establishment requests and budget revisions which had been reviewed favorably by the Joint Bond Review Committee:

Item 17:    Agency:    Parole & Community Corrections  
             Project:    60-Bed Midlands Restitution Center Construction  
             Request:    Establish project and budget  
             Amount:    \$347,844  
             Source:    Other funds (Court Fees and Fines)  
             Purpose:    To construct a 60-bed Restitution Center and renovation of an existing house (Warden's former residence) with inmate labor on State land located at the Manning Correctional Institution in Richland County. An Attorney General's Office opinion has been secured which agrees with this proposed use of the funds involved. It had been thought that the agency might be allowed only to lease such facilities.

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On Summary 11-87:

Item 2: Agency: Technical & Comprehensive Education  
Project: 8642, Trident-Palmer Campus Brown Bldg Renovation  
Request: Increase budget to \$3,765,500  
Amount: \$515,500  
Source: Other (Local) funds  
Purpose: Expenditures exceeded budgeted amount. Also, revise scope to include new equipment for the Culinary Arts program and cover added costs of Phase I.

Item 6: Agency: Vocational Rehabilitation  
Project: Rock Hill-Additional Land Purchase  
Request: Establish project and budget  
Amount: \$24,400  
Source: Other (Workshop Production) funds  
Purpose: To purchase from York County approximately 2 acres of additional land to guarantee free access to all sides of original tract (7.09 acres) purchased by project 8678 entitled Rock Hill Land Purchase. The per acre price of \$11,700 is the price paid for the land by York County in February of 1986.

Item 7: Agency: Department of Corrections  
Project: Goodman Correctional Institute Cafeteria  
Request: Establish project and budget  
Amount: \$700,000  
Source: Capital Expenditure Fund  
Purpose: To construct a cafeteria with the capability to feed 400 inmates. The current cafeteria was designed to support an inmate population of 187 and has been feeding a population in excess of 350 since 1978.

On Summary 13-87:

Supplement 1 Agency: B&C Bd-General Services (for DSS)  
Project: North Tower Computer Installation Upfitting  
Request: Establish project and budget  
Amount: \$347,500  
Source: Appropriated State and Federal funds  
Purpose: Preparation of building to receive a new uninterrupted power supply system to support a new mainframe computer which is to serve the Department of Social Services. A 20-ton air conditioner is included.

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Supplement 2    Agency:   Parks, Recreation & Tourism  
                  Project:   Caesar's Head-Mountain Bridge Acq  
                  Request:   Establish project and budget  
                  Amount:   \$155,000  
                  Source:   Appropriated State funds  
                  Purpose:   The acquisition of 1.9 acres and two houses on  
                                 parcel in order to expand recreational develop-  
                                 ment at Caesar's Head. PRT advises that this is  
                                 the last in-holding in the Mountain Bridge park.  
                                 The property has been appraised for \$166,000.  
                                 Present owner is anxious to close this transaction  
                                 before year-end due to tax law changes.

27. Added to the agenda and approved the acquisition of the Beaufort Elementary School property by USC-Beaufort as a part of project H36-9271, on the condition that appraisals of the property be updated;
28. In accord with Code Section 11-35-1210, granted procurement certification to Spartanburg Technical College certification within the parameters described in the audit report for \$5,000 per purchase commitment (total purchase commitment to the State whether single-year or multi-year contracts are used), local funds only, for two years: Goods and services; and information technology in accordance with the approved Information Technology Plan;
29. Agreed to hold a regular meeting at 10 a.m. on Tuesday, January 6, 1987, in the Governor's conference room in the State House;
30. Agreed that the Insurance Reserve Fund should move to a class rating plan in stages with the universal rate plan being in effect as of January 1987 and with a class rating plan to be in effect as of July 1987; and agreed that the Fund should notify the school districts which have filed notices of possible cancellation and the School Boards Association that it disagrees with their interpretation of the law on cancellation and allow them ten days to reconsider their filing;
31. Approved an Educational Television Commission request to enter into a personnel settlement with Mr. John Dozier;
32. Approved the continuation of current salaries in excess of 97% of that of the agency heads for employees of the Commission on Aging and the State Fire Marshal Division, on the condition that those employees not receive any increases until their salaries meet the legislated salary differential;
33. Approved an annual salary of \$44,350 for Mr. Steven S. Seeling upon his appointment as Director of the Board of Medical Examiners effective December 17, 1986;

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34. Approved unclassified salary increases for the following employees, effective December 16, 1986: Clemson (1); USC (3); SC State College (2); and Tax Commission (1);
35. Approved a Medical University request to grant to eight unclassified faculty members salary increases exceeding 8% and approved, in one of these eight, a salary level in excess of 97% of that of the President of MUSC, after agreeing that Human Resource Management should put agencies on notice that, in light of more realistic agency head salaries, the Board intends to be more strict in the future on this differential issue;
36. Heard Dr. Coles present a six-months' review of a number of contractual, legal and personnel matters;
37. Authorized staff to work with the interested parties on a real property matter in Florence County; and
38. Ratified actions taken during executive session.

WAM:dw

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MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

DECEMBER 16, 1986

10 A. M.

The Budget and Control Board met at 10 A. M. on Tuesday, December 16, 1986, in the Governor's conference room in the State House, with the following members in attendance:

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

Also attending were:

Jesse A. Coles, Jr., Ph.D.	Executive Director
William A. McInnis	Secretary
E. A. Laurent, Ph.D.	Deputy Executive Director
J. Samuel Griswold, Ph.D.	Deputy Executive Director
Joseph A. Wilson, II	Chief Deputy Attorney General
Charles H. Smith	Special Projects Administrator
Donna K. Williams	Assistant to Board Secretary
Other Board staff	

**Welcome to Representative McLellan**

Governor Riley welcomed Representative Robert N. McLellan, Chairman of the House Ways and Means Committee, to his first meeting as a member of the Budget and Control Board following his election to the Committee Chairmanship. He remarked that the State will be well served by having a person of Mr. McLellan's caliber on the Board.

**Minutes of Previous Meeting (Regular #1)**

Board members previously had been furnished a draft version of the minutes of the December 2, 1986, meeting.

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

**Blue Agenda**

Following a review by Dr. Coles of the items included, upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved all items on the blue agenda.

Before the Board voted on the blue agenda items, Mr. Morris noted that the information indicated that there now are fewer State-funded employees than

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when Governor Riley took office. Governor Riley responded by noting that that is a result of many very difficult decisions by agency heads. He also pointed out that prison guards represent the primary additions. Governor Riley also observed that agency heads are very sensitive to the issue of operating costs associated with capital improvements and he urged the Board to be especially tuned in to the operating cost implications of additional capital improvements.

Blue agenda items are identified as such in these minutes.

**General Services: Clemson University Deed to Town of Hollywood (Blue #1)**

The Division of General Services advised that the Clemson University Board of Trustees has voted to sell a small piece of University property to the Town of Hollywood for the construction of a sewer pumping station.

Board approval was requested pursuant to Code Section 11-11-65.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved the sale of about 2,500 square feet of Clemson University property to the Town of Hollywood, as approved by the Clemson University Board of Trustees, for the construction of a sewer pumping station.

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

**State Auditor's Office: Fraud Hot Line (Blue #2)**

The State Auditor's Office advised that the Fraud Hot Line has been established to allow the citizens of South Carolina to report incidences of waste, fraud, misuse and abuse of State tax dollars.

The Office indicated that calls to the Fraud Hot Line will be treated confidentially. It reported that staff will be available to take calls from 8:30 a.m. to 5:00 p.m. Monday through Friday and that, after business hours, callers may leave a recorded message. The toll-free number is 1-800-521-4493. The Columbia area number is 734-0328.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board received as information a report on the State Auditor's Office preliminary operating procedures of the Fraud Hot Line which has been established to allow the citizens of South Carolina to report incidences of waste, fraud, misuse and abuse of State tax dollars.

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

**State Treasurer: Low Level Radioactive Waste Surcharge Funds (Blue #3)**

A report from the State Treasurer's Office on the receipt and disbursement of funds received pursuant to the provisions of Act 540 of 1986, Part II, Section 15, as of November 30, 1986, was presented. It showed that a total of \$1,949,520 in surcharge and penalty surcharge fees had been collected.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board received as information the referenced report on the receipt and disbursement of funds received pursuant to the provisions of Act 540 of 1986, Part II, Section 15, as of November 30, 1986.

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

**Human Resource Management: Final Rule Revisions (Blue #4)**

The Division of Human Resource Management advised that the Merit System Council and agencies required to operate under the Cooperative Interagency Merit System have amended their present Rule to reduce the financial obligation of the Merit System by eliminating the requirement to notify applicants of their removal from a register and to make consistent reference to Covered Agencies.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board received as information a Division of Human Resource Management report that the Merit System Council and agencies required to operate under the Cooperative Interagency Merit System have amended their present Rule to reduce the financial obligation of the Merit System by eliminating the requirement to notify applicants of their removal from a register and to make consistent reference to Covered Agencies.

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

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**Budget Division: FTE Operating Report, November (Blue #5)**

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board received as information the FTE position operating report for the month of November, 1986, which showed a net change of -584.76 positions during the month, resulting in the total authorized position base at November 30, 1986, of 64,349.72 of which 59,343.97 positions were filled and 5,005.75 were vacant.

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

**Budget Division: 1986-87 Authorized Transfers Report, November (Blue #6)**

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board received as information a Budget Division report that two transfers of State personal service funds to other operating expenses totalling \$12,500 were authorized during November, 1986, and that a total of twelve transfers totalling \$1,503,275 (\$1,151,989 State, \$16,193 federal, and \$335,093 other) of 1986-87 personal service funds have been authorized in the fiscal year.

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

**Executive Director: Permanent Improvement Projects (Blue #7)**

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board received as information a report that the following permanent improvement project actions had been reviewed favorably by the Joint Bond Review Committee and approved by staff:

- (1) On Summary 11-87: Items 1 and 3 through 5 (involving Winthrop and Tech & Comp Education).
- (2) On Summary 12-87: Items 1 through 4 (involving Citadel, College of Charleston, Tech & Comp Education and Wildlife & Marine Resources).

In that same action, the Board received as information a report that the following permanent improvement project actions had been approved by staff and that Joint Bond Review Committee review is not required:

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- (1) On Summary 11-87: Items 8 through 17 (involving Winthrop, Tech and Comp Education, Vocational Rehabilitation and Mental Retardation).
- (2) On Summary 12-87: Items 5 through 11 (involving College of Charleston and Wildlife & Marine Resources).

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

**General Services: Winthrop College Procurement Audit Follow-Up (Blue #8)**

The Division of General Services advised that a follow-up review has been made to determine the progress made by Winthrop College on implementing the recommendations in their procurement audit.

The Division reported that substantial progress has been made and it recommended that the College be allowed to continue making procurements up to \$2,500.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board received as information a report by the Division of General Services that Winthrop College had made substantial progress on implementing procurement audit recommendations and which recommended that Winthrop College be allowed to continue making procurements up to \$2,500.

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

**Clemson University: Student & Faculty Housing Revenue Refunding Bonds (B #9)**

Bond counsel Huger Sinkler advised by letter that Clemson University early in 1987 plans to ask Board approval of the refunding of \$9,495,000 of dormitory bonds issued in 1982 as Series I and Series J.

Mr. Sinkler estimated that savings of between \$600,000 and \$800,000 may be realized in that procedure.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board received as information a report that Clemson University early in 1987 plans to ask Board approval of the refunding of \$9,495,000 of dormitory bonds issued in 1982 as Series I and Series J.

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

**Executive Director: Interviewee Travel Expense Reimbursement (Blue #10)**

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board received as information reports on the reimbursement of interviewee travel expenses by Francis Marion College (3).

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

**State Reorganization Commission: Replacement of CCI (Regular #2)**

The Board was reminded in the agenda materials that Section 28, Part II, Act 201 of 1985 authorizes the Board to enter into lease purchase agreements consistent with the Procurement Code which would provide the State an economically feasible method of replacing CCI. This authorization apparently can be exercised after consultation with the Joint Bond Review Committee and the State Reorganization Commission. The authorization also lists six tests which such agreements must meet.

The Board was advised in the agenda materials that the Bond Committee has considered the recommendations of the Reorganization Commission's CCI Relocation Task Force, chaired by Rep. Jean Toal, which has recommended that the replacement facility for CCI be funded through a lease purchase arrangement. The Board also was advised that the Bond Committee, at its November 12, 1986, meeting, voted to advise the Board that the lease purchase financing method was found acceptable for the CCI relocation project.

At the meeting, Dr. Coles advised the Board that the CCI Relocation Task Force had withdrawn its proposed consultation on the possibility of entering into lease purchase agreements to replace CCI.

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

**Executive Director: Agenda Modifications**

After advising the Board that the Reorganization Commission's CCI Relocation Task Force had withdrawn its request to appear before the Board,

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Dr. Coles proposed the following additional items which the Board agreed to add to the agenda without objection: a report on the boiler explosion at the School for the Deaf and the Blind; a proposed modification (increase) in the amount of the Charleston Surgery Center project; and a USC-Beaufort property acquisition project.

**Budget Division: Emergency Boiler Repair/Replace (Deaf & Blind) (Add)**

The Board without objection agreed to add this item relating to the boiler explosion at the School for the Deaf and the Blind early on Monday, December 15, 1986.

Dr. Coles reported the School's boiler building was completely destroyed and that apparently three boilers cannot be repaired and that one perhaps can be repaired. He noted that some 37 buildings depend on the boilers for hot water and heat. He was glad to report that no injuries were sustained by any persons as a result of the explosion.

He reported that students of the School were sent home for the holidays a week early because of the boiler incident. He said that a consultant to the School had estimated that it would cost between \$500,000 and \$750,000 to get the School back into operation. He stated that the Insurance Reserve Fund would pay over \$500,000 on the loss which would be released immediately. He then indicated that \$100,000 had been requested from the Board's bond contingency revolving fund.

Budget Division staff member Charles Shaw observed that the cost figures at this time are preliminary estimates. He also noted that two large boilers at the School are twenty-four years old and that one of them had just been repaired in August.

Consultant Blaine Walker said that the boilers burn either natural gas or fuel oil. He said that one of the 24-year-old boilers apparently exploded and that the resulting damage was awesome. In response to Governor Riley's inquiry about any liability on the part of the boiler repair firm, Mr. Walker thought it was questionable.

Mr. Bennett advised Mr. McLellan that insurance coverage is on a replacement cost basis. He also noted that there is a question as to whether the fire box or the boiler exploded and that samples are being taken today in

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an effort to make that determination. He noted that \$503,000 of coverage existed and that it appears that the situation would be assessed as a total loss. He also pointed out that the deductible is \$100 rather than \$100,000. He expressed the view that the \$100,000 requested is for replacement costs as estimated.

Governor Riley noted that when a thing like this happens it provides an opportunity to revisit the codes involved to see what worked and what didn't.

Following this discussion, upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved the establishment of a School for the Deaf and the Blind boiler replacement project on an emergency basis and authorized the allocation of \$100,000 of bond contingency revolving funds for use on the project with insurance recovery funds, subject to review by the Joint Bond Review Committee.

Mr. McLellan urged that the agency be authorized to use available operating funds for this purpose rather than bond funds which would involve long-term repayment. Other members agreed that staff should be directed to find the \$100,000 in other than bond proceeds sources. Dr. Coles said that restoration of some of the budget reduction is an option but he emphasized that the agency wants and needs to be secure in proceeding to deal with the problem.

Following further discussion, upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved the establishment of the project and the budget of \$100,000 and directed staff to find the funds in sources other than bond proceeds.

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

**State Fire Commission: Explosives Control Act Regulations (Regular #3)**

The Board was advised that the State Fire Commission has completed the drafting of regulations setting forth standards for implementation of the Explosives Control Act which becomes effective January 1, 1987.

The Commission requested Board approval of the proposed emergency regulations which, if approved by the Board, become effective upon filing with the Legislative Council.

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Dr. Coles then read the synopsis of the regulations included in the agenda materials as follows: "The entire subarticle was rewritten to encompass the requirements of the South Carolina Explosives Control Act of 1986. This regulation sets forth license criteria for dealers in explosives, blasters, as well as for explosive magazine permits and permits for the use of explosives. A fee schedule for licenses and permits is included. This regulation also requires a minimum of one million dollars public liability insurance for blasting with each permit; requires records of sales and inventories to be kept; establishes minimum safety standards for the use and storage of explosives; sets minimum standards for the construction of explosive storage magazines and exempts agricultural users of explosives for obtaining a blaster license and permit for use of explosives."

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board authorized the submission to the Legislative Council for publication in the State Register emergency regulations developed by the Fire Commission setting forth standards for implementation of the Explosives Control Act.

Mr. Wilson questioned whether the Board had the authority to revoke and suspend licenses as provided in 19-302.6 without opportunity for a hearing. Mr. Collum said that the procedures to be followed are the same as the Administrative Procedures Act. Governor Riley urged that the preamble clarify this point.

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

**Department of Corrections: Funding Request for 3 Prisons (Reg #4)**

Mr. McInnis advised the Board that, although under present law 1987 is not supposed to be a year in which capital improvement bonds are authorized, the Department of Corrections has advised the Joint Bond Review Committee (in Commissioner Leeke's October 24, 1986, letter) that it will require funding authorization for an additional 1,800 beds (three 600-bed medium security prisons) at a total cost of \$90 million by July 1, 1987. He noted that Commissioner Leeke states that these facilities are needed to meet the specific terms of the Nelson v. Leeke suit which committed the State to end prison overcrowding by January 1990.

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Mr. McInnis noted that the Joint Bond Review Committee rightly had referred the Corrections' request to the Board for its review and recommendations in accord with legal requirements. He noted that the Bond Committee had indicated its intention to seek legislation to make it possible to authorize bonds in 1987 for the Department of Corrections.

Included in the agenda materials was Commissioner Leeke's letter in which he observed the following:

- (1) When all currently-funded projects are completed, 11,385 beds of all types which meet Consent Decree criteria will be available.
- (2) The inmate population during the November 29 - December 5 period averaged 10,228.
- (3) The inmate population in January of 1990 is projected to be 12,880. In July of 1990, it is projected at 13,067.
- (4) Thus, a shortage of 1,495 beds (in January 1990) and of 1,682 beds (in July of 1990) is expected.

Mr. Leeke also noted that a minimum of 30 months is required between funding a prison facility and its occupancy. He also pointed out that his Department has reviewed carefully alternative construction types such as wooden barracks. He observed that 70% of the prison population requires high security housing which makes the type of prisons requested necessary.

At its December 9 meeting, the Bond Committee, in compliance with Code Section 2-47-40, referred the request to the Board for its consideration and recommendations.

Governor Riley observed that there is not supposed to be a bond bill in 1987. He suggested that the matter be referred to staff and that the Board simply receive the matter as information. He expressed the view that the Board, under the circumstances had no authority to recommend anything.

Mr. Patterson said that the matter should be referred to staff as information and that staff should be asked to come up with more economical facilities to meet the needs as presented by the Department of Corrections.

Mr. McLellan noted, as a member of the Bond Committee, that the request had been sent to the Board in an effort to be in compliance with the law.

Mr. McInnis observed that the Bond Committee is prepared to seek a change in the law so as to allow bond authorizations in 1987.

006748

**Minutes of State Budget and Control Board Meeting  
Regular Session — December 16, 1986 — Page 11**

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Governor Riley said that he is aware of the problems and the need but he expressed the view that South Carolina now has a tremendous prison construction program with more of that sort of thing underway on a per capita basis than any other state. He said with all of the other efforts in place to deal with the growing inmate population it would not be in order for the Board to recommend more new construction now.

Following this discussion, upon a motion by Mr. McLellan, seconded by Senator Dennis, the Board authorized its staff along with Department of Corrections staff to proceed with efforts to gather information on the Department of Corrections request for funding authorization for three additional 600-bed medium security prisons.

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

**Executive Director: Revenue Bonds; Allocation of State Ceiling (Reg #5)**

The agenda materials advised the Board that the required reviews on the following proposals to issue revenue bonds were not completed at the time of agenda preparation. They indicated that staff would advise the Board on the results of these reviews at the meeting. The agenda materials also indicated that each of the projects listed requires approval under State law and that an allocation of a portion of the Ceiling is requested for projects 1, 4 and 6.

- |                            |  |
|----------------------------|--|
| (1) Issuing Authority:     | Richland County  |
| Amount of Issue:           | \$2,488,000 Hospital Facilities Revenue Bonds                            |
| Name of Project:           | Meridian Care Center Partners Project                                    |
| Description:               | Nursing home/retirement home center                                      |
| (Exhibit 15.)              |  |
|                            |  |
| (2) Issuing Authority:     | McCormick County   |
| Amount of Issue:           | \$2,800,000 Hospital Facilities Revenue Bonds                            |
| Name of Project:           | McCormick County Nursing Center Project                                  |
| Description:               | Skilled and intermediate care nursing home and residential care facility |
| (ALLOCATION NOT REQUESTED) |  |
| (Exhibit 16.)              |  |

**006749**

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- (3) Issuing Authority: Horry County  
Amount of Issue: \$4,500,000 Industrial Development Bond  
Name of Project: Lodge Associates of Myrtle Beach  
Employment Impact: 50 additional  
Project Description: Public lodging facility; renovation of restaurant facility  
(ALLOCATION APPROVED PREVIOUSLY. APPROVAL REQUESTED SUBJECT TO A FAVORABLE RULING BY THE SUPREME COURT.)  
(Exhibit 17.)
- (4) Issuing Authority: Family Farm Development Authority  
Amount of Issue: \$190,000 Agricultural Development Revenue Bond  
Name of Project: Setzler Farms, Inc.  
Project Description: Construct 3 turkey houses, growout houses and equipment to expand turkey farm operation  
Maturity Schedule: 10 equal payments of \$30,922.50 payable annually, together with interest at a rate not exceeding 12% (Authority staff say rate is 10% fixed.)  
Bond Purchaser: NCNB South Carolina  
(Exhibit 18.)
- (5) Issuing Authority: Pickens County  
Amount of Issue: \$6,555,000 Hospital Facilities Refunding Revenue Bonds  
Name of Project: Cannon Memorial Hospital  
Project Description: 56-bed acute care facility  
(ALLOCATION NOT REQUIRED)  
(Exhibit 19.)
- (6) Issuing Authority: Richland County  
Amount of Issue: \$6,000,000 Industrial Revenue Bonds  
(INCLUDES \$5,400,000 Refunding Bonds)  
Name of Project: Mills Partners  
Employment Impact: 50 additional  
Project Description: Acquisition by lease and renovation of Robert Mills Building on State Hospital grounds  
(ALLOCATION REQUIRED) (INCOMPLETE SUBMISSION)  
(Exhibit 20.)

The agenda materials also pointed out that Mr. James G. Norton, Columbia Development Corporation Executive Director, had requested that the Pavilion Towers (Redevelopment Commission for the Congaree Vista Area) project \$12,000,000 allocation, which will expire on December 23, be extended to December 31.

The agenda materials included notice that the State Housing Authority on December 5, 1986, relinquished the \$50,000,000 ceiling allocation previously granted.

006750



**Minutes of State Budget and Control Board Meeting**  
**Regular Session -- December 16, 1986 -- Page 13**

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A complete status report on the State Ceiling as of December 11, 1986, was included in the agenda materials as was the summary presented below:

	<u>Local Pool</u>	<u>State Pool</u>	<u>Total</u>
1. Unallocated Balance, December 11	52,520,000	2,705,000	55,225,000
2. Allocations for items 1 and 4	-190,000	-2,488,000	52,547,000
3. Shift from State to Local Pool	-5,783,000	5,783,000	52,547,000
4. Allocation for item 6		-6,000,000	46,547,000
Balance	46,547,000	-0-	46,547,000

At the meeting, Mr. McInnis distributed a handout which listed the following revised set of recommendations that the Board:

(1) Adopt resolutions approving proposals to issue revenue bonds for projects 1 through 6, on the condition that the required reviews are completed with satisfactory results;

(2) Allocate a portion of the State Ceiling to projects 1 (\$2,488,000) and 4 (\$190,000) for a total of \$2,678,000;

(3) Extend the life of the \$12,000,000 Redevelopment Commission for Congaree Vista (Pavilion Towers) allocation to December 31, 1986;

(4) Agree to allow the Redevelopment Commission for Congaree Vista to carry forward the \$12,000,000 allocation to 1987, a request made necessary because the bonds have been sold but the transaction cannot be closed until very early in January (before the Board meeting set for January 6);

(5) Receive as information a report that the State Housing Authority has relinquished the \$50,000,000 State Ceiling allocation approved previously and reaffirm the agreement to allocate to the Housing Authority and to approve the carry forward to 1987 of any State Ceiling not allocated to other issuing authorities for use in 1986; and

(6) Approve the Charleston County request (added to the agenda as a suggested item 5A) to increase the amount of the Charleston Surgery Center Limited Partnership project from \$1,500,000 to \$1,650,000, on the condition that the required reviews are completed with satisfactory results, and allocate an additional \$150,000 of the State Ceiling to the project.

Following a brief discussion, upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board approved the six recommendations listed above as presented by Mr. McInnis.

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

**006751**



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**Executive Director: Regulations on State Ceiling Allocation (Reg #6)**

Mr. McInnis called the Board's attention to a marked-up copy of the regulations presently in effect included in the agenda materials. He said that the revised version of the regulations now in effect (which are the Executive Order issued by Governor Riley on October 22 to maintain compliance with the Tax Reform Act of 1986) is proposed for consideration as emergency regulations to be issued by the Board before the General Assembly convenes. The Board was reminded in the agenda materials that, if that course were to be taken, the regulations would be good for 90 days only and that they could not be renewed while the legislature is in session.

Mr. McInnis pointed out that the regulations could be issued by the Governor as his executive order.

He said that the only substantive change proposed (in Section 5 of this mark-up) is that which would limit allocation approvals during the first half of the calendar year to a maximum of \$10 million in any instance unless the Board, after review and comment by the Bond Committee, were to determine in specific cases that the impacts of allocations of greater amounts are of such significance as to warrant making exceptions.

Mr. McLellan observed that the Bond Committee is looking at a new system of priorities in this area and indicated his support for the procedure suggested by Mr. McInnis.

Mr. McInnis again noted that the Board could issue the revised regulations on an emergency basis with a 90-day life or they could be issued as an Executive Order by Governor Riley or by his successor. He also noted that the formal process to revise the regulations could be undertaken during this time.

Governor Riley said that he would be happy to amend his October 22 Executive Order if that is the Board's request.

Following a brief further discussion, upon a motion by Mr. McLellan, seconded by Mr. Patterson, the Board approved the submission to the Legislative Council for publication in the State Register emergency regulations setting forth the procedure for allocating the State Ceiling on private activity bonds.

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

006752

**Executive Director: Housing Regulations (Regular #7)**

Mr. McInnis advised the Board that a public hearing was held on the regulations proposed pursuant to Act 369 relating to the basic authority for local housing authority participation in multifamily bond issues. He reported that representatives from the Beaufort, Charleston, Columbia, Greenville and Greenwood Housing Authorities and the South Carolina Association of Housing Authorities were present. He said that no one present at the hearing expressed any opposition to the adoption of the regulations as proposed.

Mr. McInnis asked the Board to approve the proposed regulations for submission to the General Assembly. He advised the Board that all of the parties who had participated in the drafting and review of the proposed regulations now are satisfied with them and that he was not aware of any controversy relating to them.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board received as information a report that representatives of local housing authorities attended a public hearing on proposed regulations pursuant to Act 369 relating to the basic authority for local housing authority participation in multifamily bond issues and that those local representatives had expressed support for the adoption of the regulations as proposed and approved the proposed regulations for submission to the General Assembly.

Information relating to this matter has been retained in these files and is identified as Exhibit 23.

**Hartsville Housing Authority: \$1,600,000 Mortgage Revenue Bonds (Reg #8)**

Appearing before the Board on this matter was attorney Daniel R. McLeod, Jr., bond counsel for the City of Hartsville Housing Authority.

Mr. McInnis advised the Board that the City of Hartsville Housing Authority has petitioned the Board for approval of the issuance of \$1,600,000 Mortgage Revenue Bonds for the Lincoln Village Project in accord with the authority granted in Act 369 of 1986. Mr. McInnis noted that this proposal is the first exercise of that legislation. He noted that the regulations which the Board just approved for submission to the General Assembly, of course, were not yet in effect but he urged the Board to consider that they are for the purpose of evaluating this proposal. He expressed the view that the Hartsville proposal is a complicated one.

006753

**Minutes of State Budget and Control Board Meeting**  
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The Board was advised in the agenda materials that the Hartsville Housing Authority proposes to use the bond proceeds to purchase Lincoln Village Apartments which is an existing complex containing 64 dwelling units which are currently subsidized under HUD's Section 8 Existing Housing Assistance Program.

The Authority indicates that \$1 million of the bonds will be sold to NCNB South Carolina and \$600,000 of the bonds will be sold to Marion Gandy who is the present owner of Lincoln Village Apartments.

At the time of agenda preparation, the submission was incomplete. The required investment letters were not received. The documents for issuance/securing of the bonds were not submitted.

Attorney McLeod stated that it was tough to be the first out of the chute but that it was the City's intention to comply with the regulations as they are proposed even though they have not yet been approved by the General Assembly. He asked that the Board approve the issue subject to the delegation of certain approvals to State Treasurer Patterson.

Mr. Patterson observed that if the Board were to adopt the regulations on an emergency basis they would be in effect immediately.

Mr. McInnis noted that some local housing authority representatives have urged the Board to adopt the regulations on an emergency basis so that they would apply to the Hartsville petition. He also expressed the view that the Board could impose those regulations on the Hartsville case without going through the emergency regulations process because the Act empowers the Board to impose whatever conditions it may choose on its approvals.

Following a brief discussion, upon a motion by Mr. Patterson, seconded by Mr. McLellan, approved the submission to the Legislative Council for publication in the State Register as emergency regulations the same regulations approved earlier in the meeting for submission to the General Assembly.

Following further discussion, the Board, upon a motion by Mr. Patterson, seconded by Senator Dennis, granted conditional approval to the City of Hartsville Housing Authority petition to issue \$1,600,000 of its multifamily housing mortgage revenue bonds and delegated to the State Treasurer authority to approve, under the regulations, the net interest cost of the bonds; the

**006754**

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form and substance of the various security or financing documents entered into by the Authority; and the terms and conditions under which the bonds are to be sold.

Information relating to this matter has been retained in these files and is identified as Exhibit 24.

**Executive Director: Permanent Improvement Projects (Regular #9)**

Budget and Control Board approval was requested for the following permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee:

On Summary 10-87:

Item 16: Agency: Department of Corrections  
Project: 48-Bed Drug/Alcohol Treatment Unit  
Request: Establish project and budget  
Amount: \$307,191  
Source: Capital Improvement Bonds & Capital Expenditure Funds  
Purpose: Consists of 48-bed addition to the Watkins Pre-Release Center and an administration building which will contain treatment, program services and office space.

Item 17: Agency: Parole & Community Corrections  
Project: 60-Bed Midlands Restitution Center Construction  
Request: Establish project and budget  
Amount: \$347,844  
Source: Other funds (Court Fees and Fines)  
Purpose: To construct a 60-bed Restitution Center and renovation of an existing house (Warden's former residence) with inmate labor on State land located at the Manning Correctional Institution in Richland County. An Attorney General's Office opinion has been secured which agrees with this proposed use of the funds involved. It had been thought that the agency might be allowed only to lease such facilities.

On Summary 11-87:

Item 2: Agency: Technical & Comprehensive Education  
Project: 8642, Trident-Palmer Campus Brown Bldg Renovation  
Request: Increase budget to \$3,765,500  
Amount: \$515,500  
Source: Other (Local) funds  
Purpose: Expenditures exceeded budgeted amount. Also, revise scope to include new equipment for the Culinary Arts program and cover added costs of Phase I.

**006755**



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Item 6: Agency: Vocational Rehabilitation  
Project: Rock Hill-Additional Land Purchase  
Request: Establish project and budget  
Amount: \$24,400  
Source: Other (Workshop Production) funds  
Purpose: To purchase from York County approximately 2 acres of additional land to guarantee free access to all sides of original tract (7.09 acres) purchased by project 8678 entitled Rock Hill Land Purchase. The price of \$11,700 is the price paid for the land by York County in February of 1986.

Item 7: Agency: Department of Corrections  
Project: Goodman Correctional Institute Cafeteria  
Request: Establish project and budget  
Amount: \$700,000  
Source: Capital Expenditure Fund  
Purpose: To construct a cafeteria with the capability to feed 400 inmates. The current cafeteria was designed to support an inmate population of 187 and has been feeding a population in excess of 350 since 1978.

On Summary 13-87:

Supplement 1 Agency: B&C Bd-General Services (for DSS)  
Project: North Tower Computer Installation Upfitting  
Request: Establish project and budget  
Amount: \$347,500  
Source: Appropriated State and Federal funds  
Purpose: Preparation of building to receive a new uninterruptible power supply system to support a new mainframe computer which is to serve the Department of Social Services. A 20-ton air conditioner is included.

Supplement 2 Agency: Parks, Recreation & Tourism  
Project: Caesar's Head-Mountain Bridge Acq  
Request: Establish project and budget  
Amount: \$155,000  
Source: Appropriated State funds  
Purpose: The acquisition of 1.9 acres and two houses on parcel in order to expand recreational development at Caesar's Head. PRT advises that this is the land in-holding in the Mountain Bridge park. The property has been appraised for \$166,000. Present owner is anxious to close this transaction before year-end due to tax law changes.

Mr. McInnis advised the Board that item A, the Department of Corrections Drug/Alcohol Treatment Unit project had been withdrawn and that it was before the Board now in error.

006756

He also pointed out that all of the remaining project actions are before the Board following their favorable review by the Bond Committee and because the amounts involved exceed the approval level delegated to staff by the Board.

Mr. McInnis briefly reviewed project B on the agenda after which upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved the permanent improvement project establishment requests and budget revisions listed above (except A) which had been reviewed favorably by the Joint Bond Review Committee.

Information relating to this matter has been retained in these files and is identified as Exhibit 25.

**Executive Director: USC-Beaufort Property Acquisition (Add)**

As a follow-up to the Board's earlier action approving the addition of this item, Mr. McInnis advised the Board that the project provides for the purchase of an elementary school property by USC-Beaufort. He reported that staff of General Services have advised that the property was appraised in 1980 at an estimated value of \$900,000 and that the building has been found free of asbestos or structural problems. General Services also advised that the building would be used as general classroom and faculty office space by USC-Beaufort.

Mr. McInnis recommended that the Board approve this acquisition on the condition that the appraisals of the property be updated.

Mr. McLellan observed that he had had no previous information on this added item.

Mr. McInnis noted that the project was authorized by the General Assembly in a bond act and that funding for it had been released in priority group 9.

Following further discussion, upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board approved the acquisition of the Beaufort Elementary School property by USC-Beaufort as a part of project H36-9271, on the condition that appraisals of the property are updated.

Information relating to this matter has been retained in these files and is identified as Exhibit 26.

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**General Services: Procurement Certification, Spartanburg TEC (Reg #10)**

The Division of General Services advised the Board that, in accord with Code Section 11-35-1210, it had audited Spartanburg Technical College and recommends certification of the College within the parameters described in the audit report for the following limits (total potential purchase commitment to the State whether single-year or multi-year contracts are used), local funds only, for two years:

- |  |                                 |
|--|---------------------------------|
| I. Goods and services  | \$5,000 per purchase commitment |
| II. Information technology in accordance with the approved Information Technology Plan | \$5,000 per purchase commitment |

Upon a motion by Mr. Morris, seconded by Mr. Patterson, in accord with Code Section 11-35-1210, the Board granted procurement certification to Spartanburg Technical College certification within the parameters described in the audit report for \$5,000 per purchase commitment (total purchase commitment to the State whether single-year or multi-year contracts are used), local funds only, for two years: Goods and services; and information technology in accord with the approved Information Technology Plan.

Information relating to this matter has been retained in these files and is identified as Exhibit 27.

**Future Meeting**

The Board without objection agreed to hold a regular meeting at 10 a.m. on Tuesday, January 6, 1987, in the Governor's Conference Room in the State House.

**Executive Session**

Dr. Coles advised that one contractual item, five personnel items, and one report involving contractual, legal and personnel matters had been proposed for consideration during executive session.

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

**006758**

#### Ratification of Executive Session Actions

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

- (1) Agreed that the Insurance Reserve Fund should move to a class rating plan in stages with the universal rate plan being in effect of January 1987 and with a class rating plan to be in effect as of July 1987; and agreed that the Fund should notify the school districts which have filed notices of possible cancellation and the School Boards Association that it disagrees with their interpretation of the law on cancellation and allow them ten days to reconsider their filing;
- (2) Approved an Educational Television Commission request to enter into a personnel settlement with Mr. John Dozier;
- (3) Approved the continuation of current salaries in excess of 97% of that of the agency heads for employees of the Commission on Aging and the State Fire Marshal Division, on the condition that those employees not receive any increases until their salaries meet the legislated salary differential;
- (4) Approved an annual salary of \$44,350 for Mr. Steven S. Seeling upon his appointment as Director of the Board of Medical Examiners effective December 17, 1986;
- (5) Approved unclassified salary increases for employees in the following agencies and institutions, effective December 16, 1986: Clemson University (1); USC (3); SC State College (2); and Tax Commission (1);
- (6) Approved a Medical University request to grant to eight unclassified faculty members salary increases exceeding 8% and approved, in one of those eight, a salary level in excess of 97% of that of the President of MUSC, after agreeing that Human Resource Management should put agencies on notice that, in light of more realistic agency head salaries, the Board intends to be more strict in the future on this differential issue;
- (7) Heard Executive Director Coles present a six-months' review of a number of contractual, legal and personnel matters; and
- (8) Authorized staff to work with the interested parties on a real property matter in Florence County.

#### Adjournment

Upon a motion by Mr. Morris, the meeting was adjourned at 1:15 p.m.

006759

[Secretary's Note: In compliance with Code §30-4-80, public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, near the Board Secretary's office in the Wade Hampton Building, and in the lobby of the Wade Hampton Office Building at 8:45 a.m. on Monday, December 15, 1986.]



# EXHIBIT

DEC 16 1986

NO. 1

STATE BUDGET AND CONTROL BOARD  
MEETING OF December 16, 1986

BLUE AGENDA

ITEM NUMBER

1

AGENCY: General Services

SUBJECT: Deed from Clemson University to Town of Hollywood

The Division of General Services advises that the Clemson University Board of Trustees has voted to sell a small piece of University property to the Town of Hollywood for the construction of a sewer pumping station.

Board approval is requested pursuant to Code Section 11-11-65.

BOARD ACTION REQUESTED:

Approve the sale of about 2,500 square feet of Clemson University property to the Town of Hollywood, as approved by the Clemson University Board of Trustees, for the construction of a sewer pumping station.

ATTACHMENTS:

Agenda item worksheet and attachment

006760

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

For meeting scheduled for:

December 16, 1986

XX Blue Agenda

       Regular Session Agenda

       Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

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

2. Subject:

Deed from Clemson University to the Town of Hollywood

3. Summary Background Information:

This is a deed from Clemson University to the Town of Hollywood. Clemson's Board of Trustees voted to sell a small piece of University property to the Town for the construction of a sewer pumping station on the terms and conditions as set forth therein.

Pursuant to S.C. Code Section 11-11-65, as amended, the University is seeking the Budget and Control Board's approval of this transaction.

## EXHIBIT

DEC 16 1986

NO. 1

4. What is Board asked to do?

STATE BUDGET & CONTROL BOARD

Review and approve this transaction.

5. What is recommendation of the Board Division involved?

That this transaction be approved.

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

1. Copy of letter dated November 25, 1986 to Jesse Coles from the University
2. Original Deed
3. Original Waiver of Rights and Benefits

006761

CLEMSON  
UNIVERSITY

RECEIVED

DEC 1 1986  
BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

SECRETARY OF THE BOARD OF TRUSTEES

November 25, 1986

EXHIBIT

DEC 16 1986 NO. 1

STATE BUDGET & CONTROL BOARD

Mr. Jesse Coles  
Executive Director  
Budget and Control Board  
P. O. Box 12444  
Columbia, South Carolina 29211

Dear Mr. Coles:

The Clemson University Board of Trustees has voted to sell a small piece of University property to the Town of Hollywood for the construction of a sewer pumping station on the terms and conditions shown on the enclosed documents.

Pursuant to the provisions of the S. C. Code, Section 1-11-65, approval of the Budget and Control Board is requested. If any additional information is needed, please give me a call at 656-3413.

The Town of Hollywood and the Berkeley, Charleston, Dorchester Council of Governments are most anxious to complete this transaction so they can proceed with the construction of the sewer system using federal funds.

Your assistance in expediting this action will be appreciated. You may wish to talk with Mayor Lela Dickerson of the Town of Hollywood, whose telephone number is 803-889-3222, or to Ms. Jamie Losikoff-Kent, a Technical Assistance Specialist with the Berkeley, Charleston, Dorchester Council of Governments. Her telephone number is 803-577-6990.

Sincerely,

*Hugh J. Clausen*  
Hugh J. Clausen  
MAJ GEN (USA, Ret)

rc

xc: Mayor Lela Dickerson (Less Enclosures)  
Ms. Jamie Losikoff-Kent "

006762

STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES  
300 GERVAIS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 737-2140

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



RICHARD W. KELLY  
DIVISION DIRECTOR

REMBERT C. DENNIS  
CHAIRMAN,  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

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

**RECEIVED**

DEC 22 1986

BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

**EXHIBIT**

DEC 16 1986 NO. 1

STATE BUDGET & CONTROL BOARD

December 19, 1986

Mr. Hugh J. Clausen  
Major General (USA, Retired)  
Clemson University  
Post Office Box 992  
Clemson, South Carolina 29633-0992

Dear Mr. Clausen:

Enclosed is the deed from the University to the Town of Hollywood. Pursuant to the provisions of §1-11-65 of the S.C. Code of Laws, 1976, as amended, the Budget and Control Board approved this document at its Board meeting held December 16, 1986.

Very truly yours,

*Delphine Bigony*  
Delphine Bigony  
Administrative Assistant

/db

Enclosure: Original Deed  
Waiver of Rights and Benefits

cc: Dr. Jesse Coles  
Mr. Richard Kelly  
Mr. Jack Sprott

006763



State of South Carolina,

Form 14—Title to Real Estate  
Revised 1976

# EXHIBIT

DEC 16 1986 NO. 1

STATE BUDGET & CONTROL BOARD

WHEREAS the Board of Trustees for Clemson University has met and agreed to conveyed the within described property,

KNOW ALL MEN BY THESE PRESENTS, THAT

Clemson University

in the State aforesaid \_\_\_\_\_ in consideration of the sum of  
One (\$1.00) \_\_\_\_\_ DOLLARS,

to its \_\_\_\_\_ in hand paid at and before the sealing of these presents by \_\_\_\_\_

in the State aforesaid \_\_\_\_\_ the receipt whereof is hereby  
acknowledged, have granted, bargained, sold and released, and by these Presents do grant, bargain, sell and  
release unto the said Town of Hollywood, its Successors and Assigns, so long as the  
property is to be used for a sewer pumping station, and if it should ever cease  
to be so used, then the said premises shall revert to Clemson University and its  
successors and assigns,

said premises being described as a taking of 2,500 Square Feet, a portion  
of TMS 308 00 00 002, being located as follows; on the land known as the Clemson  
Extension Property located on Hwy 17, past the Clemson Administration Offices  
to a gate in a fence along the old ACL Railroad 100 Ft. right of way, now owned  
by the Charleston Public Works Dept.; E on the right of way to the end of the  
fence on the S side of the right of way, thence S along the fence 11.5 Ft. to  
a point which is S of the 100 Ft. right of way, thence 21.5 Ft. along the S side  
of the right of way to a point which is the point of beginning; thence S77 03'33"  
East along the margin of the right of way 50.00 Ft. to a point, thence S12 56'27"W  
50.00 Ft. to a point, thence N77 03'33"W 50.00 Ft. to a point, thence N12 56'37"  
East 50.00 Ft. to the point of beginning. The property is bounded on three sides  
by the Clemson Agriculture College of SC and on one side by the property of the  
Charleston Public Works Dept., and including a temporary 100 Ft. construction easement.  
This is a portion of the same property conveyed by deed of David K.H. Bruce to  
the Clemson Agriculture College of SC, a corporation, dated December 18, 1939  
and recorded January 31, 1940 in Bk H41 Pg 417 in the RMC Office for Charleston  
County, SC

TMS #308 00 00 002

To: Town of Hollywood/ PO Box 519/ Hollywood, SC 29449

006764

# EXHIBIT

DEC 16 1986 NO. 1

STATE BUDGET & CONTROL BOARD

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 said Premises before mentioned unto the said

Town of Hollywood, Its Successors and Assigns

~~XXXXXX XXXXX XXXXX~~

so long as the property is used for a sewer pumping station and if it should cease to be used, then the said property shall revert to Clemson University and its successors and assigns.

006765

AND Clemson University do hereby bind its Successor and Assigns, XXXX  
Executors and Administrators, to warrant and forever defend, all and singular, the said Premises unto the said  
Town of Hollywood, its Successors and Assigns

~~Hollywood, its~~ against Clemson University and its Successors XXXX and all persons whomso-  
ever \_\_\_\_\_ lawfully claiming, or to claim the same or any part thereof.

WITNESS my \_\_\_\_\_ Hand \_\_\_\_\_ and Seal \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_  
in the year of our Lord one thousand nine hundred and eighty-six and in the two hundred and  
eleventh year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Louis P. Batson Chairman, Board of Trustees  
(L. S.)

Approved by Budget and Control Board  
December 16, 1986

The State of South Carolina,

Jesse A. Coles, Jr.  
Jesse A. Coles, Jr., Ph.D., Executive Director

\_\_\_\_\_  
County \_\_\_\_\_  
PERSONALLY appeared before me \_\_\_\_\_  
and made oath that \_\_\_\_\_ saw the within named \_\_\_\_\_  
\_\_\_\_\_ sign, seal, and as \_\_\_\_\_ act and deed, deliver the within written Deed,  
and that \_\_\_\_\_ with \_\_\_\_\_  
\_\_\_\_\_ witnessed the execution thereof.

SWORN to before me, this \_\_\_\_\_  
day of \_\_\_\_\_ A.D. 19 \_\_\_\_\_

\_\_\_\_\_  
(SEAL)  
Notary Public of South Carolina  
My Commission Expires:

EXHIBIT

DEC 16 1986 NO. 1

STATE BUDGET & CONTROL BOARD

006766

State of South Carolina,

TO

TITLE TO REAL ESTATE

Filed \_\_\_\_\_ day

of \_\_\_\_\_ A.D. 19\_\_

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

and recorded in Book \_\_\_\_\_

Page \_\_\_\_\_, Fee, \$ \_\_\_\_\_

R. M. C. or Clerk Court C.P. & G. S.

County, S.C.

Recorded this \_\_\_\_\_ day

of \_\_\_\_\_, 19\_\_

in Book \_\_\_\_\_ Page \_\_\_\_\_

Fee, \$ \_\_\_\_\_

Auditor \_\_\_\_\_ County, S. C.

Revised Form 1 (October 68)  
Form 1-1

EXHIBIT

DEC 16 1986 NO. 1

STATE BUDGET & CONTROL BOARD

006767



WAIVER OF RIGHTS AND BENEFITS OF THE UNIFORM RELOCATION  
ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES  
ACT OF 1970 (40 U.S.C.4601)

WHEREAS, the Town of Hollywood has received Community Development funds from the South Carolina Governor's Office of Community and Economic Affairs and funds from the U. S. Environmental Protection Agency, and;

WHEREAS, one of the conditions imposed upon the use of such funds is compliance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, hereafter referred to as the Uniform Act, and the regulations of 24CFR Part 42, and;

WHEREAS, the Uniform Act requires that real property shall be appraised before the initiation of negotiations, and;

WHEREAS, the Uniform Act requires that the Town of Hollywood establish an amount it believes to be just compensation for the property to be acquired before the initiation of negotiations, and

WHEREAS, as to the property specifically described as follows:

a parcel of land, containing 2,500 SF, a portion of TMS#308 00 00 0002, being located as follows: on the land known as the Clemson Extension property located on HWY 17, past the Clemson Administration Offices to a gate in a fence along the old ACL RR 100 Ft. right of way, now owned by the Charleston Public Works Dept.; E on the right of way to the end of the fence on the S side of the right of way, thence S along the fence 11.5 Ft. to a point which is S of the 100 Ft. right of way, thence 21.5 Ft. along the S side of the right of way to a point which is the point of beginning; thence S77°03'33"E along the margin of the right of way 50.00 Ft. to a point, thence S12°56'27"W 50.00 Ft to a point, thence N77°03'33"W 50.00 Ft. to a point, thence N12°56'37"E 50.00 Ft. to the point of beginning. The property is bounded on three sides by the Clemson Agriculture College of SC and on one side by the property of the Charleston Public Works Department; and including a temporary 100 Ft. construction easement.

I have determined it to be in my best interest to waive any rights and benefits accruing to me under the Uniform Act, and;

NOW, THEREFORE, let it be known that by my signature hereon I freely and without duress, waive any and all rights accruing to me under the Uniform Act. Specifically, I have been advised that my property, or any interest therein, is valued at \$327,- and this sum is required to be paid to me if my property is acquired by the Town of Hollywood and if I elect not to execute this waiver.

\_\_\_\_\_  
Signature of Owner

\_\_\_\_\_  
Acquiring Official

**EXHIBIT**

DEC 16 1986

NO. 1

STATE BUDGET & CONTROL BOARD

006768

# EXHIBIT

DEC 16 1986 NO. 2

STATE BUDGET AND CONTROL ~~BOARD~~ STATE BUDGET & CONTROL BOARD AGENDA  
MEETING OF December 16, 1986 ITEM NUMBER 2

AGENCY: State Auditor's Office

SUBJECT: Fraud Hot Line

The State Auditor's Office advises that the Fraud Hot Line has been established to allow the citizens of South Carolina to report incidences of waste, fraud, misuse and abuse of State tax dollars.

Calls to the Fraud Hot Line will be treated confidentially. Staff will be available to take calls from 8:30 a.m. to 5:00 p.m. Monday through Friday, After business hours, callers may leave a recorded message. The toll-free number is 1-800-521-4493. The Columbia area number is 734-0328.

---

BOARD ACTION REQUESTED:

Receive as information the State Auditor's Office preliminary operating procedures of the Fraud Hot Line which has been established to allow the citizens of South Carolina to report incidences of waste, fraud, misuse and abuse of State tax dollars.

---

ATTACHMENTS:

Agenda item worksheet; preliminary operating procedure for Fraud Hot Line

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DEC - 2 1986

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

For meeting scheduled for:

DECEMBER 16, 1986

☒ Blue Agenda  
☐ Regular Session Agenda  
☐ Executive Session Agenda

1. Submitted By:

(a) Agency: STATE AUDITOR'S OFFICE

(b) Authorized Official Signature: EDGAR A. VAUGHN, JR., CPA

2. Subject:

FRAUD HOT LINE

3. Summary Background Information:

SEE ATT. # 1

EXHIBIT

DEC 16 1986 NO. 2

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

LIST ON "INFORMATION" (BLUE) AGENDA AND TO FILE THE ATTACHED S.O.P. IN  
BLUE RECORDS.

5. What is recommendation of the Board Division involved?

N/A

6. Recommendation of other office (as required)?

(a) Office Name N/A

Authorized

(b) Signature N/A

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

ATT. # 2  
PRELIMINARY S.O.P FOR FRAUD  
"HOTLINE"

NONE

006770

State of South Carolina

EXHIBIT



DEC 16 1986 NO. 2

STATE BUDGET & CONTROL BOARD

State Budget and Control Board

OFFICE OF THE STATE AUDITOR  
P.O. BOX 11333  
COLUMBIA  
29211  
(803) 758-8406

EDGAR A. VAUGHN, JR., CPA  
STATE AUDITOR

MARGARET C. STILWELL, CPA  
DEPUTY STATE AUDITOR

MEMORANDUM

TO: Public Service Directors  
FROM: State Auditor Edgar A. Vaughn Jr.  
SUBJECT: Fraud Hot Line  
DATE: December 1, 1986

The Fraud Hot Line goes into operation today and will allow the citizens of South Carolina to report incidences of waste, fraud, misuse and abuse of State funds.

In order to notify the public of this important service, would you please run the following public service announcement (:30) until further notice.

"The Fraud Hot Line has been established to allow the citizens of South Carolina to report incidences of waste, fraud, misuse and abuse of State tax dollars. Your call will be treated confidentially by the Hot Line staff. You can call the Fraud Hot Line 24 hours a day seven days a week. Staff will be available to take your call from 8:30 a.m. to 5:00 p.m. Monday through Friday. After business hours you may leave a recorded message. For the Fraud Hot Line call 1-800-521-4493 statewide and if you are in Columbia call 734-0328.

That's 1-800-521-4493 or in Columbia 734-0328."

Thank you for cooperation in this endeavor. If you have any questions please call me at 734-1727.

006771

ATT #1

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR  
GRADY L. PATTERSON, JR.  
STATE TREASURER

STATE BUDGET & CONTROL BOARD  
EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL  
REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM C. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE  
WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR



# EXHIBIT

DEC 16 1986 NO. 2

## BASIC QUESTIONS FOR INTERVIEWING HOTLINE INFORMANTS

STATE BUDGET & CONTROL BOARD

### Interviewing and Screening Process

When interviewing a caller, the evaluator attempts to elicit the following information to establish the materiality of the alleged wrongdoing or mismanagement for the basis of a good write-up report:

Is the allegation a state, local or federal matter? We want to determine how the program or area is funded.

What are the particulars of the allegation? We want to know what actually took place and what dollar amount is involved.

What is the geographical location of the reported allegation? We need to know where these incidents occurred.

Is documentary evidence available to factually support the allegation?

We like to obtain written or photographic evidence if possible.

What organizations are affected of fund the program or area? We need the names of the governmental agencies, contractors, or other organizations involved.

Who are the persons involved in the wrongdoing or mismanagement? We need the names, addresses, and phone number of those involved.

When did the reported allegation take place?

### Definitions

Fraud means the intentional, unlawful acquisition of money or some other advantage or benefit by perpetrating wrongful acts affecting governmental programs.

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## STATE BUDGET & CONTROL BOARD

Fraud can include:

1. theft
2. embezzlement
3. false statements, and/or claims
4. illegal commissions
5. kickbacks, bribery
6. conspiracies
7. obtaining contracts, or grants through collusive arrangements.

Abuse means to make improper or excessive use of right or privilege, such as to abuse one's authority. Abuse normally refers to administrative violations of departmental, agency or program regulations which impair the effective operation of a program.

Corruption involves officials receiving money or other goods in return for special treatment.

Misconduct means intentional wrongdoing that is illegal or contrary to officials' prescribed behavior.

Grievance means any matter of concern or dissatisfaction to a complainant which is subject to the control of an agency's management, including:

1. working conditions
2. improper application of rules and regulations
3. unfair treatment, including coercion or restraint
4. failure of an agency to follow its promotion plan and procedure, including complaints of unfair supervisory appraisals

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# EXHIBIT

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STATE BUDGET & CONTROL BOARD 3

5. nonselection for training opportunities

(Calls to the SAO hotline concerning grievances should normally be handled through normal grievance procedures of the employing agency.)

## HOTLINE REFERRAL AND FOLLOW UP

### Background:

The hotline operates 24 hours a day, 7 day a week. Callers can discuss their allegations with the hotline staff from 8:30 a.m. to 5:00 p.m., Monday through Friday. After business hours and on weekends, callers will be asked to leave a recorded message or to call back during normal working hours. In the Columbia area, the hotline phone number is 734-0328. The statewide toll-free number is 1-800-521-4493. The mailing address is Hotline, State Auditor's Office, Post Office Box 11333, Columbia, South Carolina 29211.

Some allegations identify potential audit areas or tie into our previous or current audit work. In these instances, the hotline staff makes limited inquiries which may result in a memorandum to auditors assigned to that agency. Sometimes a report of the problem is sent to an agency head for corrective action.

The Deputy State Auditor makes the final referral decision based on knowledge of State and federal programs, agency policies and procedures, and results of previous hotline allegations. The allegations that do warrant further scrutiny are referred to the Attorney General, the State Law Enforcement Division, other agencies with which we have referral agreements,

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STATE BUDGET & CONTROL BOARD

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the involved agency head or the State Auditor's Office investigative staff. The agency to which allegations are referred is asked to provide us with an initial disposition within 60 days and inform us of the final outcome when the case is closed.

## Informant's Confidentiality:

Callers to the Hotline can be granted strict confidentiality. Their names will be known only to the Hotline Staff. The identity of the caller will be protected but may require a release outside the State Auditor's Office if subpoenaed. If a written pledge of confidentiality is requested, the request should be discussed with the Deputy State Auditor.

## Referral Procedures:

1. Take a hotline call, interview the individual for basic overall questions as a guide for a good write up. Take good notes since they are the basis for preparing a Call-In Report.
2. While discussing the allegation with the informant, a preliminary determination should be made whether the allegation warrants a write-up and possible referral to the appropriate agency based on the answers you receive from your interview. If the allegation is incomplete, the caller should be encouraged to get back with us if required information can be obtained. If the allegation is not a State agency matter, the caller should, if possible, be redirected to the appropriate organization. If the allegation is to be written up, provide the caller with a control number. Assign the next available control number from the Hotline Log Book. The control number is

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# EXHIBIT

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NO. 2

STATE BUDGET & CONTROL BOARD

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provided in case the informant wishes to get back with us to provide additional information or to determine the disposition of the case. If additional documentation is required in order to refer the case, then the Call-In Report should be placed in the "Awaiting Documentation" file. If documentation is not received within 10 days, a staff member will review the report for substance, then a decision will be rendered by the Deputy State Auditor whether the write-up should be referred or considered as non-substantive (N/S).

3. Although an informant can elect to remain anonymous, every attempt should be made to obtain the informant's identify, since additional information is often needed to pursue an allegation. As a result, cases may be closed because of insufficient leads or inadequate evidence. Discuss the possible ways they can be protected if they do not want their name(s) provided to the Agency. If they request it, brief them on our procedures for their follow-up on a case. Tell them to use the control number when providing additional information or when checking on the disposition of the allegation. We will provide the informant with every limited information (e.g., date referred, date case under investigation and/or closed.)
4. in some instances, there may be a need for you to contact an agency, private organization or person(s) to obtain additional information. At no time should we contact those person(s) or place(s) that are

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involved in the allegation without discussing it with the Deputy State Auditor.

5. Utilizing your notes, complete a Call-In Report and complete the Hotline Log Book entries from Control Number through Type of Allegation columns.
6. Any case that appears to the writer to be a matter of urgency or sensitivity should be brought to the attention of the Deputy State Auditor as soon as possible. These cases will be expedited and do not go through the normal referral process. They will be typed and referred as soon as possible to the appropriate agency.
7. The completed Call-In Report is placed in the "in-box" located in the hotline room (marked for "Allegation Write-ups"). If the case write-up is unsubstantive it is noted as a "NS" with an explanation. "NS" is noted in the Hotline Log Book final disposition column and the Call-in Report is then filed in the "Not Substantiated" file in control number order.
8. At the end of each shift, all completed Call-In Reports which warrant referral are given to the word-processing supervisor to be typed. Each Call-In Report should be accompanied by a draft cover letter to the appropriate Agency.
9. The drafts and typed Call-In Reports and cover letters are returned to the author for proofing.
10. The proofed reports and cover letters are sent to the Deputy State Auditor for final review and signature.

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11. Once signed, a copy of each cover letter and report are used to post the Hotline Log Book Date Referred through Due Date Initial Disposition Columns and then filed in the "Referred File" in control number order. The original Call-In Report is stapled to the typed copy.
12. Allegations received via the mails will be assigned a control number by the staff member on duty when they are received. An acknowledgment letter should be drafted in all cases where the informant provides a name and address. The acknowledgment should be sent to the Deputy State Auditor for review and signature. A copy of the signed letter should be attached to the allegation letter. If the allegation warrants referral, go to Step 2 and handle like a "phoned-in" allegation.
13. Phone lines will be staffed from 8:30 a.m. to 5:00 p.m., Monday through Friday. If the person assigned to the Hotline takes a call on one line, he will activate the recorder on the other line until he has completed his call. If the person assigned to the Hotline must leave his station, both recorders should be activated. The recorders should be stripped by the team members assigned first thing each morning and call backs made as time is available during the day.

#### Follow-Up Procedures

Follow-up action on an agency's initial or final case disposition occurs when the hotline staff questions the substance of the agency's response. For example, the investigation or audit may not properly address the issues in the

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referral. Therefore, the response may be incomplete because reasonable leads were not followed, errors in judgment were made or it lacks specific information such as amounts of fines, possible dollar recoveries, and the types of administrative or legal action taken, the level of management which made the disposition, etc.

Follow-Up

14. When an initial disposition is received from a referral agency, it is routed to the staff member who prepared the Call-In Report. That staff member is responsible for reviewing the initial disposition for appropriateness - see paragraph above. If the disposition is judged appropriate, the staff member will indicate his acceptance, sign and date the response and log it in the Initial Disposition columns in the Hotline Log Book. The response will then be attached to and filed with the original Call-In Report.

If the initial disposition is judged not appropriate, the staff member will consult the Deputy State Auditor for instructions.

15. Occasionally the referral agency will contact the SAO after we refer a case. In most cases they want to discuss the case further with the informant. A note summarizing this contact should be filed with the original Call-In Report. If the informant provided their name to us in confidence, we should contact them to determine whether they will permit us to furnish their name to the agency. Make a note on the original Call-In Report indicating contact and whether permission was granted to release the informant's name. If the informant does not want to have his name released there may be other alternatives in this area. Discuss with the Deputy State Auditor. If the informant cannot be reached by phone, we can send them a written inquiry signed by the Deputy State Auditor.

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16. When a final disposition is received from an Agency or our own investigative section, it will be handled in the same manner as an initial disposition which is detailed above in 14.
17. Any questions or suggestions should be discussed with the State Auditor and Deputy State Auditor or one of the Audit Directors.
18. Early each day, scan the Hotline Log Book for over-due initial disposition responses and notify the Deputy State Auditor by written memorandum so that she can initiate appropriate action.
19. Also, go through the awaiting documentation file daily and notify the Deputy State Auditor of any pending cases more than 10 days old, requesting instructions.
20. We propose to maintain four files on the Hotline operation:
  - A. "Awaiting Documentation."  
See Page 3, Item 2, last 2 sentences.
  - B. "Allegation Write-Ups"  
This is the "in-box". Notes taken during phone calls as well as written allegations received are kept in this file until the staff member has time to draft a Call-In Report. Note that this file must be cleared at the end of each shift.
  - C. "NS"  
Call-In Reports which are, in the Hotline staff member's opinion, non-substantiative. Filed in control number order after being logged in the Hotline Log Book.

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NO. 2

STATE BUDGET & CONTROL BOARD

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## D. "Referred File"

Filed in control number order. This file should contain:

1. The handwritten notes taken during a call.
2. Original handwritten Call-In Report.
3. Copy of typed Call-In Report.
4. Copy of referral cover letter signed by the Deputy State Auditor.
5. Initial disposition letter sent to us by the referral agency.
6. Final disposition letter.
7. All other related memos and correspondence.

These documents should be inserted into a case file (legal manila folder) in the sequence listed above. As each document is created or received, the corresponding entry must be made to the Hotline Control Log.

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HOTLINE CALL-IN REPORT

EXHIBIT

DEC 16 1986 NO. 2

STATE BUDGET & CONTROL BOARD

GENERAL INFORMATION

Control Number \_\_\_\_\_

Date of Call-In \_\_\_\_\_

Date this Report Prepared \_\_\_\_\_

Auditor Who Took Call \_\_\_\_\_

Auditor Preparing Report \_\_\_\_\_

Allegation is/is not substantive \_\_\_\_\_

Source does/does not request confidentiality \_\_\_\_\_

Allegation concerns (See Definitions):

Fraud and Abuse:

- ☐ Theft
- ☐ Embezzlement
- ☐ False statements and/or claims
- ☐ Illegal commissions
- ☐ Kickbacks, Bribery
- ☐ Conspiracies
- ☐ Obtaining contracts or grants through collusive arrangements
- ☐ Waste
- ☐ Abuse
- ☐ Corruption
- ☐ Misconduct

Grievance:

- ☐ Working conditions
- ☐ Improper application of rules and regulations
- ☐ Unfair treatment, including coercion or restraint
- ☐ Failure of an agency to follow its promotion plan and procedure, including complaints of unfair supervisory appraisals
- ☐ Nonselection for training opportunities
- ☐ Mismanagement

Summary of Allegation:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SOURCE INFORMATION

- ☐ Source is anonymous - no name provided
- ☐ Source desires confidentiality
- ☐ Source has more documents available
- ☐ Source is a State employee

Name \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone: Home \_\_\_\_\_

Work \_\_\_\_\_

FILE COPY

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## HOTLINE LOG BOOK

Control Number

Agency or Organization		Source	Confidential Yes/No	Allegation Made(Date)	Type of Allegation	Date Referred	Agency to Which Referred
Due Date	Init. Dispos.						
Init. Dispos. Rec'd.	Summary, Initial Disposition			Final Disps. Rec.	Summary, Final Disposition		

Control Number

Agency or Organization		Source	Confidential Yes/No	Allegation Made(Date)	Type of Allegation	Date Referred	Agency to Which Referred
Due Date	Init. Dispos.						
Init. Dispos. Rec'd.	Summary, Initial Disposition			Final Disps. Rec.	Summary, Final Disposition		

Control Number

Agency or Organization		Source	Confidential Yes/No	Allegation Made(Date)	Type of Allegation	Date Referred	Agency to Which Referred
Due Date	Init. Dispos.						
Init. Dispos. Rec'd.	Summary, Initial Disposition			Final Disps. Rec'd.	Summary, Final Disposition		

Control Number

Agency or Organization		Source	Confidential Yes/No	Allegation Made(Date)	Type of Allegation	Date Referred	Agency to Which Referred
Due Date	Init. Dispos.						
Init. Dispos. Rec'd.	Summary, Initial Disposition			Final Disps. Rec'd.	Summary, Final Disposition		

Control Number

Agency or Organization		Source	Confidential Yes/No	Allegation Made(Date)	Type of Allegation	Date Referred	Agency to Which Referred
Due Date	Init. Dispos.						
Init. Dispos. Rec'd.	Summary, Initial Disposition			Final Disps. Rec'd.	Summary, Final Disposition		

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SIZE 13 col.

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EXHIBIT  
DEC 16 1986  
NO. 2  
STATE BUDGET & CONTROL BOARD

# EXHIBIT

DEC 16 1986

NO. 3

STATE BUDGET AND CONTROL BOARD  
MEETING OF December 16, 1986

STATE BUDGET & CONTROL BOARD  
BLUE AGENDA  
ITEM NUMBER

3

AGENCY: State Treasurer

SUBJECT: Low Level Radioactive Waste Surcharge Funds

Attached is a report from the State Treasurer's Office on the receipt and disbursement of funds received pursuant to the provisions of Act 540 of 1986, Part II, Section 15, as of November 30, 1986.

BOARD ACTION REQUESTED:

Received as information a report on the receipt and disbursement of funds received pursuant to the provisions of Act 540 of 1986, Part II, Section 15, as of November 30, 1986.

ATTACHMENTS:

Patterson's December 11 letter to Coles; referenced report.

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# EXHIBIT

DEC 16 1986 NO. 3

STATE BUDGET & CONTROL BOARD

## LOW LEVEL RADIOACTIVE WASTE SURCHARGE AND PENALTY SURCHARGE FOR THE MONTH OF NOVEMBER 1986

	<u>Penalty Surcharge</u>	<u>Surcharge</u>	<u>Total</u>
Received	\$ - 0 -	\$ 362,915.00	\$ 362,915.00
Disbursed December 8, 1986:			
U. S. Dept. of Energy	- 0 -	90,728.75	90,728.75
Barnwell County	- 0 -	27,218.63	27,218.63
General Fund	- 0 -	244,967.62	244,967.62
Total Disbursed	<u>\$ - 0 -</u>	<u>\$ 362,915.00</u>	<u>\$ 362,915.00</u>
Balance	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

## LOW LEVEL RADIOACTIVE WASTE SURCHARGE AND PENALTY SURCHARGE FOR THE FISCAL YEAR 1986-87

Received	\$ 1,700.00	\$1,949,520.00	\$1,949,520.00
Disbursed:			
U. S. Dept. of Energy	- 0 -	487,391.50	487,391.50
Barnwell County	170.00	146,213.93	146,213.93
General Fund	1,530.00	1,315,914.57	1,315,914.57
Total Disbursed	<u>\$ 1,700.00</u>	<u>\$1,949,520.00</u>	<u>\$1,949,520.00</u>
Balance	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

### Disbursement Formula:

Penalty Surcharge - 10% to Barnwell County; 90% to General Fund  
 Surcharge - 25% to the U. S. Department of Energy; 10% of balance  
 to Barnwell County; 90% of balance to General Fund

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EXHIBIT

STATE OF SOUTH CAROLINA

OFFICE OF STATE TREASURER

DEC 16 1986

NO. 3

STATE BUDGET & CONTROL BOARD

GRADY L. PATTERSON, JR.  
TREASURER

P. O. DRAWER 1177B

COLUMBIA  
29211

December 11, 1986

RECEIVED

DEC 11 1986

BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

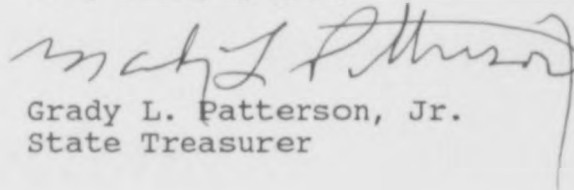
Honorable Jesse A. Coles, Jr.,  
Executive Director  
Budget and Control Board  
612 Wade Hampton Office Building  
Columbia, South Carolina 29211

Dear Dr. Coles:

I am enclosing for your information a report on the receipt and disbursement of funds received pursuant to the provisions of Section 15 of Part II of Act 540 of 1986 (Low Level Radioactive Waste Surcharge) as of November 30, 1986.

With kindest regards, I am

Very truly yours,

  
Grady L. Patterson, Jr.  
State Treasurer

GLPJr:cbd

Enclosure

CC: Honorable William A. McInnis  
Deputy Executive Director

006787



# EXHIBIT

DEC 16 1986

NO. 4

STATE BUDGET AND CONTROL BOARD  
MEETING OF December 16, 1986

BLUE AGENDA

ITEM NUMBER

4

AGENCY: Human Resource Management

SUBJECT: Final Rule Revisions

The Division of Human Resource Management advises that the Merit System Council and agencies required to operate under the Cooperative Interagency Merit System have amended their present Rule to reduce the financial obligation of the Merit System by eliminating the requirement to notify applicants of their removal from a register and to make consistent reference to Covered Agencies.

BOARD ACTION REQUESTED:

Receive as information a Division of Human Resource Management report that the Merit System Council and agencies required to operate under the Cooperative Interagency Merit System have amended their present Rule to reduce the financial obligation of the Merit System by eliminating the requirement to notify applicants of their removal from a register and to make consistent reference to Covered Agencies.

ATTACHMENTS:

Agenda item worksheet and attachments

006788

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

For meeting scheduled for:

☒ Blue Agenda

☐ Regular Session Agenda

☐ Executive Session Agenda

1. Submitted By:

(a) Agency: Division of Human Resource Management

(b) Authorized Official Signature: Phyllis M. Manger

2. Subject:

Final Rule Revisions

3. Summary Background Information:

The Merit System Council and agencies required to operate under the Cooperative Interagency Merit System have amended their present Rule. The revisions to the Cooperative Interagency Merit System Rule will reduce the financial obligation of the Merit System by eliminating the requirement to notify applicants of their removal from a register and make consistent reference to Covered Agencies.

EXHIBIT

DEC 16 1986 NO. 4

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

See the attached material.

5. What is recommendation of the Board Division involved?

For information.

6. Recommendation of other office (as required)?

(a) Office Name \_\_\_\_\_

Authorized

(b) Signature \_\_\_\_\_

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

(a.) Transmittal Sheet

(b.) Final Revisions

006789

The following Amendment is proposed to Chapter 19-750 - Division of Human Resource Management - Interagency Merit System to reduce the financial obligation of the Merit System by eliminating the requirement to notify applicants of their removal from a register and make consistent reference to Covered Agencies:

1. Article X - Registers - Section III - Duration of registers. This section is amended to read as follows:

Section III - Duration of Registers

Eligibility in open-competitive and layoff registers shall normally be established for a period of one (1) year, but this period may be extended or reduced by the Merit System Council.

Eligibility in promotional registers shall be established for a period of five (5) years.

Upon expiration of the one (1) year of eligibility in the instance of the open-competitive or layoff registers, and of the five (5) years of eligibility in the instance of the promotional register, an individual shall be removed from the register. Eligibility may be re-established through re-application and re-examination.

A. The Merit System Supervisor shall remove the name of an eligible from a register or certificate for the following reasons:

1. For any of the causes stipulated in Article IX, Section II, paragraphs D and E.

006790

2. On evidence that the eligible cannot be located by the postal authorities.
3. On receipt of a statement from the eligible declining the appointment and stating that he/she no longer desires consideration for a position with an agency.
4. Upon notification that an eligible is no longer available for the class. An eligible may be considered not available for appointment if he/she fails to reply to a written notice after ten (10) calendar days subsequent to the date of the written notice. When an eligible is not available for appointment, his/her name shall be removed from the register and he/she shall be notified by the Merit System Supervisor accordingly.
5. If three offers of a probationary appointment to the class for which the register was established have been made and rejected by the eligible.
6. Abolition of the entire register.
7. If an eligible receives an appointment to a position in the career service, his/her name shall be removed from the register to which he/she was appointed and from the register for all classes having the same or lower entrance salary as the class to which he/she was appointed.

2. The appendix is amended to read as follows:

Appendix

Following is a list of those agencies covered by these Rules and Regulations relating to the Merit System of Personnel Administration:

1. S.C. Department of Social Services
2. S.C. Department of Health and Environmental Control
3. S.C. Employment Security Commission
4. S.C. Adjutant General's Office  
Division of Emergency Preparedness
5. S.C. Commission on Aging

EXHIBIT

DEC 16 1986 NO. 4

STATE BUDGET & CONTROL BOARD

006791



6. S.C. Department of Labor
  - Administration
  - Data Management and Statistics
  - OSHA
7. S.C. Commission on Alcohol and Drug Abuse
  - State Formula Grants
  - Alcohol and Drug Abuse
8. State Budget and Control Board
  - Division of Human Resource Management
9. Governor's Office
  - Health and Human Services Division
  - (Developmental Disabilities Services Administration)
10. Health and Human Services Finance Commission

## EXHIBIT

DEC 16 1986 NO. 4

STATE BUDGET & CONTROL BOARD

006792

# EXHIBIT

DEC 16 1986

NO. 5

STATE BUDGET AND CONTROL BOARD  
MEETING OF December 16, 1986

STATE BUDGET & CONTROL BOARD  
BLUE AGENDA  
ITEM NUMBER

5

AGENCY: Budget Division

SUBJECT: FTE Operating Report, November

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

BOARD ACTION REQUESTED:

Receive as information the FTE position operating report for the month of November, 1986, which shows a net change of -584.76 positions during the month, resulting in the total authorized position base at November 30, 1986, of 64,349.72 of which 59,343.97 positions were filled and 5,005.75 were vacant.

ATTACHMENTS:

Agenda item worksheet and referenced report.

006793

# EXHIBIT

DEC 16 1986

NO. 5

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

STATE BUDGET & CONTROL BOARD

87-48

Meeting Scheduled for: December 16, 1986

Blue Agenda

1. Submitted By:

(a) Agency: State Budget Division

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

2. Subject:

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

3. Summary Background Information:

The attached report is submitted in accordance with Section 152 of the 1986-87 Appropriation Act. The report exempts all Legislative Employees (725.00) and Judicial Employees (403.22) which totals (1,128.22)

4. What is Board asked to do?

Information Only

5. What is recommendation of Board Division involved?

Information Only

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

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

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

7. Supporting Documents:

(a) List Those Attached:

1. Authorized FTE Position Operating Report

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

006794

# EXHIBIT

DEC 16 1986 NO. 5

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

STATE BUDGET & CONTROL BOARD

SECTION NO.	AGENCY	TOTAL FTE POSITIONS	STATE FTE POSITIONS	FEDERAL FTE POSITIONS	OTHER FTE POSITIONS
	Total Authorized FTE				
	Positions Base 11/1//86	64,934.48	37,912.93	8,230.28	18,791.27
NOVEMBER					
Authorized Adjustments					
5C	Governor's Office-OEPP	(3.74)	(0.02)	(3.72)	
10	Attorney General	(7.25)	(7.25)		
13	Adjutant General	(1.00)	-	(1.00)	
16E	B&C Board-General Services	(1.00)	(1.00)		
16H	B&C Board-HRM	(1.00)	-	-	(1.00)
16I	B&C Board-Local Government	(1.00)	(1.00)		
19	The Citadel	(6.49)	(1.77)	(4.00)	(0.72)
20	Clemson University	(3.74)	(1.61)	(1.00)	(1.13)
21	College of Charleston	(3.00)	(2.40)	-	(0.60)
24	S.C. State College	(30.55)	(2.87)	(24.68)	(3.00)
25	University of S.C.	(0.50)	0	0	(0.50)
26	Winthrop College	(2.00)	(0.80)	-	(1.20)
29	St Bd for Tech & Comp Ed	(186.18)	(34.58)	(105.11)	(46.49)
30	Department of Education	(2.00)	(2.00)		
32	Will Lou Gray	(1.12)	(1.02)	(0.10)	
34	Deaf & Blind School	(1.00)	(1.00)		
35	Archives & History	(2.00)	(1.00)	-	(1.00)
38	Arts Commission	(0.50)	(0.03)	(0.47)	
39	Museum Commission	(1.00)	(1.00)		
40	DHEC	(25.88)	(3.14)	(1.05)	(21.69)
42	Mental Health	(7.60)	(5.60)	(1.00)	(1.00)
43	Mental Retardation	(9.00)	-	(9.00)	
45	Dept of Social Services	(29.00)	(8.88)	(19.94)	(0.18)
46	John De La Howe	(5.50)	(4.85)	(0.65)	
49	Commission for the Blind	(6.50)	(1.30)	(5.20)	
50	Commission on Aging	(0.99)	(0.18)	(0.81)	
52	Human Affairs	(3.00)	(3.00)		
55	Dept of Corrections	(48.38)	(32.72)	(1.00)	(14.66)
60	Water Resources	(0.50)	-	(0.50)	
62	Forestry Commission	(11.66)	(2.66)	(9.00)	
63	Dept of Agriculture	(13.12)	(6.00)	-	(7.12)
64	Family Farm Dev Auth	(2.00)	-	-	(2.00)
66	Migratory Waterfowl	(0.50)	(0.50)		
67	Wildlife & Marine Res	(1.07)	(0.07)	(1.00)	
77	Public Service	(2.34)	(1.34)	(1.00)	
82B	Bd of Fin Inst-Exam Div	(3.00)	(3.00)		
89	Employment Security	(154.32)	-	(149.32)	(5.00)
92	Auctioneer's Commission	(1.00)	(1.00)		

006795



# EXHIBIT

DEC 16 1986

NO. 5

STATE BUDGET & CONTROL BOARD

page 2

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

SECTION NO.	AGENCY	TOTAL FTE POSITIONS	STATE FTE POSITIONS	FEDERAL FTE POSITIONS	OTHER FTE POSITIONS
104	Medical Examiners	(0.18)	(0.18)		
109	Optometry Board	(0.15)	(0.15)		
120	Aeronautics Commission	(3.00)	(3.00)		
126	Highway Department	(1.00)	-	-	(1.00)
<hr/>					
	Total Net Adjustment	(584.76)	(136.92)	(339.55)	(108.29)
<hr/>					
	Total Authorized FTE Positions Base 11/30/86	64,349.72	37,776.01	7,890.73	18,682.98
<hr/>					
	Total Filled FTE Positions 11/30/86	59,343.97	35,269.17	7,123.91	16,950.89
<hr/>					
	Total Vacant FTE Positions 11/30/86	5,005.75	2,506.84	766.82	1,732.09
<hr/>					

Prepared:  
December 2, 1986

006796

Curtis — let me know what you do with this?

JAMES M. WADDELL, JR.

SENATOR, BEAUFORT AND  
JASPER COUNTIES  
SENATORIAL DISTRICT NO. 46

HOME ADDRESS:

BOX 1026  
BEAUFORT, S.C. 29901



November 24, 1986

COMMITTEES:

FINANCE

FISH, GAME AND FORESTRY, CHAIRMAN

INTERSTATE COOPERATION

RULES

TRANSPORTATION

RECEIVED

NOV 26 1986

Budget & Control Board  
STATE BUDGET DIVISION

Dr. A. Baron Holmes IV, Director  
State Budget Division  
406 Wade Hampton Building  
Columbia, South Carolina 29201

EXHIBIT

DEC 16 1986

NO. 5

STATE BUDGET & CONTROL BOARD

Dear Dr. Holmes:

At its meeting of November 19, 1986, the Joint Legislative Committee on Personal Service Financing and Budgeting discussed Section 152 of the 86-87 Appropriations Bill which states that the number of positions authorized in the Bill shall be reduced when a position has been vacant for nine months. According to a list provided by the Division of Human Resource Management as of November 18, 1986 there were a total of 597.07 FTE's vacant for nine months. It is understood that Human Resource Management must make an exception for vacancies filled prior to the November 18th listing but not recorded on their computers as being filled prior to that date and therefore were included in the 597.07 FTE figure provided the Committee.

The Committee requests that it be provided with a reconciliation of adjustments to the November 18th listing as soon as possible.

Sincerely,

A handwritten signature in dark ink, appearing to read "James M. Waddell, Jr.", is written over a horizontal line.

James M. Waddell, Jr.  
Chairman

JMWjr/mn

CC: Phyllis Mayes

006797

# EXHIBIT

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD DEC 16 1986  
STATE BUDGET DIVISION  
406 WADE HAMPTON STATE OFFICE BUILDING  
COLUMBIA, S.C. 29201

NO. 5

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

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

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

December 16, 1986

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

Dear Senator Waddell:

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

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

Sincerely,

*A. Baron Holmes IV*

A. Baron Holmes, IV, Ph.D.

ABH/dh

Attachment

006798

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

EXHIBIT

DEC 16 1986

NO. 5

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

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

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

MEMORANDUM

TO: Mr. George Harris, Manager of Operations

FROM: Curtis Holt, Jr., Assistant Director *Curtis Holt*

DATE: November 24, 1986

SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: D17 Govenor's Office-OEPP (5C)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	175.75	116.51	59.24	
	Adjusted FTE Position Base			172.01	116.49	55.52	
	Authorized Adjustment			(3.74)	(0.02)	(3.72)	

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006799



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

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

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

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *U. Holt*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: E20 Attorney General's Office (10)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	150.00	150.00		
	Adjusted FTE Position Base			142.75	142.75		
	Authorized Adjustment			(7.25)	(7.25)		

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006800

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

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

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

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

MEMORANDUM

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *CH/STAA*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: E24 Adjutant General's Office (13)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base	11/15/86		162.00	55.75	96.50	9.75
	Adjusted FTE Position Base			161.00	55.75	95.50	9.75
	Authorized Adjustment			(1.00)	-	(1.00)	-

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006801

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

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

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

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *Curtis Holt*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: F12 B & C Board - General Services (16E)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base	11/15/86		379.00	122.77	-	256.23
	Adjusted FTE Position Base			378.00	121.77	-	256.23
	Authorized Adjustment			(1.00)	(1.00)	-	-

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006802

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

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

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

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *Curtis Holt*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: F24 B & C Board - Human Resource Management (16H)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
Authorized FTE Position Base		11/15/86		112.00	84.00	-	28.00
Adjusted FTE Position Base				111.00	84.00	-	27.00
Authorized Adjustment				(1.00)	-	-	(1.00)

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006803



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

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

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

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *Cid Holt*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: F26 B & C Board - Local Government (161)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	3.00	3.00		
	Adjusted FTE Position Base			2.00	2.00		
	Authorized Adjustment			(1.00)	(1.00)		

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006804

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

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

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

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

MEMORANDUM

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *Curtis Holt*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: H09 The Citadel (19)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	521.21	323.97	4.00	193.24
	Adjusted FTE Position Base			514.72	322.20	-	192.52
	Authorized Adjustment			(6.49)	(1.77)	(4.00)	(0.72)

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006805

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

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

MEMORANDUM

EXHIBIT

DEC 16 1986 NO. 5

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *W. Holt*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

STATE BUDGET & CONTROL BOARD

☐ Action represents a net increase in authorized F.T.E. Positions

☒ Action represents a net decrease in authorized F.T.E. Positions

☐ Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: H12 Clemson University (20)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	3683.67	2228.82	467.60	987.25
	Adjusted FTE Position Base			3679.93	2227.21	466.60	986.12
	Authorized Adjustment			(3.74)	(1.61)	(1.00)	(1.13)

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006806

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

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EXECUTIVE DIRECTOR

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DIVISION DIRECTOR

MEMORANDUM

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: H15 College of Charleston (21)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	604.76	459.81	5.13	139.82
	Adjusted FTE Position Base			601.76	457.41	5.13	139.22
	Authorized Adjustment			(3.00)	(2.40)	-	(0.60)

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006807



STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
STATE BUDGET DIVISION  
406 WADE HAMPTON STATE OFFICE BUILDING  
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EXECUTIVE DIRECTOR

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *C. Holt*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: H24 S. C. State College (24)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	736.10	537.59	97.33	101.18
	Adjusted FTE Position Base			705.55	534.72	72.65	98.18
	Authorized Adjustment			(30.55)	(2.87)	(24.68)	(3.00)

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006808

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
STATE BUDGET DIVISION  
406 WADE HAMPTON STATE OFFICE BUILDING  
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EXECUTIVE DIRECTOR

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *CH*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: H27 University of South Carolina (25)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	5130.91	3233.03	308.21	1589.67
	Adjusted FTE Position Base			5130.41	3233.03	308.21	1589.17
	Authorized Adjustment			(0.50)	-	-	(0.50)

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006809

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
STATE BUDGET DIVISION  
406 WADE HAMPTON STATE OFFICE BUILDING  
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JESSE A. COLES, JR. Ph.D.  
EXECUTIVE DIRECTOR

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *Curtis Holt*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: H17 Winthrop College (26)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	640.83	410.36	38.50	191.97
	Adjusted FTE Position Base			638.83	409.56	38.50	190.77
	Authorized Adjustment			(2.00)	(0.80)	-	(1.20)

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006810

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
STATE BUDGET DIVISION  
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DIVISION DIRECTOR

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *CH*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: H59 State Board for Tech & Comp Ed (26)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	3446.39	2695.40	520.33	230.66
	Adjusted FTE Position Base			3260.21	2660.82	415.22	184.17
	Authorized Adjustment			(186.18)	(34.58)	(105.11)	(46.49)

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006811



STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
STATE BUDGET DIVISION  
406 WADE HAMPTON STATE OFFICE BUILDING  
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TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

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

MEMORANDUM

EXHIBIT

DEC 16 1986 NO. 5

TO: Mr. George Harris, Manager of Operations

FROM: Curtis Holt, Jr., Assistant Director

DATE: November 24, 1986

SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

STATE BUDGET & CONTROL BOARD

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: H63 Department of Education (30)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	1139.90	867.11	161.99	110.80
	Adjusted FTE Position Base			1137.90	865.11	161.99	110.80
	Authorized Adjustment			(2.00)	(2.00)	-	-

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006812

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
STATE BUDGET DIVISION  
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EXECUTIVE DIRECTOR

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *Udora*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: H71 Wil Lou Gray Opportunity School (32)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base	11/15/86		89.72	81.54	4.25	3.93
	Adjusted FTE Position Base			88.60	80.52	4.15	3.93
	Authorized Adjustment			(1.12)	(1.02)	(0.10)	-

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006813

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
STATE BUDGET DIVISION  
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DIVISION DIRECTOR

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *Udman*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: H75 School for the Deaf and the Blind (34)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	350.75	315.64	12.95	22.16
	Adjusted FTE Position Base			349.75	314.64	12.95	22.16
	Authorized Adjustment			(1.00)	(1.00)	-	-

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006814

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
STATE BUDGET DIVISION  
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COMPTROLLER GENERAL



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EXECUTIVE DIRECTOR

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations

FROM: Curtis Holt, Jr., Assistant Director *CH*

DATE: November 24, 1986

SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: H79 Archives & History (35)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	123.50	118.50	-	5.00
	Adjusted FTE Position Base			121.50	117.50	-	4.00
	Authorized Adjustment			(2.00)	(1.00)	-	(1.00)

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006815



STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
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EXECUTIVE DIRECTOR

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DIVISION DIRECTOR

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations

FROM: Curtis Holt, Jr., Assistant Director *Udorn*

DATE: November 24, 1986

SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: H91 Arts Commission (38)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base	11/15/86		40.12	32.83	7.15	0.14
	Adjusted FTE Position Base			39.62	32.80	6.68	0.14
	Authorized Adjustment			(0.50)	(0.03)	(0.47)	-

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006816

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
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JESSE A. COLES, JR., Ph.D.  
EXECUTIVE DIRECTOR

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

MEMORANDUM

EXHIBIT

DEC 16 1986 NO. 5

TO: Mr. George Harris, Manager of Operations

FROM: Curtis Holt, Jr., Assistant Director

DATE: November 24, 1986

SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

STATE BUDGET & CONTROL BOARD

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: H95 Museum Commission (39)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base	11/15/86		37.00	33.00	-	4.00
	Adjusted FTE Position Base			36.00	32.00	-	4.00
	Authorized Adjustment			(1.00)	(1.00)	-	-

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006817

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
STATE BUDGET DIVISION  
406 WADE HAMPTON STATE OFFICE BUILDING  
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JESSE A. COLES, JR. Ph.D.  
EXECUTIVE DIRECTOR

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *Curtis Holt*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: J04 Department of Health & Environmental Control (40)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	4275.00	2193.56	1089.70	991.74
	Adjusted FTE Position Base			4249.12	2190.42	1088.65	970.05
	Authorized Adjustment			(25.88)	(3.14)	(1.05)	(21.69)

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006818

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

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

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

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *CH*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: J12 Mental Health (42)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	6286.81	4883.80	192.87	1210.14
	Adjusted FTE Position Base			6279.21	4878.20	191.87	1209.14
	Authorized Adjustment			(7.60)	(5.60)	(1.00)	(1.00)

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006819



STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
STATE BUDGET DIVISION  
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JESSE A. COLES, JR. Ph.D.  
EXECUTIVE DIRECTOR

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

MEMORANDUM

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *[Signature]*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: J16 Mental Retardation (43)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	4556.51	2865.68	37.00	1653.83
	Adjusted FTE Position Base			4547.51	2865.68	28.00	1653.83
	Authorized Adjustment			(9.00)	-	(9.00)	-

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006820

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
STATE BUDGET DIVISION  
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JESSE A. COLES, JR. Ph.D.  
EXECUTIVE DIRECTOR

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations

FROM: Curtis Holt, Jr., Assistant Director *Curtis Holt*

DATE: November 24, 1986

SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: L04 Department of Social Services (45)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
Authorized FTE Position Base		11/15/86		4262.15	1856.42	2380.72	25.01
Adjusted FTE Position Base				4233.15	1847.54	2360.78	24.83
Authorized Adjustment				(29.00)	(8.88)	(19.94)	(0.18)

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006821

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
STATE BUDGET DIVISION  
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JESSE A. COLES, JR. Ph.D.  
EXECUTIVE DIRECTOR

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *Curtis Holt*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: L12 John De La Howe (46)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	102.72	97.41	2.31	3.00
	Adjusted FTE Position Base			97.22	92.56	1.66	3.00
	Authorized Adjustment			(5.50)	(4.85)	(0.65)	-

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006822

STATE OF SOUTH CAROLINA  
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STATE BUDGET DIVISION  
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COMPTROLLER GENERAL



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EXECUTIVE DIRECTOR

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

M E M O R A N D U M

EXHIBIT

DEC 16 1986 NO. 5

TO: Mr. George Harris, Manager of Operations

FROM: Curtis Holt, Jr., Assistant Director *W. Holt*

DATE: November 24, 1986

SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

STATE BUDGET & CONTROL BOARD

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: L24 Commission for the Blind (49)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	119.00	53.90	65.10	
	Adjusted FTE Position Base			112.50	52.60	59.90	
	Authorized Adjustment			(6.50)	(1.30)	(5.20)	

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006823



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

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HOUSE WAYS AND MEANS COMMITTEE

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

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations

FROM: Curtis Holt, Jr., Assistant Director

DATE: November 24, 1986

SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: L28 Commission on Aging (50)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	29.00	13.30	15.70	
	Adjusted FTE Position Base			28.01	13.12	14.89	
	Authorized Adjustment			(0.99)	(0.18)	(0.81)	

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006824

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
STATE BUDGET DIVISION  
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EXECUTIVE DIRECTOR

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *Curtis Holt*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: L36 Commission on Human Affairs (52)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	47.00	38.55	8.45	
	Adjusted FTE Position Base			44.00	35.55	8.45	
	Authorized Adjustment			(3.00)	(3.00)	-	

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006825

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
STATE BUDGET DIVISION  
406 WADE HAMPTON STATE OFFICE BUILDING  
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HOUSE WAYS AND MEANS COMMITTEE

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

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

MEMORANDUM

EXHIBIT

DEC 16 1986 NO. 5

TO: Mr. George Harris, Manager of Operations

FROM: Curtis Holt, Jr., Assistant Director

DATE: November 24, 1986

SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

STATE BUDGET & CONTROL BOARD

\_\_\_\_\_ Action represents a net increase in authorized F.T.E. Positions

X Action represents a net decrease in authorized F.T.E. Positions

\_\_\_\_\_ Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: N04 Department of Corrections (55)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base	11/15/86		4644.15	4415.72	33.67	194.76
	Adjusted FTE Position Base			4595.77	4383.00	32.67	180.10
	Authorized Adjustment			(48.38)	(32.72)	(1.00)	(14.66)

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006826

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

RICHARD W. RILEY, CHAIRMAN  
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STATE TREASURER

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

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *CH*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: P04 Water Resources Commission (60)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	55.00	50.00	3.00	2.00
	Adjusted FTE Position Base			54.50	50.00	2.50	2.00
	Authorized Adjustment			(0.50)	-	(0.50)	-

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006827



STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
STATE BUDGET DIVISION  
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EXECUTIVE DIRECTOR

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DIVISION DIRECTOR

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *CH*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: P12 Forestry Commission (62)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base	11/15/86		600.43	574.42	26.01	-
	Adjusted FTE Position Base			588.77	571.76	17.01	-
	Authorized Adjustment			(11.66)	(2.66)	(9.00)	-

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006828

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
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A. BARON HOLMES, IV, Ph.D.  
DIVISION DIRECTOR

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations

FROM: Curtis Holt, Jr., Assistant Director

DATE: November 24, 1986

SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: Pl6 Department of Agriculture (63)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	238.00	159.00	-	79.00
	Adjusted FTE Position Base			224.88	153.00	-	71.88
	Authorized Adjustment			(13.12)	(6.00)	-	(7.12)

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006829

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
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EXECUTIVE DIRECTOR

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *Udara*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: P18 Family Farm Development Authority (64)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base	11/15/86		10.00	6.00	0	4.00
	Adjusted FTE Position Base			8.00	6.00	0	2.00
	Authorized Adjustment			(2.00)	-	-	(2.00)

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006830

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
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EXECUTIVE DIRECTOR

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *C. Holt*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: P22 Migratory Waterfowl Commission (66)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	0.50	0.50		
	Adjusted FTE Position Base			-	-		
	Authorized Adjustment			(0.50)	(0.50)		

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006831



STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
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JESSE A. COLES, JR. Ph.D.  
EXECUTIVE DIRECTOR

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations

FROM: Curtis Holt, Jr., Assistant Director *Curtis Holt*

DATE: November 24, 1986

SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: P24 Dept of Wildlife & Marine Resources (67)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	743.62	423.07	88.00	232.55
	Adjusted FTE Position Base			742.55	423.00	87.00	232.55
	Authorized Adjustment			(1.07)	(0.07)	(1.00)	-

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006832

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

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

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

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *CH*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: R04 Public Service Commission (77)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	146.36	144.86	1.50	
	Adjusted FTE Position Base			144.02	143.52	0.50	
	Authorized Adjustment			(2.34)	(1.34)	(1.00)	

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006833

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

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

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

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

MEMORANDUM

EXHIBIT

DEC 16 1986

NO. 5

STATE BUDGET & CONTROL BOARD

TO: Mr. George Harris, Manager of Operations

FROM: Curtis Holt, Jr., Assistant Director

DATE: November 24, 1986

SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: R24 St Board of Financial Institutions -Examining Div (82B)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	28.00	28.00		
	Adjusted FTE Position Base			25.00	25.00		
	Authorized Adjustment			(3.00)	(3.00)		

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006834

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

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

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

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *Curtis Holt*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: R60 Employment Security Commission (89)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
Authorized FTE Position Base		11/15/86		1394.65	-	1267.65	127.00
Adjusted FTE Position Base				1240.33	-	1118.33	122.00
Authorized Adjustment				(154.32)	-	(149.32)	(5.00)

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006835



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

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

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

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations

FROM: Curtis Holt, Jr., Assistant Director *C. Holt*

DATE: November 24, 1986

SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: R69 Auctioneers' Commission (92)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	3.35	3.35		
	Adjusted FTE Position Base			2.35	2.35		
	Authorized Adjustment			(1.00)	(1.00)		

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006836

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

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



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

MEMORANDUM

REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

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

EXHIBIT

DEC 16 1986 NO. 5

STATE BUDGET & CONTROL BOARD

TO: Mr. George Harris, Manager of Operations

FROM: Curtis Holt, Jr., Assistant Director *CH*

DATE: November 24, 1986

SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: S04 State Board for Medical Examiners (104)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	19.22	19.22		
	Adjusted FTE Position Base			19.04	19.04		
	Authorized Adjustment			(0.18)	(0.18)		

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

00687

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

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

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

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *Curtis Holt*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: S18 Board of Examiners in Optometry (109)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	0.50	0.50		
	Adjusted FTE Position Base			0.35	0.35		
	Authorized Adjustment			(0.15)	(0.15)		

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006838

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

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

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

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

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations  
FROM: Curtis Holt, Jr., Assistant Director *CH*  
DATE: November 24, 1986  
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: U04 Aeronautics Commission (120)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	42.00	42.00		
	Adjusted FTE Position Base			39.00	39.00		
	Authorized Adjustment			(3.00)	(3.00)		

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006839



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

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

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

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

MEMORANDUM

EXHIBIT

DEC 16 1986

NO. 5

TO: Mr. George Harris, Manager of Operations

STATE BUDGET & CONTROL BOARD

FROM: Curtis Holt, Jr., Assistant Director *CH*

DATE: November 24, 1986

SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

       Action represents a net increase in authorized F.T.E. Positions

  X   Action represents a net decrease in authorized F.T.E. Positions

       Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: U12 Dept of Highways & Public Transportation (126)

CLASS CODE	CLASS TITLE	SLOT #	INCREASE DECREASE	TOTAL FTE ADJUSTMENT	STATE FTE ADJUSTMENT	FEDERAL FTE ADJUSTMENT	OTHER FTE ADJUSTMENT
	Authorized FTE Position Base		11/15/86	6818.50	4.25	3.75	6810.50
	Adjusted FTE Position Base			6817.50	4.25	3.75	6809.50
	Authorized Adjustment			(1.00)	-	-	(1.00)

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 152 of the 1986-87 Appropriation Act, authorized FTE Positions vacant for nine (9) months.

006840

# EXHIBIT

DEC 16 1986

NO. 6

STATE BUDGET AND CONTROL BOARD  
MEETING OF December 16, 1986

STATE BUDGET & CONTROL BOARD  
BLUE AGENDA  
ITEM NUMBER

6

AGENCY: Budget Division

SUBJECT: 1986-87 Authorized Transfers Report, November

Attached is the Budget Division report on transfers of State personal service funds to other operating expenses authorized during November. Please refer to the attached report for details.

BOARD ACTION REQUESTED:

Receive as information a Budget Division report that 2 transfers of State personal service funds to other operating expenses totalling \$12,500 were authorized during November, 1986, and that a total of 12 transfers totalling \$1,503,275 (\$1,151,989 State, \$16,193 federal, and \$335,093 other) of 1986-87 personal service funds have been authorized.

ATTACHMENTS:

Agenda item worksheet and attachment

006841

# EXHIBIT

DEC 16 1986

NO. 6

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

87-49

Meeting Scheduled for: December 16, 1986

Blue Agenda

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: A. Barry Holmes

2. Subject:

1986-87 Authorized Transfers Report for the Month of November, 1986.

3. Summary Background Information:

The State Budget Division's Monthly Authorized Transfer Operating Report.

4. What is Board asked to do?

Information Only

5. What is recommendation of Board Division involved?

Information Only

Coleman

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

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

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

7. Supporting Documents:

(a) List Those Attached:

1. Authorized Transfers Operating Report

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

006842

STATE BUDGET DIVISION  
ANALYSIS OF 1986-87 AUTHORIZED PERSONAL SERVICE  
TRANSFER REQUESTS  
FOR THE MONTH OF NOVEMBER, 1986

<u>DATE</u>	<u>REQUEST NO.</u>	<u>AGENCY</u>	<u>SOURCE OF FUNDS</u>	<u>FROM PERSONAL SERVICE</u>	<u>TO OTHER OPERATING EXPENSES</u>	<u>EQUIPMENT</u>
Total Authorized Transfers 11/1/86 (10)				\$1,490,775	\$1,490,775	
<hr/>						
	November	<u>Authorized Transfers</u>				
11/2/86	-	Commission on Aging	State	\$8,000	\$8,000	
11/26/86	-	Insurance Department	State	4,500	4,500	
<hr/>						
Total Authorized Transfers For November, 1986 (2)				\$12,500	\$12,500	
<hr/>						
Total Authorized Transfers Year-To-Date (12)				\$1,503,275	\$1,503,275	
<hr/>						
<hr/>						

NOTE:      Current Month

State Funds	\$ 12,500
Federal Funds	-
Other Funds	-
<b>TOTAL FUNDS</b>	<b>\$ 12,500</b>

Year-To-Date

\$1,151,989
16,193
335,093
<b>\$1,503,275</b>

Prepared  
12/4/86

EXHIBIT  
DEC 16 1986      NO. 6  
STATE BUDGET & CONTROL BOARD

006843



AGENCY NUMBER L28 AGENCY BATCH NUMBER 20 OBJECT CODE HASH TOTAL 1,658.00 TOTAL BATCH AMOUNT 16,000.00 BATCH DATE \_\_\_\_\_ BATCH NUMBER \_\_\_\_\_ DOCUMENT \_\_\_\_\_

AGENCY VOUCHER NUMBER

## STATE OF SOUTH CAROLINA

CG WARRANT NUMBER

BUDGET AND CONTROL BOARD - FINANCE DIVISION

AGENCY TRANSFERRED TO (CIR)

AGENCY TRANSFERRED FROM (CIR)

NAME

SC Commission on Aging

NAME

SC Commission on Aging

ADDRESS

915 Main Street

ADDRESS

915 Main Street

Columbia SC 29201

Columbia SC 29201

## 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.

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
05	350	L28	0668	1001						0158	6,956.00	
05	350	L28	1470	1001						1300	1,044.00	
TOTAL										1458	8,000.00	

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
05	300	L28	0668	1001						0200	8,000.00	
TOTAL										0200	8,000.00	

REQUESTED BY RFJDATE 11/21/86STATE BUDGET ANALYST R. EasterDATE 11-21-86

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized.

STATE AUDITOR R. CantrellDATE 11/21/86



SOUTH CAROLINA COMMISSION ON AGING

EXHIBIT

DEC 16 1986 NO. 6

STATE BUDGET & CONTROL BOARD

November 21, 1986

Mr. Preston Cantrell, Director  
State Budget Development  
Budget and Control Board  
Post Office Box 11333  
Columbia, South Carolina 29211

ATTENTION: Mr. Robin Tester

Dear Preston:

Attached is our transfer in the amount of \$8,000.00 from Classified Positions and Fringe Benefits to Contractual Services. As a result of the 2.6 percent reduction, we are unable to fill the positions for which the funds had been appropriated. We have therefore, released the temporary employee we had and instead of employing an individual, contracted with the Division of Information Resource Management to develop an accounting system for our local Providers and continue our contact with USC to complete development of the Client Information System. This transfer will pay these costs. Processing this at your earliest convenience will be appreciated.

If you have any questions please contact me.

Sincerely,

HORACE F. JACKSON, Director  
Support Services Division

HFJ/f1

Attachment

RECEIVED  
NOV 21 1986

Budget & Control Board  
STATE BUDGET DIVISION

SOUTH CAROLINA COMMISSION ON AGING  
915 MAIN STREET, COLUMBIA, S.C. 29201 (803) 734-3203

  
006845

AGENCY NUMBER R20	AGENCY BATCH NUMBER AT8703	OBJECT CODE HASH TOTAL 358	TOTAL BATCH AMOUNT 9,000.00	BATCH DATE	BATCH NUMBER	DOCUMENT 3
----------------------	-------------------------------	-------------------------------	--------------------------------	------------	--------------	---------------

AGENCY VOUCHER NUMBER  
AT8703

AGENCY TRANSFERRED TO (CR):  
NAME  
Same  
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 (DR):

NAME  
Insurance DepartmentADDRESS  
P. O. Box 100105  
Columbia, S. C. 29202

REASON FOR TRANSFER: To provide funds for temporary services in Life, Accident and Health Division.

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
05	350	R20	2150	1001						0158	4,500.00	
TOTAL										0158	4,500.00	

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
05	300	R20	2150	1001						0200	4,500.00	
TOTAL										200	4,500.00	

REQUESTED BY W.H. Shuman DATE 11/26/86 STATE BUDGET ANALYST [Signature] DATE 11-26-86

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized.

STATE AUDITOR 006846 DATE



JOHN G. RICHARDS  
CHIEF INSURANCE COMMISSIONER

STATE OF SOUTH CAROLINA  
DEPARTMENT OF INSURANCE

1612 MARION STREET  
COLUMBIA, SOUTH CAROLINA 29201

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

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

November 26, 1986

EXHIBIT

DEC 16 1986 NO. 6

STATE BUDGET & CONTROL BOARD

Mr. Preston Cantrell  
Budget & Control Board  
Finance Division  
P. O. Box 11333  
Columbia, South Carolina 29211

AT8703

Dear Mr. Cantrell:

We respectfully request approval for the following transfer of funds:

	<u>Mini Code</u>	<u>Object Code</u>	<u>Amount</u>
From:			
Classified Positions	2150	0158	\$ <u>4,500.00</u>
To:			
Contractual Services	2150	0200	\$ <u>4,500.00</u>

This request is necessary to provide sufficient funds for Temporary Services in the Life, Accident and Health Division.

Thank you for your prompt consideration of this request.

Sincerely yours,

*Miriam L. Leeke*

MRS. MIRIAM L. LEEKE  
Director, Administrative Services

MLL/wht/rg

006847



# EXHIBIT

DEC 16 1986 NO. 7

STATE BUDGET AND CONTROL BOARD  
MEETING OF December 16, 1986

BLUE AGENDA  
ITEM NUMBER

7

AGENCY: Executive Director

SUBJECT: Permanent Improvement Projects

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

- (1) On Summary 11-87: Items 1 and 3 through 5 (involving Winthrop and Tech & Comp Education).
- (2) On Summary 12-87: Items 1 through 4 (involving Citadel, College of Charleston, Tech & Comp Education and Wildlife & Marine Resources).

B. The following permanent improvement project actions have been approved by staff and Joint Bond Review Committee review is not required:

- (1) On Summary 11-87: Items 8 through 17 (involving Winthrop, Tech and Comp Education, Vocational Rehabilitation and Mental Retardation).
- (2) On Summary 12-87: Items 5 through 11 (involving College of Charleston and Wildlife & Marine Resources).

BOARD ACTION REQUESTED:

Receive as information.

ATTACHMENTS:

Referenced summary extracts.

006848

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
November 1, 1986 Through November 15, 1986

SUMMARY 11-87 Page 1 of 6  
Forwarded to JBRC 11/19/86

Item Agency: H47 Winthrop College Project: 9013, Richardson/Wofford Brick Repair

CHE Approval Date: 11/12/86  
Committee Review Date: \*  
B&C Board Approval Date: \*

Action  
Proposed: Increase budget from \$ 87,000.00 to \$ 134,413.90

Budget After Action Proposed  
Source Amount

(Add \$ 68,000.00 [4] Excess Debt Service)

Excess Debt Service 134,413.90

Purpose: Increase is necessary because of additional expenditures not anticipated.  
This increase will provide angle iron supports which were not included  
in original construction.

Ref: Supporting document pages 1-3.

TOTAL FUNDS 134,413.90

Item Agency: H59 Tech & Comp Education Project: 9029, Trident/Main Campus-New Entrance

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

Action  
Proposed: Increase budget from \$ 90,000.00 to \$ 140,000.00

Budget After Action Proposed  
Source Amount

(Add \$ 50,000.00 [9] Other, Local)

Other 140,000.00

Purpose: To cover unforeseen expenditures resulting from need to remove and replace  
unsuitable roadbed material.

Ref: Supporting document pages 7-8.

TOTAL FUNDS 140,000.00

Item Agency: H59 Tech & Comp Education Project: 9037, Aiken-Student Center Renovations

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

Action  
Proposed: Increase budget from \$ 99,400.00 to \$ 150,000.00

Budget After Action Proposed  
Source Amount

(Add \$ 50,600.00 [9] Other, Local)

Other 150,000.00

Purpose: To incorporate safety changes required by the State Engineer related to  
potential fire safety, plus equipment funds and a contingency amount.

Ref: Supporting document pages 9-11.

TOTAL FUNDS 150,000.00

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STATE BUDGET & CONTROL BOARD

006849

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
November 1, 1986 Through November 15, 1986

SUMMARY 11-87 Page 2 of 6  
Forwarded to JBRC 11/19/86

Item Agency: H59 Tech & Comp Education Project: 9339, Trident-Bldg 700 Roof Replace  
5.

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

Action  
Proposed: Establish project.

Total budget.....\$ 68,000.00  
[9] Other, Local.....\$ 68,000.00

Budget After Action Proposed	
Source	Amount
Other	68,000.00

Purpose: To replace existing roof. Roof is only 8 years old, but has already  
deteriorated beyond repair.

Ref: Supporting document pages 12-13.

TOTAL FUNDS 68,000.00

006850

EXHIBIT  
DEC 16 1986 NO. 7  
STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
November 15, 1986 Through November 30, 1986

SUMMARY 12-87 Page 1 of 4  
Forwarded to JBRC 12/03/86

Item Agency: H09 The Citadel Project: 9041, Trident (Lockwood Fields) Land Acq

1.

Action

Proposed: Increase budget from \$ 2,000,000.00 to \$ 2,005,243.63

(Add \$ 5,243.63 [6] Appropriated State)

Purpose: Additional closing costs were incurred.

Ref: Supporting document pages 1-3.

CHE Approval Date: 11/19/86  
Committee Review Date: \*  
B&C Board Approval Date: \*

Budget After Action Proposed	
Source	Amount

Appropriated State	5,243.63
Other	2,000,000.00

TOTAL FUNDS 2,005,243.63

Item Agency: H15 College of Charleston Project: 9005, Sears Renovation

2.

Action

Proposed: Increase budget from \$ 130,000.00 to \$ 245,930.00

(Add \$ 26,215.74 [3] Revenue Bonds)  
(Add \$ 80,333.19 [4] Excess Debt Service)  
(Add \$ 9,381.07 [6] Appropriated State)

Purpose: Increase is needed for low bid of \$228,930, A/E fees of \$12,000 and contingency of \$5,000. Funds are being transferred from projects 7034, 7039, 8695 and 8943 (refer to items 5, 6, 7 and 9).

Ref: Supporting document pages 4-6.

CHE Approval Date: 11/26/86  
Committee Review Date: \*  
B&C Board Approval Date: \*

Budget After Action Proposed	
Source	Amount

Revenue Bonds	26,215.74
Excess Debt Service	210,333.19
Appropriated State	9,381.07

TOTAL FUNDS 245,930.00

Item Agency: H59 Tech & Comp Education Project: 9341, Greenville-Admin Bldg Re-roofing

3.

Action

Proposed: Establish project.

Total budget.....\$ 80,000.00  
[9] Other, institutional.....\$ 80,000.00

Purpose: Emergency consideration was given to Greenville TEC by the Committee on 11/26/86. Corrective action was needed immediately for the leaking roof before structural damage to the building or injuries occur.

Ref: Supporting document pages 7-11a.

CHE Approval Date: Not req'd  
Committee Review Date: 11/26/86  
B&C Board Approval Date: 12/01/86

Budget After Action Proposed	
Source	Amount

Other	80,000.00
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TOTAL FUNDS 80,000.00

EXHIBIT  
DEC 16 1986  
NO. 7  
STATE BUDGET & CONTROL BOARD

006851



Item Agency: P24 Wildlife & Marine Res Project: 9266, Bamberg Co-Cathedral Bay Land Acq  
4.

Action

Proposed: Increase budget from \$ 45,000.00 to \$ 45,200.00  
Change Source.

(Subtract \$ 45,000.00 [9] Other, Heritage Land Trust Fund)  
(Add \$ 45,200.00 [9] Other, Check-Off Fund)

Purpose: Increase and change of source is needed to purchase the 67 acres which  
must be made within the next 45 days.

Ref: Supporting document pages 12-13.

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

Budget After Action Proposed

Source	Amount
Other	45,200.00

TOTAL FUNDS 45,200.00

EXHIBIT

DEC 16 1986 NO. 7

STATE BUDGET & CONTROL BOARD

006852

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
November 1, 1986 Through November 15, 1986

SUMMARY 11-87 Page 1 of 6  
Forwarded to JBRC 11/19/86

Item Agency: H47 Winthrop College Project: 8062, McLaurin Retrofit  
8.

Action

Proposed: Decrease budget from \$ 1,581,541.28 to \$ 1,558,583.44

(Subtract \$ 22,957.84 [4] Excess Debt Service)

Purpose: To close completed project and transfer remaining funds to project 9013  
(refer to item 1).

Ref: Supporting document pages 32-33.

CHE Approval Date: 11/12/86  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 11/14/86

Budget After Action Proposed  
Source Amount

Excess Debt Service 1,558,583.44

TOTAL FUNDS 1,558,583.44

Item Agency: H47 Winthrop College Project: 8328, Phelps Hall Fire Stairwell  
9.

Action

Proposed: Decrease budget from \$ 67,000.00 to \$ 66,997.61

(Subtract \$ 2.39 [4] Excess Debt Service)

Purpose: To close completed project and transfer remaining funds to project 9013  
(refer to item 1).

Ref: Supporting document pages 34-35.

CHE Approval Date: 11/12/86  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 11/14/86

Budget After Action Proposed  
Source Amount

Excess Debt Service 66,997.61

TOTAL FUNDS 66,997.61

Item Agency: H47 Winthrop College Project: 8671, General Campus Fencing  
10.

Action

Proposed: Decrease budget from \$ 92,605.04 to \$ 68,151.37

(Subtract \$ 24,453.67 [4] Excess Debt Service)

Purpose: To close completed project and transfer remaining funds to project 9013  
(refer to item 1).

Ref: Supporting document pages 36-37.

CHE Approval Date: 11/12/86  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 11/14/86

Budget After Action Proposed  
Source Amount

Excess Debt Service 68,151.37

TOTAL FUNDS 68,151.37

006853

EXHIBIT  
DEC 16 1986  
NO. 7  
STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
November 1, 1986 Through November 15, 1986

SUMMARY 11-87 Page 2 of 6  
Forwarded to JBRC 11/19/86

Item Agency: H59 Tech & Comp Education Project: 8245, Piedmont-Energy Conservation Phase 5  
11.

CHE Approval Date: Not req'd  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 11/17/86

Action

Proposed: Decrease budget from \$ 35,904.00 to \$ 26,696.65

(Subtract \$ 4,603.68 [7] Federal)  
(Subtract \$ 4,603.67 [9] Other, Local)

Purpose: To close completed project.

Ref: Supporting document pages 38-39.

Budget After Action Proposed	
Source	Amount
Federal	13,348.32
Other	13,348.33

TOTAL FUNDS 26,696.65

Item Agency: H73 Vocational Rehab Project: 8467, Trng Cmplx Mechanics Trng Bldg  
12.

CHE Approval Date: Not req'd  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 11/14/86

Action

Proposed: Decrease budget from \$ 238,869.50 to \$ 238,816.09

(Subtract \$ 53.41 [7] Federal)

Purpose: To close completed project and transfer remaining funds to project 8965  
(refer to item 15).

Ref: Supporting document pages 40-41.

Budget After Action Proposed	
Source	Amount
Appropriated State	58,848.07
Federal	119,610.02
Other	60,358.00

TOTAL FUNDS 238,816.09

Item Agency: H73 Vocational Rehab Project: 8824, Trng Cmplx-Muscular Dev Research  
13.

CHE Approval Date: Not req'd  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 11/14/86

Action

Proposed: Decrease budget from \$ 1,524,400.00 to \$ 1,492,400.00

(Subtract \$ 32,000.00 [7] Federal)

Purpose: To adjust total federal funds available for project.

Ref: Supporting document pages 42-44.

Budget After Action Proposed	
Source	Amount
Appropriated State	387,200.00
Federal	1,105,200.00

TOTAL FUNDS 1,492,400.00

EXHIBIT

DEC 16 1986 NO. 7

STATE BUDGET & CONTROL BOARD

006854

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
November 1, 1986 Through November 15, 1986

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Item Agency: H73 Vocational Rehab Project: 8826, Columbia VR Center Storage Bldg  
14.

CHE Approval Date: Not req'd  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 11/14/86

Action  
Proposed: Decrease budget from \$ 79,439.38 to \$ 68,232.12

Budget After Action Proposed	
Source	Amount
Federal	34,116.08
Other	34,116.04

(Subtract \$ 5,603.61 [7] Federal)  
(Subtract \$ 5,603.65 [9] Other)

Purpose: To close completed project and transfer remaining funds to project 8965  
(refer to item 15).

Ref: Supporting document pages 45-46.

TOTAL FUNDS 68,232.12

Item Agency: H73 Vocational Rehab Project: 8965, Training Cntr-Rehab Eng Center  
15.

CHE Approval Date: Not req'd  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 11/14/86

Action  
Proposed: Increase budget from \$ 220,920.00 to \$ 232,180.67

Budget After Action Proposed	
Source	Amount
Capital Improvement Bonds	11,192.61
Appropriated State	72,670.00
Federal	114,920.92
Other	33,397.14

(Add \$ 5,657.02 [7] Federal)  
(Add \$ 5,603.65 [9] Other)

Purpose: Additional funds are needed to complete project. Funds transferred from  
projects 8467 and 8826.

Ref: Supporting document pages 47-48.

TOTAL FUNDS 232,180.67

Item Agency: J16 Mental Retardation Project: 8700, WC-Dorm 1 Renovation  
16.

CHE Approval Date: Not req'd  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 11/14/86

Action  
Proposed: Decrease budget from \$ 155,561.80 to \$ 153,561.80

Budget After Action Proposed	
Source	Amount
Excess Debt Service	103,561.80
Other	50,000.00

(Subtract \$ 2,000.00 [4] Excess Debt Service)

Purpose: To close completed project and transfer remaining funds to project 8833  
(refer to item 17).

Ref: Supporting document pages 49-50.

TOTAL FUNDS 153,561.80

0068555

EXHIBIT  
DEC 16 1986  
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STATE BUDGET & CONTROL BOARD



STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
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Forwarded to JBRC 11/19/86

Item Agency: J16 Mental Retardation Project: 8833, WC-Bldgs 6 & 8 Demolition  
17.

Action

Proposed: Increase budget from \$ 75,000.00 to \$ 77,000.00

(Add \$ 2,000.00 [4] Excess Debt Service)

Purpose: Additional funds are needed to complete project and will be utilized to  
to complete asbestos removal. Funds are transferred from project 8700.

Ref: Supporting document pages 51-53.

CHE Approval Date: Not req'd  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 11/14/86

Budget After Action Proposed

<u>Source</u>	<u>Amount</u>
Excess Debt Service	77,000.00

TOTAL FUNDS	77,000.00
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006856  
958900

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
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Forwarded to JBRC 12/03/86

Item Agency: H15 College of Charleston Project: 7034, Multi-Level Parking Garage

5.

Action

Proposed: Decrease budget from \$ 3,125,000.00 to \$ 3,124,603.77

(Subtract \$ 396.23 [4] Excess Debt Service)

Purpose: To close completed project and transfer remaining funds to project 9005.

Ref: Supporting document pages 14-15.

CHE Approval Date: 11/26/86  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 12/01/86

Budget After Action Proposed	
Source	Amount
Capital Improvement Bonds	1,900,000.00
Institution Bonds	1,075,000.00
Excess Debt Service	149,603.77

TOTAL FUNDS 3,124,603.77

Item Agency: H15 College of Charleston Project: 7039, Central Energy Facility Phase II

6.

Action

Proposed: Decrease budget from \$ 1,737,531.00 to \$ 1,728,149.93

(Subtract \$ 9,381.07 [6] Appropriated State)

Purpose: To close completed project and transfer remaining funds to project 9005.

Ref: Supporting document pages 16-17.

CHE Approval Date: 11/26/86  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 12/01/86

Budget After Action Proposed	
Source	Amount
Capital Improvement Bonds	1,130,000.00
Institution Bonds	479,261.00
Appropriated State	90,618.93
Federal	28,270.00

TOTAL FUNDS 1,728,149.93

Item Agency: H15 College of Charleston Project: 8695, Stern Center Roof Replacement

7.

Action

Proposed: Decrease budget from \$ 79,558.00 to \$ 77,450.72

(Subtract \$ 2,107.28 [4] Excess Debt Service)

Purpose: To close completed project and transfer remaining funds to project 9005.

Ref: Supporting document pages 18-19.

CHE Approval Date: 11/26/86  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 12/01/86

Budget After Action Proposed	
Source	Amount
Excess Debt Service	1,450.72
Appropriated State	76,000.00

TOTAL FUNDS 77,450.72

EXHIBIT  
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STATE BUDGET & CONTROL BOARD

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STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
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Forwarded to JBRC 12/03/86

Item Agency: H15 College of Charleston Project: 8775, Science Cntr & Physicians Auditorm Roof Replace  
8.

Action  
Proposed: Increase budget from \$ 75,000.00 to \$ 125,000.00

(Add \$ 50,000.00 [6] Appropriated State)

Purpose: The Science Center and Physicians Auditorium are physically attached. Combining these projects would eliminate the possibility of two contractors and only one advertisement for bids for both roofs would be issued by the State Engineer. A change of scope is necessary as an alternate roofing system will be used that will enable the project cost to stay within the project budget (refer to item 10).

Ref: Supporting document pages 20-24.

CHE Approval Date: 11/18/87  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 12/01/86

Budget After Action Proposed	
Source	Amount
Appropriated State	125,000.00

TOTAL FUNDS 125,000.00

Item Agency: H15 College of Charleston Project: 8943, Sears Property Purchase  
9.

Action  
Proposed: Decrease budget from \$ 4,250,000.00 to \$ 4,223,784.26

(Subtract \$ 26,215.74 [3] Revenue Bonds)

Purpose: To close completed project and transfer remaining funds to project 9005.

Ref: Supporting document pages 25-26.

CHE Approval Date: 11/26/86  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 12/01/86

Budget After Action Proposed	
Source	Amount
Revenue Bonds	4,223,784.26

TOTAL FUNDS 4,223,784.26

Item Agency: H15 College of Charleston Project: 9173, Physicians Auditorium Roof Replace  
10.

Action  
Proposed: Cancel project.

(Subtract \$ 50,000.00 [6] Appropriated State)

Purpose: To cancel project and transfer project budget and scope to project 8775.

Ref: Supporting document pages 27-28.

CHE Approval Date: 11/18/86  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 12/01/86

Budget After Action Proposed	
Source	Amount
Appropriated State	0.00

TOTAL FUNDS 0.00

006858

EXHIBIT  
DEC 16 1986  
NO. 7  
STATE BUDGET & CONTROL BOARD

Item Agency: P24 Wildlife & Marine Res Project: 9264, Horry Co-Cartwheel Bay Land Acq  
11.

Action

Proposed: Change Source.

(Add \$ 42,825.00 [6] Appropriated State)  
(Subtract \$ 42,825.00 [9] Other, Heritage Land Trust Fund)

Purpose: Total funds available in the Heritage Land Trust Fund are not sufficient to purchase property at this time. Therefore, a transfer is requested and source of fund change needed to expedite transaction which is due to close 12/5/86.

Ref: Supporting document pages 29-30.

CHE Approval Date: Not req'd  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 12/01/86

Budget After Action Proposed	
Source	Amount
Appropriated State	42,825.00
Other	357,175.00

TOTAL FUNDS	400,000.00
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EXHIBIT

DEC 16 1986 NO. 7

STATE BUDGET & CONTROL BOARD

006859



# EXHIBIT

DEC 16 1986

NO. 8

STATE BUDGET AND CONTROL BOARD  
MEETING OF December 16, 1986

STATE BUDGET & CONTROL BOARD  
BLUE AGENDA  
ITEM NUMBER

8

AGENCY: General Services

SUBJECT: Winthrop College Procurement Audit Follow-up

General Services advised that a follow-up review has been made to determine the progress made by Winthrop College on implementing the recommendations in their procurement audit.

The Division reports that substantial progress has been made and it recommends that the College be allowed to continue making procurements up to \$2,500.

BOARD ACTION REQUESTED:

Receive as information a report by the Division of General Services that Winthrop College has made substantial progress on implementing procurement audit recommendations and which recommends that Winthrop College be allowed to continue making procurements up to \$2,500.

ATTACHMENTS:

Kelly November 26 letter to Coles plus attachments.

006860

EXHIBIT

STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES  
300 GERVAIS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 737-2140

DEC 16 1986

NO. 8

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



RICHARD W. KELLY  
DIVISION DIRECTOR

REMBERT C. DENNIS  
CHAIRMAN,  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

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

RECEIVED

DEC 2 1986

BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

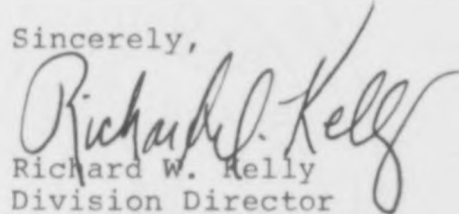
November 26, 1986

Jesse A. Coles, Ph.D.  
Executive Director  
Budget and Control Board  
612 Wade Hampton office Building  
Columbia, South Carolina 29211

Dear Dr. Coles:

A follow-up review has been performed at Winthrop College based on the audit report of the Office of Audit and Certification dated March 17, 1986. Since the results were favorable, I recommend that Winthrop College be allowed to make procurements up to the minimum limit of \$2,500.00 allowed by the Consolidated Procurement Code Regulations.

Sincerely,

  
Richard W. Kelly  
Division Director

Attachments - 2

006861

# EXHIBIT

STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES  
300 GERVAS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 737-2150

DEC 16 1986 NO. 8

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



WILLIAM J. CLEMENT  
ASSISTANT DIVISION DIRECTOR

REMBERT C. DENNIS  
CHAIRMAN,  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

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

November 26, 1986

Mr. Richard W. Kelly  
Division Director  
Division of General Services  
300 Gervais Street  
Columbia, South Carolina 29201

Dear Rick:

Attached is the follow-up letter from the Office of Audit and Certification which indicates that they have returned to Winthrop College to determine progress made toward implementing the recommendations in their audit report covering the period February 1, 1983 through September 30, 1985. Based on this follow-up, I recommend that Winthrop College be allowed to continue making procurements up to \$2,500.00. I request that this letter be presented to Dr. Coles for his information.

Sincerely,

William J. Clement  
Assistant Division Director

Attachment

006862

# EXHIBIT

STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES  
300 GERVAIS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 737-2150

DEC 16 1986

NO. 8

## STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



WILLIAM J. CLEMENT  
ASSISTANT DIVISION DIRECTOR

REMBERT C. DENNIS  
CHAIRMAN,  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

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

November 26, 1986

Mr. William J. Clement  
Assistant Division Director  
Division of General Services  
300 Gervais Street  
Columbia, South Carolina 29201

Dear Bill:

We have returned to Winthrop College to determine the progress made toward implementing the recommendations in our audit report covering the period February 1, 1983 through September 30, 1985. During this visit we followed up on each recommendation made in the audit report through inquiry, observation and limited testing. The Office of Audit and Certification observed that the College has made substantial progress toward implementation of our recommendations.

Sincerely,

A handwritten signature in cursive script that reads "Voight Shealy".

R. Voight Shealy, Manager  
Audit and Certification

CC: Richard W. Kelly  
Richard J. Campbell

006863



# EXHIBIT

DEC 16 1986

NO. 9

STATE BUDGET AND CONTROL BOARD  
MEETING OF December 16, 1986

BLUE AGENDA  
ITEM NUMBER

9

AGENCY: Clemson University

SUBJECT: Student Faculty Housing Revenue Refunding Bonds

Bond counsel Huger Sinkler advises that Clemson University early in 1987 plans to ask Board approval of the refunding of \$9,495,000 of dormitory bonds issued in 1982 as Series I and Series J.

Mr. Sinkler estimates that savings of between \$600,000 and \$800,000 may be realized in that procedure.

BOARD ACTION REQUESTED:

Receive as information.

ATTACHMENTS:

006864

RECEIVED DEC 05 1986

DEC 11 1986

SINKLER GIBBS & SIMONS

PROFESSIONAL ASSOCIATION

160 EAST BAY STREET  
CHARLESTON, SOUTH CAROLINA  
TELEPHONE AND TELECOPIER  
(803) 722-3366

MAILING ADDRESS  
CHARLESTON OFFICE  
POST OFFICE BOX 340  
CHARLESTON, S. C. 29402

COLUMBIA OFFICE  
SUITE 1160  
1401 MAIN STREET  
POST OFFICE BOX 11456  
COLUMBIA, S. C. 29211  
TELEPHONE AND TELECOPIER  
(803) 765-1885

December 4, 1986

EXHIBIT

Honorable Horace C. Smith  
P.O. Box 1144  
Spartanburg, SC 29301

DEC 16 1986 NO. 9

STATE BUDGET & CONTROL BOARD

Dear Horace:

Clemson University proposes to refund certain outstanding Student and Faculty Housing Revenue Bonds of Clemson University (the "Refunded Bonds") in an amount sufficient to refund the outstanding Housing Revenue Bonds of Clemson University, Series I and J which are subject to redemption on July 1, 1992. These amount to \$9,495,000. The action will be taken only if the bids received indicate a substantial savings to Clemson.

The exact amount of bonds cannot be ascertained until bids are received, for IRS regulations limit the return on investments of bond proceeds issued for refunding purposes.

As far as the State is concerned, once a bond is issued, it is required to pay back in dollars both principal and interest. Since the State pays no federal income taxes, principal and interest thus lose their distinction for it is dollars and not principal and interest which come out of the State Treasury. When a refunding of a high interest rate to a lower interest rate takes place, more bonds will be issued in principal than are refunded. The saving comes in the difference between the aggregate of principal and interest on the refunded bonds and the aggregate on the principal and interest on the refunding bonds.

We would propose to go ahead with a sale subject to final approval by your Board and the State Budget and Control Board. At the present time our plans would indicate that the refunding bonds would be offered in about a month for January delivery.

With kind regards, I am

Sincerely yours,

HS/cpv

cc: Ms. Lib Croft

*Idug*

006865

# EXHIBIT

DEC 16 1986 NO. 10

STATE BUDGET AND CONTROL BOARD AGENDA  
MEETING OF December 16, 1986 ITEM NUMBER

10

AGENCY: Executive Director

SUBJECT: Interviewee Travel Expense Reimbursement

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

<u>Agency</u>	<u>Number</u>	<u>Estimated Cost</u>
Francis Marion College	3	538.30

BOARD ACTION REQUESTED:

Receive as information reports on the reimbursement of interviewee travel expenses by Francis Marion College (3).

ATTACHMENTS:

Referenced report

006866



# FRANCIS MARION COLLEGE

BOX F7500, FLORENCE, SOUTH CAROLINA 29501 (803) 661-1281

SEP 9 1986

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

July 21, 1986

TO: President Thomas C. Stanton

FROM: William C. Moran

Office	Att
PRES	
VPAA	
VPEP	
VFCA	
VPDCA	
D.Athletics	
D.Library	
SGC	

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

## Estimated Costs:

Travel-----	\$ 676.00
Food-----	18.00
Lodging-----	55.00
<b>TOTAL</b>	<b>\$ 749.00</b>

#25386

1-305-E3300-0000

Extensions ☒  
Use Tax ☒  
Discount ☒  
Initials KV

EXHIBIT

DEC 16 1986 NO. 10

STATE BUDGET & CONTROL BOARD

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

Initial Approval Thomas C. Stanton  
Date 7/28/86

## Actual Costs:

Travel-----	\$ 445.00
Food-----	8.08
Lodging--	27.82
<b>TOTAL</b>	<b>\$ 480.90</b>

1/2 of \$480.90 (\$240.45) to be paid by  
Dr. Bergstrom.

Stanford Bergstrom  
Stanford Bergstrom

APPROVAL RECOMMENDED William C. Moran  
DATE 8-27-86

APPROVED Thomas C. Stanton  
DATE 9/6/86

SEP 03 1986

JUL 21 1986

006867

9/6/86





# FRANCIS MARION COLLEGE

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

MAY 8 1986

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

April 10, 1986

## EXHIBIT

TO: President Thomas C. Stanton

DEC 16 1986

NO. 10

FROM: William C. Moran

STATE BUDGET & CONTROL BOARD

Your approval is requested to invite Ms. Kay E. Ehrlich to campus for an interview for the position of Temporary Instructor of Geography and to pay her travel expenses. The significance of this position is such that it warrants the costs of an interview. Further, the participation of a number of Francis Marion College persons is vital to this particular interview; therefore, the costs of bringing Ms. Ehrlich to the campus would be far less than would be the expense of conducting the interview at her home area or elsewhere.

### Estimated Costs:

Travel-----\$	60.00
Food-----	18.00
Lodging-----	55.00
<b>TOTAL</b>	<b>\$ 133.00</b>

#13815

43.40

1-305-E3300-0000

### INVOICE CHECK

Extensions ☒

Use Tax ☒

Discount ☒

Initials SR

*William C. Moran*

William C. Moran  
Dean of the College

Initial Approval: *Thomas C. Stanton*

Date: 4/10/86

### Actual Costs:

Travel-----\$	36.40
Food-----	7.00
Lodging-----	
<b>TOTAL</b>	<b>\$ 43.40</b>

APPROVAL RECOMMENDED  
DATE 5-3-86

APPROVED  
DATE 5/6/86

006868

APR 10 1986

*5/6/86*



# FRANCIS MARION COLLEGE

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

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

July 28, 1986

## EXHIBIT

TO: President Thomas C. Stanton

DEC 16 1986

NO. 1 0

FROM: William C. Moran

STATE BUDGET & CONTROL BOARD

Your approval is requested to invite Mrs. Julie G. Griffin to campus for an interview for the position of Instructor of Mathematics and to pay her travel expenses. The significance of this position is such that it warrants the costs of an interview. Further, participation of a number of Francis Marion College persons is vital to this particular interview; therefore, the costs of bringing Mrs. Griffin to campus would be far less than would be the expense of conducting the interview at her home area or elsewhere.

### Estimated Costs:

Travel-----	\$ 30.00
Food-----	\$ 18.00
Lodging-----	\$
<b>TOTAL</b>	<b>\$ 48.00</b>

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

WCM:rbd

Initial Approval: *Thomas C. Stanton*

Date: Aug 5, 1986

### Actual Costs:

Travel-----	\$ 14.00
Food-----	\$
Lodging-----	\$
<b>TOTAL</b>	<b>\$ 14.00</b>

1-305-E3300-0000

APPROVAL RECOMMENDED *William C. Moran*

Date: 8-8-86

APPROVED: *Thomas C. Stanton*

Date: 8/11/86

AUG 11 1986

AUG 05 1986

006869

# EXHIBIT

DEC 16 1986

NO. 1 1

STATE BUDGET AND CONTROL BOARD  
MEETING OF December 16, 1986  
REGULAR SESSION  
ITEM NUMBER

2

AGENCY: State Reorganization Commission

SUBJECT: Replacement of Central Correctional Institution (CCI)

Section 28, Part II, Act 201 of 1985 (copy attached) authorized the Board to enter into lease purchase agreements consistent with the procurement Code which would provide the State an economically feasible method of replacing CCI. This authorization apparently can be exercised after consultation with the Joint Bond Review Committee and the State Reorganization Commission. The authorization also lists six tests which such agreements must meet.

The Bond Committee (see letter attached) has considered the recommendations of the Reorganization Commission's CCI Relocation Task Force, chaired by Rep. Jean Toal. The Task Force has recommended that the replacement facility for CCI be funded through a lease purchase arrangement.

At its November 12, 1986, meeting, the Bond Committee voted to advise the Board that the lease purchase financing method was found acceptable for the CCI relocation project.

BOARD ACTION REQUESTED:

Consult with the CCI Relocation Task Force on the possibility of entering into lease purchase agreements to replace CCI.

ATTACHMENTS:

Act 201, Part II, Section 28; Smith November 13 letter to McInnis.

006870

Section 28, Act #201, 1985  
Permanent Provisions  
(1985-86 General Appropriations  
Bill)

## EXHIBIT

DEC 16 1986 NO. 11

STATE BUDGET & CONTROL BOARD

### SECTION 28

TO PROVIDE THAT THE BUDGET AND CONTROL BOARD, UNDER CERTAIN CONDITIONS, IS AUTHORIZED TO ENTER INTO LEASE PURCHASE AGREEMENTS WHICH WOULD PROVIDE THE STATE WITH AN ECONOMICALLY FEASIBLE METHOD OF REPLACING THE CENTRAL CORRECTIONAL INSTITUTION.

In furtherance of the State's interest in complying with the terms of Nelson v. Leeke, and in minimizing potential legal liability in the future, and in furtherance of achieving a cost effective and timely solution to this problem through innovative means available in the private sector, after consultation with the Joint Bond Review Committee and the State Reorganization Commission, the State Budget and Control Board is authorized to enter into lease purchase agreements consistent with the Consolidated Procurement Code of the State of South Carolina which would provide the State an economically feasible method of replacing the Central Correctional Institution (CCI), so long as these agreements (1) can be demonstrated to be comparably cost effective to traditional financing methods, (2) can result in long term operational cost savings, (3) are in compliance with the standards enunciated in Nelson v. Leeke, (4) can result in the provision of a new facility of sufficient bed, program and support space more expeditiously than traditional methods, (5) that will minimize the wasteful expenditure of funds for further capital improvements to CCI, and (6) will be subject to the year to year appropriation process of the General Assembly.

006871

572300



Capital Improvements  
Joint Bond Review Committee

NOV 14 1986

HORACE C. SMITH

SENATE  
CHAIRMAN

SCOTT R. INKLEY

DIRECTOR OF RESEARCH AND ADMINISTRATION/  
BUDGET AND CONTROL BOARD LIAISON



MARION P. CARNELL

HOUSE OF REPRESENTATIVES  
VICE CHAIRMAN

LIB CROFT

ADMINISTRATIVE ASSISTANT

734-2824 3090  
P.O. BOX 142 TELEPHONE (803)-758-5088 OR -8900  
ROOM 410, GRESSETTE BUILDING  
Columbia, South Carolina 29202

November 13, 1986

SENATE MEMBERS:

HORACE C. SMITH  
JAMES M. WADDELL, JR.  
WILLIAM W. DOAR, JR.  
HUGH K. LEATHERMAN  
THOMAS L. MOORE

HOUSE MEMBERS:

MARION P. CARNELL  
JENNINGS G. MCABEE  
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

Dear Mr. McInnis:

The Joint Bond Review Committee has had four meetings since October 1, 1986, to discuss the recommendations of the CCI Relocation Task Force, chaired by Rep. Jean Toal, which has recommended that the replacement facility for CCI be funded through a lease-purchase financing arrangement.

After thorough discussions of lease-purchase financing versus General Obligation Bond financing for the replacement facility with Rep. Toal, members of the Task Force, and the State Treasurer, Hon. Grady Patterson, the Committee, at its meeting of November 12, 1986, voted to advise the Budget and Control Board that the lease-purchase financing method was found to be an acceptable financing method for this particular project.

The Committee takes this action pursuant to Section 28, Permanent Provisions of the 1985-86 General Appropriations Act (Act #201, 1985) which authorizes the Budget and Control Board to enter into a lease-purchase agreement for a replacement facility for Central Corrections Institution "after consultation with the Joint Bond Review Committee".

With kind regards, I am

Sincerely,

Senator Horace C. Smith, Chairman  
Joint Bond Review Committee

HCS:lc

Enc.: Act #201, Sec. 28 (1985)

cc: Rep. Jean Toal, Chairman

CCI Relocation Task Force

Mr. Bill Clement, Acting State Engineer

006872

# EXHIBIT

DEC 16 1986

NO. 1 2

ADD-ON

STATE BUDGET AND CONTROL BOARD  
REGULAR SESSION  
MEETING OF December 16, 1986  
ITEM NUMBER \_\_\_\_\_

AGENCY: Budget Division

SUBJECT: Emergency Boiler Restoration/Replacement for School for Deaf/Blind

Just prior to 1 a.m. on Monday, December 15, 1986, an explosion and fire at the boiler plant of the School for the Deaf and the Blind caused substantial damage to the building and the three boilers housed within it.

Because this plant provides heat for most of the facilities on campus, students were released on Monday, December 14, about one week early, for Christmas break.

Reconstruction/replacement is expected to be funded by insurance recoveries, except for a \$100,000 deductible. This amount could be funded by a mix of the approximately \$82,000 remaining of the School's \$200,000 "improvement" authorization included in Act 538 of 1986 and the \$120,100.20 currently available (see Attachment 1) in the Bond Contingency Revolving Fund.

Students are due back on January 5, 1987, so immediate action is necessary.

The Division recommends:

- A. Since Bond Contingency Revolving Funds may be involved, the Board is required to "unanimously determine that the repair and/or replacement project for which funding is requested in a bona fide emergency which the requested funds, together with any other available funds, can address effectively" (see Attachment 2).
- B. That the Board authorize the use of \$100,000 at some mix to address the deductible portion of the reconstruction/replacement cost.

BOARD ACTION REQUESTED:

- A. Approve the establishment of the School for the Deaf and the Blind reconstruction/replacement project as an emergency, subject to review by the Joint Bond Review Committee;
- B. Authorize up to \$100,000 from the Bond Contingency Revolving fund (or other source) to address the insurance claim deductible amount.

ATTACHMENTS:

Schedule of available bond contingency funds; Act 538 of 1986 excerpt

006873

South Carolina Bond Contingency Revolving Fund :

Capital Improvement Bonds

Authorized Prior to 1986 - Amount Currently Unallocated and Available

\$120,100.22

Authorized in Act 538 of 1986

\$667,000.00

Less Amount Previously Allocated in Priority Group 9 (July-December 1986)

-335,000.00

Remaining Amount - Scheduled for Group 13 Release (July-December 1988)

\$332,000.00

EXHIBIT

DEC 16 1986 NO. 12

STATE BUDGET & CONTROL BOARD

006874

Attachment 1

Attachment 1

B+C Ad Meeting of 12/16/86

## General Capital Improvements Bond Act

Act 538 of 1986

### "2A. BUDGET AND CONTROL BOARD:

1. Contingency Revolving Fund	\$ 500,000
2. Mt. Vernon Mill Site Development	3,000,000
TOTAL, Budget and Control Board	\$3,500,000

Provided, that, in making the above authorization, it is the intent of the General Assembly to provide the funding needed to establish a revolving fund to be used to finance emergency permanent improvement repair and replacement projects. Agency proposals for using these funds must be submitted to the Budget and Control Board and to the Joint Bond Review Committee simultaneously. The Board shall promptly consider and forward its recommendations on each request to the Joint Bond Review Committee. No request may be recommended for approval by the Board and no request may be approved by the Joint Bond Review Committee unless both the Board and the Committee shall have unanimously determined that the repair and/or replacement project for which funding is requested in a bona fide emergency which the requested funds, together with any other available funds, can address effectively. No institution of higher education, the Department of Mental Health, or the Department of Mental Retardation may request funds from this account.

Attachment 2

006875



# EXHIBIT

DECEMBER 15TH, 1986  
SOUTH CAROLINA SCHOOL FOR THE DEAF AND BLIND

DEC 16 1986 NO. 1 2

## EXPLANATION:

STATE BUDGET & CONTROL BOARD

AT 1:30AM THIS MORNING, THE 24 YEAR OLD 400 HORSEPOWER BOILER SERVING THE CAMPUS STEAM DISTIRBUTION SYSTEM EXPLODED WITH DEVASTATING RESULTS. THE TWO WALLS SUPPORTING THE BAR JOIST WERE LEVELED ALLOWING THE BAR JOIST AND ROOF STRUCTURE TO FALL ON THE EXISTING EQUIPMENT. THE REAR DOOR OF THE BOILER WAS DRIVEN THROUGH AN 8" BRICK WALL AND IS LYING 25 FEET FROM THE FORMER WALL OF THE EQUIPMENT ROOM. THE FORCE OF THE EXPLOSION DROVE THE BOILER OFF THE EXISTING PAD SOME 15 FEET INTO THE DRIVEWAY AREA THROUGH A METAL DOOR.

## SITUATION:

ALL STUDENTS WERE SENT HOME AT 11:00AM TODAY NOT TO RETURN UNTIL JANUARY 5TH, 1987. WE HAVE 21 DAYS COUNTING TODAY TO GET STEAM BACK ON CAMPUS.

## IMMEDIATE PROBLEM:

DURING DECEMBER, AROUND CHRISTMAS TIME FOR THE PAST TWO YEARS, WE HAVE EXPERIENCED WEATHER BELOW FREEZING IN THE TEENS. WE CANNOT ADEQUATELY DRAIN ALL BUILDINGS TO PREVENT FREEZING OF WATER LINES AND NEED TO INSTALL A TEMPORARY BOILER IMMEDIATELY TO TAKE CARE OF FREEZE PROTECTION. DAMAGE AT WALKER HALL, BUILT IN 1848, WITHOUT FREEZE PROTECTION COULD RUN INTO THE HUNDREDS OF THOUSANDS. WE NEED TO INSTALL A TEMPORARY BOILER IMMEDIATELY TO PROTECT OUR BUILDINGS FROM FREEZING.

## PRESSING PROBLEM:

THE BOILER ROOM AND ALL EQUIPMENT WAS LOST. THE FOLLOWING BUILDINGS ARE NOW WITHOUT HEAT UNTIL THE BOILER ROOM IS REPAIRED:

BUILDING	APPRAISED VALUE
=====	
WALKER HALL	\$5,486,775
TRADES ONE	\$332,640
TRADES TWO	\$332,640
SPRING HALL	\$680,520
LAUNDRY	\$205,205
WAREHOUSE	\$384,000
CENTRAL KITCHEN	\$438,900
MAINTENANCE	\$148,260
THACKSTON HALL	\$2,564,280
VOSS CENTER	\$2,887,500
HENDERSON HALL	\$576,000
MULTIMEDIA	\$328,965
APHASIC II	\$140,530
=====	
TOTAL	\$14,506,215

THE SCHOOL FOR THE DEAF AND BLIND WOULD APPRECIATE YOUR CONSIDERATION IN THIS EMERGENCY SITUATION.

006876

# EXHIBIT

DEC 16 1986 NO. 1 2

SOUTH CAROLINA SCHOOL FOR THE DEAF AND BLIND  
CEDAR SPRINGS STATION  
SPARTANBURG, SOUTH CAROLINA

STATE BUDGET & CONTROL BOARD

## ESTIMATES OF BOILER ROOM EXPLOSION REPAIR COST

MATERIALS	ESTIMATED COST
=====	=====
1 400 HORSEPOWER BOILER	\$82,500
2 200/300 HORSEPOWER BOILER	\$55,000
3 200 HORSEPOWER BOILER (REPAIRS)	\$8,500
4 DEAIRATOR TANK	\$28,540
5 CONDESATE RECEIVER/PUMPS	\$14,000
6 HOT WATER STORAGE TANK/HEATER (5000 GALLONS/STORAGE)	\$19,600
7 BOILER SPECIATIES	\$12,000
NON-RETURN VALVES	
BOILER TRIM	
SAFETY CONTROLS	
8 PIPE, VALVES, FITTINGS	\$45,000
9 INSULATION	\$25,000
10 ELECTRICAL	\$35,000
=====	=====
TOTALS	\$325,140

LABOR	
=====	=====
1 PIPING/BOILERS/PUMPS	\$55,000
2 ELECTRICAL	\$15,600
3 INSULATION	\$15,000
4 CONTROLS	\$12,500
=====	=====
TOTALS	\$98,100

BUILDING CONSTRUCTION	
=====	=====
2800 SQ FT X \$38.00/SQ FT	\$106,400
=====	=====
TOTALS	

MISCELLANEOUS SERVICES	
=====	=====
DEMOLITION MATERIAL & LABOR	\$25,000
CRANE/EQUIPMENTAL RENTAL	\$18,500
ARCHITECTURAL/ENGINEERING FEES	\$45,000
CONTINGENCY	\$65,000
=====	=====
TOTALS	\$153,500
	=====
	=====
TOTAL OF ALL ESTIMATED COST	\$683,140

006877

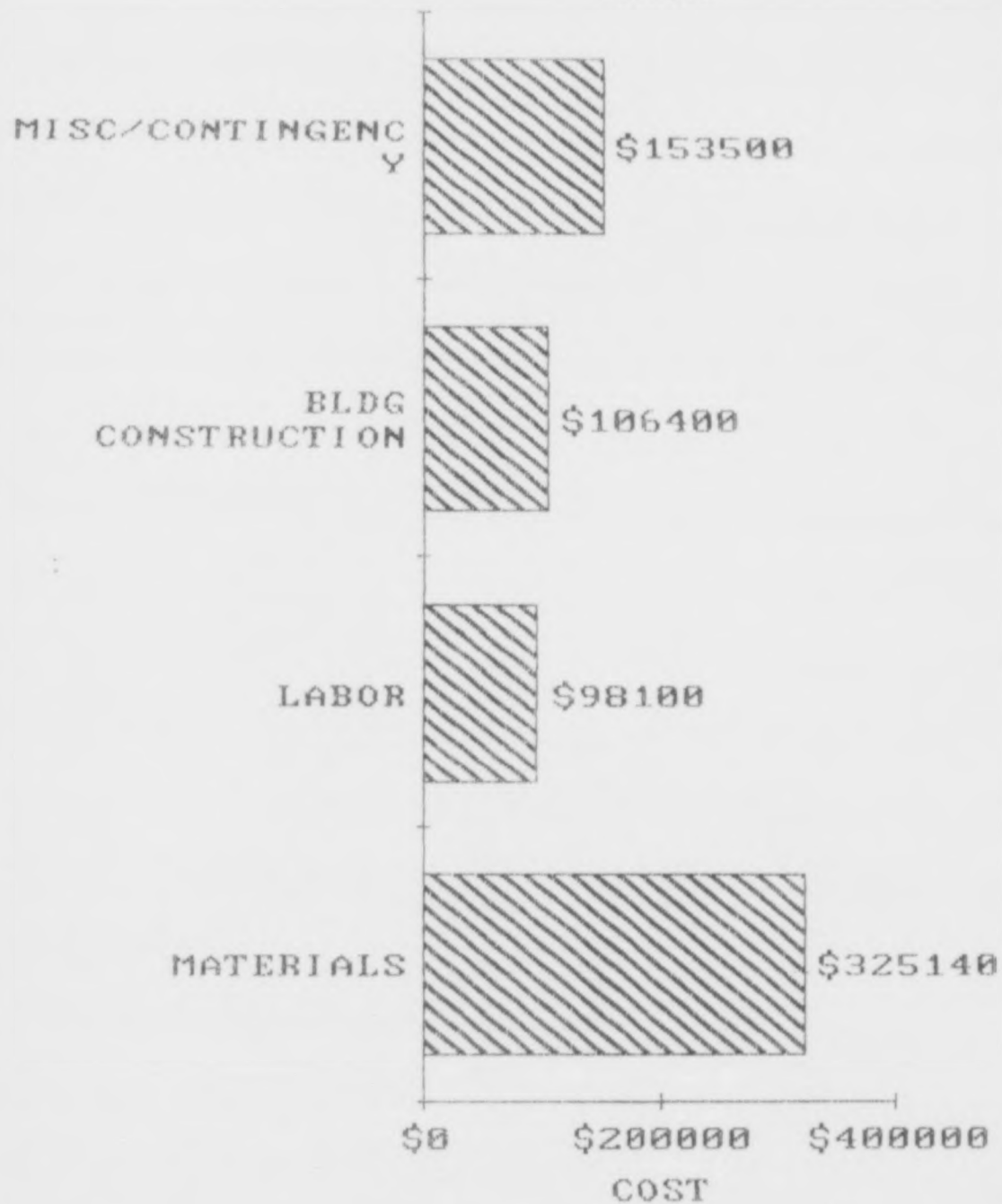
# EXHIBIT

DEC 16 1986

NO. 12

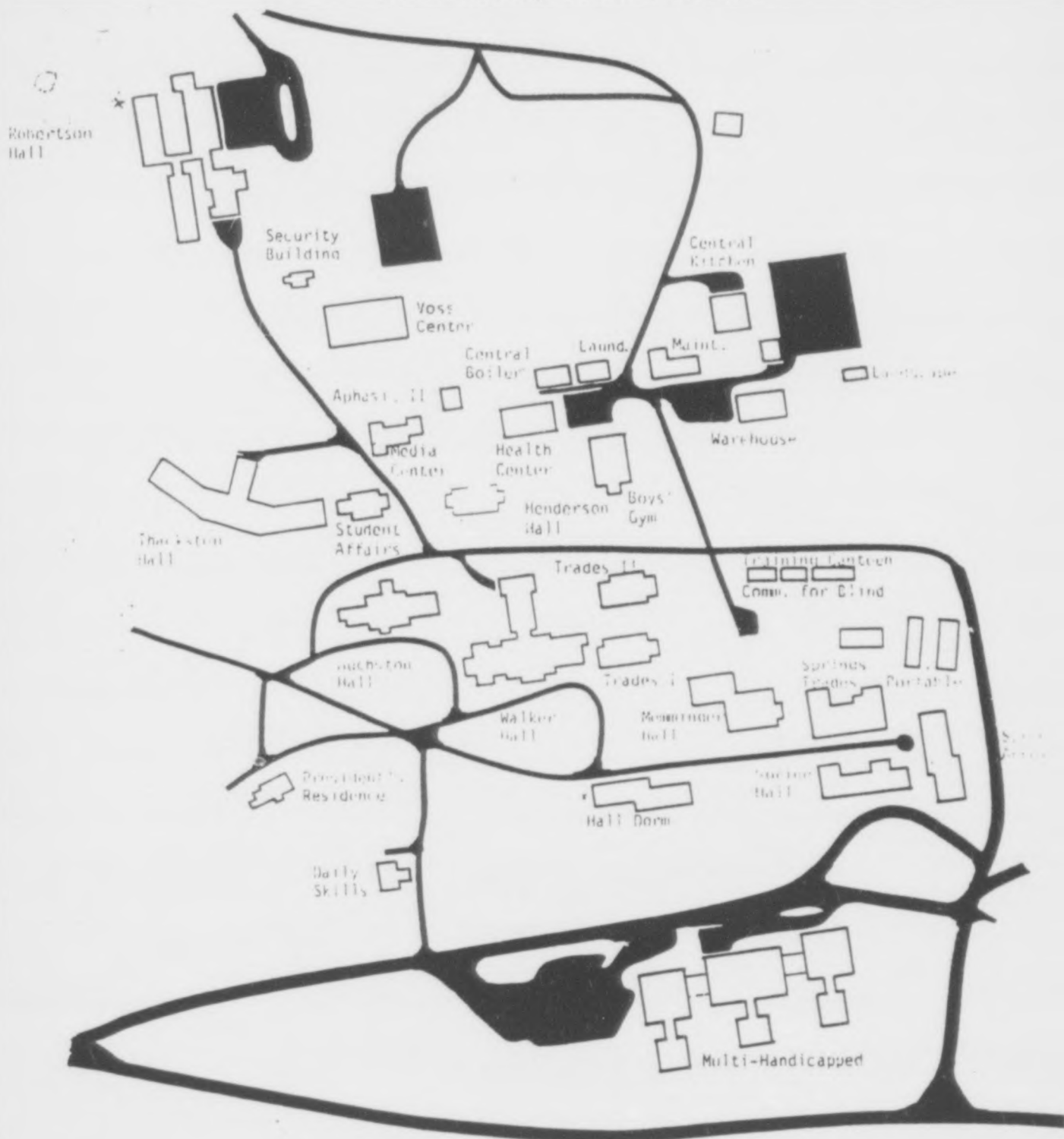
STATE BUDGET & CONTROL BOARD

## COST BREAKDOWN BOILER/EQUIPMENT/BUILDING REPAIRS S C SCHOOL FOR THE DEAF AND BLIND



006878

THE SOUTH CAROLINA SCHOOL FOR THE DEAF AND BLIND  
SPARTANBURG, SOUTH CAROLINA



006879

# EXHIBIT

DEC 16 1986

NO. 13

STATE BUDGET AND CONTROL BOARD  
MEETING OF December 16, 1986

REGULAR SESSION  
ITEM NUMBER

3

AGENCY: State Fire Commission

SUBJECT: Explosives Control Act Regulations

The State Fire Commission has completed the drafting of regulations setting forth standards for implementation of the Explosives Control Act which becomes effective January 1, 1987.

The Commission requests Board approval of the proposed emergency regulations which will become effective upon filing with the Legislative Council.

BOARD ACTION REQUESTED:

Authorize the Fire Commission to submit to the Legislative Council for publication in the State Register emergency regulations setting forth standards for implementation of the Explosives Control Act.

ATTACHMENTS:

Lee December 8 letter to McInnis; proposed regulations

006880



State of South Carolina

STATE FIRE COMMISSION



800 Dutch Square Blvd., Suite 201  
Columbia, S.C. 29210  
Telephone: (803) 737-8300

EXHIBIT

DEC 16 1986 NO. 13

STATE BUDGET & CONTROL BOARD

Lewis B. Lee, Chairman  
Fourth Congressional District  
Newberry

John R. Buckner  
First Congressional District  
Hardeeville

Wilmot E. Guthke  
First Congressional District  
Charleston

Robert Ellison  
Second Congressional District  
Blythewood

James Bartley  
Second Congressional District  
Columbia

Alex Gundry  
Third Congressional District  
Starr

Grady Hill  
Third Congressional District  
Greenwood

Andy Littlejohn  
Fourth Congressional District  
Union

Thomas Forrester  
Fourth Congressional District  
Greenville

B. Eddie Rivers  
Fifth Congressional District  
Pageland

Robert M. Baker  
Fifth Congressional District  
Sumter

S.K. Brockington, Jr.  
Sixth Congressional District  
Lake City

Carter Jones  
Sixth Congressional District  
Manning

Brunson L. Cromer  
Member-at-large  
Aiken

Carl R. Dickert  
Member-at-large  
Piedmont

Robert M. Lee  
Member-at-large  
Johns Island

Priscilla Mayes  
Member-at-large  
Columbia

Michael G. Padgett  
Member-at-large  
Spartanburg

H. Harold Tarterton, Jr.  
Member-at-large  
Greenville

December 8, 1986

Mr. William McInnis  
Deputy Executive Director  
Budget and Control Board  
Wade Hampton Building  
Columbia, SC 29201

Dear Mr. McInnis:

The State Fire Commission has completed the drafting of regulations setting forth standards for implementation of the Explosives Control Act which becomes effective January 1, 1987. The Commission is seeking approval of emergency regulations to become effective immediately upon filing with the Legislative Council.

We are enclosing three complete sets of the regulations and a synopsis. Please submit to the Budget and Control Board at the December 16, 1986 meeting. Upon approval by the Board, please send to Ms. Lynn Bartlett to be included in the December State Register.

If you have questions, please call Mr. David Cullum at 737-8300.

Yours truly,

Lewis B. Lee, Chairman  
State Fire Commission

LBL:m

enclosures

006881

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

For meeting scheduled for:

December 16, 1986

☒ Blue Agenda

☐ Regular Session Agenda

☐ Executive Session Agenda

1. Submitted By:

(a) Agency: Division of State Fire Marshal (State Fire Commission)

(b) Authorized Official Signature: Lewis B. Lee, Chairman

2. Subject:

Explosives Regulation

3. Summary Background Information:

The Explosives Control Act will become effective January 1, 1987. The State Fire Commission is charged with the promulgation of regulations setting forth standards for the enforcement of the Act. The Commission is seeking approval of emergency regulations. The State Fire Commission is requesting approval of the Board to submit these regulations to the Legislative Council and the State Register.

EXHIBIT

DEC 16 1986

NO. 13

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Approve

5. What is recommendation of the Board Division involved?

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

Letter from Chairman Lewis Lee  
Synopsis of Explosives Regulation

List Those Not Attached But Available  
from Submitter

Explosives Regulation, 19-302 - 19-302.24

006882

DIVISION OF STATE FIRE MARSHAL

Subarticle 3

Explosives

EXHIBIT

DEC 16 1986

NO. 13

STATE BUDGET & CONTROL BOARD

The entire subarticle was rewritten to encompass the requirements of the South Carolina Explosives Control Act of 1986. This regulation sets forth license criteria for dealers in explosives, blasters, as well as for explosive magazine permits and permits for the use of explosives. A fee schedule for licenses and permits is included. This regulation also requires a minimum of one million dollars public liability insurance for blasting with each permit; requires records of sales and inventories to be kept; establishes minimum safety standards for the use and storage of explosives; sets minimum standards for the construction of explosive storage magazines and exempts agricultural users of explosives from obtaining a blaster license and permit for use of explosives.

006883

DIVISION OF STATE FIRE MARSHAL

Subarticle 3

Explosives

EXHIBIT

DEC 16 1986 NO. 13

STATE BUDGET & CONTROL BOARD

The entire subarticle was rewritten to encompass the requirements of the South Carolina Explosives Control Act of 1986. This regulation sets forth license criteria for dealers in explosives, blasters, as well as for explosive magazine permits and permits for the use of explosives. A fee schedule for licenses and permits is included. This regulation also requires a minimum of one million dollars public liability insurance for blasting with each permit; requires records of sales and inventories to be kept; establishes minimum safety standards for the use and storage of explosives; sets minimum standards for the construction of explosive storage magazines and exempts agricultural users of explosives from obtaining a blaster license and permit for use of explosives.

006884

Article 3  
Subarticle 3  
Explosives

Statutory Authority: South Carolina Explosive Control Act of 1986  
Section 8

19-302. Explosives

19-302.1 Definitions

A. For the purpose of these Regulations, the following terms are defined as meaning:

(1) AMMONIUM NITRATE: The ammonium salt of nitric acid represented by the formula  $\text{NH}_4 \text{NO}_3$ .

(2) AUTHORIZED, APPROVED or APPROVAL: Terms mean authorized, approved, or approval by South Carolina State Fire Marshal.

(3) BLACK POWDER: A deflagrating or low explosive compound of an intimate mixture of sulfur, charcoal and an alkali nitrate, usually potassium or sodium nitrate.

(4) BLAST AREA: The area of a blast within the influence of flying debris, gases and concussion.

(5) BLAST SITE: The area where explosive material is handled during loading, including the perimeter of blast holes and for a distance of fifty feet in all directions from holes, or holes to be loaded or the intended seat of the blast. In underground mines, fifteen feet of solid rib or pillar can be substituted for the fifty feet distance.

(6) BLASTER: That qualified person in charge of and responsible for the loading and firing of a blast and licensed by the State Fire Marshal.

006885



(7) BLASTING AGENT: An explosive material which meets prescribed criteria for insensitivity to initiation.

(8) BLASTING GALVANOMETER: A device designed expressly for the purpose of measuring resistance and checking continuity in an electrical blasting circuit.

(9) BLASTING MACHINE: An electrical or electro-mechanical device which provides electrical energy for the purpose of energizing electric blasting caps.

(10) BLASTING MATS: Mats of woven steel wire, rope, scrap tires or other suitable material or construction to cover blast holes or explosives for the purpose of preventing fly rock or other missiles.

(11) BULK MIX: A mass of explosive material prepared for use in bulk form with or without packaging.

(12) BULK MIX DELIVERY EQUIPMENT: Equipment (usually a motor vehicle with or without mechanical delivery device) that transports explosive materials in bulk form for mixing, or loading directly into blast holes, or both.

(13) BULLET-RESISTANT: Magazine walls or doors of construction resistant to penetration of a bullet of one hundred fifty-grain M2 ball ammunition having a nominal muzzle velocity of two thousand seven hundred feet per second fired from a thirty one-hundredth caliber rifle from a distance of one hundred feet perpendicular to the wall or door. When a magazine ceiling or roof is required to be bullet-resistant, the ceiling or roof shall be constructed of materials comparable to the side walls or of other materials which will withstand penetration of the bullet above described when fired at an angle of forty five degrees from the perpendicular.

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(14) BULLET-SENSITIVE EXPLOSIVE MATERIAL: Explosive material that can be detonated by one hundred fifty grain M2 ball ammunition having a nominal muzzle velocity of twenty seven hundred feet per second when the bullet is fired from a thirty one-hundredth caliber rifle at a distance of not more than one hundred feet and the test material, at a temperature of 70-75 Fahrenheit, is placed against a backing material of one-half inch steel plate.

(15) BURDEN: That dimension of a medium to be blasted measured from the borehole to the face at right angles to the spacing. It means also the total amount of material to be blasted by a given hole, usually measured in cubic yards or in tons.

(16) BUS WIRE: Solid wire used in parallel or series circuits to which are connected the leg wires of electric blasting caps.

(17) BUTTS: The extreme bottom of a borehole, sometimes left in misfired or low ordered holes. May contain unused explosives and present a hazard.

(18) CHAMBERED: See "Springing" (73)

(19) COLLAR: The mouth or top of a borehole.

(20) CONNECTING WIRE: An insulated solid wire used between electric blasting caps and the leading wires or between the bus wire and leading wires.

(21) DELAY PERIOD: The time interval in milliseconds between successive detonation of the delay devices used.

(22) DETONATING CORD: A flexible cord containing a center core of high explosive materials.

(23) DETONATOR: Any device containing any initiating or primary explosive that is used for initiating detonation. A detonator may not

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contain more than ten grams of total explosives by weight, excluding ignition or delay charges. The term includes, but is not limited to, electric blasting caps, blasting caps for use with safety fuses, detonating cord delay connectors, and blasting caps which use detonating cord, shock tube, or any other replacement for electric leg wires or safety fuse.

(24) DOPE: Individual, dry, nonexplosive ingredient that comprises a portion of an explosive formulation.

(25) DROP FUSE: (Also known as "drop charging".) Dropping or pushing a primer or any explosive with a lighted fuse attached.

(26) ELECTRIC POWER SOURCE: Self defining.

(27) FUME CLASS I: An explosive which when detonated produces no more than sixteen hundredth cubic feet of poisonous gases per each one one-quarter inch by eight inch cartridge of explosive.

(28) EMULSION EXPLOSIVE MATERIAL: An explosive material containing substantial amounts of oxidizers dissolved in water or other liquid droplets surrounded by an immiscible fuel.

(29) EXPLOSIVE: Any chemical compound, mixture or device, the primary or potential purpose of which is to function by explosion.

(30) EXPLOSIVE MATERIALS: These include explosives, blasting agents, and detonators. The term includes, but is not limited to, dynamite and other high explosives; slurries, emulsions and water gels; black powder; initiating explosives; detonators (blasting caps); safety fuse; squibs; detonating cord; igniter cord; and igniters.

A list of explosive materials determined to be within the coverage of "18 U.S.C. Chapter 40, Importation, Manufacture, Distribution and Storage of Explosive Materials" is issued at least annually by the

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Director of the Bureau of Alcohol, Tobacco and Firearms of the Department of the Treasury.

(31) EXPLOSIVE OILS: Liquid sensitizers for explosives such as nitroglycerin, ethylene glycol dinitrate and metriol trinitrate.

(32) FIRE EXTINGUISHER RATING: A rating set forth in the National Fire Code which may be identified on an extinguisher by a number (5,20,70, etc.), indicating relative effectiveness, followed by a letter (A,B,C,D, etc.) indicating the class or classes of fires for which the extinguisher has been found to be effective.

(33) FIRE-RESISTANT: Construction designed to offer reasonable protection against fire.

(34) FUEL: A substance which may react with oxygen to produce combustion.

(35) HARDWOOD: Red Oak, White Oak, Hard Maple, Ash or Hickory, free from loose knots, wind shakes or similar defects.

(36) HIGH EXPLOSIVES: Explosives which are characterized by a very high rate of reaction, high pressure development, and the presence of a detonation wave in the explosive.

(37) HIGHWAY: Any public street, public alley, public road, or thoroughfare.

(38) IGNITING CORD: A safety fuse which burns with an open flame which is used, in turn, to ignite other safety fuses in a predetermined sequence.

(39) INHABITED BUILDING: A building regularly occupied in whole or in part as a habitation for human beings, or any church, schoolhouse, railroad station, store, or other structure where people are accustomed to assemble, except any building or structure occupied in connection

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with the manufacture, transportation, storage, or use of explosive materials.

(40) ISSUING AUTHORITY: The Office of the South Carolina State Fire Marshal.

(41) LEADING WIRE: An insulated solid wire used between the electric power source and the electric blasting cap circuit.

(42) LEG WIRES: The two single or one duplex wire extending out of an electric blasting cap.

(43) LOW EXPLOSIVES: Explosives which are characterized by deflagration or a low rate of reaction and the development of low pressure.

(44) MAGAZINE: Any building, or structure, or container, other than an explosives manufacturing building, approved for the storage of explosive materials.

(45) MASS DETONATE (Mass Explode): Explosive materials mass detonate (mass explode) when a unit or any part of a larger quantity of explosive material explodes and causes all or a substantial part of the remaining material to detonate or explode simultaneously. With respect to detonators "a substantial part" means ninety percent or more.

(46) MILLISECOND DELAY CONNECTOR: Non-electric short interval delay devices used in delaying blasts which are surface initiated by detonating cord.

(47) MISFIRE: An explosive material that fails to detonate completely after an attempt at initiation. This term is also used to describe the explosive material itself that has failed to detonate as planned.



(48) MOTOR VEHICLE: Any self-propelled vehicle, truck, tractor, semi-trailer or full trailer used for the transportation of explosives over public highways.

(49) MUD CAPPING: (Sometimes known as "bulldozing", "adobe blasting", or "dobyng".) The placing of explosives against a rock, boulder or other object, for the purpose of breaking them, without confining the explosive in a borehole.

(50) NONELECTRIC DETONATOR: A detonator that does not require the use of electric energy to function.

(51) OXIDIZER or OXIDIZING MATERIAL: A substance, such as a nitrate, that readily yields oxygen or other oxidizing substances to stimulate the combustion of organic matter or other fuel.

(52) PARALLEL CIRCUIT: An electrical blasting circuit wherein one leg wire from end cap is connected to one side of the blasting circuit and the other wire of the cap to the other side of the circuit.

(53) PEAK PARTICLE VELOCITY: Is defined in the body of the regulation. Also means the peak particle velocity recorded on any one of the three mutually perpendicular components of blasting vibrations in the vertical and horizontal directions.

(54) PARTICLE BOARD: A composition board made of small pieces of wood bonded together.

(55) PERSON: Any natural person, corporation, company, association, firm, partnership, society or joint stock company.

(56) PLACARDS: Signs placed on vehicles transporting hazardous materials (including explosive materials) indicating the nature of the cargo.

(57) PLYWOOD: Exterior construction-grade plywood.

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(58) POWDER: A common synonym for explosive materials.

(59) PRIMER: A unit, package or cartridge of explosives used to initiate other explosives or blasting agents, and which contains:

(a) A detonator; or

(b) detonating cord to which is attached a detonator designed to initiate the detonating cord.

(60) PROPELLANT-ACTUATED POWER DEVICE: Any tool or special mechanized device or gas generator system which is actuated by a low explosive propellant or which releases and directs work through a low explosive propellant charge.

(61) PUBLIC CONVEYANCE: Any railroad car, streetcar, ferry, cab, bus, aircraft or other vehicle which is carrying passengers for hire.

(62) PYROTECHNICS: Any combustible or explosive compositions or manufactured articles designed and prepared for the purpose of producing audible or visible effects. Pyrotechnics are most commonly referred to as class B and class C fireworks.

(62) RAILWAY: Any steam, electric, or other railroad or railway which carries passengers or freight for hire.

(63) SAFETY FUSE: A flexible cord containing an internal burning medium by which fire or flame is conveyed at a continuous and uniform rate from the point of ignition to the point of use, usually a fuse detonator.

(64) SCALED DISTANCE: Defined in the body of the regulations.

(65) SEMI-CONDUCTIVE HOSE: A hose used for pneumatic conveying of explosive materials, having an electrical resistance high enough to limit flow of stray electric currents to safe levels yet not so high as to prevent drainage of static electric charges to ground. Hose of not

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more than two megohms resistance over its entire length and of not less than five thousand ohms per foot meets the requirement.

(66) SENSITIVITY: A physical characteristic of an explosive material, classifying its ability to be initiated upon receiving an external impulse such as impact, shock, flame or other influence which can cause explosive decomposition.

(67) SERIES CIRCUIT: An electrical blasting circuit wherein cap leg wires are connected one to another in series providing a single path for current to flow through each cap.

(68) SHUNT: A piece of metal connecting two leg wires to prevent stray currents from causing accidental detonation of a cap. The act of deliberately shorting any portion of an electrical blasting circuit.

(69) SLURRY: An explosive material containing substantial portions of a liquid, oxidizers and fuel, plus a thickener.

(70) SMALL ARMS AMMUNITION: Any cartridge for shotgun, rifle, pistol, revolver, and cartridges for propellant-actuated power devices and industrial guns. Military type ammunition containing explosive bursting charges, or any incendiary, tracer, spotting, or exploding projectile is excluded from this definition.

(71) SOFTWOOD: Douglas Fir, or other wood of equal bullet-resistance, free from loose knots, wind shakes or similar defects.

(72) SPACING: The distance between boreholes or charges in a row.

(73) SPRINGING: Also referred to as "chambering". The creation of a pocket in the bottom of a drill hole by the use of a moderate quantity of explosives in order that larger quantities of explosives may be inserted therein.

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(74) STEEL: General purpose (hot or cold rolled) low carbon steel such as specification ASTM A366 or equivalent.

(75) STEMMING: Means an inert material placed in a borehole after the explosive for the purpose of confining explosive materials or to separate charges of explosive materials in the same borehole.

(76) TAMPING: The process of compressing the stemming or explosive in a blast hole.

(77) THEFT-RESISTANT: Construction designed to deter illegal entry into facilities used for the storage of explosive material.

(78) WASTE ACID: Residual or spent acid from a nitration process.

(79) WATER GEL: An explosive material containing substantial portions of water, oxidizers and fuel, plus a cross-linking agent.

(80) WEATHER-RESISTANT: Construction designed to offer reasonable protection against weather.

#### 19-302.2 Exceptions

A. These regulations shall not apply to:

(1) Explosive materials while in the course of transportation via railroad, water, highway or air or when explosive materials are moving under jurisdiction of the United States Department of Transportation and/or the South Carolina Public Service Commission;

(2) The manufacture of explosive materials under requirements of Title 29, Code of Federal Regulations (CFR), as promulgated by the United States Department of Labor and/or the South Carolina Department of Labor for the Occupational Safety and Health Act;

(3) The laboratories of schools, colleges and similar institutions when confined to the purpose of instruction or research, or to explosive materials in the forms prescribed by the official United States

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Pharmacopeia or the National Formulary and used in medicines and medicinal agents;

(4) Explosive materials used, sold and/or stored by the regular military or naval forces of the United States, to the duly organized military force of any state or territory, or to police or fire departments in this State if they are acting within their official capacities to meet emergency situations;

(5) Fixed round small arms ammunition and components thereof, which are subject to the Gun Control Act of 1968 (Title 18, Chapter 44, U.S.C.) and regulations promulgated thereunder;

(6) Gasoline, fertilizer, and propellant-actuated power devices or tools;

(7) The sale or storage of fireworks as regulated by the State Board of Pyrotechnic Safety.

19-302.3 Licenses and Permits for the Sale, Storage and Use of Explosive Materials

A. Licenses

Explosive materials shall not be sold, given, delivered or transferred to any person not in possession of current valid blaster's license or dealer's license or to any person convicted of any crime punishable by a term of imprisonment exceeding two years or adjudicated as a mental defective, habitual user of narcotics, alcohol or marijuana. Agricultural users of explosives are not required to obtain a blaster license to purchase explosive materials.

Explosive materials shall be stored in properly constructed magazines as described in section 19-302.7 while waiting for sale or use.

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Persons intending to act as dealers of explosive materials shall obtain the appropriate state license from the Division of State Fire Marshal on forms supplied by the State Fire Marshal. Fees shall accompany license application. Licenses shall be posted in a conspicuous location at the place of business and be valid for one year from date of issue. There are two classes of dealer licenses.

(1) Class I Dealer

Class I Dealer means a person engaged in the wholesale or retail business of buying and selling any quantity and type of explosive materials. A Class I Dealer must purchase a license at a cost of five hundred dollars.

(2) Class II Dealer

Class II Dealer means a person engaged in the retail business of selling black powder, flash powder, and other types of low-grade explosive. A Class II Dealer must purchase a license at a cost of one hundred dollars.

(3) Blaster License

It shall be unlawful for any person to load or fire explosive materials unless the person or his direct supervisor is a licensed blaster. The blaster license must conform to the class and use as specified on the license and be carried on his person during the use and purchase of explosive materials. Applicant's for a blaster license shall apply on forms supplied by the State Fire Marshal. Fee for license shall accompany application. Blaster license fee is fifty dollars. There are two classes of Blaster License: Unrestricted-all types of blasting and Restricted-Special blasting as specified on license. An applicant for a Blaster License shall:

1. Be at least twenty-one years of age.
2. Be in adequate physical and mental condition to perform the work required.
3. Be able to understand and give written and oral orders in the English language.
4. Not be addicted to alcohol, narcotics, or marijuana.
5. Be qualified by reason of training, knowledge, and field experience in storing, handling, and use of explosive materials applicable to the class of license.
6. Have and demonstrate a working knowledge of federal, state and local laws and regulations pertaining to explosive materials through examination administered by the State Fire Marshal.
7. Be free of a criminal conviction of any crime punishable by a term of imprisonment exceeding two years or adjudicated as a mental defective or under indictment for a crime punishable by a term of imprisonment exceeding two years.

#### 19-302.4 Restrictions

##### A. The following are restrictions which apply to all licenses:

1. No license shall be assigned or transferred.
2. Licenses shall be classified, dated, numbered, and be valid for two years from date of issue.
3. A blaster's license shall bear his name, address, photograph, and any other identifying information as deemed necessary by the State Fire Marshal.

##### B. Blasting Permits

A permit for the use of explosive materials shall be required in any blasting operation. The blasting operation shall be personally

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supervised by a licensed blaster. Application for a blasting permit shall be done on forms provided by the Division of State Fire Marshal and accompanied by the permit fee of twenty five dollars and certificate of insurance prior to initiation of blasting. Permits shall be granted for sufficient time to complete job but for no longer than one year.

Permits for Blasting shall include the following information:

1. Site of blasting;
2. Name and license number of blaster;
3. Amount and type of explosive materials;
4. Proximity of gas lines, power transmission lines, public roads, waterways;
5. Purpose of blasting;
6. Corporate name, if any;
7. Blaster's report if deemed necessary by Division of State Fire Marshal. This report will be completed on forms provided by the Division and submitted within three working days of the blast.

#### C. Magazine Permits

Each magazine for the storage of explosive materials shall be constructed according to the specifications found in Section 19-302.8. Each magazine permit application shall be completed on forms provided by the State Fire Marshal and accompanied by the magazine permit fee of ten dollars. Magazine permits will be valid for one calendar year from date of issue. The permit form shall contain the following information regarding the exact physical location:

1. Town and county;
2. Street address;
3. Location from other magazines and buildings;

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4. Owner's name;
5. Quantity of explosives being stored;
6. License number (dealer or blaster);
7. Type of explosive materials.

Prior to use, each magazine shall be inspected and approved by personnel of the Division of State Fire Marshal.

#### 19-302.5 Record Keeping and Inventories

##### A. Records

Dealers shall retain for inspection by representatives of the Division of State Fire Marshal a true copy of all sales transactions dealing with explosive materials. Sales tickets shall include the following:

1. Name of dealer and class;
2. Physical location;
3. Explosive materials manufacturer's name;
4. Name of purchaser;
5. Address of purchaser;
6. Quantity and type of explosive materials sold;
7. Date of sale;
8. Intended use of explosive materials;
9. Date-shift code, if any.

(1) Dealers shall at the close of business on Friday of each week send to the Division of State Fire Marshal a true copy of the Explosive Transaction Record ATF4721 United States Department of Treasury--Bureau of Alcohol, Tobacco and Firearms.

##### B. Inventories

All dealers shall maintain at their office an accurate written inventory of explosive materials that is current as of the close of business the preceding day.

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All blasters shall maintain an accurate written inventory of all explosive materials in his possession and a record of his use of explosive materials.

19-302.6 Revocation or Suspension of Blasting Licenses or Permits

A. A license or permit may be revoked, suspended or denied by the State Fire Marshal because of, but not limited to:

1. Non-compliance with any order written by the State Fire Marshal;
2. Conviction of a crime of violence or of any crime punishable by a term of imprisonment exceeding two years;
3. Advocating or knowingly belonging to any organization or group which advocates violent overthrow of or violent action against the federal, state, or local government;
4. Having or contracting physical or mental illness or condition that in the judgment of the State Fire Marshal would make the use and possession of explosive materials hazardous to the licensee or permittee and to the public;
5. Violating the terms of the license or permit or essential changes in the condition under which the license or permit was issued without prior approval of the State Fire Marshal;
6. Violating the provisions of this section. However, except for violations considered an immediate threat to public safety, the State Fire Marshal may issue a notice of noncompliance and set a time limit to achieve immediate compliance;
7. Giving false information or making a misrepresentation to obtain a license or permit.

The State Fire Marshal may invoke suspension of a license or permit pending disposition of a felony charge which involves the use of explosives brought against a licensee or permittee.

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The South Carolina State Fire Marshal may accept a relief from disability incurred by reason of a criminal conviction of any crime punishable by a term of imprisonment exceeding two years that has been granted by the Director of the Bureau of Alcohol, Tobacco and Firearms, United States Department of the Treasury, Washington, D.C. pursuant to Section 55.142, Subpart H, Title 27, Code of Federal Regulations and Title 18 United States Code, Chapter 40, Section 845(b).

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19-302.7 General Storage Requirements

A. This section contains all of the South Carolina requirements for the general storage of explosive materials.

(1) All explosives, including black powder in excess of five pounds, except when being transported, shall be kept in magazines which meet the requirements of these regulations.

(2) Blasting caps, electric blasting caps, detonators and primed cartridges shall not be stored in the same magazines with other explosives.

(3) Ground around magazines shall slope away for drainage. The land surrounding magazines shall be kept clear of brush, dried grass, leaves, and other combustible materials for a distance of at least twenty five feet in each direction.

(4) Magazines, as required by these regulations, shall be used for the storage of explosive supplies ONLY and shall be of five classes, namely Class 1 magazines, Class 2 magazines, Class 3 magazines, Class 4 magazines and Class 5 magazines.

(5) When a building or magazine containing explosives is not barricaded, the distances shown in the American Table of Distances shall be doubled.

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# AMERICAN TABLE OF DISTANCES FOR STORAGE OF EXPLOSIVES

As Revised and Approved by The Institute of Makers of Explosives — April 29, 1983

QUANTITY OF EXPLOSIVES		DISTANCES IN FEET							
		Inhabited Buildings		Public Highways Class A to D		Passenger Railways — Public Highways with Traffic Volume of more than 3,000 Vehicles/Day		Separation of Magazines	
Pounds Over	Pounds Not Over	Barri- caded	Unbarri- caded	Barri- caded	Unbarri- caded	Barri- caded	Unbarri- caded	Barri- caded	Unbarri- caded
2	5	70	140	30	60	51	102	6	12
5	10	90	180	35	70	64	128	8	16
10	20	110	220	45	90	81	162	10	20
20	30	125	250	50	100	93	186	11	22
30	40	140	280	55	110	103	206	12	24
40	50	150	300	60	120	110	220	14	28
50	75	170	340	70	140	127	254	15	30
75	100	190	380	75	150	139	278	16	32
100	125	200	400	80	160	150	300	18	36
125	150	215	430	85	170	159	318	19	38
150	200	235	470	95	190	175	350	21	42
200	250	255	510	105	210	189	378	23	46
250	300	270	540	110	220	201	402	24	48
300	400	295	590	120	240	221	442	27	54
400	500	320	640	130	260	238	476	29	58
500	600	340	680	135	270	253	506	31	62
600	700	355	710	145	290	266	532	32	64
700	800	375	750	150	300	278	556	33	66
800	900	390	780	155	310	289	578	35	70
900	1,000	400	800	160	320	300	600	36	72
1,000	1,200	425	850	165	330	313	636	39	78
1,200	1,400	450	900	170	340	336	672	41	82
1,400	1,600	470	940	175	350	351	702	43	86
1,600	1,800	490	980	180	360	366	732	44	88
1,800	2,000	505	1,010	185	370	378	756	45	90
2,000	2,500	545	1,090	190	380	408	816	49	98
2,500	3,000	580	1,160	195	390	432	864	52	104
3,000	4,000	635	1,270	210	420	474	948	58	116
4,000	5,000	685	1,370	225	450	513	1,026	61	122
5,000	6,000	730	1,460	235	470	546	1,092	65	130
6,000	7,000	770	1,540	245	480	573	1,146	68	136
7,000	8,000	800	1,600	250	500	600	1,200	72	144
8,000	9,000	835	1,670	255	510	624	1,248	75	150
9,000	10,000	865	1,730	260	520	645	1,290	78	156
10,000	12,000	875	1,750	270	540	687	1,374	82	164
12,000	14,000	885	1,770	275	550	723	1,446	87	174
14,000	16,000	900	1,800	280	560	756	1,512	90	180
16,000	18,000	940	1,880	285	570	786	1,572	94	188
18,000	20,000	975	1,950	290	580	813	1,626	98	196
20,000	25,000	1,055	2,000	315	630	876	1,752	105	210
25,000	30,000	1,130	2,000	340	680	933	1,866	112	224
30,000	35,000	1,205	2,000	360	720	981	1,962	119	238
35,000	40,000	1,275	2,000	380	760	1,026	2,000	124	248
40,000	45,000	1,340	2,000	400	800	1,068	2,000	129	258
45,000	50,000	1,400	2,000	420	840	1,104	2,000	135	270
50,000	55,000	1,460	2,000	440	880	1,140	2,000	140	280
55,000	60,000	1,515	2,000	455	910	1,173	2,000	145	290
60,000	65,000	1,565	2,000	470	940	1,206	2,000	150	300
65,000	70,000	1,610	2,000	485	970	1,236	2,000	155	310
70,000	75,000	1,655	2,000	500	1,000	1,263	2,000	160	320
75,000	80,000	1,695	2,000	510	1,020	1,293	2,000	165	330
80,000	85,000	1,730	2,000	520	1,040	1,317	2,000	170	340
85,000	90,000	1,760	2,000	530	1,060	1,344	2,000	175	350
90,000	95,000	1,790	2,000	540	1,080	1,368	2,000	180	360
95,000	100,000	1,815	2,000	545	1,090	1,392	2,000	185	370
100,000	110,000	1,835	2,000	550	1,100	1,427	2,000	195	390
110,000	120,000	1,855	2,000	555	1,110	1,479	2,000	205	410
120,000	130,000	1,875	2,000	560	1,120	1,521	2,000	215	430
130,000	140,000	1,890	2,000	565	1,130	1,557	2,000	225	450
140,000	150,000	1,900	2,000	570	1,140	1,593	2,000	235	470
150,000	160,000	1,935	2,000	580	1,160	1,629	2,000	245	490
160,000	170,000	1,965	2,000	590	1,180	1,662	2,000	255	510
170,000	180,000	1,990	2,000	600	1,200	1,695	2,000	265	530
180,000	190,000	2,010	2,000	605	1,210	1,725	2,000	275	550
190,000	200,000	2,030	2,000	610	1,220	1,755	2,000	285	570
200,000	210,000	2,055	2,055	620	1,240	1,782	2,000	295	590
210,000	220,000	2,100	2,100	635	1,270	1,836	2,000	315	630
220,000	230,000	2,155	2,155	650	1,300	1,890	2,000	335	670
230,000	240,000	2,215	2,215	670	1,340	1,950	2,000	360	720
240,000	250,000	2,275	2,275	690	1,380	2,000	2,000	385	770

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TABLE OF SEPARATION DISTANCES OF  
AMMONIUM NITRATE AND BLASTING AGENTS  
FROM EXPLOSIVES OR BLASTING AGENTS

<i>Donor Weight</i>		<i>Minimum Separation Distance of Acceptor when Barricaded<sup>2</sup> (ft.)</i>		<i>Minimum Thickness of Artificial Barricade<sup>3</sup> (in.)</i>
<i>Pounds Over</i>	<i>Pounds Not Over</i>	<i>Ammonium Nitrate<sup>1</sup></i>	<i>Blasting Agent<sup>4</sup></i>	
	100	3	11	12
100	300	4	14	12
300	600	5	18	12
600	1,000	6	22	12
1,000	1,600	7	25	12
1,600	2,000	8	29	12
2,000	3,000	9	32	15
3,000	4,000	10	36	15
4,000	6,000	11	40	15
6,000	8,000	12	43	20
8,000	10,000	13	47	20
10,000	12,000	14	50	20
12,000	16,000	15	54	25
16,000	20,000	16	58	25
20,000	25,000	18	65	25
25,000	30,000	19	68	30
30,000	35,000	20	72	30
35,000	40,000	21	76	30
40,000	45,000	22	79	35
45,000	50,000	23	83	35
50,000	55,000	24	86	35
55,000	60,000	25	90	35
60,000	70,000	26	94	40
70,000	80,000	28	101	40
80,000	90,000	30	108	40
90,000	100,000	32	115	40
100,000	120,000	34	122	50
120,000	140,000	37	133	50
140,000	160,000	40	144	50
160,000	180,000	44	158	50
180,000	200,000	48	173	50
200,000	220,000	52	187	60
220,000	250,000	56	202	60
250,000	275,000	60	216	60
275,000	300,000	64	230	60

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(6) When two or more storage magazines are located on the same property, each magazine must comply with the minimum distances specified in the American Table of Distances from inhabited buildings, railways and highways; and in addition, they shall be separated from each other by not less than the distances shown for "Separation of Magazines," except that the quantity of explosives contained in cap magazines shall govern in regard to the spacing of cap magazines from magazines containing other explosives. All types of blasting caps in strengths through No. 8 cap shall be rated at one and one-half pounds of explosives per one thousand caps. Detonating cord, fifty-sixty grains, shall be rated at nine pounds of explosives per one thousand feet. Larger or smaller grains per foot will be rated proportionately. If any two or more magazines are separated from each other by less than the specified "Separation of Magazines" distances, then such two or more magazines, as a group, must be considered as one magazine, and the total quantity of explosives stored in such group must be treated as if stored in a single magazine located on the site of any magazine of the group, and must comply with the minimum of distances specified from other magazines, inhabited buildings, railways and highways. Seismographic operations carried out on shipboard shall be required to comply with the distances shown for "Separation of Magazines" only as nearly as the physical limitations of the vessel will permit. Explosive magazines shall not be located under, over, or immediately adjacent to pressurized gas lines or high voltage power lines, or on levees constructed for major flood control.

(7) The storage of more than three hundred thousand pounds of explosives in one magazine or in a group of magazines which is considered as one magazine will not be approved.

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(8) All magazines in which explosives are had, kept, or stored, must be located beyond the corporate limits of any city or town, except with the consent of the proper authorities and the Division of State Fire Marshal. In no instance shall storage of explosives within buildings located in the corporate limits of any city or town exceed fifty pounds or more than five thousand caps. Smokeless propellants shall not be included in these quantity limitations. Cap magazines must be separated from other magazines by a distance of at least ten feet. Where such storage is permitted, it shall be located on the ground floor and at street level.

(9) A distance of at least three hundred feet shall be maintained between Class 2 magazines and the work in progress, one hundred fifty feet between Class 3 magazines and the work in progress, and at least twenty five feet when the quantity of explosives involved is twenty five pounds or less. The Division of State Fire Marshal may require a greater separation between magazines and the work in progress where conditions warrant.

(10) No matches, flame producing devices or fire of any kind shall at any time be permitted inside of or within fifty feet of a magazine.

(11) Companies or individuals leasing or renting explosive storage magazines for use in the State of South Carolina shall insure the magazines are in compliance with the provisions of this section of the regulations prior to releasing the magazines to the customer.

(12) American Table of Distances for storage of Explosives shall constitute the minimum distances for storage of explosive materials.

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## 19-302.8 Magazine Requirements

A. This section sets forth the requirements for the use and construction of explosive materials magazines.

(1) Magazines shall be constructed and maintained in conformity with the provisions of these rules and regulations.

(2) Magazines for the storage of explosives, other than black powder or smokeless propellant shall be bullet-resistant, weather resistant, fire resistant, theft resistant, and ventilated sufficiently to protect the explosive in the specific locality. Magazines used only for the storage of black powder or smokeless propellant shall be weather resistant, fire resistant, theft resistant, and have ventilation.

Magazines for storage of blasting caps and electric blasting caps shall be weather resistant, fire resistant, theft resistant, and ventilated.

(3) Property upon which outdoor type magazines are located shall be posted with signs reading "EXPLOSIVES-KEEP OUT," legibly printed thereon in letters not less than three inches high. Such signs shall be located so as to minimize the possibility of a bullet traveling in the direction of the magazine if anyone should shoot at the sign. The name and address of the owner of portable magazines will be metal stamped on the door of the magazine. Portable magazines (trailer type) may be stamped on either the tongue or the door. No contrasting signs will be displayed on outside type magazines.

(4) Magazines shall not be provided with heat or lights, except that if lights are necessary, an electric safety flashlight or safety lantern shall be used, provided however, trailer mounted portable magazines while containing no explosives shall use normal automobile lighting systems required for highway use.

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(5) No nail or screwheads, bolts, or other sparking metal shall be exposed below the tops of walls inside.

B. Construction of Type 1 Magazine

A type 1 magazine is a permanent structure: a building, an igloo or "Army-type structure", a tunnel, or a dugout. It is to be bullet-resistant, fire-resistant, weather-resistant, theft-resistant, and ventilated.

(1) Buildings. All building type magazines are to be constructed of masonry, wood, metal, or a combination of these materials, and have no openings except for entrances and ventilation. The ground around building magazines must slope away for drainage or other adequate drainage provided.

(a) Masonry wall construction. Masonry wall construction is to consist of brick, concrete, tile, cement block, or cinder block and be not less than six inches in thickness. Hollow masonry units used in construction must have all hollow spaces filled with well-tamped, coarse, dry sand or weak concrete (at least a mixture of one part cement and eight parts of sand with enough water to dampen the mixture while tamping in place). Interior walls are to be constructed of, or covered with, a nonsparking material.

(b) Fabricated metal wall construction. Metal wall construction is to consist of sectional sheets of steel or aluminum not less than number fourteen-gauge, securely fastened to a metal framework. Metal wall construction is either lined inside with brick, solid cement blocks, hardwood not less than four inches thick, or will have at least a six inch sand fill between interior and exterior walls. Interior walls are to be constructed of, or covered with, a nonsparking material.

(c) Woodframe wall construction. The exterior of outer wood walls is to be covered with iron or aluminum not less than number twenty six gauge. An inner wall of, or covered with nonsparking material, will be constructed so as to provide a space of not less than six inches between the outer and inner walls. The space is to be filled with coarse, dry sand or weak concrete.

(d) Floors. Floors are to be constructed of, or covered with, a nonsparking material and shall be strong enough to bear the weight of the maximum quantity to be stored. Use of pallets covered with a nonsparking material is considered equivalent to a floor constructed of or covered with a nonsparking material.

(e) Foundations. Foundations are to be constructed of brick, concrete, cement block, stone, or wood posts. If piers or posts are used, in lieu of a continuous foundation, the space under the buildings is to be enclosed with metal.

(f) Roof. Except for buildings with fabricated metal roofs, the outer roof is to be covered with no less than number twenty six gauge iron or aluminum, fastened to at least seven/eighth inch sheathing.

(g) Bullet-resistant ceilings or roofs. Where it is possible for a bullet to be fired directly through the roof and into the magazine at such an angle that the bullet would strike the explosives within, the magazine is to be protected by one of the following methods:

A sand tray lined with a layer of building paper, plastic, or other nonporous material, and filled with not less than four inches of coarse, dry sand, and located at the tops of inner walls covering the entire ceiling area, except that portion necessary for ventilation.

A fabricated metal roof constructed of three-sixteenth inch plate steel lined with four inches of hardwood. (For each additional one-sixteenth inch of plate steel, the hardwood lining may be decreased one inch.)

(h) Doors. All doors are to be constructed of not less than one-quarter inch plate steel and lined with at least two inches of hardwood. Hinges and hasps are to be attached to the doors by welding, riveting or bolting (nuts on inside of door). They are to be installed in such a manner that the hinges and hasps cannot be removed when the doors are closed and locked.

(i) Locks. Each door is to be equipped with the following:

1. Two mortise locks;
2. Two padlocks fastened in separate hasps and staples;
3. A combination of a mortise lock and a padlock;
4. A mortise lock that requires two keys to open; or
5. A three-point lock.

Padlocks must have at least five tumblers and a casehardened shackle of at least three-eighth inch diameter. Padlocks must be protected with not less than one-quarter inch steel hood constructed so as to prevent sawing or lever action on the locks, hasps, and staples. These requirements do not apply to magazine doors that are adequately secured on the inside by means of a bolt, lock, or bar that cannot be actuated from the outside.

(j) Ventilation. Ventilation is to be provided to prevent dampness and heating of stored explosive materials. Ventilation openings must be screened to prevent the entrance of sparks. Ventilation openings in side walls and foundations must be offset or

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shielded for bullet-resistant purposes. Magazines having foundation and roof ventilators with the air circulating between the sides walls and the floors and between the side walls and the ceiling must have a wood lattice lining or equivalent to prevent the packages of explosive materials from being stacked against the side walls and blocking the air circulation.

(k) Exposed metal. No sparking material is to be exposed to contact with the stored explosive materials. All ferrous metal nails in the floor and side walls, which might be exposed to contact the explosive materials, must be blind nailed, counter-sunk, or covered with a nonsparking lattice work or other nonsparking material.

(l) Igloos, "Army-type structures", tunnels, and dugouts. "Army-type structure", tunnel, and dugout magazines are to be constructed of reinforced concrete, masonry, metal, or a combination of these materials. They must have an earthmound covering of not less than twenty four inches on the top, sides and rear unless the magazine meets the requirements of paragraph (1)(g) of this section. Interior walls and floors must be constructed of, or covered with, a nonsparking material. Magazines of this type are also to be constructed in conformity with the requirements of paragraph (1)(h) and paragraphs (1)(i) through (k) of this section.

C. Construction of type 2 magazines.

A type 2 magazine is a box, trailer, semitrailer, or other mobile facility.

(1) Outdoor magazines.

(a) General. Outdoor magazines are to be bullet-resistant, weather-resistant, fire resistant, theft-resistant, and ventilated.

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They are to be supported to prevent direct contact with the ground, and if less than one cubic yard in size, must be securely fastened to a fixed object. The ground around outdoor magazines must slope away for drainage or other adequate drainage provided. When unattended, vehicular magazines must have wheels removed or otherwise effectively immobilized by kingpin devices or other methods approved by the South Carolina State Fire Marshal.

(b) Exterior construction. The exterior and doors are to be constructed of not less than one-fourth inch steel and lined with at least two inches of hardwood. Magazines with top openings will have lids with water-resistant seals or which overlap the sides by at least one inch when in a closed position.

(c) Hinges and hasps. Hinges and hasps are to be attached to doors by welding, riveting, or bolting (nuts on inside of door). Hinges and hasps must be installed so that they cannot be removed when the doors are closed and locked.

(d) Locks. Each door is to be equipped with the following:

1. Two mortise locks;
2. Two padlocks fastened in separate hasps and staples;
3. A combination of a mortise lock and a padlock;
4. A mortise lock that requires two keys to open; or
5. A three-point lock.

Padlocks must be protected with not less than one-fourth inch steel hoods constructed so as to prevent sawing or lever action on the locks, hasps, and staples. These requirements do not apply to magazine doors that are adequately secured on the inside by means of a bolt, lock or bar that cannot be actuated from the outside.

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(2) Indoor magazines.

(a) General. Indoor magazines are to be fire resistant and theft resistant. They need not be bullet-resistant and weather resistant if the buildings in which they are stored provide protection from the weather and from bullet penetration. No indoor magazine is to be located in a residence or dwelling. The indoor storage of high explosives must not exceed a quantity of fifty pounds. More than one indoor magazine may be located in the same building if the total quantity of explosive materials does not exceed fifty pounds. Detonators must be stored in a separate magazine and the total quantity of detonators must not exceed five thousand.

(b) Exterior construction. Indoor magazines are to be constructed of wood or metal according to one of the following specification:

(c) Wood indoor magazines are to have sides, bottoms and doors constructed of at least two inches of hardwood and are to be well braced at the corners. They are to be covered with sheet metal of not less than number twenty six gauge (.0179 inches). Nails exposed to the interior of magazines must be countersunk.

(d) Metal indoor magazines are to have sides, bottoms and doors constructed of not less than number twelve gauge (.1046 inches) metal and be lined inside with a nonsparking material. Edges of metal covers must overlap sides at least one inch.

(e) Hinges and hasps. Hinges and hasps are to be attached to door by welding, riveting, or bolting (nuts on inside of door). Hinges and hasps must be installed so that they cannot be removed when the doors are closed and locked.

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(f) Locks. Each door is to be equipped with:

1. Two mortise locks;
2. Two padlocks fastened in separate hasps and staples;
3. A combination of a mortise lock and a padlock;
4. A mortise lock that requires two keys to open; or
5. A three-point lock.

Padlocks must have at least five tumblers and a case-hardened shackle of at least three-eighth inch diameter. Padlocks must be protected with not less than one-quarter inch steel hoods constructed so as to prevent sawing or lever action on the locks, hasps, and staples. Indoor magazines located in secure rooms that are locked as provided in this subparagraph may have each door locked with one steel padlock (which need not be protected by a steel hood) having at least five tumblers and a case-hardened shackle of at least three-eighth inch diameter, if the door hinges and lock hasp are securely fastened to the magazine. These requirements do not apply to magazine doors that are adequately secured on the inside by means of a bolt, lock or bar that cannot be actuated from the outside.

(g) Detonator boxes. Magazines for detonators in quantities of one hundred or less are to have sides, bottoms and doors constructed of not less than number twelve gauge (.1046 inches) metal and lined with a nonsparking material. Hinges and hasps must be attached so they cannot be removed from the outside. One steel padlock (which need not be protected by a steel hood) having at least five tumblers and a case hardened shackle of at least three-eighth inch diameter is sufficient for locking purposes.

D. Construction of type 3 magazines.

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A type 3 magazine is a "day-box" or other portable magazine. It must be fire resistant, weather resistant, and theft resistant. A type 3 magazine is to be constructed of not less than number twelve gauge (.1046 inches) steel, lined with at least either one-half inch plywood or one-half inch Masonite type hardboard. Doors must overlap sides by at least one inch. Hinges and hasps are to be attached by welding, riveting, or bolting (nuts on inside). One steel padlock (which need not be protected by a steel hood) having at least five tumblers and a case hardened shackle of at least three-eighth inch diameter is sufficient for locking purposes. Explosive materials are not to be left unattended in type 3 magazines and must be removed for type 1 or 2 magazines for unattended storage.

E. Construction of type 4 magazines.

A type 4 magazine is a building, igloo or "Army-type structure", tunnel, dugout, box, trailer, or a semitrailer or other mobile facility.

(1) Outdoor magazines.

(a) General. Outdoor magazines are to be fire-resistant, weather resistant, and theft resistant. The ground around outdoor magazines must slope away for drainage or other adequate drainage be provided. When unattended, vehicular magazines must have wheels removed or otherwise be effectively immobilized by kingpin locking devices or other methods approved by the South Carolina State Fire Marshal.

(b) Construction. Outdoor magazines are to be constructed of masonry, metal-covered wood, fabricated metal, or a combination of these materials. Foundations are to be constructed of brick, concrete, cement block, stone, or metal or wood posts. If piers or posts are used, in lieu of a continuous foundation, the space under the building is to be

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enclosed with fire resistant material. The walls and floors are to be constructed of, or covered with, a nonsparking material, or lattice work. The doors must be metal or solid wood covered with metal.

(c) Hinges and hasps. Hinges and hasps are to be attached to doors by welding, riveting, or bolting (nuts on inside of door). Hinges and hasps must be installed so that they cannot be removed when the doors are closed and locked.

(d) Locks. Each door is to be equipped with:

1. Two mortise locks;
2. Two padlocks fastened in separate hasps and staples;
3. A combination of a mortise lock and a padlock;
4. A mortise lock that requires two keys to open; or
5. A three-point lock.

Padlocks must have at least five tumblers and case hardened shackle of at least three-eighth inch diameter. Padlocks must be protected with not less than one-quarter inch steel hoods constructed so as to prevent sawing or lever action on the locks, hasps, and staples. These requirements do not apply to magazine doors that are adequately secured on the inside by means of a bolt, lock, or bar that cannot be actuated from the outside.

(2) Indoor magazine.

(a) General. Indoor magazines are to be fire-resistant and theft-resistant. They need not be weather-resistant if the buildings in which they are stored provide protection from the weather. No indoor magazine is to be located in a residence or dwelling. The indoor storage of low explosives must not exceed a quantity of fifty pounds. More than one indoor magazine may be located in the same building if the

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total quantity of explosive materials stored does not exceed fifty pounds. Detonators that will not mass detonate must be stored in a separate magazine and the total number of electric detonators must not exceed five thousand.

(b) Construction. Indoor magazines are to be constructed of masonry, metal-covered wood, fabricated metal, or a combination of these materials. The walls and floors are to be constructed of, or covered with, a nonsparking material. The doors must be metal or solid wood covered with metal.

(c) Hinges and hasps. Hinges and hasps are to be attached to doors by welding, riveting, or bolting (nuts on inside of door). Hinges and hasps must be installed so that they cannot be removed when the doors are closed and locked.

(d) Locks. Each door is to be equipped with:

1. Two mortise locks;
2. Two padlocks fastened in separate hasps and staples;
3. A combination of a mortise lock and padlock;
4. A mortise lock that requires two keys to open; or
5. A three-point lock.

Padlocks must have at least five tumblers and a case-hardened shackle of at least three-eighth inch diameter. Padlocks must be protected with not less than one-quarter inch steel hoods constructed so as to prevent sawing or lever action on the locks, hasps, and staples. Indoor magazines located in secure rooms that are locked as provided in this subparagraph may have each door locked with one steel padlock (which need not be protected by a steel hood) having at least five tumblers and a case-hardened shackle of at least three-eighth inch diameter, if the

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door hinges and lock hasp are securely fastened to the magazine. These requirements do not apply to magazine doors that are adequately secured on the inside by means of a bolt, lock, or bar that cannot be actuated from the outside.

F. Construction of type 5 magazines.

A type 5 magazine is a building, igloo or "Army-type structure", tunnel, dugout, bin, box, trailer, or a semitrailer or other mobile facility.

(1) Outdoor magazines.

(a) General. Outdoor magazines are to be weather-resistant and theft-resistant. The ground around magazines must slope away for drainage or other adequate drainage be provided. When unattended, vehicular magazines must have wheels removed or otherwise be effectively immobilized by kingpin locking devices or other methods approved by the South Carolina State Fire Marshal.

(b) Construction. The doors are to be constructed of solid wood or metal.

(c) Hinges and hasps. Hinges and hasps are to be attached to doors by welding, riveting, or bolting (nuts on inside of door). Hinges and hasps must be installed so that they cannot be removed when the doors are closed and locked.

(d) Locks. Each door is to be equipped with:

1. Two mortise locks;
2. Two padlocks fastened in separate hasps and staples;
3. A combination of a mortise lock and a padlock;
4. A mortise lock that requires two keys to open; or
5. A three-point lock.

Padlocks must have at least five tumblers and a case-hardened shackle of at least three-eighth inch diameter. Padlocks must be protected with not less than one-quarter inch steel hoods constructed so as to prevent sawing or lever action on the locks, hasps, and staples. Trailers, semitrailers, and similar vehicular magazines, may, for each door, be locked with one steel padlock (which need not be protected by a steel hood) having at least five tumblers and a case-hardened shackle of at least three-eighth inch diameter, if the door hinges and lock hasp are securely fastened to the magazine and to the door frame. These requirements do not apply to magazine doors that are adequately secured on the inside by means of a bolt, lock, or bar that cannot be actuated from the outside.

(2) Indoor magazines.

(a) General. Indoor magazines are to be theft-resistant. They need not be weather-resistant if the buildings in which they are stored provide protection from the weather. No indoor magazine is to be located in a residence or dwelling. Indoor magazines containing quantities of blasting agents in excess of fifty pounds are subject to the requirements of location of magazine.

(b) Construction. The doors are to be constructed of wood or metal.

(c) Hinges and hasps. Hinges and hasps are to be attached to doors by welding, riveting, or bolting (nuts on inside). Hinges and hasps must be installed so that they cannot be removed when the doors are closed and locked.

(d) Locks. Each door is to be equipped with:

1. Two mortise locks;

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2. Two padlocks fastened in separate hasps and staples;
3. A combination of a mortise lock and a padlock;
4. A mortise lock that requires two keys to open; or
5. A three-point lock.

Padlocks must have at least five tumblers and a case-hardened shackle of at least three-eighth inch diameter. Padlocks must be protected with not less than one-quarter inch steel hoods constructed so as to prevent sawing or lever action on the locks, hasps, and staples. Indoor magazines located in secure rooms that are locked as provided in this subparagraph may have each door locked with one steel padlock (which need not be protected by a steel hood) having at least five tumblers and a case-hardened shackle of at least three-eighth inch diameter, if the door hinges and lock hasps are securely fastened to the magazine and to the door frame. These requirements do not apply to magazine doors that are adequately secured on the inside by means of a bolt, lock, or bar that cannot be actuated from the outside.

#### 19-302.9 Use of Explosive Materials

##### A. General Provisions

###### (1) Blasting Standards.

(a) In all blasting operations, except as hereinafter otherwise provided, the maximum peak particle velocity of the ground motion in any direction shall not exceed two inches per second at the immediate location of any dwelling house, public building, school, church, commercial or institutional building or public thoroughfare.

(b) This ground velocity limit is not construed to mean on property owned, leased, or contracted by the blaster or blaster's company or property on which the owner gives a written waiver.

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(c) No two consecutive subcharges within any charge shall be separated by a delay time of less than eight milliseconds. Subcharges separated less than eight milliseconds will be considered as one charge.

(d) The Division of State Fire Marshal will furnish a table for determining the maximum amount of explosives to be used per delay period.

(e) The standard table for the maximum charge per delay period shall be for distances greater than three hundred feet generated by the formula:

$$W = \left( \frac{D}{50} \right)^2$$

Where W is the weight of explosives in pounds and D is the distance to the nearest dwelling house, public building, school, church, commercial or institutional building in feet. On sites where the Division of State Fire Marshal decides it necessary to comply with the provision of the law, this formula may be altered.

(f) If on a particular site, the peak ground particle velocity continuously exceeds one-half inch per second after a period of one second following the maximum ground particle velocity, the Division of State Fire Marshal shall require the total time delay of blasting operations to be less than two hundred milliseconds or the charge per delay be reduced so that this limit is complied with.



(g) Except as herein provided, a minimum scale distance of fifty feet is required. For distance less than 300 feet, the following table may be used:

<u>Actual Distance in Feet</u>	<u>Pounds per Delay Interval 8 milliseconds or greater</u>
5 - 10	1/8 lb.
11 - 15	1/4 lb.
16 - 20	1/2 lb.
21 - 25	3/4 lb.
26 - 30	1.0 lb.
31 - 300	1 lb. + 1/8 lb. for each ft. of distance above 30 ft.

Less than 5 feet, the total charge should not exceed  
1/8 lb.

(h) If explosive charges of greater than ten thousand pounds are necessary, a special permit must be obtained from the Division of State Fire Marshal. The Division of State Fire Marshal shall consider each case on the merits of public interest in making a determination as to whether or not to grant such a permit.

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TABLE TO BE USED FOR DETERMINING WEIGHT OF  
EXPLOSIVES TO BE USED ON A SINGLE DELAY

DISTANCE is the actual distance to the nearest house, public building, school, church, commercial or institutional building in feet.

WEIGHT is the maximum weight of explosives to be used on a single delay of eight milliseconds or greater.

<u>DISTANCE</u>	<u>WEIGHT</u>	<u>DISTANCE</u>	<u>WEIGHT</u>
5 - 10*	1/8	350	49
11 - 15	1/4	400	64
16 - 20	1/2	500	100
21 - 25	3/4	600	144
26 - 30	1.00	700	196
40	2.25	800	256
50	3.50	900	324
60	4.75	1000	400
70	6.00	1100	484
80	7.25	1200	576
90	8.50	1300	676
100	9.75	1400	784
110	11.00	1500	900
130	13.50	1600	1024
150	16.00	1700	1156
170	18.50	1800	1296
190	21.00	1900	1444
210	23.50	2000	1600
230	26.00	2500	2500
250	28.50	3000	3600
270	31.00	3500	4900
290	33.50	4000	6400
300	34.75	4500	8100
		5000	10000

\* Less than five feet, the total charge should not exceed one-eighth lb.

\*\* For distances not in the table, use the formula:

$$\text{Weight} = \left( \frac{\text{Distance}}{50} \right)^2$$

(i) Each person, before he opens a magazine or keg of black powder, or box of dynamite, or other explosives, or before he approaches same, shall first place any lamp with open flame, or any lighted pipe, cigar, or cigarette, or any other thing containing open fire not less than one hundred feet from such magazine, box, or keg.

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(j) The use of an axe, bar, hammer, pick or other iron or steel implement to punch holes in or open containers of dynamite, black powder, blasting caps, electric blasting caps or detonators, electric squibs or other explosives is prohibited. A wooden, rubber, rawhide, fiber, zinc or babbit mallet and wooden wedge shall be used in opening containers of dynamite. Metal slitters may be used to open fiberboard boxes, but the splitter shall not contact the metal stitching on the box.

(k) Horizontal holes shall be charged only in cartridge form except where powder is used and loaded by a method approved by the Institute Makers of Explosives. Such powder shall be of a character to withstand a satisfactory friction, impact and free burning test conducted by the Division. Where black powder and dynamite are used in the same hole, separate primers shall be used unless the dynamite is used to detonate the black powder or detonating cord is used. All holes shall be adequately stemmed to a depth not less than eight inches, except where the hole itself is less than eight inches in depth in which case the hole shall be stemmed in its full depth. Nothing in these regulations shall be construed to prohibit the slitting of dynamite cartridges nor the dividing of them into two or more pieces.

(l) When explosives are used in primary shooting, the Division of State Fire Marshal recommends that they be fired by means of detonating cord or electric current from a blasting machine, or from a power line equipped with properly wired blasting switch facilities. Nothing less than No. 6 blasting caps or electric blasting caps or detonators shall be used to fire explosives at any time. The use of fuse and caps to explode black powder charges will be accepted. The use of patent squibs or patent

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matches is prohibited, except squibs of Daddow or Powell type. Nothing in these regulations shall be construed to prohibit the use of fuse and blasting caps in primary shooting, mud capping, black holing or pop shooting. Each blaster or shooter using a blasting machine or blasting switch, before connecting the charge to the leading wires, shall first ensure that such wires have been disconnected from the blasting machine or the blasting switch. The practice of connecting a charge with the leading wires before placing the charge in position is prohibited. Storage and dry cell batteries shall not be used as sources of power for electrical blasting, and neither shall use be made of automobile generators, spark plugs on any kind of equipment, cap-lamp batteries, welding machines, electroplating generators, or any other inadequate source of power.

(m) Whether a blast is to be fired by a blasting machine or a power line, it is the responsibility of the licensed blaster to determine and have available the required, adequate power for the blast.

B. Seismograph Measurements.

(1) If a blaster decides that the table provided by the Division of State Fire Marshal is too conservative, he may use seismograph measurements and increase the charge per delay period, provided the velocity of two inches per second limit is not violated. He must use the seismograph on every shot thereafter so long as the table is not being complied with.

(2) If a blaster considers the table too conservative for his particular area, he may upon submission of seismograph reports, petition for a modified table for blasting operation at that particular site, but in no case shall the Division allow a table that would permit velocities

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above the two inch per second limit at the immediate location of any dwelling house, public building, school, church, commercial or institutional building and the particle velocity at such location immediately after a period of one second following the peak particle velocity produced by any charge shall not continuously exceed one-half inch per second.

(3) In making a seismograph determination of the velocity at a particular position, the following formula shall be used:

$$V = V_o \left( \frac{D_o}{D} \right)^{1.5}$$

Where  $V_o$  is the maximum ground particle velocity at the seismograph,  $D_o$  is the distance of the seismograph from the blast, and  $D$  is the distance from the blast to the position in question and in the same general direction. The distance  $D_o$  may not be greater than  $D$ , and  $D$  cannot be more than five times  $D_o$ . This determined velocity at the site of any dwelling house, public building, school, church, commercial or institutional building shall not exceed the two inches per second limit.

(4) If the Division believes that a blaster is operating illegally under the provisions of these regulations, the Division may require a seismograph recording of any or all blasts.

#### C. Instrumentation.

All portable displacement seismographs currently in use will be approved until further notice by the Division of State Fire Marshal.

A direct reading velocity instrument shall be approved by the Division of State Fire Marshal only if it has a frequency range of five cycles per

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second to one hundred fifty cycles per second or greater, a velocity range from zero to two inches per second or greater, adheres to design criteria for portable seismographs as outlined in USBM RI-5708, USBM RI-6487, and meets such standards as are established from time-to-time by the Division of State Fire Marshal.

Instruments of both the direct reading velocity type and the displacement type will be approved by the Division of State Fire Marshal for use as follows:

(1) Particle velocity reading may be calculated from results obtained by a displacement instrument or obtained from an approved direct reading velocity instrument in any blasting operation where all of the following conditions exist:

- (a) Recording distance is over two hundred feet from the blast;
- (b) Scaled distance is numerically greater than twenty five;
- (c) Frequency range is forty cycles per second or less.

A direct reading velocity instrument will be required in any blasting operation where all of the following conditions exist:

- (a) Recording distance is less than two hundred feet from the blast;
- (b) Scaled distance is numerically less than fifty.

A direct reading velocity instrument will be required in any blasting operation where all the following conditions exist:

- (a) Recording distance is more than two hundred feet from the blast;
- (b) Scaled distance is numerically less than twenty five.

A direct reading velocity instrument will be required in any blasting operation where all of the following conditions exist:

(a) Recording distance is more than two hundred feet from the blast;

(b) Frequency range is in excess of forty cycles per second.

Scaled distance is defined as:

$$D_s = \sqrt{\frac{D}{W}}$$

Where D is the actual distance in feet from the explosive charge to the nearest dwelling house, public building, school, church, commercial or institutional building or public thoroughfare and W is the weight of explosives in pounds per delay of eight milliseconds or greater.

Any seismic reports submitted to the Division of State Fire Marshal for compliance or petition must be accompanied by the most recent calibration report on the seismograph.

All velocity seismographs used for compliance or petition must have internal calibration capability.

#### 19-302.10 Records.

A record of each blast shall be kept. All records including seismograph reports shall be retained for at least seven years and shall be available for inspection by the Division of State Fire Marshal and shall contain the following minimum data:

1. Name of company or contractor;
2. Location, date, and time of blast;
3. Name, signature, and license number of blaster in charge;
4. Type of material blasted;
5. Number of holes, burden and spacing;

6. Diameter and depth of holes;
7. Types of explosives used;
8. Total amount of explosives used;
9. Maximum amount of explosives per delay period of eight milliseconds or greater;
10. Method of firing and type of circuit;
11. Direction and distance in feet to nearest dwelling house, public building, school, church, commercial or institutional building neither owned nor leased by the person conducting the blasting;
12. Weather conditions;
13. Type and height or length of stemming;
14. If mats or other protections were used;
15. Type of delay electric blasting caps used and delay periods used;
16. The person taking the seismograph reading shall accurately indicate exact location of seismograph, if used, and shall also show the distance of seismograph from blast;
17. Seismograph records, where required:
  - (a) Name of person and firm analyzing the seismograph record;
  - (b) Seismograph reading.
18. Maximum number of holes per delay period of eight milliseconds or greater.

19-302.11 Blasting Safety.

A. This section sets forth requirements to provide for safe blasting operations.

(1) When blasting operations, other than those conducted at a fixed site as a part of any industry or business operated at such site, are to

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be conducted within two hundred feet of a pipeline or utility line, the blaster or person in charge of the blasting operations shall take due precautionary measures for the protection of the pipeline or utility line, and shall notify the owner of the pipeline or utility line or his agent that such blasting operations are intended.

(2) Blasting operations near streams shall be prohibited in all cases where the effect of the blasting is liable to change the course or channel of any stream without first obtaining a permit from the department which has been approved by the South Carolina Water Resources Commission.

(3) Mudcapping in blasting operations shall be permitted only where it would endanger the safety of the workmen to drill the rock or material to be blasted. If mudcapping is necessary, no more than ten pounds of explosives shall be used for each charge.

(4) All trunk lines of detonating cord may be covered, except that trunk lines of detonating cord must be covered if located within eight hundred feet of any public highway, dwelling house, public building, school, church, commercial or institutional building.

(5) When the use of detonating cord would cause severe concussion, the Division of State Fire Marshal may cause all trunk lines to be covered by five to six inches of loose earth.

(6) In blasting operations, flying rocks shall not be allowed to fall greater than one-half the distance between the blast and a dwelling house, public building, school, church, commercial or institutional building. Protective material shall be used to insure this limit.

(7) When operating within eight hundred feet of a highway, if there is a chance of flying rock landing on the highway, traffic must be stopped

at a safe distance. Blasted material shall not be thrown on a public highway in sufficient quantity to impede traffic, and any material thrown on a highway must be removed promptly.

(8) Where a blasting operation is conducted in the vicinity of an active deep mine, the blaster shall observe all procedures necessary to secure the health and safety of the deep mine workers.

(9) Blasting operations shall be conducted during daylight hours (one-half hour before sunrise to one-half hour after sunset) except by special permit issued by the Division of State Fire Marshal. This permit is to be issued on the basis of safety.

(10) If, as a result of a blast, the vibrational levels are exceeded or material is hurled through the air causing damage to homes or other property, or causing personal injury or death, or endangering public safety, health and general welfare, in violation of these regulations, the Division of State Fire Marshal may consider this due cause for revocation of blaster's license and evoke penalties.

(11) The contractor or operator as well as the blaster shall be responsible for the conduct of blasting on any operation.

(12) These regulations are in no way intended to relieve the contractor or operator or other persons of responsibility and liability under any other laws.

#### 19-302.12 General Blasting Provisions.

A. This section sets forth requirements for general blasting operations.

(1) The employer shall permit only persons designated by a licensed blaster to handle and use explosives.



(2) Smoking, firearms, matches, open flame lamps, and other fires, flame, or heat producing devices and sparks shall be prohibited in or near explosive magazines or while explosives are being handled, transported, or used. Primer cartridge and/or caps are prohibited from being lain upon the ground where they may be trod upon.

(3) No person shall be allowed to handle or use explosives while under the influence of intoxicating liquors, narcotics, or marijuana.

(4) All explosives shall be accounted for at all times. Explosives not being used shall be kept in a locked magazine, unavailable to persons not authorized to handle them. The employer shall maintain an inventory and use record of all explosives. The Division of State Fire Marshal shall be notified of any loss, theft, or unauthorized entry into a magazine.

(5) No explosives or blasting agents shall be abandoned.

(6) No fire shall be fought where the fire is in imminent danger of contact with explosives. All employees shall be removed to a safe area and the fire area guarded against intruders.

(7) Original containers or Class II magazines shall be used for taking detonators and other explosives from storage magazines to the blasting area.

(8) When blasting is done in congested areas or in proximity to a structure, railway, or highway, or any other installation that may be damaged, the blaster shall take special precautions in the loading, delaying, initiation, and confinement of each blast with mats or other methods so as to control the throw of fragments, and thus prevent bodily injury to employees.

(9) Employees authorized to prepare explosive charges or conduct blasting operations shall use every reasonable precaution including, but not limited to, visual and audible warning signals, flags, or barricades, to ensure employee safety.

(10) Due precautions shall be taken to prevent accidental discharge of electric blasting caps or explosives from current induced by radar, radio transmitters, lightning, adjacent power lines, dust storms, or other sources of extraneous electricity. These precautions shall include:

1. Detonators shall be short-circuited in holes which have been primed and shunted until wired into the blasting circuit;

2. The suspension of all blasting operations and removal of persons from the blasting area during the approach and progress of an electrical storm;

3. The prominent display of adequate signs, warning against the use of mobile radio transmitters, on all roads within one thousand feet of blasting operations. Whenever adherence to the one thousand foot distance would create an operational handicap, this distance may be modified so long as the modification is adequately designed in compliance with item 5 as listed below to prevent any premature firing of electric blasting caps. Specimens of signs which would meet these requirements are as follows:

Blasting	Turn Off
Zone	2-Way
1000-ft.	Radio
about 48" x 48"	about 42" x 36"

Paragraph (3) shall not apply to surface mining operations.

4. Mobile radio transmitters which are less than one hundred feet away from electric blasting caps in other than original containers, may be

left "on" for receiving purposes, but may only be used to transmit if in compliance with paragraph 5 of this subsection;

5. Compliance with the recommendations of the Institute of Makers of Explosives with regard to blasting in the vicinity of radio transmitters as stipulated in Radio Frequency Energy - A Potential Hazard in the Use of Electric Blasting Caps, IME Publication No. 20, September 1981.

(11) Empty boxes and paper and fiber packing materials, which have previously contained high explosives, shall not be used again for any purpose, but shall be destroyed by burning at an approved location.

(12) Explosives, blasting agents, and blasting supplies that are obviously deteriorated or damaged shall not be used.

(13) Delivery and issue of explosives shall only be made by and to authorized persons and into licensed magazines or approved temporary storage or handling areas.

(14) Blasting operations in the proximity of overhead powerlines, communication lines, utility services, or other services or structures shall not be carried on until the operators and/or owners have been notified and measures for safe control have been taken. Electric blasting caps shall not be employed in a blast if there is any possibility of wires from the circuit being thrown against electric lines. When blasting in the vicinity of utility lines the blaster will endeavor to:

1. Use a drilling pattern and blast initiation procedure that will provide the greatest relief possible in a direction away from the utility line so as to keep the resulting vibration and actual ground movement to the lowest possible level;

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2. Use a type of explosive specifically designed to be unlikely to propagate between holes.

(15) The use of black powder shall be prohibited except when a desired result cannot be obtained with another type of explosive such as in quarrying certain types of dimension stone.

(16) All loading and firing shall be directed and supervised by licensed blasters.

(17) All electric blasts shall be fired with an electric blasting machine or properly designed electric power source, and in accordance with the provisions of these regulations.

(18) No one shall be permitted to carry detonators or primers of any kind on his person.

19-302.13 Loading of explosives or blasting agents.

A. This section describes the requirements for the loading of explosives.

(1) Procedures that permit safe and efficient loading shall be established before loading is started.

(2) All drill holes shall be sufficiently large to admit freely the insertion of the cartridges of explosives.

(3) Tamping shall be done only with wood rods or plastic tamping poles without exposed metal parts, but non-sparking metal connectors may be used for jointed poles. Violent tamping shall be avoided. The primer shall never be tamped.

(4) No holes shall be loaded except those to be fired in the next round of blasting. After loading, all remaining explosives and detonators shall be immediately returned to an authorized magazine.

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(5) Drilling shall not be started until all remaining butts of old holes are examined for unexploded charges, and, if any are found, they shall be refired before work proceeds.

(6) No person shall be allowed to deepen drill holes which have contained explosives or blasting agents. Seismic operations are exempted from this requirement.

(7) No explosives or blasting agents shall be left unattended at the blast site.

(8) Machines and all tools not used for drilling, loading, and covering the blast shall be removed from the immediate location of holes before explosives are delivered.

(9) No activity of any nature other than that which is required for blasting shall be permitted in a blast area.

(10) Powerlines and portable electric cables for equipment being used shall be kept a safe distance from explosives or blasting agents being loaded into drill holes. Cables in the proximity of the blast area shall be deenergized and locked out by the blaster.

(11) Holes shall be checked prior to loading to determine the depth and conditions. Holes shall not be drilled where there is a danger of intersecting a charged or misfired hole.

(12) When loading a long line of holes with more than one loading crew, the crews shall be separated by practical distances consistent with efficient operation and supervision of crews.

(13) No explosives shall be loaded or used underground in the presence of combustible gases or combustible dusts.



(14) In underground blasting, explosives in Fume Class I, as set forth by the Institute of the Makers of Explosives, shall be used; provided, however, that Fume Class I explosives are not required when ventilation adequate to dissipate all fumes is provided and the workings are abandoned for a period of time sufficient to allow dissipation of all fumes.

(15) All blast holes in open work shall be stemmed to the collar or to a point which will confine the charge.

(16) Warning signs, indicating a blast area, shall be maintained at all approaches to the blast area. The warning sign lettering shall not be less than four inches in height on a contrasting background. This subsection does not apply to surface mining.

(17) A borehole shall never be sprung when it is adjacent to or near a hole that is loaded. Flashlight batteries shall not be used for springing holes.

(18) Drill holes that have been sprung or chambered, and which are not water-filled, shall be allowed to cool before explosives are loaded.

(19) No loaded holes shall be left unattended or unprotected.

(20) The blaster shall keep an accurate, up-to-date record of explosives, blasting agents, and blasting supplies used in a blast and shall keep an accurate running inventory of all explosives and blasting agents stored on the operation.

#### 19-302.14 Underground transportation of explosives.

A. This section sets forth the requirements for the underground transportation of explosives.

(1) All explosives or blasting agents in transit underground shall be taken to the place of use or storage without delay.

(2) The quantity of explosives or blasting agents taken to an underground loading area shall not exceed the amount estimated to be necessary for the blast.

(3) Explosives in transit shall not be left unattended.

(4) The hoist operator shall be notified before explosives or blasting agents are transported in a shaft conveyance.

(5) Trucks used for the transportation of explosives underground shall have the electrical system checked weekly to detect any failures which may constitute an electrical hazard. A written record of such inspections shall be kept on file.

(6) The installation of auxiliary lights on truck beds, which are powered by the truck's electrical system, shall be prohibited.

(7) Explosives and blasting agents shall be hoisted, lowered, or conveyed in a powder car. No other materials, supplies or equipment shall be transported in the same conveyance at the same time.

(8) No person, except the licensed blaster and his helpers, shall be permitted to ride on a conveyance transporting explosives and blasting agents.

(9) No person shall ride in any shaft conveyance transporting explosives and blasting agents.

(10) No explosives or blasting agents shall be transported on any locomotive. At least two car lengths shall separate the locomotive from the powder car.

(11) No explosives or blasting agents shall be transported on a man haul trip.

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(12) The car or conveyance containing explosives or blasting agents shall be pulled, not pushed, whenever possible.

(13) The powder car or conveyance especially built for the purpose of transporting explosives or blasting agents shall bear a reflectorized sign on each side with the word "Explosives" in letters, not less than four inches in height, upon a background of sharply contrasting color.

(14) Compartments for transporting detonators and explosives in the same car or conveyance shall be physically separated by a distance of twenty-four inches or by a solid partition at least four inches thick.

(15) Explosives, blasting agents, or blasting supplies shall not be transported with other materials.

(16) Explosives or blasting agents, not in original containers, shall be placed in a suitable container when transported manually.

(17) Detonators, primers, and other explosives shall be carried in separate containers when transported manually.

19-302.15 Initiation of explosive charges - electric blasting.

A. This section sets forth the requirements for the initiation of explosive charges-electric blasting.

(1) Electric blasting caps shall not be used where sources of extraneous electricity make the use of electric blasting caps dangerous. Blasting cap leg wires shall be kept short-circuited (shunted) until they are connected into the circuit for firing.

(2) Before adopting any system of electrical firing, the blaster shall conduct a thorough survey for extraneous currents, and all dangerous currents shall be eliminated before any holes are loaded.

(3) In any single blast using electric blasting caps, all caps shall be of the same style or function, and of the same manufacture.

(4) Electric blasting shall be carried out by using blasting circuits or power circuits in accordance with the electric blasting cap manufacturer's recommendations, or an approved contractor or his designated representative.

(5) When firing a circuit of electric blasting caps, care must be exercised to ensure that an adequate quantity of delivered current is available, in accordance with the manufacturer's recommendations.

(6) Connecting wires and lead wires shall be insulated single solid wires of sufficient current-carrying capacity.

(7) Bus wires shall be solid single wires of sufficient current-carrying capacity.

(8) When firing electrically, the insulation on all firing lines shall be adequate and in good condition.

(9) A power circuit used for firing electric blasting caps shall not be grounded.

(10) In underground operations when firing from a power circuit, a safety switch shall be placed in the permanent firing line at intervals. This switch shall be made so it can be locked only in the "off" position and shall be provided with a short-circuiting arrangement of the firing lines to the cap circuit.

(11) In underground operations there shall be a "lightning" gap of at least five (5) feet in the firing system ahead of the main firing switch; that is, between this switch and the source of power. This gap shall be bridged by a flexible jumper cord just before firing the blast.

(12) When firing from a power circuit, the firing switch shall be locked in the open or "off" position at all times, except when firing. It shall be so designed that the firing lines to the cap circuit are automatically short-circuited when the switch is in the "off" position. Keys to this switch shall be entrusted only to the blaster.

(13) Blasting machines shall be in good condition and the efficiency of the machine shall be tested periodically to make certain that it can deliver power at its rated capacity.

(14) When firing with blasting machines, the connections shall be made as recommended by the manufacturer of the electric blasting caps used.

(15) The number of electric blasting caps connected to a blasting machine shall not be in excess of its rated capacity. Furthermore, in primary blasting, a series circuit shall contain no more caps than the limits recommended by the manufacturer of the electric blasting caps in use.

(16) The blaster shall be in charge of the blasting machines and no other person shall connect the leading wires to the machine except under the direction of the blaster.

(17) Blasters shall test all electric blasting caps and electric blasting cap circuits by using only a blasting galvanometer, blasting ohmmeter, or blasting multimeter, designed specifically for the purpose of testing individual electric blasting caps and circuits containing electric blasting caps.

(18) Whenever the possibility exists that a leading line or blasting wire might be thrown over a live powerline by the force of an explosion, care shall be taken to see that the total length of wires are kept too



short to hit the lines, or that the wires are securely anchored to the ground. If neither of these requirements can be satisfied, a non-electric system shall be used.

(19) Leading wires shall remain shorted and not be connected to the blasting machine or other source of current until the charge is to be fired.

(20) After firing an electric blast from a blasting machine, the leading wires shall be immediately disconnected from the machine and short-circuited.

(21) All blasting machines, other than rack-bar and twist type generators, shall have a normally open firing switch equipped with a spring device or other self returning mechanism that automatically returns it to the non-firing position after the shot has been detonated.

19-302.16 Use of Safety Fuse.

A. This section sets forth the requirements for the use of safety fuse.

(1) The use of a fuse that has been hammered or injured in any way shall be forbidden.

(2) The hanging of a fuse on nails or other projections which will cause a sharp bend to be formed in the fuse is prohibited.

(3) Before capping safety fuse, a short length shall be cut from the end of the supply reel so as to assure a fresh cut end in each blasting cap.

(4) Only a cap crimper designed for such purpose shall be used for attaching blasting caps to safety fuse. Crimpers shall be kept in good repair and accessible to use. The crimping of blasting caps by the use of a knife or the teeth is prohibited.

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(5) No unused cap or short capped fuse shall be placed in any hole to be blasted; such unused detonators shall be removed from the working place and destroyed. This prohibition shall not apply to surface mining operations.

(6) No fuse shall be capped or primer made up within ten feet of any magazine or near any possible source of ignition.

(7) No one shall be permitted to carry detonators or primers of any kind on his person.

(8) The minimum length of safety fuse to be used in blasting shall not be less than thirty six inches.

(9) At least two men shall be present when multiple cap and fuse blasting is done by hand lighting methods.

(10) Not more than twelve fuses shall be lighted by each blaster when hand lighting devices are used. However, when two or more safety fuses in a group are lighted as one by means of igniting cord or other similar fuse lighting devices, they may be considered as one fuse.

(11) The so-called "drop fuse" method of dropping or pushing a primer or any explosive with a lighted fuse attached is forbidden.

(12) Cap and fuse shall not be used for firing mudcap charges unless charges are separated sufficiently to prevent one charge from dislodging other shots in the blast.

(13) When blasting with safety fuses, consideration shall be given to the length and burning rate of the fuse. Sufficient time, with a margin of safety, shall always be provided for the blaster to reach a place of safety.

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(14) Under no circumstances shall caked ammonium nitrate to include fertilizer grade ammonium nitrate in bags or in bulk be loosened by blasting with explosives. Permissible explosives cannot be regarded as safe for this purpose.

19-302.17 Use of Detonating Cord.

A. This section sets forth the requirements for the use of detonating cord.

(1) Care shall be taken to select a detonating cord consistent with the type and physical condition of the borehole and stemming and the type of explosives used.

(2) Detonating cord shall be handled and used with the same respect and care given other explosives.

(3) The line of detonating cord extending out of a borehole or from a charge shall be cut from the supply spool before loading the remainder of the borehole or placing additional charges.

(4) Detonating cord shall be handled and used with care to avoid damaging or severing the cord during and after loading and hooking-up.

(5) Detonating cord connections shall be competent and positive in accordance with approved and recommended methods. Knot-type or other cord-to-cord connections shall be made only with detonating cord in which the explosive core is dry.

(6) All detonating cord trunklines and branchlines shall be free of loops, sharp kinks, or angles that direct the cord back toward the oncoming line of detonation.

(7) All detonating cord connections shall be inspected by the licensed blaster before firing the blast.

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(8) When detonating cord millisecond-delay connectors or short-interval-delay electric blasting caps are used with detonating cord, the practice shall conform strictly with the manufacturer's recommendations.

(9) When connecting a blasting cap or an electric blasting cap to detonating cord, the cap shall be taped or otherwise attached securely along the side or the end of the detonating cord, with the end of the cap containing the explosive charge pointed in the direction in which the detonation is to proceed.

(10) Detonators for firing the trunkline shall not be brought to the loading area nor attached to the detonating cord until everything else is in readiness for the blast.

19-302.18 Firing the blast.

A. This section sets for the requirements for firing blast.

(1) A code of blasting signals equivalent to Table U-1, shall be posted on one or more conspicuous places at the operations, and all employees shall be required to familiarize themselves with the code and conform to it. Danger signs shall be placed at suitable locations.

TABLE U-1

WARNING SIGNAL - A one (1) minute series of long horn or siren blasts five minutes prior to the blast signal.

BLAST SIGNAL - A series of short horn or siren blasts one minute prior to the shot.

ALL CLEAR SIGNAL - A prolonged horn or siren blast following the inspection of the blast area.

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(2) Before a blast is fired, a loud warning signal shall be given by the licensed blaster in charge, who has made certain that all surplus explosives are in a safe place and all employees, vehicles, and equipment are at a safe distance, or under sufficient cover.

(3) No person shall remain in an area within the danger zone after being requested to leave by the licensed blaster in charge or by a state explosives and blasting inspector.

(4) Flagmen shall be safely stationed on highways which pass through the danger zone so as to stop traffic during blasting operations.

(5) It shall be the duty of the licensed blaster to fix the time of blasting.

(6) Before firing an underground blast, warning shall be given, and all possible entries into the blasting area and any entrances to any working place where a drift, raise or other opening is about to hole through, shall be carefully guarded. The licensed blaster shall make sure that all employees are out of the blast area before firing a blast.

19-302.19 Underwater blasting.

A. This section sets forth the requirements for underwater blasting.

(1) A licensed blaster shall conduct all blasting operations, and no shot shall be fired without his approval.

(2) Loading tubes and casings of dissimilar metals shall not be used because of possible electric transient currents from galvanic action of the metals and water.

(3) Only water-resistant blasting caps and detonating cords shall be used for all marine blasting. Loading shall be done through a non-sparking metal loading tube when tube is necessary.



(4) No blast shall be fired while any vessel under way is closer than one thousand five hundred feet to the blasting area. Those on board vessels or crafts moored or anchored within one thousand five hundred feet shall be notified before the blast is fired.

(5) No blast shall be fired while any swimming or diving operations are in progress in the vicinity of the blasting area. If such operations are in progress, signals and arrangements shall be agreed upon to assure that no blast shall be fired while any person is in the water.

(6) Blasting flags shall be displayed.

(7) The storage and handling of explosives aboard vessels used in underwater blasting operations shall be according to the provisions outlined herein on handling and storing explosives.

(8) When more than one charge is placed underwater, a float device shall be attached to an element of each charge in such a manner that it will be released by the firing. Misfires shall be handled in accordance with the requirements of section 19-302.21.

19-302.20 Blasting in excavation work under compressed air.

A. This section sets forth the requirements for blasting in excavation work under compressed air.

(1) Detonators and explosives shall not be stored or kept in tunnels, shafts, or caissons. Detonators and explosives for each round shall be taken directly from the magazines to the blasting zone and immediately loaded. Detonators and explosives left over after loading a round shall be removed from the working chamber before connecting wires are connected.

(2) When detonators or explosives are brought into an air lock, no employee except the licensed blaster, lock tender and the employees

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necessary for carrying, shall be permitted to enter the air lock. No other materials, supplies, or equipment shall be locked through with the explosives.

(3) Detonators and explosives shall be taken separately into pressure working chambers.

(4) The licensed blaster shall be responsible for the receipt, unloading, storage, and on site transportation of explosives and detonators.

(5) All metal pipes, rails, air locks, and steel tunnel lining shall be electrically bonded together and grounded at or near the portal or shaft, and such pipes and rails shall be cross bonded together at not less than one thousand foot intervals throughout the length of the tunnel. In addition, each low air supply pipe shall be grounded at its delivery end.

(6) The explosives suitable for use in wet holes shall be water resistant and shall be in Fume Class I.

(7) When tunnel excavation in rock face is approaching mixed face, and when tunnel excavation is in mixed face, blasting shall be performed with light charges and with light burden on each hole. Advanced drilling shall be performed as tunnel excavation in rock face approaches mixed face, to determine the general nature and extent of rock cover and the remaining distance ahead to soft ground as excavation advances.

#### 19-302.21 Misfires.

A. This section sets forth the requirements in the event of a misfire of explosives.

(1) If a misfire is found, the licensed blaster shall provide proper safeguards for excluding all employees from the danger zone.

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(2) No other work shall be done except that necessary to remove the hazard of the misfire, and only the licensed blaster and those employees necessary to do the work shall remain in the danger zone.

(3) No attempt shall be made to extract explosives from any charged or misfired hole; a new primer shall be put in and the hole reblasted. If refiring of the misfired hole presents a hazard, the explosives may be removed by washing out with water or, where the misfire is under water, blown out with air.

(4) If there are any misfires while using cap and fuse, all employees shall remain away from the charge for at least one hour. Misfires shall be handled under the direction of the licensed blaster in charge of the blasting. All wires shall be carefully traced and a search made for unexploded charges. The licensed blaster shall count all blasts and compare with total number of charges set.

(5) When electric blasting caps have been used, workmen shall not return to misfired holes for at least fifteen minutes.

(6) No drilling, digging, or picking shall be permitted until all missed holes have been detonated and the licensed blaster has approved that work can proceed.

19-302.22 Inspection after blasting.

Immediately after the blast has been fired, the firing line shall be disconnected from the blasting machine, or where power switches are used, they shall be locked open or in the "off" position.

Sufficient time shall be allowed, not less than fifteen minutes in tunnels, for the smoke and fumes to leave the blasted area before returning to the shot. An inspection of the area and the surrounding

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rubble shall be made by the licensed blaster to determine if all charges have been exploded before employees are allowed to return to the operation.

19-302.23 Black Powder Explosives

A. This section sets forth minimum requirements for the storage and commercial display of black powder.

(1) All black powder shall be stored in shipping containers as required by regulations of the U. S. Department of Transportation, except as hereinafter provided.

(2) Not more than five pounds of black powder shall be displayed in commercial establishments.

(3) Commercial stocks in quantities exceeding five pounds shall be stored in magazines constructed and located as specified in Section III.

19.302.24 Variances

A. This section provides licensees and permittees the opportunity to request variances of the promulgated regulations under specific conditions.

(1) The State Fire Marshal may grant variances if it can be demonstrated the variance improves safety conditions or that the variance will provide such safe conditions as those which would prevail if there was compliance with the standard.

(2) Such a variance may be modified or revoked by the State Fire Marshal.

EXHIBIT  
DEC 16 1986 NO. 13  
STATE BUDGET & CONTROL BOARD

006949



# EXHIBIT

DEC 16 1986

NO. 14

STATE BUDGET AND CONTROL ~~STATE BUDGET & CONTROL BOARD~~ LAR SESSION  
MEETING OF December 16, 1986

ITEM NUMBER

4

AGENCY: Department of Corrections

SUBJECT: Funding Request for Three Additional Prisons

Department of Corrections Commissioner Leeke has advised the Joint Bond Review Committee (see his October 24, 1986, letter attached) that his Department will require funding authorization for an additional 1,800 beds (three 600-bed medium security prisons) at a total cost of \$90 million by July 1, 1987. He states that these facilities are needed to meet the specific terms of the Nelson v. Leeke suit which committed the State to end prison overcrowding by January 1990.

Commissioner Leeke also presents the following:

- (1) When all currently-funded projects are completed, 11,385 beds of all types which meet Consent Decree criteria will be available.
- (2) The inmate population during the November 29 - December 5 period averaged 10,228.
- (3) The inmate population in January of 1990 is projected to be 12,880. In July of 1990, it is projected at 13,067.
- (4) Thus, a shortage of 1,495 beds (in January 1990) and of 1,682 beds (in July of 1990) is expected.

He notes that a minimum of 30 months is required between funding a prison facility and its occupancy.

Mr. Leeke points out that his Department has reviewed carefully alternative construction types such as wooden barracks. He observes that 70% of the prison population requires high security housing which makes the type of prisons requested necessary.

This request was submitted to the Bond Committee because 1987, under present groundrules, is not supposed to be a year in which capital improvement bonds are authorized.

At its December 9 meeting, the Bond Committee, in compliance with Code Section 2-47-40 (copy attached), referred the request to the Board for its consideration and recommendations.

BOARD ACTION REQUESTED:

Comply with requirements of Code Section 2-47-40 by initiating a review process which culminates in the Board's recommendations to the General Assembly on the Department of Corrections request for funding authorization for three additional 600-bed medium security prisons.

ATTACHMENTS:

Leeke October 24, 1986, letter to Bond Committee Chairman Smith; Code Section 2-47-40; Smith 12/11 letter to McInnis

006950





# south carolina department of corrections

P.O. BOX 21787 444 BROAD RIVER ROAD COLUMBIA, SOUTH CAROLINA 29221 1787  
TELEPHONE (803) 737-8555  
WILLIAM D. LEEKE, Commissioner

October 24, 1986

## EXHIBIT

DEC 16 1986

NO. 14

The Honorable Horace Smith, Chairman  
Joint Bond Review Committee  
410 Gressette Building  
Columbia, South Carolina 29202

STATE BUDGET & CONTROL BOARD

Dear Senator Smith:

As you are well aware, when the State of South Carolina entered into the settlement of the Nelson v. Leeke civil action lawsuit it committed the State to end prison overcrowding by January, 1990. The purpose of this letter is to advise your committee that in order for the Department of Corrections to meet those specific terms we will require the authorization and funding of three 600-bed medium security prisons effective July 1, 1987 at a total cost of \$90,000,000.

We have carefully reviewed the possibility of alternative type construction such as additional wooden barracks; however, since our prison population requires 70% of the bedspace to house individuals requiring high security housing, the requested new prisons must be built to meet those standards.

With the completion of all our currently funded projects, we will have 11,385 beds of all types which meet the criteria of the Nelson Consent Decree. Our population projection is 12,880 which will result in a shortage of 1,495 beds on January 8, 1990, the agreed upon compliance date. By July of 1990, the number of inmates housed in our institutions is projected to be 13,067 thereby resulting in a net deficit of 1,682 beds.

As these figures show, it is imperative that the three additional prisons be funded during the next legislative session, because the funding to occupation time frame for a new medium security prison is a minimum of 30 months.

We have done everything possible to make use of our available resources to comply with the Nelson Agreement. However, we now have no alternative but to ask for the funding of the institutions requested herein.

006951

BOARD OF  
CORRECTIONS

GOETT B. EATON  
Chairman  
Anderson, S.C.

NORMAN KIRKLAND  
Vice-Chairman  
Barnesburg, S.C.

CHARLES C. MOORE  
Secretary  
Spartanburg, S.C.

CLARENCE E. WATKINS  
Member  
Camden, S.C.

BETTY M. CONDON  
Member  
Mt. Pleasant, S.C.

EUGENE N. ZEIGLER  
Member  
Florence, S.C.

GOV. RICHARD W. RILEY, Member, Ex-Officio, Columbia, S.C.

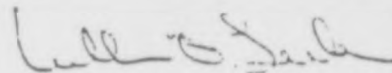
14

The Honorable Horace Smith, Chairman  
October 24, 1986  
Page Two

We are aware that there is no regular Bond Bill scheduled for this session of the Legislature; we are, however, prepared to provide whatever information you may require for a special bill, because we simply cannot wait until 1988 for action on this request.

Your active support in gaining the approval of this request will be greatly appreciated. Please call me if you need additional information.

Sincerely,



William D. Leeke

WDL:dcc

cc: Dr. Hubert M. Clements  
Dr. Jesse Coles  
Mr. Bill DeLoach  
Members of the Joint Bond Review Committee  
Mr. Scott Inkley

## EXHIBIT

DEC 16 1986 NO. 14

STATE BUDGET & CONTROL BOARD

006952

15

# EXHIBIT

DEC 16 1986

NO. 1 4

STATE BUDGET & CONTROL BOARD

## **§ 2-47-40. Information to be furnished by agencies and institutions.**

To assist the State Budget and Control Board (the Board) and the Joint Bond Review Committee (the Committee) in carrying out their respective responsibilities, any agency or institution requesting or receiving funds from any source for use in the financing of any permanent improvement project, as a minimum, shall provide to the Board, in such form and at such times as the Board, after review by the Committee, may prescribe: (a) a complete description of the proposed project; (b) a statement of justification for the proposed project; (c) a statement of the purposes and intended uses of the proposed project; (d) the estimated total cost of the proposed project; (e) an estimate of the additional future annual operating costs associated with the proposed project; (f) a statement of the expected impact of the proposed project on the five-year operating plan of the agency or institution proposing the project; (g) a proposed plan of financing the project, specifically identifying funds proposed from sources other than capital improvement bond authorizations; and (h) the specification of the priority of each project among those proposed.

All institutions of higher learning shall submit permanent improvement project proposal and justification statements to the Board through the Commission on Higher Education which shall forward all such statements and all supporting documentation received to the Board together with its comments and recommendations. The recommendations of the Commission on Higher Education, among other things, shall include all of the permanent improvement projects requested by the several institutions listed in the order of priority deemed appropriate by the Commission on Higher Education without regard to the sources of funds proposed for the financing of the projects requested.

The Board shall forward a copy of each project proposal and justification statement and supporting documentation received together with the Board's recommendations on such projects to the Committee for its review and action. The recommendations of the Commission on Higher Education shall be included in the materials forwarded to the Committee by the Board.

No provision in this section or elsewhere in this chapter, shall be construed to limit in any manner the prerogatives of the Committee and the General Assembly with regard to recommending or authorizing permanent improvement projects and the funding such projects may require.

**HISTORY:** 1980 Act No. 518, § 11.

### **Cross references—**

For requirement that capital improvement bond bill be introduced prior to May first, see § 2-7-100.

006953

DEC 11 1986

# Capital Improvements Joint Bond Review Committee

HORACE C. SMITH

SENATE  
CHAIRMAN

SCOTT R. INKLEY

DIRECTOR OF RESEARCH AND ADMINISTRATION/  
BUDGET AND CONTROL BOARD LIAISON



MARION P. CARNELL  
HOUSE OF REPRESENTATIVES  
VICE CHAIRMAN

LIB CROFT  
ADMINISTRATIVE ASSISTANT

734-2824

3090

P.O. BOX 142 TELEPHONE (803)-758-5088 OR -8900  
ROOM 410, GRESSETTE BUILDING  
Columbia, South Carolina 29202

December 11, 1986

SENATE MEMBERS:

HORACE C. SMITH  
JAMES M. WADDELL, JR.  
WILLIAM W. DOAR, JR.  
HUGH K. LEATHERMAN  
THOMAS L. MOORE

HOUSE MEMBERS:

MARION P. CARNELL  
JENNINGS G. MCABEE  
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

DEC 16 1986

NO. 14

STATE BUDGET & CONTROL BOARD

In Re: SC Department of Corrections  
Capital Improvement Bond Authorization Request

Dear Mr. McInnis:

At the Joint Bond Review Committee meeting of 12/9/86, the attached letter dated 10/24/86 from Mr. William D. Leeke, Commissioner of the SC Department of Corrections, pertaining to the need for the authorization and funding by the 1987 General Assembly of three additional 600-bed medium security prisons was discussed.

SC Code of Laws, Section 2-47-40, has specific requirements for agencies requesting Capital Improvement authorizations. Since it is the responsibility of the Budget and Control Board to see that these are met before the Board and the Committee can make bond recommendations to the General Assembly, we are forwarding this request to the Board for its review and recommendation to the Committee.

With kind regards, I am

Sincerely,

Senator Horace C. Smith, Chairman  
Joint Bond Review Committee

HCS:lc  
Enc.

cc: Mr. William D. Leeke  
Commissioner, SC Dept. of Corrections

006954





# south carolina department of corrections

P.O. BOX 21787 4444 BROAD RIVER ROAD COLUMBIA, SOUTH CAROLINA 29221-1787  
TELEPHONE (803) 737-8555  
WILLIAM D. LEEKE, Commissioner

## EXHIBIT

DEC 16 1986

NO. 14

October 24, 1986

STATE BUDGET & CONTROL BOARD

The Honorable Horace Smith, Chairman  
Joint Bond Review Committee  
410 Grasset Building  
Columbia, South Carolina 29202

Dear Senator Smith:

As you are well aware, when the State of South Carolina entered into the settlement of the Nelson v. Leeke civil action lawsuit it committed the State to end prison overcrowding by January, 1990. The purpose of this letter is to advise your committee that in order for the Department of Corrections to meet those specific terms we will require the authorization and funding of three 600-bed medium security prisons effective July 1, 1987 at a total cost of \$90,000,000.

We have carefully reviewed the possibility of alternative type construction such as additional wooden barracks; however, since our prison population requires 70% of the bedspace to house individuals requiring high security housing, the requested new prisons must be built to meet those standards.

With the completion of all our currently funded projects, we will have 11,385 beds of all types which meet the criteria of the Nelson Consent Decree. Our population projection is 12,880 which will result in a shortage of 1,495 beds on January 8, 1990, the agreed upon compliance date. By July of 1990, the number of inmates housed in our institutions is projected to be 13,067 thereby resulting in a net deficit of 1,682 beds.

As these figures show, it is imperative that the three additional prisons be funded during the next legislative session, because the funding to occupation time frame for a new medium security prison is a minimum of 30 months.

We have done everything possible to make use of our available resources to comply with the Nelson Agreement. However, we now have no alternative but to ask for the funding of the institutions requested herein.

006955

BOARD OF  
CORRECTIONS

GOETZ B. EATON  
Chairman  
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Vice-Chairman  
Barnesburg, S.C.

CHARLES C. MOORE  
Secretary  
Spartanburg, S.C.

CLARENCE E. WATKINS  
Member  
Camden, S.C.

BETTY M. CONDON  
Member  
Mt. Pleasant, S.C.

EUGENE N. ZEIGLER  
Member  
Florence, S.C.

GOV. RICHARD W. RILEY, Member, Ex-Officio, Columbia, S.C.

14

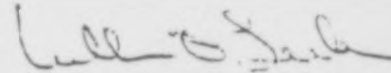


The Honorable Horace Smith, Chairman  
October 24, 1986  
Page Two

We are aware that there is no regular Bond Bill scheduled for this session of the Legislature; we are, however, prepared to provide whatever information you may require for a special bill, because we simply cannot wait until 1988 for action on this request.

Your active support in gaining the approval of this request will be greatly appreciated. Please call me if you need additional information.

Sincerely,



William D. Leeke

WDL:dcc

cc: Dr. Hubert M. Clements  
Dr. Jesse Coles  
Mr. Bill DeLoach  
Members of the Joint Bond Review Committee  
Mr. Scott Inkley

EXHIBIT

DEC 16 1986 NO. 14

STATE BUDGET & CONTROL BOARD

006956

15

The State of South Carolina

DEC 19 1986

4:45pm



Office of the Attorney General

EXHIBIT

DEC 16 1986

NO. 1 5

STATE BUDGET & CONTROL BOARD

T. TRAVIS MEDLOCK  
ATTORNEY GENERAL

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

December 19, 1986

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

Re: \$2,488,000 Richland County, South  
Carolina, Hospital Facilities  
Revenue Bonds  
(Meridian Care Center Partners Project)

Dear Mr. McInnis:

Regarding the above-referenced bond, we have reviewed the Petition and other documents submitted to the State Budget and Control Board for its approval pursuant to Sections 44-7-1590, et seq., Code of Laws of South Carolina, 1976, as amended, and the same appear, in our opinion, to be in order.

This opinion addresses only the legal sufficiency of the documents you have provided for our review. No opinion is expressed as to any other matters, including whether the Petition should be approved as a matter of policy.

Sincerely yours,

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

David C. Eckstrom  
Assistant Attorney General

DCE/dac

Enclosures

006957

JAN - 5 1987

State of South Carolina



State Budget and Control Board

OFFICE OF THE STATE AUDITOR  
P.O. BOX 11333  
COLUMBIA, S.C.  
29211  
(803) 734-1727

EDGAR A. VAUGHN, JR., CPA  
STATE AUDITOR

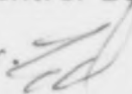
EXHIBIT  
DEC 16 1986 NO. 15  
STATE BUDGET & CONTROL BOARD

MARGARET C. STILWELL, CPA  
DEPUTY STATE AUDITOR

December 31, 1986

MEMORANDUM

TO: Mr. William A. McInnis  
Secretary, Budget and Control Board

FROM: Mr. Edgar A. Vaughn, Jr.   
State Auditor

SUBJECT: Proposed \$2,500,000 Richland County Industrial Development  
Revenue Bonds (Meridian Care Center Partners Project)

I have reviewed the Representation Letter from Bank of Boston relative to this Project and also the proposed Bond Purchase Agreement to be executed by each purchaser of the Bonds.

7.5 through 7.9 of this Agreement contain the representations included in the standard form investment letter. If each purchaser is required to execute this Bond Purchase Agreement and these agreements are filed with the Budget and Control Board, I see no reason not to approve this issue.

EAV/jp

006958

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR  
GRADY L. PATTERSON, JR.  
STATE TREASURER

STATE BUDGET & CONTROL BOARD  
EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL  
REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE  
JESSE A. COLES, JR.  
EXECUTIVE DIRECTOR

# EXHIBIT

DEC 16 1986

NO. 1 5

STATE OF SOUTH CAROLINA )

Meridian Care Center

COUNTY OF RICHLAND )

STATE BUDGET & CONTROL BOARD

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

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

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

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

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

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

The Honorable Robert N. McLellan, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 10 a.m., on Tuesday, December 16, 1986, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting.

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

FOR MOTION

5

AGAINST MOTION

0

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

December 30, 1986

William A. McInnis

006959

A RESOLUTION APPROVING THE ISSUANCE BY RICHLAND COUNTY, SOUTH CAROLINA, OF NOT EXCEEDING \$2,488,000 AGGREGATE PRINCIPLE AMOUNT HOSPITAL FACILITIES REVENUE BONDS, 1986 SERIES (MERIDIAN CARE CENTER PARTNERS PROJECT) PURSUANT TO THE PROVISIONS OF TITLE 44, CHAPTER 7, ARTICLE 11, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED.

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 Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended, (the "Act"), requested the approval by the South Carolina State Budget and Control Board of the issuance by Richland County, South Carolina (the "County"), pursuant to the Act of its Hospital Facilities Revenue Bonds, 1986 Series (Meridian Care Center Partners Project) in the aggregate principle amount of not exceeding \$2,488,000 (the "Bonds"); and

WHEREAS, the County proposes to issue the Bonds and loan the proceeds thereof to Meridian Care Center Partners, a South Carolina general partnership constituting a hospital agency as defined in the Act, (the "Partnership") to defray the cost of acquiring, by construction and purchase, certain land, a building or buildings and other improvements thereon and certain equipment, machinery and furnishings for the purpose of constructing a combined nursing home-retirement home center consisting of up to 44 skilled care beds, 44 intermediate care beds and 150 living units, all of which comprise "hospital facilities" as defined in the Act (the "Facilities"); and

WHEREAS, it is proposed that the Bonds will be payable solely from the revenues and receipts derived from the Trust Estate (as defined in the Indenture) including payments under a loan agreement (the "Loan Agreement") between the County and the Partnership and will be secured by an assignment of revenues and receipts from the Trust Estate and by the lien of a trust indenture (the "Indenture") between the County and The First National Bank of Boston (the "Trustee").

WHEREAS, the County has submitted with the Petition (i) an executed Assistance Agreement by the County dated September 25, 1985, (ii) an executed Resolution authorizing the Petition to the Budget and Control Board; (iii) a copy of the Certificate of Need, issued by the Department of Health and Environmental Control of South Carolina, and (iv) a letter from the representative of the purchasers and this Board has reviewed and considered, or caused to be reviewed or considered, each of said documents in consideration of said Petition by the County;

EXHIBIT

DEC 16 1986

NO. 1086960

STATE BUDGET & CONTROL BOARD



NOW, THEREFORE, BE IT RESOLVED, by the South Carolina State Budget and Control Board (the "Board"), as follows:

Section 1. The Board has made an independent investigation of the matters set forth in the Petition, and on the basis of such investigation it is hereby found, determined and declared:

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the County 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 the Act;

(c) The Hospital Facilities, which are the subject of the Petition of the County Board, are intended to promote the purposes of the Act and they are reasonably anticipated to effect such result; and

(d) The proposed financing is economically feasible.

Section 2. In consequence of the foregoing, the proposal of the County to issue the Bonds and loan the proceeds thereof to the Partnership to defray the cost of acquiring by construction and purchase certain land, a building or buildings and other improvements thereon and certain equipment, machinery and furnishings for the purpose of constructing a combined nursing home-retirement home center consisting of up to 44 skilled care beds, 44 intermediate care beds and 150 living units, all of which comprise "hospital facilities" as defined in the Act (the "Facilities"), the Bonds to be payable solely from the revenues and receipts derived from the Trust Estate, including payments under the Loan Agreement and to be secured by an assignment of revenues and receipts from the Trust Estate and by the lien of the Indenture, 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

DEC 16 1986 NO. 15

STATE BUDGET & CONTROL BOARD

EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS  
OF SECTION 44-7-1590, CODE OF LAWS  
OF SOUTH CAROLINA, 1976, AS AMENDED.

Notice is hereby given pursuant to the provisions and requirements of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended, (the "Act"), that the South Carolina State Budget and Control Board, 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, South Carolina, of its Hospital Facilities Revenue Bonds, 1986 Series (Meridian Care Center Partners Project) in the aggregate principal amount of not exceeding \$2,488,000 (the "Bonds"); the loaning of the proceeds of the Bonds to Meridian Care Centers Partners, a South Carolina general partnership constituting a hospital agency as defined in the Act, (the "Partnership"), to defray the cost of acquiring by construction and purchase, certain land, a building or buildings and other improvements thereon and certain equipment, machinery and furnishings for the purpose of constructing a combined nursing home-retirement home center consisting of up to 44 skilled care beds, 44 intermidate care beds and 150 living units, all of which comprise "hospital facilities" as defined in the Act (the "Facilities"), to be located in Richland County, the Bonds to be payable solely from the revenues and receipts from the Trust Estate (as defined in the Indenture), including payments under a loan agreement between the County and the Partnership (the "Loan Agreement") and to be secured by an assignment of revenues and receipts from the Trust Estate and by the lien of a Trust Indenture between the County and The First National Bank of Boston (the "Indenture"). The Department of Health and Environmental Control of South Carolina has issued it Certificate of Need approving the Hospital Facilities.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the action taken by the South Carolina State Budget and Control Board, the County Council of Richland County, or the Department of Health and Environmental

EXHIBIT

DEC 16 1986 NO. 1 5

STATE BUDGET & CONTROL BOARD

006963

Control of South Carolina, by action de novo instituted in  
the Court of Common Pleas for Richland County, South  
Carolina.

STATE BUDGET AND CONTROL BOARD

By: William A. McInnis,  
Secretary

Dated: December 16, 1986

EXHIBIT

DEC 16 1986 NO. 15

STATE BUDGET & CONTROL BOARD

# EXHIBIT

STATE OF SOUTH CAROLINA )  
COUNTY OF RICHLAND )

DEC 16 1986 NO. 15  
STATE BUDGET & CONTROL BOARD

TO THE STATE BUDGET AND CONTROL  
BOARD OF SOUTH CAROLINA

## P E T I T I O N

This Petition of the County Council of Richland County, South Carolina is submitted pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended, (the "Act"), and specifically Section 44-7-1590 thereof, respectfully shows:

1. The County Council of Richland County is the governing body of Richland County (the "County") and as such constitutes a "Governing Board" as referred to in the Act with respect to hospital facilities located in the County.

2. The Act, among other things, empowers the County, subject to obtaining the approval of the South Carolina State Budget and Control Board (the "Board") pursuant to Section 44-7-1590 of the Act and of the South Carolina Department of Health and Environmental Control (the "Department") required by Section 44-7-1490 of the Act, to enter into agreements with any hospital agency or public agency necessary or incidental to the issuance of bonds; to enter into loan agreements with any hospital agency or public agency, prescribing the payments to be made by the hospital agency or public agency to the County or its assignee to meet the payments that shall become due on the bonds and the terms and conditions relative to the acquisition and use of hospital facilities and the issuance of bonds; to issue bonds for the purpose of defraying the cost of providing hospital facilities and to secure the payment of such bonds; and to make the proceeds of any bonds available by way of a loan to a hospital or public agency pursuant to a loan agreement.

3. Pursuant to the provisions of Act No. 512 of the Acts and Joint Resolutions for the General Assembly of the State of South Carolina for the year 1984, and regulations issued thereunder by the State Budget and Control Board (the "Board") and approved by the Joint Bond Review Committee, the Board has been assigned certain responsibilities with respect to allocation of the private activity bond ceiling (the "Volume Cap") applicable to private activity bonds issued in the State of South Carolina

1

APPROVED BY THE LEGAL DEPARTMENT  
AS TO FORM AND LEGALITY ONLY

BY

DATE

006965

*[Signature]*  
DEC 3 1986



within the meaning of Section 103(n) of the Internal Revenue Code of 1954, as amended.

4. The County has agreed with Meridian Care Center Partners, a South Carolina general partnership constituting a hospital agency as defined in the Act, (the "Partnership") that the County will undertake to finance the acquisition, construction and equipping of new hospital facilities as defined in the Act consisting of a combined nursing home/retirement home center with up to 44 skilled care beds, 44 intermediate care beds and 150 living units (the "Facilities") through the issuance of Hospital Facilities Revenue Bonds pursuant to the Act. In this connection the County has agreed to issue not exceeding \$2,488,000 aggregate principal amount Hospital Facilities Revenue Bonds of Richland County, South Carolina, pursuant to the Act and loan the proceeds thereof to the Partnership in order to finance the acquisition, construction and equipping of the Facilities.

5. The County has been advised by the Partnership that the estimated cost of the Facilities will be an amount not exceeding \$2,488,000, and it has requested the County to execute and deliver its Hospital Facilities Revenue Bonds (Meridian Care Center Partners Project) (the "Bonds") in the aggregate principal amount of not exceeding \$2,488,000 to defray such costs.

6. Pursuant to Section 44-11-1590 of the Act, the County Council has made the requisite findings that:

(a) The Facilities will constitute "Hospital Facilities" as said term is referred to and defined in Section 44-7-1430(d) of the Act, and the issuance of the Bonds in the principal amount of not exceeding \$2,488,000 to finance the Facilities will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(b) There is a need for the facilities in the area in which the Facilities are to be located to serve the people of the County and to make accessible to them modern and efficient hospital facilities at the lowest possible expense.

(c) The Partnership is financially responsible and capable of fulfilling its obligations under the Agreement (as hereinafter defined), including the obligations to make the payments required thereunder to operate, repair and maintain at its own expense the Facilities and to discharge such other responsibilities as may be imposed under the Agreement.

EXHIBIT

2

DEC 16 1986 NO. 15

STATE BUDGET & CONTROL BOARD

006366

(d) The Agreement shall make adequate provision for the payment of the principal of and the interest on the Bonds and any necessary reserves therefor and for the operation, repair and maintenance of the Facilities at the expense of the Partnership. The Bonds will be further secured by a mortgage or deed of trust on the Facilities from the Partnership to the Trustee.

(e) The public facilities, including utilities, and public services necessary for the Facilities will be made available.

(f) Neither the Facilities, the Bonds proposed to be issued by the County to finance the Facilities, 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.

(g) Inasmuch as the Partnership has established credit, the establishment of reserve funds in connection with the retirement of the Bonds and the maintenance of the Facilities is deemed unnecessary.

(h) The Facilities will consist of the items described in paragraph 4 of this Petition.

(i) A reasonable estimate of the cost of the Facilities including necessary expenses incident thereto is an amount not exceeding \$2,488,000, and the issuance of the Bonds by the County in the principal amount of not exceeding \$2,488,000 will be required to defray the cost of the Facilities.

(j) In connection with the Facilities, the South Carolina Department of Health and Environmental Control has issued its Certificate of Need dated May 30, 1986 (Exhibit A to this Petition attached hereto.)

7. Pursuant to Section 44-11-1590 of the Act, the County sets forth the following information:

(a) The Facilities, are described in paragraph 4 of this Petition.

(b) In connection with the Facilities, the Department of Health and Environmental Control has issued its Certificate of Need dated May 30, 1986 (a copy of which is attached hereto as Exhibit A).

(c) It is estimated that the cost of the

## EXHIBIT

Facilities, including the items of cost authorized in the Act, will be not exceeding \$2,488,000.

(d) Set forth below is a summary of the terms of the indenture of trust and agreement (the "Agreement") to be entered into among the County, the Partnership and The First National Bank of Boston, as trustee (the "Trustee") in connection with the acquisition of the Facilities and issuance of the Bonds, which summary is in no way intended to affect or alter the actual terms of the documents themselves;

(i) Proceeds derived from the sale of the Bonds, except accrued interest paid by the initial holder thereof, will be used and applied by the County upon request of the Partnership 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 Facilities.

(ii) The Partnership obligates itself: to effect the completion of the Facilities if the proceeds derived from the sale of the Bonds prove insufficient therefor without diminution of any payments to the County required by the Agreement; to meet the payments of principal and interest on the Bonds as the same become due; and to pay the cost of maintaining and insuring the Facilities to the extent and in the manner provided in the Agreement.

(iii) The County does not incur any pecuniary liability or charge upon its general credit or taxing powers.

(iv) The County makes an irrevocable pledge and assignment to the Trustee for the benefit of the holders of the Bonds of the County's right, title and interest in and to the Agreement and all payments, receipts and revenues which the County has a right to receive under the Agreement or with respect to any security afforded thereunder or any other financing agreement with respect to the Facilities in favor of the County (except payments and rights to indemnification payments and administration expenses), and all the moneys and securities in funds.

(v) Inasmuch as the Partnership is a partnership with established credit, the Agreement does not provide for the establishment of any reserve funds in connection with retirement of the Bonds and maintenance of the Facilities.

Upon the basis of the foregoing, the County respectfully prays that the South Carolina 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 Facilities are intended to promote the purposes of the Act and may be reasonably anticipated to effect such result, that it approve the Facilities and the execution and delivery of the Bonds by the County pursuant to the Act to defray the cost of the Facilities (including changes in any details of the said financing as finally consummated which do not materially affect the undertaking of the County), (iv) allocate not exceeding \$2,488,000 of the volume limitation set forth in Section 146(c) of the Internal Revenue Code for the issuance of the bonds; and (v) give published notice of its approval in the manner set forth in Section 44-7-1590 of the Act.

To the best knowledge of the undersigned, the approval of the Facilities is not made in consideration of any bribe, gift, gratuity, or direct or indirect contributions to any political campaign.

Respectfully submitted,

COUNTY OF RICHLAND, SOUTH CAROLINA

BY Lillie E. Herndon  
Lillie E. Herndon, Chairwoman,  
County Council of Richland  
County, South Carolina

Dated: December 2, 1986

(SEAL)

ATTEST:

Brenda Fuller  
Brenda Fuller, Clerk,  
County Council of Richland  
County, South Carolina

EXHIBIT

DEC 16 1986 NO. 15

STATE BUDGET & CONTROL BOARD



# South Carolina Department of Health and Environmental Control



## CERTIFICATE OF NEED

THIS Certificate of Need is issued to : Meridian Nursing Center,

Columbia, SC; Mr. John S. Hill-Agent; Construction of a 44 ICF bed nursing

facility which does not participate in the Medicaid (Title XIX) Program.

For Project No. 82-56-50 in accordance with the Code of Laws  
of South Carolina.

In determining the need for this project, the South Carolina Department of Health and Environmental Control has taken into consideration the recommendation of the:

Texas Rivers Health Systems Agency

This Certificate of Need is valid for a period of twelve months from the date of issuance unless the applicant has awarded a construction contract or has made substantial progress toward implementation of the Project, as approved by the Department, within the twelve month period.

In Witness Whereof we have hereunto  
set our hands and the seal of the  
Department of Health and Environmental Control this the 20th  
day of May, 1982



Albert L. Whitehead

Director, Division of Planning & Certification of Need

John W. Finkbeiner

Director, Bureau of Health Facilities & Services  
Development

Richard Coney  
Deputy Commissioner, Health Facilities & Services  
Regulations

006970



# EXHIBIT

DEC 16 1986

NO. 15

## RESOLUTION

## STATE BUDGET & CONTROL BOARD

A RESOLUTION MAKING APPLICATION TO THE SOUTH CAROLINA STATE BUDGET AND CONTROL BOARD FOR APPROVAL OF THE ISSUANCE BY RICHLAND COUNTY, SOUTH CAROLINA OF HOSPITAL FACILITIES REVENUE BONDS, 1986 SERIES (MERIDIAN CARE CENTER PARTNERS PROJECT) PURSUANT TO THE PROVISIONS OF TITLE 44, CHAPTER 7, ARTICLE 11, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$2,488,000.

WHEREAS, Richland County, South Carolina (the "County") acting by and through its County Council (the "County Council") is authorized and empowered under and pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended, (the "Act") to enter into agreements with any hospital agency or public agency necessary or incidental to the issuance of bonds and to issue bonds to promote the public health and welfare of the people of South Carolina by providing for financing, acquiring, enlarging, improving, constructing, equipping and providing hospital facilities, as defined in the Act, to serve the people of the State and to make accessible to them modern and efficient hospital facilities at the lowest possible expense; and

WHEREAS, the County is further authorized by the Act to issue revenue bonds, as defined in the Act, payable solely from revenues and receipts from any loan agreement with respect to such facilities and secured by a pledge of said revenues and receipts and by an assignment of such loan agreement; and

WHEREAS, the County and John S. Hill and Timothy O'Leary, the general partners in Meridian Care Center Partners, a South Carolina general partnership, (the "Partnership") entered into an Assistance Agreement, (the "Assistance Agreement") executed by the parties thereto on September 17, 1985, and assigned by Messrs. Hill and O'Leary to the Partnership, pursuant to which and in order to implement the public purposes enumerated in the Act and in furtherance thereof to comply with the undertakings of the County pursuant to the Assistance Agreement, the County proposes to issue its Hospital Facilities Revenue Bonds (Meridian Care Center Partners Project) in the aggregate principal amount of not exceeding \$2,488,000 (the "Bonds") under and pursuant to the Act to defray the costs of acquiring by construction and purchase certain land and a

1 APPROVED BY THE LEGAL DEPARTMENT  
AS TO FORM AND LEGALITY ONLY.

BY

DATE

006971

*Wanda Anna*  
DEC 3, 1986

building or buildings and other improvements thereon and certain machinery, apparatus, equipment and furnishings constituting a combined nursing home/retirement home center with up to 44 skilled care beds, 44 intermediate care beds and 150 living units (the "Facilities") to be located in the County and, subject to the approval of the South Carolina State Budget and Control Board, and the South Carolina Department of Health and Environmental Control, to make the Facilities available to the Partnership under and pursuant to the terms of an indenture of trust and agreement (the "Agreement") to be entered into among the County, the Partnership and The First National Bank of Boston, as trustee (the "Trustee"); and

WHEREAS, it is now deemed advisable by the Richland County Council to file with the South Carolina State Budget and Control Board, in compliance with Section 44-7-1590 of the Act, the Petition of the County requesting approval of the proposed financing by the South Carolina State Budget and Control Board;

NOW, THEREFORE, BE IT RESOLVED by the County Council as follows:

Section 1. It is hereby found, determined and declared as follows:

(a) The Facilities will constitute "Hospital Facilities" as said term is referred to and defined in Section 44-7-1430(d) of the Act, and the issuance of the Bonds in the principal amount of not exceeding \$2,488,000 to finance the Facilities will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(b) There is a need for the facilities in the area in which the Facilities are to be located to serve the people of the County and to make accessible to them modern and efficient hospital facilities at the lowest possible expense.

(c) The Partnership is financially responsible and capable of fulfilling its obligations under the Agreement, including the obligations to make the payments required thereunder, to operate, repair and maintain at its own expense the Facilities and to discharge such other responsibilities as may be imposed under the Agreement.

(d) The Agreement shall make adequate provision for the payment of the principal of and the interest on the Bonds and any necessary reserves therefor and for the operation, repair and maintenance of the Facilities at the expense of the Partnership. The Bonds will be further

secured by a mortgage or deed of trust on the Facilities from the Partnership to the Trustee.

(e) The public facilities, including utilities, and public services necessary for the Facilities will be made available.

(f) Neither the Facilities, the Bonds proposed to be issued by the County to finance the Facilities, 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.

(g) Inasmuch as the Partnership has established credit, the establishment of reserve funds in connection with the retirement of the Bonds and the maintenance of the Facilities is deemed unnecessary.

(h) The Facilities will consist of the items described in the recital clauses of this Resolution.

(i) A reasonable estimate of the cost of the Facilities including necessary expenses incident thereto is an amount not exceeding \$2,488,000, and the issuance of the Bonds by the County in the principal amount of not exceeding \$2,488,000 will be required to defray the cost of the Facilities.

(j) In connection with the Facilities, the South Carolina Department of Health and Environmental Control has issued its Certificate of Need dated May 30, 1986 (Exhibit A to the Petition attached hereto).

Section 2. There be and is hereby authorized and directed the submission on behalf of the County, of a Petition requesting the approval of the proposal of the County to issue the Bonds by the South Carolina State Budget and Control Board pursuant to the provisions of Section 44-7-1590 of the Act, said Petition, which constitutes and is hereby made a part of this authorizing resolution, to be in substantially the form attached hereto.

Section 3. The Chairwoman of the Richland 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 Richland 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 South Carolina 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 December 2, 1986.

COUNTY OF RICHLAND, SOUTH CAROLINA

By Lillie E. Herndon  
Lillie E. Herndon, Chairwoman,  
County Council of Richland  
County, South Carolina

(SEAL)

ATTEST:

By: Brenda Fuller  
Brenda Fuller, Clerk,  
County Council of Richland  
County, South Carolina

EXHIBIT

DEC 16 1986 NO. 15

STATE BUDGET & CONTROL BOARD



A RESOLUTION AUTHORIZING THE EXECUTION  
AND DELIVERY OF AN ASSISTANCE AGREEMENT  
BY AND BETWEEN RICHLAND COUNTY, SOUTH  
CAROLINA, AND TIMOTHY O'LEARY AND JOHN  
S. HILL, WHEREBY, UNDER CERTAIN  
CONDITIONS, RICHLAND COUNTY WILL ISSUE  
NOT EXCEEDING TEN MILLION DOLLARS  
(\$10,000,000) HOSPITAL FACILITIES  
REVENUE BONDS.

EXHIBIT

DEC 16 1986 NO. 15

STATE BUDGET & CONTROL BOARD

WHEREAS, Richland County, South Carolina (the "County"), acting by and through its County Council (the "County Council"), is authorized and empowered under and pursuant to the provisions of Title 44, Chapter 7, Code of Laws of South Carolina, 1976, as amended (the "Act"), to promote the public health and welfare by providing for the financing, acquiring, enlarging, improving, constructing, equipping and providing of hospital facilities (as defined in the Act) to serve the people of the State and to make accessible to them modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities; and

WHEREAS, the County is further authorized to issue revenue bonds for the purpose of defraying the cost of providing hospital facilities; and

WHEREAS, the County is further authorized to make the proceeds of any revenue bond available by way of a loan to a hospital or hospital agency pursuant to a loan agreement; and

WHEREAS, the County is further authorized to pledge or assign any money, rents, charges, or fees or other revenues, including any proceeds of insurance or condemnation awards pursuant to any loan agreement to the payment of the bonds issued pursuant to such loan agreement; and

WHEREAS, Timothy O'Leary and John S. Hill (collectively referred to as the "Obligors"), South Carolina residents and the developers of a hospital agency as defined in the Act, have requested the County to issue not exceeding \$10,000,000 of its Hospital Facilities Revenue Bonds (Timothy O'Leary and John S. Hill Project) pursuant to the Act for the purpose of defraying the cost of acquiring by construction and purchase certain land, a building or buildings, other improvements thereon, and certain machinery, apparatus, equipment, and furnishings to be installed therein for the purpose of constructing a combined nursing home-retirement home facility (the "Project"), such being hospital facilities as defined in the Act.

006975



NOW, THEREFORE, BE IT RESOLVED, by the County Council as follows:

Section 1. Pursuant to the authority of the Act and subject to the approval by the State Budget and Control Board and Department of Health and Environmental Control, and for the purpose of defraying a portion of the cost (as defined in the Act) of acquiring the Project, there is hereby authorized to be issued revenue bonds of the County in the principal amount of not exceeding Ten Million Dollars (\$10,000,000) to be designated "Richland County, South Carolina, Hospital Facilities Revenue Bonds (Timothy O'Leary and John S. Hill Project)" (the "Bonds").

Section 2. The provisions, terms and conditions of the financing agreement by and between the County and the Obligors, the provisions, terms and conditions of the trust indenture or indenture by and between the County and the trustee or bondholder, yet to be named, and the form, details, rate or rates of interest, maturity, redemption provisions, if any, and final designation of the Bonds shall be prescribed by subsequent resolution or ordinance of the County Council.

Section 3. The Chairman of the County Council is hereby authorized and directed to execute the Assistance Agreement attached hereto in the name and on behalf of the County, and the Clerk of the County Council is hereby authorized and directed to attest the same; and the Chairman of the County Council is hereby further authorized and directed to deliver said executed Assistance Agreement to the Obligor.

Section 4. Prior to the issuance of any Bonds, the County Council will comply with the provisions of the Home Rule Act regarding the procedural requirements for adopting ordinances and resolutions.

Section 5. All orders, resolutions, and parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This resolution shall take effect and be in full force from and after its passage by the County Council.

Section 6. It is the intention of the County Council that this resolution shall constitute an official action on the part of the County within the meaning of the applicable regulations of the United States Treasury Department relating to the issuance of industrial revenue bonds of which the Bonds are such for the purposes of federal law.

Section 7. It is the intention of the County Council that this resolution may be amended to permit the

006976

assignment to a corporation or partnership or other entity in which either or both of the Obligors have an ownership interest.

Done in meeting duly assembled this 17th day of September, 1985.

RICHLAND COUNTY, SOUTH CAROLINA

By: Leone S. Castles  
Leone S. Castles, Chairman,  
County Council of Richland  
County, South Carolina

ATTEST:

By: Brenda Fuller  
Brenda Fuller, Clerk,  
County Council of  
Richland County,  
South Carolina

EXHIBIT

DEC 16 1986 NO. 15

STATE BUDGET & CONTROL BOARD

006377

# EXHIBIT

DEC 16 1986

NO. 15

## ASSISTANCE AGREEMENT

## STATE BUDGET & CONTROL BOARD

THIS AGREEMENT made and entered into by and between Richland County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (the "County"), and Timothy O'Leary and John S. Hill, South Carolina residents (collectively referred to as the "Obligors").

### WITNESSETH:

### ARTICLE I

### RECITATION OF FACTS

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

Section 1.01. The County is a body politic and corporate, and a political subdivision of the State of South Carolina, and is authorized and empowered by the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended, (the "Act") to promote the public health and welfare by providing for the financing, acquiring, enlarging, improving, constructing, equipping and providing of hospital facilities to serve the people of the State and to make accessible to them modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities; and

Section 1.02. The Obligors desire to acquire certain land, a building or buildings and other improvements thereon and certain machinery, apparatus, equipment, office facilities and furnishings constituting a combined nursing home-retirement home facility (the "Project"). The Project constitutes "Hospital Facilities" as defined in the Act. The Obligors are the developers of a "Hospital Agency" as defined in the Act.

Section 1.03. The Obligors have requested the County to assist them with their contemplated program through the sale of Hospital Facilities Revenue Bonds pursuant to the Act, whereby the County would defray a portion of the cost of the Project.

Section 1.04. The County has given due consideration to all the proposals and requests of the Obligors and has agreed to endeavor to effect the issuance of the bonds at the time and on the terms and conditions hereafter set forth.

006378

## ARTICLE II

### UNDERTAKINGS ON THE PART OF THE COUNTY

The County agrees as follows:

Section 2.01. The County will, subject to the approval by the State Budget and Control Board and the Department of Health and Environmental Control required by the Act, authorize the issuance of not exceeding Ten Million Dollars (\$10,000,000) Richland County, South Carolina, Hospital Facilities Revenue Bonds (Timothy O'Leary and John S. Hill Project) (the "Bonds"), at such time as the Obligors may request the County to do so.

Section 2.02. The County will permit the Obligors to arrange for the sale of the Bonds to defray the cost of the Project as aforesaid and if successful marketing arrangements can be made, it will adopt such proceedings and enter into such agreements as are necessary for the issuance and securing of the Bonds.

Section 2.03. The proceeds of any sale of the Bonds shall be applied to the payment of the costs of the Project as determined under the Act including, without limitation, the expenses incurred in connection with the issuance and sale of the Bonds, the acquisition by construction and purchase of the Project including land, buildings, necessary machinery and equipment and other items permitted by the Act, and the repayment of any funds advanced or loans incurred by the Obligors for such purposes.

Section 2.04. Prior to issuing any Bonds, the County may enter into a trust indenture with a trustee bank to be selected by the Obligors or an indenture with the purchasers of the Bonds pursuant to which the Bonds will be issued. Such trust indenture or indenture shall be substantially in the form used in connection with the issuance of other South Carolina hospital facilities revenue bonds and may constitute a lien on the Project and the revenues derived from the financing agreement with respect to the Project to secure the payment of the Bonds.

Section 2.05. The County will perform such other acts and adopt such further proceedings as may be required to faithfully implement its undertakings and to consummate the proposed financing.

006379



### ARTICLE III

#### UNDERTAKINGS ON THE PART OF THE OBLIGORS

Section 3.01. The Obligors agree that the County will have no obligation to find a purchaser of the Bonds.

Section 3.02. The Obligors further agree, if the plan proceeds as contemplated:

(a) to acquire the Project by construction and purchase;

(b) to enter into a financing agreement with the County under the terms of which the Obligors will obligate themselves to pay to the County sums sufficient to pay the principal, interest and premium, if any, on the Bonds, as and when the same become due and payable, said financing agreement shall be in such form and contain such provisions as shall be satisfactory to the County and to the Obligors;

(c) to hold the County harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement in the implementation of its terms and provisions;

(d) to perform such further acts and adopt such further proceedings as may be required to faithfully implement its undertakings and consummate the proposed financing; and

(e) to covenant and agree in the financing agreement referred to hereinbefore to operate the Project as a health care facility providing emergency care, laboratory, pharmaceutical and X-ray services.

### ARTICLE IV

#### GENERAL PROVISIONS

Section 4.01. All commitments of the County under Article II hereof are subject to all of the provisions of the Act and the condition that nothing contained in this Agreement shall constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

Section 4.02. The parties hereto agree that the Obligors may proceed with the Project including the construction of a building or buildings and acquisition and installation of the equipment and machinery prior to the issuance of the Bonds.

006380



Section 4.03. All commitments of the County and the Obligors hereunder are subject to the condition that the County and the Obligors do agree on acceptable terms and conditions of all documents the execution and delivery of which are contemplated by provisions hereof.

Section 4.04. The parties understand that the Obligors may choose not to finance the Project as herein provided, in which event this Agreement shall become void.

Section 4.05. It is the intention of the parties hereto that this Agreement shall constitute an official action on the part of the County within the meaning of the applicable regulations of the United States Treasury Department relating to the issuance of industrial revenue bonds of which the Bonds are classified under federal law.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Agreement on the respective dates indicated below.

RICHLAND COUNTY, SOUTH CAROLINA

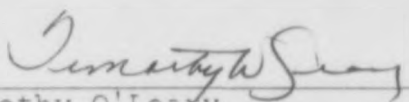
By: Leone S. Castles  
Leone S. Castles, Chairman,  
County Council of Richland  
County, South Carolina

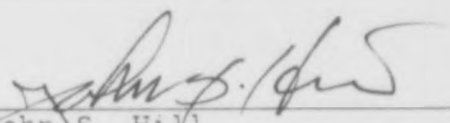
ATTEST:

By: Brenda Fuller  
Brenda Fuller, Clerk, County  
Council of Richland County,  
South Carolina

Dated: Sept. 17, 1985.

006981

  
Timothy O'Leary

  
John S. Hill

EXHIBIT

DEC 16 1986 NO. 15

STATE BUDGET & CONTROL BOARD

006382

DEC 16 1986

NO. 15

State of South Carolina

## State Budget and Control Board

STATE BUDGET &amp; CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNORGRADY L. PATTERSON, JR.  
STATE TREASUREREARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

Box 12444

Columbia  
29211REMBERT C. DENNIS  
CHAIRMAN, SENATE FINANCE COMMITTEE  
TOM G. MANGUM  
CHAIRMAN, WAYS AND MEANS COMMITTEEJESSE A. COLES, JR., Ph.D.  
EXECUTIVE DIRECTOR

December 30, 1986

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

## STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

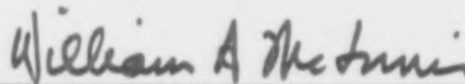
FINAL ALLOCATION, CALENDAR YEAR 1986

TO: Richland County  
c/o Ms. Arlene Fine  
Kutak Rock & Campbell  
1101 Connecticut Avenue, NW  
Washington, DC 20036

RE: Issue of \$2,485,000, Richland County, South Carolina  
Hospital Facilities Revenue Bonds  
(Meridian Care Center Partners Project)  
Issue Date Projected By Issuing Authority: December 31, 1986  
Allocation Expiration Date: December 31, 1986  
Issue Amount Certificate Date: December 29, 1986

Based upon my receipt of the issue amount certificate required of the issuing authority by Section 7(b) of the Governor's Executive Order #86-20, issued October 22, 1986, which certificate is dated not more than ten (10) business days prior to the projected date of issue which, as certified by the issuing authority, is within the time period during which the ceiling allocation approved previously on a tentative basis by the State Budget and Control Board for the referenced project is valid, I have determined that the allocation is now final in the amount indicated above.

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



William A. McInnis, Secretary

006983

EXHIBIT

State of South Carolina

DEC 16 1986

NO. 15

State Budget and Control Board

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



Box 12444  
Columbia  
29211

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

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

December 16, 1986

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

TENTATIVE ALLOCATION, CALENDAR YEAR 1986

TO: Richland County  
\$2,488,000  
Hospital Facilities Revenue Bonds  
(Meridian Care Center Partners Project)

The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Tax Reform Act of 1986 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1986 only. It will expire at midnight on December 31, 1986, if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

Before this tentative allocation becomes final, Section 7(b) of the Governor's Executive Order #86-20, issued on October 22, 1986, requires that the exact amount of the bonds/notes being issued be certified to the Board Secretary by the issuing authority **before** the issue is made. In response to that issue amount certificate, the Secretary will issue a certificate which makes the ceiling allocation final.

Grady L. Patterson, Jr.

Attest:

William A. McInnis, Secretary

006384

## TRANSMITTAL FORM, REVENUE BONDS

DEC 10 1986

11:37 AM

KL

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

Date: December 10, 1986

EXHIBIT

DEC 16 1986

NO. 15

FROM: McNAIR LAW FIRM, P.A.  
Name of Law Firm  
1301 Gervais - 18th Floor  
Street  
Columbia, SC 29201  
City, State, Zip Code

STATE BUDGET & CONTROL BOARD  
Area Code 803  
Number: 799-9800

Submitted for BCB Meeting of:  
December 16, 1986

RE: \$2,488,000 Richland County, S.C.  
Amount of Issue, Local Government Issuer  
Hospital Facilities Revenue Bonds  
Type of Bonds/Notes  
(Meridian Care Center Partners Project)  
Name of Project

Private Activity Bonds:  
☒ YES ☐ NO

Projected Issue Date:  
Prior to 12/31/86

Project Description: The Project will consist of a combined nursing home/retirement home center with up to 44 skilled care beds, 44

intermediate care beds and 150 living units

Number of persons to be employed: 27 full time

## Documents Enclosed:

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

- A. ☒ Petition (executed original and two copies)
- B. ☒ Resolution or ordinance (executed copy)
- C. ☒ Inducement Resolution or comparable preliminary approval (executed copy)
- D. ☒ Standard Form Investment Letter from purchaser of bonds (executed original)  
(Purchaser: See attached letter) OR  
Audited financial statements for three most recent years
- E. ☒ Department of Health and Environmental Control certificate  
☒ Required ☐ Not Required
- F. ☒ Budget and Control Board Resolution and Public Notice  
Original (and 9 copies for certification and return)
- G. ☒ Processing fee  
Amount \$ 3,000

Check No. 34162

Payor BRIM &amp; ASSOCIATES, INC.

McNAIR LAW FIRM, P.A. as local  
counsel

Bond Counsel: KUTAK ROCK &amp; CAMPBELL

By:

Barbara McQuislan

Typed Name

Signature

1101 Connecticut Ave., N.W.  
Washington, DC 20036

006985

CC DE  
EAV  
12/15



## TRANSMITTAL FORM, REVENUE BONDS

DEC 10 1986

11:37 A.M.

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

FROM: McNAIR LAW FIRM, P.A.  
Name of Law Firm  
1301 Gervais - 18th Floor  
Street  
Columbia, SC 29201  
City, State, Zip Code

RE: \$2,488,000 Richland County, S.C.  
Amount of Issue, Local Government Issuer  
Hospital Facilities Revenue Bonds  
Type of Bonds/Notes  
(Meridian Care Center Partners Project)  
Name of Project

Date: December 10, 1986

Telephone Area Code 803  
Number: 799-9800

Submitted for BCB Meeting of:  
December 16, 1986

Private Activity Bonds:  
☒ YES ☐ NO

Projected Issue Date:  
Prior to 12/31/86

Project Description: The Project will consist of a combined nursing home/retirement home center with up to 44 skilled care beds, 44

~~intermediate care beds and 150 living units~~

Number of persons to be employed: 27 full time

## Documents Enclosed:

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

- A. ☒ Petition (executed original and two copies)
- B. ☒ Resolution or ordinance (executed copy)
- C. ☒ Inducement Resolution or comparable preliminary approval (executed copy)
- D. ☒ Standard Form Investment Letter from purchaser of bonds (executed original)  
(Purchaser: See attached letter) OR  
☐ Audited financial statements for three most recent years
- E. ☒ Department of Health and Environmental Control certificate  
☒ Required ☐ Not Required
- F. ☒ Budget and Control Board Resolution and Public Notice  
Original (and 9 copies for certification and return)
- G. ☒ Processing fee  
Amount \$ 3,000 Check No. 34162

Payor BRIM & ASSOCIATES, INC.

McNAIR LAW FIRM, P.A. as local  
counsel

Bond Counsel: KUTAK ROCK & CAMPBELL By: \_\_\_\_\_

Typed Name  
1101 Connecticut Ave., N.W.  
Washington, DC 20036

Signature

006286

# EXHIBIT

DEC 16 1986

NO. 1 5

HOSPITAL REVENUE BOND PROJECT

STATE BUDGET & CONTROL BOARD

Meridian Care Center Partners Project

GOVERNING BOARD

County Council of Richland County

BOND COUNSEL

McDair Law Firm  
Columbia, SC 29201

## FINDINGS BY THE COUNTY COUNCIL (§ 44-7-1480)

The County Council has made the following findings:

✓ (a) There is a need for the hospital facilities in the area in which the hospital facilities are to be located.

✓ (b) No hospital facilities shall be provided for any hospital agency or public agency which is not financially responsible and capable of fulfilling its obligations under the loan agreement, including:

✓ the obligations to make the payments required thereunder;

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✓ to operate, repair and maintain at its own expense the hospital facilities; and

✓ to discharge such other responsibilities as may be imposed under the loan agreement.

(c) Adequate provision shall be made for:

✓ the payment of the principal of and the interest on the bonds and any necessary reserves therefor; and

✓ for the operation, repair and maintenance of the hospital facilities at the expense of the hospital agency or public agency.

✓ (d) The public facilities, including utilities, and public services necessary for the hospital facilities will be made available.

APPROVAL BY DHEC (§ 44-7-1490)

✓ Approval from DHEC shall be obtained if required

PROVISIONS IN LOAN AGREEMENT (§ 44-7-1520)

✓ (a) The loan agreement shall contain a covenant obligating the hospital agency or public agency to effect the completion of the hospital facilities if the proceeds of the bonds prove insufficient, and

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✓ (b) Each loan agreement shall obligate the hospital agency or public agency to make payments which shall be sufficient:

✓ (a) to pay the principal of and interest on the bonds issues for such hospital facilities,

✓ (b) to build up and maintain any reserves deemed by the county council to be advisable in connection therewith, and

✓ (c) to pay the costs of maintaining the hospital facilities in good repair and the cost of keeping it properly insured.

PAYMENT IN LIEU OF TAXES (§ 44-7-1530)

\_\_\_\_\_ If title to the hospital facility is in a public agency and if the public agency has a loan agreement with a for profit corporation, the loan agreement shall contain a provision requiring the hospital agency (i.e., the corporation) to make payments to the county or counties, school district(s) and other political units wherein the hospital facilities shall be located, in lieu of taxes, in such amounts as would result from taxes levied on the hospital facilities by such political units.

REFUNDING OF BONDS (§ 44-7-1560)

\_\_\_\_\_ Refunding bonds shall comply with § 44-7-1560.

PETITION TO BUDGET AND CONTROL BOARD (§ 44-7-1590)

The Petition shall set forth:

- ☒ (a) A brief description of the hospital facilities proposed to be undertaken and the refinancing or refunding so proposed;
- ☒ (b) A statement setting forth the action taken by DHEC in connection with the hospital facilities;
- ☒ (c) A reasonable estimate of the cost of the hospital facilities; and
- ☒ (d) A general summary of the terms and conditions of the proposed loan agreement.

FINDINGS BY BUDGET AND CONTROL BOARD (§ 44-7-1590)

- ☒ The proposed hospital facilities are intended to promote the purposes of this article (the Act), and
- ☒ May be reasonably anticipated to effect such result, and
- ☒ The proposed financing is economically feasible.

UNUSUAL QUESTIONS CONSIDERED:

006990



EXHIBIT

DEC 16 1986

NO. 15

State of South Carolina  
State Budget and Control Board

STATE BUDGET & CONTROL BOARD

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



Box 12444  
Columbia  
29211

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

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

January 5, 1987

Ms. Arlene Fine  
Kutak Rock & Campbell  
1101 Connecticut Avenue, N.W.  
Washington, DC 20036

Dear Ms. Fine:

Re: Richland County, South Carolina,  
\$2,485,000 Hospital Facilities Revenue Bonds  
(Meridian Care Center Partners Project)

On Wednesday, December 31, 1986, we sent to you nine certified copies of the Budget and Control Board's resolution which granted its approval to the referenced Richland County proposal. I had certified those copies as evidence that the conditions attached to the Board's action on this project on December 16, 1986, had been satisfied. I did that after having been advised by State Auditor Edgar Vaughn by phone that he had found the proposal acceptable.

What I did not have then but do have now is the State Auditor's written comment on the proposal. In it, he notes that the proposed Bond Purchase Agreement (at 7.5 through 7.9) includes the representation included in the Board's standard form investment letter. He puts as a condition a requirement that each purchaser of the referenced bonds be required to execute the Bond Purchase Agreement he reviewed and that a copy of those executed agreements be filed with the Board.

Therefore, my certification of the Board's resolutions also is conditioned upon the submission to me of the Bond Purchase Agreements executed by each purchaser of the referenced bonds.

Sincerely,

*William A. McInnis*

William A. McInnis  
Secretary

M

cc: Mr. Vaughn

006991

JAN - 8 1987  
10:00 A.M.  
LL

KUTAK ROCK & CAMPBELL

A PARTNERSHIP  
INCLUDING PROFESSIONAL CORPORATIONS

1101 CONNECTICUT AVENUE, N.W.

WASHINGTON, D. C. 20036

(202) 828-2400

ATLANTA  
DENVER  
NEW YORK  
OMAHA

January 7, 1987

EXHIBIT

DEC 16 1986

NO. 15

STATE BUDGET & CONTROL BOARD

William A. McInnis  
Secretary  
South Carolina State Budget  
and Control Board  
407 Wade Hampton Office Bldg.  
Columbia, South Carolina 29201

\$2,485,000  
Richland County, South Carolina  
Adjustable/Fixed Rate Hospital Facilities Revenue Bonds  
(Meridian Care Center Partners) 1986

Dear Mr. McInnis:

As requested in your letter of January 5th, enclosed are  
copies of the two executed Bond Purchase Agreements for the  
above-referenced financing.

We appreciate your assistance with this matter.

Sincerely,

*Stephanie Allgaier*

Stephanie Allgaier  
Legal Assistant

Enclosures

006992

16760

BOND PURCHASE AGREEMENT

**EXHIBIT**

among

DEC 16 1986      NO. 15

RICHLAND COUNTY, SOUTH CAROLINA

STATE BUDGET & CONTROL BOARD

and

MERIDIAN CARE CENTER PARTNERS

and

KEVIN O. ADAMS

---

\$2,485,000  
Richland County, South Carolina  
Adjustable/Fixed Rate Hospital Facilities Revenue Bonds  
(Meridian Care Center Partners) 1986

---

Dated as of December 1, 1986

**006993**

# EXHIBIT

DEC 16 1986 NO. 1 5

\$2,485,000 STATE BUDGET & CONTROL BOARD  
Richland County, South Carolina  
Adjustable/Fixed Rate Hospital Facilities  
Revenue Bonds  
(Meridian Care Center Partners) 1986

## BOND PURCHASE AGREEMENT

Dated as of December 1, 1986

Kevin O. Adams  
Kittery, Maine

Ladies and Gentlemen:

Richland County, South Carolina, a political subdivision of the State of South Carolina, (the "Issuer") and Meridian Care Center Partners, a South Carolina general partnership (the "Borrower"), hereby agree with you (the "Purchaser") as follows regarding your purchase of \$1,485,000 of the Issuer's \$2,485,000 Adjustable/Fixed Rate Hospital Facilities Revenue Bonds (Meridian Care Center Partners) 1986 of the Issuer (the "Bonds"). The Bonds are to be issued initially in fully-registered form in denominations of not less than \$500,000 and integral multiples of \$5,000 greater than \$500,000 pursuant to an Indenture of Trust and Agreement of even date herewith (the "Indenture"), to be entered into among the Issuer, the Borrower, The First National Bank of Boston, as Trustee (the "Trustee"), and The First National Bank of Boston (the "Bank"). Principal of and interest on the Bonds during the Adjustable Rate Period (as defined in the Indenture) are to be secured further by a letter of credit (the "Letter of Credit") in the stated amount of \$2,622,867, of which \$2,485,000 shall be in respect of principal of the Bonds and \$137,867 shall be in respect of up to 135 days interest accrued on the Bonds on or prior to the stated maturity thereof (calculated at the rate of 15% per annum), issued pursuant to a Reimbursement Agreement of even date herewith (the "Reimbursement Agreement") between the Borrower and the Bank.

Terms defined in the Indenture and not otherwise defined herein are used herein as so defined.

1. Representations and Warranties of Issuer and Borrower. The Issuer hereby confirms to the Purchaser its representations and warranties made in the Indenture. The Borrower hereby confirms to the Purchaser and the Issuer the representations, warranties and covenants of the Borrower made in the Indenture.

006994

2. Purchase, Sale and Delivery of Bonds. On the basis of the representations and warranties herein contained, and subject to the terms and conditions herein set forth, the Issuer agrees to sell to the Purchaser and the Purchaser agrees to purchase from the Issuer, the Bonds at par. Payment shall be made in a manner agreeable to the Purchaser and the Trustee at the Closing at the office of Ropes & Gray in Boston, Massachusetts. The Closing shall be held at 10:00 a.m. on December 31, 1986 or such other time and place as may otherwise be agreed to by the Purchaser and the Issuer.

3. Conditions of Purchaser's Obligations. The obligations of the Purchaser are subject to the compliance by the Issuer and the Borrower with their respective agreements herein contained and to the following conditions:

3.1. At the Closing, the Purchaser shall receive from Ropes & Gray, special counsel to the Bank, Kutak Rock & Campbell, Bond Counsel, and George Lafaye, Counsel to the Borrower, their favorable opinions with respect to the transactions contemplated by this Agreement and the Indenture. All such opinions shall be in form and substance satisfactory to the Purchaser and to counsel to the Purchaser.

3.2. The Purchaser shall also receive at the Closing conformed execution copies of the Letter of Credit and the Indenture and each other Basic Agreement (as defined in the Reimbursement Agreement), excluding the Remarketing Agreement, and such additional certificates, instruments, opinions or other documents the Purchaser or its counsel shall reasonably request. All instruments and legal proceedings in connection with the transactions contemplated hereby shall be satisfactory to the Purchaser.

3.3. Between the date hereof and the Closing, none of the following events shall have occurred:

(a) enactment by Congress of legislation or the rendering of a decision by a Court established under Article III of the Constitution of the United States, or the Tax Court of the United States, or the issuance of an order, ruling or regulation by the Treasury Department of the United States or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing a federal income taxation upon such revenues or other income as would be derived by the Issuer under the Loan, or such interest as would be received by the holders from time to time of the Bonds; or

(b) the occurrence of a material adverse change in the national financial economic situation of the United States and the establishment of a general banking moratorium by federal, Massachusetts or South Carolina authorities; or

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(c) the issuance of an order, decree or injunction of any court of competent jurisdiction, or the issuance or commencement of any order, ruling, regulation or administrative proceeding by any governmental body or board, or the enactment of legislation by Congress, with the purpose or effect of prohibiting the offering or sale of the Bonds, or of establishing controls over prices or wages; or

(d) the United States of America shall have become engaged in hostilities which have resulted in a declaration of a national emergency or a declaration of war.

4. Condition of Issuer's Obligations. The Issuer's obligations hereunder are subject to the following conditions:

4.1. The performance by the Purchaser of its obligations hereunder; and

4.2. The satisfaction of the conditions in Section 3, including receipt of the opinions referred to in Section 3.1.

5. Payment of Fees and Expenses. The Borrower agrees to pay out of the proceeds of the Bonds or otherwise all costs and expenses of the Issuer related to the performance of its obligations under this Bond Purchase Agreement and the Indenture until the Bonds are defeased, including without limitation all reasonable expenses related to the issuance and delivery of the Bonds to the Purchaser, the reasonable fees and expenses of the Issuer's counsel and Bond Counsel and the costs and expenses (including printing or other duplication) of preparing this Bond Purchase Agreement, the Indenture, the Bonds (including temporary Bonds and printed definitive Bonds) and related documents. In addition, the Borrower agrees to pay all out-of-pocket costs and expenses of the Purchaser, including the reasonable fees and expenses of its counsel not in excess of \$2,000.

6. Indemnification by Borrower. To induce the Issuer to execute and deliver this Agreement and to issue and sell the Bonds and to induce the Purchaser to purchase the Bonds, the Borrower agrees to the extent permitted by law (i) to defend, indemnify and hold the Issuer, the members of the governing body of the Issuer, the Purchaser and their respective directors, officers, officials, employees and agents harmless from and against any and all losses, costs, expenses, claims, actions, damages and liabilities (as and when the same may be incurred or suffered) arising out of or connected with representations made or materials furnished by the Borrower to anyone in connection with the issuance, sale or any resale of the Bonds, or the accuracy or completeness thereof; and (ii) to comply with any information disclosure requirements which may be applicable to

the Borrower, its general partners or any guarantor of the Borrower or the Bonds under federal or state securities laws in respect of any such resale of the Bonds. The Borrower agrees to defend, indemnify and hold the Purchaser and its directors, officers, employees, and agents harmless from and against any and all claims for brokerage commissions, finder's fees and the like concerning the Bonds and the Purchaser's purchase thereof.

7. Representations and Agreements of Purchaser. The Purchaser represents and agrees with the Issuer and the Borrower as follows:

7.1. The Purchaser has not requested or received from (nor does the Purchaser expect to receive from) the Issuer, any of the members of its governing body or any of its directors, officers, employees or agents any information with respect to the Borrower or its general partners, any lessee or lessor of the Project, any guarantor of the Borrower or the Bonds, the Bonds or the sufficiency of any security therefor, except for any such information which is included within the representations and warranties of the Issuer in this Bond Purchase Agreement, the Indenture or in any other instrument delivered to the Purchaser by or on behalf of the Issuer in connection with the transactions contemplated hereby or thereby.

7.2. The Purchaser has not relied and does not rely on any findings made by the Issuer as constituting information with respect to the Borrower, any lessee of the Project, any guarantor of the Borrower or the Bonds, the Bonds or the sufficiency of any security purported to be afforded therefor.

7.3. The Issuer, the members of its governing body and its officials, officers, employees and agents have no responsibility to the Purchaser for the accuracy or completeness of information obtained by the Purchaser from any source regarding the Borrower or its general partners, any lessee or lessor of the Project or any guarantor of the Borrower or the Bonds or their assets, business, circumstances, financial condition and properties, or regarding the Bonds or the sufficiency of any security therefor or, subject only to the exception stated in Section 7.1, for the accuracy of any such information; and the Purchaser acknowledges that, as between itself and the Issuer, the Purchaser assumes responsibility for obtaining such information and making such investigation as it deems necessary or desirable in connection with its decision to purchase the Bonds.

7.4. The Purchaser is a regulated investment company or other sophisticated investor.

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7.5. The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Bonds.

7.6. The Purchaser is financially able to bear the economic risk of its proposed investment in the Bonds for an indefinite period.

7.7. The Purchaser received all financial and other information with respect to the Bonds, the Borrower, the officers and partners of the Borrower and the Bank which it deems necessary in order to enable it to evaluate the merits and risks of its investment in the Bonds and to make an informed investment judgment in connection with the purchase of the Bonds.

7.8. The Purchaser has had the opportunity to ask questions of, and receive answers from, the Issuer and the Borrower concerning the terms and conditions of the offering and any other information which it has deemed relevant to the Bonds and its investment in the Bonds.

7.9. The Bonds are being purchased for the account of the Purchaser and for the purpose of investment and not presently for resale, subject to the Purchaser's right of tender under Article 4 of the Indenture, and the Purchaser has no present intention of offering the Bonds or any portion thereof for resale either currently or after the passage of a fixed period of time, or upon the occurrence or nonoccurrence of any predetermined event or circumstances.

7.10. In the event the Purchaser sells, or issues a participation interest in, any of the Bonds at some future time, it may do so, so long as it complies with any applicable federal and state securities laws then in effect.

7.11. The Purchaser has full power and authority to purchase the Bonds in accordance with the terms and conditions of this Agreement.

7.12. Subject only to the exception stated in Section 7.1, the Purchaser has not relied on and does not rely on any action taken by the Issuer, including but not limited to issuance of the Bonds, that the Bonds, the Borrower or the Project comply with the provisions of the Enabling Act.

The foregoing representations and warranties shall survive the making of this Bond Purchase Agreement and the execution and delivery of the Bonds and the instruments and documents contemplated hereby.

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8. Notices. All communications hereunder shall be in writing and shall be deemed to be sufficiently given if sent by registered or certified mail or delivered during business hours to the Issuer or the Borrower, as the case may be, at its Notice Address and, in the case of the Purchaser, to it at its address set forth in Exhibit A hereto, or to such other address as any of the foregoing shall have specified in writing to the others.

9. Survival of Provisions. All representations and agreements of the parties hereto shall remain in full effect, regardless of any investigation made by or on behalf of any party, and shall continue in effect notwithstanding the delivery of the Bonds to the Purchaser. The obligations of the Borrower under Sections 5 and 6 shall survive the payment or redemption of the Bonds.

10. Applicable Law; Assignment. This Agreement shall be governed by the laws of the State of South Carolina and may not be assigned by the Issuer. Subject to the Purchaser's representation in Section 7.5, and with the exception of the Purchaser's rights under Section 2, this Agreement may be assigned by the Purchaser.

11. 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, servant or employee of the Issuer.

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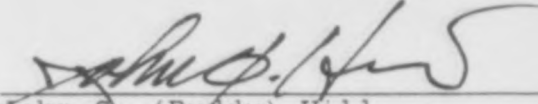


If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to each of the Issuer and the Borrower an enclosed counterpart, whereupon this Agreement will constitute a binding agreement among the Issuer, the Borrower and the Purchaser in accordance with its terms.

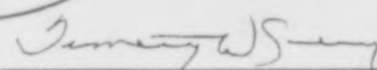
Yours very truly,

MERIDIAN CARE CENTER PARTNERS

By

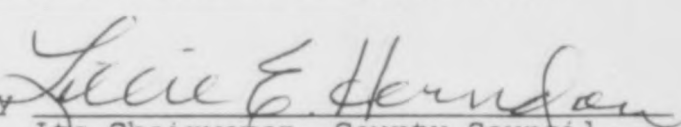
  
John S. (Buddy) Hill,  
as general partner

By

  
Timothy O'Leary,  
as general partner

RICHLAND COUNTY, SOUTH CAROLINA

By

  
Lillie E. Hernandez  
Its Chairwoman, County Council

007000

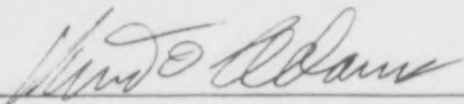


The foregoing Bond Purchase Agreement is hereby accepted as of the date first above written.

KEVIN O. ADAMS

By

Its



EXHIBIT

DEC 16 1986

NO. 15

STATE BUDGET & CONTROL BOARD

16760

007001

# EXHIBIT

DEC 16 1986 NO. 15

STATE BUDGET & CONTROL BOARD  
16800

## BOND PURCHASE AGREEMENT

among

RICHLAND COUNTY, SOUTH CAROLINA

and

MERIDIAN CARE CENTER PARTNERS

and

BOSTON SAFE DEPOSIT AND TRUST COMPANY, as Purchaser

---

\$2,485,000

Richland County, South Carolina  
Adjustable/Fixed Rate Hospital Facilities Revenue Bonds  
(Meridian Care Center Partners) 1986

---

Dated as of December 1, 1986

007002

# EXHIBIT

DEC 16 1986

NO. 15

STATE BUDGET & CONTROL BOARD

\$2,485,000  
Richland County, South Carolina  
Adjustable/Fixed Rate Hospital Facilities  
Revenue Bonds  
(Meridian Care Center Partners) 1986

## BOND PURCHASE AGREEMENT

Dated as of December 1, 1986

Boston Safe Deposit and Trust Company  
Peabody, Massachusetts

Ladies and Gentlemen:

Richland County, South Carolina, a political subdivision of the State of South Carolina, (the "Issuer") and Meridian Care Center Partners, a South Carolina general partnership (the "Borrower"), hereby agree with you (the "Purchaser") as follows regarding your purchase of \$1,000,000 of the Issuer's \$2,485,000 Adjustable/Fixed Rate Hospital Facilities Revenue Bonds (Meridian Care Center Partners) 1986 of the Issuer (the "Bonds"). The Bonds are to be issued initially in fully-registered form in denominations of not less than \$500,000 and integral multiples of \$5,000 greater than \$500,000 pursuant to an Indenture of Trust and Agreement of even date herewith (the "Indenture"), to be entered into among the Issuer, the Borrower, The First National Bank of Boston, as Trustee (the "Trustee"), and The First National Bank of Boston (the "Bank"). Principal of and interest on the Bonds during the Adjustable Rate Period (as defined in the Indenture) are to be secured further by a letter of credit (the "Letter of Credit") in the stated amount of \$2,622,867, of which \$2,485,000 shall be in respect of principal of the Bonds and \$137,867 shall be in respect of up to 135 days interest accrued on the Bonds on or prior to the stated maturity thereof (calculated at the rate of 15% per annum), issued pursuant to a Reimbursement Agreement of even date herewith (the "Reimbursement Agreement") between the Borrower and the Bank.

Terms defined in the Indenture and not otherwise defined herein are used herein as so defined.

007003

1. Representations and Warranties of Issuer and Borrower. The Issuer hereby confirms to the Purchaser its representations and warranties made in the Indenture. The Borrower hereby confirms to the Purchaser and the Issuer the representations, warranties and covenants of the Borrower made in the Indenture.

2. Purchase, Sale and Delivery of Bonds. On the basis of the representations and warranties herein contained, and subject to the terms and conditions herein set forth, the Issuer agrees to sell to the Purchaser and the Purchaser agrees to purchase from the Issuer, the Bonds at par. Payment shall be made in a manner agreeable to the Purchaser and the Trustee at the Closing at the office of Ropes & Gray in Boston, Massachusetts. The Closing shall be held at 10:00 a.m. on December 31, 1986 or such other time and place as may otherwise be agreed to by the Purchaser and the Issuer.

3. Conditions of Purchaser's Obligations. The obligations of the Purchaser are subject to the compliance by the Issuer and the Borrower with their respective agreements herein contained and to the following conditions:

3.1. At the Closing, the Purchaser shall receive from Ropes & Gray, special counsel to the Bank, Kutak Rock & Campbell, Bond Counsel, and George Lafaye, Counsel to the Borrower, their favorable opinions with respect to the transactions contemplated by this Agreement and the Indenture. All such opinions shall be in form and substance satisfactory to the Purchaser and to counsel to the Purchaser.

3.2. The Purchaser shall also receive at the Closing conformed execution copies of the Letter of Credit and the Indenture and each other Basic Agreement (as defined in the Reimbursement Agreement), excluding the Remarketing Agreement, and such additional certificates, instruments, opinions or other documents the Purchaser or its counsel shall reasonably request. All instruments and legal proceedings in connection with the transactions contemplated hereby shall be satisfactory to the Purchaser.

3.3. Between the date hereof and the Closing, none of the following events shall have occurred:

(a) enactment by Congress of legislation or the rendering of a decision by a Court established under Article III of the Constitution of the United States, or the Tax Court of the United States, or the issuance of an order, ruling or regulation by the Treasury Department of the United States or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing a federal income taxation upon such

revenues or other income as would be derived by the Issuer under the Loan, or such interest as would be received by the holders from time to time of the Bonds; or

(b) the occurrence of a material adverse change in the national financial economic situation of the United States and the establishment of a general banking moratorium by federal, Massachusetts or South Carolina authorities; or

(c) the issuance of an order, decree or injunction of any court of competent jurisdiction, or the issuance or commencement of any order, ruling, regulation or administrative proceeding by any governmental body or board, or the enactment of legislation by Congress, with the purpose or effect of prohibiting the offering or sale of the Bonds, or of establishing controls over prices or wages; or

(d) the United States of America shall have become engaged in hostilities which have resulted in a declaration of a national emergency or a declaration of war.

4. Condition of Issuer's Obligations. The Issuer's obligations hereunder are subject to the following conditions:

4.1. The performance by the Purchaser of its obligations hereunder; and

4.2. The satisfaction of the conditions in Section 3, including receipt of the opinions referred to in Section 3.1.

5. Payment of Fees and Expenses. The Borrower agrees to pay out of the proceeds of the Bonds or otherwise all costs and expenses of the Issuer related to the performance of its obligations under this Bond Purchase Agreement and the Indenture until the Bonds are defeased, including without limitation all reasonable expenses related to the issuance and delivery of the Bonds to the Purchaser, the reasonable fees and expenses of the Issuer's counsel and Bond Counsel and the costs and expenses (including printing or other duplication) of preparing this Bond Purchase Agreement, the Indenture, the Bonds (including temporary Bonds and printed definitive Bonds) and related documents. In addition, the Borrower agrees to pay all out-of-pocket costs and expenses of the Purchaser, including the reasonable fees and expenses of its counsel not in excess of \$2,000.

6. Indemnification by Borrower. To induce the Issuer to execute and deliver this Agreement and to issue and sell the Bonds and to induce the Purchaser to purchase the Bonds, the Borrower agrees to the extent permitted by law (i) to defend, indemnify and hold the Issuer, the members of the governing body



of the Issuer, the Purchaser and their respective directors, officers, officials, employees and agents harmless from and against any and all losses, costs, expenses, claims, actions, damages and liabilities (as and when the same may be incurred or suffered) arising out of or connected with representations made or materials furnished by the Borrower to anyone in connection with the issuance, sale or any resale of the Bonds, or the accuracy or completeness thereof; and (ii) to comply with any information disclosure requirements which may be applicable to the Borrower, its general partners or any guarantor of the Borrower or the Bonds under federal or state securities laws in respect of any such resale of the Bonds. The Borrower agrees to defend, indemnify and hold the Purchaser and its directors, officers, employees, and agents harmless from and against any and all claims for brokerage commissions, finder's fees and the like concerning the Bonds and the Purchaser's purchase thereof.

7. Representations and Agreements of Purchaser. The Purchaser represents and agrees with the Issuer and the Borrower as follows:

7.1. The Purchaser has not requested or received from (nor does the Purchaser expect to receive from) the Issuer, any of the members of its governing body or any of its directors, officers, employees or agents any information with respect to the Borrower or its general partners, any lessee or lessor of the Project, any guarantor of the Borrower or the Bonds, the Bonds or the sufficiency of any security therefor, except for any such information which is included within the representations and warranties of the Issuer in this Bond Purchase Agreement, the Indenture or in any other instrument delivered to the Purchaser by or on behalf of the Issuer in connection with the transactions contemplated hereby or thereby.

7.2. The Purchaser has not relied and does not rely on any findings made by the Issuer as constituting information with respect to the Borrower, any lessee of the Project, any guarantor of the Borrower or the Bonds, the Bonds or the sufficiency of any security purported to be afforded therefor.

7.3. The Issuer, the members of its governing body and its officials, officers, employees and agents have no responsibility to the Purchaser for the accuracy or completeness of information obtained by the Purchaser from any source regarding the Borrower or its general partners, any lessee or lessor of the Project or any guarantor of the Borrower or the Bonds or their assets, business, circumstances, financial condition and properties, or regarding the Bonds or the sufficiency of any security therefor or, subject only to the exception stated in Section 7.1, for the accuracy of any such information; and the Purchaser acknowledges that, as between

007006

itself and the Issuer, the Purchaser assumes responsibility for obtaining such information and making such investigation as it deems necessary or desirable in connection with its decision to purchase the Bonds.

7.4. The Purchaser is a regulated investment company or other sophisticated investor.

7.5. The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Bonds.

7.6. The Purchaser is financially able to bear the economic risk of its proposed investment in the Bonds for an indefinite period.

7.7. The Purchaser received all financial and other information with respect to the Bonds, the Borrower, the officers and partners of the Borrower and the Bank which it deems necessary in order to enable it to evaluate the merits and risks of its investment in the Bonds and to make an informed investment judgment in connection with the purchase of the Bonds.

7.8. The Purchaser has had the opportunity to ask questions of, and receive answers from, the Issuer and the Borrower concerning the terms and conditions of the offering and any other information which it has deemed relevant to the Bonds and its investment in the Bonds.

7.9. The Bonds are being purchased for the account of the Purchaser and for the purpose of investment and not presently for resale, subject to the Purchaser's right of tender under Article 4 of the Indenture, and the Purchaser has no present intention of offering the Bonds or any portion thereof for resale either currently or after the passage of a fixed period of time, or upon the occurrence or nonoccurrence of any predetermined event or circumstances.

7.10. In the event the Purchaser sells, or issues a participation interest in, any of the Bonds at some future time, it may do so, so long as it complies with any applicable federal and state securities laws then in effect.

7.11. The Purchaser has full power and authority to purchase the Bonds in accordance with the terms and conditions of this Agreement.

7.12. Subject only to the exception stated in Section 7.1, the Purchaser has not relied on and does not rely on any action taken by the Issuer, including but not limited to issuance of the Bonds, that the Bonds, the Borrower or the Project comply with the provisions of the Enabling Act.

The foregoing representations and warranties shall survive the making of this Bond Purchase Agreement and the execution and delivery of the Bonds and the instruments and documents contemplated hereby.

8. Notices. All communications hereunder shall be in writing and shall be deemed to be sufficiently given if sent by registered or certified mail or delivered during business hours to the Issuer or the Borrower, as the case may be, at its Notice Address and, in the case of the Purchaser, to it at its address set forth in Exhibit A hereto, or to such other address as any of the foregoing shall have specified in writing to the others.

9. Survival of Provisions. All representations and agreements of the parties hereto shall remain in full effect, regardless of any investigation made by or on behalf of any party, and shall continue in effect notwithstanding the delivery of the Bonds to the Purchaser. The obligations of the Borrower under Sections 5 and 6 shall survive the payment or redemption of the Bonds.

10. Applicable Law; Assignment. This Agreement shall be governed by the laws of the State of South Carolina and may not be assigned by the Issuer. Subject to the Purchaser's representation in Section 7.5, and with the exception of the Purchaser's rights under Section 2, this Agreement may be assigned by the Purchaser.

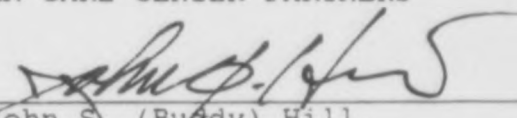
11. No Liability of Issuer's Personnel. All covenants, stipulations, promises, agreements and obligations of the Issuer contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member of the governing body of the Issuer or any officer, 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, servant or employee of the Issuer.

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to each of the Issuer and the Borrower an enclosed counterpart, whereupon this Agreement will constitute a binding agreement among the Issuer, the Borrower and the Purchaser in accordance with its terms.

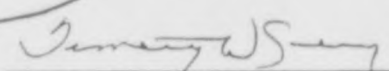
Yours very truly,

MERIDIAN CARE CENTER PARTNERS

By

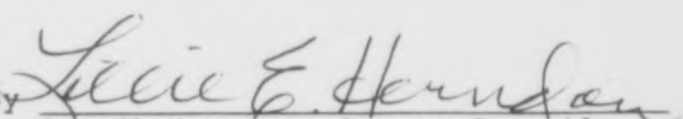
  
John S. (Buddy) Hill,  
as general partner

By

  
Timothy O'Leary,  
as general partner

RICHLAND COUNTY, SOUTH CAROLINA

By

  
Lillie E. Hernandez  
Its Chairwoman, County Council

EXHIBIT

DEC 16 1986

NO. 15

STATE BUDGET & CONTROL BOARD

007009



The foregoing Bond Purchase Agreement is hereby accepted as of the date first above written.

BOSTON SAFE DEPOSIT AND TRUST COMPANY

By Walter J. Ladd  
Its Investment Officer

## EXHIBIT

DEC 16 1986

NO. 15

STATE BUDGET & CONTROL BOARD

16800



TRANSMITTAL FORM, REVENUE BONDS

DEC 10 1986  
11:37 A.M.  
KL

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

FROM: McNAIR LAW FIRM, P.A.  
Name of Law Firm  
1301 Gervais - 18th Floor  
Street  
Columbia, SC 29201  
City, State, Zip Code

RE: \$2,488,000 Richland County, S.C.  
Amount of Issue, Local Government Issuer  
Hospital Facilities Revenue Bonds  
Type of Bonds/Notes  
(Meridian Care Center Partners Project)  
Name of Project

EXHIBIT

NO. 15  
DEC 16 1986

STATE BUDGET & CONTROL BOARD

Date: December 10, 1986

Telephone Area Code 803  
Number: 799-9800

Submitted for BCB Meeting of:  
December 16, 1986

Private Activity Bonds:  
☒ YES ☐ NO

Projected Issue Date:  
Prior to 12/31/86

Project Description: The Project will consist of a combined nursing home/retirement home center with up to 44 skilled care beds, 44

~~intermediate care beds and 150 living units~~

Number of persons to be employed: 27 full time

Documents Enclosed:

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

- A. ☒ Petition (executed original and two copies)
- B. ☒ Resolution or ordinance (executed copy)
- C. ☒ Inducement Resolution or comparable preliminary approval (executed copy)
- D. ☒ Standard Form Investment Letter from purchaser of bonds (executed original)  
(Purchaser: See attached letter) OR  
Audited financial statements for three most recent years
- E. ☒ Department of Health and Environmental Control certificate  
☒ Required ☐ Not Required
- F. ☒ Budget and Control Board Resolution and Public Notice  
Original (and 9 copies for certification and return)
- G. ☒ Processing fee  
Amount \$ 3,000 Check No. 34162

Payor BRIM & ASSOCIATES, INC.

McNAIR LAW FIRM, P.A. as local  
counsel

Bond Counsel: KUTAK ROCK & CAMPBELL  
Typed Name  
1101 Connecticut Ave., N.W.  
Washington, DC 20036

By: Signature

007011



**BANK OF BOSTON**

# EXHIBIT

DEC 16 1986

NO. 15

STATE BUDGET & CONTROL BOARD

December 9, 1986

Secretary, State Budget and Control Board  
P.O. Box 12444  
Columbia, South Carolina 29211

Re: Proposed \$2,500,000 Richland County, South Carolina  
Adjustable/Fixed Rate Industrial Development  
Revenue Bonds (Meridian Care Center  
Partners Project) 1986

Ladies and Gentlemen:

We have been requested by Meridian Care Center Partners, a South Carolina general partnership ("Meridian"), to undertake to use our best efforts to effect the placement of the above-referenced industrial development revenue bonds (the "Bonds"). It is contemplated that the Bonds will be secured by a letter of credit of [LOC Bank] and will be subject to a right of the holders to tender Bonds for purchase or redemption at par plus accrued on seven days' notice.

We have been advised of a requirement that the initial purchaser or purchasers of the Bonds execute your standard form investment letter. The initial purchaser or purchasers of the Bonds have not yet been identified. However, it is our standard practice in transactions of this nature to require that the initial purchaser or purchasers execute a bond purchase agreement containing investment representations similar to those in your standard form investment letter. Enclosed is a copy of a bond purchase agreement which has been revised to include, in paragraphs 7.5 through 7.9, representations similar to those

**007012**

Secretary, State Budget  
and Control Board

-2-

December 9, 1986

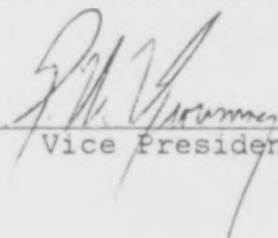
required by your form but revised in certain particulars to reflect the nature of the proposed transaction. These changes have been marked for identification.

We agree that we will require each initial purchaser of the Bonds to execute a bond purchase agreement containing representations substantially in the form of paragraphs 7.5 through 7.9 of the enclosed form of bond purchase agreement.

Very truly yours,

The First National Bank of Boston

By

  
Vice President

Draft of December 7, 1986

BOND PURCHASE AGREEMENT

13

among

1.15

RICHLAND COUNTY, SOUTH CAROLINA

1.17

and

1.19

MERIDIAN CARE CENTER PARTNERS

1.21

and

1.23

\_\_\_\_\_, as Purchaser

\* \* \* \* \*

1.27

\$2,500,000

Richland County, South Carolina

Adjustable/Fixed Rate Industrial

Development Revenue Bonds

(Meridian Care Center Partners Project) 1986

1.33

\* \* \* \* \*

\* \* \* \* \*

1.37

Dated as of December 1, 1986

1.39

\* \* \* \* \*

007014

Richland County, South Carolina  
\$2,500,000 Adjustable/Fixed Rate Industrial  
Development Revenue Bonds  
(Meridian Care Center Partners Project) 1986

1.51

BOND PURCHASE AGREEMENT

Dated as of December 1, 1986

NAME

1.59

ADDRESS

2.01

Ladies and Gentlemen:

BKOB144... Richland County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (the "Issuer"), and Meridian Care Center Partners, a South Carolina general partnership (the "Borrower"), hereby agree with you (the "Purchaser") as follows regarding your purchase of \$2,500,000 Adjustable/Fixed Rate Industrial Development Revenue Bonds (Meridian Care Center Partners Project) 1986 of the Issuer (the "Bonds"). The Bonds are to be issued initially in fully-registered form in denominations of not less than \$500,000 and integral multiples of \$5,000 greater than \$500,000 pursuant to an Indenture of Trust and Agreement of even date herewith (the "Indenture"), to be entered into among the Issuer, the Borrower, The First National Bank of Boston, as Trustee (the "Trustee"), and [LOC Bank] (the "Bank"). Principal of and interest on the Bonds during the Adjustable Rate Period (as defined in the Indenture) are to be secured further by a letter of credit (the "Letter of Credit") in the stated amount of \$2,638,699, of which \$2,500,000 shall be in respect of principal of the Bonds and \$138,699 shall be in respect of up to 135 days interest accrued on the Bonds on or prior to the stated maturity thereof (calculated at the

007015



rate of 15% per annum), issued pursuant to a Reimbursement Agreement of even date herewith (the "Reimbursement Agreement") between the Borrower and the Bank.

2.25 Terms defined in the Indenture and not otherwise defined herein are used herein as so defined.

88 1. REPRESENTATIONS AND WARRANTIES OF ISSUER AND BORROWER. The Issuer hereby confirms to the Purchaser its representations and warranties made in the Indenture. The Borrower hereby confirms to the Purchaser and the Issuer the representations, warranties and covenants of the Borrower made in the Indenture.

2.36 2. PURCHASE, SALE AND DELIVERY OF BONDS. On the basis of the representations and warranties herein contained, and subject to the terms and conditions herein set forth, the Issuer agrees to sell to the Purchaser and the Purchaser agrees to purchase from the Issuer, the Bonds at par. Payment shall be made in a manner agreeable to the Purchaser and the Trustee at the Closing at the office of \_\_\_\_\_, in \_\_\_\_\_. The Closing shall be held at 10:00 a.m. on December \_\_, 1986 or such other time and place as may otherwise be agreed to by the Purchaser and the Issuer.

2.48 3. CONDITIONS OF PURCHASER'S OBLIGATIONS. The obligations of the Purchaser are subject to the compliance by the Issuer and the Borrower with their respective agreements herein contained and to the following conditions:

3.1. At the Closing, the Purchaser shall receive from McNair Glenn Konduros Corley Singletary Porter & Dibble, P.A., Bond Counsel, \_\_\_\_\_, special counsel to the Bank, and \_\_\_\_\_, counsel to the Borrower, their favorable opinions with respect to the transactions contemplated by this Agreement and the Indenture. All such opinions shall be in form and substance satisfactory to the Purchaser and to counsel to the Purchaser.

3.2. The Purchaser shall also receive at the Closing conformed execution copies of the Letter of Credit, and the Indenture, and such additional certificates, instruments, opinions or other documents the Purchaser or its counsel or \_\_\_\_\_ shall reasonably request. All instruments and legal proceedings in connection with the transactions contemplated hereby shall be satisfactory to the Purchaser.

3.3. Between the date hereof and the Closing, none of the following events shall have occurred:

- 3.17 (a) enactment by Congress of legislation or the rendering of a decision by a Court established under Article III of the Constitution of the United States, or the Tax Court of the United States, or the issuance of an order, ruling or regulation by the Treasury Department of the United States or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon such revenues or other income as would be derived by the Issuer under the Loan, or such interest as would be received by the holders from time to time of the Bonds; or
- 3.25 (b) the occurrence of a material adverse change in the national financial economic situation of the United States and the establishment of a general banking moratorium by federal or South Carolina authorities; or
- 3.29 (c) the issuance of an order, decree or injunction of any court of competent jurisdiction, or the issuance or commencement of any order, ruling, regulation or administrative proceeding by any governmental body or board, or the enactment of legislation by Congress, with the purpose or effect of prohibiting the offering or sale of the Bonds, or of establishing controls over prices or wages; or
- 3.35 (d) the United States of America shall have become engaged in hostilities which have resulted in a declaration of a national emergency or a declaration of war.
- 3.38 4. CONDITION OF ISSUER'S OBLIGATIONS. The Issuer's obligations hereunder are subject to the following conditions:

4.1. The performance by the Purchaser of its obligations hereunder; and

4.2. The satisfaction of the conditions in Section 3, including receipt of the opinions referred to in Section 3.1.

3.49

5. PAYMENT OF FEES AND EXPENSES. The Borrower agrees to pay out of the proceeds of the Bonds or otherwise all costs and expenses of the Issuer related to the performance of its obligations under this Bond Purchase Agreement and the Indenture until the Bonds are defeased, including without limitation all reasonable expenses related to the issuance and delivery of the Bonds to the Purchaser, the reasonable fees and expenses of the Issuer's counsel and Bond Counsel and the costs and expenses (including printing or other duplication) of preparing this Bond Purchase Agreement, the Indenture, the Bonds (including temporary Bonds and printed definitive Bonds) and related documents. In addition, the Borrower agrees to pay all out-of-pocket costs and expenses of the Purchaser, including the reasonable fees and expenses of its counsel not in excess of \$2,000.

4.04

6. INDEMNIFICATION BY BORROWER. To induce the Issuer to execute and deliver this Agreement and to issue and sell the Bonds and to induce the Purchaser to purchase the Bonds, the Borrower agrees (i) to defend, indemnify and hold the Issuer, the members of the governing body of the Issuer, the Purchaser and their respective directors, officers, officials, servants, employees and agents harmless from and against any and all losses, costs, expenses, claims, actions, damages and liabilities (as and when the same may be incurred or suffered) arising out of or connected with representations made or materials furnished by the Borrower to anyone in connection with the issuance, sale or any resale of the Bonds, or the accuracy or completeness thereof; and (ii) to comply with any information disclosure requirements which may be applicable to the Borrower under federal or state securities laws in respect of any such resale of the Bonds. The Borrower agrees to defend, indemnify and hold the Purchaser and its directors, officers, employees and agents harmless from and against any and all claims for brokerage commissions, finder's fees and the like concerning the Bonds and the Purchaser's purchase thereof.

4.26

7. REPRESENTATIONS AND AGREEMENTS OF PURCHASER. The Purchaser represents and agrees with the Issuer and the Borrower as follows:

7.1. The Purchaser has not requested or received from (nor does the Purchaser expect to receive from) the Issuer, any of the members of its governing body or any of its officials, officers, servants, employees or agents any information with respect to the Borrower, any lessee of the Project, any guarantor of the Borrower or the Bonds, the Bonds or the sufficiency of any security therefor, except for any such information which is included within the

representations and warranties of the Issuer in this Bond Purchase Agreement, the Indenture or in any other instrument delivered to the Purchaser by or on behalf of the Issuer in connection with the transactions contemplated hereby or thereby.

7.2. The Purchaser has not relied and does not rely on any findings made by the Issuer as constituting information with respect to the Borrower, any lessee of the Project, any guarantor of the Borrower or the Bonds, the Bonds or the sufficiency of any security purported to be afforded therefor.

7.3. The Issuer, the members of its governing body and its officials, officers, servants, employees and agents have no responsibility to the Purchaser for the accuracy or completeness of information obtained by the Purchaser from any source regarding the Borrower, any lessee of the Project or any guarantor of the Borrower or the Bonds or their assets, business, circumstances, financial condition and properties, or regarding the Bonds or the sufficiency of any security therefor or, subject only to the exception stated in Section 7.1, for the accuracy of any such information; and the Purchaser acknowledges that, as between itself and the Issuer, the Purchaser assumes responsibility for obtaining such information and making such investigation as it deems necessary or desirable in connection with its decision to purchase the Bonds.

7.4. The Purchaser is a regulated investment company or other sophisticated investor.

7.5. The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Bonds.

7.6. The Purchaser is financially able to bear the economic risk of its proposed investment in the Bonds for an indefinite period.

7.7. The Purchaser received all financial and other information with respect to the Bonds, the Borrower, the officers and partners of the Borrower and the Bank which it deems necessary in order to enable it to evaluate the merits and risks of its investment in the Bonds and to make an informed investment judgment in connection with the purchase of the Bonds.



7.8. The Purchaser has had the opportunity to ask questions of, and receive answers from, the Issuer and the Borrower concerning the terms and conditions of the offering and any other information which it has deemed relevant to the Bonds and its investment in the Bonds.

7.9. The Bonds are being purchased for the account of the Purchaser and for the purpose of investment and not presently for resale, subject to the Purchaser's right of tender under Article 4 of the Indenture, and the Purchaser has no present intention of offering the Bonds or any portion thereof for resale either currently or after the passage of a fixed period of time, or upon the occurrence or nonoccurrence of any predetermined event or circumstances.

7.10. In the event the Purchaser sells, or issues a participation interest in, any of the Bonds at some future time, it may do so, so long as it complies with any applicable federal and state securities laws then in effect.

7.11. The Purchaser has full power and authority to purchase the Bonds in accordance with the terms and conditions of this Agreement.

7.12. Subject only to the exception stated in Section 7.1, the Purchaser has not relied on and does not rely on any action taken by the Issuer, including but not limited to issuance of the Bonds, that the Bonds, the Borrower or the Project comply with the provisions of the Enabling Act.

5.52 The foregoing representations and warranties shall survive the making of this Bond Purchase Agreement and the execution and delivery of the Bonds and the instruments and documents contemplated hereby.

5.55 8. NOTICES. All communications hereunder shall be in writing and shall be deemed to be sufficiently given if sent by registered or certified mail or delivered during business hours to the Issuer or the Borrower, as the case may be, at its Notice Address and, in the case of the Purchaser, to it at its address set forth on the first page of this Agreement, or to such other address as any of the foregoing shall have specified in writing to the others.



- 6.03 9. SURVIVAL OF PROVISIONS. All representations and agreements of the parties hereto shall remain in full effect, regardless of any investigation made by or on behalf of any party, and shall continue in effect notwithstanding the delivery of the Bonds to the Purchaser. The obligations of the Borrower under Sections 5 and 6 shall survive the payment or redemption of the Bonds.
- 6.10 10. APPLICABLE LAW; ASSIGNMENT. This Agreement shall be governed by the laws of the State of South Carolina and may not be assigned by the Issuer. Subject to the Purchaser's representation in Section 7.5, and with the exception of the Purchaser's rights under Section 2, this Agreement may be assigned by the Purchaser.
- 6.16 11. 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, servant or employee of the Issuer.
- 6.26 If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to each of the Issuer and the Borrower an enclosed counterpart,

whereupon this Agreement will constitute a binding agreement among the Issuer, the Borrower and the Purchaser in accordance with its terms.

6.35

Yours very truly,

6.37

338

6.39

RICHLAND COUNTY, SOUTH  
CAROLINA

6.42

6.43

6.44

6.45

By \_\_\_\_\_, Chairman  
County Council of Richland  
County, South Carolina

6.48

MERIDIAN CARE CENTERS  
PARTNERS

6.51

6.52

By \_\_\_\_\_  
General Partner

The foregoing Bond Purchase  
Agreement is hereby accepted  
as of December 1, 1986.

6.56

[Name of Purchaser]

By \_\_\_\_\_  
Title:

EXHIBIT DEC 30 1986  
10:00 A.M.

DEC 16 1986

NO. 15

KUTAK ROCK & CAMPBELL

A PARTNERSHIP  
INCLUDING PROFESSIONAL CORPORATIONS

1101 CONNECTICUT AVENUE, N.W.

WASHINGTON, D. C. 20036

(202) 828-2400

STATE BUDGET & CONTROL BOARD

ATLANTA  
DENVER  
NEW YORK  
OMAHA

December 29, 1986

BY FEDERAL EXPRESS

William A. McInnis  
South Carolina State Budget  
and Control Board  
407 Wade Hampton Office Bldg.  
Columbia, South Carolina 29201

RE: Meridian Care Center

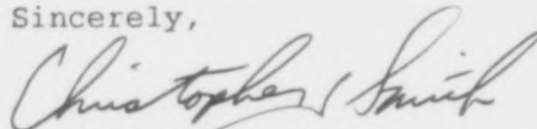
Dear Mr. McInnis:

Our firm is acting as Bond Counsel in connection with the above-referenced financings.

Pursuant to our conversation this morning, by this letter we are requesting final volume cap allocation for the Richland County, South Carolina Hospital Facilities Revenue Bonds (Meridian Care Center Partners) 1986 in the amount of \$2,485,000 (please note revised figure). Closing of this issue will now occur on December 31, 1986.

As I mentioned, Ms. Stephanie Allgaier of our office will be in Columbia tomorrow, December 30th, and will pick up a copy of the final volume allocation from your office. Again, your assistance is appreciated.

Sincerely,



Christopher J. Smith  
Legal Assistant

007023

**FEDERAL  
EXPRESS**

PLEASE COMPLETE ALL INFORMATION IN THE BLOCKS OUTLINED IN ORANGE  
SEE BACK OF FORM SET FOR COMPLETE INFORMATION INSTRUCTIONS.

AIRBILL NUMBER  
**385282634**



FROM (Your Name) 101-200-1-2

COMPANY W. H. & C. Inc. DEPARTMENT/FLOOR NO.

STREET ADDRESS 11000 Highway 110

CITY Wichita STATE KS

TO Recipient's Name 101-200-1-2

COMPANY W. H. & C. Inc. DEPARTMENT/FLOOR NO.

STREET ADDRESS (P.O. BOX NUMBERS ARE NOT DELIVERABLE) 11000 Highway 110

CITY Wichita STATE KS

ZIP ACCOUNT or CODE REQUIRED  
FOR CREDIT INVOICE

ZIP ACCOUNT or CODE REQUIRED  
FOR CREDIT DELIVERY

AIRBILL NO. **385282634**

YOUR NOTES/REFERENCE NUMBERS (FIRST 12 CHARACTERS WILL ALSO APPEAR ON INVOICE)

IN TENDERING THIS SHIPMENT SHIPPER AGREES THAT  
F.E.C. SHALL NOT BE LIABLE FOR SPECIAL INCIDENT-  
TAL OR CONSEQUENTIAL DAMAGES ARISING FROM

CARRIAGE HEREOF, F.E.C. DOES  
CLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WITH  
RESPECT TO THIS SHIPMENT THIS IS A NON-NEGOTIABLE  
AIRBILL SUBJECT TO CONDITIONS OF CONTRACT SET FORTH  
ON REVERSE OF SHIPPER'S COPY UNLESS YOU DECLARE A  
HIGHER VALUE. THE LIABILITY OF FEDERAL EXPRESS COR-  
PORATION IS LIMITED TO \$500.00 FEDERAL EXPRESS DOES  
NOT CARRY CARBO LIABILITY INSURANCE.

FEDERAL EXPRESS USE  
FREIGHT CHARGES  
DECLARED VALUE CHARGE

PAYMENT ☐ Bill Shipper ☒ Bill Recipient's F.E.C. Acct ☐ Bill 3rd Party F.E.C. Acct ☐ Bill Credit Card

Account Number/Credit Card Number 101-200-1-2

SERVICES ☐ Cash in Advance ☐ Overnight Letters

CHECK ONLY ONE BOX

PRIORITY 1 ☐ OVERNIGHT PACK ☐ OVERNIGHT LETTERS

1 ☐ OVERNIGHT PACK (1st class) (1st class)  
2 ☐ OVERNIGHT PACK (2nd class) (2nd class)  
3 ☐ OVERNIGHT PACK (3rd class) (3rd class)  
4 ☐ OVERNIGHT PACK (4th class) (4th class)  
5 ☐ OVERNIGHT PACK (5th class) (5th class)  
6 ☐ OVERNIGHT PACK (6th class) (6th class)  
7 ☐ OVERNIGHT PACK (7th class) (7th class)  
8 ☐ OVERNIGHT PACK (8th class) (8th class)  
9 ☐ OVERNIGHT PACK (9th class) (9th class)

STANDARD AIR ☐ DELIVERY TIME ESTIMATE  
1 DAY 7:00 AM MON-FRI  
2 DAY 7:00 AM MON-FRI  
3 DAY 7:00 AM MON-FRI  
4 DAY 7:00 AM MON-FRI  
5 DAY 7:00 AM MON-FRI  
6 DAY 7:00 AM MON-FRI  
7 DAY 7:00 AM MON-FRI  
8 DAY 7:00 AM MON-FRI  
9 DAY 7:00 AM MON-FRI

DELIVERY AND SPECIAL HANDLING  
CHECK SERVICES REQUIRED

1 ☐ DELIVERY AND SPECIAL HANDLING  
2 ☐ DELIVERY AND SPECIAL HANDLING  
3 ☐ DELIVERY AND SPECIAL HANDLING  
4 ☐ DELIVERY AND SPECIAL HANDLING  
5 ☐ DELIVERY AND SPECIAL HANDLING  
6 ☐ DELIVERY AND SPECIAL HANDLING  
7 ☐ DELIVERY AND SPECIAL HANDLING  
8 ☐ DELIVERY AND SPECIAL HANDLING  
9 ☐ DELIVERY AND SPECIAL HANDLING

PACKAGES WEIGHT OZS

PACKAGES	WEIGHT	OZS
1		
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3		
4		
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7		
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RECEIVED AT 101-200-1-2

SHIPPER'S WORK 101-200-1-2

REGULAR STOP 101-200-1-2

DATE/TIME Fed Express Use 101-200-1-2



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A PARTNERSHIP  
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WASHINGTON, D. C. 20036

(202) 828-2400

ATLANTA  
DENVER  
NEW YORK  
OMAHA

*Christopher  
Smith*

*2487*

EXHIBIT

DEC 16 1986

NO. 1 5

December 22, 1986

STATE BUDGET & CONTROL BOARD

BY FEDERAL EXPRESS

William A. McInnis  
South Carolina State Budget  
and Control Board  
407 Wade Hampton Office Bldg.  
Columbia, South Carolina 29201

RE: Meridian Care Center

Dear Mr. McInnis:

Our firm is acting as Bond Counsel in connection with the above-referenced financings.

By this letter we request final volume cap allocation for the Richland County, South Carolina Hospital Facilities Revenue Bonds (Meridian Care Center Partners) 1986 in the amount of \$2,488,000. Closing of this issue will occur on December 30, 1986.

We would appreciate your forwarding a copy of the final volume allocation to the undersigned by federal express. Please charge our federal express number (0200-1865-8). Your assistance is appreciated.

Sincerely,

*Arlene Fine*  
Arlene Fine

*2,488,000*

*12/31*

007025



JAN 15 1987

The State of South Carolina



Office of the Attorney General

EXHIBIT

DEC 16 1986

NO. 16

STATE BUDGET & CONTROL BOARD

T. TRAVIS MEDLOCK  
ATTORNEY GENERAL

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

January 15, 1987

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

Re: Not exceeding \$2,800,000 McCormick County,  
South Carolina, Hospital Facilities  
Revenue Bonds  
(McCormick County Nursing Center Project)

Dear Mr. McInnis:

Regarding the above-referenced bond and our earlier opinion of December 18, 1986, we have reviewed the Petition and other documents including the revised Board Resolution submitted to the State Budget and Control Board for its approval pursuant to Sections 44-7-1590, et seq., Code of Laws of South Carolina, 1976, as amended, and the same appear, in our opinion, to be in order.

This opinion addresses only the legal sufficiency of the documents you have provided for our review. No opinion is expressed as to any other matters, including whether the Petition should be approved as a matter of policy.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Wlter", which is likely a stylized signature of David C. Eckstrom.

David C. Eckstrom  
Assistant Attorney General

DCE/dac

007026

## The State of South Carolina

DEC 19 1986

4:45 PM



## EXHIBIT

DEC 16 1986

NO. 16

Office of the Attorney General

STATE BUDGET &amp; CONTROL BOARD

T. TRAVIS MEDLOCK  
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING  
POST OFFICE BOX 11549  
COLUMBIA, S.C. 29211  
TELEPHONE 803.734.3680

December 18, 1986

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

Re: Not exceeding \$2,800,000 McCormick County,  
South Carolina, Hospital Facilities  
Revenue Bonds  
(McCormick County Nursing Center Project)

Dear Mr. McInnis:

Regarding the above-referenced bond, we have reviewed the Petition and other documents submitted to the State Budget and Control Board for its approval pursuant to Sections 44-7-1590, 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/dac

Enclosures

007027

JAN - 9 1987

State of South Carolina



EXHIBIT

DEC 16 1986

NO. 1 6

STATE BUDGET & CONTROL BOARD

State Budget and Control Board

OFFICE OF THE STATE AUDITOR

P.O. BOX 11333

COLUMBIA, S.C.

29211

(803) 734-1727


EDGAR A. VAUGHN, JR., CPA  
STATE AUDITOR

MARGARET C. STILWELL, CPA  
DEPUTY STATE AUDITOR

January 9, 1987

MEMORANDUM

TO: William A. McInnis, Secretary  
State Budget and Control Board

FROM: Edgar A. Vaughn, Jr.   
State Auditor

SUBJECT: \$2,800,000 Hospital Facilities Revenue Bonds (McCormick  
County Nursing Center Project)

I have reviewed the feasibility study prepared by J. O. Baker & Co., Certified Public Accountants, Atlanta, Georgia with respect to this project. Based on my review of this feasibility study, I see no reason for disapproving this issue. However there are factors involved in this project which should be pointed out:

1. McCormick County is the owner of this facility. Although there does not appear to be any legal obligation on the part of McCormick County to cover the payment of principal and interest on these bonds in the event of a default, the credit of the County could be adversely affected if it did not assume the liability for the payment of the principal and interest should a default occur.
2. This is an eighty-eight bed facility. Forty-four of these beds are assisted care private pay. Problems could occur if these private pay beds are not filled in accordance with the projections made in the feasibility study.
3. According to the feasibility study, management fees are subordinated to the payment of principal and interest. This would provide some degree of protection to the bond holders.

EAV/jp

007028

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR  
GRADY L. PATTERSON, JR.  
STATE TREASURER

STATE BUDGET & CONTROL BOARD  
EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL  
REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE  
JESSE A. COLES, JR.  
EXECUTIVE DIRECTOR

# EXHIBIT

STATE OF SOUTH CAROLINA )

McCormick County Nursing Center

DEC 16 1986

NO. 16

COUNTY OF RICHLAND )

STATE BUDGET & CONTROL BOARD

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

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

His Excellency, Carroll A. Campbell, Jr., Governor and  
Chairman of the Board;

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

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

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

The Honorable Robert N. McLellan, Chairman of the House  
Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 10 A. M., on Friday, January 16, 1987, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting.

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

FOR MOTION

5

AGAINST MOTION

0

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

January 16, 1987

William A. McInnis

007029

# EXHIBIT

DEC 16 1986

NO. 1 6

## A RESOLUTION

## STATE BUDGET & CONTROL BOARD

APPROVING THE ISSUANCE BY MCCORMICK COUNTY, SOUTH CAROLINA, OF NOT EXCEEDING \$2,800,000 HOSPITAL FACILITIES REVENUE BONDS, SERIES 1987 (MCCORMICK COUNTY NURSING CENTER PROJECT), PURSUANT TO THE PROVISIONS OF TITLE 44, CHAPTER 7, ARTICLE 11, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

WHEREAS, the County Council of McCormick County, South Carolina (the County Board) has heretofore, by submitting a petition (the Petition), under and pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the Act), requested the approval by the State Budget and Control Board of the issuance by McCormick County (the County), pursuant to the Act, of its Hospital Facilities Revenue Bonds (as defined in the Act), Series 1986 (McCormick County Nursing Center Project), in an aggregate principal amount of not exceeding \$2,800,000 (the Bonds); and

WHEREAS, the County Board now proposes to issue its not exceeding \$2,800,000 Hospital Facilities Revenue Bonds of McCormick County pursuant to the Act, for the purpose of defraying the cost of the acquisition, construction and equipping of an eighty-eight (88) bed skilled and intermediate care nursing home and community residential care facility on seven (7) acres of land located on S.C. Highway No. 7 approximately 1/3 of a mile southeast of the intersection with U.S. Highway 378, to be owned by the County and operated pursuant to a management contract as hereinafter provided (such acquired, constructed and equipped facilities being hereinafter referred to as the Hospital Facilities) which Hospital Facilities constitute "hospital

007020



facilities", as defined in the Act, pursuant to the provision of a resolution adopted by the County Board; and

WHEREAS, the County intends to enter into a five (5) year management contract (the Management Contract) with WMR, Incorporated, a corporation organized and existing under the laws of the State of South Carolina, (the Management Company) pursuant to which the Management Company will have the full responsibility to operate and maintain the Hospital Facilities. In the event the County Board shall be required to operate and maintain the Hospital Facilities, any expense it incurs will be payable solely from the revenues and receipts of the Hospital Facilities; and

WHEREAS, it is proposed that the Bonds will be payable solely from the revenues and receipts from the Hospital Facilities pursuant to a Resolution adopted by the County Board (the Resolution). The Bonds are secured by the lien of an Indenture between the County and a trustee bank, dated as of January 1, 1987 (the Indenture); and

WHEREAS, the County has submitted (i) a copy of the Certificate of Need, dated September 9, 1985, issued by, and extended on, September 5, 1986 by the South Carolina Department of Health and Environmental Control, and (ii) a feasibility study dated November 17, 1986 prepared by J.O. Baker Co., P.C. (the Feasibility Study), and this Board has reviewed and considered each of such documents in its consideration of the Petition by the County;

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA, as follows:

**007031**

## SECTION 1

The Board has made an independent investigation of the matters set forth in the Petition, including the Feasibility Study, and, on the basis of such investigation and the Feasibility Study, it is hereby found, determined, and declared:

(a) the facts set forth in the Petition and in the preamble hereto are, in all respects, true and correct;

(b) the Petition filed by the County Board contains all matters required by law and the rules of this Board to be set forth therein and, in consequence thereof, the jurisdiction of this Board has been properly invoked under and pursuant to the Act;

(c) the Hospital Facilities which are the subject of the Petition of the County Board are intended to promote the purposes of the Act and are reasonably anticipated to effect such result; and

(d) the proposed financing is economically feasible.

## SECTION 2

In consequence of the foregoing, the proposal of the County to issue the Bonds for the purpose of defraying the cost of providing Hospital Facilities, the payment of the Bonds solely from the revenues and receipts from the Hospital Facilities pursuant to the Resolution and secured by the lien of the Indenture, be, and the same are, hereby, in all respects, approved.

## SECTION 3

Approval of this undertaking is granted on the condition that a copy of Internal Revenue Service (IRS) Form 8038 relating to any bonds

issued pursuant to this approval be filed with the Board's Secretary at the same time such form is submitted to the IRS.

SECTION 4

Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in the McCormick Messenger, a weekly newspaper having general circulation in McCormick County.

SECTION 5

The Notice required in Section 4 above to be published shall be in substantially the form set forth in Exhibit A to this Resolution.

SECTION 6

This Resolution shall take effect immediately.

007033

NOTICE  
PURSUANT TO THE PROVISIONS OF  
SECTION 44-7-1590  
CODE OF LAWS OF SOUTH CAROLINA 1976

NOTICE is hereby given, pursuant to the provisions and requirements of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976 (the Act), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of McCormick County, South Carolina, (the County Board) has given its approval to the following undertaking by McCormick County, South Carolina (the County):

The issuance by McCormick County, South Carolina, of its hospital facilities revenue bonds (as defined in the Act) in the aggregate principal amount of not exceeding \$2,800,000 for the purpose of defraying the cost of the acquisition, construction and equipping of an eighty-eight (88) bed skilled and intermediate care nursing home and community residential care facility containing approximately 29,600 square feet on seven (7) acres of land located on S.C. Highway No. 7 approximately 1/3 of a mile southeast of the intersection with U.S. Highway 378, to be owned and operated by the County pursuant to a management contract (the Management Contract) with WMR Incorporated, a corporation organized and existing under the laws of the State of South Carolina (the Management Company) (such acquired, constructed and equipped facility being referred to herein as the Hospital Facilities). The Bonds will be paid solely from the revenues and receipts derived from the Hospital Facilities pursuant to a Resolution adopted by the

007034

County Board (the Resolution). The Bonds are further secured by the lien of an Indenture between the County and a trustee bank, dated as of January 1, 1987.

The County Council of McCormick County has made the following findings:

(i) The Hospital Facilities to be acquired are "hospital facilities", as defined in the Act.

(ii) There is a need for the Hospital Facilities in the County to serve the people of the County and make accessible modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities.

(iii) The County Board has covenanted under the Resolution to make the payments required thereunder to operate, repair, maintain and insure the Hospital Facilities, and to discharge such other responsibilities as may be imposed under the Resolution; provided, however, any expenses incurred by the County Board shall be payable solely from the revenues and receipts from the Hospital Facilities. Under the Management Contract, the Management Company has agreed to assume all obligations of the County Board under the Resolution and the County Board has determined that the Management Company is financially responsible and capable of fulfilling such obligations.

(iv) The Resolution is a "loan agreement", as defined in the Act.

(v) Adequate provisions shall be made for the payment of principal and interest on the Bonds and any necessary reserves



therefor and for the operation, repair, and maintenance and insuring of the Hospital Facilities at the expense of the County; provided, however, any expenses incurred by the County Board shall be payable solely from the revenues and receipts from the Hospital Facilities.

(vi) The public facilities, including utilities, and public services necessary for the Hospital Facilities will be made available.

(vii) The issuance of the Bonds will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(viii) Neither the Hospital Facilities, the Bonds, nor any documents or agreements entered into by the County in connection therewith, will constitute an indebtedness of the County within the meaning of any State Constitutional provision (other than Article X, Section 14, Paragraph 10 of the South Carolina Constitution authorizing county obligations payable solely from special sources not involving revenues from any tax or license) 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.

The South Carolina Department of Health and Environmental Control, on September 9, 1985, issued its Certificate of Need for the Hospital Facilities which was extended on September 5, 1986.

NOTICE IS FURTHER GIVEN that any interested party may, within twenty (20) days after the date of publication of this Notice, but not afterwards, challenge the validity of the action taken by the State Budget and Control Board, the County Council of McCormick County, or the Department of Health and Environmental Control of South Carolina, by action de novo, instituted in the Court of Common Pleas for McCormick County, South Carolina.

STATE BUDGET AND CONTROL BOARD

By: William A. McInnis  
Secretary

Publication Date  
\_\_\_\_\_

EXHIBIT

DEC 16 1986 NO. 16

STATE BUDGET & CONTROL BOARD

007037

# EXHIBIT

DEC 16 1986

NO. 16

STATE BUDGET & CONTROL BOARD

A RESOLUTION

*This version  
revised (page 2,  
and page 3)*

APPROVING THE ISSUANCE BY MCCORMICK COUNTY, SOUTH CAROLINA, OF NOT EXCEEDING \$2,800,000 HOSPITAL FACILITIES REVENUE BONDS, SERIES 1986 (MCCORMICK COUNTY NURSING CENTER PROJECT), PURSUANT TO THE PROVISIONS OF TITLE 44, CHAPTER 7, ARTICLE 11, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

WHEREAS, the County Council of McCormick County, South Carolina (the County Board) has heretofore, by submitting a petition (the Petition), under and pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the Act), requested the approval by the State Budget and Control Board of the issuance by McCormick County (the County), pursuant to the Act, of its Hospital Facilities Revenue Bonds (as defined in the Act), Series 1986 (McCormick County Nursing Center Project), in an aggregate principal amount of not exceeding \$2,800,000 (the Bonds); and

WHEREAS, the County Board now proposes to issue its not exceeding \$2,800,000 Hospital Facilities Revenue Bonds of McCormick County pursuant to the Act, for the purpose of defraying the cost of the acquisition, construction and equipping of an eighty-eight (88) bed skilled and intermediate care nursing home and community residential care facility on seven (7) acres of land located on S.C. Highway No. 7 approximately 1/3 of a mile southeast of the intersection with U.S. Highway 378, to be owned by the County and operated pursuant to a management contract as hereinafter provided (such acquired, constructed and equipped facilities being hereinafter referred to as the Hospital Facilities) which Hospital Facilities constitute "hospital

007038

facilities", as defined in the Act, pursuant to the provision of a resolution adopted by the County Board; and

WHEREAS, the County intends to enter into a five (5) year management contract (the Management Contract) with WMR, Incorporated, a corporation organized and existing under the laws of the State of South Carolina, (the Management Company) pursuant to which the Management Company will have the full responsibility to operate and maintain the Hospital Facilities. In the event the County Board shall be required to operate and maintain the Hospital Facilities, any expense it incurs will be payable solely from the revenues and receipts of the Hospital Facilities; and

WHEREAS, it is proposed that the Bonds will be payable solely from the revenues and receipts from the Hospital Facilities pursuant to a Resolution adopted by the County Board (the Resolution). The Bonds are secured by the lien of an Indenture between the County and a trustee bank, dated as of January 1, 1987 (the Indenture); and

WHEREAS, the County has submitted (i) a copy of the Certificate of Need, dated September 9, 1985, issued by, and extended on, September 5, 1986 by the South Carolina Department of Health and Environmental Control, and (ii) a preliminary draft of a feasibility study prepared by Hansen, Johnson & Associates, P.A., and this Board has reviewed and considered each of such documents in its consideration of the Petition by the County;

*Revised  
in  
final  
version*

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA, as follows:

EXHIBIT

007039

DEC 16 1986

NO. 16

STATE BUDGET & CONTROL BOARD

## SECTION 1

*Revised in  
final version*

The Board has made an independent investigation of the matters set forth in the Petition and, on the basis of such investigation, it is hereby found, determined, and declared:

(a) the facts set forth in the Petition and in the preamble hereto are, in all respects, true and correct;

(b) the Petition filed by the County Board contains all matters required by law and the rules of this Board to be set forth therein and, in consequence thereof, the jurisdiction of this Board has been properly invoked under and pursuant to the Act;

(c) the Hospital Facilities which are the subject of the Petition of the County Board are intended to promote the purposes of the Act and are reasonably anticipated to effect such result; and

(d) the proposed financing is economically feasible.

## SECTION 2

In consequence of the foregoing, the proposal of the County to issue the Bonds for the purpose of defraying the cost of providing Hospital Facilities, the payment of the Bonds solely from the revenues and receipts from the Hospital Facilities pursuant to the Resolution and secured by the lien of the Indenture, be, and the same are, hereby, in all respects, approved.

## SECTION 3

Approval of this undertaking is granted on the condition that a copy of Internal Revenue Service (IRS) Form 8038 relating to any bonds

**EXHIBIT**

**007040**

**DEC 16 1986**

**NO. 1 6**

**STATE BUDGET & CONTROL BOARD**



issued pursuant to this approval be filed with the Board's Secretary at the same time such form is submitted to the IRS.

SECTION 4

Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in the McCormick Messenger, a weekly newspaper having general circulation in McCormick County.

SECTION 5

The Notice required in Section 4 above to be published shall be in substantially the form set forth in Exhibit A to this Resolution.

SECTION 6

This Resolution shall take effect immediately.

EXHIBIT

DEC 16 1986 NO. 16

STATE BUDGET & CONTROL BOARD

007041

JAN 15 1987

HAYNSWORTH, MARION, McKAY & GUÉRARD  
ATTORNEYS AT LAW

W. Francis Marion  
Julius W. McKay  
Robt. S. Galloway, Jr.  
Fred D. Cox, Jr.  
O.G. Calhoun, Jr.  
Theodore B. Guérard  
Donald L. Ferguson  
G. Dewey Oxner, Jr.  
William M. Grant, Jr.  
Jesse C. Belcher, Jr.  
Maye R. Johnson, Jr.  
W.E. Applegate, III  
C. Lewis Rasot, Jr.  
Charles E. McDonald, Jr.  
William E. Shaughnessy  
James B. Pressly, Jr.  
Sherwood M. Cleveland  
H. Donald Sellers  
Robert C. Wilson, Jr.

Donald A. Harper  
Robert M. Kunes  
Adele J. Pope  
Andrew J. White, Jr.  
Ellis M. Johnston, II  
Joseph J. Blakis, Jr.  
John M. Campbell, Jr.  
William C. Cleveland  
Sam L. Stephenson  
Thomas H. Coker, Jr.  
John Paul Trouche  
William P. Simpson  
Theodore S. Stern, Jr.  
W. Francis Marion, Jr.  
John B. McLeod  
Bryan Francis Hickey  
Samuel W. Howell, IV  
Frances D. Ellison  
Robert W. Hassold, Jr.

Two Prioleau Street  
Post Office Box 1119  
Charleston, South Carolina 29402  
(803) 722-7606

Two Shelter Centre  
Eleventh Floor  
Post Office Box 2048  
Greenville, South Carolina 29602  
(803) 240-3200

Sixth Floor, South Carolina National Bank Building  
Post Office Drawer 7157  
Columbia, South Carolina 29202  
(803) 765-1818

January 14, 1987

John H. Muench  
Anne S. Ellefson  
Knox H. White  
Edwin B. Parkinson, Jr.  
H. Sam Mabry III  
Floyd Matlock Elliott  
David Hill Keller  
Shawn D. Wallace  
Deborah K. Neese  
Susan V. Johnston  
Moffatt Grier McDonald  
Christina L. Carter  
Carol L. Clark  
Richard C. Detwiler  
Jeffrey E. Gray  
Carl Everette Pierce, II  
James H. Ritchie, Jr.  
Anne G.H. Rounds

H. J. Haynsworth  
1859-1941

C. F. Haynsworth  
1886-1953

J. M. Perry  
1894-1964

Eugene Bryant  
1902-1969

OF COUNSEL  
Thomas K. Johnstone, Jr.  
Andrew B. Marion  
Harry R. Stephenson, Jr.  
William J. Quirk, (PA.)

EXHIBIT

VIA FEDERAL EXPRESS

DEC 16 1986 NO. 1 6

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis  
Secretary  
State Budget & Control Board  
Wade C. Hampton Office Building  
6th Floor  
Capital Complex  
Columbia, SC 29211

Re: \$2,800,000 McCormick County, South Carolina, Hospital  
Facilities Revenue Bonds, Series 1987 (McCormick County  
Nursing Center Project)

Dear Mr. McInnis:

Enclosed for your review is a draft of the proposed management agreement between McCormick County and WMR, Incorporated in connection with the issuance of these bonds. Please let me or Sam Applegate know if you desire anything further from us on this matter at this time. As always, I very much appreciate your cooperation and assistance.

With kind personal regards,

Yours very truly,

*John Paul Trouche*

John Paul Trouche

JPT/ldr

Enclosure

007042

15  
1/14/87  
Copy to:  
Ed Vaughn  
Dave Eckstrom

# EXHIBIT

DEC 16 1986

NO. 1 6

## MANAGEMENT AGREEMENT

STATE BUDGET & CONTROL BOARD

This MANAGEMENT AGREEMENT entered into as of this 1st day of January, 1987 (the Agreement), by and between McCormick County, a body politic and corporate and a political subdivision of the State of South Carolina (the County) and WMR, Incorporated, a South Carolina corporation (the Management Agent).

### SECTION 1    Management of Hospital Facilities.

The County hereby engages the Management Agent to operate and manage the skilled and intermediate care nursing home and community residential care facility (the Hospital Facilities) to be owned by the County on South Carolina Highway 7 near the intersection with U.S. Highway 378 in McCormick County, South Carolina, upon the terms and conditions set forth in this Agreement.

### SECTION 2    Term.

The initial term of this Agreement (the Term) shall be from the date hereof until January 1, 1992. If any new management contract is negotiated between the parties hereto, such new contracts will be subject to a maximum term (including any renewal terms) of five (5) years, cancellable by the County at its option at least every two (2) years.

Provided further, that on December 31, 1988 and on every December 31 in any even-numbered year, the County may, by written notice to the Management Agent not more than 90 days nor less than 60 days prior to such December 31, cancel this Agreement.

### SECTION 3.    Management Fee.

The County shall cause the Management Agent to be paid, but solely from the revenues derived from the operation of the Hospital Facilities, the following management fee with respect to its obligations hereunder:

- (a) For the first year of the Term the Management Agent shall be paid a fee of \_\_\_\_\_% of gross receipts derived from the operation of the Hospital Facilities during such year;
- (b) For each subsequent year of the Term the Management Agent shall be paid a fee of \$\_\_\_\_\_; and

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# EXHIBIT

DEC 16 1986

NO. 16

STATE BUDGET & CONTROL BOARD

- (c) The management fee hereunder shall be payable monthly from available cash flow from the Hospital Facilities after payment of all reasonable and ordinary expenses of operation of the Hospital Facilities and debt service on the Hospital Facilities Revenue Bond, Series 1987 (McCormick County Nursing Center Project) of the County (the Bonds), but before reserves for repairs and replacement. To the extent not paid currently, the management fee shall accrue interest at the rate of \_\_\_\_\_ per centum (\_\_\_\_%) per annum, and such past due management fee shall be payable from the next available revenues for subsequent periods.

## SECTION 4. Payment of Gross Revenues To Trustee .

The Management Agent agrees to deposit with Union Trust Company, Nashville, Tennessee, as Trustee (the Trustee) all gross revenues received from the operation of the Hospital Facilities for disposition in accordance with the provisions of the Ordinance authorizing the issuance of the Bonds.

## SECTION 5. Records Required .

At all times during the Term of this Agreement, the Management Agent shall keep and maintain on the Hospital Facilities accurate and complete books of account of all gross receipts derived from all business and operations conducted on or in connection with the Hospital Facilities as hereinabove provided. All of such books of account shall be kept and maintained on a cash receipts basis. The Management Agent shall furnish the County, not less frequently than quarterly, a written statement showing the amounts and sources of such gross receipts and gross sales derived during the preceding accounting period, and the County, through its authorized agents, shall have the right at any reasonable time or times to examine such books of account for the purposes of verifying the accuracy of any such statements. Copies of the Management Agent tax reports to the South Carolina Tax Commission for each quarter shall be appended to the written statements of gross receipts and gross sales.

## SECTION 6. Taxes.

1. Management Agent's Obligation to Discharge . The Management Agent shall cause to be paid, but only from funds held by the Trustee for such purpose, all taxes, general and special assessments, water and sewer charges, and other charges and fees invoked or levied by a governmental agency or authority of every description which during the term of this Agreement may be levied upon or assessed against the Hospital Facilities and all interests therein and all improvements and



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other property thereon, whether belonging to the County or the Management Agent, or to which either of them may become liable in relation thereto. The Management Agent shall pay all installments of such taxes, assessment and other charges that shall become due and payable during the Term of this Agreement, and the Management Agent shall pay each installment thereof prior to the delinquency date thereof. To the extent permitted by law, during such Term the Management Agent shall cause all taxes, assessments and other charges levied upon or imposed upon any personal property situated in, on or about the Hospital Facilities to be levied or assessed separately from the real property and not as a lien thereon. Taxes and assessments for the last year of such Term shall be prorated as of the date of expiration of such Term.

2. Legal Proceedings. The Management Agent shall have the right to contest or review all such taxes, assessments, or charges by legal proceedings, or in such other manner as it may deem suitable (which, if commenced, the Management Agent or its designees shall conduct promptly at its own cost and expense, and free of any expense to the County, and, if necessary, in the name of and with the cooperation of the County and the County shall execute all documents necessary to accomplish the foregoing). Notwithstanding the foregoing, the Management Agent shall promptly pay all such taxes if at any time the Hospital Facilities or any part thereof shall then be immediately subject to forfeiture, or if the County shall be subject to any criminal liability, arising out of the non-payment thereof.

The legal proceedings hereinabove referred to shall include appropriate certiorari proceedings and appeals from orders therein and appeals from any judgments, decrees or orders. In the event of any reduction, cancellation or discharge, the Management Agent shall pay the amount finally levied or assessed against the Hospital Facilities or adjudicated to be due and payable on any such contested taxes.

### SECTION 7. Utilities

1. The Management Agent shall, but solely from moneys held by the Trustee for such purpose, cause to be installed in, on and about the Hospital Facilities all facilities, in addition to those installed or to be installed by the County or other tenants of the County, necessary to supply on the Hospital Facilities all water, sewer, gas, electricity, telephone and other like utility services required by the Management Agent's operations hereunder; and during the Term hereof or any extension or renewal.

### SECTION 8. Repairs and Upkeep

1. No County Obligation. The County shall not be required or obligated to make any changes, alterations, additions, improvements or repairs in, or on the Hospital Facilities, or any part thereof, during the Term of this Agreement or any extension or renewal, except as



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required by law or by the terms of this or any other written agreement executed by the parties hereto.

2. Management Agent's Obligation. At all times during the Term of the Agreement, the Management Agent shall, but solely from moneys held by the Trustee for such purpose, keep and maintain the Hospital Facilities and all improvements thereon and all facilities appurtenant thereto in good order and repair and safe condition, and the whole of the Hospital Facilities in a clean, sanitary and orderly condition, and the Management Agent shall make any and all additions to or alterations or repairs in and about the Hospital Facilities and the improvements thereon which may be required by and shall otherwise observe and comply with all public laws, ordinances and regulation from time to time applicable to the Hospital Facilities, subject to the Management Agent's right to contest such laws, ordinances and regulations and their applicability as set forth herein; and the Management Agent shall make all repairs and replacements in and to the furniture, furnishings and equipment installed in the Hospital Facilities, or any part thereof, that may be necessary to maintain the same in good order and condition; and the Management Agent shall indemnify and save harmless the County, its officers, employees and agents, against all actions, claims and damages by reason of the Management Agent's failure to comply with and perform the provisions of this paragraph.

### SECTION 9. Insurance.

1. Policy Form and Evidence of Coverage. All policies of insurance provided for herein shall be written as primary policies (without "contribution" or "solely in excess of coverage carried by the County" provisions) with responsible and solvent insurance companies authorized to do business in the State of South Carolina. Prior to commencement of the Term hereof, the Management Agent shall supply the County (and at all time during the Term of the Agreement keep on file with the County) a true and correct copy of all such policies or a certificate of insurance accurately reflecting the coverage required hereby, together with satisfactory evidence showing that all premiums thereon have been paid; and thereafter, as additional premiums become due, the Management Agent shall supply the County with satisfactory evidence that such premiums have been paid. Notwithstanding anything to the contrary contained within this provision, the Management Agent's obligations to carry insurance as provided herein may be brought within the coverage of a so-called "blanket" policy or policies of insurance carried and maintained by the Management Agent, so long as such policy or policies segregate the amount of coverage applicable to the Hospital Facilities. In the event that the Management Agent fails to cause to be procured, maintained, paid for and kept in force, at the times and for the durations specified in this Agreement, any insurance required by this Agreement, or fails to carry insurance required by law or governmental regulation, the County may (but without obligation to do so), at any time or from time to time, after written notice to the Management Agent of its intention so to do, procure such insurance and pay the premiums

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therefor, in which event the Management Agent shall repay the County all sums so paid by the County, together with interest thereon at the rate of \_\_\_\_\_% per annum, and any costs or expenses incurred by the County in connection therewith, within ten (10) days following the County's written demand to the Management Agent for such payment.

2. Types and Limits of Coverage. The Management Agent, at no cost or expense to the County, shall, during the entire Term hereof, cause to be procured, maintained, paid for and kept in full force and effect, with the County as an additional insured: (i) comprehensive general liability and property damage insurance with respect to the Hospital Facilities and the operations of, or on behalf of, the Management Agent in, on or about the Hospital Facilities, including but not limited to owned and non-owned automobile (vehicle) liability personal injury, XCU, blanket contractual, owner's protective, broad form property damage, for not less than \_\_\_\_\_ Dollars (\$\_\_\_\_\_) combined single limit per occurrence for bodily injury, death, and property damage liability including broad notice of loss form; (ii) with respect to all substantial construction required or permitted to be made by the Management Agent hereunder, contingent liability and builder's all-risk insurance, in amounts approved by the County; (iii) business interruption or loss of rents insurance, whichever is applicable, in amounts approved by the County, but not in excess of the amount equal to the rent payable to the County for the calendar year; and (iv) insurance against all risk, including earthquake and flood, fire, vandalism, malicious mischief and such other additional perils as now are or hereafter may be included in a standard fire, extended coverage and special extended coverage endorsement from time to time in general use in McCormick County, South Carolina, insuring the improvements used in the operations of the Hospital Facilities, merchandise, trade fixtures, furnishings, equipment and other items or personal property of the County and the Management Agent located on or in the Hospital Facilities, in an amount equal to not less than \_\_\_\_\_ percent (\_\_\_\_%) of the actual replacement cost thereof.

3. Specific Provisions. Each policy evidencing insurance required to be carried pursuant to this Section 9 shall contain the following provisions and/or clauses: (i) a cross-liability clause; (ii) a provision that such policy and the coverage evidenced thereby shall be primary and that any coverage carried by the County shall be excess insurance and non-contributing with respect to any policies carried by the Management Agent; (iii) a provision including the County and any other parties in interest designated by the County as additional insured; (iv) to the extent obtainable, a waiver by the insurer of any right to subrogation against the County, its agents, employers and representatives which arises or might arise by reason of any payment under such policy or by reason of any act or omission of the County, its agents, employees or representatives; (v) a severability clause; (vi) a provision that the insurer will not cancel or change the coverage

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provided by such policy without first giving the County ninety (90) days prior written notice; (vii) to the extent obtainable, a provision to the effect that any amounts payable by virtue of business interruption shall be computed and stated separately in any settlement entered into by the insurer under the policy involved. All net insurance proceeds shall be paid to the Trustee, so long as adequate provision approved by the County has been made in each case for the use of all proceeds for the repair and restoration of damaged or destroyed improvements on the Hospital Facilities.

### SECTION 10. Liens and Claims .

1. Management Agent's Obligation to Cure . The Management Agent shall not suffer or permit to be enforced against the Hospital Facilities, or any improvements thereon, any mechanics', materialmen's, contractors' or sub-contractors' liens arising from, or any claim for damages growing out of, the work of construction, repair, restoration, replacement or improvement as herein provided, or any other claims or demand howsoever the same may arise, but subject to the right of the Management Agent to contest such liens pursuant to paragraph 2 of this Section 10, the Management Agent shall pay or cause to be paid all of such liens, claims or demands before any action is brought to enforce the same against the Hospital Facilities and to keep the County and the Hospital Facilities and their respective officers, employees and agents, free and harmless from all liability for any and all such liens, claims and demands, together with all costs and expenses in connection therewith.

2. Right to Contest . Notwithstanding anything to the contrary hereinabove contained in this Section 10, if the Management Agent shall in good faith contest the validity or amount of any lien, claim or demand asserted with respect to the Hospital Facilities, including, without limitation, any taxes or assessments levied against it, the Management Agent shall, at its expense, defend itself and the County against the same and shall pay and satisfy any adverse judgment that may be rendered thereon before the enforcement thereof against the County or the Hospital Facilities, and if the County shall require, the Management Agent shall furnish to the County either a surety bond satisfactory to the County in an amount equal to such contested lien, claim or demand indemnifying the County against liability for the same; or other security approved by the County, which may be in the form of title insurance endorsement insuring the County against loss due to any such lien, claim, or demand.

3. Bonding and Notices of Construction. Before the commencement of any work or construction of any building, structure or other improvement on the Hospital Facilities, or of any substantial repairs, alterations, additions, replacements or restorations in and about the Hospital Facilities as herein provided, the Management Agent shall give to the County written notice thereof, specifying the nature and location of the intended work and the expected date of commencement thereof; and the Management Agent shall, unless waived by the County in writing prior to the commencement of any such work, deposit with the County a certificate or other evidence satisfactory to the County that the



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## STATE BUDGET & CONTROL BOARD

Management Agent's contractors for any such work have furnished bond in favor of the County and the Management Agent, with a corporate surety authorized to do business in the State of South Carolina, guaranteeing the construction of such work free and clear of all subcontractors', mechanics' and materialmen's liens; or the Management Agent shall provide the County with other security, reasonably satisfactory to the County, assuring completion of the work; and if and when the County shall require, the Management Agent shall furnish it a bond or other security approved by the County guaranteeing the completion of any such work free and clear of all contractors', mechanics' and materialmen's liens. In event of failure of the Management Agent timely to complete construction of any or all improvements on the Hospital Facilities as provided in this Agreement, and if the County elects to complete same on its own account, the County shall, subject to the rights of any encumbrancer of the Management Agent, have the right to assume, in the Management Agent's place and stead all contracts made by the Management Agent with third parties to perform such construction; and all construction contracts made by the Management Agent and third parties shall contain a provision that same may, subject to the rights of any encumbrancer of the Management Agent, be assigned to the County at the Management Agent's option. The County reserves the right at any time and from time to time to post and maintain on the Hospital Facilities such notices as may be necessary to protect the County against liability for all such liens and claims.

### SECTION 11. County Paying Claims .

In the event the Management Agent shall fail to pay and discharge or cause to be paid and discharged, when due and payable as herein provided, any tax, assessment or other claim for labor or material employed or used in or any claim for damages arising out of the construction, repairs, restoration, replacement, maintenance and use of the Hospital Facilities and the improvements thereon, or any judgment or any contested lien or claim, or any insurance premium or expense in connection with the Hospital Facilities, or any other claim, charge or demand which the Management Agent has agreed to pay or cause to be paid under the covenants and conditions of this Agreement, and if the Management Agent, after thirty (30) days' written notice from the County so to do, shall fail to pay and discharge the same or to post security for the discharge thereof adequate to assure that the County shall suffer no loss or damage as a result of such nonpayment, then the County may, (but without obligation to do so), pay any such tax, assessment, insurance expense, lien, claim, charge or demand, or settle or discharge any action therefor, or judgment thereon, and all costs, expenses and other sums incurred or paid by the County in connection with any of the foregoing shall be paid by the Management Agent to the County upon demand, together with interest thereon at the statutory legal rate of interest for judgment liens in South Carolina, per annum, accruing from and after the due date thereof until paid, and, to the extent that any such amount shall remain unpaid for a period of

# EXHIBIT

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NO. 1 6

## STATE BUDGET & CONTROL BOARD

( ) days, then any default in such repayment shall constitute a breach of the covenants and conditions of this Agreement.

### SECTION 12. Safety and Health .

The Management Agent shall comply with all laws and regulations promulgated by all relevant governmental authorities, including but not limited to the requirements of the Occupational Safety and Health Act of 1970, U.S.C. Section 661, et seq., and any analogous legislation in South Carolina (collectively, "OSHA") to the extent that OSHA applies to the Hospital Facilities and any activities thereon. Without limiting the generality of the foregoing, the Management Agent shall maintain all working areas, all machinery structures, electrical facilities and the like upon the Hospital Facilities in the condition that fully complies with the requirements of OSHA including such requirements as would be applicable with respect to agents, employees or contractors of the County who may from time to time be present upon the Hospital Facilities. The Management Agent shall indemnify and hold harmless the County, its officers, employees and agents, from any liability, claims or damages arising as a result of a breach of the covenants of this Section 12 and from all costs, expense and charges arising therefrom, including, without limitation, reasonable attorneys' fees and court costs incurred by the Management Agent or the County in connection therewith, which indemnity shall survive the expiration or termination of this Agreement.

### SECTION 13. Assignment.

This Agreement may not be assigned by the Management Agent without the prior written consent of the County.

### SECTION 14. Notice.

All notices or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, as follows:

If to the County:

If to the Management Agent:

### SECTION 15. Binding Effect.

This Agreement shall insure to the benefit of and shall be binding upon the County and the Management Agent and their respective heirs, successors and assigns.

### SECTION 16. Severability.

In the event any provision of this Agreement shall be held invalid



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STATE BUDGET & CONTROL BOARD

or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

## SECTION 17. Law Governing Construction of Agreement .

This Agreement is prepared and entered into with the intention of the laws of the State of South Carolina and shall govern its construction.

IN WITNESS WHEREOF the parties hereto have executed this Management Agreement by causing their names to be subscribed hereon as of this \_\_\_\_\_ day of \_\_\_\_\_, 1987.

MCCORMICK COUNTY, SOUTH CAROLINA

By \_\_\_\_\_  
Chairman, County Council of  
McCormick County

Attest:

\_\_\_\_\_  
Clerk, County Council of McCormick  
County

WMR, INCORPORATED

By \_\_\_\_\_

Attest:

By \_\_\_\_\_

# EXHIBIT

PETITION

DEC 16 1986

NO. 16

TO

STATE BUDGET & CONTROL BOARD

THE STATE BUDGET AND CONTROL BOARD

OF

SOUTH CAROLINA

PURSUANT TO SECTION 44-7-1590 OF THE  
CODE OF LAWS OF SOUTH CAROLINA 1976

RE: NOT EXCEEDING \$2,800,000 MCCORMICK COUNTY,  
SOUTH CAROLINA HOSPITAL FACILITIES REVENUE  
BONDS, SERIES 1986 (MCCORMICK COUNTY  
NURSING CENTER PROJECT)

EX PARTE:

COUNTY COUNCIL OF MCCORMICK COUNTY  
SOUTH CAROLINA

007052

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

Your Petitioner, the County Council of McCormick County, South Carolina, pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976 (the Act), and specifically, Section 44-7-1590 thereof, respectfully shows:

1. The County Council of McCormick County is the governing body of McCormick County and, as such, constitutes a "County Board", as referred to in the Act, with respect to hospital facilities located in South Carolina.

2. The Act, among other things, empowers McCormick County (the County), functioning through its County Council (the County Board), subject to obtaining approval from the State Budget and Control Board (the State Board) required by Section 44-7-1590 of the Act and from the Department of Health and Environmental Control (the Department), required by Section 44-7-1490 of the Act, to, where the County is also the public agency and the hospital facilities are under the jurisdiction of the County Council, adopt a resolution (the Resolution) providing for the issuance of bonds; and the security therefor.

3. The County Board has agreed to issue its \$2,800,000 Hospital Facilities Revenue Bonds of McCormick County pursuant to the Act, to finance the acquisition, construction and equipping of an Eighty-eight

007053

(88) bed skilled and intermediate care nursing home and community residential care facility on seven (7) acres of land located on S.C. Highway No. 7 approximately 1/3 of a mile southeast of the intersection with U.S. Highway 378 to be owned and operated by the County (such acquired, constructed, and equipped facilities being referred to herein as the Hospital Facilities), which Hospital Facilities constitute "hospital facilities", as defined in the Act, pursuant to the provision of a Resolution adopted by the County Board

4. The County Board has determined that the cost of acquiring, constructing and equipping the Hospital Facilities and the costs of issuing the Bonds will be approximately \$2,800,000, and that, therefore, in order to defray the cost of the Hospital Facilities and the cost of the financing, it will be necessary that the County Board issue its not exceeding TWO MILLION EIGHT HUNDRED THOUSAND AND 00/100 (\$2,800,000) DOLLARS McCormick County, South Carolina, Hospital Facilities Revenue Bonds, Series 1986 (McCormick County Nursing Center Project) (the Bonds).

5. The County Board will enter into a five (5) year management contract with WMR, Incorporated, a corporation organized and existing under the laws of the State of South Carolina (the Management Company) pursuant to which the Management Company will have the full responsibility to operate and maintain the hospital facilities. In the event the County Board shall be required to operate and maintain the hospital facilities, any expense it incurs will be payable solely from the revenues of the Hospital Facilities.

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6. The underwriter, Morgan Keegan & Company, Inc., has advised the County Board that the Bonds will bear interest at the rate of not exceeding 10 1/4% and will be amortized over a not exceeding thirty (30) year period.

7. The County Board has found and determined that:

a. The Hospital Facilities to be acquired are "hospital facilities", as defined in the Act.

b. There is a need for the Hospital Facilities in the County to serve the people of the County and make accessible modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities.

c. The County Board has covenanted in the Resolution to make the payments required thereunder, to operate, repair, maintain, and insure, the Hospital Facilities, and to discharge such other responsibilities as may be imposed under the Resolution; provided, however, any expenses incurred by the County Board shall be payable solely from the revenues and receipts from the Hospital Facilities. Under the Management Contract, the Management Company has agreed to assume all obligations of the County Board under the Resolution and the County Board has determined that the Management Company is financially responsible and capable of fulfilling such obligations.

d. The Resolution is a "loan agreement", as defined in the Act.

e. Adequate provision shall be made for the payment of principal of and interest on the Bonds and any necessary reserves therefor and for the operation, repair, maintenance, and insuring of the Hospital Facilities at the expense of the Hospital.

007055



c. The cost of the Hospital Facilities will be not exceeding TWO MILLION EIGHT HUNDRED THOUSAND and 00/100 (\$2,800,000) DOLLARS, including financing costs and all other expenses to be incurred in connection therewith.

d. In general, the terms and conditions of the proposed Resolution, provide that:

(i) To finance the cost of the Hospital Facilities, the County will, at the request of the Hospital Agency, issue its not exceeding \$2,800,000 Hospital Facilities Revenue Bonds, Series 1986, of McCormick County, South Carolina, for the purpose of defraying the major cost of the acquisition, construction and equipping of the Hospital Facilities and the costs of the financing.

(ii) The Resolution contains no provisions imposing an indebtedness on the County within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its credit or taxing powers.

(iii) The Resolution contains provisions whereby the County as the Hospital Agency covenants to effect the completion of the acquisition, construction and equipping of the Hospital Facilities if the proceeds of the Bonds prove insufficient, through

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the issuance of additional parity bonds and obligates itself to make payments which shall be sufficient (a) to pay the principal of and interest on the Bonds, (b) to build up and maintain any reserves deemed by the County Board to be advisable in connection therewith, and (c) to pay the costs of maintaining the Hospital Facilities in good repair and the cost of keeping them properly insured; provided, however, the County Board's obligation hereunder shall be payable solely from the revenues and receipts from the Hospital Facilities. Under the Management Contract the Management Company has agreed to assume all the County's obligation set forth herein during the term of the Management Contract.

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

That the State Budget and Control Board (i) accept the filing of the Petition presented herewith, (ii) as soon as practicable, make its independent investigation of the Hospital Facilities and the terms and provisions of the Resolution as it deems advisable, (iii) thereafter, make a finding that the acquisition, construction and equipping of the proposed Hospital Facilities is intended to promote the purposes of the Act and that it is reasonably anticipated that the acquisition, expansion, improvement and equipping of the Hospital Facilities will effect such

007057

result, (iv) make a finding that the proposed financing is economically feasible, and, on the basis of such finding, approve the issuance of the \$2,800,000 McCormick County, South Carolina, Hospital Facilities Revenue Bonds, Series 1986 (McCormick County Nursing Center Project), and the use of the proceeds thereof for the purpose of defraying the cost of the acquisition, construction and equipping of the Hospital Facilities, including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking, and (v) give published notice of its approval in the manner set forth in Section 44-7-1590 of the Act.

(SEAL)

Respectfully submitted,  
MCCORMICK COUNTY, SOUTH CAROLINA

By: Curtis E. Baggett  
Chairman  
County Council of  
McCormick County, South Carolina

ATTEST:

Cathy B. McDaniel  
Clerk  
County Council of  
McCormick County, South Carolina

Dated: 11-18, 1986

EXHIBIT

DEC 16 1986 NO. 16

STATE BUDGET & CONTROL BOARD

007058

South Carolina Department of Health  
and Environmental Control

RECEIVED

NOV 17 1986

2600 Bull Street  
Columbia, S.C. 29201

Commissioner  
Robert S. Jackson, M.D.



McKAY & Board, P.A.  
Moses H. Clarkson, Jr., Chairman  
Gerald A. Kaynard, Vice-Chairman  
Oren L. Brady, Jr., Secretary  
Barbara P. Nuessle  
James A. Spruill, Jr.  
William H. Hester, M.D.  
Euta M. Colvin, M.D.

September 5, 1986

EXHIBIT

Re: SC-F-812  
Construction of a 44 bed dually licensed  
nursing care center  
McCormick County Nursing Center  
McCormick, South Carolina

DEC 16 1986 NO. 16

STATE BUDGET & CONTROL BOARD

Mr. Curtis E. Baggett, Supervisor  
McCormick County  
P. O. Box 426  
McCormick, SC 29825

Dear Mr. Baggett:

Certificate of Need SC-F-812, for the construction of a 44 bed nursing care center, has been extended until March 9, 1987 as you recently requested.

Please be advised that State Regulations prohibit the Office of Health Facilities and Services Regulations from further extending this approval. However, the South Carolina Board of Health and Environmental Control may authorize additional time if circumstances justify. To request a further extension for this project you must notify us in writing no later than December 9, 1986, that more time will be required. This correspondence must contain specific justification to support the request.

If you should have any questions about this extension, please call me at 734-4690.

Sincerely,

A handwritten signature in cursive script that reads "Leon B. Frishman".

Leon B. Frishman, Director  
Bureau of Health Facilities and Services Development

LBF:JP:yam

cc: Gary R. Thibault

007059

# South Carolina Department of Health and Environmental Control



## CERTIFICATE OF NEED

EXTENSION?  
HAS BEEN  
APPROVED, COPY  
OF APPROVAL to Follow

THIS Certificate of Need is issued to : McCormick County Nursing Center.

McCormick, SC; Mr. Curtis E. Baggett-Agent; Construction of a 44 bed dually  
(Name of Applicant & Project)  
licensed nursing care facility

For Project No. SC-F-812 in accordance with the Code of Laws  
of South Carolina.

In determining the need for this project, the South Carolina Department of Health and Environmental Control has taken into consideration the recommendation of the:

Three Rivers Health Systems Agency  
(Health Systems Agency)

This Certificate of Need is valid for a period of twelve months from the date of issuance unless the applicant has awarded a construction contract or has made substantial progress toward implementation of the Project, as approved by the Department.  
- within the twelve month period.

In Witness Whereof we have hereunto  
set our hands and the seal of the  
Department of Health and Environmental Control this the 9th  
day of September, 1985



Albert H. White  
Director, Division of Certification of Need

Leon B. Fisher  
Chief, Bureau of Health Facilities and Services  
Development

Richard C. May  
Deputy Commissioner, Office of State Health Planning  
and Development

## EXHIBIT



# EXHIBIT

STATE OF SOUTH CAROLINA \*  
\*  
COUNTY OF MCCORMICK \*

CERTIFICATION

DEC 16 1986 NO. 1 6

STATE BUDGET & CONTROL BOARD

This is to certify that the foregoing is an exact and verbatim copy of the Resolution, unanimously adopted at a duly called and held regular meeting of the County Council of McCormick County, South Carolina, held at the Supervisor's office in McCormick, South Carolina on November 18, 1986, at which meeting a quorum was present and remained throughout;

and the said Resolution was offered by Councilman Robertson Gilchrist and seconded by Councilman Lewis Scruggs and has been recorded in County Councils records and proceedings and remains in my custody as Clerk;

and the said Resolution remains in full force and effect and has not been amended, modified, or appealed.

Witness my hand and the seal of the County of McCormick, South Carolina this 9th day of December, A.D., 1986 by Cathy B. McDaniel, Clerk to McCormick County Council, McCormick, South Carolina.

007061

# EXHIBIT

A RESOLUTION

DEC 16 1986

NO. 16

STATE BUDGET & CONTROL BOARD

MAKING CERTAIN DETERMINATIONS AND FINDINGS PRIOR TO THE ISSUANCE OF \$2,800,000 MCCORMICK COUNTY, SOUTH CAROLINA, HOSPITAL FACILITIES REVENUE BONDS, SERIES 1986 (MCCORMICK COUNTY NURSING CENTER PROJECT), AND AUTHORIZING THE FILING OF A PETITION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA, SEEKING ITS APPROVAL FOR THE ISSUANCE OF THE BONDS.

WHEREAS, McCormick County, South Carolina (the County), acting by and through its County Council (the County Council), is authorized and empowered, under and pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976 (the Act), to promote the public health and welfare by providing for the financing, refinancing, acquiring, enlarging, improving, constructing, equipping, and providing of hospital facilities to serve the people of the State and to make accessible to them modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities; and

WHEREAS, the County is further authorized to issue revenue bonds for the purpose of defraying the cost of providing hospital facilities; and

WHEREAS, the County is authorized to adopt a resolution (the Resolution) providing for the expenditure of the proceeds of the revenue bonds and the operation of the hospital facilities; and

WHEREAS, the County is further authorized to pledge or assign any moneys, rents, charges, fees, or other revenues, including any

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proceeds of insurance or condemnation awards and to mortgage the hospital facilities acquired from the proceeds of the bonds pursuant to the Resolution; and

WHEREAS, the County Council intends to enter into a five year management contract with WMR, Inc., a Corporation (the Management Company) for the management of the hospital facilities pursuant to which the Management Company agrees to operate and maintain the hospital facilities; and

WHEREAS, the County Council desires to file with the State Budget and Control Board of South Carolina, in compliance with Section 44-7-1590 of the Act, the Petition of the County requesting approval by the State Budget and Control Board of the proposed financing of the acquisition, construction and equipping of an Eighty-eight (88) bed skilled and intermediate care nursing home and community residential care facility on seven (7) acres of land located on S.C. Highway No. 7 approximately 1/3 of a mile southeast of the intersection with U.S. Highway 378 to be owned and operated by the County (such acquired, constructed, and equipped facilities being referred to herein as the Hospital Facilities), which Hospital Facilities constitute "hospital facilities", as defined in the Act, pursuant to the terms of a Resolution of the County Council through the issuance of hospital facilities revenue bonds, in the principal amount of \$2,800,000 as a single issue or as several separate issues (the Bonds).

NOW, THEREFORE, BE IT RESOLVED by the County Council of McCormick County, South Carolina, as follows:

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SECTION 1

A. The County Council constitutes the "County Board", as that term is defined in the Act.

B. The Hospital Facilities to be acquired, constructed and equipped are "hospital facilities", as defined in the Act.

C. There is a need for the Hospital Facilities in the County to serve the people of the County and make accessible modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities.

D. The Public Agency is McCormick County which will enter into the Management Contract with the Management Company which is financially responsible and capable of fulfilling its obligations pursuant to the Resolution, including the obligations to make the payments required thereunder, to operate, repair, maintain, and insure, at its own expense, the Hospital Facilities, and discharging such other responsibilities as may be imposed under the Resolution. In the event the County is required to operate the facilities, the County shall assume such obligations but any expense incurred by the County shall be payable solely from the revenues of the Hospital Facilities.

E. Adequate provisions shall be made for the payment of principal of and interest on the Bonds and any necessary reserves therefor and for the operation, repair, maintenance, and insuring of the Hospital Facilities at the expense of the Management Company during the term of the Management Contract.

F. The public facilities, including utilities, and the public services necessary for the Hospital Facilities will be made available.

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G. The issuance of the McCormick County, South Carolina, Hospital Facilities Revenue Bonds in the amount of \$2,800,000 will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

H. Neither the Hospital Facilities, the Bonds, nor any documents or agreements entered into by the County in connection therewith will constitute an indebtedness of the County within the meaning of any State constitutional provisions or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

I. The issuance of the Bonds, in the principal amount of \$2,800,000, will be required in order to defray a major portion of the cost of the Hospital Facilities.

J. The Bonds will bear interest at the rate of 10 3/8 per centum, and will be amortized over a twenty (20) year period. The Bonds will be purchased by Buchanan & Company, which will market the Bonds to the public.

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## SECTION 2

The County Council of McCormick County, South Carolina, hereby authorizes the filing of its Petition on behalf of McCormick County by the Chairman of the County Council (or in his absence the Vice Chairman), requesting the approval of the proposed financing in substantially the form attached hereto as Exhibit A, with such changes, insertions, and omissions as may be approved by the County Attorney for McCormick County, said execution being conclusive evidence of such approval.

## SECTION 3

The execution by the Chairman of the County Council of McCormick County (or, in his absence, the Vice Chairman) of the Petition in the name and on behalf of the County and the attestation and affixing of the Seal of the County by the Clerk of the County Council (or, in her absence, the Acting Clerk), and the submission of an executed copy of this Resolution, along with the Petition, to the State Budget and Control Board of South Carolina, is hereby authorized.

## 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.

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Exhibit A

PETITION  
TO  
THE STATE BUDGET AND CONTROL BOARD  
OF  
SOUTH CAROLINA

PURSUANT TO SECTION 44-7-1590 OF THE  
CODE OF LAWS OF SOUTH CAROLINA 1976

RE: \$2,800,000 -MCCORMICK COUNTY, SOUTH  
CAROLINA HOSPITAL FACILITIES REVENUE NOTE,  
SERIES 1984 (MCCORMICK COUNTY NURSING CENTER  
PROJECT)

EX PARTE:  
COUNTY COUNCIL OF MCCORMICK COUNTY  
SOUTH CAROLINA

007067

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

Your Petitioner, the County Council of McCormick County, South Carolina, pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976 (the Act), and specifically, Section 44-7-1590 thereof, respectfully shows:

1.       The County Council of McCormick County is the governing body of McCormick County and, as such, constitutes a "County Board", as referred to in the Act, with respect to hospital facilities located in South Carolina.

2.       The Act, among other things, empowers McCormick County (the County), functioning through its County Council (the County Board), subject to obtaining approval from the State Budget and Control Board (the State Board) required by Section 44-7-1590 of the Act and from the Department of Health and Environmental Control (the Department), required by Section 44-7-1490 of the Act, to, where the County is also the public agency and the hospital facilities are under the jurisdiction of the County Council, adopt a resolution providing for the issuance of bonds; and the security therefor.

3.       The County Board has agreed to issue its \$2,800,000 Hospital Facilities Revenue Bonds of McCormick County pursuant to the Act, to

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finance the acquisition, construction and equipping of an Eighty-eight (88) bed skilled and intermediate care nursing home and community residential care facility on seven (7) acres of land located on S.C. Highway No. 7 approximately 1/3 of a mile southeast of the intersection with U.S. Highway 378 to be owned and operated by the County (such acquired, constructed, and equipped facilities being referred to herein as the Hospital Facilities), which Hospital Facilities constitute "hospital facilities", as defined in the Act, pursuant to the provision of a Resolution adopted by the County Board

4. The County Board is advised by the Hospital Agency that the cost of acquiring, constructing and equipping the Hospital Facilities and the costs of issuing the Bonds will be not less than \$2,800,000, and that, therefore, in order to defray the cost of the Hospital Facilities and the cost of the financing, it will be necessary that the County Board issue its TWO MILLION EIGHT HUNDRED THOUSAND AND 00/100 (\$2,800,000) DOLLARS McCormick County, South Carolina, Hospital Facilities Revenue Bonds, Series 1986 (McCormick County Nursing Center Project) (the Bonds).

5. The County Board will enter into a five (5) year management contract with WMR, Inc., a corporation (the Management Company) pursuant to which the Management Company will have the full responsibility to operate and maintain the hospital facilities. In the event the County Board shall be required to operate and maintain the hospital facilities, any expense it incurs will be payable solely from the revenues of the hospital facilities.

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6. The underwriter, Buchanan & Company, has advised the County Board that the Bonds will bear interest at the rate of 10.3/8% will be amortized over a twenty (20) year period.

7. The County Board has found and determined that:

a. The Hospital Facilities to be acquired are "hospital facilities", as defined in the Act.

b. There is a need for the Hospital Facilities in the County to serve the people of the County and make accessible modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities.

c. The County Board is financially responsible and capable of fulfilling its obligations under the Resolution, including the obligations to make the payments required thereunder, to operate, repair, maintain, and insure, at its own expense, the Hospital Facilities, and discharging such other responsibilities as may be imposed under the Resolution; provided, however, any expenses incurred by the County Board shall be payable solely from the revenues from the hospital facilities. Under the Management Contract, the Management Company has agreed to assume all obligations of the County Board under the Resolution and the County Board has determined that the Management Company is financially responsible and capable of fulfilling such obligations.

d. The Resolution is a "loan agreement", as defined in the Act.

e. Adequate provision shall be made for the payment of principal of and interest on the Bonds and any necessary reserves therefor and



for the operation, repair, maintenance, and insuring of the Hospital Facilities at the expense of the Hospital.

f. The public facilities, including utilities, and public services necessary for the Hospital Facilities will be made available.

g. The issuance of the Bonds will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

h. Neither the Hospital Facilities, the Bonds, nor any documents or agreements entered into by the County in connection therewith, will constitute an indebtedness of the County within the meaning of any State constitutional provisions or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

8. Pursuant to Section 44-7-1590 of the Act, the County Board sets forth the following information:

a. The hospital facilities to be undertaken consist of the acquisition, construction and equipping of an Eighty-eight (88) bed skilled and intermediate care nursing home and community residential care facility on seven (7) acres of land located on S.C. Highway No. 7 approximately 1/3 of a mile southeast of the intersection with U.S. Highway 378 in McCormick County (the Hospital Facilities).

b. In connection with the Hospital Facilities, the Department of Health and Environmental Control has issued its Certificate of Need (Exhibit A).

c. The cost of the Hospital Facilities will be not exceeding TWO MILLION EIGHT HUNDRED THOUSAND and 00/100 (\$2,800,000) DOLLARS, including financing costs and all other expenses to be incurred in connection therewith.

d. In general, the terms and conditions of the proposed Resolution, provide that:

(i) To finance the cost of the Hospital Facilities, the County will, at the request of the Hospital Agency, issue its \$2,800,000 Hospital Facilities Revenue Bonds, Series 1986, of McCormick County, South Carolina, and loan the proceeds thereof for the purpose of defraying the major cost of the acquisition, construction and equipping of the Hospital Facilities and the costs of the financing.

(ii) The Resolution contains no provisions imposing an indebtedness on the County within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its credit or taxing powers.

(iii) The Resolution contains provisions whereby the Hospital Agency covenants to effect the completion of the acquisition, construction and

equipping of the Hospital Facilities if the proceeds of the Bonds prove insufficient, through the issuance of additional parity bonds and obligates itself to make payments which shall be sufficient (a) to pay the principal of and interest on the Bonds, (b) to build up and maintain any reserves deemed by the County Board to be advisable in connection therewith, and (c) to pay the costs of maintaining the Hospital Facilities in good repair and the cost of keeping them properly insured; provided, however, the County Board's obligation hereunder shall be payable solely from the revenue from the hospital facilities. Under the Management Contract the Management Company has agreed to assume all the County's obligation set forth herein.

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

That the State Budget and Control Board (i) accept the filing of the Petition presented herewith, (ii) as soon as practicable, make its independent investigation of the Hospital Facilities and the terms and provisions of the Resolution as it deems advisable, (iii) thereafter, make a finding that the acquisition, construction and equipping of the proposed Hospital Facilities is intended to promote the purposes of the Act and that it is reasonably anticipated that the acquisition, expansion, improvement and equipping of the Hospital Facilities will effect such

result, (iv) make a finding that the proposed financing is economically feasible, and, on the basis of such finding, approve the issuance of the \$2,800,000 McCormick County, South Carolina, Hospital Facilities Revenue Bonds, Series 1986 (McCormick County Nursing Center Project), and the use of the proceeds thereof for the purpose of defraying the cost of the acquisition, construction and equipping of the Hospital Facilities, including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking, and (v) give published notice of its approval in the manner set forth in Section 44-7-1590 of the Act.

(SEAL)

Respectfully submitted,  
MCCORMICK COUNTY, SOUTH CAROLINA

By: *Arthur E. Baggitt*  
Chairman  
County Council of  
McCormick County, South Carolina

ATTEST:

*Cathy B. McDaniel*  
Clerk  
County Council of  
McCormick County, South Carolina

Dated: 11-18, 1986

007074

# EXHIBIT

DEC 16 1986 NO. 1 6

HOSPITAL REVENUE BOND PROJECT

STATE BUDGET & CONTROL BOARD

McCormick County Nursing Center

GOVERNING BOARD

County Council of McCormick County

BOND COUNSEL

Haynsworth, Marion, McKay & Guerd  
Charleston, SC 29401

## FINDINGS BY THE COUNTY COUNCIL (§ 44-7-1480)

The County Council has made the following findings:

☒ (a) There is a need for the hospital facilities in the area in which the hospital facilities are to be located.

☒ (b) No hospital facilities shall be provided for any hospital agency or public agency which is not financially responsible and capable of fulfilling its obligations under the loan agreement, including:

☒ the obligations to make the payments required thereunder;

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✓ to operate, repair and maintain at its own expense the hospital facilities; and

       to discharge such other responsibilities as may be imposed under the loan agreement.

(c) Adequate provision shall be made for:

✓ the payment of the principal of and the interest on the bonds and any necessary reserves therefor; and

✓ for the operation, repair and maintenance of the hospital facilities at the expense of the hospital agency or public agency.

✓ (d) The public facilities, including utilities, and public services necessary for the hospital facilities will be made available.

## EXHIBIT

DEC 16 1986 NO. 16

STATE BUDGET & CONTROL BOARD

APPROVAL BY DHEC (§ 44-7-1490)

✓ Approval from DHEC shall be obtained if required

PROVISIONS IN LOAN AGREEMENT (§ 44-7-1520)

✓ (a) The loan agreement shall contain a covenant obligating the hospital agency or public agency to effect the completion of the hospital facilities if the proceeds of the bonds prove insufficient, and

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✓ (b) Each loan agreement shall obligate the hospital agency or public agency to make payments which shall be sufficient:

✓ (a) to pay the principal of and interest on the bonds issues for such hospital facilities,

✓ (b) to build up and maintain any reserves deemed by the county council to be advisable in connection therewith, and

✓ (c) to pay the costs of maintaining the hospital facilities in good repair and the cost of keeping it properly insured.

EXHIBIT

DEC 16 1986 NO. 16

STATE BUDGET & CONTROL BOARD

PAYMENT IN LIEU OF TAXES (§ 44-7-1530)

\_\_\_\_\_ If title to the hospital facility is in a public agency and if the public agency has a loan agreement with a for profit corporation, the loan agreement shall contain a provision requiring the hospital agency (i.e., the corporation) to make payments to the county or counties, school district(s) and other political units wherein the hospital facilities shall be located, in lieu of taxes, in such amounts as would result from taxes levied on the hospital facilities by such political units.

REFUNDING OF BONDS (§ 44-7-1560)

\_\_\_\_\_ Refunding bonds shall comply with § 44-7-1560.

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PETITION TO BUDGET AND CONTROL BOARD (§ 44-7-1590)

The Petition shall set forth:

- ☒ (a) A brief description of the hospital facilities proposed to be undertaken and the refinancing or refunding so proposed;
- ☒ (b) A statement setting forth the action taken by DHEC in connection with the hospital facilities;
- ☒ (c) A reasonable estimate of the cost of the hospital facilities; and
- ☒ (d) A general summary of the terms and conditions of the proposed loan agreement.

FINDINGS BY BUDGET AND CONTROL BOARD (§ 44-7-1590)

- ☒ The proposed hospital facilities are intended to promote the purposes of this article (the Act), and
- ☒ May be reasonably anticipated to effect such result, and
- ☒ The proposed financing is economically feasible.

UNUSUAL QUESTIONS CONSIDERED:

EXHIBIT

DEC 16 1986

NO. 1 6

STATE BUDGET & CONTROL BOARD

007078

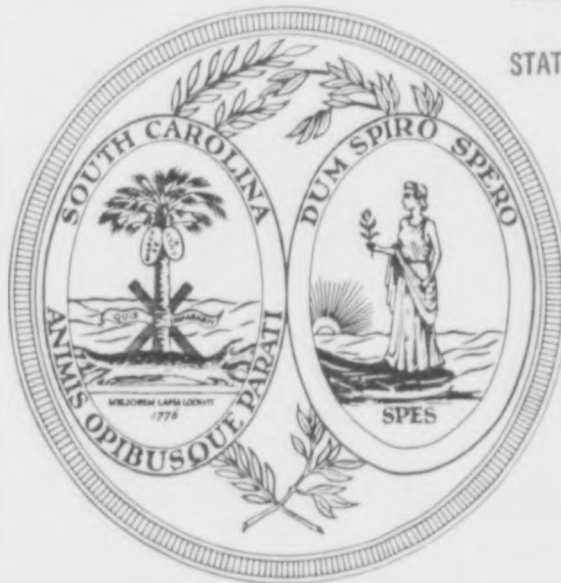
**SOUTH CAROLINA  
CLARKS HILL-RUSSELL  
AUTHORITY**

**EXHIBIT**

DEC 16 1986

NO. 16

STATE BUDGET & CONTROL BOARD



**ANNUAL REPORT  
1985-1986**

Printed Under The Direction Of The  
State Budget And Control Board

**007079**

The Authority took last year's work at Russell Lake a step further by beginning development plans for selected land adjacent to the lake. The conceptual plan involves an environmental analysis of several sites already controlled by the state through a lease arrangement with the Corps of Engineers and the recommendation of several development approaches. This work forms the basis of a comprehensive plan that will involve local governments and agencies. When the final development approach is determined, the plan will serve as the basis of a request for a limited land release for controlled development near Russell Lake.

The stringent lakeshore restrictions at Russell Lake have effectively prevented the region from realizing any economic development benefits from the lake. The purpose of the plan is to identify types of private development that will have a positive economic impact while not degrading the aesthetic or ecological quality of the lake. Additionally, the plan will call for more appropriate public access to the lake.

#### McCormick Nursing Home and Health Care Facility

CHRA has facilitated the planned construction of a nursing home and emergency health care facility to be located on the Indian Hill site near Clarks Hill Lake by designating a site and coordinating the location with the potential developers for the entire project. Future plans also call for the construction of assisted-living apartments. Such a facility, always a feature of the development plans for the property, is seen as a needed service for the area, another source of permanent jobs, and an appropriate addition to the type of overall development planned for the property.

Construction is planned for late 1986 or early 1987, with the opening scheduled for 6 - 9 months later. This will be the first construction on the Indian Hill site.

#### Regional Public Relations

The CHRA region has much to offer to people seeking homes and to businesses seeking locations. The problem is how to spread that news.

During 1986, CHRA initiated a public relations campaign to acquaint people and businesses outside the immediate area with the riches and resources of the region. A national public relations firm was employed to establish and implement a program that would place business, travel, and human interest stories about the area in major publications throughout the United States and in Canada. Unlike direct advertising, a public relations campaign relies on the need for interesting feature articles by newspapers, popular magazines, trade journals, in-flight airline publications, and radio and television programs.

This effort will also result in printed promotional material to be used to publicize the attractions of the region; an Advisory Council composed of representatives

007080



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TRANSMITTAL FORM, REVENUE BONDS

Date: December 9, 1986  
Submitted for BCB Meeting on  
December 16, 1986

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

FROM: Haynsworth, Marion, McKay & Guerard

Name of Law Firm

Charleston, SC 29401  
City, State, Zip Code

2 Prioleau Street, PO Box 1119

Street Address/Box Number

803-722-7606

Telephone Area Code and Number

RE: Not Exceeding \$2,800,000.00

Amount of Issue

McCormick County

Issuing Authority Name

Hospital Facilities Revenue Bonds

Type of Bonds or Notes

January 7, 1987

Projected Issue Date

EXHIBIT

DEC 16 1986 NO. 16

STATE BUDGET & CONTROL BOARD

Project Name: McCormick County Nursing Center Project

Project Description:

An eighty-eight (88) bed skilled and intermediate care nursing home and  
community residential care facility.

Employment as result of project: Upon completion, employ approximately 45 people.

CEILING ALLOCATION REQUIRED

Yes (\$ ) No  
Amount

REFUNDING INVOLVED

Yes (\$ ) No  
Amount

PROJECT APPROVED PREVIOUSLY

Yes ( ) No  
Date

DOCUMENTS ENCLOSED:

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

- A. ☒ Petition (executed original and two copies)  
B. ☒ Resolution or ordinance (executed copy)  
C. ☐ Inducement Resolution or comparable preliminary approval (executed copy)  
D. ☐ Standard Form Investment Letter from bonds purchaser (executed original)  
(Purchaser: )

OR Audited financial statements for three most recent years

- E. ☒ Department of Health and Environmental Control certificate IF REQUIRED  
F. ☒ Budget and Control Board Resolution and Public Notice (original)  
, [Plus eight (8) copies for certification and return to counsel]  
G. ☒ Processing fee

Amount \$ 3,000 Check No.

Payor McCormick County

Bond Counsel: Haynsworth, Marion, McKay & Guerard

Typed Name

By:

Signature

cc EAV  
DE  
12/15

Received  
1/13/87  
10:04 AM

**TRANSMITTAL FORM, REVENUE BONDS**

Date: Jan. 12, 1987  
Submitted for BCB Meeting on:  
January 16, 1987

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

**FROM:**

Haynsworth, Marion, McKay & Guerard  
**Name of Law Firm**  
Charleston, SC 29401  
**City, State, Zip Code**

2 Prioleau St./ P.O. Box 1119  
**Street Address/Box Number**  
803-722-7606  
**Telephone Area Code and Number**

RE: Not Exceeding \$2,800,000

Amount of Issue  
McCormick County  
**Issuing Authority Name**

Hospital Facilities Revenue Bonds  
**Type of Bonds or Notes**  
March 1, 1987  
**Projected Issue Date**

**Project Name:** McCormick County Nursing Center Project

**Project Description:**

An eighty-eight (88) bed skilled and intermediate care nursing home and  
community residential care facility

**Employment as result of project:** \_\_\_\_\_

**CEILING ALLOCATION REQUIRED**

☒ Yes (\$ \_\_\_\_\_) ☐ No  
Amount

**REFUNDING INVOLVED**

☐ Yes (\$ \_\_\_\_\_) ☒ No  
Amount

**PROJECT APPROVED PREVIOUSLY**

☐ Yes (\_\_\_\_\_) ☒ No  
Date

**DOCUMENTS ENCLOSED:**

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

- A. ☐ Petition (executed original and two copies) DEC 16 1986 NO. 16  
B. ☐ Resolution or ordinance (executed copy)  
C. ☐ Inducement Resolution or comparable preliminary approval (executed copy)  
D. ☐ Standard Form Investment Letter from bonds purchaser (executed original)  
(Purchaser: \_\_\_\_\_)

OR ☐ Audited financial statements for three most recent years

- E. ☐ Department of Health and Environmental Control certificate IF REQUIRED  
F. ☒ Budget and Control Board Resolution and Public Notice (original); Revised  
[Plus eight (8) copies for certification and return to counsel]  
G. ☐ Processing fee

Amount \$ \_\_\_\_\_  
Payor \_\_\_\_\_

Check No. \_\_\_\_\_

Bond Counsel: Haynsworth, Marion, McKay & Guerard  
Typed Name

By: \_\_\_\_\_

Signature

007082

DEC 10 1986  
12:00 P.M.

LG

**TRANSMITTAL FORM, REVENUE BONDS**

Date: December 9, 1986  
Submitted for BCB Meeting on:  
December 16, 1986

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

FROM:  
Haynsworth, Marion, McKay & Guerard

**Name of Law Firm**

Charleston, SC 29401  
City, State, Zip Code

2 Prioleau Street, PO Box 1119

**Street Address/Box Number**

803-722-7606

**Telephone Area Code and Number**

RE: Not Exceeding \$2,800,000.00

**Amount of Issue**

McCormick County

**Issuing Authority Name**

Hospital Facilities Revenue Bonds

**Type of Bonds or Notes**

January 7, 1987

**Projected Issue Date**

**Project Name:** McCormick County Nursing Center Project

**Project Description:**

An eighty-eight (88) bed skilled and intermediate care nursing home and  
community residential care facility.

**Employment as result of project:** Upon completion, employ approximately 45 people.

**CEILING ALLOCATION REQUIRED**

Yes (\$ ) No  
Amount

**REFUNDING INVOLVED**

Yes (\$ ) No  
Amount

**PROJECT APPROVED PREVIOUSLY**

Yes ( ) No  
Date

**DOCUMENTS ENCLOSED:**

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

**EXHIBIT**

DEC 16 1986

NO. 16

A. ☒ Petition (executed original and two copies)

B. ☒ Resolution or ordinance (executed copy)

STATE BUDGET & CONTROL BOARD

C. ☐ Inducement Resolution or comparable preliminary approval (executed copy)

D. ☐ Standard Form Investment Letter from bonds purchaser (executed original)

(Purchaser: )

OR ☐ Audited financial statements for three most recent years

E. ☒ Department of Health and Environmental Control certificate IF REQUIRED

F. ☒ Budget and Control Board Resolution and Public Notice (original)

, [Plus eight (8) copies for certification and return to counsel]

G. ☒ Processing fee

Amount \$ 3,000

Check No.

Payor McCormick County

**Bond Counsel:** Haynsworth, Marion, McKay & Guerard

Typed Name

By:

Signature

20

The State of South Carolina

DEC 19 1986

4:45



Office of the Attorney General

EXHIBIT

DEC 16 1986

NO. 17

T. TRAVIS MEDLOCK  
ATTORNEY GENERAL

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

STATE BUDGET & CONTROL BOARD

December 18, 1986

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

Re: \$4,500,000 Horry County, South Carolina  
Industrial Revenue Note  
(Lodge Associates of Myrtle Beach)

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 4-29-140, et seq., Code of Laws of South Carolina, 1976, as amended, and the same appear, in our opinion, to be in order.

Sincerely yours,

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

David C. Eckstrom  
Assistant Attorney General

DCE/dac

Enclosures

007084



# EXHIBIT

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

DEC 16 1986

NO. 17

STATE BUDGET & CONTROL BOARD

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

RE: Sale by Horry County, South Carolina (the "Issuer")  
Of its \$3,900,000 Industrial Revenue Note (the "Bonds")  
On behalf of Lodge Associates of Myrtle Beach (the "Company")  
Public lodging and restaurant facilities (the "Project")  
To Wachovia Bank and Trust Company, N. A. (the "Purchaser")

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

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

SWORN to and subscribed  
before me this 14th day  
of December, 1986.

Notary Public

My Commission expires  
10-11-87

### PURCHASER:

Name: Wachovia Bank & Trust Company, N. A.  
Address: P.O. Box 31608  
Charlotte, North Carolina, 28231-1608

BY:

Signature of Authorized Official

007085

Date: December, 1986



# EXHIBIT

DEC 16 1986

NO. 17

STATE OF SOUTH CAROLINA )

Lodge Associates

COUNTY OF RICHLAND )

STATE BUDGET & CONTROL BOARD

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

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

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

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

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

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

The Honorable Robert N. McLellan, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 10 a.m., on Tuesday, December 16, 1986, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting.

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

FOR MOTION

5

AGAINST MOTION

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

December 22, 1986

William A. McInnis

007086

# EXHIBIT

DEC 16 1986 NO. 17

## A RESOLUTION

## STATE BUDGET & CONTROL BOARD

APPROVING AN UNDERTAKING BY THE COUNTY COUNCIL OF HORRY COUNTY PURSUANT TO CHAPTER 29, TITLE 4, VOLUME 1, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, TO ACQUIRE, EXPAND AND EQUIP AN INDUSTRIAL PROJECT THROUGH THE ISSUANCE OF A NOT EXCEEDING \$3,900,000 HORRY COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE NOTE, SERIES 1986 (LODGE ASSOCIATES OF MYRTLE BEACH PROJECT).

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

WHEREAS, the undertaking provides for the issuance of a not exceeding \$3,900,000 Horry County, South Carolina, Industrial Revenue Note, Series 1986 (Lodge Associates of Myrtle Beach Project) pursuant to the Enabling Statute (the Note), and the loan of the proceeds thereof to Lodge Associates of Myrtle Beach, a South Carolina limited partnership (the Company), under the terms of a loan agreement between the County and the Company (the Loan Agreement), to finance the (i) construction of improvements on a lot of land owned by the Company and located at the southwest corner of the intersection of the Kings Highway and 48th Street North in the City of Myrtle Beach, in Horry County, and (ii) acquisition and installation of furnishings and equipment therein and thereon (such land, improvements, furnishings, and equipment, as so acquired, constructed and installed, being referred to herein as the Project), all of which will constitute public lodging and restaurant facilities, the primary purpose of which is to

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## STATE BUDGET & CONTROL BOARD

provide lodging and restaurant service in connection with tourism, sports and recreational facilities in the City of Myrtle Beach and Horry County, including the theme parks, amusement parks, beaches, bathing facilities and other tourism, sports and recreational facilities located near the Project; and

WHEREAS, The State Board has previously adopted its Resolution on August 8, 1985, making certain findings with respect to the Project and approving the issuance of not exceeding \$3,750,000 in Bonds by Horry County to finance the acquisition and construction of the Project; and

WHEREAS, subsequent to such approval, litigation in Hucks v. Riley et. al. was brought on August 30, 1985, to determine the constitutionality of that portion of the Industrial Revenue Bond Act which authorized the governing boards of the several counties to issue industrial revenue bonds to finance the acquisition and construction of public lodging and restaurant facilities if the primary purpose is to provide service in connection with tourism, sports and recreational facilities. The action was appealed to the Supreme Court of South Carolina and heard on September 15, 1986. A decision has not yet been reached, but the County has requested the State Board to proceed with its approval of the Note subject to a favorable decision being reached in Hucks v. Riley prior to the issuance of the Note; and

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

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# EXHIBIT

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## STATE BUDGET & CONTROL BOARD

WHEREAS, the Note may be secured by the lien of a Mortgage and Security Agreement in the Project from the Company to the County (the Mortgage), which will be assigned by the County to the purchaser of the Note, Wachovia Bank & Trust Company, N.A., a national banking association (the Purchaser), and the pledge of the loan payments under the Loan Agreement; and

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

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

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

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

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

c. The Project, when completed, will provide employment for fifty (50) additional employees immediately; and

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

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STATE BUDGET & CONTROL BOARD

2. On the basis of the foregoing findings, the proposed undertaking of the County Council to finance the acquisition, expansion and equipping of a manufacturing facility will constitute a "project" under the Enabling Statute, through the issuance of the not exceeding \$3,900,000 Horry County, South Carolina, Industrial Revenue Note, payable from the loan payments to be derived under the Loan Agreement, and additionally to be secured by the Mortgage (if any) on the Project, and by the pledge of loan payments to be paid under the Loan Agreement, all pursuant to the Enabling Statute (including changes in any details of the financing, as finally consummated, which do not materially affect the undertaking), be, and the same is, hereby approved, subject to a favorable opinion by the South Carolina Supreme Court being rendered in Hucks v. Riley et. al.

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

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

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STATE BUDGET & CONTROL BOARD

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

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

The financing by County Council of the (i) construction of improvements on a lot of land owned by the Company and located at the southwest corner of the intersection of the Kings Highway and 48th Street North in the City of Myrtle Beach, in Horry County, and (ii) acquisition and installation of furnishings and equipment therein and thereon (such land, improvements, furnishings and equipment, as so acquired, constructed and installed, being referred to herein as the Project), all of which will constitute public lodging and restaurant facilities, lodging and restaurant service in connection with tourism, sports and recreational facilities in the City of Myrtle Beach and Horry County, including the theme parks, amusement parks, beaches, bathing facilities and other tourism, sports and recreational facilities located near the Project. To finance the Project, the County Council will issue

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a not exceeding \$3,900,000 Horry County, South Carolina, Industrial Revenue Note, Series 1986 (Lodge Associates of Myrtle Beach Project) (the Note), pursuant to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended, under the terms of a Loan Agreement (the Loan Agreement) between the County and Lodge Associates of Myrtle Beach, a South Carolina limited partnership (the Company). The Note of Horry County will be payable by the County solely from the loan payments to be paid under the Loan Agreement to the County by the Company, which has irrevocably covenanted and agreed to pay, when due, all sums required for the principal and interest thereon, and the Note may be secured by the mortgage lien and security interest of a Mortgage and Security Agreement on the Project, which will constitute a forecloseable mortgage upon the Project and a pledge of the loan payments to be paid under the Loan Agreement. The Note shall not constitute a charge against the general credit or taxing power of Horry County.

It is estimated that the Project, when completed, will provide employment for more than fifty (50) additional employees immediately.

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

STATE BUDGET AND CONTROL BOARD OF  
SOUTH CAROLINA  
By: William A. McInnis, Secretary

Publication Date:  
December \_\_, 1986

**007092**

# EXHIBIT

DEC 16 1986 NO. 17

STATE BUDGET & CONTROL BOARD

PETITION

TO

THE STATE BUDGET AND CONTROL BOARD

OF

SOUTH CAROLINA

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

RE: NOT EXCEEDING \$4,500,000 HORRY COUNTY,  
SOUTH CAROLINA, INDUSTRIAL REVENUE  
BONDS, SERIES 1986 (LODGE ASSOCIATES OF  
MYRTLE BEACH PROJECT)

EX PARTE:

COUNTY COUNCIL OF HORRY COUNTY  
SOUTH CAROLINA

007093

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

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

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

1. Horry County (the County) proposes to issue its not exceeding \$4,500,000 Horry County, South Carolina, Industrial Revenue Bonds, Series 1986 (Lodge Associates of Myrtle Beach Project) (the Bonds), pursuant to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended (the Enabling Statute), and loan the proceeds thereof to Lodge Associates of Myrtle Beach, a South Carolina general partnership (the Company), pursuant to the terms of a loan agreement between the County and the Company (the Loan Agreement), to finance the (i) construction of improvements on a lot of land owned by the Company and located at the Southwest corner of the intersection of the Kings Highway and 48th Street North, in the City of Myrtle Beach, in Horry County and (ii) the acquisition and installation of furnishings and equipment therein and thereon (such land, improvements, furnishings and equipment, as so acquired, constructed, and installed, being referred to herein as the Project), all of which will constitute public lodging and restaurant facilities, the primary purpose of which is to provide lodging and restaurant service in connection with tourism, sports and recreational facilities in the City of Myrtle Beach and Horry County, including the theme parks, amusement parks, beaches, bathing

facilities and other tourism, sports and recreational facilities located near the Project.

2. County Council adopted a resolution on August 7, 1985, making certain determinations and findings prior to undertaking the Project, approving the undertaking of the Project and the issuance of the Industrial Revenue Bonds in the amount of not exceeding \$3,750,000, and authorizing the filing of a Petition to the State Budget and Control Board of South Carolina, seeking its approval of the Project and the issuance of the Industrial Revenue Bonds.

3. The State Budget and Control Board of South Carolina adopted a resolution on August 12, 1985, approving the undertaking of the Project by the County Council through the issuance of not exceeding \$3,750,000 Horry County, South Carolina, Industrial Revenue Bonds.

4. Subsequent to such approval, litigation in Hucks vs. Riley, et al. was brought on August 30, 1985, to determine the constitutionality of that portion of the Industrial Revenue Bond Act (Chapter 12, Title 4, Code of Laws of South Carolina 1976, as amended by Section 9 of Act No. 179 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1981) which authorizes the governing boards of the several counties to issue industrial revenue bonds to finance the acquisition and construction of public lodging and restaurant facilities, if the primary purpose is to provide service in connection with tourism, sports and recreational facilities. The action was appealed to the Supreme Court of South Carolina and heard on September 15, 1986. A decision has not yet been issued, but the Company has requested that County Council proceed with its approval of

EXHIBIT



the Bonds subject to a favorable decision being reached in Hucks vs. Riley et al. prior to the issuance of the Bonds.

5. The Company has advised County Council that the cost of constructing the building, and acquiring and installing the furnishings and equipment will be not exceeding \$4,500,000, and has requested that the County issue its industrial revenue bonds, in the principal amount of not exceeding \$4,500,000 (the Bonds), to finance the cost of acquiring, constructing and installing the Project, including the costs incident to the issuance of the Bonds. All costs in excess of the proceeds of the Bonds will be paid by the Company from its own funds.

6. The Company has further advised County Council that the Project, when completed, will provide employment for more than fifty (50) additional employees. As a result of the increased employment following completion of the Project, the economy of the County will be benefited by the increased payroll and, as a result of the proposed construction, improvement and installation of furnishings and equipment, the tax base of the County will be increased. Thus, the proposed Project is anticipated to have a beneficial effect upon the economy of Horry County and of the areas adjacent thereto.

7. The Company has advised the County Council of Horry County that Wachovia Bank and Trust Company, N.A., a national banking association (the Bank), has committed to buy the Bonds, which will be payable to the Bank as registered owner, in the principal amount of not exceeding \$4,500,000, with interest thereon from the date of delivery at the rate of not exceeding Sixty-two per centum (62%) of the prime rate announced from time to time by the Bank. The Bonds shall be payable in equal, successive, monthly installments of principal beginning

December 1, 1988, with interest as aforesaid on the principal balance from time to time outstanding payable monthly commencing one month after the issue of the Bonds. The Bonds will mature not later than December 1, 1995.

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

(a) To finance the cost of the Project, the County will issue its not exceeding \$4,500,000 Industrial Revenue Bonds, pursuant to the Enabling Statute. The Project will be owned by the Company and the County will have no ownership interest in the Project. The Bonds may be secured by a first mortgage lien on and security interest in the Project under a Mortgage and Security Agreement from the Company to the County (the Mortgage), which will be assigned to the Bank.

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

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

## EXHIBIT

(d) The Loan Agreement shall contain an agreement obligating the Company to effect the completion of the Project if the proceeds of the Bonds prove insufficient, and obligating the Company to pay loan repayments, which, upon the basis of the determinations heretofore made by County Council, will be sufficient to pay the principal of and interest on the Bonds.

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

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

9. Any Mortgage from the Company to the County, securing the Note, in the amount of not exceeding Four Million Five Hundred Thousand and no/100 (\$4,500,000.00) Dollars, will be in conventional form and will constitute a forecloseable mortgage upon the Project. Included in the granting clause of the Mortgage may be:

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

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

EXHIBIT

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STATE BUDGET & CONTROL BOARD

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

10. County Council requested that \$4,500,000 of the State Volume Ceiling for Private Activity Bonds for calendar year 1986 be allocated to the Bonds in its Petition to the State Budget and Control Board dated November 20, 1986. The allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the Project and any other facilities located at or used as a part of an integrated operation with the Project. County Council hereby certifies that this request for allocation is not made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

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

That the State Budget and Control Board accept the filing of the Petition presented herewith and that it thereafter, and as soon as practicable, make its independent investigation of the Project as it deems advisable, and that thereafter, the State Board make a finding that the proposed Project will promote the purpose of the said Enabling Statute, and that it is reasonably anticipated to effect such result, and, on the basis of such finding, that it does approve the Project, including changes in details of the financing as finally consummated which do not

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STATE BUDGET & CONTROL BOARD

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materially affect the undertaking, and that it give published notice of its approval in the manner set forth in Code Section 4-29-140.

Respectfully submitted,

HORRY COUNTY, SOUTH CAROLINA

(SEAL)

By: *Paul E. Cruse*  
Chairman, County Council  
of Horry County

ATTEST:

*Leah A. Allen*  
Clerk, County Council of  
Horry County

EXHIBIT

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STATE BUDGET & CONTROL BOARD



# EXHIBIT

DEC 16 1986 NO. 17

## A RESOLUTION

## STATE BUDGET & CONTROL BOARD

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

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

1. Horry County (the County) has entered into an Assistance Contract with Lodge Associates of Myrtle Beach, a South Carolina general partnership (the Company), whereby the County agrees, under the conditions set forth in the Assistance Contract, inter alia, to issue not to exceed \$4,500,000 Horry County Industrial Revenue Bonds pursuant to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended (the Enabling Statute), to finance the (i) construction of improvements on a lot of land owned by the Company and located at the Southwest corner of the intersection of the Kings Highway and 48th Street North, in the City of Myrtle Beach, in Horry County and (ii) the acquisition and installation of furnishings and equipment therein and thereon (such land, improvements, furnishings and equipment, as so acquired, constructed, and installed, being referred to herein as the Project), all of which will constitute public lodging and restaurant facilities, the primary purpose of which is to provide lodging and restaurant service in connection with tourism, sports and recreational facilities in the City of Myrtle Beach and Horry County, including the theme parks, amusement parks, beaches, bathing facilities and other tourism, sports and recreational facilities located near the Project.

2. County Council adopted a resolution on August 7, 1985, making certain determinations and findings prior to undertaking the Project, approving the undertaking of the Project and the issuance of the Industrial Revenue Bonds in the amount of not exceeding \$3,750,000, and authorizing the filing of a Petition to the State Budget and Control Board of South Carolina, seeking its approval of the Project and the issuance of the Industrial Revenue Bonds.

3. The State Budget and Control Board of South Carolina adopted a resolution on August 12, 1985, approving the undertaking of the Project by the County Council through the issuance of not exceeding \$3,750,000 Horry County, South Carolina, Industrial Revenue Bonds.

007101

4. Subsequent to such approval, litigation in Hucks vs. Riley, et al. was brought on August 30, 1985, to determine the constitutionality of that portion of the Industrial Revenue Bond Act (Chapter 12, Title 4, Code of Laws of South Carolina 1976, as amended by Section 9 of Act No. 179 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1981) which authorizes the governing boards of the several counties to issue industrial revenue bonds to finance the acquisition and construction of public lodging and restaurant facilities, if the primary purpose is to provide service in connection with tourism, sports and recreational facilities. The action was appealed to the Supreme Court of South Carolina and heard on September 15, 1986. A decision has not yet been issued, but the Company has requested that County Council proceed with its approval of the Bonds subject to a favorable decision being reached in Hucks vs. Riley et al. prior to the issuance of the Bonds.

5. The Company has now advised County Council that the cost of constructing the building, and acquiring and installing the furnishings and equipment will be \$4,500,000 and has requested that the County issue its industrial revenue bonds, in the principal amount of not exceeding \$4,500,000 (the Bonds), to finance the cost of acquiring, constructing and installing the Project, including the costs incident to the issuance of the Bonds.

6. The Company has further advised County Council that the Project, when completed, will provide employment for more than fifty (50) additional employees.

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

8. The Company has advised County Council that Wachovia Bank and Trust Company, N.A., a national banking association (the Bank), has committed to buy the Bonds, which will be payable to the Bank as registered owner, in the principal amount of not exceeding \$4,500,000, with interest thereon from the date of delivery at the rate of not exceeding sixty-two per centum (62%) of the prime rate announced from time to time by the Bank. The Bonds shall be payable in equal, successive, monthly installments of principal beginning December 1, 1988, with interest as aforesaid on the principal balance from time to time outstanding payable monthly commencing one month after the

issuance of the Bonds. The Bonds will mature not later than December 1, 1995.

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

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

## EXHIBIT

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STATE BUDGET & CONTROL BOARD

PETITION  
TO  
THE STATE BUDGET AND CONTROL BOARD  
OF  
SOUTH CAROLINA

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

RE: NOT EXCEEDING \$4,500,000 HORRY COUNTY,  
SOUTH CAROLINA, INDUSTRIAL REVENUE  
BONDS, SERIES 1986 (LODGE ASSOCIATES OF  
MYRTLE BEACH PROJECT)

EX PARTE: COUNTY COUNCIL OF HORRY COUNTY  
SOUTH CAROLINA

007104



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

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

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

1. Horry County (the County) proposes to issue its not exceeding \$4,500,000 Horry County, South Carolina, Industrial Revenue Bonds, Series 1986 (Lodge Associates of Myrtle Beach Project) (the Bonds), pursuant to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended (the Enabling Statute), and loan the proceeds thereof to Lodge Associates of Myrtle Beach, a South Carolina general partnership (the Company), pursuant to the terms of a loan agreement between the County and the Company (the Loan Agreement), to finance the (i) construction of improvements on a lot of land owned by the Company and located at the Southwest corner of the intersection of the Kings Highway and 48th Street North, in the City of Myrtle Beach, in Horry County and (ii) the acquisition and installation of furnishings and equipment therein and thereon (such land, improvements, furnishings and equipment, as so acquired, constructed, and installed, being referred to herein as the Project), all of which will constitute public lodging and restaurant facilities, the primary purpose of which is to provide lodging and restaurant service in connection with tourism, sports and recreational facilities in the City of Myrtle Beach and Horry County, including the theme parks, amusement parks, beaches, bathing



facilities and other tourism, sports and recreational facilities located near the Project.

2. County Council adopted a resolution on August 7, 1985, making certain determinations and findings prior to undertaking the Project, approving the undertaking of the Project and the issuance of the Industrial Revenue Bonds in the amount of not exceeding \$3,750,000, and authorizing the filing of a Petition to the State Budget and Control Board of South Carolina, seeking its approval of the Project and the issuance of the Industrial Revenue Bonds.

3. The State Budget and Control Board of South Carolina adopted a resolution on August 12, 1985, approving the undertaking of the Project by the County Council through the issuance of not exceeding \$3,750,000 Horry County, South Carolina, Industrial Revenue Bonds.

4. Subsequent to such approval, litigation in Hucks vs. Riley, et al. was brought on August 30, 1985, to determine the constitutionality of that portion of the Industrial Revenue Bond Act (Chapter 12, Title 4, Code of Laws of South Carolina 1976, as amended by Section 9 of Act No. 179 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1981) which authorizes the governing boards of the several counties to issue industrial revenue bonds to finance the acquisition and construction of public lodging and restaurant facilities, if the primary purpose is to provide service in connection with tourism, sports and recreational facilities. The action was appealed to the Supreme Court of South Carolina and heard on September 15, 1986. A decision has not yet been issued, but the Company has requested that County Council proceed with its approval of

the Bonds subject to a favorable decision being reached in Hucks vs. Riley et al. prior to the issuance of the Bonds.

5. The Company has advised County Council that the cost of constructing the building, and acquiring and installing the furnishings and equipment will be not exceeding \$4,500,000, and has requested that the County issue its industrial revenue bonds, in the principal amount of not exceeding \$4,500,000 (the Bonds), to finance the cost of acquiring, constructing and installing the Project, including the costs incident to the issuance of the Bonds. All costs in excess of the proceeds of the Bonds will be paid by the Company from its own funds.

6. The Company has further advised County Council that the Project, when completed, will provide employment for more than fifty (50) additional employees. As a result of the increased employment following completion of the Project, the economy of the County will be benefited by the increased payroll and, as a result of the proposed construction, improvement and installation of furnishings and equipment, the tax base of the County will be increased. Thus, the proposed Project is anticipated to have a beneficial effect upon the economy of Horry County and of the areas adjacent thereto.

7. The Company has advised the County Council of Horry County that Wachovia Bank and Trust Company, N.A., a national banking association (the Bank), has committed to buy the Bonds, which will be payable to the Bank as registered owner, in the principal amount of not exceeding \$4,500,000, with interest thereon from the date of delivery at the rate of not exceeding Sixty-two per centum (62%) of the prime rate announced from time to time by the Bank. The Bonds shall be payable in equal, successive, monthly installments of principal beginning

December 1, 1988, with interest as aforesaid on the principal balance from time to time outstanding payable monthly commencing one month after the issue of the Bonds. The Bonds will mature not later than December 1, 1995.

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

(a) To finance the cost of the Project, the County will issue its not exceeding \$4,500,000 Industrial Revenue Bonds, pursuant to the Enabling Statute. The Project will be owned by the Company and the County will have no ownership interest in the Project. The Bonds may be secured by a first mortgage lien on and security interest in the Project under a Mortgage and Security Agreement from the Company to the County (the Mortgage), which will be assigned to the Bank.

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

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

(d) The Loan Agreement shall contain an agreement obligating the Company to effect the completion of the Project if the proceeds of the Bonds prove insufficient, and obligating the Company to pay loan repayments, which, upon the basis of the determinations heretofore made by County Council, will be sufficient to pay the principal of and interest on the Bonds.

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

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

9. Any Mortgage from the Company to the County, securing the Note, in the amount of not exceeding Four Million Five Hundred Thousand and no/100 (\$4,500,000.00) Dollars, will be in conventional form and will constitute a forecloseable mortgage upon the Project. Included in the granting clause of the Mortgage may be:

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

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

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

10. County Council requested that \$4,500,000 of the State Volume Ceiling for Private Activity Bonds for calendar year 1986 be allocated to the Bonds in its Petition to the State Budget and Control Board dated November 20, 1986. The allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the Project and any other facilities located at or used as a part of an integrated operation with the Project. County Council hereby certifies that this request for allocation is not made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

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

That the State Budget and Control Board accept the filing of the Petition presented herewith and that it thereafter, and as soon as practicable, make its independent investigation of the Project as it deems advisable, and that thereafter, the State Board make a finding that the proposed Project will promote the purpose of the said Enabling Statute, and that it is reasonably anticipated to effect such result, and, on the basis of such finding, that it does approve the Project, including changes in details of the financing as finally consummated which do not



materially affect the undertaking, and that it give published notice of its approval in the manner set forth in Code Section 4-29-140.

Respectfully submitted,

HORRY COUNTY, SOUTH CAROLINA

(SEAL)

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

ATTEST:

Leah A. Allen  
Clerk, County Council of  
Horry County

STATE OF SOUTH CAROLINA       )  
  )  
COUNTY OF HORRY                )

THIS IS TO CERTIFY that the foregoing is an exact, verbatim copy of a Resolution unanimously adopted at a duly called and held regular meeting of the County Council of Horry County, South Carolina, held in Council Chambers in Horry County Administration Building, Conway, South Carolina, on December 2, 1986, at which meeting a quorum was present and remained throughout.

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

WITNESS my Hand and the Seal of Horry County, South Carolina, this 9th day of December, A.D. 1986.

(SEAL)

Gladys R. Allen  
Clerk  
County Council of Horry County  
South Carolina

EXHIBIT

DEC 16 1986

NO. 17

STATE BUDGET & CONTROL BOARD

007112

# EXHIBIT

DEC 16 1986 NO. 17

## ASSISTANCE CONTRACT

STATE BUDGET & CONTROL BOARD

THIS CONTRACT made and entered into by and between Horry, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (the County), and Lodge Associates of Myrtle Beach, a South Carolina limited partnership (the Industry),

### WITNESSETH:

#### ARTICLE I

#### RECITATION OF FACTS

##### SECTION 1.01

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

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

pursuant to the Enabling Statute, including terms and conditions relative to the acquisition and use of the facilities and the issuance of bonds; and (iii) to issue bonds for the purpose of financing the acquisition, enlarging, improving, expanding, equipping, furnishing, owning, leasing, and disposing of industrial, manufacturing, commercial and recreational properties to promote, attract, encourage and develop economically sound and beneficial commerce and industry, to increase trade, and to promote the health, prosperity and welfare of the inhabitants of the State by encouraging the development of facilities to provide employment and public recreation for the inhabitants of this State and to attract tourists from other states thereby inducing new industrial, manufacturing, commercial and recreational facilities to locate in South Carolina and by encouraging industrial, manufacturing, commercial and recreational facilities now located in South Carolina to expand their investments and thus utilize and employ manpower and other resources of South Carolina.

2. The Industry proposes that the County finance through the issuance of industrial revenue bonds the (i) construction of improvements on a lot of land owned by the Industry and located at the south west intersection of the Kings Highway and 48th Street North in the City of Myrtle Beach, in Horry County, and (ii) acquisition and installation of furnishings and equipment therein and thereon, at a cost of not exceeding \$4,500,000. Such land, improvements, machinery and equipment, as so acquired, constructed, and installed, are hereinafter called the Project. The Project will provide employment for approximately fifty (50) additional employees.

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

4. The County has given due consideration to all of the proposals and requests of the Industry submitted to It and has agreed to endeavor to effect the issuance of the bonds hereinafter spoken of at the time and on the terms and conditions hereinafter set forth.



ARTICLE II  
UNDERTAKINGS OF THE COUNTY

SECTION 2.01

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

1. That it will enter into a Loan Agreement (the Loan Agreement) with the Industry, upon such terms and conditions as shall be mutually agreed upon between the County and the Industry, pursuant to which it will lend to the Industry the proceeds of not exceeding \$4,500,000 Industrial Revenue Bonds (Lodge Associates of Myrtle Beach Project), in order that such proceeds be applied to the cost of the Project and expenses incident thereto, including the costs of the financing;

2. That it will, subject to the approval by the State Budget and Control Board required by the Enabling Statute, authorize the issuance of not exceeding FOUR MILLION FIVE HUNDRED THOUSAND and no/100 (\$4,500,000.00) DOLLARS Horry County, South Carolina, Industrial Revenue Bonds (Lodge Associates of Myrtle Beach Project) (the Bonds), under the Enabling Statute, as a single issue or as several separate issues, at such time as the Industry may request the County to do so;

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

4. That if the Bonds shall be sold, the County will provide that the proceeds thereof shall be applied to the payment of the costs theretofore and thereafter to be incurred in the acquisition,

construction, and installation of the Project, including advances made or loans incurred by the Industry for such purposes, costs incident to the issuance of the Bonds, and the payment, to the extent permitted by the Enabling Statute, of interest on the Bonds;

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

6. That simultaneously with the issuance of the Bonds, the County will assign to the trustee or the initial purchaser of the Bonds, as the case may be, its interest in the Loan Agreement and a first mortgage upon the Project between the Industry and the County (the Mortgage), securing the obligations of the Industry under the Loan Agreement; and

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

ARTICLE III

UNDERTAKINGS OF THE INDUSTRY

SECTION 3.01

The Industry agrees as follows:

1. That the Industry will market the Bonds on behalf of the County and, in this connection, the Industry expressly acknowledges that the County has no obligation with regard to the marketing of the Bonds;

2. That the Industry will enter into the Loan Agreement with the County under the terms of which the Industry will unconditionally obligate itself to pay to the County sums sufficient to pay the principal of, premium, if any, and interest on the Bonds as and when the same become due and payable; and the Loan Agreement shall be in such form and content satisfactory to the County and to the Industry;

3. That the Industry will enter into the Mortgage, securing its obligations to the County under the Loan Agreement;

4. That the Industry will obligate itself to perform all obligations required of it pursuant to the Enabling Statute;

5. That the Industry will hold the County harmless from all pecuniary liability and will reimburse it for all expenses to which the County might be put in the fulfillment of its obligations under this Contract and the Loan Agreement and in the implementation of the respective terms and provisions thereof; and

6. That the Industry will perform such further acts and adopt such further proceedings as may be required faithfully to implement its undertakings under this Contract.

ARTICLE IV  
GENERAL PROVISIONS

SECTION 4.01

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

SECTION 4.02

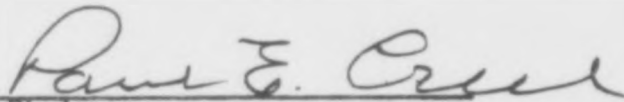
The parties agree that the Industry may proceed with the acquisition, construction, and installation of the Project prior to the issuance of the Bonds.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have caused this Contract to be executed in their respective names and under their respective seals as of May 1, 1985, but on the respective dates indicated below.

HORRY COUNTY, SOUTH CAROLINA

(SEAL)

By:



Chairman

County Council of Horry County

EXHIBIT

DEC 16 1986

NO. 17

STATE BUDGET & CONTROL BOARD

007119

ATTEST:

Deedip A. Allen  
Clerk

County Council of Horry County

Dated: 5-17-, 1985

LODGE ASSOCIATES OF MYRTLE BEACH

By: ADB Allen

Its: Managing Partner

Dated: May 28, 1985

APPROVED AS TO FORM AND CONTENT:

Walter G. Gledhill  
County Attorney  
Horry County, South Carolina

EXHIBIT

DEC 16 1986

NO. 17

STATE BUDGET & CONTROL BOARD



## EXHIBIT

DEC 16 1986

NO. 17

State of South Carolina

## State Budget and Control Board

STATE BUDGET &amp; CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNORGRADY L. PATTERSON, JR.  
STATE TREASUREREARLE E. MORRIS, JR.  
COMPTROLLER GENERALBox 12444  
Columbia  
29211REMBERT C. DENNIS  
CHAIRMAN, SENATE FINANCE COMMITTEE  
TOM G. MANGUM  
CHAIRMAN, WAYS AND MEANS COMMITTEEJESSE A. COLES, JR., Ph.D.  
EXECUTIVE DIRECTOR

December 30, 1986

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

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

FINAL ALLOCATION, CALENDAR YEAR 1986

TO: Horry County  
c/o Mr. Samuel W. Howell, IV  
Haynsworth, Marion, McKay & Guerard  
Drawer 7157  
Columbia, SC 29202

## EXHIBIT

DEC 16 1986

NO. 17

RE: Issue of \$3,900,000, Horry County, South Carolina  
Industrial Revenue Note  
(Lodge Associates of Myrtle Beach Project)  
Issue Date Projected By Issuing Authority: December 31, 1986  
Allocation Expiration Date: December 31, 1986  
Issue Amount Certificate Date: December 30, 1986

STATE BUDGET &amp; CONTROL BOARD

Based upon my receipt of the issue amount certificate required of the issuing authority by Section 7(b) of the Governor's Executive Order #86-20, issued October 22, 1986, which certificate is dated not more than ten (10) business days prior to the projected date of issue which, as certified by the issuing authority, is within the time period during which the ceiling allocation approved previously on a tentative basis by the State Budget and Control Board for the referenced project is valid, I have determined that the allocation is now final in the amount indicated above.

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

*William A. McInnis*

William A. McInnis, Secretary

007121

# HAYNSWORTH, MARION, McKAY & GUÉRARD

ATTORNEYS AT LAW

W. Francis Marion  
Julius W. McKay  
Robt. S. Galloway, Jr.  
Fred D. Cox, Jr.  
O.G. Calhoun, Jr.  
Theodore B. Guérard  
Donald L. Ferguson  
G. Dewey Oxner, Jr.  
William M. Grant, Jr.  
Jesse C. Belcher, Jr.  
Maye R. Johnson, Jr.  
W.E. Applegate, III  
C. Lewis Rasor, Jr.  
Charles E. McDonald, Jr.  
William E. Shaughnessy  
James B. Pressly, Jr.  
Sherwood M. Cleveland  
H. Donald Sellers  
Robert C. Wilson, Jr.

Donald A. Harper  
Robert M. Kunes  
Adole J. Pope  
Andrew J. White, Jr.  
Ellis M. Johnston, II  
Joseph J. Blake, Jr.  
John M. Campbell, Jr.  
William C. Cleveland  
Sam L. Stephenson  
Thomas H. Coker, Jr.  
John Paul Trouche  
William P. Simpson  
Theodore S. Stern, Jr.  
W. Francis Marion, Jr.  
John B. McLeod  
Bryan Francis Hickey  
Samuel W. Howell, IV  
Francis D. Ellison  
Robert W. Hassold, Jr.

Sixth Floor, South Carolina National Bank Building  
Post Office Drawer 7157  
Columbia, South Carolina 29202  
(803) 765-1818

Two Shelter Centre  
Eleventh Floor  
Post Office Box 2048  
Greenville, South Carolina 29602  
(803) 240-3200

Two Prioleau Street  
Post Office Box 1119  
Charleston, South Carolina 29402  
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John H. Muench  
Anne S. Ellefson  
Knox H. White  
Edwin B. Parkinson, Jr.  
H. Sam Mabry, III  
Floyd Matlock Elliott  
David Hill Keller  
Shawn D. Wallace  
Deborah K. Neese  
Susan V. Johnston  
Moffatt Grier McDonald  
Christina L. Carter  
Carol L. Clark  
Richard C. Detwiler  
Jeffrey E. Gray  
Carl Everett Pierce, II  
James H. Ritchie, Jr.  
Anne G.H. Rounds

H. J. Haynsworth  
1859-1941

C.F. Haynsworth  
1886-1953

J.M. Perry  
1894-1964

Eugene Bryant  
1902-1969

OF COUNSEL  
Thomas K. Johnstone, Jr.  
Andrew B. Marion  
Harry R. Stephenson, Jr.  
William J. Quirk, (PA.)

December 10, 1986

HAND DELIVERY

EXHIBIT

DEC 16 1986 NO. 17

The Honorable William A. McInnis  
State Budget and Control Board  
Wade Hampton Office Building, 6th Floor  
Columbia, South Carolina

STATE BUDGET & CONTROL BOARD

Re: Not Exceeding \$4,500,000 Horry County, South Carolina  
Industrial Revenue Note, Series 1986  
(Lodge Associates of Myrtle Beach Project)

Dear Mr McInnis:

Enclosed please find the transmittal letter and filing package in connection with State law approval of the above-captioned bond issue. The Board has previously allocated \$4.5 million of the volume cap for this issue.

This is the same issue that was previously approved by the Board at its meeting on August 8, 1985. The reason it is brought back to the Board at this time is that the amount of the issue has now increased from \$3.75 million to not exceeding \$4.5 million. In addition, the lender has changed from NCNB to Wachovia Bank and Trust Company NA.

In connection with the earlier approval the company paid the Board's review fee of \$3,000. Please let me know if an additional review fee is needed at this time.

This is the bond issue which is the subject of the test suit which we brought in Hucks v. Riley, et al. As we have discussed before, that case is pending in the Supreme Court and we expect a decision from the Court in the very near future. Because this issue is being submitted in connection with the last meeting of the Board for the year in the event Hucks v. Riley has not been favorably decided by that time we are requesting in the State Board's resolution that it approve

007122

# EXHIBIT

DEC 16 1986

NO. 17

The Honorable William A. McInnis  
Page Two  
December 10, 1986

STATE BUDGET & CONTROL BOARD

the issuance of the bonds subject to a favorable ruling by the State Supreme Court. In the event the ruling comes down prior to December 16, I will deliver to you modified resolutions removing that condition. I will also deliver the original signed Petition, County Council resolution and investment letter before December 16.

Please let me know if there is anything further you need in connection with this matter. Thank you for your assistance with this.

With kindest personal regards, I remain

Very truly yours,

*Samuel W. Howell /sh*

Samuel W. Howell, IV

SWH/prg  
Enclosure

007123

Have DE 12/16/86 12:02 PM 2 of 2 - LF 12/15/86 Jm

TRANSMITTAL FORM, REVENUE BONDS

Date: December 10, 1986  
 Submitted for BCB Meeting on:  
December 16, 1986

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

FROM: Haynsworth, Marion, McKay & Guerard

Name of Law Firm  
 Columbia, South Carolina 29202

City, State, Zip Code

P.O. Drawer 7157  
 Street Address/Box Number  
 (803) 765-1818  
 Telephone Area Code and Number

RE: \$4,500,000  
 Amount of Issue  
 Horry County, South Carolina  
 Issuing Authority Name

Industrial Revenue Note  
 Type of Bonds or Notes  
 December 31, 1986  
 Projected Issue Date

EXHIBIT NO. 17 DEC 16 1986

STATE BUDGET & CONTROL BOARD

Project Name: Lodge Associates of Myrtle Beach

Project Description:

Construction of Public lodging facility and renovation of a restaurant facility  
in the City of Myrtle Beach

Employment as result of project: 50 additional employees

CEILING ALLOCATION REQUIRED  
 Yes (\$ ) X No  
 Amount

REFUNDING INVOLVED  
 Yes (\$ ) X No  
 Amount

PROJECT APPROVED PREVIOUSLY  
 X Yes (August 8, 1985) No  
 Date

DOCUMENTS ENCLOSED:

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

- A. X Petition (executed original and two copies)
- B. X Resolution or ordinance (executed copy)
- C. X Inducement Resolution or comparable preliminary approval (executed copy)
- D. X Standard Form Investment Letter from bonds purchaser (executed original)  
 (Purchaser: Wachovia Bank and Trust Company, N. A.)

OR    Audited financial statements for three most recent years

E.    Department of Health and Environmental Control certificate IF REQUIRED

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

G.    Processing fee \$3,000 fee submitted with prior approval on August 8, 1985.  
 Amount \$                                  Check No.                                   
 Payor   

Bond Counsel: Haynsworth, Marion, McKay & Guerard

Typed Name

By:

Signature

007124



DEC 10 1986  
12:02 P.M.  
2 of 2 - *LL*

**TRANSMITTAL FORM, REVENUE BONDS**

Date: December 10, 1986  
Submitted for BCB Meeting on:  
December 16, 1986

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

FROM:  
Haynsworth, Marion, McKay & Guerard

Name of Law Firm  
Columbia, South Carolina 29202

City, State, Zip Code

P.O. Drawer 7157  
Street Address/Box Number  
(803) 765-1818  
Telephone Area Code and Number

RE: \$4,500,000  
Amount of Issue  
Horry County, South Carolina  
Issuing Authority Name

Industrial Revenue Note  
Type of Bonds or Notes  
December 31, 1986  
Projected Issue Date

EXHIBIT

NO. 17

DEC 16 1986

STATE BUDGET & CONTROL BOARD

Project Name: Lodge Associates of Myrtle Beach

Project Description:

Construction of Public lodging facility and renovation of a restaurant facility  
in the City of Myrtle Beach

Employment as result of project: 50 additional employees

**CEILING ALLOCATION REQUIRED**

Yes (\$           ) X No  
Amount

**REFUNDING INVOLVED**

Yes (\$           ) X No  
Amount

**PROJECT APPROVED PREVIOUSLY**

X Yes (August 8, 1985) No  
Date

**DOCUMENTS ENCLOSED:**

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

- A. X Petition (executed original and two copies)  
B. X Resolution or ordinance (executed copy)  
C. X Inducement Resolution or comparable preliminary approval (executed copy)  
D. X Standard Form Investment Letter from bonds purchaser (executed original)  
(Purchaser: Wachovia Bank and Trust Company, N. A.)

OR        Audited financial statements for three most recent years

E.        Department of Health and Environmental Control certificate IF REQUIRED

F. X Budget and Control Board Resolution and Public Notice (original)

[Plus 6 copies for certification and return to counsel]

G.        Processing fee \$3,000 fee submitted with prior approval on August 8, 1985.

Amount \$                                  Check No.                                 

Payor   

Bond Counsel: Haynsworth, Marion, McKay & Guerard

Typed Name

By: *Marion Haynsworth*

Signature

007125



# EXHIBIT

INDUSTRIAL REVENUE BOND PROJECT

DEC 16 1986

NO. 17

STATE BUDGET & CONTROL BOARD

Lodge Associates of Myrtle Beach

GOVERNING BOARD

County Council of Horry County

BOND COUNSEL

Haynsworth, Marion, McKay & Guerard  
Columbia, SC 29202

## FINDINGS BY GOVERNING BOARD (§ 4-29-60)

The Governing Board shall find:

✓ (1) The project will subserve the purposes of Chapter 28, Title 4;

✓ (2) The project is anticipated to benefit the general public welfare of the locality by providing services, employment, recreation, or other public benefits not otherwise provided locally;

✓ (3) The project will give rise to no pecuniary liability of county or incorporated municipality or a charge against its general credit or taxing power;

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\$ 4,500,000 (4) The amount of bonds required to finance the project;

✓ (5) The amount necessary in each year to pay the principal of and the interest on the bonds proposed to be issued to finance the project;

         (6) The amount necessary to be paid each year into any reserve funds which the governing board may deem advisable to establish in connection with the retirement of the proposed bonds and the maintenance of the project;

✓ (7) Unless the terms of the financing agreement with respect to the project provide that the industry shall maintain the project and carry all proper insurance with respect thereto, the cost of maintaining the project in good repair and keeping it properly insured;

✓ (8) The determinations and findings of the governing board required to be made above shall be set forth in the proceedings under which the proposed bonds are to be issued.

FINANCING AGREEMENT (§ 4-29-60)

Every financing agreement with respect to a project shall contain an agreement:

✓ obligating the industry to effect the completion of the project if the proceeds of the bonds prove insufficient, and

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obligating the industry to pay an amount under the terms of a financing agreement, which, upon the basis of the determinations theretofore made, will be sufficient:

- ☒ (a) to pay the principal of and interest on the bonds issued to finance the project;
- ☐ (b) to build up and maintain any reserves deemed by the governing board to be advisable in connection therewith, and
- ☒ (c) unless the financing agreement obligates the industry to pay for the maintenance and insurance of the project, to pay the costs of maintaining the project in good repair and keeping it properly insured.

\_\_\_\_\_ Every financing agreement in the form of a lease shall contain a provision requiring the industry to make payments to the county or counties, municipality or municipalities, school district or school districts, and other political units wherein the project shall be located in lieu of taxes, in such amounts as would result from taxes levied on the project by such county or counties, municipality or municipalities, school district or school districts, and other political unit

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or units, if the project were owned by the industry, but with appropriate reductions similar to the tax exemptions, if any, which would be afforded to the industry if it were the owner of the project.

REFUNDING BONDS (§ 4-29-110)

\_\_\_\_\_ may not exceed an amount sufficient to refund the principal of the bonds to be refunded, together with any unpaid interest thereon and any premiums, expenses, and commissions necessary to be paid in connection therewith.

PETITION (§ 4-29-140)

Must set forth

☒ (a)(1) a brief description of the project proposed to be undertaken, and

☒ (a)(2) its anticipated effect upon the economy of the county or incorporated municipality in which the project is to be located and of the areas adjacent thereto;

☒ (b) a reasonable estimate of the cost of the project;

☒ (c)(1) a general summary of the terms and conditions of the financing agreement and security agreement to be made,

\_\_\_\_\_ (c)(2) a statement establishing the basis for the payment of sums in lieu of taxes as required by § 4-29-60.

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FINDINGS BY BUDGET AND CONTROL BOARD

✓ the project is intended to promote the purposes of Chapter 29, Title 4, (Public Purpose)

✓ the project is reasonably anticipated to effect such result. . . . .

QUESTIONS CONSIDERED

EXHIBIT  
DEC 16 1986 NO. 17  
STATE BUDGET & CONTROL BOARD

007130



The State of South Carolina



Office of the Attorney General

T. TRAVIS MEDLOCK  
ATTORNEY GENERAL

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

DEC 19 1986  
4:45 pm

EXHIBIT

DEC 16 1986 NO. 18

STATE BUDGET & CONTROL BOARD

December 18, 1986

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

Re: \$190,000 Richland County, South Carolina  
Agricultural Development Revenue Bonds  
(Setzler Farms, 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 46-47-10, et seq., Code of Laws of South Carolina, 1976, as amended, and the same appear, in our opinion, to be in order.

Sincerely yours,

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

David C. Eckstrom  
Assistant Attorney General

DCE/dac

Enclosures

007131

# EXHIBIT

DEC 16 1986

NO. 1 8

STATE OF SOUTH CAROLINA )

Setzler Farms

COUNTY OF RICHLAND )

STATE BUDGET & CONTROL BOARD

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

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

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

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

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

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

The Honorable Robert N. McLellan, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 10 a.m., on Tuesday, December 16, 1986, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting.

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

FOR MOTION

5

AGAINST MOTION

0

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

December 22, 1986

William A. McInnis

007132

# EXHIBIT

DEC 16 1986

NO. 1 8

## A RESOLUTION

## STATE BUDGET & CONTROL BOARD

OF THE STATE BUDGET AND CONTROL BOARD APPROVING THE ISSUANCE BY THE SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY OF A \$190,000 AGRICULTURAL DEVELOPMENT BOND (SETZLER FARMS, INC. PROJECT), 1986.

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

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

WHEREAS, the Authority has submitted its petition (the "Petition") to the Board requesting approval by the Board of the issuance by the Authority pursuant to the Act of its \$190,000 Agricultural Development Bond (Setzler Farms, Inc. Project), 1986 (the "Bond"), which Bond has been authorized to be issued pursuant to Resolution No. 86-0023 adopted on December 16, 1986, by the Authority.

WHEREAS, the Bond shall be dated, shall mature, shall bear interest at the rate set forth on Exhibit B attached to the Authority's Petition and shall otherwise contain such terms and conditions as previously authorized by the Resolution of the Authority and shall be sold to NCNB South Carolina, in Newberry, South Carolina; and

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

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

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

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

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

Section 3. Approval is hereby granted by the Board to the issuance and sale by the Authority of its \$190,000 Agricultural Development Bond (Setzler Farms, Inc. Project), 1986, in order to make a mortgage loan or secured loan to the Setzler Farms, Inc. (the "Farmer") to facilitate the acquisition of agricultural land, agricultural improvements and depreciable agricultural property by the Farmer.

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

Section 4. This Resolution shall take effect immediately upon its adoption.

## EXHIBIT

Dated: December 16, 1986

DEC 16 1986 NO. 18

STATE BUDGET & CONTROL BOARD

007134

# EXHIBIT

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF RICHLAND )

DEC 16 1986 NO. 18

STATE BUDGET & CONTROL BOARD

TO: THE STATE BUDGET AND )  
CONTROL BOARD OF SOUTH )  
CAROLINA )

PETITION

This Petition of the South Carolina State Family Farm Development Authority (the "Authority") is submitted to the State Budget and Control Board of South Carolina (the "Board") pursuant to the South Carolina State Family Farm Development Authority Act, Section 15 of Act No. 179 of the Acts and Joint Resolutions of the General Assembly of 1981, now codified as Chapter 47 of Title 46 of the Code of Laws of South Carolina, 1976, as amended (the "Act") and respectfully shows:

1. The Act, among other things, provides that following a determination made by the Authority that it is necessary to sell bonds to develop and implement one of the programs authorized by the Act and a finding that the revenues or other moneys estimated to thereafter be available therefor will provide moneys required for the payment of the principal and interest on the bond then proposed to be issued, upon obtaining the approval of the Board pursuant to the Act, the Authority is authorized to issue bonds for such purposes.

2. The Authority has developed its Direct Loan Program for Farmers of the Beneficiary Class.

3. Pursuant to the provisions of Act No. 512 of the Acts and Joint Resolutions for the General Assembly of the State of South Carolina for the year 1984, the State Budget and Control Board and the Joint Bond Review Committee have been assigned certain responsibilities with respect to allocation of the private activity bond ceiling (the "State Ceiling") applicable to the State of South Carolina under the Tax Reform Act of 1986.

4. By resolution duly adopted by the Authority on December 16, 1986 (certified copy of which is attached hereto as Exhibit A), the Authority has authorized the issuance of its \$190,000 Agricultural Development Bond (Setzler Farms, Inc. Project) 1986 (the "Bond") being described on Exhibit B attached hereto.



5. The Bond shall be a special obligation of the Authority secured by and payable solely from the moneys, income and receipts of the Authority to be pledged under a Loan Agreement between the Authority and the Farmer.

6. Attached hereto as Schedule 1 and by reference incorporated herein in its entirety is a schedule showing the annual debt service requirements and the amount and source of revenues available for the payment thereof on all outstanding bonds of the Authority.

7. The information contained in this Petition provides the Board with all the information required by Section 15 of Act No. 179 (1981 Acts) (now codified as Section 46-47-140 of the 1976 Code of Laws of South Carolina, as amended) to be presented by the Authority in connection with the Bond.

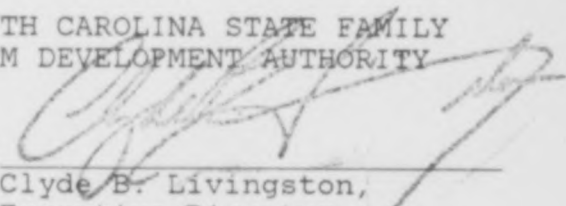
8. The Authority stands ready to produce any further information with respect to the Bond or other bonds of the Direct Loan Program required by the Board.

WHEREFORE, on the basis of the foregoing the Authority prays approval of the Board of the issuance and sale of the Authority's Bond in the principal amount and on the terms and conditions prescribed in the Resolution No. 86-0023 as described in this Petition and allocate \$190,000 of the State Ceiling for the Bond.

To the best of my knowledge the approval of the Setzler Farms, Inc. Project is not made in consideration of any bribe, gift, gratuity, or direct or indirect contributions to any political campaign.

Respectfully submitted,

SOUTH CAROLINA STATE FAMILY  
FARM DEVELOPMENT AUTHORITY

By:   
Clyde B. Livingston,  
Executive Director

(SEAL)

**EXHIBIT**

December 10, 1986

DEC 16 1986 NO. 18

STATE BUDGET & CONTROL BOARD

Copy of Petition also forwarded to Joint Bond Review Committee.

STATE OF SOUTH CAROLINA )

COUNTY OF RICHLAND )

CERTIFIED COPY OF RESOLUTION  
NO. 86-0023

I, the undersigned being the duly qualified and acting Executive Director of the South Carolina State Family Farm Development Authority (the "Authority"), do hereby certify that attached hereto is a copy of Resolution No. 86-0023 authorizing the issuance of a \$190,000 Agricultural Development Bond (Setzler Farms, Inc. Project), 1986, adopted by the Authority at a meeting duly called and held on December 16, 1986, at which a quorum was present and acting throughout, which resolution has been compared by me with the original thereof, and that such resolution has been duly adopted and has not been modified, amended or repealed and is in full force and effect on and as of the date hereof in the form attached hereto.

In witness whereof, I have hereunto set my hand and the official seal of the Authority this 16th day of December, 1986.

SOUTH CAROLINA STATE FAMILY  
FARM DEVELOPMENT AUTHORITY

By:

Clyde B. Livingston,  
Executive Director

(SEAL)

EXHIBIT

DEC 16 1986 NO. 18

STATE BUDGET & CONTROL BOARD

007137

RESOLUTION NO. 86-0023

AUTHORIZING THE ISSUANCE OF A \$190,000 AGRICULTURAL DEVELOPMENT BOND (SETZLER FARMS, INC. PROJECT), 1986, OF THE SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND LENDER LOAN AGREEMENT; APPROVING THE SUBMISSION OF A PETITION TO THE STATE BUDGET AND CONTROL BOARD; AND OTHER MATTERS RELATING THERETO.

EXHIBIT

DEC 16 1986 NO. 18

STATE BUDGET & CONTROL BOARD

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY, AS FOLLOWS:

Section 1. Findings and Determinations. The Authority hereby finds and determines:

(a) Pursuant to the South Carolina State Family Farm Development Act as amended (the "Act"), the Authority is authorized and empowered to undertake programs which assist farmers of the beneficiary class in acquiring agricultural land, agricultural improvements and/or depreciable agricultural property for the purpose of farming.

(b) The Authority is authorized and has developed under the Act a direct loan program for farmers (the "Direct Loan Program") of the beneficiary class by making mortgage loans or secured loans to such farmers to facilitate the acquisition of agricultural land, agricultural improvements and depreciable agricultural property by such farmers.

(c) The Authority is further authorized to borrow money through the issuance of its negotiable bonds as provided in the Act in order to finance its Direct Loan Program.

(d) The Authority has received a request from Setzler Farms, Inc. (the "Borrower") to issue its agricultural development bond for the purpose of facilitating the acquisition of agricultural land, agricultural improvements and/or depreciable agricultural property as more particularly described in the Borrower's Application heretofore submitted to the Authority (the "Project").

(e) In order to raise the sum of \$190,000 and loan such moneys to the Borrower under a Loan Agreement hereinafter described, the Authority finds it necessary and in its best interest to sell its agricultural development

bond to NCNB South Carolina, in Newberry, South Carolina (the "Lender").

(f) The Authority further finds that:

(i) the Borrower receiving the mortgage loan or secured loan under the Direct Loan Program is a member of the "beneficiary class" as defined in the Act;

(ii) the Borrower satisfies the underwriting and credit standards as have been determined by the proposed regulations of the Authority so as to insure payment of the principal and interest on the Bond; and

(iii) the mortgage loan or secured loan authorized hereby is not otherwise available to the Borrower, wholly or in part, without the assistance of financing under the Direct Loan Program, upon reasonably equivalent terms and conditions.

(g) The Authority has caused to be prepared and presented to this meeting the following documents which the Authority proposes to enter into, execute and deliver:

(i) The form of Loan Agreement by and between the Authority and the Borrower including the form of promissory note of the Borrower;

(ii) The form of Lender Loan Agreement by and between the Authority and the Lender; and

(iii) The form of bond to be executed by the Authority.

It appears that each of the Agreements above referred to is in appropriate form and is an appropriate instrument to be executed and delivered by the Authority for the purposes intended.

(h) It is now necessary and in the best interest of the Authority to authorize the issuance of a \$190,000 Agricultural Development Bond, 1986 (Setzler Farms, Inc. Project) in order to develop and implement its Direct Loan Program and to authorize the execution and delivery of the aforementioned Loan Agreement, Lender Loan Agreement and other documents relating to this transaction.

Section 2. Authorization. Pursuant to the Act and the Direct Loan Program in order to finance the Project, including financial, legal, administrative and other costs of the Authority and other fees, there is hereby authorized to be issued a \$190,000 Agricultural Development Bond, (Setzler Farms, Inc. Project) 1986, (the "Bond"), of the Authority. The revenues and other monies estimated to be



available will provide monies required for the payment of the principal and interest on the Bond.

Neither the Commissioners of the Authority nor any persons executing the Bond shall be subject to personal liability on the Bond or accountability by reason of the issuance thereof.

The Bond shall be issued in the form submitted at this meeting of the Authority and shall be payable upon such terms and at such interest rate as specified therein with such variations, omissions and insertions as are permitted or required by this Bond Resolution, the Loan Agreement or the Lender Loan Agreement.

The Bond shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 3. Execution. The Bond shall be executed in the name of the Authority by the manual or facsimile signature of its Chairman or Vice Chairman, attested by the manual or facsimile signature of its Executive Director or any person duly designated by the Authority, or in such other manner as may be required by law; provided that at least one of such signatures shall be manual. In case any one or more of the members, officers or employees of the Authority who shall have signed the Bond or whose signature appears on the Bond shall cease to be such member, officer or employee before the Bond is actually delivered, the Bond may, nevertheless, be delivered as herein provided, and may be issued as if the persons who signed it or whose signatures appear thereon had remained in office or remained so employed.

Section 4. Tax Covenant. The Authority shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Authority on the Bond shall be exempt from all Federal income taxation, particularly the requirements of the Tax Reform Act of 1986 (the "Tax Reform Act").

The Authority covenants and certifies to and for the benefit of the purchaser and holder of the Bond that so long as the Bond remains outstanding, the proceeds thereof will not be used in a manner which will cause the Bond to be classified as an "arbitrage bond" within the meaning of the Tax Reform Act. Pursuant to such covenant, the Authority obligates itself to comply throughout the term of the issue of the Bond with the requirements of the Tax Reform Act, the applicable regulations of the Treasury Department previously promulgated under Section 103 of the Internal Revenue Code of 1954, as amended, and any regulations promulgated



thereunder under the Tax Reform Act so long as the Bond is outstanding.

Section 5. Approval of Loan Agreement and Lender Loan Agreement. The respective forms, terms and provisions of the Loan Agreement and Lender Loan Agreement presented to this meeting and filed with the records of the Authority be and hereby are approved and all of the terms, provisions and conditions thereof are hereby incorporated herein by reference as if such Agreements were set out in this Bond Resolution in their entirety. The Chairman, Secretary and Executive Director of the Authority be and are hereby authorized, empowered and directed to execute, acknowledge and deliver such Agreements in the name of and on behalf of the Authority, and thereupon to cause such Agreements to be delivered to the Borrower and the Lender. Such Agreements are to be in substantially the form now before this meeting and hereby approved by the officials of the Authority executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of such Agreements now before this meeting.

Section 6. Petition to State Budget and Control Board. The Executive Director of the Authority be and is hereby authorized and directed to submit, by petition, the information required under the Act to the State Budget and Control Board in the name of and on behalf of the Authority.

Section 7. Severability. If any provision of this Bond Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 8. Applicable Provisions of Law. This Bond Resolution shall be governed by and construed in accordance with the laws of the State.

Section 9. No Recourse on Bond. No recourse shall be had for the payment of the principal of or the interest on the Bond or for any claim based thereon or on this Bond Resolution against any member or officer of the Authority or any person executing the Bond.

Section 10. Additional Documents. The Chairman, Secretary and Executive Director of the Authority or either of them, are hereby authorized to execute and deliver on behalf of the Authority the Loan Agreement, Lender Loan Agreement, Bond and such other documents and certificates as are required to accomplish the issuance of the Bond.

Section 11. This Bond Resolution shall be in full force and effect upon its adoption.

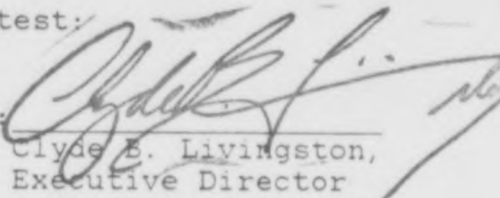
Adopted by the South Carolina State Family Farm Development Authority the 16th day of December, 1986.

(SEAL)

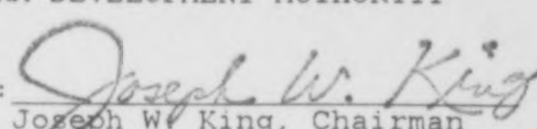
SOUTH CAROLINA STATE FAMILY  
FARM DEVELOPMENT AUTHORITY

Attest:

By:

  
Clyde B. Livingston,  
Executive Director

By:

  
Joseph W. King, Chairman

EXHIBIT

DEC 16 1986 NO. 18

STATE BUDGET & CONTROL BOARD

# EXHIBIT

## EXHIBIT B

DEC 16 1986 NO. 18

STATE BUDGET & CONTROL BOARD

Resolution No.: 86-0023

Principal Amount: \$190,000

Name of Borrower: Setzler Farms, Inc.

Purpose: (construct three turkey houses, growout houses and equipment to expand turkey farm operation)

Maturity Schedule: 10 equal payments of \$30,922.50 payable annually, together with interest at a rate not excluding 12%.

*exceeding*

Method of Sale: Negotiation

Purchaser: NCNB South Carolina

SCHEDULE 1

OUTSTANDING AGRICULTURAL DEVELOPMENT BONDS OF THE  
SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY

	<u>DATE</u>	<u>FARMER</u>	<u>PRINCIPAL AMOUNT</u>	<u>MATURITY SCHEDULE</u>	<u>AMOUNT &amp; SOURCE OF REVENUES</u>
1.	5/3/85	Moore	\$300,000	120 equal monthly payments of \$3,882 each at 9½%.	Payments under a \$300,000 Promissory Note dated 5/3/85.
2.	7/24/85	Hall	\$ 15,000	2 annual installments at 8%.	Payments under a \$15,000 Promissory Note dated 7/24/85.
3.	7/24/85	Woods	\$ 43,000	Quarterly payments of \$1572 for 10 years at 8%.	Payments under a \$43,000 dated 7/24/85.
4.	9/6/85	East	\$250,000	138 monthly payments from April 6, 1986; interest (not exceeding 15%).	Payments under a \$250,000 Promissory Note dated 9/6/85.
5.	9/6/85	Double H Hog Farm	\$ 25,000	3 annual payments at 7.75%.	Payments under a \$25,000 Promissory Note dated 9/6/85.
6.	9/10/85	J. R. Bowen	\$180,000	48 quarterly payments of \$3,750 from March 10, 1986; interest not exceeding 15%.	Payments under a \$180,000 Promissory Note dated 9/10/85.

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7.	9/18/85	Davis	\$125,000	20 equal annual payments of principal of \$6,250; interest not exceeding 15%.	Payments under a \$125,000 Promissory Note dated 9/18/85.
8.	10/18/85	McPhail	\$142,000	5 equal payments per year for 10 years at 8%.	Payments under a \$142,000 Promissory Note dated 10/18/85.
9.	10/18/85	Etheredge	\$ 17,000	48 equal monthly payments of \$354.17; interest not exceeding 15%.	Payments under a \$17,000 Promissory Note dated 10/18/85.
10.	10/18/85	J. R. Bowen	\$ 20,000	48 quarterly payments of \$416.67 from March 10, 1986; interest not exceeding 15%.	Payments under a \$20,000 Promissory Note dated 10/18/85.
11.	11/13/85	Neel's Poultry Farm, Inc.	\$300,000	120 equal monthly payments of \$3,883 each, from June 13, 1986; at 9.5%.	Payments under a \$300,000 Promissory Note dated 11/13/85.
12.	11/27/85	Thomas L. Doremus and Marilyn Doremus	\$150,000	120 equal monthly payments of \$1,983, from December 27, 1985 at 10%.	Payments under a \$150,000 Promissory Note dated 11/27/85.
13.	12/18/85	Riley	\$325,000	120 equal monthly payments of \$4,117, commencing 7/18/86 at 9%.	Payments under a \$325,000 Promissory Note dated 12/18/85.

**007145**



14.	12/20/85	R. L. Martin	\$180,000	Equal monthly payments of \$2,307 from 7/20/86 to 12/20/95 at at 8.5% adjusted on 1/20/91 to N/E 15%.	Payments under a \$180,000 Promissory Note dated 12/20/85.
15.	12/20/85	Earls	\$180,000	Equal monthly payments of \$2,307 from 7/20/86 to 12/20/95 at 8.5% adjusted on 1/20/91 to N/E 15%.	Payments under a \$180,000 Promissory Note dated 12/20/85.
16.	12/20/85	Bates	\$75,000 (1985-A)	120 equal monthly payments of \$981 from 1/30/86 at 9.75%.	Payments under a \$75,000 Promissory Note dated 12/30/85.
17.	12/30/85	Bates	\$85,000 (1985-B)	Equal monthly payments of \$806.24 from 1/16/86 to 12/16/95 at 9.75% adjusted on 1/16/96 to N/E 15%.	Payments under a \$85,000 Promissory Note dated 12/30/85.
18.	12/20/85	Wheeler	\$50,000	40 equal quarterly payments of \$1,828 commencing 3/30/86 at 8%.	Payments under a \$50,000 Promissory Note dated 12/30/85.
19.	12/30/85	Corder	\$42,100	20 equal quarterly payments of \$2,650 commencing 6/30/86 at 9.5%.	Payments under a \$42,100 Promissory Note dated 12/30/85.

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20.	12/21/85	G. E. Martin	\$45,000	28 equal quarterly payments of \$2,184 commencing 4/1/86 at 9%.	Payments under a \$45,000 Promissory Note dated 12/31/85.
21.	12/31/85	Greene	\$25,000	84 equal monthly payments of \$378.85 commencing 1/30/86 at 7.125%.	Payments under a \$25,000 Promissory Note dated 12/31/85.
22.	12/31/85	Ables	\$225,000	40 equal quarterly payments of principal in the amount of \$5,625 from 4/1/86 plus interest at N/E 15%.	Payments under a \$225,000 Promissory Note dated 12/31/85.
23.	12/31/85	Myers	\$105,000	40 equal quarterly payments of principal in the amount of \$2,625 from 7/1/86 plus interest at N/E 15%.	Payments under a \$105,000 Promissory Note dated 12/31/85.
24.	1/30/86	Brown	\$220,000	28 equal quarterly payments of \$10,535 commencing 7/25/86 at 8%.	Payments under a \$220,000 Promissory Note dated 1/30/86.
25.	2/5/86	Kesler	\$350,000	120 equal monthly payments of \$4,434 commencing 9/5/86 at 9%.	Payments under a \$350,000 Promissory Note dated 2/5/86.

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26.	2/25/86	Paradice	\$180,000	40 equal quarterly payments of \$6,652.80 commencing 9/1/86 at 8.25%	Payments under a \$180,000 Promissory Note dated 2/25/86
27.	3/14/86	Agerton	\$130,000	120 equal monthly payments of \$1,646.79 commencing 4/14/86 at 9%.	Payments under a \$130,000 Promissory Note dated 3/14/86.
28.	3/14/86	Easler	\$10,000	5 equal annual payments of \$2,570.92 commencing 3/14/87 at 9%.	Payments under a \$10,000 Promissory Note dated 3/14/86.
29.	4/4/86	Reese	\$185,000	Equal semiannual payments of \$13,908.59 from 4/4/87 to 10/4/96 at 8.5%; adjusted on 4/4/92 to N/E 15%.	Payments under a \$185,000 Promissory Note dated 4/4/86.
30.	4/4/86	Croxton	\$200,000	Equal semiannual payments of \$15,036.32 from 4/4/87 to 10/4/96 at 8.5%; adjusted on 4/4/92 to N/E 15%.	Payments under a \$200,000 Promissory Note dated 4/4/86
31.	4/4/86	W&W Farms	\$15,000	5 equal annual payments of \$3,000 commencing 1/15/87 at 8.5%.	Payments under a \$15,000 Promissory Note dated 4/4/86.
32.	5/28/86	Ables	\$40,000	40 equal quarterly payments of prin- cipal in the amount of \$1,000 commencing 8/28/86 plus accrued interest at N/E 14%.	Payments under a \$40,000 Promissory Note dated 5/28/86.

007148

33.	6/16/86	Hartley	\$40,000	28 equal quarterly payments of \$1,941 commencing 12/16/86 at 9%.	Payments under a \$40,000 Promissory Note dated 6/16/86.
34.	6/16/86	Clamp	\$100,000	40 quarterly payments of \$3,777 commencing 12/16/86 at 8.75%	Payments under a \$100,000 Promissory Note dated 6/16/86.
35.	7/3/86	Rochester	\$220,000	40 equal quarterly payments of principal in the amount of \$5,500 commencing 10/3/86 plus accrued interest at N/E 14%.	Payments under a \$220,000 Promissory Note dated 7/3/86.
36.	10/10/86	Arrington	\$150,000	40 equal quarterly payments of principal in the amount of \$3,750 commencing 4/10/87 plus accrued interest at N/E 12%.	Payments under a \$150,000 Promissory Note dated 10/10/86.
37.	10/10/86	Barnett	\$130,000	40 equal quarterly payments of principal in the amount of \$3,250 commencing 4/10/87 plus accrued interest at N/E 12%.	Payments under a \$130,000 Promissory Note dated 10/10/86.
38.	11/12/86	Sprouse	\$300,000	120 equal monthly payments of principal in the amount of \$2,500 commencing 7/1/87, plus accrued interest at N/E 12%.	Payments under a \$300,000 Promissory Note dated 11/12/86.
39.	11/26/86	Powell	\$150,000	40 equal payments of \$5,018.43, payable every 73 days, commencing 6/11/87, plus accrued interest at N/E 12%.	Payment under a \$150,000 Promissory Note dated 11/26/86.

## EXHIBIT

DEC 16 1986 NO. 1 8

STATE BUDGET & CONTROL BOARD

007149

# EXHIBIT

State of South Carolina

DEC 16 1986

NO. 18

## State Budget and Control Board

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



Box 12444  
Columbia  
29211

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

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

December 23, 1986

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

#### STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

FINAL ALLOCATION, CALENDAR YEAR 1986

TO: Family Farm Development Authority  
c/o Mr. Daniel R. McLeod, Jr.  
McNair Law Firm  
Box 11390  
Columbia, SC 29211

RE: Issue of \$190,000 Family Farm Development Authority  
Agricultural Development Bond  
(Setzler Farms, Inc., Project)  
Issue Date Projected By Issuing Authority: December 30, 1986  
Allocation Expiration Date: December 31, 1986  
Issue Amount Certificate Date: December 19, 1986

Based upon my receipt of the issue amount certificate required of the issuing authority by Section 7(b) of the Governor's Executive Order #86-20, issued October 22, 1986, which certificate is dated not more than ten (10) business days prior to the projected date of issue which, as certified by the issuing authority, is within the time period during which the ceiling allocation approved previously on a tentative basis by the State Budget and Control Board for the referenced project is valid, I have determined that the allocation is now final in the amount indicated above.

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

William A. McInnis, Secretary

007150



DEC 19 1986

4:36 pm

## MCNAIR LAW FIRM, P. A.

ATTORNEYS AND COUNSELORS AT LAW

NCNB TOWER

POST OFFICE BOX 11390

COLUMBIA, SOUTH CAROLINA 29211

803-799-9800

December 19, 1986

HAND DELIVERED

EXHIBIT

NO. 18

DEC 16 1986

STATE BUDGET &amp; CONTROL BOARD

ROBERT E. MCNAIR  
TERRELL L. GLENN  
JAMES S. KONDOROS  
D. WAYNE CORLEY  
E. MILEO SHOLEY  
CHARLES PORTER  
ROBERT W. DIBBLE, JR.  
EMORY M. SHEEDEN  
STEPHEN KOPLAN\*  
RICHARD S. WOODS  
RICHARD L. C. SULLIVAN  
N. JOHN BOWEN, JR.  
JOHN H. LUMPKIN, JR.  
N. WILLIAM YOUNGBLOOD, JR.  
JOHN W. CURRIE  
RHETT DAWSON\*  
SCOTT T. BARNES  
N. ELIZABETH CRUM  
THEODORE J. HOPKINS, JR.  
DAVID R. MILEO, JR.  
WILLIAM S. ROSE, JR.  
RUEL D. ADAMS, JR.

JAMES R. FIELDS, JR.  
M. CRAIG GARNER, JR.  
BRENTON D. JEFFCOAT  
ROBERT T. BOCKMAN  
EDWIN W. JOHNSON  
PETER L. MURPHY  
C. ALAN RUNYAN  
JOHN W. FOSTER  
ELIZABETH VAN DOREN GRAY  
WILMOT B. IRVIN  
APRIL C. LUCAS  
ROBERT E. STERF  
KATHLEEN CRUM MCKINNEY  
E. RUSSELL JETER, JR.  
WILLIAM MICHAEL HOUSE\*  
CARL B. CARRUTH  
JOHN W. HUNTER\*  
J. WESLEY CRUM  
RICHARD J. MORGAN  
J. SIMON FRASER  
CHRISTOPHER M.G. HOLMES  
DEBORAH K. OWEN\*

SARA S. ROGERS  
DOROTHY M. HELMS  
NANCY PAGE  
SANDRA L. WANDLUM  
JANE W. TRIMBLEY  
J. LYLES GLENN IV  
CELESTE TILLER JONES  
KATHERINE ELIZABETH MIMS  
JOSEPH D. WALKER  
NANCY K. JEFFERS  
AUSON RENEE LEE  
MARTHA R. MCMILLIN  
GREGORY D. DILDOACH  
WILLIAM ASHLEY JORDAN, JR.  
MICHAEL M. BEAL  
DEBORAH ANN DAVIS  
ELIZABETH BOWME ANDERS  
WILLIAM M. HUSSEY  
SHARON E. CRANKLEY  
T. PARKIN HUNTER  
ROBERT E. MCMAHAN, JR.

\*NOT ADMITTED IN SOUTH CAROLINA

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

Re: South Carolina State Family Farm Development Authority,  
Agricultural Development Bond

Dear Mr. McInnis:

Enclosed is a copy of the Internal Revenue Service Form 8038 which has been executed by Clyde Livingston, Executive Director of the Family Farm Development Authority, for the following bond issue:

\$190,000 Agricultural Development Bond  
(Setzler Farms, Inc. Project).

The projected closing for this issue is December 30, 1986. I request that you provide me an Allocation Certificate relating to the State Ceiling for the bond issue.

Thank you for your cooperation. With kind regards, I am

Yours very truly,

*Sandra S. Chastain*

Sandra S. Chastain  
Paralegal, Bond Department

SSC/nas  
Enclosure  
cc: Mr. Clyde Livingston

007151

## Check box if Amended Return ►

2 Issuer's employer identification number  
69057001-212

4 Issue number  
86-186 Date of issue  
December 30, 1986

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

Face Amount

## 190.000

a	<input type="checkbox"/>	Residential rental projects (section 103(b)(4)(A))	
b	<input type="checkbox"/>	Sports facilities (section 103(b)(4)(B))	
c	<input type="checkbox"/>	Convention facilities (section 103(b)(4)(C)); Check box if exempt from volume limitations	<input type="checkbox"/>
d	<input type="checkbox"/>	Airports, docks, etc., (section 103(b)(4)(D)); Check box if exempt from volume limitations	<input type="checkbox"/>
e	<input type="checkbox"/>	Sewage or waste disposal facilities (section 103(b)(4)(E))	
f	<input type="checkbox"/>	Pollution control facilities (section 103(b)(4)(F))	E X
g	<input type="checkbox"/>	Water furnishing facilities (section 103(b)(4)(G))	
h	<input type="checkbox"/>	Hydroelectric generating facilities (section 103(b)(4)(H))	DEC 16
i	<input type="checkbox"/>	Mass commuting vehicles (section 103(b)(4)(I))	
j	<input type="checkbox"/>	Local district heating or cooling facilities (section 103(b)(4)(J))	
k	<input type="checkbox"/>	Facilities for the local furnishing of electric energy or gas (section 103(b)(4)(E))	STATE RUI

EXHIBIT  
DEC 16 1966 NO. 18  
STATE BUDGET & CONTROL BOARD

[illegible]

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

17	Total purchase price (regs. section 1.103-13(d)(2))	190,000
18	Proceeds used for bond issuance costs	1,900
19	Proceeds allocated to reasonably required reserve or replacement fund	-0-
20	Proceeds used to refund prior issues	-0-
21	Non-refunding proceeds of the issue (subtract lines 18, 19, and 20 from line 17)	188,100

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

22 Type of Property Financed (or portion thereof financed by non-refunding proceeds)		
a	3-yr. ACRS property	
b	5-yr. ACRS property	
c	10-yr. ACRS property	
d	15-yr. ACRS property	188,100
e	18-yr. ACRS property	
f	Cost of land	
g	Cost of other property (see instructions)	
23 Other use of non-refunding proceeds (subtract lines 22a-g from Part IV, line 21)(see instructions)		
24 Standard industrial classification (SIC) of non-refunding proceeds for the financed project.		
	SIC Code	Non-refunding proceeds \$
a	400	\$188,100
b		
c		
d		
e		
f		
25 Average weighted economic life of the project (complete only for IDBs) See Schedule A		Not less than 10 years

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

26 Initial Principal Users			
(A) User	(B) Name	(C) Address	(D) Employer identification number
(i)	Setzler Farms, Inc.	3241 College Street Newberry, S.C. 29108	
(ii)			
(iii)			
(iv)			
(v)			
27 Common parents (if any) of initial principal users listed above			
(A) User (from above)	(B) Name	(C) Address	(D) Employer identification number

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

28 Name of Governmental units approving issue	South Carolina State Family Farm Development Authority; South Carolina State Budget and Control Board-See Schedule B
29 Names and positions of applicable elected representatives or date of referendum approving issue	See Schedule C

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

1	Issuer's volume limitation	
2	Amount of volume limitation surrendered to other issues (e.g., under section 103A(g)(3)(B) or 25(c)(2)(A)(ii))	
3	Amount of bonds previously issued	
4	Unused volume limitation (subtract lines 2 and 3 from line 1)	
Please Sign Here	Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.	
	Signature of preparer	Date 12/19/86 Title Executive Director
Paid Preparer's Use Only	Preparer's signature	Check if self-employed <input type="checkbox"/> Preparer's social security no.
	Firm's name (or yours, if self-employed) and address	E.I. No. 57-0703244 ZIP code 29211
McNAIR LAW FIRM, P.A. P.O. Box 11390, Columbia, S.C.		

McNAIR LAW FIRM, P. A.

ATTORNEYS AND COUNSELORS AT LAW

POST OFFICE BOX 11390

CAPITOL STATION

COLUMBIA, SOUTH CAROLINA 29211

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

4:36  
12/19

007154

# EXHIBIT

State of South Carolina

DEC 16 1986

NO. 18

## State Budget and Control Board

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



Box 12444  
Columbia  
29211

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

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

December 16, 1986

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

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

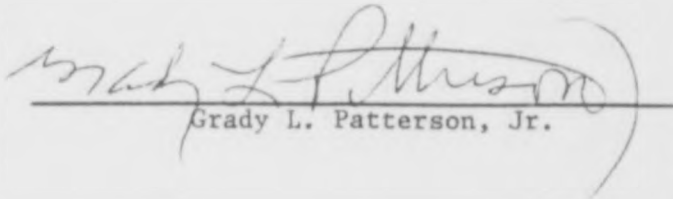
(UNDER TAX REFORM ACT OF 1986)

TENTATIVE ALLOCATION, CALENDAR YEAR 1986

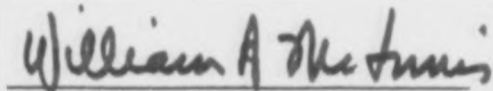
TO: Family Farm Development Authority  
\$190,000  
Agricultural Development Revenue Bonds  
(Setzler Farms, Inc., Project)

The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Tax Reform Act of 1986 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1986 only. It will expire at midnight on December 31, 1986, if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

Before this tentative allocation becomes final, Section 7(b) of the Governor's Executive Order #86-20, issued on October 22, 1986, requires that the exact amount of the bonds/notes being issued be certified to the Board Secretary by the issuing authority **before** the issue is made. In response to that issue amount certificate, the Secretary will issue a certificate which makes the ceiling allocation final.

  
Grady L. Patterson, Jr.

Attest:

  
William A. McInnis, Secretary

007155



# The State of South Carolina

# EXHIBIT

DEC 16 1986

NO. 18

STATE BUDGET & CONTROL BOARD

## South Carolina State Family Farm Development Authority

### Members

JOE W. KING, Chairman  
MELVIN L. CRUM, Vice Chairman  
ROY L. GRAHAM, JR., Secretary  
J. EDWARD BROWN  
JAMES G. FOODY  
STEVEN P. NIVENS  
STANLEY E. WASKIEWICZ  
Chairman Emeritus  
RAYMOND S. CAUGHMAN

P.O. Box 11735  
Columbia, S.C. 29211  
(803)758-5956

DECEMBER 10, 1986

### Ex Officio

GOVERNOR RICHARD W. RILEY  
WALLACE BROWN, Designee  
COMMISSIONER D. LESLIE TINDAL  
HARRY BUSBEE, Designee  
SENATOR WILLIAM W. DOAR  
SENATOR T. ED GARRISON, Designee  
REPRESENTATIVE JOHN J. SNOW, JR.  
REPRESENTATIVE THOMAS N. RHODES, Designee  
Executive Director  
CLYDE B. LIVINGSTON

MR. WILLIAM A. MCINNIS  
DEPUTY EXECUTIVE DIRECTOR  
POST OFFICE BOX 12444  
WADE HAMPTON BUILDING, ROOM 618  
COLUMBIA, SOUTH CAROLINA 29211

DEAR BILL:

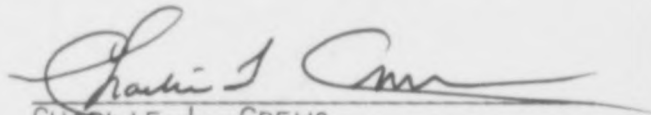
ENCLOSED ARE THE ORIGINAL AND TWO (2) COPIES OF THE PETITIONS OF THE SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY IN REGARD TO THE FOLLOWING BOND ISSUE:

1. SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY \$190,000 AGRICULTURAL DEVELOPMENT BOND (SETZLER FARMS, INC., PROJECT), 1986 (THE "BOND"), BEING DESCRIBED ON EXHIBIT B ATTACHED HERETO.

I REQUEST THAT THIS ISSUE BE PLACED ON THE BUDGET AND CONTROL BOARD'S AGENDA FOR ITS MEETING ON DECEMBER 16, 1986.

ALSO ENCLOSED ARE THE ORIGINAL AND TWO (2) COPIES OF THE RESOLUTION OF THE BOARD FOR THIS ISSUE. UPON ADOPTION, PLEASE CERTIFY THE RESOLUTION AND FORWARD IT TO: DANIEL R. MCLEOD, JR., ESQUIRE, MCNAIR LAW FIRM, POST OFFICE BOX 11390, COLUMBIA, SOUTH CAROLINA, 29211.

IF THERE SHOULD BE ANY QUESTIONS PLEASE CONTACT ME.

  
CHARLIE L. CREWS  
BOND DIRECTOR

ENCLOSURES

CC: DANIEL R. MCLEOD, JR.  
(WITHOUT ENCLOSURES)

007156

DEC 10 1986

12:18 P.M.

L

## TRANSMITTAL FORM, REVENUE BONDS

Date: December 10, 1986  
 Submitted for BCB Meeting on:  
December 16, 1986

## FROM:

McNair Law Firm, P.A.

## Name of Law Firm

Columbia, SC 29211

## City, State, Zip Code

RE: \$190,000

## Amount of Issue

SC State Family Farm Development

## Issuing Authority Name

Authority

TO:

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

P.O. Box 11390

## Street Address/Box Number

803 799-9800

## Telephone Area Code and Number

Agricultural Development Revenue Bonds

## Type of Bonds or Notes

On or before December 31, 1986

## Projected Issue Date

Project Name: Setzler Farms, Inc.

## Project Description:

Construct 3 turkey houses, growout houses and equipment to expand  
turkey farm operation

Employment as result of project: \_\_\_\_\_

## CEILING ALLOCATION REQUIRED

X Yes (\$ \_\_\_\_\_) No

Amount

## REFUNDING INVOLVED

Yes (\$ \_\_\_\_\_) X No

Amount

## PROJECT APPROVED PREVIOUSLY

Yes (\_\_\_\_\_) X No

Date

## DOCUMENTS ENCLOSED:

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

- A. X Petition (executed original and two copies)  
 B. X Resolution or ordinance (executed copy)  
 C. \_\_\_\_\_ Inducement Resolution or comparable preliminary approval (executed copy)  
 D. \_\_\_\_\_ Standard Form Investment Letter from bonds purchaser (executed original)  
 (Purchaser: \_\_\_\_\_)

OR \_\_\_\_\_ Audited financial statements for three most recent years

E. \_\_\_\_\_ Department of Health and Environmental Control certificate IF REQUIRED

F. X Budget and Control Board Resolution and Public Notice (original)

[Plus \_\_\_\_\_ copies for certification and return to counsel]

G. \_\_\_\_\_ Processing fee

Amount \$ \_\_\_\_\_

Check No. \_\_\_\_\_

Payor \_\_\_\_\_

Bond Counsel: McNair Law Firm, P.A.

Typed Name

By: Daniel R. McLeod, Jr.

Signature

007157

cc DE  
12/15

## TRANSMITTAL FORM, REVENUE BONDS

Date: December 10, 1986

Submitted for BOB Meeting on:

December 16, 1986

## FROM:

McNair Law Firm, P.A.

## Name of Law Firm

Columbia, SC 29211

## City, State, Zip Code

RE: \$190,000

## Amount of Issue

SC State Family Farm Development

## Issuing Authority Name

Authority

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

P.O. Box 11390

## Street Address/Box Number

803 799-9800

## Telephone Area Code and Number

Agricultural Development Revenue Bonds

## Type of Bonds or Notes

On or before December 31, 1986

## Projected Issue Date

Project Name: Setzler Farms, Inc.

## Project Description:

Construct 3 turkey houses, growout houses and equipment to expand  
turkey farm operation

Employment as result of project: \_\_\_\_\_

## CEILING ALLOCATION REQUIRED

X Yes (\$ \_\_\_\_\_)    No

Amount

## REFUNDING INVOLVED

   Yes (\$ \_\_\_\_\_) X No

Amount

## PROJECT APPROVED PREVIOUSLY

   Yes (\_\_\_\_\_) X No

Date

## DOCUMENTS ENCLOSED:

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

- A. X Petition (executed original and two copies)  
 B. X Resolution or ordinance (executed copy)  
 C.    Inducement Resolution or comparable preliminary approval (executed copy)  
 D.    Standard Form Investment Letter from bonds purchaser (executed original)  
 (Purchaser: \_\_\_\_\_)

OR    Audited financial statements for three most recent years

- E.    Department of Health and Environmental Control certificate IF REQUIRED  
 F. X Budget and Control Board Resolution and Public Notice (original)  
 [Plus \_\_\_\_\_ copies for certification and return to counsel]  
 G.    Processing fee

Amount \$ \_\_\_\_\_

Check No. \_\_\_\_\_

Payor \_\_\_\_\_

Bond Counsel: McNair Law Firm, P.A.

Typed Name

By: Samuel R. McLeod, Jr.

Signature

Received 2/9/87  
2:44 pm

SINKLER GIBBS & SIMONS

PROFESSIONAL ASSOCIATION

160 EAST BAY STREET  
CHARLESTON, SOUTH CAROLINA  
TELEPHONE AND TELECOPIER  
(803) 722-3366

MAILING ADDRESS  
CHARLESTON OFFICE  
POST OFFICE BOX 340  
CHARLESTON, S. C. 29402

COLUMBIA OFFICE  
SUITE 1160  
1401 MAIN STREET  
POST OFFICE BOX 11458  
COLUMBIA, S. C. 29211  
TELEPHONE AND TELECOPIER  
(803) 765-1885

February 5, 1987

EXHIBIT

DEC 16 1986

NO. 19

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis  
Secretary  
South Carolina State Budget  
and Control Board  
Post Office Box 12444  
Columbia, SC 29211-2444

Re: \$6,525,000 Pickens County, South Carolina, Hospital  
Facilities Refunding Revenue Bonds, Series 1987  
(Cannon Memorial Hospital Project)

Dear Mr. McInnis:

In connection with the above-captioned Bonds, enclosed  
herewith please find the following:

(1) Copy of Form 8038 filed with the United States  
Treasury, Internal Revenue Service; and

(2) Publisher's affidavit with newspaper clipping  
attached evidencing publication of notice of State  
Budget and Control Board of South Carolina approval.

Sincerely,

*F. Mitchell Johnson, Jr.*

F. Mitchell Johnson, Jr.

FMJ/ebs  
Enclosures

007159



# Information Return for Private Activity Bond Issues

Under Sections 103(l) and 103A

15  
OMB No. 1545-0720  
Expires 12/31/87

## Part I Reporting Authority

Check box if Amended Return ☐

1 Issuer's name  
**Pickens County, South Carolina**

2 Issuer's employer identification number  
**57-6000395**

3 Number and street  
**101 E. Main Street**

4 Issue number  
**1**

5 City or town, State and ZIP code  
**Pickens, South Carolina 29671**

6 Date of issue  
**February 4, 1987**

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

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

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

### Industrial Development Bonds:

- 11 ☐ Industrial park bond
- 12 ☐ Small issue IDB; Check box if \$10 million small issue election ☐

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

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

EXHIBIT

DEC 16 1986

NO. 19

STATE BUDGET & CONTROL BOARD

Face Amount
\$6,525,000

## Part III Description of Obligations

(A) Maturity date	(B) Face amount	(C) Stated interest rate	(D) Term (in years)
02/01/88	\$ 60,000.00	6.00%	0.99
02/01/89	\$ 65,000.00	6.25%	1.99
02/01/90	\$ 70,000.00	6.50%	2.99
02/01/91	\$ 75,000.00	6.60%	3.99
02/01/92	\$ 75,000.00	6.70%	4.99
02/01/93	\$ 85,000.00	6.80%	5.99
02/01/94	\$ 90,000.00	6.90%	6.99
02/01/95	\$ 95,000.00	7.00%	7.99
02/01/96	\$100,000.00	7.20%	8.99
02/01/97	\$110,000.00	8.50%	9.99
02/01/98	\$120,000.00	8.50%	10.99
02/01/99	\$130,000.00	8.50%	11.99
(see attached)			

15 Weighted average maturity of the issue **20.93 years.**

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

## Part IV Proceeds of Issue

17 Total purchase price (regs. section 1.103-13(d)(2))	\$6,525,000
18 Proceeds used for bond issuance costs	\$ 130,500
19 Proceeds allocated to reasonably required reserve or replacement fund	\$ 0
20 Proceeds used to refund prior issues	\$6,394,500
21 Non-refunding proceeds of the issue (subtract lines 18, 19, and 20 from line 17)	\$ 0

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

Form 8038 (Rev. 12-84)

007160

2/85 page 749,933



**Part V** Description of Property Financed by Non-refunding Proceeds  
(Do not complete for student loan bonds or mortgage bonds)**22** Type of Property Financed (or portion thereof financed by non-refunding proceeds)

a 3-yr. ACRS property

b 5-yr. ACRS property

c 10-yr. ACRS property

d 15-yr. ACRS property

e 18-yr. ACRS property

f Cost of land

g Cost of other property (see instructions)

**23** Other use of non-refunding proceeds (subtract lines 22a-g from Part IV, line 21)(see instructions)**24** Standard industrial classification (SIC) of non-refunding proceeds for the financed project.

	SIC Code	Non-refunding proceeds \$		SIC Code	Non-refunding proceeds \$
a			d		
b			e		
c			f		

**25** Average weighted economic life of the project (complete only for IDBs) years.**Part VI** Description of Initial Principal Users

(Do not complete for student loan bonds or mortgage bonds)

**26** Initial Principal Users:

(A) User	(B) Name	(C) Address	(D) Employer identification number
(i)	Cannon Memorial Hospital	Post Office Box 188, Pickens, SC 29671	57-0342027
(ii)			
(iii)			
(iv)			
(v)			

**27** Common parents (if any) of initial principal users listed above:

(A) User (from above)	(B) Name	(C) Address	(D) Employer identification number

**Part VII** Approval of Issue (Complete only for IDBs)**28** Name of Governmental units approving issue ▶ Pickens County Council, State Budget and Control Board of South Carolina**29** Names and positions of applicable elected representatives or date of referenda approving issue ▶

Dr. Robert R. Nash, Chairman, Pickens County Council

**Part VIII** Volume Limitations for Qualified Mortgage or Veterans' Bonds**1** Issuer's volume limitation**2** Amount of volume limitation surrendered to other issues (e.g., under section 103A(g)(3)(B) or 25(c)(2)(A)(ii))**3** Amount of bonds previously issued**4** Unused volume limitation (subtract lines 2 and 3 from line 1)Please  
Sign  
Here

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

Signature of officer Robert R. Nash

Date 02/04/87

Chairman, Pickens  
County CouncilPaid  
Preparer's  
Use Only

Preparer's signature J. Mitchell Johnson, Jr.

Check if  
self-em-  
ployed ☐

Preparer's social security no.

Firm's name (or  
yours, if self-employed)  
and addressSinkler Gibbs & Simons, P. A.  
PO Box 340, Charleston, SC

E I No.

57-0295522

ZIP code

29402

U.S. Government Printing Office: 1985-461-495/10095

PART II. DESCRIPTION OF OBLIGATIONS Cont'd

10	(A) Stated Maturity	(B) Face Amount	(C) Stated Interest Rate	(D) Term (in years)
	02/01/00	\$140,000.00	8.50%	12.99
	02/01/01	\$150,000.00	8.50%	13.99
	02/01/02	\$165,000.00	8.50%	14.99
	02/01/03	\$175,000.00	8.50%	15.99
	02/01/04	\$190,000.00	8.50%	16.99
	02/01/05	\$210,000.00	8.50%	17.99
	02/01/06	\$225,000.00	8.50%	18.99
	02/01/07	\$245,000.00	8.50%	19.99
	02/01/08	\$265,000.00	8.50%	20.99
	02/01/09	\$290,000.00	8.50%	21.99
	02/01/10	\$315,000.00	8.50%	22.99
	02/01/11	\$340,000.00	8.50%	23.99
	02/01/12	\$370,000.00	8.50%	24.99
	02/01/13	\$400,000.00	8.50%	25.99
	02/01/14	\$435,000.00	8.50%	26.99
	02/01/15	\$470,000.00	8.50%	27.99
	02/01/16	\$510,000.00	8.50%	28.99
	02/01/17	\$555,000.00	8.50%	29.99

# EXHIBIT

DEC 16 1986 NO. 19

STATE BUDGET & CONTROL BOARD

007162

NOTICE PURSUANT TO ARTICLE 11, CHAPTER 7, TITLE 44, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED. NOTICE IS HEREBY GIVEN that following the filing of a Petition by Pickens County Council ("County Council") to the State Budget and Control Board of South Carolina (the "State Board"), approval has been given by the State Board to the following undertaking (the "Undertaking") (including changes in any details of the Undertaking as finally consummated which do not materially affect the Undertaking), viz:

The issuance by Pickens County, South Carolina (the "County") of not exceeding \$6,555,000 Pickens County, South Carolina, Hospital Facilities Refunding Revenue Bonds, Series 1987 (Cannon Memorial Hospital Project) (the "Bonds") pursuant to Article 11, Chapter 7, Title 44, Code of Laws of South Carolina 1976, as amended (the "Act"), the proceeds of which shall be loaned by the County to Cannon Memorial Hospital (the "Corporation"), a South Carolina non-for-profit corporation, and used to pay the costs incurred and to be incurred to refund the \$7,000,000 Pickens County, South Carolina, Hospital Facilities Revenue Bonds, Series 1987 (Cannon Memorial Hospital Project) (the "Prior Bonds") which Prior Bonds were issued to refund certain outstanding indebtedness incurred by the Corporation to finance the acquisition, construction and installation of hospital facilities (the "Project") owned and operated by the Corporation in the County.

The Corporation will irrevocably covenant and agree to pay when due all sums required to pay the principal of, premium, if any, and interest on the Bonds, and the Bonds will be secured by a Trust Agreement (the "Trust Agreement") under which the County will pledge to The South Carolina National Bank, as Trustee (the "Trustee") substantially all of its rights under the Loan Agreement and by a Mortgage and Security Agreement between the Corporation and the Trustee pursuant to which the Corporation will grant a mortgage lien on, and security interest in, the Project to the Trustee. The Bonds will be issued pursuant to the Act, the Trust Agreement and to an ordinance (the "Bond Ordinance") to be adopted by County Council.

Drafts of the Loan Agreement, the Trust Agreement, the Mortgage and the Bond Ordinance are on file at the office of County Council, located in Pickens, South Carolina.

NOTICE IS FURTHER GIVEN that any interested party may at any time within twenty days after the date of publication of this Notice, but not afterwards, challenge the validity of the action of the State Board in approving the said undertaking of County Council, by action DE NOVO, instituted in the Court of Common Pleas for the County.

THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA By: William A. McInnis

PUBLICATION DATE: December 20 1986, 1781767.

THE GREENVILLE NEWS—PIEDMONT COMPANY

POST OFFICE BOX 1688

GREENVILLE, SOUTH CAROLINA 29602

AFFIDAVIT

Allen Dedwyler, being duly sworn, says that he is the legal ad-

vertising representative of { THE GREENVILLE NEWS  
~~XXXXXXXXXXXXXXXXXXXX~~

newspaper printed and published in the City of Greenville, in

the State of South Carolina. That the attached advertisement

appearing in 8 inches in the issue

of December 20, 1986

*Allen Dedwyler*

Sworn to and subscribed before me

this 23rd day of December 19 86

*Melinda M. Simpson*  
Notary Public for State of S. C.

Total Due \$

GNP-81016-R-12/77

EXHIBIT

DEC 16 1986

NO. 19

STATE BUDGET & CONTROL BOARD

007163

## The State of South Carolina

DEC 19 1986

4:45pm



Office of the Attorney General

EXHIBIT

DEC 16 1986

NO. 19

STATE BUDGET &amp; CONTROL BOARD

T. TRAVIS MEDLOCK  
ATTORNEY GENERALREMBERT C. DENNIS BUILDING  
POST OFFICE BOX 11549  
COLUMBIA, S.C. 29211  
TELEPHONE 803 734 3680

December 18, 1986

Mr. William A. McInnis  
Deputy Executive Director  
State Budget and Control Board  
Columbia, South Carolina 29201Re: Not exceeding \$6,555,000 Pickens County,  
South Carolina, Hospital Facilities  
Refunding Bonds  
(Cannon Memorial Hospital)

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 44-7-1590, 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/dac

Enclosures

007164

JAN - 5 1987

State of South Carolina



EXHIBIT

DEC 16 1986

NO. 19

STATE BUDGET & CONTROL BOARD

State Budget and Control Board

OFFICE OF THE STATE AUDITOR

P.O. BOX 11333  
COLUMBIA, S.C.  
29211  
(803) 734-1727

EDGAR A. VAUGHN, JR., CPA  
STATE AUDITOR

MARGARET C. STILWELL, CPA  
DEPUTY STATE AUDITOR

December 31, 1986

MEMORANDUM

TO: Mr. William A. McInnis  
Secretary, Budget and Control Board

FROM: Edgar A. Vaughn, Jr. *EAV*  
State Auditor

SUBJECT: \$6,555,000 Pickens County Hospital Facilities Refunding  
Revenue Bonds (Cannon Memorial Hospital Project)

We have reviewed the Audit Reports of Cannon Memorial Hospital submitted in connection with this issue. These Bonds are to be used to advance refund the Hospital Facilities Revenue Bonds, Series 1983.

Based on our review of the audited financial statements of Cannon Memorial Hospital and the fact that this issue will refund a presently outstanding issue, we see no reason not to approve the issuance of these Bonds.

EAV/jp

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RICHARD W. RILEY, CHAIRMAN  
GOVERNOR  
GRADY L. PATTERSON, JR.  
STATE TREASURER

STATE BUDGET & CONTROL BOARD  
EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL  
REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE  
JESSE A. COLES, JR.  
EXECUTIVE DIRECTOR



# EXHIBIT

DEC 16 1986

NO. 19

STATE OF SOUTH CAROLINA )

Cannon Memorial Hospital

COUNTY OF RICHLAND )

STATE BUDGET & CONTROL BOARD

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

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

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

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

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

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

The Honorable Robert N. McLellan, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 10 a.m., on Tuesday, December 16, 1986, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting.

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

FOR MOTION

AGAINST MOTION

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0

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

January 5, 1987

William A. McInnis

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# EXHIBIT

DEC 16 1986 NO. 19

STATE BUDGET & CONTROL BOARD<sup>C</sup>

## RESOLUTION

### STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

APPROVING THE UNDERTAKING OF PICKENS COUNTY, SOUTH CAROLINA TO ISSUE NOT EXCEEDING \$6,555,000 PICKENS COUNTY, SOUTH CAROLINA, HOSPITAL FACILITIES REFUNDING REVENUE BONDS, SERIES 1987 (CANNON MEMORIAL HOSPITAL PROJECT) PURSUANT TO ARTICLE 11, CHAPTER 7, TITLE 44, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

WHEREAS, Pickens County Council ("County Council"), pursuant to Article 11, Chapter 7, Title 44, 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 the approval of the State Board to an undertaking by Pickens County, South Carolina (the "County") pursuant to the Act; and

WHEREAS, the proposed undertaking (the "Undertaking") consists of the issuance of not exceeding \$6,555,000 Pickens County, South Carolina, Hospital Facilities Refunding Revenue Bonds (Cannon Memorial Hospital Project), Series 1986 (the "Bonds") by the County pursuant to the Act to a Trust Agreement (the "Trust Agreement") between the County and The South Carolina National Bank, as Trustee (the "Trustee") and to an ordinance (the "Bond Ordinance") to be adopted by County Council, the proceeds of which Bonds will be loaned to Cannon Memorial Hospital (the "Corporation"), a South Carolina not-for-profit corporation, and used to defray the cost of refunding the \$7,000,000 Pickens County, South Carolina, Hospital Facilities Revenue Bonds, Series 1983 (Cannon Memorial Hospital Project) (the "Prior Bonds") which Prior Bonds were issued to refund certain outstanding indebtedness incurred by the Corporation to finance the acquisition, construction and installation of hospital facilities (the "Project") owned and operated by the Corporation in the County, South Carolina (the "County"). It is estimated that the cost of the proposed refunding (the "Refunding") of the Prior Bonds to be financed with the proceeds of the Series 1987 Bonds (hereinafter defined), of which Prior Bonds \$6,855,000 of aggregate principal amount is now outstanding, will be \$6,555,000; and

WHEREAS, the County and the Corporation propose to enter into a Loan Agreement (the "Loan Agreement") pursuant to which the Corporation will agree to make payments sufficient to provide for the payment of the Bonds and the costs and expenses resulting from the issuance thereof; and

WHEREAS, in order to finance the refunding of the Prior Issue (the "Refunding"), the County proposes to provide for

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the issuance and delivery of the Bonds pursuant to the Act and to the Bond Ordinance, payable by the County from the amounts derived from the Loan Agreement and secured by the Trust Agreement and by a Mortgage and Security Agreement (the "Mortgage") between the Corporation and the Trustee; and

WHEREAS, the forms of Loan Agreement, the Trust Agreement, the Mortgage, the Bond Ordinance and the Bonds will be in substantially the form used in previous financings considered by this Board;

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

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

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

(b) That County Council has filed a proper petition to the State Board in accordance with the provisions of the Act, setting forth the action taken by the South Carolina Department of Health and Environmental Control ("DHEC") in connection with the Project (DHEC having issued a Certificate of Need in connection with the Project), a reasonable estimate of the cost of the proposed financing, and a general summary of the terms and conditions of the Loan Agreement, the Trust Agreement and the Mortgage;

(c) The Undertaking is intended to promote the purposes of the Act and is reasonably anticipated to effect such purpose.

2. On the basis of the foregoing findings, the Undertaking of the County: (i) to issue the Bonds; (ii) to loan the proceeds thereof to the Corporation for the purpose of financing the Refunding; and (iii) to enter into the Loan Agreement providing for the payment of the Bonds, which Bonds shall be payable by the County solely from the revenues to be derived by the County under the Loan Agreement and shall be secured by the Trust Agreement and the Mortgage all pursuant to the Act (including changes in any details of the said undertaking as finally consummated which do not materially affect the Undertaking) be, and the same is hereby approved, and the County may proceed therewith.

3. Notice of the action taken by the State Board in giving approval to the Undertaking of the County shall be

published in THE PICKENS SENTINEL, a newspaper having general circulation in the County.

4. The Notice to be published shall be in form substantially as set forth in EXHIBIT "A" of this Resolution.

## EXHIBIT

DEC 16 1986 NO. 19

STATE BUDGET & CONTROL BOARD



NOTICE PURSUANT TO ARTICLE 11, CHAPTER 7, TITLE 44,  
CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

NOTICE IS HEREBY GIVEN that following the filing of a Petition by Pickens County Council ("County Council") to the State Budget and Control Board of South Carolina (the "State Board"), approval has been given by the State Board to the following undertaking (the "Undertaking") (including changes in any details of the Undertaking as finally consummated which do not materially affect the Undertaking), viz:

The issuance by Pickens County, South Carolina (the "County") of not exceeding \$6,555,000 Pickens County, South Carolina, Hospital Facilities Refunding Revenue Bonds, Series 1987 (Cannon Memorial Hospital Project) (the "Bonds") pursuant to Article 11, Chapter 7, Title 44, Code of Laws of South Carolina 1976, as amended (the "Act"), the proceeds of which shall be loaned by the County to Cannon Memorial Hospital (the "Corporation"), a South Carolina not-for-profit corporation, and used to pay the costs incurred and to be incurred to refund the \$7,000,000 Pickens County, South Carolina, Hospital Facilities Revenue Bonds, Series 1983 (Cannon Memorial Hospital Project) (the "Prior Bonds") which Prior Bonds were issued to refund certain outstanding indebtedness incurred by the Corporation to finance the acquisition, construction and installation of hospital facilities (the "Project") owned and operated by the Corporation in the County.

The Corporation will irrevocably covenant and agree to pay when due all sums required to pay the principal of, premium, if any, and interest on the Bonds, and the Bonds will be secured by a Trust Agreement (the "Trust Agreement") under which the County will pledge to The South Carolina National Bank, as Trustee (the "Trustee") substantially all of its rights under the Loan Agreement and by a Mortgage and Security Agreement between the Corporation and the Trustee pursuant to which the Corporation will grant a mortgage lien on, and security interest in, the Project to the Trustee. The Bonds will be issued pursuant to the Act, the Trust Agreement and to an ordinance (the "Bond Ordinance") to be adopted by County Council.

Drafts of the Loan Agreement, the Trust Agreement, the Mortgage and the Bond Ordinance are on file at the office of County Council, located in Pickens, South Carolina.

NOTICE IS FURTHER GIVEN that any interested party may at any time within twenty days after the date of publication of this Notice, but not afterwards, challenge the validity



of the action of the State Board in approving the said undertaking of County Council, by action, de novo, instituted in the Court of Common Pleas for the County.

THE STATE BUDGET AND CONTROL  
BOARD OF SOUTH CAROLINA

By: William A. McInnis

PUBLICATION DATE:  
December \_\_\_\_, 1986.

EXHIBIT

DEC 16 1986 NO. 19

STATE BUDGET & CONTROL BOARD

# EXHIBIT

STATE OF SOUTH CAROLINA

DEC 16 1986

NO. 19

COUNTY OF PICKENS

STATE BUDGET & CONTROL BOARD

TO THE STATE BUDGET AND CONTROL

BOARD OF SOUTH CAROLINA

## P E T I T I O N

The Petition of Pickens County Council ("County Council") respectfully shows:

1. County Council is the governing body of Pickens County, South Carolina (the "County") as established by law, and, as such, is the County Board referred to in Title 44, Article 11, Chapter 7, Code of Laws of South Carolina 1976, as amended (the "Act").

2. The Act authorizes and empowers the County, subject to obtaining the approval and findings from the State Budget and Control Board of South Carolina (the "State Board") and the South Carolina Department of Health and Environmental Control ("DHEC") required by the Act, to enter into agreements with any agency operating a hospital facility located or to be located in the County to acquire and construct hospital facilities, to finance the acquisition and construction of the same through the issuance of bonds or notes payable from and secured by a pledge of the revenues to be derived from a loan agreement entered into by the County with such agency and to issue refunding bonds to refund any bonds issued pursuant to the Act in such amounts as the County shall deem necessary but not exceeding an amount sufficient to refund the principal of the bonds to be refunded, together with any interest then or thereafter to become due thereon and any premium, expenses and commissions necessary to be paid in connection therewith,

3. County Council has agreed with Cannon Memorial Hospital (the "Corporation"), a corporation organized and existing under the laws of the State of South Carolina, that the County will undertake to finance the refunding of the \$7,000,000 Pickens County, South Carolina, Hospital Facilities Revenue Bonds, Series 1983 (Cannon Memorial Hospital Project) (the "Prior Bonds") which Prior Bonds were issued to refund certain outstanding indebtedness incurred by the Corporation to finance the acquisition, construction and installation of hospital facilities (the "Project") owned and operated by the Corporation in the County through the issuance and delivery of Hospital Facilities Refunding Revenue Bonds pursuant to the Act. In this connection, County Council has agreed to issue not exceeding Six Million Five Hundred Fifty-Five Thousand Dollar (\$6,555,000) Pickens

County, South Carolina, Hospital Facilities Refunding Revenue Bonds, Series 1987 (Cannon Memorial Hospital Project) (the "Series 1987 Bonds") pursuant to the Act and to an ordinance (the "Bond Ordinance") to be adopted by County Council.

4. County Council is advised by the Corporation that the cost of the Refunding to be financed will be Six Million Five Hundred Fifty-Five Thousand Dollars (\$6,555,000) and that, therefore, in order to finance the Refunding (the "Undertaking"), including the costs and charges incident to the issuance and delivery of the Series 1987 Bonds, it is necessary that County Council issue and deliver the Series 1987 Bonds in that amount.

5. DHEC issued a Certificate of Need with respect to the Project, and a copy of such Certificate of Need has been provided to the State Board.

6. For the reasons above set forth and hereinafter disclosed, County Council has found that:

(a) the Undertaking will subserve the purposes of the Act;

(b) that there was a need for the Project in the area in which it is located;

(c) that the Corporation is financially responsible and capable of fulfilling its obligations under the Loan Agreement, including the obligations to make the payments thereunder, to operate, repair and maintain the Project at its own expense and to discharge its other responsibilities under the Loan Agreement;

(d) that adequate provision has been made for the payment of the principal of, premium, if any, and interest on the Series 1987 Bonds and any necessary reserves therefor and for the operation, repair and maintenance of the Project at the Corporation's expense;

(e) that public facilities, including utilities, and public services necessary for the Project have been made available;

(f) that neither the Undertaking nor the Series 1987 Bonds will give rise to any pecuniary liability of the County or a charge against its general credit or taxing powers; and

(g) that DHEC has issued a Certificate of Need with respect to the Project.

7. The Loan Agreement will provide, among other things, the following:

(a) to finance the cost of the Refunding the County will issue and deliver the Series 1987 Bonds. The Series 1987 Bonds will be secured by a pledge of substantially all of the amounts to be paid to the County by the Corporation, as authorized by the Act;

(b) the proceeds derived from the issuance and delivery of the Series 1987 Bonds will be used to pay the costs incident to the Refunding and the issuance of the Series 1987 Bonds;

(c) the Loan Agreement obligates the Corporation to pay the amounts necessary to provide the payments of principal of, premium, if any, and interest on the Series 1987 Bonds, and to pay the costs of maintaining the Project in good repair and the cost of keeping the Project properly insured; and

(d) 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.

8. Pursuant to a proposed Trust Agreement (the "Trust Agreement"), the County will pledge to The South Carolina National Bank, as Trustee (the "Trustee"), as security for the payment of the Series 1987 Bonds, substantially all of the right, title and interest of the County in and to the Loan Agreement except tax payments and certain payments to be made by way of indemnification.

9. Pursuant to a proposed Mortgage and Security Agreement (the "Mortgage"), the Corporation will grant a mortgage lien on, and security interest in, the Project to the Trustee as additional security for the payment of the Series 1987 Bonds.

10. The Series 1987 Bonds will be issued by the County pursuant to the Bond Ordinance. The Bond Ordinance imposes upon the Corporation the obligation to pay, in addition to the moneys required for the payment of the principal of, premium, if any, and interest on the Series 1987 Bonds, all other costs and expenses resulting from the Bond Ordinance and the issuance of the Series 1987 Bonds pursuant thereto and the transactions contemplated to take place in connection therewith.

11. The Corporation has arranged for the sale of the Series 1987 Bonds through Ziegler Securities.

12. In view of the well established credit of the Corporation and the successful arrangements to effect the



issuance and delivery of the Series 1987 Bonds without the establishment of a reserve fund for the payment of the principal of, premium, if any, and interest on the Series 1987 Bonds, no such reserve fund will be established.

13. The Loan Agreement, the Mortgage, the Trust Agreement, the Bond Ordinance and the Series 1987 Bonds will be substantially in the form heretofore used in the issuance of Hospital Facilities Revenue Bonds or Notes pursuant to the Act. While changes may be made in the forms thereof, it is not expected that there will be any changes which will substantially affect the undertaking as now outlined therein.

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

That the State Board accept the filing of the Petition presented herewith; and that, thereafter and as soon as practicable, it make such independent investigation of the Undertaking and the terms and provisions of the Loan Agreement, the Mortgage, the Trust Agreement, the Bond Ordinance and the Series 1987 Bonds as it deems advisable; that it find that the proposed Undertaking is intended to promote the purposes of the Act and is reasonably anticipated to effect such result; that the proposed financing is economically feasible; and on the basis of such findings, that it approve the Undertaking, including changes in any details of the said financing as finally consummated which do not materially affect the Undertaking and give published notice of its approval in the manner set forth in the Act.

December 9, 1986.

Respectfully Submitted,

By Marian C. Owens  
Chairman, Pickens County  
Council

Attest:

By Doris P. Watson  
Clerk, Pickens County  
Council

EXHIBIT

DEC 16 1986

NO. 19

STATE BUDGET & CONTROL BOARD



# EXHIBIT

DEC 16 1986

NO. 19

B

## A RESOLUTION STATE BUDGET & CONTROL BOARD

APPROVING THE FINANCING OF THE REFUNDING OF THE \$7,000,000 PICKENS COUNTY, SOUTH CAROLINA HOSPITAL FACILITIES REVENUE BONDS, SERIES 1983 (CANNON MEMORIAL HOSPITAL PROJECT) ISSUED TO REFINANCE THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF HOSPITAL FACILITIES OF CANNON MEMORIAL HOSPITAL (THE "CORPORATION") IN PICKENS COUNTY, SOUTH CAROLINA THROUGH THE ISSUANCE AND DELIVERY OF \$6,555,000 PICKENS COUNTY, SOUTH CAROLINA, HOSPITAL FACILITIES REFUNDING REVENUE BONDS, SERIES 1987 (CANNON MEMORIAL HOSPITAL PROJECT) (THE "BONDS"); AUTHORIZING A PETITION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR ITS APPROVAL OF SUCH UNDERTAKING PURSUANT TO TITLE 44, ARTICLE 11, CHAPTER 7, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED; PROVIDING FOR A PUBLIC HEARING TO BE HELD IN CONNECTION WITH THE ISSUANCE AND DELIVERY OF THE BONDS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY PICKENS COUNTY COUNCIL IN MEETING DULY ASSEMBLED:

### ARTICLE I

#### FINDINGS OF FACT

##### Section 1.01

Incident to the adoption of this resolution, Pickens County Council ("County Council"), the governing body of Pickens County, South Carolina (the "County"), has made the following findings:

1. Cannon Memorial Hospital (the "Corporation"), a not-for-profit corporation organized and existing under the laws of the State of South Carolina, has proposed that the County assist in financing the refunding of the \$7,000,000 Pickens County, South Carolina, Hospital Facilities Revenue Bonds, Series 1983 (Cannon Memorial Hospital Project) (the "Prior Bonds") which Prior Bonds were issued to refund certain outstanding indebtedness incurred by the Corporation to finance the acquisition, construction and installation of hospital facilities (the "Project") owned and operated by the Corporation in Pickens County, South Carolina (the "County"). It is estimated that the cost of the proposed refunding (the "Refunding") of the Prior Bonds to be financed with the proceeds of the Series 1987 Bonds (hereinafter defined), of which Prior Bonds \$6,855,000 in aggregate principal amount is now outstanding, will be \$6,555,000. The Corporation has now requested the County to proceed with the issuance of not exceeding \$6,555,000 Pickens County, South Carolina, Hospital Facilities Refunding Revenue Bonds, Series 1987 (Cannon Memorial Hospital Project) (the "Bonds") pursuant to Article 11,

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Chapter 7, Title 44, Code of Laws of South Carolina (the "Act").

2. The Corporation has advised County Council that its proposed project would be aided by the assistance which the County might render through the issuance and delivery of Hospital Facilities Refunding Revenue Bonds in the principal amount of not exceeding \$6,555,000 (the "Series 1987 Bonds") pursuant to the Act and to a proposed ordinance (the "Bond Ordinance") to be adopted by County Council.

3. County Council has agreed to finance the Refunding and adopts this Resolution to evidence its approval of the issuance and delivery of the Series 1987 as aforesaid and to authorize a Petition to the State Budget and Control Board of South Carolina (the "State Board") setting forth the facts required by the Act and to provide for a public hearing to be held in connection with the issuance and delivery of the Series 1987 Bonds.

4. The amount necessary to finance the Refunding is Six Million Five Hundred Fifty-Five Thousand Dollars (\$6,555,000).

5. The Corporation has submitted to County Council a draft of a proposed Loan Agreement (the "Loan Agreement") pursuant to which the County will lend not exceeding Six Million Five Hundred Fifty-Five Thousand Dollars (\$6,555,000) to the Corporation and under which the Corporation will unconditionally agree:

(a) to pay the amounts necessary to provide the payments of principal of, premium, if any, and interest on the Series 1987 Bonds, and

(b) to pay the costs of maintaining the Project in good repair and the cost of keeping the Project properly insured.

6. The Corporation has also submitted to County Council a draft of a proposed Trust Agreement pursuant to which the County will pledge substantially all of its rights in the Loan Agreement to The South Carolina National Bank, as Trustee (the "Trustee") as security for the payment of the Series 1987 Bonds.

7. The Corporation has also submitted to County Council a draft of a proposed Mortgage and Security Agreement pursuant to which the Corporation will grant a mortgage lien on, and security interest in, the Project to the Trustee as additional security for the payment of the Bonds.

8. County Council has determined that:

(a) the financing of the Refunding (the "Undertaking") will subserve the purposes of the Act,

(b) that there was a need for the Project in the area in which it is located,

(c) that the Corporation is financially responsible and capable of fulfilling its obligations under the Loan Agreement, including the obligations to make the payments thereunder, to operate, repair and maintain the Project at its own expense and to discharge its other responsibilities under the Loan Agreement,

(d) that adequate provision has been made for the payment of the principal of, premium, if any, and interest on the Series 1987 Bonds and any necessary reserves therefor and for the operation, repair and maintenance of the Project at the Corporation's expense,

(e) that public facilities, including utilities, and public services necessary for the Project have been made available, and

(f) that neither the Undertaking nor the Series 1987 Bonds will give rise to any pecuniary liability of the County or a charge against its general credit or taxing powers.

9. The South Carolina Department of Health and Environmental Control issued a Certificate of Need with respect to the Project, a copy of which has been filed with the State Board.

10. The Corporation has arranged for the sale of the Series 1987 Bonds through Ziegler Securities.

11. In view of the well established credit of the Corporation and the successful arrangements to effect the issuance and delivery of the Series 1987 Bonds without the establishment of a reserve fund for the payment of the principal of, premium, if any, and interest on the Series 1987 Bonds, no such reserve fund will be established.

## ARTICLE II

### SUBMISSION OF PETITION

#### Section 2.01

The Petition in form substantially as attached hereto as Exhibit "A" shall be presented to the State Board to seek the approval required by the Act; said Petition shall be duly executed by the Chairman of County Council and the same shall be attested by the Clerk of County Council.

### ARTICLE III

#### PUBLIC HEARING AND NOTICE

##### Section 3.01

Pursuant to Section 103(k) of the Internal Revenue Code of 1954, as amended, a public hearing shall be held in connection with the issuance and delivery of the Series 1987 Bonds by the County. Such public hearing shall be held before final action by County Council authorizing the issuance and delivery of the Series 1987 Bonds.

##### Section 3.02

Not less than fourteen (14) days prior to the hearing provided for in Section 3.01 hereof, the Chairman shall cause notice of such hearing to be published in THE PICKENS SENTINEL, a newspaper of general circulation in the County. Such notice shall be in substantially the form attached hereto as Exhibit "B".

## EXHIBIT

DEC 16 1986      NO. 19

STATE BUDGET & CONTROL BOARD



STATE OF SOUTH CAROLINA

COUNTY OF PICKENS

_____	)	
TO THE STATE BUDGET AND CONTROL	)	
	)	<u>P E T I T I O N</u>
BOARD OF SOUTH CAROLINA	)	
_____	)	

The Petition of Pickens County Council ("County Council") respectfully shows:

1. County Council is the governing body of Pickens County, South Carolina (the "County") as established by law, and, as such, is the County Board referred to in Title 44, Article 11, Chapter 7, Code of Laws of South Carolina 1976, as amended (the "Act").

2. The Act authorizes and empowers the County, subject to obtaining the approval and findings from the State Budget and Control Board of South Carolina (the "State Board") and the South Carolina Department of Health and Environmental Control ("DHEC") required by the Act, to enter into agreements with any agency operating a hospital facility located or to be located in the County to acquire and construct hospital facilities, to finance the acquisition and construction of the same through the issuance of bonds or notes payable from and secured by a pledge of the revenues to be derived from a loan agreement entered into by the County with such agency and to issue refunding bonds to refund any bonds issued pursuant to the Act in such amounts as the County shall deem necessary but not exceeding an amount sufficient to refund the principal of the bonds to be refunded, together with any interest then or thereafter to become due thereon and any premium, expenses and commissions necessary to be paid in connection therewith,

3. County Council has agreed with Cannon Memorial Hospital (the "Corporation"), a corporation organized and existing under the laws of the State of South Carolina, that the County will undertake to finance the refunding of the \$7,000,000 Pickens County, South Carolina, Hospital Facilities Revenue Bonds, Series 1983 (Cannon Memorial Hospital Project) (the "Prior Bonds") which Prior Bonds were issued to refund certain outstanding indebtedness incurred by the Corporation to finance the acquisition, construction and installation of hospital facilities (the "Project") owned and operated by the Corporation in the County through the issuance and delivery of Hospital Facilities Refunding Revenue Bonds pursuant to the Act. In this connection, County Council has agreed to issue not exceeding Six Million Five Hundred Fifty-Five Thousand Dollar (\$6,555,000) Pickens



County, South Carolina, Hospital Facilities Refunding Revenue Bonds, Series 1987 (Cannon Memorial Hospital Project) (the "Series 1987 Bonds") pursuant to the Act and to an ordinance (the "Bond Ordinance") to be adopted by County Council.

4. County Council is advised by the Corporation that the cost of the Refunding to be financed will be Six Million Five Hundred Fifty-Five Thousand Dollars (\$6,555,000) and that, therefore, in order to finance the Refunding (the "Undertaking"), including the costs and charges incident to the issuance and delivery of the Series 1987 Bonds, it is necessary that County Council issue and deliver the Series 1987 Bonds in that amount.

5. DHEC issued a Certificate of Need with respect to the Project, and a copy of such Certificate of Need has been provided to the State Board.

6. For the reasons above set forth and hereinafter disclosed, County Council has found that:

(a) the Undertaking will subserve the purposes of the Act;

(b) that there was a need for the Project in the area in which it is located;

(c) that the Corporation is financially responsible and capable of fulfilling its obligations under the Loan Agreement, including the obligations to make the payments thereunder, to operate, repair and maintain the Project at its own expense and to discharge its other responsibilities under the Loan Agreement;

(d) that adequate provision has been made for the payment of the principal of, premium, if any, and interest on the Series 1987 Bonds and any necessary reserves therefor and for the operation, repair and maintenance of the Project at the Corporation's expense;

(e) that public facilities, including utilities, and public services necessary for the Project have been made available;

(f) that neither the Undertaking nor the Series 1987 Bonds will give rise to any pecuniary liability of the County or a charge against its general credit or taxing powers; and

(g) that DHEC has issued a Certificate of Need with respect to the Project.

7. The Loan Agreement will provide, among other things, the following:

(a) to finance the cost of the Refunding the County will issue and deliver the Series 1987 Bonds. The Series 1987 Bonds will be secured by a pledge of substantially all of the amounts to be paid to the County by the Corporation, as authorized by the Act;

(b) the proceeds derived from the issuance and delivery of the Series 1987 Bonds will be used to pay the costs incident to the Refunding and the issuance of the Series 1987 Bonds;

(c) the Loan Agreement obligates the Corporation to pay the amounts necessary to provide the payments of principal of, premium, if any, and interest on the Series 1987 Bonds, and to pay the costs of maintaining the Project in good repair and the cost of keeping the Project properly insured; and

(d) 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.

8. Pursuant to a proposed Trust Agreement (the "Trust Agreement"), the County will pledge to The South Carolina National Bank, as Trustee (the "Trustee"), as security for the payment of the Series 1987 Bonds, substantially all of the right, title and interest of the County in and to the Loan Agreement except tax payments and certain payments to be made by way of indemnification.

9. Pursuant to a proposed Mortgage and Security Agreement (the "Mortgage"), the Corporation will grant a mortgage lien on, and security interest in, the Project to the Trustee as additional security for the payment of the Series 1987 Bonds.

10. The Series 1987 Bonds will be issued by the County pursuant to the Bond Ordinance. The Bond Ordinance imposes upon the Corporation the obligation to pay, in addition to the moneys required for the payment of the principal of, premium, if any, and interest on the Series 1987 Bonds, all other costs and expenses resulting from the Bond Ordinance and the issuance of the Series 1987 Bonds pursuant thereto and the transactions contemplated to take place in connection therewith.

11. The Corporation has arranged for the sale of the Series 1987 Bonds through Ziegler Securities.

12. In view of the well established credit of the Corporation and the successful arrangements to effect the

issuance and delivery of the Series 1987 Bonds without the establishment of a reserve fund for the payment of the principal of, premium, if any, and interest on the Series 1987 Bonds, no such reserve fund will be established.

13. The Loan Agreement, the Mortgage, the Trust Agreement, the Bond Ordinance and the Series 1987 Bonds will be substantially in the form heretofore used in the issuance of Hospital Facilities Revenue Bonds or Notes pursuant to the Act. While changes may be made in the forms thereof, it is not expected that there will be any changes which will substantially affect the undertaking as now outlined therein.

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

That the State Board accept the filing of the Petition presented herewith; and that, thereafter and as soon as practicable, it make such independent investigation of the Undertaking and the terms and provisions of the Loan Agreement, the Mortgage, the Trust Agreement, the Bond Ordinance and the Series 1987 Bonds as it deems advisable; that it find that the proposed Undertaking is intended to promote the purposes of the Act and is reasonably anticipated to effect such result; that the proposed financing is economically feasible; and on the basis of such findings, that it approve the Undertaking, including changes in any details of the said financing as finally consummated which do not materially affect the Undertaking and give published notice of its approval in the manner set forth in the Act.

December 9, 1986.

Respectfully Submitted,

By /s/ Marion C. Owens  
Chairman, Pickens County  
Council

Attest:

By /s/ Doris P. Watson  
Clerk, Pickens County  
Council

PUBLIC NOTICE

Notice is hereby given by Pickens County Council (the "County Board") that a public hearing relating to the proposed issuance and delivery by Pickens County, South Carolina (the "County") of \$6,555,000 Pickens County, South Carolina, Hospital Facilities Refunding Revenue Bonds, Series 1987 (Cannon Memorial Hospital Project) (the "Bonds") pursuant to Title 4, Chapter 29, Code of Laws of South Carolina 1976, as amended which Note is to be issued to finance the refunding of the \$7,000,000 Pickens County, South Carolina, Hospital Facilities Revenue Bonds, Series 1983 (Cannon Memorial Hospital Project) (the "Prior Bonds") which Prior Bonds were issued to refund certain outstanding indebtedness incurred by the Corporation to finance the acquisition, construction and installation of hospital facilities owned and operated by the Corporation in Pickens County, South Carolina.

The hearing will be held at the Council Chambers of Pickens County Council, Pickens County Courthouse, 101 East Main Street, Pickens, South Carolina, at \_\_\_\_\_ A.M./P.M., on January \_\_\_, 1986.

STATE OF SOUTH CAROLINA

COUNTY OF PICKENS

I, the undersigned Clerk of Pickens County Council, do hereby certify that the foregoing is a true, correct and verbatim copy of a Resolution duly adopted by Pickens County Council having been read at a duly called meeting of County Council on December 9, 1986.

Witness my Hand, this 9th day of December, 1986.

Doris P. Watson  
Clerk, Pickens County Council

EXHIBIT

DEC. 16 1986      NO. 19

STATE BUDGET & CONTROL BOARD

007185



South Carolina Department of Health  
and Environmental Control



CERTIFICATE OF NEED

EXHIBIT

DEC 16 1986

NO. 19

STATE BUDGET & CONTROL BOARD

THIS Certificate of Need is issued to : Cannon Memorial Hospital, Pickens, SC;  
Mr. Kenneth A. Shull, Adm.-Agent; Construction of a replacement facility to include  
56 acute care beds. (Name of Applicant & Project)

For Project No. SC-F-386 in accordance with the Code of Laws  
of South Carolina.

In determining the need for this project, the South Carolina Department of Health and Environmental Control has taken into consideration the recommendation of the:

S. C. Appalachian Health Council  
(Health Systems Agency)

This Certificate of Need is valid for a period of twelve months from the date of issuance unless the applicant has awarded a construction contract or has made substantial progress toward implementation of the Project, as approved by the Department, within the twelve month period.

In Witness Whereof we have hereunto  
set our hands and the seal of the  
Department of Health and Environmental Control this the 13th  
day of September, 1979

Leon B. Frishman

Leon B. Frishman, Director  
Division of Certification of Need

John T. McNeely

John T. McNeely, Chief  
Bureau of Health Facilities and Services Development

Richard Coney

J. Richard Coney, Deputy Commissioner  
Office of State Health Planning and Development



007186

HOSPITAL REVENUE BOND PROJECT

Cannon Memorial Hospital

GOVERNING BOARD

County Council of Pickens County

BOND COUNSEL

Sinkler, Gibbs & Simons  
Charleston, SC 29402

FINDINGS BY THE COUNTY COUNCIL (§ 44-7-1480)

The County Council has made the following findings:

☒ (a) There is a need for the hospital facilities in the area in which the hospital facilities are to be located.

☒ (b) No hospital facilities shall be provided for any hospital agency or public agency which is not financially responsible and capable of fulfilling its obligations under the loan agreement, including:

☒ the obligations to make the payments required thereunder;

007187

✓ to operate, repair and maintain at its own expense the hospital facilities; and

✓ to discharge such other responsibilities as may be imposed under the loan agreement.

(c) Adequate provision shall be made for:

✓ the payment of the principal of and the interest on the bonds and any necessary reserves therefor; and

✓ for the operation, repair and maintenance of the hospital facilities at the expense of the hospital agency or public agency.

✓ (d) The public facilities, including utilities, and public services necessary for the hospital facilities will be made available.

APPROVAL BY DHEC (§ 44-7-1490)

✓ Approval from DHEC shall be obtained if required

PROVISIONS IN LOAN AGREEMENT (§ 44-7-1520)

✓ (a) The loan agreement shall contain a covenant obligating the hospital agency or public agency to effect the completion of the hospital facilities if the proceeds of the bonds prove insufficient, and

✓ (b) Each loan agreement shall obligate the hospital agency or public agency to make payments which shall be sufficient:

✓ (a) to pay the principal of and interest on the bonds issues for such hospital facilities,

✓ (b) to build up and maintain any reserves deemed by the county council to be advisable in connection therewith, and

✓ (c) to pay the costs of maintaining the hospital facilities in good repair and the cost of keeping it properly insured.

PAYMENT IN LIEU OF TAXES (§ 44-7-1530)

\_\_\_\_\_ If title to the hospital facility is in a public agency and if the public agency has a loan agreement with a for profit corporation, the loan agreement shall contain a provision requiring the hospital agency (i.e., the corporation) to make payments to the county or counties, school district(s) and other political units wherein the hospital facilities shall be located, in lieu of taxes, in such amounts as would result from taxes levied on the hospital facilities by such political units.

REFUNDING OF BONDS (§ 44-7-1560)

✓ Refunding bonds shall comply with § 44-7-1560.

007189

PETITION TO BUDGET AND CONTROL BOARD (§ 44-7-1590)

The Petition shall set forth:

- ☒ (a) A brief description of the hospital facilities proposed to be undertaken and the refinancing or refunding so proposed;
- ☒ (b) A statement setting forth the action taken by DHEC in connection with the hospital facilities;
- ☒ (c) A reasonable estimate of the cost of the hospital facilities; and
- ☒ (d) A general summary of the terms and conditions of the proposed loan agreement.

FINDINGS BY BUDGET AND CONTROL BOARD (§ 44-7-1590)

- ☒ The proposed hospital facilities are intended to promote the purposes of this article (the Act), and
- ☒ May be reasonably anticipated to effect such result, and
- ☒ The proposed financing is economically feasible.

UNUSUAL QUESTIONS CONSIDERED:

007190



## TRANSMITTAL FORM, REVENUE BONDS

Date: December 10, 1986

Submitted for BCB Meeting on:

December 16, 1986

FROM:

Sinkler Gibbs &amp; Simons

Name of Law Firm

Charleston, S. C. 29402

City, State, Zip Code

RE: \$6,555,000

Amount of Issue

Pickens County, South Carolina

Issuing Authority Name

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

Post Office Box 340

Street Address/Box Number

803 722-3366

Telephone Area Code and Number

Hospital Facilities Refunding Revenue

Type of Bonds or Notes

February 4, 1987

Projected Issue Date

Project Name: Cannon Memorial Hospital

Project Description:

Refinancing the acquisition, construction and equipping of a 56-bed acute care  
 facility

## CEILING ALLOCATION REQUIRED

Yes (\$ ) x No  
 Amount

## REFUNDING INVOLVED

x Yes (\$6,555,000) No  
 Amount

## PROJECT APPROVED PREVIOUSLY

x Yes (04/26/83) No  
 Date

## DOCUMENTS ENCLOSED:

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

- A. ☒ Petition (executed original and two copies)  
 B. ☒ Resolution or ordinance (executed copy)  
 C. ☐ Inducement Resolution or comparable preliminary approval (executed copy)  
 D. ☐ Standard Form Investment Letter from purchaser of bonds (executed original)  
 (Purchaser: ) OR

OR ☒ Audited financial statements for three most recent yearsE. ☒ Department of Health and Environmental Control certificate IF REQUIRED

F. ☒ Budget and Control Board Resolution and Public Notice (original)  
 [Plus 10 copies for certification and return to counsel]

G. ☒ Processing fee

Amount \$3,000

Check No. 016278

Payor Cannon Memorial Hospital

Bond Counsel: Sinkler Gibbs &amp; Simons

Typed Name

By:

F. Mitchell Johnson, Jr.

Signature

DEC 10 1986

1:28 P.M.

## TRANSMITTAL FORM, REVENUE BONDS

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

Date: December 10, 1986  
 Submitted for BCB Meeting on:  
 December 16, 1986

## FROM:

Sinkler Gibbs & Simons  
 Name of Law Firm

Charleston, S. C. 29402  
 City, State, Zip Code

RE: \$6,555,000

Amount of Issue

Pickens County, South Carolina  
 Issuing Authority Name

Project Name: Cannon Memorial Hospital  
 Project Description:

Refinancing the acquisition, construction and equipping of a 56-bed acute care  
 facility

## CEILING ALLOCATION REQUIRED

Yes (\$ ) x No  
 Amount

## REFUNDING INVOLVED

x Yes (\$6,555,000) No  
 Amount

## PROJECT APPROVED PREVIOUSLY

x Yes ( 04/26/83 ) No  
 Date

## DOCUMENTS ENCLOSED:

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

- A. ☒ Petition (executed original and two copies)  
 B. ☒ Resolution or ordinance (executed copy)  
 C. ☐ Inducement Resolution or comparable preliminary approval (executed copy)  
 D. ☐ Standard Form Investment Letter from purchaser of bonds (executed original)  
 (Purchaser: ) OR

OR ☒ Audited financial statements for three most recent years

- E. ☒ Department of Health and Environmental Control certificate IF REQUIRED

- F. ☒ Budget and Control Board Resolution and Public Notice (original)  
 [Plus 10 copies for certification and return to counsel]

- G. ☒ Processing fee

Amount \$3,000

Check No. 016278

Payor Cannon Memorial Hospital

Bond Counsel: Sinkler Gibbs &amp; Simons

Typed Name

By:

F. Mitchell Johnson, Jr.  
 Signature

## The State of South Carolina

DEC 19 1986  
4:45 PM

EXHIBIT

DEC 16 1986

NO. 20

Office of the Attorney General

STATE BUDGET &amp; CONTROL BOARD

T. TRAVIS MEDLOCK  
ATTORNEY GENERALREMBERT C. DENNIS BUILDING  
POST OFFICE BOX 11549  
COLUMBIA, S.C. 29211  
TELEPHONE 803/734-3680

December 19, 1986

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

Re: \$6,000,000 Richland County, South  
Carolina, Industrial Revenue  
Refunding Bonds  
(Mills Partners)

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.

This opinion addresses only the legal sufficiency of the documents you have provided for our review. No opinion is expressed as to any other matters, including whether the Petition should be approved as a matter of policy.

Sincerely yours,

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

David C. Eckstrom  
Assistant Attorney General

DCE/dac

Enclosures

007193

JAN - 6 1987

State of South Carolina



State Budget and Control Board

OFFICE OF THE STATE AUDITOR

P.O. BOX 11333

COLUMBIA, S.C.

29211

(803) 734-1727

EDGAR A. VAUGHN, JR., CPA  
STATE AUDITOR

EXHIBIT

DEC 16 1986

NO. 20

STATE BUDGET & CONTROL BOARD

MARGARET C. STILWELL, CPA  
DEPUTY STATE AUDITOR

January 5, 1987

MEMORANDUM

TO: Mr. William A. McInnis, Secretary  
State Budget and Control Board

FROM: Mr. Edgar A. Vaughn, Jr. *EAV*  
State Auditor

SUBJECT: \$5,400,000 Richland County Industrial Revenue Refunding Bonds  
(Mills Partners Project)

The above referenced issue is to refund bonds previously issued for this project. Since the underlying security for these bonds is rental payments from the State of South Carolina, I see no reason not to approve this issue.

EAV/jp

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR  
GRADY L. PATTERSON, JR.  
STATE TREASURER

STATE BUDGET & CONTROL BOARD

EARLE E. MORRIS, JR.

COMPTROLLER GENERAL

REMBERT C. DENNIS

CHAIRMAN

SENATE FINANCE COMMITTEE

007194

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE  
JESSE A. COLES, JR.  
EXECUTIVE DIRECTOR

## TRANSMITTAL FORM REVENUE BONDS

Date: December 10, 1986  
Submitted for SOB Meeting on:  
December 16, 1986

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

FROM:

Haynsworth, Marion, McKay & Guerard  
Name of Law Firm  
Columbia, South Carolina 29202  
City, State, Zip Code

P.O. Drawer 7157  
Street Address/Box Number  
803-765-1818  
Telephone Area Code and Number

RE:	\$5,400,000
<u>Amount of Issue</u>	
Richland County, South Carolina	
<u>Issuing Authority Name</u>	

Industrial Revenue Refunding Bonds
Type of Bonds or Notes
December 31, 1986
Projected Issue Date

Project Name: Mills Partners

Project Description:

Acquisition by lease and renovation of the Robert Mills Building on the State  
Hospital Grounds in the City of Columbia, Richland County

Employment as result of project: Fifty (50) additional employees

CEILING ALLOCATION REQUIRED

       Yes (\$           ) X No  
                    Amount

### REFUNDING INVOLVED

X Yes ( \$5,400,000 ) \_\_\_\_\_ No  
Amount

PROJECT APPROVED PREVIOUSLY

X Yes ( June 11, 1985 )      No  
Date

DOCUMENTS ENCLOSED:

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

- A. X Petition (executed original and two copies)
- B. X Resolution or ordinance (executed copy)
- C. X Inducement Resolution or comparable preliminary approval (executed copy)
- D.      Standard Form Investment Letter from bonds purchaser (executed original)
- (Purchaser: \_\_\_\_\_)

**OR X** Audited financial statements for three most recent years

- E. \_\_\_\_\_ Department of Health and Environmental Control certificate IF REQUIRED
- F. X Budget and Control Board Resolution and Public Notice (original)  
[Plus 6 copies for certification and return to counsel]
- G. X Processing fee  
Amount \$ 3,000.00 Check No. \_\_\_\_\_  
Payor \_\_\_\_\_

Bond Counsel: Samuel W. Howell, IV

Typed Name

By:

Signature \_\_\_\_\_

DEC 10 1986  
12:02 P.M.  
1 of 2 - LL

EXHIBIT NO. 20  
DEC 16 1986

STATE BUDGET &amp; CONTROL BOARD



HAYNSWORTH, MARION, McKAY & GUÉRARD  
ATTORNEYS AT LAW

W. Francis Marion  
Julius W. McKay  
Robert S. Galloway, Jr.  
Fred D. Cox, Jr.  
G.G. Calhoun, Jr.  
Theodore B. Guérard  
Donald L. Ferguson  
G. Dewey Oxner, Jr.  
William M. Grant, Jr.  
Jesse C. Becher, Jr.  
Maye R. Johnson, Jr.  
W.E. Applegate, III  
C. Lewis Rasor, Jr.  
Charles E. McDonald, Jr.  
William E. Snaughnessy  
James B. Pressly, Jr.  
Sherwood M. Cleveland  
H. Donald Sellers  
Robert C. Wilson, Jr.

Donald A. Harper  
Robert M. Kunes  
Adelle J. Pope  
Andrew J. White, Jr.  
Ellis M. Johnston, II  
Joseph J. Blake, Jr.  
John M. Campoli, Jr.  
William C. Cleveland  
Sam L. Stephenson  
Thomas H. Coker, Jr.  
John Paul Touche  
William P. Simpson  
Theodore S. Stern, Jr.  
W. Francis Marion, Jr.  
John B. McLeod  
Bryan Francis Hickey  
Samuel W. Howell, IV  
Frances D. Ellison  
Robert W. Hassold, Jr.

Sixth Floor, South Carolina National Bank Building  
Post Office Drawer 7157  
Columbia, South Carolina 29202  
(803) 765-1818

Two Shelter Centre  
Eleventh Floor  
Post Office Box 2048  
Greenville, South Carolina 29602  
(803) 240-3200

Two Prioleau Street  
Post Office Box 1119  
Charleston, South Carolina 29402  
(803) 722-7606

John H. Muench  
Anne S. Eitelson  
Knox H. White  
Edwin B. Parkinson, Jr.  
H. Sam Mabry, III  
Floyd Matlock Elliott  
David M. Keiser  
Shawn D. Wallace  
Deborah K. Neese  
Susan V. Johnston  
Moffatt Grier McDonald  
Christina L. Carter  
Carol L. Clark  
Richard C. Detwiler  
Jeffrey E. Gray  
Carl Everette Pierce, II  
James H. Ritchie, Jr.  
Anne G.H. Rounds

H.J. Haynsworth  
1859-1941

C.F. Haynsworth  
1886-1953

J.M. Perry  
1894-1964

Eugene Bryant  
1902-1969

OF COUNSEL  
Thomas K. Johnstone, Jr.  
Andrew B. Marion  
Harry R. Stephenson, Jr.  
William J. Quirk, (PA.)

December 10, 1986

HAND DELIVERY

EXHIBIT

DEC 16 1986

NO. 20

The Honorable William A. McInnis  
State Budget and Control Board  
Wade Hampton Office Building, 6th Floor  
Columbia, South Carolina

STATE BUDGET & CONTROL BOARD

Re: \$5,400,000 Richland County, South Carolina  
Industrial Revenue Refunding Bonds, Series 1986  
(Mills Partners Project)

Dear Mr McInnis:

Enclosed please find the transmittal letter and package in connection with request for State law approval of the above-captioned bonds. Because this is a refunding issue there is no need for an allocation of the volume cap.

These bonds will be publicly sold by Cranston Securities. The security behind the bonds is the obligation of the State of South Carolina to make lease payments under its Building Lease with Mills Partners. As such, the bonds are being sold on that basis. The partnership was formed for the sole purpose of developing, renovating and leasing the Robert Mills Building at the State Hospital grounds to the State. In order to obtain a "AA" rating from Standard and Poor's Corporation on the Bonds, it is necessary that the partnership limit its business activity solely to leasing this building to the State. The only financial statement which exist with respect to this partnership are enclosed in the filing package. Because, however, it is ultimately the State's rental payments under the Building Lease that is the credit behind these bonds, I would hope that no further financial information would be needed in order for the Budget and Control Board to proceed with its approval of these bonds.

007196

The Honorable William A. McInnis  
Page Two  
December 10, 1986

Please let me know if there is anything further you need in connection with this matter. I will forward the original signed Petition and County Council resolution to you prior to December 16.

With kindest personal regards, I remain

Very truly yours,

*Samuel W. Howell, IV / shw*

Samuel W. Howell, IV

SWH/prg  
Enclosure

007197

# EXHIBIT

DEC 16 1986

NO. 20

STATE BUDGET & CONTROL BOARD

C.C. MCGREGOR & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
1514 PICKENS STREET  
COLUMBIA, SOUTH CAROLINA  
DECEMBER 10, 1986

MILLS PARTNERSHIP  
COLUMBIA SOUTH CAROLINA

THE ACCOMPANYING BALANCE SHEET AS OF DECEMBER 31, 1985  
FOR THE MILLS PARTNERSHIP FOR THE PERIOD THEN ENDED  
HAS BEEN COMPILED BY US IN ACCORDANCE WITH STANDARDS  
ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC  
ACCOUNTANTS.

A COMPILATION IS LIMITED TO PRESENTING IN THE FORM OF  
FINANCIAL STATEMENTS INFORMATION THAT IS THE REPRESENTATION  
OF MANAGEMENT. WE HAVE NOT AUDITED OR REVIEWED THE  
ACCOMPANYING BALANCE SHEET AND, ACCORDINGLY, DO NOT  
EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE  
ON THEM.

MANAGEMENT HAS ELECTED TO OMIT SUBSTANTIALLY ALL OF THE  
DISCLOSURES, INCOME STATEMENT, AND THE STATEMENT OF CHANGES  
IN FINANCIAL POSITION REQUIRED BY GENERALLY ACCEPTED ACCOUNTING  
PRINCIPLES. IF THE OMITTED DISCLOSURES WERE INCLUDED IN THE  
FINANCIAL STATEMENTS, THEY MIGHT INFLUENCE THE USER'S  
CONCLUSIONS ABOUT THE PARTNERSHIP'S FINANCIAL POSITION, RESULTS  
OF OPERATIONS AND CHANGES IN FINANCIAL POSITION. ACCORDINGLY,  
THESE FINANCIAL STATEMENTS ARE NOT DESIGNED FOR THOSE WHO  
ARE NOT INFORMED ABOUT SUCH MATTERS.

007198

REPORT DATE: 12/10/86  
PREPARED BY:  
C.C. McGregor And Company

The Mills Partners  
AUTOMATIC FINANCIAL STATEMENT  
December 31, 1985

# EXHIBIT

DEC 16 1986 NO. 20

STATE BUDGET & CONTROL BOARD

	CURRENT PERIOD	PRIOR PERIOD
CURRENT ASSETS		
Citizens and Southern	22,702.28	0.00
C & S - Savings	0.00	0.00
C & S - Trust Account	92.72	0.00
C & S - Investments	0.00	0.00
Investments	4,812,106.57	0.00
Capital Subscription Notes	800,000.00	0.00
TOTAL CURRENT ASSETS	5,634,901.57	0.00
PROPERTY AND EQUIPMENT		
Robert Mills Building	310,113.35	0.00
TOTAL PROPERTY AND EQUIPMENT	310,113.35	0.00
OTHER ASSETS		
Construction in Progress	661,271.21	0.00
Organization Costs	29,522.23	0.00
Construction Period Interest & Taxes	0.00	0.00
Loan Costs	139,983.62	0.00
TOTAL OTHER ASSETS	830,777.06	0.00
TOTAL ASSETS	6,775,791.98	0.00

007199

SEE COMPILATION REPORT

REPORT DATE: 12/10/86  
PREPARED BY:  
C.C. McGregor And Company

The Mills Partners  
AUTOMATIC FINANCIAL STATEMENT  
December 31, 1985

# EXHIBIT

DEC 16 1986 NO. 20

STATE BUDGET & CONTROL BOARD

	CURRENT PERIOD	PRIOR PERIOD
CURRENT LIABILITIES		
Accounts Payable	41,524.05	0.00
Construction Contract Payable	105,295.00	0.00
Accrued Interest Payable	31,500.00	0.00
TOTAL CURRENT LIABILITIES	178,320.05	0.00
LONG TERM LIABILITIES		
Bond Payable - Long Term	5,400,000.00	0.00
Construction Note Payable	0.00	0.00
TOTAL LONG TERM LIABILITIES	5,400,000.00	0.00
TOTAL LIABILITIES	5,578,320.05	0.00
EQUITY		
Partners' Capital	1,200,000.00	0.00
NET INCOME	( 2,528.07)	0.00
TOTAL EQUITY	1,197,471.93	0.00
TOTAL LIABILITIES AND EQUITY	6,775,791.98	0.00

007200



# EXHIBIT

HAYNSWORTH, MARION, McKAY & GUÉRARD  
ATTORNEYS AT LAW

DEC 16 1986

NO. 20

W. Francis Marion  
Julius W. McKay  
Robt. S. Galloway, Jr.  
Fred D. Cox, Jr.  
O.G. Calhoun, Jr.  
Theodore B. Guérard  
Donald L. Ferguson  
G. Dewey Oxner, Jr.  
William M. Grant, Jr.  
Jesse C. Belcher, Jr.  
Maye R. Johnson, Jr.  
W.E. Applegate, III  
C. Lewis Risor, Jr.  
Charles E. McDonald, Jr.  
William E. Shaughnessy  
James B. Pressly, Jr.  
Sherwood M. Cleveland  
H. Donald Sellers  
Robert C. Wilson, Jr.

Donald A. Harper  
Robert M. Kunes  
Adele J. Pope  
Andrew J. White, Jr.  
Ellis M. Johnston, II  
Joseph J. Blake, Jr.  
John M. Campbell, Jr.  
William C. Cleveland  
Sam L. Stephenson  
Thomas H. Coker, Jr.  
John Paul Trouche  
William P. Simpson  
Theodore S. Stern, Jr.  
W. Francis Marion, Jr.  
John B. McLeod  
Bryan Francis Hickey  
Samuel W. Howell, IV  
Frances D. Ellison  
Robert W. Hassold, Jr.

Sixth Floor, South Carolina National Bank Building  
Post Office Drawer 7157  
Columbia, South Carolina 29202  
(803) 765-1818

Two Shelter Centre  
Eleventh Floor  
Post Office Box 2048  
Greenville, South Carolina 29602  
(803) 240-3200

Two Prioleau Street  
Post Office Box 1119  
Charleston, South Carolina 29402  
(803) 722-7606

December 10, 1986

## HAND DELIVERY

### STATE BUDGET & CONTROL BOARD

John H. Muench  
Anne S. Ellefson  
Knox H. White  
Edwin B. Parkinson, Jr.  
H. Sam Mabry, III  
Floyd Matlock Elliott  
David Hill Keller  
Shawn D. Wallace  
Deborah K. Neese  
Susan V. Johnston  
Moffatt Grier McDonald  
Christina L. Carter  
Carol L. Clark  
Richard C. Detwiler  
Jeffrey E. Gray  
Carl Everette Pierce, II  
James H. Ritchie, Jr.  
Anne G.H. Rounds

H.J. Haynsworth  
1859-1941

C.F. Haynsworth  
1886-1953

J.M. Perry  
1894-1964

Eugene Bryant  
1902-1969

#### OF COUNSEL

Thomas K. Johnstone, Jr.  
Andrew B. Marion  
Harry R. Stephenson, Jr.  
William J. Quirk, (PA.)

The Honorable William A. McInnis  
State Budget and Control Board  
Wade Hampton Office Building, 6th Floor  
Columbia, South Carolina

Re: \$5,400,000 Richland County, South Carolina  
Industrial Revenue Refunding Bonds, Series 1986  
(Mills Partners Project)

Dear Mr McInnis:

Enclosed please find the transmittal letter and package in connection with request for State law approval of the above-captioned bonds. Because this is a refunding issue there is no need for an allocation of the volume cap.

These bonds will be publicly sold by Cranston Securities. The security behind the bonds is the obligation of the State of South Carolina to make lease payments under its Building Lease with Mills Partners. As such, the bonds are being sold on that basis. The partnership was formed for the sole purpose of developing, renovating and leasing the Robert Mills Building at the State Hospital grounds to the State. In order to obtain a "AA" rating from Standard and Poor's Corporation on the Bonds, it is necessary that the partnership limit its business activity solely to leasing this building to the State. The only financial statement which exist with respect to this partnership are enclosed in the filing package. Because, however, it is ultimately the State's rental payments under the Building Lease that is the credit behind these bonds, I would hope that no further financial information would be needed in order for the Budget and Control Board to proceed with its approval of these bonds.

007201

The Honorable William A. McInnis  
Page Two  
December 10, 1986

Please let me know if there is anything further you need in connection with this matter. I will forward the original signed Petition and County Council resolution to you prior to December 16.

With kindest personal regards, I remain

Very truly yours,

*Samuel W. Howell, IV / shw*

Samuel W. Howell, IV

SWH/prg  
Enclosure

EXHIBIT

DEC 16 1986 NO. 20

STATE BUDGET & CONTROL BOARD

007202

# EXHIBIT

STATE OF SOUTH CAROLINA )

Mills Partners

DEC 16 1986

NO. 20

COUNTY OF RICHLAND )

STATE BUDGET & CONTROL BOARD

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

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

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

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

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

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

The Honorable Robert N. McLellan, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 10 a.m., on Tuesday, December 16, 1986, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting.

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

FOR MOTION

AGAINST MOTION

5

0

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

January 6, 1987

William A. McInnis

007203

# EXHIBIT

DEC 16 1986 NO. 20

## A RESOLUTION

STATE BUDGET & CONTROL BOARD

APPROVING AN UNDERTAKING BY THE COUNTY COUNCIL OF RICHLAND COUNTY PURSUANT TO CHAPTER 29, TITLE 4, VOLUME 1, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED, TO ACQUIRE, EXPAND AND EQUIP AN INDUSTRIAL PROJECT THROUGH THE ISSUANCE OF \$5,400,000 RICHLAND COUNTY, SOUTH CAROLINA, INDUSTRIAL REFUNDING REVENUE BONDS, SERIES 1986 (MILLS PARTNERS PROJECT).

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

WHEREAS, the undertaking provides for the issuance of \$5,400,000 Richland County, South Carolina, Industrial Revenue Refunding Bonds, Series 1986 (Mills Partners Project) pursuant to the Enabling Statute (the Note), and the loan of the proceeds thereof to Mills Partners, a South Carolina general partnership (the Company), under the terms of a loan agreement between the County and the Company (the Loan Agreement), to refund the outstanding \$5,400,000 Richland County, South Carolina, Industrial Revenue Bonds, Series 1985 (Mills Partners Project), (the Prior Bonds), the proceeds of which were used to finance the (i) acquisition by lease of a tract of land containing approximately four and 44/100 (4.44) acres located on the State Hospital grounds in the City of Columbia, Richland County, (ii) the acquisition of the improvements located thereon consisting primarily of a building commonly known as The Mills Building which contains approximately 54,600 square feet (the "Existing Structure"), (iii) the rehabilitation of

007204

the Existing Structure, and (iv) the construction of an addition structure (such lands, buildings and improvements, as so acquired, rehabilitation and constructed, being hereinafter referred to as the Project) to be leased to the State Budget and Control Board of South Carolina for use as office facilities for a State agency; and

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

WHEREAS, the Bonds may be secured by the lien of a Mortgage and Security Agreement (the Mortgage) in the Project from the Company to The Citizens and Southern National Bank of South Carolina, as Trustee (the Trustee), and the pledge of the loan payments under the Loan Agreement; and

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

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

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

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

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



c. The Project, when completed, will provide employment for fifty (50) additional employees immediately; and

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

2. On the basis of the foregoing findings, the proposed undertaking of the County Council to refinance the acquisition, expansion and equipping of an office facility will constitute a "project" under the Enabling Statute, through the issuance of the not exceeding \$5,400,000 Richland County, South Carolina, Industrial Refunding Revenue Bonds, payable from the loan payments to be derived under the Loan Agreement, and additionally to be secured by the Mortgage (if any) on the Project, and by the pledge of loan payments to be paid under the Loan Agreement, all pursuant to the Enabling Statute (including changes in any details of the financing, as finally consummated, which do not materially affect the undertaking), be, and the same is, hereby approved.

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

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

# EXHIBIT

DEC 16 1986 NO. 20

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

STATE BUDGET & CONTROL BOARD

---

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

The refunding by County Council of the outstanding \$5,400,000 Richland County, South Carolina, Industrial Revenue Bonds, Series 1985 (Mills Partners Project) the proceeds of which were used for (i) the acquisition by lease of a tract of land containing approximately four and 44/100 (4.44) acres, located on the State Hospital grounds in the City of Columbia, Richland County, (ii) the acquisition of the improvements located thereon consisting primarily of a building commonly known as The Mills Building which contains approximately 54,600 square feet (the "Existing Structure"), (iii) the rehabilitation of the Existing Structure, and (iv) the construction of an additional structure (such land, buildings and improvements, as so acquired, rehabilitated and constructed, being hereinafter referred to as the Project) to be leased to the State Budget and Control Board of South Carolina for use as office facilities for a State Agency. To refinance the Project, the County Council will issue \$5,400,000 Richland County,

007207

South Carolina, Industrial Refunding Revenue Bonds, Series 1986 (Mills Partners Project) (the Bonds), pursuant to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended, under the terms of a Loan Agreement (the Loan Agreement) between the County and Mills Partners, a South Carolina general partnership (the Company). The Bonds of Richland County will be payable by the County solely from the loan payments to be paid under the Loan Agreement to the County by the Company, which has irrevocably covenanted and agreed to pay, when due, all sums required for the principal and interest thereon, and the Bonds may be secured by the mortgage lien and security interest of a Mortgage and Security Agreement on the Project, which will constitute a forecloseable mortgage upon the Project and a pledge of the loan payments to be paid under the Loan Agreement. The Bonds shall not constitute a charge against the general credit or taxing power of Richland County.

It is estimated that the Project, when completed, will provide employment for more than fifty (50) additional employees immediately.

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

STATE BUDGET AND CONTROL BOARD OF  
SOUTH CAROLINA

By: William A. McInnis, Secretary

Publication Date:  
December \_\_, 1986

EXHIBIT

DEC 16 1986 NO. 20

STATE BUDGET & CONTROL BOARD

JAN 13 1987

HAYNSWORTH, MARION, McKAY & GUÉRARD  
ATTORNEYS AT LAW

W. Francis Marion  
Julius W. McKay  
Robt. S. Galloway, Jr.  
Fred D. Cox, Jr.  
O.G. Calhoun, Jr.  
Theodore B. Guérard  
Donald L. Ferguson  
G. Dewey Oxner, Jr.  
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William E. Shaughnessy  
James B. Pressly, Jr.  
Sherwood M. Cleveland  
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Post Office Box 2048  
Greenville, South Carolina 29602  
(803) 240-3200

Two Prioleau Street  
Post Office Box 1119  
Charleston, South Carolina 29402  
(803) 722-7606

January 8, 1987

John H. Muench  
Anne S. Eilefson  
Knox H. White  
Edwin B. Parkinson, Jr.  
H. Sam Mabry, III  
Floyd Matlock Elliott  
David Hill Keller  
Shawn D. Wallace  
Deborah K. Neese  
Susan V. Johnston  
Moffatt Grier McDonald  
Christina L. Carter  
Carol L. Clark  
Richard C. Delwiler  
Jeffrey E. Gray  
Carl Everette Pierce, II  
James H. Ritchie, Jr.  
Anne G. H. Rounds

H. J. Haynsworth  
1859-1941

C. F. Haynsworth  
1886-1953

J. M. Perry  
1894-1964

Eugene Bryant  
1902-1969

OF COUNSEL  
Thomas K. Johnstone, Jr.  
Andrew B. Marion  
Harry R. Stephenson, Jr.  
William J. Quirk, (P.A.)

EXHIBIT

DEC 16 1986 NO. 20

STATE BUDGET & CONTROL BOARD

The Honorable Edgar A. Vaughn, Jr.  
South Carolina State Auditor  
NBSC Center, Suite 700  
1122 Lady Street  
P. O. Box 11333  
Columbia, South Carolina 29211

Re: \$5,400,000 Richland County, South Carolina  
Industrial Revenue Bond, Series 1986  
(Mills Partners Project)

Dear Mr Vaughn:

As we discussed over the telephone earlier, the above-captioned bonds were submitted to Standard and Poor's Corporation for a rating based on the strength of the lease payments to be made by the State under the building lease on the Robert Mills building, which payments have been assigned to the Trustee, the C & S Bank, to secure the bonds. I told you at that time that we expected to receive a "AA" rating. Because the Robert Mills building is owned by a for-profit developer partnership, Standard and Poor's Corporation rated these bonds "A+". Had the developer been merely a conduit, the "AA" would probably have been obtained. Enclosed please find a copy of the letter from Standard and Poor's assigning the rating.

The "A+" rating is an investment grade rating and therefore I would hope it would not adversely affect your decision to approve these bonds. Please advise if there is anything further you need in connection with this matter.

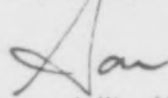
007209

HAYNSWORTH, MARION, McKAY & GUÉRARD  
ATTORNEYS AT LAW

The Honorable Edgar A. Vaughn, Jr.  
Page Two  
January 8, 1987

With kindest regards, I remain

Very truly yours,



Samuel W. Howell, IV

SWH/prg  
Enclosure  
cc: The Honorable William A. McInnis

EXHIBIT

DEC 16 1986

NO. 20

STATE BUDGET & CONTROL BOARD

007210



# Standard & Poor's Corporation

25 Broadway, New York, New York 10004 212/208-1000



Debt Rating Services  
Municipal Bond Department

December 31, 1986

## EXHIBIT

Mr. Jim Gesler,  
Vice President  
Cranston Securities Company  
1501 Neil Avenue  
Columbus, Ohio 43201

DEC 16 1986

NO. 20

STATE BUDGET & CONTROL BOARD

Re: \$5,400,000 Richland County, South Carolina, Industrial Revenue  
Refunding Bonds, Series 1986 (Mills Partners Project), dated:  
December 1, 1986

Dear Mr. Gesler:

Pursuant to request for a Standard & Poor's rating on the above debt obligations, we have reviewed the information furnished to us and, subject to the terms and conditions of the MEMORANDUM OF AGREEMENT on the reverse side hereof, have assigned a rating of "A+" to the obligations.

Please note that the information referred to in the third paragraph of the MEMORANDUM OF AGREEMENT includes annual audits and budgets and, for revenue bond ratings in connection with construction financing, progress reports, not less often than quarterly, covering the project being financed.

In the event that you decide to include this rating in an Official Statement, prospectus or other offering literature, we request that you include S&P's definition of the rating together with a statement that the rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information.

We are pleased to have been of service to you. Our bill will be sent in due course. If you have any questions, please contact us.

Very truly yours,

Angela M. Hyland  
Senior Vice President

cc: Mr. Richard Kelly,  
Division Director  
South Carolina Budget and Control Board

007211

# EXHIBIT

DEC 16 1986 NO. 20

PETITION

STATE BUDGET & CONTROL BOARD

TO

THE STATE BUDGET AND CONTROL BOARD

OF

SOUTH CAROLINA

PURSUANT TO SECTIONS 4-29-140 AND  
4-29-110 OF THE CODE OF LAWS OF SOUTH  
CAROLINA 1976

RE: NOT EXCEEDING \$6,000,000 RICHLAND  
COUNTY, SOUTH CAROLINA, INDUSTRIAL  
REFUNDING REVENUE BONDS, (MILLS  
PARTNERS PROJECT)

EX PARTE:

COUNTY COUNCIL OF RICHLAND COUNTY  
SOUTH CAROLINA

APPROVED BY THE LEGAL DEPARTMENT  
AS TO FORM AND LEGALITY ONLY  
BY [Signature]  
DATE 4/20/86

007212

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

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

Your Petitioner, the County Council of Richland County, South  
Carolina, (County Council) respectfully prays:

1. Richland County (the County) proposes to refund the  
outstanding \$5,400,000 Richland County, South Carolina, Industrial  
Revenue Bonds, Series 1985 (Mills Partners Project) (the Series 1985  
Bonds), and to finance additional costs of construction and renovation of  
the Project, by authorizing the issuance of not exceeding \$6,000,000  
Richland County, South Carolina, Industrial Refunding Revenue Bonds,  
Series 1986 (Mills Partners Project) (the Refunding Bonds) pursuant to  
Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as  
amended (the Enabling Statute). The Series 1985 Bonds were used to  
finance (i) the acquisition by lease of a tract of land, containing  
approximately four and 44/100 (4.44) acres, located on the State Hospital  
grounds, in the City of Columbia, Richland County, including the  
existing improvements located thereon consisting primarily of a building  
commonly known as The Mills Building, which contains approximately  
54,600 square feet (the "Existing Building"), (ii) the rehabilitation of  
the Existing Building and (iii) the construction of an additional building  
(such land, improvements, and building, as so acquired, rehabilitated  
and constructed, being referred to herein as the Project), all of which  
will constitute office facilities to be leased to the State Budget and

Control Board of South Carolina for use as office facilities for a State agency, as a Project under the Enabling Statute, which approval was granted by the State Board at its meeting on June 11, 1985. The State Budget and Control Board has heretofore approved the Project and the issuance of the Series 1985 Bonds.

2. The Refunding Bonds will be secured by an assignment of payments due under the Loan Agreement between the County and the Company, dated as of July 1, 1985 (the Loan Agreement) to Citizens and Southern National Bank of South Carolina, as Trustee, (the Trustee) under an Indenture of Trust between the County and the Trustee, dated as of July 1, 1985, as supplemented by a Supplemental Indenture of Trust, for the benefit of the holder or holders of the Refunded Bonds.

3. The Company, under the terms of the Loan Agreement, is required, at its expense, to maintain the Project in good repair and to keep the Project properly insured; and to make payments on the purchase price for the Project sufficient to pay the principal of, premium, if any, and interest on the Refunding Bonds as they become due.

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

That the State Budget and Control Board accept the filing of the Petition presented herewith and that it thereafter approve the refunding of the Series 1985 Bonds by the issuance of the Refunding Bonds in the amount of not exceeding \$6,000,000, in one or more series, including changes in details of the said financing as finally consummated which do

said undertaking, that \$6,000,000 of the State ceiling on private activity bonds for calendar year 1986 be allocated to the Refunding Bonds, and that it give published notice of its approval in the manner set forth in Code Section 4-29-140.

Respectfully submitted,

RICHLAND COUNTY, SOUTH CAROLINA

(SEAL)

By: Levie E. Hernandez  
Chairman, County Council of  
Richland County, South  
Carolina

## EXHIBIT

DEC 16 1986 NO. 20

STATE BUDGET & CONTROL BOARD

ATTEST:

Brenda Fuller  
Clerk, County Council of  
Richland County, South Carolina



# EXHIBIT

DEC 16 1986 NO. 20

## A RESOLUTION

### STATE BUDGET & CONTROL BOARD

MAKING CERTAIN DETERMINATIONS AND FINDINGS PRIOR TO THE ISSUANCE OF RICHLAND COUNTY INDUSTRIAL REFUNDING REVENUE BONDS; CONFIRMING THE APPROVAL OF THE UNDERTAKING OF THE PROJECT AND THE ISSUANCE OF THE INDUSTRIAL REFUNDING REVENUE BONDS; AND AUTHORIZING THE FILING OF A PETITION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA, SEEKING ITS APPROVAL OF THE ISSUANCE OF THE INDUSTRIAL REFUNDING REVENUE BONDS.

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

1. Richland County (the County) entered into an Assistance Contract dated as of May 21, 1985, with Mills Partners, a South Carolina general partnership (the Company), whereby the County agreed, under the conditions set forth in the Assistance Contract, inter alia, to issue not to exceed \$5,600,000 Richland County Industrial Revenue Bonds pursuant to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended (the Enabling Statute), to finance (i) the acquisition by lease of a tract of land containing approximately four and 44/100 (4.44) acres located on the State Hospital Grounds in the City of Columbia, Richland County, South Carolina, together with the improvements located thereon consisting primarily of a building commonly known as the Mills Building, which contains approximately 54,600 square feet (the "Existing Building"), (ii) the rehabilitation of the Existing Building and (iii) the construction of an additional building (such land, improvements, and building, as so acquired, rehabilitated, and constructed, being referred to herein as the Project), all of which will constitute office facilities to be leased to the State Budget and Control Board of South Carolina for use as office facilities for a State agency.

2. The County heretofore found that the Project subserves the purposes of the Enabling Statute, and the amount of bonds necessary to finance the Project was approximately \$5,400,000.

3. By Ordinance enacted June 18, 1985, the County approved the issuance of \$5,400,000 Richland County, South Carolina, Industrial Revenue Bonds, Series 1985 (Mills Partners Project) (the Series 1985 Bonds), to finance the Project.

4. The Company has now requested the County to refund the Series 1985 Bonds by issuing Richland County, South Carolina, Industrial Refunding Revenue Bonds, Series

007216

1986 (Mills Partners Project) in the aggregate principal amount of not exceeding \$6,000,000, in one or more series (the Refunding Bonds), the proceeds of which will be used to retire the outstanding Series 1985 Bonds, pursuant to the Enabling Statute and to finance additional costs of construction and renovation of the Project.

5. The Refunding Bonds will be secured by an assignment of payments due under the Loan Agreement between the County and the Company, dated as of July 1, 1985, as amended by the First Amendment to the Loan Agreement (the Loan Agreement) to Citizens and Southern National Bank of South Carolina, as Trustee, (the Trustee) under an Indenture of Trust between the County and the Trustee, dated as of July 1, 1985, as supplemented by the Supplemental Indenture of Trust, for the benefit of the holder or holders of the Refunding Bonds.

6. The Company, under the terms of the Loan Agreement is required, at its expense, to maintain the Project in good repair and to keep the Project properly insured; and to make loan repayments sufficient to pay the principal of, premium, if any, and interest on the Refunding Bonds as they become due. Neither the Project nor any charges in connection with the Project or the construction, expansion, acquisition, installation, operation, and maintenance of the Project or in connection with the Refunding Bonds, including the payment of principal or interest, shall constitute or give rise to a pecuniary liability of the County or a charge against the general credit or taxing power of the County.

AND, BE IT FURTHER RESOLVED the the County Council of Richland County hereby confirms its approval of the undertaking of the Project and approves the issuance and exchange of its Refunding Bonds for the Series 1985 Bonds as aforesaid, the filing of its petition, in accordance with Code Sections 4-19-140 and 4-29-110, to the State Budget and Control Board of South Carolina, in substantially the form of the Petition attached hereto (or with such changes as shall be approved by the Attorney for Richland County), and the execution by the Chairman of County Council, or in his absence, the Vice Chairman, and the attestation by the Clerk of the County Council to the same and the affixation of the County Seal thereto, and, further, authorizes and empowers the Chairman of County Council, or, in his absence, the Vice Chairman, to take all other action necessary or incidental to the execution and filing of such Petition.

007217

# EXHIBIT

DEC 16 1986 NO. 20


STATE BUDGET & CONTROL BOARD

PETITION  
TO  
THE STATE BUDGET AND CONTROL BOARD  
OF  
SOUTH CAROLINA

PURSUANT TO SECTIONS 4-29-140 AND  
4-29-110 OF THE CODE OF LAWS OF SOUTH  
CAROLINA 1976

RE: NOT EXCEEDING \$6,000,000 RICHLAND  
COUNTY, SOUTH CAROLINA, INDUSTRIAL  
REFUNDING REVENUE BONDS, (MILLS  
PARTNERS PROJECT)

EX PARTE:  
COUNTY COUNCIL OF RICHLAND COUNTY  
SOUTH CAROLINA

APPROVED BY THE LEGAL DEPARTMENT  
AS TO FORM AND LEGALITY ONLY  
BY   
DATE 11/20/86

007218

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

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

Your Petitioner, the County Council of Richland County, South  
Carolina, (County Council) respectfully prays:

1. Richland County (the County) proposes to refund the  
outstanding \$5,400,000 Richland County, South Carolina, Industrial  
Revenue Bonds, Series 1985 (Mills Partners Project) (the Series 1985  
Bonds), and to finance additional costs of construction and renovation of  
the Project, by authorizing the issuance of not exceeding \$6,000,000  
Richland County, South Carolina, Industrial Refunding Revenue Bonds,  
Series 1986 (Mills Partners Project) (the Refunding Bonds) pursuant to  
Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as  
amended (the Enabling Statute). The Series 1985 Bonds were used to  
finance (i) the acquisition by lease of a tract of land, containing  
approximately four and 44/100 (4.44) acres, located on the State Hospital  
grounds, in the City of Columbia, Richland County, including the  
existing improvements located thereon consisting primarily of a building  
commonly known as The Mills Building, which contains approximately  
54,600 square feet (the "Existing Building"), (ii) the rehabilitation of  
the Existing Building and (iii) the construction of an additional building  
(such land, improvements, and building, as so acquired, rehabilitated  
and constructed, being referred to herein as the Project), all of which  
will constitute office facilities to be leased to the State Budget and



Control Board of South Carolina for use as office facilities for a State agency, as a Project under the Enabling Statute, which approval was granted by the State Board at its meeting on June 11, 1985. The State Budget and Control Board has heretofore approved the Project and the issuance of the Series 1985 Bonds.

2. The Refunding Bonds will be secured by an assignment of payments due under the Loan Agreement between the County and the Company, dated as of July 1, 1985 (the Loan Agreement) to Citizens and Southern National Bank of South Carolina, as Trustee, (the Trustee) under an Indenture of Trust between the County and the Trustee, dated as of July 1, 1985, as supplemented by a Supplemental Indenture of Trust, for the benefit of the holder or holders of the Refunded Bonds.

3. The Company, under the terms of the Loan Agreement, is required, at its expense, to maintain the Project in good repair and to keep the Project properly insured; and to make payments on the purchase price for the Project sufficient to pay the principal of, premium, if any, and interest on the Refunding Bonds as they become due.

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

That the State Budget and Control Board accept the filing of the Petition presented herewith and that it thereafter approve the refunding of the Series 1985 Bonds by the issuance of the Refunding Bonds in the amount of not exceeding \$6,000,000, in one or more series, including changes in details of the said financing as finally consummated which do



said undertaking, that \$6,000,000 of the State ceiling on private activity bonds for calendar year 1986 be allocated to the Refunding Bonds, and that it give published notice of its approval in the manner set forth in Code Section 4-29-140.

Respectfully submitted,

RICHLAND COUNTY, SOUTH CAROLINA

(SEAL)

By:

*Levie E. Herndon*

Chairman, County Council of  
Richland County, South  
Carolina

ATTEST:

*Dwenda Taylor*

Clerk, County Council of  
Richland County, South Carolina

STATE OF SOUTH CAROLINA )  
COUNTY OF RICHLAND )

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

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

WITNESS my Hand and the Seal of Richland County, South Carolina, this 15th day of December, A.D., 1986.

(SEAL)

EXHIBIT

DEC 16 1986 NO. 20

STATE BUDGET & CONTROL BOARD

Brenda Fuller  
Clerk  
County Council of Richland County  
South Carolina

007222

# EXHIBIT

## ASSISTANCE CONTRACT

DEC 16 1986 NO. 20

STATE BUDGET & CONTROL BOARD

THIS CONTRACT made and entered into by and between RICHLAND COUNTY, SOUTH CAROLINA, a body politic and corporate and a political subdivision of the State of South Carolina (the County), and MILLS PARTNERS, a South Carolina general partnership (the Developer),

## WITNESSETH:

### ARTICLE I

### RECITATION OF FACTS

#### SECTION 1.01

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

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

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

2. The Developer proposes that the County finance the (i) acquisition by lease of a tract of land containing 4.44 acres located on the State Hospital grounds in the City of Columbia, Richland County, (ii) the acquisition of the improvements located thereon consisting primarily of a building commonly known as The Mills Building which contains approximately 54,600 square feet (the "Existing Structure"), (iii) the rehabilitation of the Existing Structure, and (iv) the construction of an additional structure, all at a cost not exceeding \$5,600,000. Such land, buildings and improvements, as so acquired, rehabilitation and constructed, are hereinafter called the Project. The Project will constitute office facilities to be leased to the State Budget and Control Board of South Carolina for use as office facilities for a State agency and will provide employment for fifty (50) additional employees.

3. The Developer has advised the County that it wishes to avail itself of the assistance which the County might render through the sale of Richland County Industrial Revenue Bonds pursuant to the Enabling

Statute, whereby the County would finance the acquisition, rehabilitation, and construction of the Project.

4. The County has given due consideration to all of the proposals and requests of the Developer submitted to it and has agreed to endeavor to effect the issuance of the bonds hereinafter spoken of at the time and on the terms and conditions hereinafter set forth.

## EXHIBIT

DEC 16 1986 NO. 20

STATE BUDGET & CONTROL BOARD



# EXHIBIT

DEC 16 1986

NO. 20

## ARTICLE II

### UNDERTAKINGS OF THE COUNTY

STATE BUDGET & CONTROL BOARD

#### SECTION 2.01

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

1. That It will enter into a Loan Agreement (the Loan Agreement) with the Developer, upon such terms and conditions as shall be mutually agreed upon between the County and the Developer, pursuant to which it will lend to the Developer the proceeds of not exceeding \$5,600,000 Industrial Revenue Bonds (Mills Partners Project), in order that such proceeds be applied to the cost of the Project and expenses incident thereto, including the costs of the financing;

2. That it will, subject to the approval by the State Budget and Control Board required by the Enabling Statute, authorize the issuance of not exceeding FIVE MILLION, SIX HUNDRED THOUSAND and no/100 (\$5,600,000.00) DOLLARS Richland County, South Carolina, Industrial Revenue Bonds (Mills Partners Project) (the Bonds), under the Enabling Statute, as a single issue or as several separate issues, at such time as the Developer may request the County to do so;

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

4. That if the Bonds shall be sold, the County will provide that the proceeds thereof shall be applied to the payment of the costs theretofore and thereafter to be incurred in the acquisition,

rehabilitation, and construction of the Project, including advances made or loans incurred by the Developer for such purposes, costs incident to the issuance of the Bonds, and the payment, to the extent permitted by the Enabling Statute, of interest on the Bonds;

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

6. That simultaneously with the issuance of the Bonds, the County will assign to the trustee or the initial purchaser of the Bonds, as the case may be, its interest in the Loan Agreement and a mortgage upon the interest of the Developer in the Project (the "Mortgage"), securing the obligations of the Developer under the Loan Agreement; and

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

ARTICLE III  
UNDERTAKINGS OF THE DEVELOPER

SECTION 3.01

The Developer agrees as follows:

1. That the Developer will market the Bonds on behalf of the County and, in this connection, the Developer expressly acknowledges that the County has no obligation with regard to the marketing of the Bonds;

2. That the Developer will enter into the Loan Agreement with the County under the terms of which the Developer will unconditionally obligate itself to pay to the County sums sufficient to pay the principal of, premium, if any, and interest on the Bonds as and when the same become due and payable; and the Loan Agreement shall be in such form and content satisfactory to the County and to the Developer;

3. That the Developer will enter into the Mortgage, securing its obligations to the County under the Loan Agreement;

4. That the Developer will obligate itself to perform all obligations required of it pursuant to the Enabling Statute;

5. That the Developer will hold the County harmless from all pecuniary liability and will reimburse it for all expenses to which the County might be put in the fulfillment of its obligations under this Contract and the Loan Agreement and in the implementation of the respective terms and provisions thereof; and

6. That the Developer will perform such further acts and adopt such further proceedings as may be required faithfully to implement its undertakings under this Contract.

# EXHIBIT

DEC 16 1986

NO. 20

STATE BUDGET & CONTROL BOARD

## ARTICLE IV

### GENERAL PROVISIONS

#### SECTION 4.01

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

#### SECTION 4.02

The parties agree that the Developer may proceed with the acquisition, rehabilitation, and construction of the Project prior to the issuance of the Bonds. The parties further agree that, prior to the issuance of the Bonds, the Developer may assign its interests hereunder to a limited or general partnership composed of the partners of the Developer and other partners, provided that such assignment shall not materially alter the nature of the operations at the Project.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have caused this Contract to be executed in their



respective names and under their respective seals as of May 21,  
1985, but on the respective dates indicated below.

RICHLAND COUNTY, SOUTH CAROLINA

(SEAL)

By: Leone S. Castles  
Chairman  
County Council of  
Richland County, South Carolina

ATTEST:

Richard L. Black  
Clerk (acting)  
County Council of  
Richland County, South Carolina

Dated: \_\_\_\_\_, 1985

EXHIBIT

DEC 16 1986 NO. 20

STATE BUDGET & CONTROL BOARD

MILLS PARTNERS

(SEAL)

By: William H. Ken  
Its: Mary Jo Barton

Dated: \_\_\_\_\_, 1985

APPROVED AS TO FORM AND CONTENT:

[Signature]  
County Attorney  
Richland County, South Carolina





## TRANSMITTAL FORM REVENUE BONDS

Date: December 10 1986  
Submitted for BOB Meeting on:  
December 16, 1986

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

FROM:

Haynsworth, Marion, McKay & Guerard  
Name of Law Firm  
Columbia, South Carolina 29202  
City, State, Zip Code

P.O. Drawer 7157  
Street Address/Box Number  
803-765-1818  
Telephone Area Code and Number

RE:	\$5,400,000
<u>Amount of Issue</u>	
Richland County, South Carolina	
<u>Issuing Authority Name</u>	

Industrial Revenue Refunding Bonds	
Type of Bonds or Notes	IR
December 31, 1986	
Projected Issue Date	12/86

Project Name: Mills Partners

Project Description:

Acquisition by lease and renovation of the Robert Mills Building on the State  
Hospital Grounds in the City of Columbia, Richland County

Employment as result of project: Fifty (50) additional employees

**CEILING ALLOCATION REQUIRED**

       Yes (\$                 ) X No  
Amount

REFUNDING INVOLVED  
X Yes (\$5,400,000)      No  
 Amount

PROJECT APPROVED PREVIOUSLY  
X Yes ( June 11, 1985 )    No  
                                     Date

DOCUMENTS ENCLOSED:

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

- A. X Petition (executed original and two copies)  
B. X Resolution or ordinance (executed copy)  
C. X Inducement Resolution or comparable preliminary approval (executed copy)  
D.     Standard Form Investment Letter from bonds purchaser (executed original)  
(Purchaser: \_\_\_\_\_)

OR X Audited financial statements for three most recent years

- E. \_\_\_\_\_ Department of Health and Environmental Control certificate IF REQUIRED
- F. X Budget and Control Board Resolution and Public Notice (original)  
[Plus 6 copies for certification and return to counsel]
- G. X Processing fee  
Amount \$ 3,000.00 Check No. \_\_\_\_\_  
Payor \_\_\_\_\_

Bond Counsel: Samuel W. Howell, IV

By: Al H. K. C. Typed Name  
Signature

DEC 10 1986  
12:02 P.M.

12/13/26 DE 1 of 2. LL

12/15/86  
Jme

EXHIBIT  
DEC 16 1985  
NO. 20  
STATE BUDGET & CONTROL BOARD

007232

INDUSTRIAL REVENUE BOND PROJECT

Mills Partners

GOVERNING BOARD

County Council of Richland County

BOND COUNSEL

Haynsworth, Marion, McKay & Guerard  
Columbia, SC 29202

EXHIBIT

DEC 16 1986 NO. 20

STATE BUDGET & CONTROL BOARD

FINDINGS BY GOVERNING BOARD (§ 4-29-60)

The Governing Board shall find:

☒ (1) The project will subserve the purposes  
of Chapter 28, Title 4;

☐ (2) The project is anticipated to benefit  
the general public welfare of the locality by providing  
services, employment, recreation, or other public  
benefits not otherwise provided locally;

☐ (3) The project will give rise to no  
pecuniary liability of county or incorporated municipality  
or a charge against its general credit or taxing power;

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\_\_\_\_\_ (4) The amount of bonds required to finance the project;

\_\_\_\_\_ (5) The amount necessary in each year to pay the principal of and the interest on the bonds proposed to be issued to finance the project;

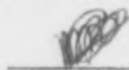
\_\_\_\_\_ (6) The amount necessary to be paid each year into any reserve funds which the governing board may deem advisable to establish in connection with the retirement of the proposed bonds and the maintenance of the project;

\_\_\_\_\_ (7) Unless the terms of the financing agreement with respect to the project provide that the industry shall maintain the project and carry all proper insurance with respect thereto, the cost of maintaining the project in good repair and keeping it properly insured;

\_\_\_\_\_ (8) The determinations and findings of the governing board required to be made above shall be set forth in the proceedings under which the proposed bonds are to be issued.

FINANCING AGREEMENT (§ 4-29-60)

Every financing agreement with respect to a project shall contain an agreement:

 obligating the industry to effect the completion of the project if the proceeds of the bonds prove insufficient, and

EXHIBIT

DEC 16 1986 NO. 20

STATE BUDGET & CONTROL BOARD

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CORRECTION

CORRECTION

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CORRECTION



INDUSTRIAL REVENUE BOND PROJECT

Mills Partners

GOVERNING BOARD

County Council of Richland County

BOND COUNSEL

Haynsworth, Marion, McKay & Guerard  
Columbia, SC 29202

EXHIBIT

DEC 16 1986 NO. 20

STATE BUDGET & CONTROL BOARD

FINDINGS BY GOVERNING BOARD (§ 4-29-60)

The Governing Board shall find:

☒ (1) The project will subserve the purposes  
of Chapter 29, Title 4;

☐ (2) The project is anticipated to benefit  
the general public welfare of the locality by providing  
services, employment, recreation, or other public  
benefits not otherwise provided locally;

☐ (3) The project will give rise to no  
pecuniary liability of county or incorporated municipality  
or a charge against its general credit or taxing power;

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007233

BLAKE BRIDGES # 8-10-1987 MARYGO

DEC 10 1987 MT 8 0

EXHIBIT

Information in  
the attached forms  
does not provide  
information re-  
quired by checklist.

Joyce

Dave,

This is a refunding  
bond. Project  
previously approved  
letter states original  
signed ~~Petition~~ <sup>Council</sup> Resolution  
and County <sup>1</sup> will be forwarded.

005500

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\_\_\_\_\_ (4) The amount of bonds required to finance the project;

\_\_\_\_\_ (5) The amount necessary in each year to pay the principal of and the interest on the bonds proposed to be issued to finance the project;


\_\_\_\_\_ (6) The amount necessary to be paid each year into any reserve funds which the governing board may deem advisable to establish in connection with the retirement of the proposed bonds and the maintenance of the project;

\_\_\_\_\_ (7) Unless the terms of the financing agreement with respect to the project provide that the industry shall maintain the project and carry all proper insurance with respect thereto, the cost of maintaining the project in good repair and keeping it properly insured;

\_\_\_\_\_ (8) The determinations and findings of the governing board required to be made above shall be set forth in the proceedings under which the proposed bonds are to be issued.

FINANCING AGREEMENT (§ 4-29-60)

Every financing agreement with respect to a project shall contain an agreement:

 obligating the industry to effect the completion of the project if the proceeds of the bonds prove insufficient, and

EXHIBIT

DEC 16 1986 NO. 20

STATE BUDGET & CONTROL BOARD

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obligating the industry to pay an amount under the terms of a financing agreement, which, upon the basis of the determinations theretofore made, will be sufficient:

- ☒ (a) to pay the principal of and interest on the bonds issued to finance the project;
- ☐ (b) to build up and maintain any reserves deemed by the governing board to be advisable in connection therewith, and
- ☒ (c) unless the financing agreement obligates the industry to pay for the maintenance and insurance of the project, to pay the costs of maintaining the project in good repair and keeping it properly insured.

\_\_\_\_\_ Every financing agreement in the form of a lease shall contain a provision requiring the industry to make payments to the county or counties, municipality or municipalities, school district or school districts, and other political units wherein the project shall be located in lieu of taxes, in such amounts as would result from taxes levied on the project by such county or counties, municipality or municipalities, school district or school districts, and other political unit

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or units, if the project were owned by the industry, but with appropriate reductions similar to the tax exemptions, if any, which would be afforded to the industry if it were the owner of the project.

REFUNDING BONDS (§ 4-29-110)

✓ \_\_\_\_\_ may not exceed an amount sufficient to refund the principal of the bonds to be refunded, together with any unpaid interest thereon and any premiums, expenses, and commissions necessary to be paid in connection therewith.

PETITION (§ 4-29-140)

Must set forth ✓

\_\_\_\_\_ (a)(1) a brief description of the project proposed to be undertaken, and

ok previous (a)(2) its anticipated effect upon the economy of the county or incorporated municipality in which the project is to be located and of the areas adjacent thereto;

ok \_\_\_\_\_ (b) a reasonable estimate of the cost of the project; *add 600,000 for "cost + revenue"*

✓ \_\_\_\_\_ (c)(1) a general summary of the terms and conditions of the financing agreement and security agreement to be made,

N/R (c)(2) a statement establishing the basis for the payment of sums in lieu of taxes as required by § 4-29-60.



FINDINGS BY BUDGET AND CONTROL BOARD

\_\_\_\_\_ the project is intended to promote the  
purposes of Chapter 29, Title 4, (Public Purpose)

\_\_\_\_\_ the project is reasonably anticipated to  
effect such result. . . . .

QUESTIONS CONSIDERED

EXHIBIT

DEC 16 1986 NO. 20

STATE BUDGET & CONTROL BOARD

007238

# COLUMBIA NEWSPAPERS, INC.

Columbia, South Carolina

Publishers of

**The State**

Mornings and Sunday

AND

**The Columbia R.**

Evenings except Sunday

STATE OF SOUTH CAROLINA  
COUNTY OF RICHLAND

Personally appeared before me U. Mark Bennett, Disbarred Adv.  
of THE STATE, and makes oath that the advertisement,

Public Notice - Mills Partners Project

a clipping of which is attached hereto, was printed in THE STATE,  
a daily newspaper of general circulation published in the City  
of Columbia, State and County aforesaid, in the issue of

December 15, 1986

Subscribed and sworn to before me  
this 15 day of December 19 86

William A. Macinnis Notary Public



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## PUBLIC NOTICE NOTICE PURSUANT TO CHAPTER 29, TITLE 6, VOLUME 1 CODE OF LAWS OF SOUTH CAROLINA 1976 AS AMENDED

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

The refunding by County Council of the outstanding \$5,400,000 Richland County, South Carolina, Industrial Revenue Bonds, Series 1985 (Mills Partners Project) the proceeds of which were used for (1) the acquisition by lease of a tract of land containing approximately four and 44/100 acres, located on the State Hospital grounds in the City of Columbia, Richland County, (2) the acquisition of the improvements located thereon consisting primarily of a building commonly known as The Mills Building which contains approximately 200 square feet (the "Existing Structure"), (3) the rehabilitation of the Existing Structure, and (4) the construction of an additional structure (each land, building, and improvement, as so acquired, rehabilitated and constructed, being hereinafter referred to as the Project) to be used in the State Budget and Control Board of South Carolina for use as office quarters for the County Council. The Project, per County Council, will cost \$5,400,000 Richland County, South Carolina, Industrial Revenue Bonds, Series 1985 (Mills Partners Project) the bonds, pursuant to Chapter 29, Title 6, Volume 1, Code of Laws of South Carolina, 1976, as amended, under the terms of a Loan Agreement (the Loan Agreement) between the County and Mills Partners, a South Carolina general partnership (the Company). The Bonds of Richland County will be payable by the County solely from the loan payments to be paid under the Loan Agreement to the County by the Company, which has irrevocably guaranteed and agreed to pay, when due, all sums required for the principal and interest thereon, and the Bonds may be secured by the mortgage lien and security interest of a Mortgage and Security Agreement on the Project, which will constitute a foreclosure mortgage upon the Project and a pledge of the loan payments to be paid under the Loan Agreement. The Bonds shall not constitute a charge against the general credit or taxing power of Richland County.

It is estimated that the Project when completed, will provide employment for more than fifty (50) additional employees immediately.

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

STATE BUDGET AND  
CONTROL BOARD OF  
SOUTH CAROLINA  
BY William A. Macinnis,  
Secretary

Publication Date  
December 15, 1986

79440

INCLUDES  
CHARLESTON SURGERY  
CENTER PROJECT INCREASE  
WHICH WAS ADDED TO THE  
AGENDA.

# EXHIBIT

DEC 16 1986

NO. 21

STATE BUDGET AND CONTROL BOARD STATE BUDGET & CONTROL BOARD REGULAR SESSION

MEETING OF December 16, 1986

ITEM NUMBER

5

AGENCY: Executive Director

SUBJECT: Revenue Bonds; Allocation of State Ceiling

- A. The required reviews on the following proposals to issue revenue bonds have not yet been completed. Staff will advise the Board on the results of these reviews at the meeting.

Each of the projects requires approval under State law. An allocation of a portion of the Ceiling is requested for projects 1, 4 and 6.

- (1) Issuing Authority: Richland County  
Amount of Issue: \$2,488,000 Hospital Facilities Revenue Bonds  
Name of Project: Meridian Care Center Partners  
Project Description: Nursing home/retirement home center
- (2) Issuing Authority: McCormick County  
Amount of Issue: \$2,800,000 Hospital Facilities Revenue Bonds  
Name of Project: McCormick County Nursing Center  
Project Description: Skilled and intermediate care nursing home and residential care facility  
(ALLOCATION NOT REQUESTED)
- (3) Issuing Authority: Horry County  
Amount of Issue: \$4,500,000 Industrial Development Bond  
Name of Project: Lodge Associates of Myrtle Beach  
Employment Impact: 50 additional  
Project Description: Public lodging facility; renovation of restaurant facility  
(ALLOCATION APPROVED PREVIOUSLY. APPROVAL REQUESTED SUBJECT TO A FAVORABLE RULING BY THE SUPREME COURT.)
- (4) Issuing Authority: Family Farm Development Authority  
Amount of Issue: \$190,000 Agricultural Development Revenue Bond  
Name of Project: Setzler Farms, Inc.  
Project Description: Construct 3 turkey houses, growout houses and equipment to expand turkey farm operation  
Maturity Schedule: 10 equal payments of \$30,922.50 payable annually, together with interest at a rate not exceeding 12% (Authority staff say rate is 10% fixed.)  
Bond Purchaser: NCNB South Carolina
- (5) Issuing Authority: Pickens County  
Amount of Issue: \$6,555,000 Hospital Facilities Refunding Revenue Bonds  
Name of Project: Cannon Memorial Hospital  
Project Description: 56-bed acute care facility  
(ALLOCATION NOT REQUIRED)

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# EXHIBIT

DEC 16 1986

NO. 2 1

(6) Issuing Authority: Richland County      STATE BUDGET & CONTROL BOARD  
Amount of Issue: \$6,000,000 Industrial Revenue Bonds  
(INCLUDES \$5,400,000 Refunding Bonds)  
Name of Project: Mills Partners  
Employment Impact: 50 additional Project  
Description: Acquisition by lease and renovation of Robert  
Mills Building on State Hospital grounds  
(ALLOCATION REQUIRED) (INCOMPLETE SUBMISSION)

- B. Mr. James G. Norton, Columbia Development Corporation Executive Director, requests that the Pavilion Towers project \$12,000,000 allocation, which will expire on December 23, be extended to December 31.
- C. The State Housing Authority on December 5, 1986, relinquished the \$50,000,000 ceiling allocation previously granted.
- D. Attached is a complete status report on the State Ceiling as of December 11, 1986.

A summary is presented below:

	<u>Local Pool</u>	<u>State Pool</u>	<u>Total</u>
1. Unallocated Balance, December 11	52,520,000	2,705,000	55,225,000
2. Allocations for items 1 and 4	-190,000	-2,488,000	52,547,000
3. Shift from State to Local Pool	-5,783,000	5,783,000	52,547,000
4. Allocation for item 6		-6,000,000	46,547,000
Balance	46,547,000	-0-	46,547,000

---

## BOARD ACTION REQUESTED:

- A. Adopt resolutions approving proposals to issue revenue bonds, on the condition that the required reviews are completed with satisfactory results;
- B. Allocate a portion of the State Ceiling to projects 1, 4;
- C. Transfer \$6,000,000 from the State Pool to the Local Pool, with review and comment by the Joint Bond Review Committee;
- D. Allocate \$6,000,000 of the State Ceiling to project 6;
- E. Extend the life of the \$12,000,000 Pavilion Towers project ceiling allocation to December 31, 1986;
- F. Receive as information a report that the State Housing Authority has relinquished a \$50,000,000 ceiling allocation; and
- G. Receive as information the status report on the State Ceiling.

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## ATTACHMENTS:

Referenced status report on State Ceiling.

007241

## STATE CEILING IF REQUESTED ALLOCATIONS GRANTED 12/16

			State Pool	Local Pool	Total
11/05/86	BALANCE		47,125,000	68,545,000	115,670,000
11/18/86	(a) Greenville County	Random		-950,000	
11/18/86	(b) N. Chas. Redevelop.	Tillman		-9,500,000	
11/18/86	(c) JEDA	Charleston Waterfront I	-8,500,000		
11/18/86	(d) JEDA	Charleston Waterfront II	-8,500,000		
11/18/86	(e) Family Farm Dev.	Jack Denver Powell	-150,000		
11/18/86	(g) Piedmont Municipal	Power Agency		-58,095,000	
11/18/86	SHIFT FROM STATE TO	LOCAL POOL	-10,905,000	10,905,000	
11/18/86	(g) Piedmont Municipal	Power Agency		-10,905,000	
11/18/86	SHIFT FROM STATE TO	LOCAL POOL	-1,800,000	1,800,000	
11/18/86	(h) Cherokee County	Clarkson Associates		-1,800,000	
			<u>17,270,000</u>	<u>0</u>	<u>17,270,000</u>
12/01/86	Winnsboro, Town of	Natural Gas Distrib. (lapsed)		2,700,000	
12/01/86	JEDA	Rainbow Oil Co., Inc. (relinq)	600,000		
12/02/86	N. Chasn Redev Com	Ben Tillman Homes (relinquished)		9,500,000	
12/02/86	Piedmont Municipal	Power Agency (relinquished)		3,000,000	
12/02/86	Richland County	Pavillion Towers (relinquished)		3,000,000	
12/02/86	(a) JEDA	Tobul Accumulators	-650,000		
12/02/86	(c) JEDA	Rice Street Associates	-1,500,000		
12/02/86	(d) JEDA	Sunset II Partnership	-1,600,000		
12/02/86	(e) JEDA	NMFO Associates	-750,000		
12/02/86	(f) JEDA	Midland Properties Ltd.	-2,700,000		
12/02/86	(g) JEDA	Old Claussens Bakery P'ship	-1,700,000		
12/02/86	(h) JEDA	Elmwood Historic P'ship	-4,200,000		
12/02/86	(i) Lexington County	J. B. White & Co., Inc.		-7,300,000	
12/02/86	(j) Greenville, City of	Tax Increment Bonds		-2,100,000	
12/02/86	(l) JEDA	Continental Southern	-1,250,000		
12/02/86	(m) JEDA	Energy Power Products	-1,000,000		
12/02/86	(n) Horry County	Lodge Assoc. Myrtle Beach		-4,500,000	
12/02/86	(o) Charleston County	Charleston Surgery Center		-1,500,000	
12/02/86	(q) Greenville, City of	Textile Hall Corp.		-3,500,000	
			<u>2,520,000</u>	<u>-700,000</u>	
12/02/86	Greenville County	Chestnut Hill (relinquished)		2,905,000	
			<u>2,520,000</u>	<u>2,205,000</u>	
12/05/86	State Housing Auth.	Homeownership Bonds (relinquished)	50,000,000		
12/10/86	Fairfield County	Rite Aid of South Carolina (relin)		500,000	
12/16/86	Richland County	Meridian Care Center Partners		-2,488,000	
12/16/86	Family Farm Dev.	Setzler Farms, Inc.	-190,000		
12/16/86	SHIFT FROM STATE POOL	TO LOCAL POOL	-5,783,000	5,783,000	
12/16/86	Richland County	Mills Partners		-6,000,000	
			<u>46,547,000</u>	<u>0</u>	
	BALANCE		<u>46,547,000</u>	<u>0</u>	<u>46,547,000</u>

STATE BUDGET & CONTROL BOARD  
 DEC 16 1986  
 NO. 21

EXHIBIT

007242



STATE CEILING AMOUNT AVAILABLE FOR ALLOCATION JANUARY 1, 1986

A. State Agency and Exempt Facilities Pool (40%)	200,820,000
B. Local Pool (60%)	301,230,000
Certified State Ceiling (01/14/86)	<u>502,050,000</u>

Allocated/Issued Prior to August 15, 1986	47,642,670
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\* \* \* \* \*

STATE CEILING AMOUNT AVAILABLE FOR ISSUE/ALLOCATION AFTER AUGUST 15, 1986

A. State Government Pool (40%)	100,410,000
Shift to Local Pool (11/18/86)	-12,705,000
State Government Pool (35%)	<u>87,705,000</u>
B. Local Pool (60%)	150,615,000
Shift from State Pool (11/18/86)	12,705,000
Local Pool (65%)	<u>163,320,000</u>

Certified State Ceiling (10/31/86):	<u>251,025,000</u>
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Allocated/Issued After August 15, 1986	195,800,000
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Balance Available for Allocation 12/3/86	55,225,000
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EXHIBIT

DEC 16 1986 NO. 21

STATE BUDGET & CONTROL BOARD

007243

STATE CEILING STATUS  
12/11/86

	<u>8/15 or Before</u>	<u>After 8/15</u>	<u>Total</u>	<u>Reported Issued</u>	<u>Not Issued</u>
State Pool	200,820,000			5,490,000	
Local Pool	<u>301,230,000</u>			<u>42,152,670</u>	
Total, Pre-8/15	<u>502,050,000</u>			<u>47,642,670</u>	
State Pool		100,410,000			
		<u>-12,705,000</u>			
			<u>87,705,000</u>	<u>730,000</u>	<u>86,975,000</u>
Total, State Pool, Post-8/15			<u>87,705,000</u>	<u>730,000</u>	<u>86,975,000</u>
Local Pool		150,615,000			
		<u>12,705,000</u>			
			<u>163,320,000</u>	<u>50,140,000</u>	<u>113,180,000</u>
Total, Local Pool, Post-8/15			<u>163,320,000</u>	<u>50,140,000</u>	<u>113,180,000</u>
Total, State Ceiling, Post-8/15			<u>251,025,000</u>	<u>50,870,000</u>	<u>200,155,000</u>

EXHIBIT

DEC 16 1986 NO. 21

STATE BUDGET & CONTROL BOARD

007244

1986 STATE CEILING AMOUNT AVAILABLE FOR ALLOCATION PRIOR TO AUGUST 15, 1986

Date of B&C Board Allocation	Governmental Unit	Name of Project	Pool Total	Amount of Pool Allocated	Balance of Pool Available	Amount Certified for Issue	Issue Date	Attorney
01/02/86	STATE AGENCY AND EXEMPT FACILITIES POOL		\$200,820,000					
01/23/86	Family Farm Dev.	Joseph A. Kesler		-350,000		350,000	02/04/86	McLeod
01/23/86	Family Farm Dev.	James O. Brown		-220,000		220,000	01/30/86	McLeod
01/23/86	Family Farm Dev.	W & W Farms		-15,000		15,000	04/04/86	McLeod
02/11/86	Family Farm Dev.	Walter L. Paradise		-180,000		180,000	02/25/86	McLeod
02/11/86	Family Farm Dev.	Martin I. Easler		-10,000		10,000	03/14/86	McLeod
02/27/86	Family Farm Dev.	Joseph Scott Croxton		-200,000		200,000	04/04/86	McLeod
02/27/86	Family Farm Dev.	Jon Edward Agerton		-130,000		130,000	03/14/86	McLeod
03/25/86	JEDA	Congaree Vista Associates		-1,000,000		1,000,000	05/01/86	Lucas
03/25/86	Family Farm Dev.	William G. Reese		-185,000		185,000	04/04/86	McLeod
04/08/86	JEDA	Doty Scientific Incorporated		-500,000		500,000	05/28/86	Lucas
05/13/86	Family Farm Dev.	Carl Joe Ables		-40,000		40,000	05/28/86	McLeod
05/27/86	Fairfield County	SCE&G Co.		-1,100,000		1,100,000	06/27/86	Dial
05/27/86	Family Farm Dev.	Ralph O. Hartley		-40,000		40,000	06/16/86	McLeod
05/27/86	Family Farm Dev.	Carol J. Clamp		-100,000		100,000	06/16/86	McLeod
06/24/86	Family Farm Dev.	Melissa W. Rochester		-220,000		220,000	07/02/86	McLeod
07/15/86	Lexington County	Technographics Decotone US		-1,200,000		1,200,000	07/30/86	Johnson
	Total Allocated			-5,490,000		5,490,000		
	Total, State Agency and Exempt Facilities Pool		\$200,820,000	-5,490,000	\$195,330,000	5,490,000		

EXHIBIT

DEC 16 1986 NO. 21

STATE BUDGET & CONTROL BOARD

007245

Date of B&C Board Allocation	Governmental Unit	Name of Project	Pool Total	Amount of Pool Allocated	Balance of Pool Available	Amount Certified for Issue	Issue Date	Attorney
01/02/86	LOCAL POOL		\$301,230,000					
01/23/86	Spartanburg County	Jimmy I. Gibbs		-1,000,000		1,000,000	02/14/86	McKinney
02/11/86	Berkeley County	David Maybank, Jr.		-68,848		68,848	03/13/86	Trouche
02/27/86	Marion County	Beneteau Manufacturing, Inc.		-3,000,000		3,000,000	04/10/86	Trouche
02/27/86	Cherokee County	Ametex Fabrics, Inc.		-2,700,000		2,700,000	04/24/86	McKinney
02/27/86	Cherokee County	Y Z Realty Trust		-1,850,000		1,850,000	04/24/86	McKinney
02/27/86	Berkeley County	Pearlstone Distributors		-1,500,000		1,500,000	05/26/86	Johnston
03/11/85	Spartanburg County	O'Mara Incorporated		-1,000,000		1,000,000	04/03/86	Page
03/25/86	Horry County	Commercial Realty Ventures		-250,000		250,000	05/14/86	Howell
04/08/86	Lexington County	Clay Hyder		-6,100,000		6,100,000	05/09/86	Fawcett
04/08/86	Greenville County	Hart-Greenville Partnership		-3,500,000		3,500,000	05/15/86	Blake
04/22/86	Sumter, City of	Redevelopment Loan Program		-13,822		13,822	05/21/86	Tobias
04/22/86	Greenville County	International Plastics		-500,000		500,000	05/23/86	Page
05/13/86	York County	Meco Metal Finishing USA, Inc.		-1,800,000		1,800,000	06/06/86	Page
05/13/86	Richland County	Dodd Investment		-620,000		620,000	06/26/86	Reyner
06/10/86	Spartanburg County	J M Smith Corporation		-1,000,000		1,000,000	07/01/86	Page
06/10/86	Richland County	William M. Gregg, II.		-1,500,000		1,500,000	07/07/86	Henderson
06/10/86	Anderson County	Mount Vernon Mills, Inc.		-3,000,000		3,000,000	06/30/86	Blake
06/24/86	Laurens County	Dispoz-o Plastics, Inc.		-1,500,000		1,500,000	07/24/86	Page
06/24/86	Lexington County	Kingston Metal South Corp.		-750,000		750,000	07/31/86	Lucas
07/15/86	Spartanburg County	One Price Realty		-1,000,000		1,000,000	08/15/86	Johnson
07/15/86	Florence County	*Bruce Hospital, Inc.		-8,000,000		8,000,000	08/06/86	McKinney
07/15/86	Lancaster County	Continental Mfg. Service		-1,500,000		1,500,000	08/08/86	Johnson
	Total Allocated			-42,152,670		42,152,670		
	Total, Local Pool		\$301,230,000	-42,152,670	\$259,077,330	42,152,670		
	Total, State Agency and Exempt Facilities Pool		\$188,115,000	-5,490,000	\$182,625,000	5,490,000		
	Total, Local Pool		313,935,000	-42,152,670	271,782,330	42,152,670		
	GRAND TOTAL		\$502,050,000	-47,642,670	\$454,407,330	47,642,670		

\*Tax Reform Act of 1985

007246

EXHIBIT  
DEC 16 1986  
NO. 21  
STATE BUDGET & CONTROL BOARD

<u>Date of B&amp;C Board Allocation</u>	<u>Governmental Unit</u>	<u>Name of Project</u>	<u>Pool Total</u>	<u>Amount of Pool Allocated</u>	<u>Balance of Pool Available</u>	<u>Amount Certified for Issue</u>	<u>Issue Date</u>	<u>Attorney</u>
1986 STATE CEILING AMOUNT AVAILABLE FOR ALLOCATION Allocated/Issued after August 15, 1986								
10/30/86	STATE GOVERNMENT POOL		\$100,410,000					
05/27/86	Family Farm Dev.	James Earl Bozard		-190,000				McLeod
07/15/86	Family Farm Dev.	Frank M. Senn, Sr.		-240,000				McLeod
07/15/86	Family Farm Dev.	Barbara Ann Senn		-250,000				McLeod
07/15/86	Family Farm Dev.	Sandra K. Senn		-250,000				McLeod
09/09/86	JEDA	Palmetto Tile Distributors		-1,000,000				Lucas
10/07/86	Family Farm Dev.	Alton J. Barnett, Jr.		-130,000		130,000	10/10/86	McLeod
10/07/86	Family Farm Dev.	Vince Timpson Arrington		-150,000		150,000	10/10/86	McLeod
10/21/86	Family Farm Dev.	John C. Cato		-175,000				McLeod
10/21/86	Family Farm Dev.	James T. Sprouse		-300,000		300,000	11/06/86	McLeod
11/18/86	JEDA	Charleston Waterfront I		-8,500,000				Lucas
11/18/86	JEDA	Charleston Waterfront II		-8,500,000				Lucas
11/18/86	Family Farm Dev.	Jack Denver Powell		-150,000		150,000	11/26/86	McLeod
11/18/86	SHIFT TO LOCAL POOL		-12,705,000					
12/02/86	JEDA	Tobul Accumulators		-650,000				Lucas
12/02/86	JEDA	Rice Street Associates		-1,500,000				Lucas
12/02/86	JEDA	Sunset II Partnership		-1,600,000				Lucas
12/02/86	JEDA	NMFO Associates		-750,000				Lucas
12/02/86	JEDA	Midland Properties, Ltd.		-2,700,000				Lucas
12/02/86	JEDA	Old Claussens Bakery Partnership		-1,700,000				Lucas
12/02/86	JEDA	Elmwood Historic Partnership		-4,200,000				Lucas
12/02/86	JEDA	Continental Southern Industries		-1,250,000				Lucas
12/02/86	JEDA	Energy Power Products, Inc.		-1,000,000				Lucas
Total Allocated				-35,185,000		730,000		
Total, State Government Pool			\$87,705,000	-35,185,000	\$52,520,000	730,000		

EXHIBIT  
DEC 16 1986 NO. 21  
STATE BUDGET & CONTROL BOARD

007247

12/11/86



Date of B&C Board Allocation	Governmental Unit	Name of Project	Pool Total	Amount of Pool Allocated	Balance of Pool Available	Amount Certified for Issue	Issue Date	Attorney
10/30/86	LOCAL POOL		\$150,615,000					
07/15/86	Richland County	Trinity Knoll		-3,500,000				Jeffcoat
07/15/86	Fairfield County	Rite Aid of SC, Inc.		-9,500,000		9,500,000	12/12/86	Foster
07/15/86	Lancaster County	Aeroquip Corporation		-2,200,000		2,200,000	09/11/86	Page
07/29/86	Spartanburg County	Structofab, Inc.		-600,000		600,000	08/20/86	Page
07/29/86	Spartanburg County	Holmberg Electronics Corp.		-650,000		650,000	08/26/86	Howell
08/13/86	Spartanburg County	Indever		-1,200,000		1,200,000	10/02/86	Muller
08/13/86	Lexington County	A. M. Quattlebaum, Sr.		-1,000,000		1,000,000	10/10/86	Howell
08/28/86	Spartanburg County	W J Partnership		-5,000,000		5,000,000	09/11/86	McKinney
08/28/86	Greenville County	Span America		-3,000,000		3,000,000	09/25/86	Muller
08/28/86	Greenville County	Merscot-Greenville		-19,340,000		19,340,000	11/06/86	Hutcheson
09/09/86	Charleston County	Coburg Dairy		-5,000,000				Applegate
09/23/86	Charleston County	NOCS S. Atlantic Storage		-4,000,000		4,000,000	11/25/86	Robertson
09/23/86	Congaree Vista	Pavillion Towers		-12,000,000				Youngblood
10/07/86	Sumter County	MetoKote Corporation		-2,700,000		2,700,000	11/07/86	Johnson
11/05/86	Greenville County	Chestnut Hill MHC		-3,095,000				McKinney
11/05/86	Greenville County	Hart-Greenville		-180,000				Blake
11/18/86	Greenville County	Random Associates		-950,000		950,000	12/16/86	Pressly
11/18/86	SHIFT FROM STATE POOL		12,705,000					
11/18/86	Piedmont Munic. Power	1986 Project		-66,000,000				Corley
11/18/86	Cherokee County	Clarkson Associates		-1,800,000				
12/02/86	Lexington County	J. B. White & Co., Inc.		-7,300,000				McKinney
12/02/86	Greenville, City of	Tax Increment Bonds		-2,100,000				McKinney
12/02/86	Horry County	Lodge Associates of Myrtle Beach		-4,500,000				Howell
12/02/86	Charleston County	Charleston Surgery Center		-1,500,000				Howell
12/02/86	Greenville, City of	Textile Hall Corp.		-3,500,000				McKinney
Total Allocated				-160,615,000		50,140,000		
Total, Local Pool			\$163,320,000	-160,615,000	\$2,705,000	50,140,000		
SUMMARY:								
Total, State Government Pool			87,705,000	-35,185,000	52,520,000	730,000		
Total, Local Pool			163,320,000	-160,615,000	2,705,000	50,140,000		
GRAND TOTAL			251,025,000	-195,800,000	55,225,000	50,870,000		

EXHIBIT  
DEC 16 1986 NO. 21  
STATE BUDGET & CONTROL BOARD

007248

DEC - 8 1986  
11:47 A.M.

HL



columbia development corporation

## EXHIBIT

DEC 16 1986

NO. 21

STATE BUDGET & CONTROL BOARD

December 4, 1986

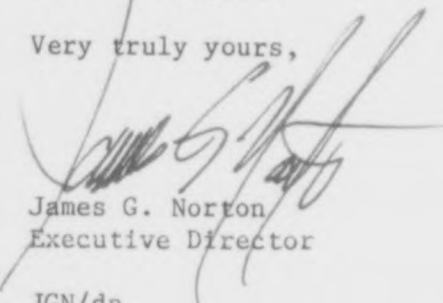
Mr. William A. McGinnis  
State Budget and Control Board  
Wade Hampton Office Building  
Columbia, South Carolina 29201

Re: \$12,000,000 Redevelopment Commission for Congaree Vista  
Area Multifamily Housing Revenue Bonds (Pavilion Towers  
Project)

Dear Mr. McGinnis:

The State Budget and Control Board granted preliminary volume cap allocation to the above-captioned bond transaction on September 23, 1986. This allocation will expire on December 23, 1986. The transaction is scheduled to close but may not be able to do so prior to December 23. Therefore, the Redevelopment Commission for Congaree Vista Area respectfully requests an extension of volume cap allocation for the Project.

Very truly yours,

  
James G. Norton  
Executive Director

JGN/dp

007249

DEC - 5 1986  
4:05 P.M.  
LL



**SOUTH CAROLINA STATE HOUSING AUTHORITY**

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

December 5, 1986

**EXHIBIT**

DEC 16 1986 NO. 21

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis  
Secretary  
State Budget and Control Board  
P. O. Box 12444  
Columbia, South Carolina 29211

Dear Mr. McInnis:

Under date of November 5, 1986, you granted permission to the South Carolina State Housing Authority (the "Authority") to issue not exceeding \$50 million for Homeownership Mortgage Purchase Bonds, Series 1986 A (the "Bonds").

Market conditions have fluctuated to a point where the difference in rates between long term direct obligations of the United States and long term "private purpose" tax exempt bonds is such that the issuance of the Bonds would require payment by the Authority of a relatively high interest rate.

It has, therefore, been determined that, with your permission, the allocation or authorization to the Authority should be carried over from 1986 to 1987.

Your permission is, therefore, respectfully requested that the right to issue not exceeding \$50 million Homeownership Mortgage Purchase Bonds, be carried forward until 1987, together with other bonds for such purpose in such amount as the state ceiling on the issuance of Private Activity tax exempt bonds permits.

Respectfully yours,

*W. Linwood H. Ransom, Jr.*

for Linwood H. Ransom, Jr.  
Executive Director  
South Carolina State Housing Authority

LHRjr/fh

007250

# EXHIBIT

December 16, 1986

DEC 16 1986

NO. 2 1

Regular Session Agenda Item 5

STATE BUDGET & CONTROL BOARD

Regular Session Agenda Item 5-A (to be added at meeting)

Board Action Requested:

- A. Grant conditional State law approval to projects 1 through 6.
- B. Allocate a portion of the State Ceiling to projects 1 (\$2,488,000) and 4 (\$190,000) for a total of \$2,678,000.
- C. Extend the life of the \$12,000,000 Redevelopment Commission for Congaree Vista allocation to December 31, 1986.
- D. Agree to allow the Redevelopment Commission for Congaree Vista to carry forward the \$12,000,000 allocation to 1987 (necessary because the bonds have been sold but the transaction can't be closed until very early in January 1987, before the January 6 meeting).
- E. Receive as information a report that the State Housing Authority has relinquished the \$50,000,000 State Ceiling allocation approved previously; reaffirm the agreement to allocate to the State Housing Authority and to approve the carry forward to 1987 of the Ceiling not allocated to other issuing authorities.
- F. Add to the agenda and approve the Charleston County request to increase the amount of the Charleston Surgery Center Limited Partnership project from \$1,500,000 to \$1,650,000, on the condition that the required reviews are completed with satisfactory results; and allocate an additional \$150,000 of the State Ceiling to the Charleston Surgery Center project.

007251

# EXHIBIT

DEC 16 1986

NO. 21

## STATE BUDGET & CONTROL BOARD SUPPLEMENTAL

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF December 16, 1986

ITEM NUMBER \_\_\_\_\_

AGENCY: Charleston County

SUBJECT: Charleston Surgery Center Limited Partnership Project

Mr. A. Arthur Rosenblum, County Attorney for Charleston County, requests Board approval of the increase the in the Charleston Surgery Center Limited Partnership project from \$1,500,000 (the amount approved under State law and allocated to the project at the December 2, 1986, Board meeting) to \$1,650,000.

### BOARD ACTION REQUESTED:

Approve the Charleston County proposal to increase the Charleston Surgery Center Limited Partnership project from \$1,500,000 to \$1,650,000, on the condition that the required reviews are completed with satisfactory results, and allocate an additional \$150,000 of the State Ceiling to the project.

### ATTACHMENTS:

Rosenblum December 12 letter to McInnis

007252



DEC 15 1986

10:14 A.M.

LL



COUNTY ATTORNEY  
A. ARTHUR ROSENBLUM  
POST OFFICE BOX 777  
CHARLESTON, S.C. 29402-0777  
(803) 577-3353

DEPUTY COUNTY ATTORNEY  
JAMES L. BRIDGES  
2 COURTHOUSE SQUARE  
CHARLESTON, S.C. 29401-2243  
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DEPUTY COUNTY ATTORNEY  
THOMAS E. LYNN  
3505 PINEHAVEN DRIVE  
CHARLESTON HEIGHTS, S.C. 29405-7789  
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ASSISTANT COUNTY ATTORNEY  
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POST OFFICE BOX 419  
CHARLESTON, S.C. 29402-0419  
(803) 577-4520

County of Charleston  
Charleston, South Carolina

COUNTY ATTORNEY EMERITUS  
BEN SCOTT WHALEY

December 12, 1986

ASSISTANT COUNTY ATTORNEY  
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ASSISTANT COUNTY ATTORNEY  
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FEDERAL EXPRESS

EXHIBIT

DEC 16 1986

NO. 21

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnes  
Secretary  
State Budget and Control Board  
Sixth Floor, Wade Hampton Office Building  
Capital Complex  
Columbia, SC 29211

Re: \$1,500,000 Charleston County Hospital Facilities  
Revenue Bonds, Series 1986 (Charleston Surgery Center  
Limited Partnership Project)

Dear Mr. McInnes:

This is to supplement the previously submitted Petition of Charleston County requesting State Budget and Control Board approval of the above captioned issue in the amount of not exceeding \$1,500,000. The County now desires to increase the size of the issue to \$1,650,000 in order to provide for additional costs of the Project and hereby requests that the State Budget and Control Board approve \$1,650,000 of the State Ceiling on private activity bonds for calendar year 1986.

Thank you for your consideration.

Very truly yours,

A. Arthur Rosenblum  
County Attorney  
Charleston County

AAR:br

007253

DEC 29 1986

9:15 P.M.

LL

The State of South Carolina



Office of the Attorney General

EXHIBIT

DEC 16 1986

NO. 21

T. TRAVIS MEDLOCK  
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING  
POST OFFICE BOX 11549  
COLUMBIA, S.C. 29211  
TELEPHONE 803.734.3680

STATE BUDGET & CONTROL BOARD

December 29, 1986

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

Re: \$1,650,000 Charleston County, South  
Carolina, Hospital Facility Revenue  
Bonds, Series A and Series B of 1986  
(Charleston Surgery Limited Partnership Project)

Dear Mr. McInnis:

Regarding the above-referenced bond, we have reviewed the Petition and other documents submitted to the State Budget and Control Board for its approval pursuant to Sections 44-7-1590, et seq., Code of Laws of South Carolina, 1976, as amended, and the same appear, in our opinion, to be in order.

This opinion addresses only the legal sufficiency of the documents you have provided for our review. No opinion is expressed as to any other matters, including whether the Petition should be approved as a matter of policy.

Sincerely yours,

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

David C. Eckstrom  
Assistant Attorney General

DCE/dac

Enclosures

007254

The State of South Carolina



Office of the Attorney General

T. TRAVIS MEDLOCK  
ATTORNEY GENERAL

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

EXHIBIT

DEC 16 1986 NO. 21

STATE BUDGET & CONTROL BOARD

December 1, 1986

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

Re: Not exceeding \$1,500,000 Charleston County,  
South Carolina, Hospital Revenue Bonds  
(Charleston Surgery Center Limited Partnership  
Project)

Dear Mr. McInnis:

Regarding the above-referenced bond, we have reviewed the  
Petition and other documents submitted to the State Budget and  
Control Board for its approval pursuant to Sections 44-7-1590, 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/dac

Enclosures

007255

DEC - 1 1986  
4:15 P.M.  
Safe-12

# EXHIBIT

DEC 16 1986 NO. 21

STATE OF SOUTH CAROLINA )  
COUNTY OF RICHLAND )

Charleston Surgery Center  
STATE BUDGET & CONTROL BOARD

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

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

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

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

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

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

The Honorable Robert N. McLellan, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 10 a.m., on Tuesday, December 16, 1986, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting.

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

FOR MOTION

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AGAINST MOTION

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

December 29, 1986

William A. McInnis

007256

# EXHIBIT

DEC 16 1986 NO. 21

## RESOLUTION

### STATE BUDGET & CONTROL BOARD

CONFIRMING AND APPROVING THE ISSUANCE BY CHARLESTON COUNTY, SOUTH CAROLINA, OF ITS \$1,650,000 HOSPITAL FACILITIES REVENUE BONDS, SERIES A AND B OF 1986 (CHARLESTON SURGERY CENTER LIMITED PARTNERSHIP PROJECT), PURSUANT TO THE PROVISIONS OF TITLE 44, CHAPTER 7, ARTICLE 11, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED.

WHEREAS, the State Budget and Control Board (the "Board") heretofor on December 2, 1986, approved the issuance of not exceeding \$1,500,000 Charleston County Hospital Facilities Revenue Bonds (Charleston Surgery Center Limited Partnership Project), consisting of a \$480,000 Series A Bond and \$870,000 Series B Bond, the proceeds of which will be loaned to Charleston Surgery Center Limited Partnership (the "Hospital Agency") for the purpose of defraying a portion of the cost of the acquisition, construction and equipping of an out-patient surgical care center to be located on U.S. Highway 78 and its intersection with Heron Lane at the Elms near Trident Community Hospital in Charleston County, South Carolina (the "Hospital Facilities"), to be owned and operated by the Hospital Agency; and

WHEREAS, the Board has now been advised that as a result of additional costs of the Hospital Facilities that it is necessary to increase the size of the issue from \$1,500,000 to \$1,650,000; and

WHEREAS, the County desires the Board to confirm its approval of the Hospital Facilities and the increased size of the issue as result of the additional costs.



THEREFORE, BE IT RESOLVED by the State Budget and Control Board of South Carolina that its (i) approval of the Hospital Facilities and issuance of the Bonds on December 2, 1986 is hereby confirmed, (ii) the increase in the amount of the Bonds from \$1,500,000 to \$1,650,000, consisting of a \$500,000 Series A Bond and an \$1,150,000 Series B Bond is hereby approved, (iii) notice of such supplemental approval shall be published in the News and Courier, a daily newspaper having general circulation in Charleston County, and (iv) the notice hereinabove required shall be published in substantially the form set forth in Exhibit A to this Resolution.

EXHIBIT A

NOTICE  
PURSUANT TO THE PROVISIONS OF  
SECTION 44-7-1590  
CODE OF LAWS OF SOUTH CAROLINA 1976

NOTICE is hereby given, pursuant to the provisions and requirements of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976 (the Act), that the State Budget and Control Board of South Carolina, pursuant to a supplemental request by the County Council of Charleston County, South Carolina, has confirmed its prior approval of, and has approved an \$150,000 increase in, the amount of the Bonds (as hereinafter defined) for the following undertaking by Charleston County, South Carolina:

The issuance by Charleston County, South Carolina, of its hospital facilities revenue bonds (as defined in the Act) in the aggregate principal amount of \$1,650,000 (not exceeding \$1,500,000 previously approved) consisting of Hospital Facilities Revenue Bonds , Series A of 1986 (Charleston Surgery Center Limited Partnership Project), (the Series A Bonds), and \$1,150,000 Hospital Facilities Revenue Bonds, Series B of 1986 (Charleston Surgery Center Limited Partnership Project), (the Series B Bonds), (the Series A Bonds and the Series B Bonds being herein collectively referred to as the Bonds); the loaning of the proceeds of the Bonds to Charleston Surgery Center Limited Partnership, a limited partnership organized and existing under the Laws

of the State of South Carolina (the Hospital Agency), for the purpose of defraying the cost of the acquisition, construction and equipping of an outpatient surgical care center containing approximately 8800 square feet to be located on U.S. Highway 78 at its intersection with Heron Lane at the Elms near Trident Community Hospital in Charleston County, South Carolina, to be owned and operated by the Hospital Agency (such acquired, constructed and equipped facility being referred to herein as the Hospital Facilities). The Bonds will be payable solely from the loan repayments to be made by the Hospital Agency under the terms of a Loan Agreement (the Loan Agreement), between the County and the Hospital Agency, which revenues and receipts will be assigned to the purchaser of the Bonds (the Purchaser) by an assignment of the Loan Agreement. The Bonds are further secured by the lien of a Mortgage and Security Agreement (the Mortgage and Security Agreement), between the Hospital Agency and the County which will be assigned to the Purchaser.

The County Council of Charleston County has made the following findings:

(i) The Hospital Facilities to be acquired are "hospital facilities", as defined in the Act.

(ii) There is a need for the Hospital Facilities in the County to serve the people of the County and make accessible modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities.

(iii) The Hospital Agency is a limited partnership with established credit and is financially responsible and capable of fulfilling its obligations under the Loan Agreement, including the obligations to make the payments required thereunder, to operate, repair, maintain, and discharging such other responsibilities as may be imposed under the Loan Agreement.

(iv) The Loan Agreement is a "loan agreement", as defined in the Act.

(v) Adequate provisions shall be made for the payment of principal and interest on the bonds and any necessary reserves therefor and for the operation, repair, and maintenance and insuring of the Hospital Facilities at the expense of the Hospital Agency.

(vi) The public facilities, including utilities, and public services necessary for the Hospital Facilities will be made available.

(vii) The issuance of the Bonds will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(viii) Neither the Hospital Facilities, the Bonds, nor any documents or agreements entered into by the County in connection therewith, will constitute an indebtedness of the County within the meaning of any State Constitutional provisions (other than Article x, Section 14, Paragraph 10 of the South Carolina Constitution Authorizing county obligations payable solely from special sources not involving revenues from any tax or license) 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.

The South Carolina Department of Health and Environmental Control, on February 4, 1986, issued its Certificate of Need for the Hospital Facilities.

NOTICE IS FURTHER GIVEN that any interested party may, within twenty (20) days after the date of publication of this Notice, but not afterwards, challenge the validity of the action taken by the State Budget and Control Board, the County Council of Charleston County, or the Department of Health and Environmental Control of South Carolina, by action de novo, instituted in the Court of Common Pleas for Charleston County, South Carolina.

STATE BUDGET AND CONTROL BOARD

By: William A. McInnis  
Secretary



# EXHIBIT

STATE OF SOUTH CAROLINA )

Charleston Surgery Center

DEC 16 1986

NO. 21

COUNTY OF RICHLAND )

STATE BUDGET & CONTROL BOARD

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

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 10 a.m., on Tuesday, December 2, 1986, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting, with the exception of Mr. Mangum, who was represented by Ways and Means Committee Acting Chairman T. W. Edwards, Jr.

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

FOR MOTION

AGAINST MOTION

5

0

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

December 22, 1986

William A. McInnis

007263

# EXHIBIT

DEC 16 1986

NO. 21

## A RESOLUTION

## STATE BUDGET & CONTROL BOARD

APPROVING THE ISSUANCE BY CHARLESTON COUNTY, SOUTH CAROLINA, OF NOT EXCEEDING \$1,500,000 HOSPITAL FACILITIES REVENUE BONDS, SERIES 1986 (CHARLESTON SURGERY CENTER LIMITED PARTNERSHIP PROJECT), PURSUANT TO THE PROVISIONS OF TITLE 44, CHAPTER 7, ARTICLE 11, CODE OF LAWS OF SOUTH CAROLINA 1976.

WHEREAS, the County Council of Charleston County, South Carolina (the County Board) has heretofore, by submitting a petition (the Petition), under and pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the Act), requested the approval by the State Budget and Control Board of the issuance by Charleston County (the County), pursuant to the Act, of its Hospital Facilities Revenue Bonds (as defined in the Act), Series 1986 (Charleston Surgery Center Limited Partnership Project), in an aggregate principal amount of not exceeding \$1,500,000 (the Bonds); and

WHEREAS, the County now proposes to issue not exceeding \$1,500,000 hospital facilities revenue bonds, consisting of approximately \$480,000 Charleston County, South Carolina, Hospital Facilities Revenue Bonds, Series A of 1986 (Charleston Surgery Center Limited Partnership project) (the Series A Bonds), and approximately \$870,000 Charleston County, South Carolina, Hospital Facilities Revenue Bonds, Series B of 1986 (Charleston Surgery Center Limited Partnership Project) (the Series B Bonds) (the Series A Bonds and the Series B Bonds being herein collectively referred to as the Bonds), and loan the proceeds thereof to Charleston Surgery Center Limited Partnership, a limited partnership organized and existing under the Laws of the State of South Carolina (the Hospital Agency), for the purpose of defraying

007264

the cost of the acquisition, construction and equipping of an outpatient surgical care center to be located on U.S. Highway 78 at its intersection with Heron Lane at the Elms near Trident Community Hospital in Charleston County, South Carolina, to be owned and operated by the Hospital Agency (such acquired, constructed and equipped facilities being hereinafter referred to as the Hospital Facilities); and

WHEREAS, it is proposed that the Bonds will be payable solely the loan repayments to be made by the Hospital Agency under the terms of a Loan Agreement (the Loan Agreement), between the County and the Hospital Agency, which revenues and receipts will be assigned to the purchaser of the Bonds (the Purchaser) by an assignment of the Loan Agreement. The Bonds are further secured by the lien of a Mortgage and Security Agreement (the Mortgage and Security Agreement), between the Hospital Agency and the County which will be assigned to the Purchaser of the Bonds; and

WHEREAS, the County has submitted (i) a copy of the Certificate of Need, dated February 4, 1986, issued by the South Carolina Department of Health and Environmental Control, and (ii) an investment letter, and this Board has reviewed and considered each of such documents in its consideration of the Petition by the County;

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA, as follows:

#### SECTION 1

The Board has made an independent investigation of the matters set forth in the Petition and, on the basis of such investigation, it is hereby found, determined, and declared:

(a) the facts set forth in the Petition and in the preamble hereto are, in all respects, true and correct;

(b) the Petition filed by the County Board contains all matters required by law and the rules of this Board to be set forth therein and, in consequence thereof, the jurisdiction of this Board has been properly invoked under and pursuant to the Act;

(c) the Hospital Facilities which are the subject of the Petition of the County Board are intended to promote the purposes of the Act and are reasonably anticipated to effect such result; and

(d) the proposed financing is economically feasible.

#### SECTION 2

In consequence of the foregoing, the proposal of the County to issue the Bonds and loan the proceeds thereof to the Hospital Agency for the purpose of defraying the cost of providing hospital facilities, the payment of the Bonds solely from the revenues and receipts pledged and assigned under the terms of the Loan Agreement and secured by the lien of the Mortgage and Security Agreement, be, and the same are, hereby, in all respects, approved.

#### SECTION 3

Approval of this undertaking is granted on the condition that a copy of Internal Revenue Service (IRS) Form 8038 relating to any bonds issued pursuant to this approval be filed with the Board's Secretary at the same time such form is submitted to the IRS.

#### SECTION 4

Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in The News

and Courier, a daily newspaper having general circulation in Charleston County.

SECTION 5

The Notice required in Section 4 above to be published shall be in substantially the form set forth in Exhibit A to this Resolution.

SECTION 6

This Resolution shall take effect immediately.

007267



# EXHIBIT

DEC 16 1986 NO. 21

NOTICE  
PURSUANT TO THE PROVISIONS OF STATE BUDGET & CONTROL BOARD  
SECTION 44-7-1590  
CODE OF LAWS OF SOUTH CAROLINA 1976

NOTICE is hereby given, pursuant to the provisions and requirements of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976 (the Act), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Charleston County, South Carolina, has given its approval to the following undertaking by Charleston County, South Carolina:

The issuance by Charleston County, South Carolina, of its hospital facilities revenue bonds (as defined in the Act) in the aggregate principal amount of not exceeding \$1,500,000 consisting of approximately \$480,000 Hospital Facilities Revenue Bonds, Series A of 1986 (Charleston Surgery Center Limited Partnership Project), (the Series A Bonds), and approximately \$870,000 Hospital Facilities Revenue Bonds, Series B of 1986 (Charleston Surgery Center Limited Partnership Project) (the Series B Bonds), (the Series A Bonds and the Series B Bonds being herein collectively referred to as the Bonds); the loaning of the proceeds of the Bonds to Charleston Surgery Center Limited Partnership, a limited partnership organized and existing under the Laws of the State of South Carolina (the Hospital Agency), for the purpose of defraying the cost of the acquisition, construction and equipping of an outpatient surgical care center to be located on U.S. Highway 78 at its intersection with Heron Lane at the Elms near Trident Community Hospital in Charleston County, South Carolina, to be owned and operated by the Hospital Agency (such acquired, constructed and equipped facility being referred to herein as the Hospital Facilities). The Bonds will be payable solely from the loan repayments to be made by the Hospital Agency under the terms of a

007268

Loan Agreement (the Loan Agreement), between the County and the Hospital Agency, which revenues and receipts will be assigned to the purchaser of the Bonds (the Purchaser) by an assignment of the Loan Agreement. The Bonds are further secured by the lien of a Mortgage and Security Agreement (the Mortgage and Security Agreement), between the Hospital Agency and the County which will be assigned to the Purchaser.

The County Council of Charleston County has made the following findings:

(i) The Hospital Facilities to be acquired are "hospital facilities", as defined in the Act.

(ii) There is a need for the Hospital Facilities in the County to serve the people of the County and make accessible modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities.

(iii) The Hospital Agency is a limited partnership with established credit and is financially responsible and capable of fulfilling its obligations under the Loan Agreement, including the obligations to make the payments required thereunder, to operate, repair, maintain, and discharging such other responsibilities as may be imposed under the Loan Agreement.

(iv) The Loan Agreement is a "loan agreement", as defined in the Act.

(v) Adequate provisions shall be made for the payment of principal and interest on the bonds and any necessary reserves therefor and for the operation, repair, and maintenance and insuring of the Hospital Facilities at the expense of the Hospital Agency.

(vi) The public facilities, including utilities, and public services necessary for the Hospital Facilities will be made available.

(vii) The issuance of the Bonds will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(viii) Neither the Hospital Facilities, the Bonds, nor any documents or agreements entered into by the County in connection therewith, will constitute an indebtedness of the County within the meaning of any State Constitutional provisions (other than Article x, Section 14, Paragraph 10 of the South Carolina Constitution Authorizing county obligations payable solely from special sources not involving revenues from any tax or license) 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.

The South Carolina Department of Health and Environmental Control, on February 4, 1986, issued its Certificate of Need for the Hospital Facilities.

NOTICE IS FURTHER GIVEN that any interested party may, within twenty (20) days after the date of publication of this Notice, but not afterwards, challenge the validity of the action taken by the State Budget and Control Board, the County Council of Charleston County, or the Department of Health and Environmental Control of South Carolina,

007270

by action de novo, instituted in the Court of Common Pleas for  
Charleston County, South Carolina.

STATE BUDGET AND CONTROL BOARD

By: William A. McInnis  
Secretary

EXHIBIT

DEC 16 1986 NO. 21

STATE BUDGET & CONTROL BOARD

007271

DEC 16 1986 NO. 21

State of South Carolina

## State Budget and Control Board BUDGET &amp; CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNORGRADY L. PATTERSON, JR.  
STATE TREASUREREARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

Box 12444

Columbia  
29211REMBERT C. DENNIS  
CHAIRMAN, SENATE FINANCE COMMITTEE  
TOM G. MANGUM  
CHAIRMAN, WAYS AND MEANS COMMITTEEJESSE A. COLES, JR., Ph.D.  
EXECUTIVE DIRECTOR

December 30, 1986

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

## STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

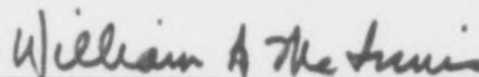
FINAL ALLOCATION, CALENDAR YEAR 1986

TO: Charleston County  
c/o Mr. W. E. Applegate, III  
Haynsworth, Marion, McKay & Guerard  
Box 1119  
Charleston, SC 29402

RE: Issue of \$1,650,000, Charleston County, South Carolina  
Hospital Revenue Bonds  
(Charleston Surgery Center Limited Partnership Project)  
Issue Date Projected By Issuing Authority: December 31, 1986  
Allocation Expiration Date: December 31, 1986  
Issue Amount Certificate Date: December 30, 1986

Based upon my receipt of the issue amount certificate required of the issuing authority by Section 7(b) of the Governor's Executive Order #86-20, issued October 22, 1986, which certificate is dated not more than ten (10) business days prior to the projected date of issue which, as certified by the issuing authority, is within the time period during which the ceiling allocation approved previously on a tentative basis by the State Budget and Control Board for the referenced project is valid, I have determined that the allocation is now final in the amount indicated above.

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



William A. McInnis, Secretary

007272



12-30-86  
10:15 AM

HAYNSWORTH, MARION, McKAY & GUÉRARD  
ATTORNEYS AT LAW

W. Francis Marion  
Julius W. McKay  
Robt. S. Galloway, Jr.  
Fred D. Cox, Jr.  
O.G. Calhoun, Jr.  
Theodore B. Guérard  
Donald L. Ferguson  
G. Dewey Oxner, Jr.  
William M. Grant, Jr.  
Jesse C. Belcher, Jr.  
Maye R. Johnson, Jr.  
W.E. Applegate, III  
C. Lewis Rasor, Jr.  
Charles E. McDonald, Jr.  
William E. Shaughnessy  
James B. Pressly, Jr.  
Sherwood M. Cleveland  
H. Donald Sellers  
Robert C. Wilson, Jr.

Donald A. Harper  
Robert M. Kunes  
Adele J. Pope  
Andrew J. White, Jr.  
Ellis M. Johnston, II  
Joseph J. Blake, Jr.  
John M. Campbell, Jr.  
William C. Cleveland  
Sam L. Stephenson  
Thomas H. Coker, Jr.  
John Paul Trouche  
William P. Simpson  
Theodore S. Stern, Jr.  
W. Francis Marion, Jr.  
John B. McLeod  
Bryan Francis Hickey  
Samuel W. Howell, IV  
Frances D. Ellison  
Robert W. Hassold, Jr.

Sixth Floor, South Carolina National Bank Building  
Post Office Drawer 7157  
Columbia, South Carolina 29202  
(803) 765-1818

Two Shelter Centre  
Eleventh Floor  
Post Office Box 2048  
Greenville, South Carolina 29602  
(803) 240-3200

Two Prioleau Street  
Post Office Box 1119  
Charleston, South Carolina 29402  
(803) 722-7606

John H. Muench  
Anne S. Ellefson  
Knox H. White  
Edwin B. Parkinson, Jr.  
H. Sam Mabry, III  
Floyd Matlock Elliott  
David Hill Keller  
Shawn D. Wallace  
Deborah K. Neese  
Susan V. Johnston  
Moffatt Grier McDonald  
Christina L. Carter  
Carol L. Clark  
Richard C. Detwiler  
Jeffrey E. Gray  
Carl Everette Pierce, II  
James H. Ritchie, Jr.  
Anne G.H. Rounds

H. J. Haynsworth  
1859-1941

C.F. Haynsworth  
1886-1953

J.M. Perry  
1894-1964

Eugene Bryant  
1902-1969

OF COUNSEL  
Thomas K. Johnstone, Jr.  
Andrew B. Marion  
Harry R. Stephenson, Jr.  
William J. Quirk, (PA.)

December 30, 1986  
HAND DELIVERY

EXHIBIT

Mr. William A. McInnis  
Secretary, State Budget and Control Board  
Wade Hampton Office Building  
6th Floor  
Capitol Complex  
Columbia, South Carolina 29211

DEC 16 1986 NO. 21

STATE BUDGET & CONTROL BOARD

RE: \$1,650,000 Charleston County, South Carolina  
Hospital Facilities Revenue Bonds,  
Series A and B of 1986 (Charleston Surgery Center  
Limited Partnership Project)

Dear Bill:

On behalf of Charleston County, this is to advise that the captioned bonds will be issued on December 31, 1986, in the principal amount of \$1,650,000 and to request the final allocation of the state sealing for private activity bonds for the captioned issue.

Thank you for your attention to this matter.

Sincerely yours,

*W. E. Applegate III*

W. E. Applegate, III  
Bond Counsel

WEA/laf

007273

# EXHIBIT

DEC 16 1986 NO. 21

State of South Carolina

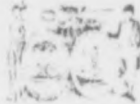
## State Budget and Control Board

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



Box 12444  
Columbia  
29211

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

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

AMENDED

December 16, 1986

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

#### STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

TENTATIVE ALLOCATION, CALENDAR YEAR 1986

TO: Charleston County  
\$1,650,000  
Hospital Revenue Bonds  
(Charleston Surgery Center Limited Partnership Project)

The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Tax Reform Act of 1986 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1986 only. It will expire at midnight on December 31, 1986, if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

Before this tentative allocation becomes final, Section 7(b) of the Governor's Executive Order #86-20, issued on October 22, 1986, requires that the exact amount of the bonds/notes being issued be certified to the Board Secretary by the issuing authority before the issue is made. In response to that issue amount certificate, the Secretary will issue a certificate which makes the ceiling allocation final.

Grady L. Patterson, Jr.

Attest:

William A. McInnis, Secretary

007274

Attn: Bill McGinnis

# EXHIBIT

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

DEC 16 1986

NO. 2 1

STATE BUDGET & CONTROL BOARD

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

RE: Sale by Charleston County, South Carolina (the "Issuer")  
Of its Not Exceeding \$1,650,000 Hospital Revenue Bonds of (the "Bonds")  
On behalf of Charleston Surgery Center Limited Partnership (the "Company")  
Outpatient Surgery Center (the "Project")  
To Third National Bank in Nashville, Nashville, Tennessee (the "Purchaser")

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

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

SWORN to and subscribed  
before me this \_\_\_\_ day  
of \_\_\_\_\_, 19\_\_.

Notary Public

My Commission expires \_\_\_\_\_.

PURCHASER:

Name: Third National Bank in Nashville  
Address: 201 Fourth Avenue North  
Nashville, Tennessee 37244

BY:

Michael J. Kane  
Signature of Authorized Official  
Michael J. Kane, Vice President

Date:

12/29/86

007275

# EXHIBIT

State of South Carolina

DEC 16 1986

NO. 21

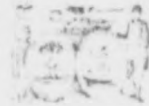
## State Budget and Control Board

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



Box 12444

Columbia  
29211

December 16, 1986

REMBERT C. DENNIS  
CHAIRMAN, SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

### MEMORANDUM

TO: Budget and Control Board Division Directors  
FROM: William A. McInnis, Deputy Executive Director *WAM*  
SUBJECT: Summary of Board Actions at December 16, 1986 Meeting

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

1. Approved the minutes of the December 2, 1986, Budget and Control Board meeting;
2. Approved the sale of about 2,500 square feet of Clemson University property to the Town of Hollywood, as approved by the Clemson University Board of Trustees, for the construction of a sewer pumping station;
3. Received as information the State Auditor's Office preliminary operating procedures of the Fraud Hot Line which has been established to allow the citizens of South Carolina to report incidences of waste, fraud, misuse and abuse of State tax dollars;
4. Received as information a report on the receipt and disbursement of low-level waste surcharge funds received pursuant to the provisions of Act 540 of 1986, Part II, Section 15, as of November 30, 1986;
5. Received as information a Division of Human Resource Management report that the Merit System Council and agencies required to operate under the Cooperative Interagency Merit System have amended their present Rule to reduce the financial obligation of the Merit System by eliminating the requirement to notify applicants of their removal from a register and to make consistent reference to Covered Agencies;

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# EXHIBIT

DEC 16 1986

NO. 2 1

Summary of BCB Actions  
December 16, 1986 Meeting  
Page 4

## STATE BUDGET & CONTROL BOARD

(4) Issuing Authority: Family Farm Development Authority  
Amount of Issue: \$190,000 Agricultural Development Revenue Bond  
Name of Project: Setzler Farms, Inc.  
Project Description: Construct 3 turkey houses, growout houses and equipment to expand turkey farm operation  
Maturity Schedule: 10 equal payments of \$30,922.50 payable annually, together with interest at a rate not exceeding 12% (Authority staff say rate is 10% fixed.)  
Bond Purchaser: NCNB South Carolina

(5) Issuing Authority: Pickens County  
Amount of Issue: \$6,555,000 Hospital Facilities Refunding Revenue Bonds  
Name of Project: Cannon Memorial Hospital  
Project Description: 56-bed acute care facility  
(ALLOCATION NOT REQUIRED)

(6) Issuing Authority: Richland County  
Amount of Issue: \$6,000,000 Industrial Revenue Bonds  
(INCLUDES \$5,400,000 Refunding Bonds)  
Name of Project: Mills Partners  
Employment Impact: 50 additional Project  
Description: Acquisition by lease and renovation of Robert Mills Building on State Hospital grounds  
(ALLOCATION REQUIRED) (INCOMPLETE SUBMISSION)

18. Allocated a portion of the State Ceiling to projects 1 (Meridian Care Center) and 4 (Setzler Farms, Inc.) for a total of \$2,678,000;
19. Extended the life of the \$12,000,000 Pavilion Towers project ceiling allocation to December 31, 1986; and agreed to allow the Redevelopment Commission for Congaree Vista to carry the allocation forward to 1987;
20. Received as information a report that the State Housing Authority has relinquished a \$50,000,000 ceiling allocation and reaffirmed its agreement to allocate to the State Housing Authority for carryforward into 1987 any of the 1986 Ceiling not allocated to other issuing authorities;
- 21. Approved a Charleston County request to increase the amount of the Charleston Surgery Center Limited Partnership project from \$1,500,000 to \$1,650,000, on the condition that the required reviews are completed with satisfactory results; and allocated an additional \$150,000 of the State Ceiling to the project;

007277



HAYNSWORTH, MARION, McKAY & GUÉRARD  
ATTORNEYS AT LAW

W. Francis Marion  
Julius W. McKay  
Robt. S. Galloway, Jr.  
Fred D. Cox, Jr.  
O.G. Calhoun, Jr.  
Theodore B. Guérard  
Donald L. Ferguson  
G. Dewey Oxner, Jr.  
William M. Grant, Jr.  
Jesse C. Becker, Jr.  
Maye R. Johnson, Jr.  
W.E. Applegate, III  
C. Lewis Risor, Jr.  
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William E. Shaughnessy  
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Sherwood M. Cleveland  
H. Donald Sellers  
Robert C. Wilson, Jr.

Donald A. Harper  
Robert M. Kunes  
Adele J. Pope  
Andrew J. White, Jr.  
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Joseph J. Blake, Jr.  
John M. Campbell, Jr.  
William C. Cleveland  
Sam L. Stephenson  
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John Paul Troushe  
William P. Simpson  
Theodore S. Stern, Jr.  
W. Francis Marion, Jr.  
John B. McLeod  
Bryan Francis Hickey  
Samuel W. Howell, IV  
Frances D. Elson  
Robert W. Hassold, Jr.

Two Prioleau Street  
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Eleventh Floor  
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Greenville, South Carolina 29602  
(803) 240-3200

Sixth Floor, South Carolina National Bank Building  
Post Office Drawer 7157  
Columbia, South Carolina 29202  
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John H. Muench  
Anne S. Elletson  
Knox H. White  
Edwin B. Parkinson, Jr.  
H. Sam Mabry III  
Floyd Matlock Elliott  
David Hill Keller  
Shawn D. Wallace  
Deborah K. Neese  
Susan V. Johnston  
Moffatt Grier McDonald  
Christina L. Carter  
Carol L. Clark  
Richard C. Detwiler  
Jeffrey E. Gray  
Carl Everette Perce, II  
James H. Richies, Jr.  
Anne G.H. Rounds

H. J. Haynsworth  
1859-1941

C. F. Haynsworth  
1886-1953

J.M. Perry  
1894-1964

Eugene Bryant  
1902-1969

OF COUNSEL  
Thomas K. Johnstone, Jr.  
Andrew B. Marion  
Harry R. Stephenson, Jr.  
William J. Quirk, (PA.)

December 23, 1986

EXHIBIT

DEC 16 1986

NO. 21

Mr. William A. McInnis  
Secretary  
State Budget and Control Board  
P.O. Box 12444  
Columbia, SC 29211

STATE BUDGET & CONTROL BOARD

Re: \$1,650,000 Hospital Facility Revenue Bonds, Series A  
and Series B of 1986 (Charleston Surgery Limited Partnership  
Project)

Dear Bill:

I am enclosing herewith a proposed Resolution evidencing the action  
taken by the State Budget and Control Board at its meeting on December  
16, 1986 in connection with the increase in the size of the issue.

If this Resolution is satisfactory, I would appreciate your returning  
six (6) certified copies in the envelope provided for your convenience.

Thank you for your assistance in this matter.

Sincerely yours,



W. E. Applegate, III

WEA:pkm105

Enclosure

007278

# EXHIBIT

DEC 16 1986

NO. 22

STATE BUDGET AND CONTROL BOARD  
MEETING OF December 16, 1986

STATE BUDGET & CONTROL BOARD  
REGULAR SESSION  
ITEM NUMBER 6

AGENCY: Executive Director

SUBJECT: Policy/Regulations on State Ceiling Allocation

Attached is a marked-up copy of the regulations presently in effect. They are revised for consideration as emergency regulations to be issued by the Board before the General Assembly convenes. If that course were to be taken, the regulations would be good for 90 days and they could not be renewed while the legislature is in session. The regulations could be issued by the Governor as his executive order.

The only substantive change proposed (in Section 5 of this mark-up) is that which would limit allocation approvals during the first half of the calendar year to a maximum of \$10 million in any instance unless the Board, after review and comment by the Bond Committee, were to determine in specific cases that the impacts of allocations of greater amounts are of such significance as to warrant making exceptions.

BOARD ACTION REQUESTED:

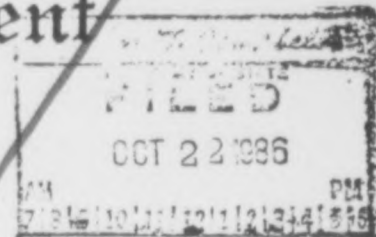
Consider.

ATTACHMENTS:

Marked version of existing ceiling allocation regulations.

007279

# Executive Department



State of South Carolina

EXHIBIT

DEC 16 1986

NO. 22

EXECUTIVE ORDER NO. 86-20

STATE BUDGET & CONTROL BOARD

WHEREAS, the United States Congress through passage of the Tax Reform Act of 1986, Public Law 99-514 (the Act), has imposed a new volume limitation on the number of tax exempt private activity bonds that can be issued in each state; and

WHEREAS, the Governor of each state is given interim authority by the Act to proclaim a different formula than that provided in the Act for allocating the State's volume limitation among its governmental units which have authority to issue private activity bonds; and

WHEREAS, the Act provides that the Governor's interim authority terminates, inter alia, on the effective date of any State legislation with respect to the allocation of the State ceiling; and

WHEREAS, I have been requested to issue an Executive Order which sets forth a plan to allocate the State's volume limitation under the Act among its governmental units which have authority to issue private activity bonds.

NOW, THEREFORE, pursuant to the authority vested in me as Governor of the State of South Carolina by the Constitution and laws of this State and by the Act, I hereby proclaim the following plan for allocating the State ceiling on the issuance of tax exempt private activity bonds:

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123500

# EXHIBIT

DEC 16 1986

NO. 22

-1-

## STATE BUDGET & CONTROL BOARD

### Section 1. Calculation and Certification of State Ceiling

The State Ceiling on the issuance of private activity bonds (as defined in the Section 146 of the Internal Revenue Code of 1986, referred to herein as the Code) established in the Tax Reform Act of 1986 (the Act), must be certified annually by the Budget and Control Board (Board) Secretary based upon the provisions of the Act. The Board Secretary must make this certification as soon as practicable after the estimates of the population of the State of South Carolina to be used in the calculation are published by the U. S. Bureau of the Census but in no event later than February 1 of each calendar year; provided that, if necessary because of changes made by the Act, the Board Secretary must calculate and certify a revised State Ceiling within not more than fifteen (15) calendar days following the issuance of the Executive Order containing these regulations.

### Section 2. Allocation of Bond Limit Amounts

(a) **Allocations in Response to Authorized Requests.** The private activity bond limit for all issuing authorities will be allocated by the Board in response to Authorized Requests (described in Section 4) by such issuing authorities.

(b) **Limit Allocated to State Initially.** The aggregate private activity bond limit amount for all South Carolina issuing authorities is allocated initially to the State for further allocation within the limits prescribed herein.

(c) **Allocations on First-come, First-served Basis.** Except as is provided in Section 6, all allocations from the Local Pool or from the State Government Pool (the Pools are described in Section 3) will be made by the Board on a first-come, first-served basis, to be determined by the date and time sequence in which complete Authorized Requests are received by the Board Secretary.

### Section 3. Private Activity Bond Limits and Pools

(a) **State Government Pool.** The private activity bond limit for all State Government issuing authorities now or hereafter authorized to issue private activity bonds as defined in the Act, to be known as the "State Government Pool," is forty per cent (40%) of the State Ceiling less any amount shifted to the Local Pool (described in paragraph (b), below) or plus any amount shifted from that Pool.

007281



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NO. 22

STATE BUDGET & CONTROL BOARD

(b) **Local Pool.** The private activity bond limit for all issuing authorities other than State Government agencies, to be known as the "Local Pool," is sixty per cent (60%) of the State Ceiling plus any amount shifted from the State Government Pool or less any amount shifted to that Pool.

(c) **Pool Shifts.** The Board, with review and comment by the Joint Bond Review Committee (Committee), may shift unallocated amounts from one Pool to the other at any time.

Section 4. Authorized Requests for an Allocation

(a) **Other Than State Government Issuing Authorities.** For private activity bonds proposed for issue by other than State Government issuing authorities, an Authorized Request is a request included in a petition to the Board that a specific amount of the State Ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a copy of the Inducement Contract, Inducement Resolution, or other comparable preliminary approval, if any, relating to the bonds entered into or adopted by the issuing authority. The Board must forward promptly to the Committee a copy of each petition received.

(b) **State Government Issuing Authorities.** For private activity bonds proposed for issue by any State Government issuing authority, an Authorized Request is a request included in a petition to the Board that a specific amount of the State Ceiling be allocated to the bonds for which the petition is filed. The petition must be accompanied by a bond resolution or comparable action by the issuing authority authorizing the issuance of the bonds. The Board must forward promptly to the Committee a copy of each petition received.

(c) **Allocation Requested is Total Contemplated.** Each Authorized Request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project.

Section 5. Exceptions for Issues After August 15, 1986, and Before or on October 22, 1986

(a) **Application.** This Section is included to provide a process under which State Ceiling allocations may be approved for bonds of any issuing

NO  
LONGER  
NEEDED

007282



# EXHIBIT

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## STATE BUDGET & CONTROL BOARD

authority issued after August 15, 1986, and before or on October 22, 1986, for which the issuing authority did not obtain a State Ceiling allocation which would be required to satisfy the requirements of Section 146 of the Code. It also provides a process under which an issuer other than a State agency which may have issued bonds during the period beginning August 15, 1986, and ending on October 22, 1986, may obtain an allocation of a portion of the State Ceiling which exceeds the volume cap of the issuer under Section 146(c) of the Code.

NO  
LONGER  
NEEDED

(b) ~~Issuer Must Petition for Allocation by December 1, 1986.~~ The issuer of any private activity bond issued after August 15, 1986, and before or on October 22, 1986, for which no State Ceiling allocation has been approved must petition the Board for such an allocation before or on December 1, 1986.

(c) ~~Board Determination on Allocation Petition.~~ Unless the Board determines that approval of a petition as described in paragraph (b) of this Section would not serve the best interests of the State of South Carolina, it will approve an allocation in response to such a petition as an exception to the State Ceiling allocation procedures which otherwise must be followed.

(d) ~~Allocations Approved Which Exceed Code Section 146(c) Cap.~~ Any allocation approved by the Board prior to October 22, 1986, for bonds issued after August 15, 1986, and before or on the date this Executive Order was issued which exceeds the issuing authority's volume cap under Code Section 146(c) is validated by this Executive Order and no additional petition is required.

(e) ~~Allocations Approved Before Date Order Issued Can Be Renewed.~~ The Board will renew any State Ceiling allocation approved by it before the date this Executive Order was issued for any bonds issued during the period beginning after August 15, 1986, and ending on October 22, 1986, upon the written request of the issuing authority involved.

007283

### Section 5. Limitation on Allocations

(a) The Board, with review and comment by the Committee, may disapprove, reduce or defer any Authorized Request. If it becomes necessary to exercise this authority due to lack of funds in either Pool, the Board and the Committee must take into account the public interest in promoting economic growth and job creation.

(b) Authorized Requests for State Ceiling Allocations of more than \$10 million for a single project are deferred until after July 1 unless the Board, after review and comment by the Committee, determines in particular instances that the impact upon the State of allocations of amounts greater than \$10 million is of such significance as to warrant making an exception.

DEC 16 1986

NO. 22

Section **6** Certificates by Issuing Authority and by Board STATE BUDGET & CONTROL BOARD

(a) **Board Tentative Allocation Certificate.** An allocation of the State Ceiling approved by the Board is made formal initially by a certificate which allocates tentatively a specific amount of the State Ceiling to the bonds for which the allocation is requested. This tentative allocation certificate must specify the State Ceiling amount allocated, the issuing authority and the project involved, and the time period during which the tentative allocation is valid. This certificate must remind the issuing authority that the tentative allocation is made final after the issuing authority chairman or other duly authorized official or agent of the issuing authority, before the issue is made, certifies the issue amount and the projected date of issue, as is required by paragraph (b) of this Section. It also may include other information deemed relevant by the Board Secretary.

(b) **Issuing Authority Issue Amount Certificate.** The chairman or other duly authorized official or agent of an issuing authority issuing any private activity bond for which a portion of the State Ceiling has been allocated tentatively must execute and deliver to the Board Secretary an issue amount certificate setting forth the exact amount of bonds to be issued and the projected bond issue date which date must not be more than ten (10) business days after the date of the issue amount certificate and it must be before the State Ceiling allocation involved expires. The issue amount certificate may be an executed copy of the completed Internal Revenue Service Form 8038 to be submitted to the Internal Revenue Service on the issue or it may be in the form of a letter which certifies the exact amount of bonds to be issued and the projected date of the issue.

(c) **Board Final Allocation Certificate.** In response to the issuing authority's issue amount certificate required by paragraph (b) of this Section, the Board Secretary is authorized to issue and, as may be necessary, to revise a certificate making final the ceiling allocation approved previously by the Board on a tentative basis, if the Secretary determines that: (1) the issuing authority's issue amount certificate specifies an amount not in excess of the approved tentative ceiling allocation amount; (2) the issue amount certificate was received prior to the issue date projected and that the certificate is dated not more than ten (10) days prior thereto; (3) the issue date projected is within the time period approved previously for the

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NO. 22

## STATE BUDGET &amp; CONTROL BOARD

tentative ceiling allocation; and (4) the bonds when issued and combined with the total amount of bonds requiring a ceiling allocation included in issue amount certificates submitted previously to the Board by issuing authorities will not exceed the State Ceiling for the calendar year. Except under extraordinary circumstances, the Board Secretary will issue this certificate within two (2) business days following the date the issue amount certificate is received.

(d) **Board Secretary Designated to Certify Ceiling Allocations.** In accord with Section 149(e)(2)(F) of the Code, the Secretary of the Budget and Control Board is designated as the State official responsible for certifying, if applicable, that certain bonds meet the requirements of Section 146 of the Code relating to the volume cap on private activity bonds.

**NO LONGER NEEDED**

~~(e) **Status of Ceiling Allocations Approved Before Executive Order Issued.** Any tentative or final State Ceiling allocation granted by the Board before October 22, 1986, the date this Executive Order was issued, remains valid under this Executive Order as an allocation of a portion of the volume cap for South Carolina provided under Section 146 of the Code. Such allocations will expire in accord with the regulations under which they were granted or extended before the date this Executive Order was issued and their validity may be extended or reinstated in accord with the provisions of this Executive Order.~~

**Section 7. Time Limits on Allocations**

(a) **Allocations Valid in Calendar Year Approved; Exceptions.** Any State Ceiling allocation approved by the Board is valid only for the calendar year in which it is approved, unless eligible and approved for carryforward election or unless specified differently in the Board certificates required by Section 6.

(b) **Expiration of Allocations.** Unless eligible and approved for carryforward election or unless specified differently in Board certificates required by Section 6, each State Ceiling allocation expires automatically if the bonds for which the allocation is made are not issued within ninety (90) calendar days from the date the allocation is approved by the Board. As provided in paragraph (c) of this Section, the Board may extend the period in which an allocation is valid by up to thirty-one (31) calendar days.

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DEC 16 1986

NO. 22 10

## STATE BUDGET &amp; CONTROL BOARD AT2

(c) **Allocation Extension.** In response to a written request by the chairman or other duly authorized official or agent of an issuing authority, the Board, acting during the period an approved allocation is valid, may extend the period in which an allocation is valid in a single calendar year by thirty-one (31) calendar days to a total of not more than one hundred twenty one (121) calendar days.

(d) **Allocation Reinstatement.** In response to a written request by the chairman or other duly authorized official or agent of an issuing authority, the Board may reinstate for a period of not more than thirty-one (31) calendar days in any one calendar year part or all of an allocation approved previously in that same calendar year which has expired. The reinstatement request must certify that the authorized request submitted previously is still true and correct or a new authorized request must be submitted.

(e) **Allocation Cancellation.** A tentative ceiling allocation is cancelled automatically if the chairman or other duly authorized official or agent of the issuing authority involved fails to deliver the issue amount certificate required by Section 6 to the Board Secretary before the bonds for which the allocation is made are issued.

(f) **Allocation Relinquishment.** The chairman or other duly authorized official or agent of an issuing authority must advise the Board Secretary in writing as soon as is practicable after a decision is made not to issue bonds for which a portion of the State Ceiling has been allocated. Such notices of relinquishment of ceiling allocations must be entered promptly in the Board's records by the Board Secretary.

(g) **Carryforward Elections.** Ceiling allocations which are eligible and approved for carryforward election are not subject to the validity limits of this Section. The Board will join with the issuing authorities involved in carryforward election statements to meet the requirements of the Internal Revenue Service.

### Section 8. Termination of This Regulation

These Regulations shall be of no force and effect upon the earlier of the rescission by Congress or declaration of unconstitutionality of the Act, or any portion thereof, by the U. S. Supreme Court.

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007286

EXHIBIT

7-

DEC 16 1986

NO. 22

NO STATE BUDGET & CONTROL BOARD  
LONGER  
NEEDED

Section 10. Intent Regarding Effective Date

If the date on which this Executive Order is issued is after the date the Tax Reform Act of 1986 is signed into law by the President, it is intended that this Executive Order be interpreted and applied as if the Act and this Order had been signed on the same date.

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# EXHIBIT

DEC 16 1986

NO. 23

STATE BUDGET AND CONTROL BOARD  
MEETING OF December 16, 1986

REGULAR SESSION  
ITEM NUMBER

7

AGENCY: Executive Director

SUBJECT: Housing Regulations

A public hearing on proposed regulations pursuant to Act 369 relating to the basic authority for local housing authority participation in multifamily bond issues.

Representatives from the Beaufort, Charleston, Columbia, Greenville and Greenwood Housing Authorities and the South Carolina Association of Housing Authorities were present. Those present expressed support for the adoption of the regulations as proposed.

The Board is asked to authorize staff to submit the proposed regulations to the General Assembly.

BOARD ACTION REQUESTED:

Receive as information a report that representatives of local housing authorities attended a public hearing on proposed regulations pursuant to Act 369 relating to the basic authority for local housing authority participation in multifamily bond issues and expressed support for the adoption of the regulations as proposed; and authorize the submission of the proposed regulations to the General Assembly.

ATTACHMENTS:

Transcript of December 9 hearing; proposed regulations.

007288

# EXHIBIT

PUBLIC HEARING ON PROPOSED HOUSING REGULATIONS  
620 Wade Hampton Building  
December 9, 1986 -- 10 A. M. STATE BUDGET & CONTROL BOARD

DEC 16 1986

NO. 23

A public hearing on proposed regulations relating to the authority of local housing authorities participation in multi-family bond issues was held at 10 a.m. on Tuesday, December 9, 1986, in Room 620, Wade Hampton Office Building, Columbia, South Carolina.

Attending were:

Donald J. Cameron  
John B. Sutton  
Edward L. Boyd  
Hardwick Stuart  
William R. Ballou  
W. S. Burgess  
William A. McInnis  
Donna K. Williams

Charleston Housing Authority  
Greenville Housing Authority  
Beaufort Housing Authority  
SC Association of Housing Authorities  
Columbia Housing Authority  
Greenwood Housing Authority  
Secretary, State Budget and Control Board  
Assistant to Secretary, Budget & Control Bd.

MCINNIS

I guess we could go ahead and start. If anybody comes later we will certainly give them every opportunity to be heard.

Just for the record, I am William McInnis, Secretary of the Budget and Control Board. We are holding this hearing on document 790 as published in the State Register on October 24, 1986.

That publication of that Notice was preceded by several events:

Act 369 which I believe is the basic authority for local housing authority participation in multi-family bond issues was signed by Governor Riley and became effective on April 15, 1986.

On the 22nd of April the Budget and Control Board directed its staff to begin drafting regulations pursuant to Act 369 elaborating on the language there which talks about such conditions as the Board may impose.

On the 25th of April we published a Notice of Drafting in the State Register and a draft of the proposed regulations was circulated about that time among the interested parties and since.

October 21, at a Budget and Control Board meeting, the Board authorized staff to begin the formal public review and comment process. That was evidenced by the Notice published on the 24th of October which announced this hearing for December 9 at 10 o'clock.

007289

The purpose of this hearing is to hear whatever comments any of you may have on those proposed regulations and we would certainly entertain any of those that you care to make.

SUTTON

I'm John Sutton, President of the South Carolina Association of Housing Authority Executive Directors.

As you have reviewed the legislation and the history, you can tell that it is of the utmost importance to us at the local housing authority level. The State Association is composed of approximately 30 local housing authority directors. That group reviewed the proposed regulations and unanimously adopted those, not adopted but supported their adoption and asked that committee to come to this public hearing and make known our desire and encouragement.

We think that the proposed regulations are reasonable, offering the State a reasonable opportunity to review and to take any action we think necessary regarding the issue that we may have to take. We are just here to support the regulations and thank you for the opportunity.

WAM

We appreciate your attendance. Are there other comments?

I did get letters from a number of your colleagues. In fact, Wick, just to bring your file up to date, I got a few in yesterday. I'll give you a more complete set so you will have what I have. In fact, I went back and dug up some real old correspondence which I think completes the whole file.

I had a call yesterday that may set all this in motion. Some of you may know about this. A young lady that works over at the McNair firm called and said that one of their attorneys had an issue proposed by the City Hartsville Housing Authority. I said what are you talking about? So I have not yet had an opportunity to talk with the bond attorney.

I assume that they're talking about an exercise of this legislation and I urged them, in submitting whatever they submit, to be aware of these requirements, not yet requirements literally, but those sorts of information and to be guided by them. This catches us, obviously, at an awkward moment not to have the regulations in place but the law is out there.

EXHIBIT

007290

DEC 16 1986

NO. 23

STATE BUDGET & CONTROL BOARD

I assume that it is an exercise of this legislation--really don't know--but it sounded an awful much like it. I did not expect that at this late hour in this year and under these circumstances, but we'll just have to see.

Apparently, its a million and a half dollar issue. I don't know the details, but it would be my notion, if it is a real live exercise of Act 369 to try to apply these procedures as if they were in effect and to process accordingly, but we'll just have to see about that one.

BALLOU

Hartsville?

WAM

Yes, City of Hartsville. Completely out of the blue.

CAMERON

The City of Hartsville Housing Authority?

WAM

That's what they said. Haven't seen a thing in writing, just this call from the secretary over there.

I guess we will hear more about it. They acted as if they wanted to be on the agenda for the meeting of the Board on the 16th, so they have to get whatever they want to put before the Board at that time here tomorrow midday.

BALLOU

Is there any way, practically, that the regulations wouldn't, couldn't be exercised until approved?

WAM

Not technically, no. We are not in a position to do that, but they are the ground rules that I would hope that we would follow anyway. In the absence of anything else, I don't know what else to do. But technically, they have no status.

EXHIBIT

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I'm curious about what your expectations are under this. Assuming the regulations are put in place exactly the way they now stand, what level of activity are we likely to have? Do you have any feel for that?

CAMERON

I think it's going to vary. I know in Charleston we're working on two projects, one is the new construction of 250 units and it will be near \$15 million, and the second is rehabilitation of 80 units which would probably would be near \$3 or \$4 million and we hope to get those off the ground in the spring time. After that I would think it would probably drop off, in Charleston, to probably a project a year, anywhere from \$10 to \$15 million, either done entirely by the Housing Authority or the Housing Authority being the underwriter for private development if they can make the dollars work.

SUTTON

I think that in Greenville, our activity would be limited primarily to working with the city as they try to continue their development of the inner city and to provide housing for moderate income families. I would think that we would be looking at a project maybe every year, whatever would be necessary to produce 50 to 75 units. Greenville County has not indicated a great deal of interest. Our work would be primarily within the city working very closely with this local government in the City of Greenville, primarily in conjunction with the community development programs and their revitalization of the inner city.

BALLOU

I don't see a heavy, an intensive program in Columbia. I see a very conservative program. I think we're going to move very pragmatically and very methodically, and we're going to construe all of the alternatives available to us. We would want to complement the revitalization of the city and to that extent we will carry on fine, but I don't see the scope that Charleston is talking about.

[W. S. Burgess, Greenwood Housing Authority, joined the hearing.]

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WAM

We've been through, I guess, the formalities. We're just hearing comments at the moment on expectations of activity under this process the next year. Do you have any comments you care to make, sir?

## EXHIBIT

BURGESS

Looks like you've drawn them up pretty good.

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WAM

Well, I guess like most things we'll find out when we try to apply them and see how they work. We'll make every effort to make them work and apply them reasonably and all that. It's a new area for us as well as for you so we'll be learning as we go through it with you.

CAMERON

Sir, if I might ask, I noticed in the the State Register last week that the Budget and Control Board was going to be working on setting the ceiling for private activity bonds.

WAM

Yes.

CAMERON

Will that be done in a comparable situation through the State Register?

WAM

Sure. Yes, at some point that will get there. That was just the notice of drafting and the truth is there hasn't been much drafting, we're just telling the world that we're into that subject and open to ideas about that, and we are.

We're now operating under an Executive Order which Governor Riley issued the same day President Reagan signed the Tax Reform Act of 1986. There is some question about what happens to us when Governor Riley leaves office, as to the status of those regulations. We are in touch with Governor-elect Campbell and his group and trying to apprise them of the situation so they would be in position to issue another order if that is required.

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But at the same time, we need to start the process for getting the General Assembly to approve those regulations as they approved the ones that were in place before. It promises to be an interesting exercise.

I get very contradictory ideas from bond attorneys about what kind of year we can expect next year in that area. Many of them have the belief that there really isn't a problem; that the Tax Reform Act is such that it wipes out so many possible uses of private activity bonds that we don't really need to be concerned about having lesser amounts to work with and more bidders at the table, if you will. I don't really know.

The other side of it is a much smaller pot to work with and some big bidders like the housing area as claimants on that. It strikes me as a great possibility for lots of difficulty, lots of tough decisions. Those regulations presumably would be a place where some rather fundamental policy could be expressed on that subject.

I hope we don't get into a process of everybody marking off a piece of the ceiling and saying that's mine and that's mine and that's mine and not using it. That may be what it comes to as it goes through the General Assembly. The only thing that has been mentioned to the Budget and Control Board in that regard is an idea for, in effect, buying some time. We do have to have a procedure in place while any proposed regulations might be under consideration and one notion is to have the Board and the Bond Committee, to the extent it is involved in it, agree that no large allocation would be made, say for the first six months of the calendar year, as a way of getting a feel for what's likely to go on. I guess basically that's saying that the State Housing Authority should be kept from asking for a big chunk of it and closing out the possibility for a lot of small users for other purposes.

It's a fundamental policy decision. There are those who say industrial development has much more meaning and all that, and jobs, and that sort of thing, in contrast to housing. It's like choosing among your children in a sense, as they say, both legitimate public purposes. I don't have any smart ideas about how to solve that sort of conflict but through this process is, I guess, where it will be resolved.

CAMERON

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I was curious, I heard a couple of weeks ago that there was concern from the Budget and Control Board about reaching the ceiling. That was prior to the State Housing Authority abandoning a single-family \$50 million issue and a couple of other legal opinions about bond issues that didn't apply to the ceiling.

There was some concern about reaching the ceiling in 1986.

WAM

It is a very fluid situation. Lots of approvals have wilted away but we still at the moment technically have just under \$5 million of unallocated ceiling.

It's a fair question on how to classify what the Housing Authority has done. Their request really said they will not be able to use it in this calendar year but they asked that it be carried forward into next year. I personally do not think that is what the Budget and Control Board has agreed to with them.

I think they relinquished \$50 million and, under the terms of the Board's agreement, if nobody else wants that \$50 million in 1986, the Board has agreed to allocate it to the Housing Authority and let them carry it forward just to make sure that it isn't lost to the State. But that would only happen after everybody else had a chance to use what is there.

But, that notice of drafting on regulations is just the beginning of that process for changing the ground rules on the State Ceiling allocation process.

We certainly welcome any notions you have about it. I expect we're going to go through a time and the circumstances are such that I would be surprised if we don't either wind up with Governor Campbell issuing an order that pretty much carries on what we have while this other process is underway or the Board issuing emergency regulations, which they can do, and which would only be good for ninety days. That would allow this process to go on with the hope the legislature would deal with it during the ninety day period, but I'm not really sure how that's going to work from here.

CAMERON

It is very important, from our standpoint, to watch. I know from friends and colleagues in Georgia, their allocation system is already in place. To

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the City of Atlanta, the allocation allows them to do one project per year, \$15 million. That's the Atlanta Housing Authority, Atlanta Residential Redevelopment Commission and every other public entity that deals with housing in the City of Atlanta has only \$15 million worth of annual allocation for 1986 and for 1987 whereas they were dealing in the past with well over \$100 million in bonds for single family and multifamily. They have really been crippled.

We really have an interest in, in essence, how that pot is drafted out as to how it will be divided.

WAM

It's going to cramp the style of everybody, I believe. That's the purpose of it, of the federal action--that's the purpose of what they were all about.

Are there other comments on document 790 and related matters? If there are none, I would conclude this hearing. I appreciate very much your interest and your participation along the way and look forward to working on this process with you and the regulations on the ceiling allocations as well.

[The hearing ended at 10:20 a.m.]

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## SYNOPSIS OF PROPOSED REGULATIONS

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The proposed regulations describe the procedure to be followed by the Budget and Control Board (Board) in considering bond issues proposed by city, county or regional housing authorities to finance multifamily housing projects. Local authorities are authorized by Act 369 of 1986 to issue bonds for those purposes under certain conditions.

Section 19-104.01 describes the documents which must be submitted for Board consideration in connection with a proposed bond issue.

Section 19-104.02 indicates that favorable reviews of the required documents by the Office of the Attorney General, by the Office of State Auditor and by the Board's Office of Executive Director must be accomplished before the Board will grant final approval.

Section 19-104.03 describes the schedule for submitting documents to the Board and for Board consideration of them.

Section 19-104.04 presents review and reporting requirements imposed on the local authorities in connection with issues approved by the Board.

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19-104. APPROVAL PROCEDURE FOR CITY, COUNTY AND REGIONAL HOUSING  
AUTHORITY BOND ISSUES FOR MULTIFAMILY HOUSING PROJECTS

19-104.01. Securing Approval; Documents Required

To secure approval of the issue and sale of bonds or notes (hereafter bonds) by a city, county or regional housing authority (hereafter local housing authority) to finance multifamily housing projects, as provided in Act 369 of 1986, the following must be submitted to the Budget and Control Board (Board):

- A. An executed original and a copy of the petition of the local housing authority governing body describing a proposed project, requesting Board approval of the issue and sale of a specified amount of bonds to finance the project and, including, if appropriate, a request for an allocation of a portion of the State Ceiling to the bonds and the project;
- B. Two executed copies of the resolution or ordinance of the local housing authority governing body authorizing the petition to the Board;
- C. Two sets of the documents providing for the issuance and securing of the bonds or drafts thereof in substantially final form;
- D. Two sets of audited financial statements of the entity obligated to pay the bonds covering at least the three prior fiscal years except that, in any case where the bonds are to be sold privately, a representation from the person or institution purchasing the bonds that satisfactory financial information has been provided by that entity and that the bonds are being purchased for investment rather than resale purposes may be submitted in lieu of audited financial statements;
- E. The original of a resolution approving the bond issue proposed by the local housing authority governing body for adoption by the Board and copies of that resolution to be certified by the Board Secretary;

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F. Two copies of statements disclosing:

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- (1) the results of any market study or other analysis of the multifamily housing needs in the proposed project area which was the basis upon which a determination was made by the local housing authority to issue the bonds to finance the project together with a complete description of the project;
- (2) the principal amount of the bonds proposed to be issued;
- (3) the purpose or purposes for which the proceeds of such bonds are to be expended;
- (4) the maturity schedule of the bonds proposed to be issued;
- (5) the rate of interest expected on the bonds proposed to be issued;
- (6) a schedule showing (a) the annual debt service requirements of all outstanding bonds of the local housing authority proposing the bonds; (b) the annual debt service requirements of the proposed bonds; and (c) the aggregate annual debt service requirements of the outstanding and proposed bonds;
- (7) a schedule showing the amount and source of revenues available annually for the payment of the annual debt service requirements established by the schedule required by (6), above;
- (8) the method to be employed in selling the proposed bonds;
- (9) evidence of compliance with applicable provisions of State and federal law prior to the issuance of the bonds;
- (10) evidence that the project or projects financed by the bonds will be managed and operated in compliance with applicable provisions of State and federal law including, in those instances determined by the Board, subjecting the project to restrictive covenants to ensure such compliance;
- (11) evidence that each bond financing proposed is structured to protect the interests of prospective bondholders and the local housing authority by meeting the following requirements, as a minimum:
  - (a) With respect to bonds to be offered at public sale:
    - (1) the issue must be rated no less than "investment grade" by one of the national rating agencies; and
    - (2) in addition, one or more of the following conditions must be met:
      - (aa) There must be in effect for the bonds to be issued a federal program which provides assistance in the payment of the principal and interest when due to bondholders.

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- (bb) The lendable proceeds of the bond sale must be used to acquire either federally-insured mortgages or mortgages insured by a private mortgage insurance company authorized to do business in South Carolina.
- (cc) The payment of principal and interest when due to bond purchasers and bondholders must be insured by the maintenance of adequate reserves or by insurance or by a guaranty by a responsible entity.
- (b) With respect to bonds sold or placed as "Mortgage bonds sold as a unit" or in "Transactions with banks, institutional buyers, etc...", as provided in Code §35-1-320, the documents pursuant to which bonds are issued must permit the local housing authority to avoid any default by it by completing an assignment of or foregoing its rights with respect to any collateral or security pledged to secure the bonds.
- (c) With respect to any bonds offered for sale upon the representation that the interest paid thereon by the issuer is exempt from federal income taxation, the documents pursuant to which bonds are issued must require the mandatory redemption of the bonds at par value if the interest paid thereon is determined to be subject to federal income taxation.
- (12) evidence that every official statement, preliminary official statement, and any other document used in the sale of any bond issued by a local housing authority includes the following disclaimer:
- No representation is made by or on behalf of the State of South Carolina or the State Budget and Control Board as to the creditworthiness of the securities hereby offered. Neither the State of South Carolina nor any of its agencies is obligated for the payment of any principal or interest due or to become due on the securities hereby offered for sale.
- (13) the local housing authority's agreement that the management agent for any project approved by the Budget and Control Board must also be approved by the Board.

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**19-104.02. Review by Office of the Attorney General, by Office of State Auditor and by Office of Executive Director.**

Before the Board will grant final approval in whole or in part to a petition by the governing body of a local housing authority to issue bonds,

A. the petition, the resolution or ordinance, the documents providing for the issuance and securing of the bonds, and the proposed Board resolution must have been reviewed and found legally adequate by the Office of the Attorney General;

B. the financial statements of the entity obligated to pay the bonds (which are considered part of the Auditor's working papers) must have been reviewed and the financial condition of the entity must have been found to be such that the Office of State Auditor found no reason for the Board to disapprove the petition and the Board must have determined, upon the advice of the Office of State Auditor, that the funds estimated to be available for the repayment of the local housing authority's bonds, including the proposed bonds, will be sufficient to provide for the payment of the principal and interest on the local housing authority's bonds to be outstanding as they become due; and

C. the statements required to be submitted to the Board as described in 19-104.01. F., above; the documents providing for the issuance and securing of the bonds; and the results of the reviews required in 19-104.02. A. and 19-104.02. B., above, must have been reviewed by staff of the Board's Office of Executive Director and, on the basis of this review, staff of the Board's Office of Executive Director must have recommended to the Board that it (1) approve the petition; (2) approve the petition with conditions; or (3) disapprove the petition.

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**19-104.03. Notice; Submission of Documents; Consideration By Board.**

The governing body of the local housing authority or its agent must notify the Board Secretary not less than six (6) days prior to the Board meeting it proposes that a particular petition be acted upon and that governing body must submit to the Board Secretary at that time all of the documents required. If the reviews required in 19-104.02, above, are not completed prior to the Board meeting at which a petition is scheduled to be considered, the Board at that meeting may grant approval on the condition that the required reviews are completed with results which recommend approval of the petition, as determined by the Board Secretary, within not more than thirty (30) days of the date of the Board meeting at which the petition was scheduled for consideration, except in extraordinary cases. If any of the required reviews result in a recommendation that the petition be approved by the Board with conditions or that it be disapproved, the Board Secretary must include that petition on the agenda of the next next regular meeting of the Board for its consideration and final decision.

**19-104.04. Review and Report by Local Authorities**

After Board approval of a local housing authority petition, the local housing authority involved must periodically review and report to the Board on the operation of projects approved by the Board to ensure their compliance with State and federal law. As a means of guiding its project monitoring activities, the Board will issue a manual which is consistent with these regulations which outlines the procedures to be followed by local housing authorities in reporting on the operation of projects approved by the Board for distribution to local housing authorities and other interested parties. The manual must be approved by the Board for distribution not more than ninety (90) days after the approval of these regulations by the General Assembly. As a part of its on-going involvement with local housing authorities, the Board annually must provide to any local housing authority which has issued bonds approved by the Board a schedule showing maximum allowable income adjusted for family size which must be used to determine eligibility of prospective tenants for the purpose of ensuring compliance with federal and State law.

**EXHIBIT**

**007302**

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# EXHIBIT

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NO. 24

STATE BUDGET AND CONTROL BOARD STATE BUDGET & CONTROL BOARD REGULAR SESSION  
MEETING OF December 16, 1986 ITEM NUMBER

8

AGENCY: City of Hartsville Housing Authority

SUBJECT: Issue of \$1,600,000 Mortgage Revenue Bonds

The City of Hartsville Housing Authority has petitioned the Board for approval of the issuance of \$1,600,000 Mortgage Revenue Bonds for the Lincoln Village Project. This petition is filed in response to the requirements of Act 369 of 1986 (copy attached). It is the first exercise of that legislation.

The Housing Authority proposes to use the bond proceeds to purchase Lincoln Village Apartments which is an existing complex which contains 64 dwelling units. These apartments are currently subsidized under HUD's Section 8 Existing Housing Assistance Program.

The Authority indicates that \$1 million of the bonds will be sold to NCNB South Carolina and \$600,000 of the bonds will be sold to Marion Gandy who is the present owner of Lincoln Village Apartments.

At the time of agenda preparation, the submission was incomplete. The required investment letters were not received. The documents for issuance/securing of the bonds were not submitted.

This petition comes before the regulations (in item 7) governing its processing are fully in effect. Staff proposes, however, that this request be subject to those regulations.

Bond counsel Dan McLeod notes that the Authority desires to close this transaction before year end.

BOARD ACTION REQUESTED:

- (1) Grant conditional approval to the City of Hartsville Housing Authority petition to issue \$1,600,000 of its mortgage revenue bonds;
- (2) Agree that this request should be processed under the regulations approved for submission to the General Assembly; and
- (3) Delegate to the State Treasurer authority to approve (a) the net interest cost of the bonds; (b) the form and substance of the various security of financing documents entered into by the Authority; and (c) the terms and conditions under which the bonds are to be sold.

ATTACHMENTS:

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# EXHIBIT

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NO. 24

STATE BUDGET & CONTROL BOARD

No. 369]

OF SOUTH CAROLINA

2631

General and Permanent Laws--1986

No. 369

(R396, H2781)

AN ACT TO AMEND SECTION 31-3-20, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE DEFINITIONS USED IN THE HOUSING AUTHORITIES LAW, SO AS TO CONFORM THE POWERS GRANTED TO MUNICIPAL, COUNTY, AND REGIONAL HOUSING AUTHORITIES WITH THOSE CONTEMPLATED UNDER THE INTERNAL REVENUE CODE AND APPLICABLE REGULATIONS RELATING TO ASSISTING LOWER INCOME FAMILIES TO FIND SAFE, SANITARY, AFFORDABLE RENTAL HOUSING, SECTION 31-3-540, RELATING TO THE DUTIES OF A HOUSING AUTHORITY WITH RESPECT TO RENTAL AND TENANT SELECTION, SO AS TO ADD PERSONS OF MODERATE TO LOW INCOME TO THOSE AUTHORIZED TO RENT OR LEASE ACCOMMODATION IN HOUSING PROJECTS AND TO DELETE THE PROVISIONS WHICH SPECIFY THE AGGREGATE ANNUAL NET INCOME ABOVE WHICH A PERSON WOULD NOT QUALIFY TO LIVE IN A HOUSING PROJECT, AND PROVIDE THAT THE PROVISIONS OF THIS ACT DO NOT APPLY TO THE FINANCING, ACQUISITION, AND CONSTRUCTION OF SINGLE-FAMILY DWELLING BY THE STATE HOUSING AUTHORITY, AND TO REQUIRE THE BUDGET AND CONTROL BOARD TO AUTHORIZE THE ISSUANCE OF NOTES OR BONDS BY AN AUTHORITY AFTER THE SUBMISSION BY THE AUTHORITY TO THE BOARD.

Whereas, the Housing Authorities Law (Title 31, Chapter 3, Code of Laws of South Carolina, 1976) authorizes city, county, and regional housing authorities created pursuant to Articles 5, 7, and 9, respectively, to engage in certain activities in order to provide, or promote the provision of, safe and sanitary dwelling accommodations to persons of low income at rentals they can afford; and

Whereas, with respect to each of the city, county, and regional housing authorities, "persons of low income" is presently defined in

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# EXHIBIT

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NO. 24

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STATUTES AT LARGE

[No. 369

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item (15) of Section 31-3-20 of the 1976 Code so as to include "persons or families who lack an amount of income which is necessary (as determined by the authority undertaking the project) to enable them without financial assistance to live in decent, safe, and sanitary dwellings without overcrowding..."; and

Whereas, the existing statutory definition provides little practical guidance to an authority in ascertaining whether a particular project satisfies the requirements of the Housing Authorities Law; and

Whereas, Section 31-13-170 of the 1976 Code establishes a mathematically ascertainable definition of "persons of moderate to low income" for the South Carolina State Housing Authority, to include "those individuals who are members of households whose gross income falls between seventy-five percent and one hundred fifty percent of the 'median gross income' of all households in South Carolina as determined on the basis of the latest available statistics furnished to the Authority by the Division of Research and Statistical Services of the State Budget and Control Board. Gross income means income derived from any source whatsoever. An allowance for each member of the family equal to an amount for personal exemptions as defined by the South Carolina Income Tax Law, Section 12-7-310 of the 1976 Code, must be deducted from gross income in order to qualify a person or family as a member of the beneficiary class"; and

Whereas, the General Assembly finds that there continues to exist within the State a serious shortage of sanitary and safe residential housing at rentals which persons and families of both moderate and low income can afford, which shortage will continue to contribute to the persistence of substandard living conditions

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inimical to the health, welfare, and prosperity of all residents of the State; and

Whereas, the General Assembly further finds that the city, county, and regional housing authorities of this State have expressed a willingness and desire to assist in remedying the present shortage of such sanitary and safe residential rental housing; and

Whereas, changes in the national economy since the 1930s when the Housing Authorities Law was adopted require that the public sector provide some assistance to persons whose income is above the lowest income categories if these persons are to have a reasonable prospect of living in safe and sanitary housing; and

Whereas, the federal government has, under Section 103(b)(4)(A) of the Internal Revenue Code of 1954, as amended, restricted the exemption for bonds issued for residential rental property such that fifteen to twenty percent (depending upon whether the general area is one of chronic economic distress) of the units financed with tax exempt bonds are required to be set aside for low income individuals or families. However, for purposes of the federal law, persons of low income are limited to eighty percent of the median gross income for the area. Now, therefore,

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

### Applicability of act

SECTION 1. It is intended by the provisions of this act that the city, county, and regional housing authorities have the same powers presently granted to the State Housing Authority by the provisions of Act 76 of 1977 with respect

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# EXHIBIT

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STATUTES AT LARGE

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to multi-family housing only. The provisions of this act do not apply to the financing, acquisition, or construction of single family dwellings by the State Housing Authority.

Following a determination made by an Authority that a series of notes or bonds must be sold and a finding that the revenues or other moneys estimated to thereafter be available for the repayment thereof will provide moneys required for the payment of the principal and interest on the notes and bonds outstanding and the notes or bonds then proposed to be issued, the Authority shall submit the following information to the Budget and Control Board:

(1) the principal amount of the notes or bonds proposed to be issued.

(2) the purpose or purposes for which the proceeds of such notes or bonds are to be expended.

(3) the maturity schedule of the notes or bonds proposed to be issued.

(4) a schedule showing the annual debt service requirements on all outstanding notes or bonds of the Authority.

(5) a schedule showing the amount and source of revenues available for the payment of the debt service requirements established by the schedule required in item (4).

(6) the method to be employed in selling the proposed notes or bonds.

(7) any other information which the Budget and Control Board shall require.

If the Budget and Control Board shall determine that the funds estimated to thereafter be available for the repayment of the Authority's notes and bonds, including the proposed notes or bonds, will be sufficient to provide for the payment of the principal and interest on the Authority's notes and bonds thereafter to be outstanding as they become due, the Budget and Control Board is authorized to give its approval to the issuance, in whole or

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in part, of the proposed notes or bonds, subject to such conditions, if any, as it may impose.

## Definition

SECTION 2. Item (15) of Section 31-3-20 of the 1976 Code is amended to read:

"(15) 'Persons of low income' means those individuals who are members of households whose gross income falls below seventy-five percent of the 'median gross income' of all households in South Carolina as determined on the basis of the latest available statistics furnished to the Authority by the Division of Research and Statistical Services of the State Budget and Control Board. Gross income means income derived from any source whatsoever. An allowance for each member of the family equal to an amount for personal exemptions as defined by the South Carolina Income Tax Law, Section 12-7-310, must be deducted from gross income in order to qualify a person or family as a member of the 'beneficiary class'; and"

## Definition

SECTION 3. Section 31-3-20 of the 1976 Code is amended by adding the following item:

"(17) Persons of moderate to low income means those individuals who are members of households whose gross income falls between seventy-five percent and one hundred fifty percent of the 'median gross income' of all households in South Carolina as determined on the basis of the latest available statistics furnished to the Authority by the Division of Research and Statistical Services of the State Budget and Control Board. Gross income means income derived from any source whatsoever. An allowance for each member of the family equal to

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# EXHIBIT

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an amount for personal exemptions as defined by the South Carolina Income Tax Law, Section 12-7-310, must be deducted from gross income in order to qualify a person or family as a member of the 'beneficiary class'."

### Duties of housing authority

SECTION 4. Section 31-3-540 of the 1976 Code is amended to read:

"Section 31-3-540. In the operation or management of housing projects, an authority shall at all times observe the following duties with respect to rentals and tenant selection:

(1) It may rent or lease the dwelling accommodations in the projects only to persons of low income or to persons of moderate to low income and at rentals within the financial reach of such persons;

(2) It may rent or lease to a tenant dwelling accommodations consisting of the number of rooms, but no greater number, which it considers necessary to provide safe and sanitary accommodations to the proposed occupants of the accommodations, without overcrowding."

### Time effective

SECTION 5. This act shall take effect upon approval by the Governor.

Approved the 15th day of April, 1986.

007309

# EXHIBIT

STATE OF SOUTH CAROLINA )  
CITY OF HARTSVILLE )

DEC 16 1986 NO. 24

STATE BUDGET & CONTROL BOARD

-----  
TO: STATE BUDGET AND )  
CONTROL BOARD OF ) PETITION  
SOUTH CAROLINA )  
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4369  
This Petition of the Housing Authority of Hartsville, South Carolina (the "Authority"), is submitted to the State Budget and Control Board of South Carolina (the "Board"), pursuant to Act No. 396 (1986 Acts) (the "Act") and respectively shows:

1. The Act provides that following a determination made by the Authority that a series of bonds must be sold and a finding that the revenues or other moneys estimated to thereafter be available for the repayment of the bonds will provide the moneys required for the payment of the bonds, the Authority shall submit certain information to the Board.

2. Pursuant to a Resolution duly adopted by the Authority on December 9, 1986, the Authority has authorized the issuance of not exceeding \$1,600,000 Mortgage Revenue Bonds (Lincoln Village Apartments), Series of 1986 (the "Bonds") and made such determinations as required by Act No. 396. A certified copy of such Resolution is attached as Exhibit A.

3. The principal amount of Bond proposed to be issued is not to exceed \$1,600,000.

4. The proceeds of the Bonds will be used to purchase an existing housing complex located in the City of Hartsville known as Lincoln Village Apartments which contains sixty-four dwelling units. The project is currently subsidized under the Housing and Urban Development's Section 8 Existing Housing Assistance Program.

5. The maturity schedule for the Bonds is attached hereto as Exhibit B.

6. Attached as Exhibit C is a schedule showing the annual debt service requirements on all outstanding notes or bonds of the Authority.

7. Also shown on Exhibit C is a schedule showing the amount and source of revenues available for the payment of the debt service requirements on the Authority's outstanding notes and bonds.

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8. \$1,000,000 of the Bonds will be sold to NCNB South Carolina. \$600,000 of the Bonds will be sold to Marion Gandy, the present owner of the Lincoln Village Apartments.

Wherefore, on the basis of the foregoing, the Authority requests that Board give its approval to the issuance of the Bonds.

Respectfully submitted,

Housing Authority of Hartsville,  
South Carolina

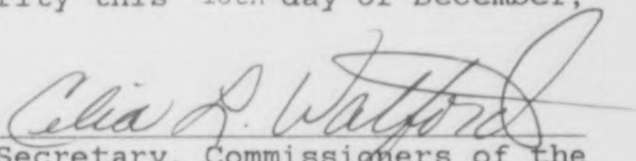
By: \_\_\_\_\_  
Chairman, Commissioners of  
the Housing Authority of  
Hartsville, South Carolina

December 9, 1986

STATE OF SOUTH CAROLINA    )  
                                  )    CERTIFIED COPY OF BOND  
CITY OF HARTSVILLE         )    RESOLUTION

I, the undersigned being the duly qualified and acting Secretary of the Commissioners of the Housing Authority of Hartsville, South Carolina (the "Authority"), do hereby certify that attached hereto is a copy of a Resolution authorizing the issuance and sale of not exceeding \$1,600,000 Mortgage Revenue Bonds (Lincoln Village Apartments), Series of 1986, of the Authority adopted by the Commissioner at a meeting duly called and held on December 10 1986, at which a quorum was present and acting throughout, which Resolution has been compared by me with the original thereof, and that such Resolution has been duly adopted and has not been modified, amended or repealed and is in full force and effect on and as of the date hereof in the form attached hereto.

In witness whereof, I have hereunto set my hand and the official seal of the Authority this 10th day of December, 1986.

  
Secretary, Commissioners of the  
Housing Authority of  
Hartsville, South Carolina

(SEAL)

**EXHIBIT**

DEC 16 1986    NO. 24

STATE BUDGET & CONTROL BOARD

**007312**



EXHIBIT

NO. 24

DEC 16 1986

STATE BUDGET & CONTROL BOARD

A RESOLUTION

AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$1,600,000 MORTGAGE REVENUE BONDS (LINCOLN VILLAGE APARTMENTS), SERIES OF 1986, OF THE HOUSING AUTHORITY OF HARTSVILLE, SOUTH CAROLINA; AND OTHER MATTERS IN CONNECTION WITH THE FOREGOING.

Act # 369

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF HARTSVILLE, SOUTH CAROLINA, AS FOLLOWS:

Section 1. Findings and Determinations. The Commissioners of the Housing Authority of Hartsville (the "Authority") hereby find and determine:

(a) The Authority was created on November 16, 1967, by resolution of the Hartsville City Council pursuant to the Act.

(b) Pursuant to the provisions of Section 31-3-310 to 31-3-600 Code of Laws of South Carolina, 1976, as amended (the "Enabling Statute"), the Authority is empowered to acquire any lands, structures or buildings for any housing project and further possesses the power to borrow money upon its bonds and secure the repayment thereof by mortgage, pledge or lien upon the property held by it and/or the revenues or income therefrom.

(c) Act No. 396 (1986 Acts) provides that following a determination made by the Authority that a series of bonds must be sold and a finding that the revenues or other moneys estimated to thereafter be available for the repayment thereof will provide moneys required for the payment of the bonds, the Authority must submit certain information to the State Budget and Control Board.

(d) The owners of certain housing facilities in the City of Hartsville known as Lincoln Village Apartments (the "Project") have offered to sell the Project to the Authority for the sum of \$1,600,00.

(e) In order to finance the acquisition of the Project, it is necessary and in the best interest of the Authority to issue \$1,600,000 mortgage revenue bonds. The revenues or other moneys estimated to thereafter be available for the repayment of such bonds will provide money required for the payment of such bonds.

Section 2. Approval and Authorization of Project. There is hereby approved and authorized the undertaking of the acquisition of the Project.

007313

\$ amount?

Section 3. Authorization of Bonds. Pursuant to the Enabling Statute as amended by Act No. 396 and this Resolution, there is hereby authorized to be issued mortgage revenue bonds of the Authority in the principal amount of \$1,500,000 for the purpose of defraying the cost of the acquisition of the Project, including any engineering, architectural, legal or other expenses related or incidental thereto. The Bonds shall be designated "\$1,600,000 Mortgage Revenue Bonds (Lincoln Village Apartments), Series of 1986, of the Housing Authority of Hartsville, South Carolina" (the "Bonds").

The Bonds shall be authorized by and issued pursuant to and subject to the terms and conditions of a resolution to be hereafter adopted by the Authority and shall be secured by a mortgage or other security agreement as the Authority and the purchase of the Bonds may agree upon.

The Bonds shall be special obligations of the Authority secured by and payable solely from the moneys, income and receipts of the Authority pledged thereto.

Section 4. The proper officers of the Authority shall prepare and present to the State Budget and Control Board the information prescribed by Act No. 396 which shall among other things set forth the pertinent terms and provisions relating to the Bonds and the outstanding bonds, if any, of the Authority. The Commissioners hereby authorize the Chairman, Secretary/Executive Director and attorney for the Authority to execute such documents and instruments as necessary to effect the issuance of the Bonds.

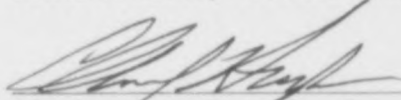
Section 5. Effectiveness of Bond Resolution. This Bond Resolution will become effective upon its adoption.

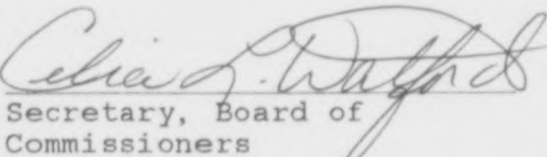
Adopted this 10th day of December 1986.

(SEAL)

HOUSING AUTHORITY OF  
HARTSVILLE, SOUTH CAROLINA

ATTEST:

  
Chairman, Board of  
Commissioners

  
Secretary, Board of  
Commissioners

EXHIBIT

DEC 16 1986 NO. 24

STATE BUDGET & CONTROL BOARD

007314

Act  
#  
369

A RESOLUTION

GRANTING APPROVAL TO THE ISSUANCE BY THE HOUSING AUTHORITY OF HARTSVILLE, SOUTH CAROLINA, OF ITS \$1,600,000 MORTGAGE REVENUE BONDS (LINCOLN VILLAGE PROJECT), SERIES OF 1986.

WHEREAS, Act No. 396 (1986 Acts) provides that following a determination made by city housing authorities that a series of bonds must be sold and a finding that the revenues or other moneys estimated to thereafter be available for the payment thereof will provide moneys required for the payment of the bonds, the city housing authority must submit certain information to the State Budget and Control Board; and

WHEREAS, the Housing Authority of Hartsville, South Carolina (the "Authority") pursuant to a resolution adopted on December 9, 1986 (the "Resolution"), has authorized the issuance of its \$1,600,000 Mortgage Revenue Bonds (Lincoln Village Project), Series of 1986 (the "Bonds"); and

WHEREAS, the Authority has presented to the Board its Petition dated December 9, 1986, which, together with the Exhibits thereto attached, sets forth certain information required by Act No. 396; and

WHEREAS, based upon information submitted by the Authority, the Board has determined that the funds estimated to thereafter be available for the repayment of the Bonds, will be sufficient to provide for the payment of the principal and interest of the Bonds as they become due.

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

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

Section 2. Subject to the conditions set forth in Section 4, approval is hereby granted by the Board to the issuance by the Authority of its \$1,600,000 Mortgage Revenue Bonds (Lincoln Village Project), Series of 1986, for the purposes specified in the Resolution and the Petition.

EXHIBIT

DEC 16 1986 NO. 24

STATE BUDGET & CONTROL BOARD

007315

Section 3. The Bonds shall be issued under, secured by and subject to the terms and conditions of a Bond Resolution of the Authority, a Trust Indenture, a Mortgage Financing Agreement by and between the Authority and the bank designated therein, or such other security or financing documents as the Authority may deem necessary and advisable.

Section 4. The Board has been informed by the Authority that the Bonds will probably be sold prior to the next regularly scheduled meeting of the Board. The Board hereby find it necessary and in the best interest of the Authority and the Board to delegate the following matters to the State Treasurer on behalf of the Board. Therefore, the approval herewith granted is subject to:

(a) The net interest cost of the Bonds to the Authority shall not exceed 12-1/2% per annum and shall be approved by the State Treasurer as being reasonably reflective of then existing market conditions.

(b) The approval of the State Treasurer of the form and substance of the Bond Resolution, Trust Indenture or Mortgage Financing Agreement, including the bank designated therein, or other security or financing documents to be entered into by the Authority.

(c) The approval of the State Treasurer of the terms and conditions under which the Bonds are to be sold.

Section 5. This Resolution shall take effect immediately upon its adoption.

## EXHIBIT

DEC 16 1986 NO. 24

STATE BUDGET & CONTROL BOARD



HARTSVILLE HOUSING AUTHORITY

Item F. (1)

There has not been a market study or other analysis of the housing needs in this area. This particular project is approximately 17 years old, was extensively renovated recently and presently has an average vacancy ratio of approximately 3%. The project is comprised of the following:

<u>Unit Size</u>	<u># Units</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>
2 BR	16	\$275	\$ 52,800
3 BR	32	\$344	132,096
4 BR	16	\$386	74,112
			<hr/>
			\$259,008

EXHIBIT

DEC 16 1986 NO. 24

STATE BUDGET & CONTROL BOARD

007317



## HARTSVILLE HOUSING AUTHORITY

## INCOME PROJECTIONS

## LINCOLN VILLAGE APARTMENTS

## EXHIBIT

DEC 16 1986

NO. 24

STATE BUDGET &amp; CONTROL BOARD

## GENERAL:

Sixty-four (64) dwelling units.

Project is currently subsidized under the HUD Section 8 Existing Housing Assistance Program. Rents reflected are the current fair market rents for Darlington County and are the actual rents received by the owner.

## INCOME

<u>SIZE</u>	<u>#UNITS</u>	<u>MONTHLY RENT</u>	<u>ANNUAL RENT</u>
2 BR	16	275	\$ 52,800.00
3 BR	32	344	132,096.00
4 BR	16	386	<u>74,112.00</u>
GROSS INCOME			\$259,008.00
VACANCY 5%			(12,950.00)
OPERATING EXPENSES 20%			<u>(49,200.00)</u>
ADJUSTED INCOME AVAILABLE FOR DEBT SERVICE AND REPAIR AND REPLACEMENT RESERVE			<u>\$196,858.00</u>

007318

NCNB  
P.O. Box 448  
Columbia SC 29202  
Telephone 803 771-2442

DEC 12 1986  
9:29 A.M.

HL



December 10, 1986

## EXHIBIT

Housing Authority of Hartsville  
C. Ansel Hughes, Chairman  
Post Office Drawer 1678  
Hartsville, South Carolina

DEC 16 1986 NO. 24

STATE BUDGET & CONTROL BOARD

Dear Mr. Hughes:

NCNB has agreed to lend \$1,000,000 to Hartsville Housing Authority for the purchase of the Lincoln Village Apartments located in Darlington County, South Carolina. Terms of loan and minimum requirements are as follows:

- (1) Purpose: Purchase property known as Lincoln Village Apartments. The project consists of 64 rental units and is located in Darlington County, South Carolina.
- (2) Terms of Loan: Fifteen (15) year amortization with a five (5) year call provision (Balloon payment of all remaining principal).
- (3) Interest Rate: Two types of rates are being submitted as follows (Rates are based on Bond Counsel's opinion that issue will be approved under tax-exempt status.):

	<u>1986</u>	<u>1987</u>	<u>1988</u>
A) Fixed Rate:	6.10%	8.02%	8.40%
B) Variable Rate: (to float as a percentage of Prime)			
% of Prime	71%	95%	99%
Rate	5.29%	7.12%	7.40%

Due to the pending change in the Federal Corporate tax rate, NCNB's tax rate will decline from 46% in 1986 to 40% in 1987 and 34% in 1988. In order to maintain a floating rate yield of  $P + 1\frac{1}{2}\%$  or a fixed rate yield of  $10\frac{1}{2}\%$  on tax-exempt loans, NCNB must quote a three tiered pricing schedule. Tax protection language will be included to protect against future changes in the 1986 Tax Act.

007319

# EXHIBIT

DEC 16 1986 NO. 24

## STATE BUDGET & CONTROL BOARD

- (4) Assuming the above listed terms of the loan and the interest rate (floor of 5.29% and cap of 12.5%), annual debt service payments will range between a low of \$98,724 and a high of \$152,141.
- (5) Form of Loan: Housing Revenue Bond.
- (6) Expiration Date of Commitment: December 31, 1986.
- (7) Security and Collateral: Will consist of the following.
  - A) Land (6.9 acres) and improvements thereon, known as Lincoln Village Apartments, located in Darlington County, South Carolina.
  - B) Assignment of the lease between Harris Teeter Supermarkets, Inc. and Mr. & Mrs. Marion Gandy, et. al.
  - C) One (1) story office building located on Lot A, Home Avenue, Darlington County, South Carolina.
  - D) Lot with improvements containing two (2) story townhouse apartment building on Home Avenue in Darlington County, South Carolina.
  - E) Lot and improvements containing Harris Teeter Supermarket on North Fifth Street in Darlington County, South Carolina.
  - F) Lots 13, 14, 27 and 28 located on Gandy Drive in Darlington County, South Carolina.
  - G) Lots 6, 29, 37, and 38 in Block A, Club Colony Subdivision. Lots 4, 17, 22 and a portion of lot 23 in Block D, Club Colony Subdivision. Lots 17, 18, 19, 20, 30, 31, 41 and 42, as well as portions of lots 21, 33, 34 and 40 in Block C, Club Colony Subdivision, Darlington County, South Carolina.
  - H) The personal guarantee of Mr. & Mrs. Marion Gandy.
- (8) Opinion of Counsel: The note and all other documents in regard to this note issue shall be in form and content satisfactory to bond counsel and the consummation of the issue is conditional upon the receipt of opinions of counsel on such matters as bond counsel McNair Law Firm may require, including but not limited to that all transactions affecting this transaction comply with all applicable federal and state laws and regulations and the note and all other documents in regard to the transaction are valid and enforceable in accordance with their terms.
- (9) Closing Expenses: All legal and other expenses incurred by NCNB and its counsel to be paid by Housing Authority of Hartsville, provided a reasonable estimate has been provided to Housing Authority of Hartsville prior to closing.

007320

C. Ansel Hughes  
December 10, 1986  
Page 3

# EXHIBIT

DEC 16 1986

NO. 24

## STATE BUDGET & CONTROL BOARD

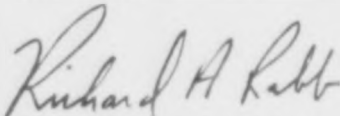
(10) The commitment is also contingent on the following:

- A) Satisfactory review of current financial information on Housing Authority of Hartsville.
- B) Current financial statement on Guarantors Mr. & Mrs. Marion Gandy.
- C) MAI appraisal on Lincoln Village Apartments evidencing an appraised value greater than \$1,000,000.
- D) Appraisal of all other collateral satisfactory to the Bank.
- E) Execution of detailed loan agreement.
- F) Escrow agreement drawn satisfactory to all parties to control distribution of revenues.

(11) Commitment Fee: 1% to be paid at closing.

Content and terms as spelled out above may not be inclusive of all normal terms and conditions that may be required by the Bank. Enclosed is a copy of this commitment letter along with an addressed envelope. Should you choose to accept this commitment, please sign the enclosed copy and return it to me as soon as possible. If you have any questions about this commitment, please feel free to call as we want to keep the avenues of communication open in this transaction. We look forward very much to doing business with the Housing Authority of Hartsville and look forward to seeing you soon.

Sincerely,



Richard A. Rabb

Accepted -

By: \_\_\_\_\_

007321

**HOUSING AUTHORITY OF HARTSVILLE, SOUTH CAROLINA**

**POST OFFICE DRAWER 1678**

**HARTSVILLE, SOUTH CAROLINA 29550**

**C. ANSEL HUGHES, CHAIRMAN  
FRANK E. MOUGH, VICE CHAIRMAN  
GEORGE E. GOUDELOCK  
TOMMIE MACK  
J. E. McGEE, SR.**

**LEON H. GADDY  
EXECUTIVE DIRECTOR**

**TELEPHONE  
(803) 332-1583**

December 4, 1986

**EXHIBIT**

DEC 16 1986

**NO. 24**

**STATE BUDGET & CONTROL BOARD**

Mr. Richard Radd  
Senior Vice-President  
NCNB of South Carolina  
Post Office Box 287  
Columbia, South Carolina 29202

Dear Mr. Radd:

The Housing Authority of Hartsville proposes to purchase an existing complex located in Hartsville, South Carolina, known as Lincoln Village, consisting of 64 dwelling units. These units are currently being subsidized under HUD Housing Assistance Program.

The Housing Authority will issue local Housing Authority Tax Exempt Bonds to provide financing for the complex. Power of the Housing Authority to borrow money upon its Bonds and to secure the payment by mortgage, pledge, or lien on the property is contained in the Code of Laws of South Carolina 1976, South Carolina State Housing Authority Law, Chapter 3, Article 5, Section 31-3-440.

Income generated from HUD Housing Assistance Program will be placed in an Escrow Account in an amount to cover Debt Service. (Please find attached a copy of the Proforma with the amount to Debt Service).

Please find listed below detailed information about the above mentioned Project that may prove to be helpful to everyone concerned in helping us to continue to provide decent, safe and sanitary housing in our area for low and moderate income people.

Prior to conversion Lincoln Village was a Section 23 Leased Housing Project. It is now being subsidized under our Section 8 Existing Program Annual Contribution Contract # A 3449 (E) (3). Our Annual Contribution Contract has 91 Certificates with a yearly maximum contribution amount of \$287,364.00.

With the Section 8 Existing Program the Landlord will enter into a Housing Assistance Payment Contract with a Public Housing Agency. Under this contract the Public Housing Agency will make Housing Assistance Payments to the Landlord to assist the family to lease the dwelling unit from the Landlord.

**007322**



(2.)

The total monthly rent payable to the Landlord is known as Contract Rent, this is the total amount the Owner will receive for this unit. This amount may be paid in full by the Public Housing Agency or part by the Public Housing Agency and part by the family.

The Contract Rent received by the Owner must also be within the Fair Market Rents for the area. These amounts are published by HUD in the Federal Register each year.

Please find listed below a current breakdown of the above mentioned Complex.

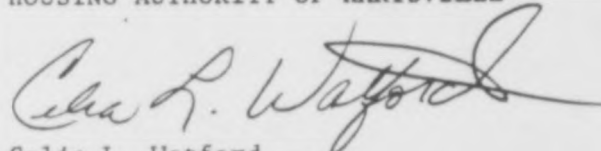
<u># OF UNITS</u>	<u>UNIT SIZE</u>	<u>CONTRACT RENT</u>
16	2	\$240.00
32	3	\$302.00
16	4	\$341.00

This Complex has a current potential annual income of \$227,520.00. Contract Rents listed above are within the current Fair Market Rents for Darlington County and are the actual rents received by the Owner.

Please advise if any additional information is needed. I will be glad to answer any questions you may have.

Sincerely,

HOUSING AUTHORITY OF HARTSVILLE



Celia L. Watford  
Interim Executive Director

Enclosure

CLW/rst

EXHIBIT

DEC 16 1986 NO. 24

STATE BUDGET & CONTROL BOARD

007323

# EXHIBIT

DEC 16 1986

NO. 24

## LINCOLN VILLAGE APARTMENTS

STATE BUDGET & CONTROL BOARD

### Income Projections

November 3, 1986

#### GENERAL:

Project consists of sixty-four (64) dwelling units. Project is currently subsidized under the HUD Section 8 Existing Housing Assistance Program. Rents reflected are within the current fair market rents for Darlington County and are the actual contract rents received by the owner.

#### INCOME:

SIZE	#UNITS	MONTHLY RENT	ANNUAL RENT
2 BR	16	240	\$ 46,080.00
3 BR	32	302	\$115,968.00
4 BR	16	341	<u>\$ 65,472.00</u>
GROSS INCOME			\$227,520.00

#### LESS EXPENSES OF:

Annual Reserve Fund	\$ 10,000.00
Vacancy 5%	\$ 11,376.00
Water and Sewer Service	\$ 21,000.00
Administration & Maintenance Staff	\$ 25,000.00
Insurance	<u>\$ 7,500.00</u>
TOTAL ANNUAL EXPENSES	<u>\$ 74,876.00</u>

ADJUSTED INCOME	\$152,644.00
DEBT SERVICE	<u>\$140,883.84</u>
NET INCOME	<u><u>\$ 11,760.16</u></u>

007324

# EXHIBIT

PROFORMA

DEC 16 1986

NO. 24

Lincoln Village Apartments  
Hartsville, South Carolina 29550

STATE BUDGET & CONTROL BOARD

## COST:

### HARD COST:

\$ 50,000.00

Building Rehab Cost  
Site Improvements

### SOFT COST:

\$ 50,000.00

Attorney and other legal fees  
Misc. Financing Costs  
Misc. (Insurance and Tax Accurals, Etc.)  
Appraisal

### ACQUISITION COST:

\$1,500,000.00

### TOTAL DEVELOPMENT COST

\$1,600,000.00

### DEBT SERVICE

\$1,600,00.00 @ 8% x 30 years

\$ 140,883.84

007325

Worksheet for  
Form 8 and Public Housing

U.S. Department of Housing  
and Urban Development  
Low-Income Housing Program



Instructions on the reverse of page 3

OMB No. 2577-0087 (exp. 7/31/88)

Issuing Agency (Name and Address)

State Authority of Hartsville  
Hartsville, South Carolina 29550

2. Project Number(s)

SC 29-3

3. Annual Contributions Contract Number

A-3450

4. Period Ended

9-30-86

Cash			
6	1111.1 General Fund (Development and/or Operation)	3856.37	
6	1111.2 General Fund (Unapplied Debt Service Funds)		
7	1111.3 General Fund (Modernization)		
8	1114 Security Deposit Fund		
9	1117 Petty Cash Fund	25.00	
10	1118 Change Fund		3881.37
Accounts Receivable			
11	1122 Tenants	1,946.37	
12	1124 Homebuyers		
13	1125 HUD		
14	1127 Advances for Security and Utility Deposits		
15	1129 Other	25,521.72	27,468.09
16	1130 Notes and Mortgages Receivable		
17	1145 Accrued Interest Receivable		
Advances			
18	1155 Limited Revolving Fund		
19	1156 Unlimited Revolving Fund		
20	1157 Other		
Investments			
21	1162 General Fund	23,121.48	
22	1163 Homeownership Reserve Funds		23,121.48
Debt Amortization Funds			
23	1171 Debt Service Fund		
24	1172 Advance Amortization Fund		
25	1173 Investments		
26	1174 Accrued Interest Receivable — Investments		
27	1176 HUD Annual Contributions Receivable	267,758.66	
28	1177 Deposits with HUD	5667.22	273,421.88
Deferred Charges			
29	1211 Prepaid Insurance	1,279.55	
30	1212 Insurance Deposits		
31	1256 Maintenance Work in Process		
32	1260 Inventories (Materials)		
33	1270 Inventories (Equipment)		
34	1290 Other		1,279.55
Land, Structures and Equipment			
35	1400.2 Development Cost	1,935,315.49	
36	1400.3 Less: Development Cost Contra	1,935,315.49	
37	1400.4 Land, Structures and Equipment	1,940,030.59	1,940,030.59
38	1510 Payments for Off-Site Utilities		
39	1620 Undistributed Debts — Ineligible Expenditures		697.00
Bid Guaranties			
40	1820 Undeposited Bid Guaranties		
41	1830 Less: Returnable Bid Guaranties — Contra		
Advances for Debt Amortization			
42	1860 Advances from General Fund to Debt Service Fund		
43	1870 Less: Refunds Due General Fund from Debt Service Fund		
44	Total Assets		2,269,899.96

General Fund includes \$ \_\_\_\_\_ representing proceeds from disposition of property reserved for replacement equipment or for such other purposes as provided in the annual contributions or administration contract.

Accrued annual leave of employees at the end of fiscal year \$ \_\_\_\_\_

Less Editions Are Obsolete



SING AUTHORITY OF HARTSVILLE

A-5450

9-30-86

45	2111	Vendors and Contractors			
46	2112	Contract Retentions			
47	2113	Performance Deposits			
48	2114	Tenants Security Deposits		7,223.43	
49	2118	HUD (Accounts 2118.1, 2118.3, & 2118.6)			
50		Other (Accounts 2115, 2117, & 2119)		16,196.84	23,420.27
<b>Notes Payable</b>					
51	2122	Project Loan Notes (HUD)			
52	2123	Administrative Notes (HUD)			
53	2126	Project Notes (Non-HUD)			
54	2129	Sundry Notes			
<b>Accrued Liabilities</b>					
55	2131.1	Interest Payable — Development Notes and Bonds (HUD)			
56	2131.2	Interest Payable — Administrative Notes (HUD)			
57	2131.3	Interest Payable — Other Notes — Deferred Payment (HUD)			
58	2132	Interest Payable — Notes (Non-HUD)			
59	2133	Interest Payable — Bonds (Non-HUD)			
60	2137	Payments in Lieu of Taxes		11,954.97	11,954.97
61		Other (Accounts 2134, 2135, 2136, & 2139)			
<b>Trust and Deposit Liabilities</b>					
62	2161	Homebuyers Ownership Reserve			
63	2162	Homebuyers Non-Routine Maintenance Reserve			
64	2165	Mortgagors Taxes and Insurance			
65	2166	Mortgagors Maintenance Reserve..			
66	2168	Annual Contributions for Security and Utility Deposit Funds Provided			
<b>Deferred Credits</b>					
67	2210	Prepaid Annual Contribution			
68	2240	Tenants Prepaid Rents			
69	2241	Prepaid Monthly Payments (Homebuyers)			
70	2260.1	Investment Income — Homebuyers Ownership Reserve (Unapplied)			
71	2260.2	Investment Income — Homebuyers Ownership Reserve (Applied)	( )		
72	2261.1	Investment Income — Homebuyers Non-Routine Maintenance Reserve (Unapplied)			
73	2261.2	Investment Income — Homebuyers Non-Routine Maintenance Reserve (Applied)	( )		
74	2290	Other			
<b>Fixed Liabilities</b>					
75	2311	Permanent Notes (HUD)		1,870,819.50	
76	2312	Permanent Notes (F.F.B.)			
77	2321	Series 'A' Notes and Bonds Issued			
78	2322	Series 'A' Notes and Bonds Retired	( )		
79	2331	Series 'B' Notes and Bonds Issued			
80	2332	Series 'B' Notes and Bonds Retired	( )		
81	2341	New Housing Agency Bonds Issued			
82	2342	New Housing Agency Bonds Retired	( )		
83	2361	Other Notes Payable to HUD (Deferred)			1,870,819.50
<b>Contract Awards</b>					
84	1810	Contract Awards — Contra			
85	1800	Less: Uncompleted Contracts			
86		Total Liabilities			1,906,194.74



Housing Agency		Annual Contributions Contract No.	Period Ended
Authority of HARTSVILLE		A-3450	9-30-86
Total Liabilities (Item 86 on page 2)			1,906,194.74
Surplus			
2810	Unreserved Surplus	(465,837.73)	
2820	Operating Reserve (Locally Owned Proj.)	21,072.25	
2821	Operating Reserve (Leased Projects)		
2823	Operating Reserve (Home Ownership Projects)		
2824	Operating Reserve (Section 23 HAP Projects)		
2825	Contingency Reserve (Unfunded Section 23 HAP Projects)		
2826	Operating Reserve (Section 8 HAP Projects)		
2826.1	Operating Reserve (Housing Voucher Projects)		
2827	Project Account (Unfunded Section 8 HAP Projects)		
2827.1	Project Subsidy Account (Unfunded-Housing Voucher Program)		
2827.2	Project Fee Account (Unfunded-Housing Voucher Program)		
Total Surplus from Operations		(444,765.48)	
2840	Cumulative HUD Annual Contributions	808,470.70	
2850	Cumulative Donations		
2855	Cumulative Proceeds from Sale of Dwellings		
2856	Cumulative Contributions by Homebuyers for Property		
2860	Book Value of Projects Conveyed by HUD		
2870	Less: Contract Payments to HUD	( )	
2880	Development Cost (Undeveloped Projects)	( )	
2890	Book Value of Capital Assets Conveyed to Homebuyers	( )	363,705.22
Total Surplus and Liabilities			2,269,899.96
Form (Signature, Title, and Date)		Person Approving Form (Signature, Title, and Date)	
 E. R. Green ACCOUNTANT 10-20-86		EXHIBIT DEC 16 1986 NO. 24	

STATE BUDGET & CONTROL BOARD

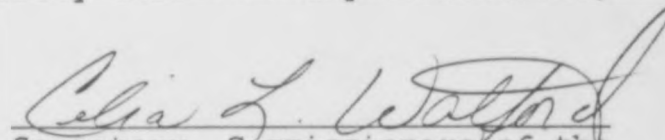
FINANCIAL STATEMENTS DO NOT REFLECT APPLICATION OF DEBT SERVICE FUNDS FOR THE FISCAL YEAR ENDED 9-30-85. THE HARTSVILLE HOUSING AUTHORITY AS OF 10-10-86 HAD NOT RECEIVED HUD 52910 FOR FISCAL YEAR ENDED 9-30-86. PER INSTRUCTIONS PER TELEPHONE CONVERSATION WITH IRENE WASHINGTON, HUD ANNUAL CONTRIBUTIONS BRANCH, WASHINGTON, DC, ON 10-9-86, THE FINANCIAL STATEMENTS WERE PREPARED WITHOUT DEBT SERVICE TRANSACTIONS.

007328

STATE OF SOUTH CAROLINA	)	
	)	CERTIFIED COPY OF BOND
CITY OF HARTSVILLE	)	RESOLUTION

I, the undersigned being the duly qualified and acting Secretary of the Commissioners of the Housing Authority of Hartsville, South Carolina (the "Authority"), do hereby certify that attached hereto is a copy of a Resolution authorizing the issuance and sale of not exceeding \$1,600,000 Mortgage Revenue Bonds (Lincoln Village Apartments), Series of 1986, of the Authority adopted by the Commissioner at a meeting duly called and held on December , 1986, at which a quorum was present and acting throughout, which Resolution has been compared by me with the original thereof, and that such Resolution has been duly adopted and has not been modified, amended or repealed and is in full force and effect on and as of the date hereof in the form attached hereto.

In witness whereof, I have hereunto set my hand and the official seal of the Authority this 10th day of December, 1986.

  
 Secretary, Commissioners of the  
 Housing Authority of  
 Hartsville, South Carolina

(SEAL)

**EXHIBIT**

DEC 16 1986 NO. 24

STATE BUDGET & CONTROL BOARD

007329

A RESOLUTION

AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$1,600,000 MORTGAGE REVENUE BONDS (LINCOLN VILLAGE APARTMENTS), SERIES OF 1986, OF THE HOUSING AUTHORITY OF HARTSVILLE, SOUTH CAROLINA; AND OTHER MATTERS IN CONNECTION WITH THE FOREGOING.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF HARTSVILLE, SOUTH CAROLINA, AS FOLLOWS:

Section 1. Findings and Determinations. The Commissioners of the Housing Authority of Hartsville (the "Authority") hereby find and determine:

(a) The Authority was created on November 16, 1967, by resolution of the Hartsville City Council pursuant to the Act.

(b) Pursuant to the provisions of Section 31-3-310 to 31-3-600 Code of Laws of South Carolina, 1976, as amended (the "Enabling Statute"), the Authority is empowered to acquire any lands, structures or buildings for any housing project and further possesses the power to borrow money upon its bonds and secure the repayment thereof by mortgage, pledge or lien upon the property held by it and/or the revenues or income therefrom.

(c) Act No. 396 (1986 Acts) provides that following a determination made by the Authority that a series of bonds must be sold and a finding that the revenues or other moneys estimated to thereafter be available for the repayment thereof will provide moneys required for the payment of the bonds, the Authority must submit certain information to the State Budget and Control Board.

(d) The owners of certain housing facilities in the City of Hartsville known as Lincoln Village Apartments (the "Project") have offered to sell the Project to the Authority for the sum of \$1,600,000 .

(e) In order to finance the acquisition of the Project, it is necessary and in the best interest of the Authority to issue \$1,600,000 mortgage revenue bonds. The revenues or other moneys estimated to thereafter be available for the repayment of such bonds will provide money required for the payment of such bonds.

Section 2. Approval and Authorization of Project. There is hereby approved and authorized the undertaking of the acquisition of the Project.

007330

369

Section 3. Authorization of Bonds. Pursuant to the Enabling Statute as amended by Act No. 396 and this Resolution, there is hereby authorized to be issued mortgage revenue Bonds of the Authority in the principal amount of \$1,500,000 for the purpose of defraying the cost of the acquisition of the Project, including any engineering, architectural, legal or other expenses related or incidental thereto. The Bonds shall be designated \$1,600,000 Mortgage Revenue Bonds (Lincoln Village Apartments), Series of 1986, of the Housing Authority of Hartsville, South Carolina" (the "Bonds").

The Bonds shall be authorized by and issued pursuant to and subject to the terms and conditions of a resolution to be hereafter adopted by the Authority and shall be secured by a mortgage or other security agreement as the Authority and the purchase of the Bonds may agree upon.

The Bonds shall be special obligations of the Authority secured by and payable solely from the moneys, income and receipts of the Authority pledged thereto.

Section 4. The proper officers of the Authority shall prepare and present to the State Budget and Control Board the information prescribed by Act No. 396 which shall among other things set forth the pertinent terms and provisions relating to the Bonds and the outstanding bonds, if any, of the Authority. The Commissioners hereby authorize the Chairman, Secretary/Executive Director and attorney for the Authority to execute such documents and instruments as necessary to effect the issuance of the Bonds. 369

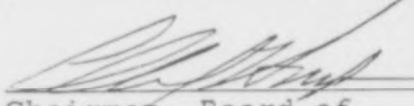
Section 5. Effectiveness of Bond Resolution. This Bond Resolution will become effective upon its adoption.

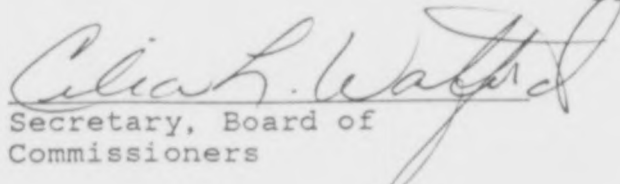
Adopted this 10th day of December 1986.

(SEAL)

HOUSING AUTHORITY OF  
HARTSVILLE, SOUTH CAROLINA

ATTEST:

  
Chairman, Board of  
Commissioners

  
Secretary, Board of  
Commissioners

007331



## HARTSVILLE HOUSING AUTHORITY

Item F(6) and (7)

The annual debt service of the proposal bonds are as follows:

	\$1,000,000 Bond to NCNB		\$600,000 Note to M. M. Gandy		Total
	Principal	Interest	Principal	Interest	
1987	\$ 66,667	\$ 77,526	\$ 0	\$ 48,120	\$192,313
1988	66,667	75,600	0	50,400	192,667
1989	66,667	70,000	0	50,400	187,067
1990	66,667	64,400	0	50,400	181,467
1991	66,667	58,800	0	50,400	175,867
1992	66,667	53,200	0	50,400	170,267
1993	66,667	47,600	0	50,400	164,667
1994	66,667	42,000	0	50,400	159,067
1995	66,667	36,400	0	50,400	153,467
1996	66,667	30,800	0	50,400	147,867
1997	66,667	25,200	0	50,400	142,267
1998	66,667	19,600	0	50,400	136,667
1999	66,667	14,000	0	50,400	131,067
2000	66,667	8,400	0	50,400	125,407
2001	66,667	2,800	0	50,400	119,867
Unpaid Balances after 15 years	- 0 -		600,000		

The above schedules are based on a level amortization of principal over 15 years for the \$1,000,000 NCNB bond and a payout after 15 years through refinancing of the \$600,000 note. Interest is based on a fixed rate of 10.5% adjusted to reflect the effect of tax-free equivalency of interest on the indebtedness. For 1987 the adjusted rate is 8.02% per annum and for 1988 and thereafter, the rate is 8.04% per annum.

M. M. Gandy has agreed to accept a moratorium on interest to the extent gross costs less operating expenses and a reasonable reserve for maintenance and upkeep are not adequate to fund the interest. Any portion not paid will be added to the principal balance as of each year end and the combined balance shall bear interest for the ensuing year.

007332



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

EXHIBIT

DEC 16 1986

NO. 24

STATE BUDGET & CONTROL BOARD

ROBERT E. MCNAIR  
TERRELL L. GLENN  
JAMES S. KONDURIS  
O. WAYNE CORLEY  
E. MALEDO SECRETARY  
CHARLES PORTER  
ROBERT W. DIMBLE, JR.  
EMORY M. SNEEDEN  
STEPHEN KOPLAN\*  
RICHARD S. WOODS  
RICHARD L. C. SULLIVAN  
H. JOHN BOWEN, JR.  
JOHN H. LUMPKIN, JR.  
M. WILLIAM YOUNGBLOOD, JR.  
JOHN W. CURRIE  
BRETT DAWSON\*  
SCOTT E. BARNES  
M. ELIZABETH CRUM  
THEODORE J. HOPKINS, JR.  
DANIEL R. MALEDO, JR.  
WILLIAM S. ROSE, JR.  
HUEL D. ADAMS, JR.

JAMES R. FIELDS, JR.  
M. CRAIG GARNER, JR.  
BRENTON D. JEFFCOAT  
ROBERT T. BOCKMAN  
EDWIN W. JOHNSON  
PETER L. MURPHY  
C. ALAN BUNYAN  
JOHN W. FOSTER  
ELIZABETH VAN DOREN GARY  
WILMOT B. WYNN  
ARIEL C. LUCAS  
ROBERT E. STEAR  
KATHLEEN CRUM MCKINNEY  
E. RUSSELL JETER, JR.  
WILLIAM MICHAEL HOUSE\*  
CARL B. CARRUTH  
JOHN W. HUNTER\*  
J. WESLEY CRUM  
RICHARD J. MORGAN  
J. SIMON FRASER  
CHRISTOPHER MCG. HOLMES  
DEBORAH R. OWEN\*

SARA S. ROGERS  
DOROTHY M. HELMS  
NANCY RAGE  
SANDRA L. RANDELMAN  
JANE W. TRANKLEY  
J. LYLES GLENN IV  
CELESTE TILLER JONES  
KATHERINE ELIZABETH MIMS  
JOSEPH D. WALKER  
NANCY B. JEFFERS  
ALISON RENEE LEE  
MARTHA R. MUMFORD  
GREGORY D. DALGACH  
WILLIAM ASHLEY JORDAN, JR.  
MICHAEL M. BEAL  
DEBORAH ANN DAVIS  
ELIZABETH BOWE ANDERS  
WILLIAM M. MUISER  
SHARON E. CRAWLEY  
T. PARKIN HUNTER  
ROBERT E. MCMAHAN, JR.

\*NOT ADMITTED IN SOUTH CAROLINA

December 10, 1986

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

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

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

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

Mr. William A. McInnis  
Deputy Executive Director  
Post Office Box 12444  
Wade Hampton Building, Room 618  
Columbia, South Carolina 29211

DELIVERED BY HAND

RE: Housing Authority of Hartsville, South Carolina,  
Mortgage Revenue Bonds (Lincoln Village Project),  
1986, \$1,600,000  
File No. 7260/3086

Dear Bill:

Enclosed is a transmittal form and the documents listed thereon in regard to the above referenced bond issue of the Housing Authority of Hartsville. The Petition of the Authority is prepared in accordance with Act No. 396 (1986 Acts). Additionally, the following items are submitted pursuant to the proposed regulations of the Budget and Control Board in considering bond issues by city housing authorities:

1. A copy of a commitment letter from NCNB to purchase a portion of the bonds. The remainder of the financing will be in the form a purchase money mortgage to the existing owner of the project. The bank and the existing owner will execute the appropriate investment letter containing a representation that satisfactory financial information has been provided by the Authority and that the bonds are being purchased for investment rather than resale purposes. I will forward a copy of such letter to you in the near future.
2. A copy of a letter dated December 4, 1986, of the Interim Executive Director of the Housing Authority of Hartsville, describing the project and setting forth income projections.

007333

# EXHIBIT

DEC 16 1986 NO. 2 4

Mr. William A. McInnis  
December 10, 1986  
Page 2

STATE BUDGET & CONTROL BOARD

3. A copy of a breakdown of the project and revised income projections on the project.
4. The project will be owned, operated and managed by the Housing Authority of Hartsville in compliance with regulations of the Department of Housing and Urban Development.

On behalf of the Housing Authority of Hartsville, I request that this matter be placed on the Budget and Control Boards agenda for its meeting to be held on December 16.

If you should have any further questions please contact me. With kind regards, I am

Yours very truly,

MCNAIR LAW FIRM, P.A.

*Daniel R. McLeod*

By: Daniel R. McLeod, Jr.

DRM/mma

Enclosures

cc: Mr. Matthew L. Cannarella, Mayor, City of Hartsville  
Mr. Ansel C. Hughes, Chairman of the Housing Authority of Hartsville  
J. Alex Stanton, Esquire  
Mr. Marion Gandy  
(with enclosures)

007334

DEC 10 1986

12:58 P.M.

## TRANSMITTAL FORM, REVENUE BONDS

Date: December 10, 1986  
 Submitted for BCB Meeting on:  
December 16, 1986

## FROM:

McNair Law Firm, P.A.  
 Name of Law Firm  
Columbia, South Carolina  
 City, State, Zip Code

RE: \$1,600,000  
 Amount of Issue  
Housing Authority of Hartsville  
 Issuing Authority Name

EXHIBIT

NO. 24

DEC 16 1986

STATE BUDGET &amp; CONTROL BOARD

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

P.O. Box 11390 - 1301 Gervais Street  
 Street Address/Box Number  
 (803) 799-9800  
 Telephone Area Code and Number

Mortgage Revenue Bonds  
 Type of Bonds or Notes  
December 31, 1986  
 Projected Issue Date

Project Name: Lincoln Village Apartments

## Project Description:

An existing housing complex located in the City of Hartsville containing 64 dwelling units the project is currently subsidized under the Housing & Urban Development

Section 8 Existing Housing Assistance Program.

Employment as result of project: N/A

## CEILING ALLOCATION REQUIRED

Yes (\$         ) X No  
 Amount

## REFUNDING INVOLVED

Yes (\$         ) X No  
 Amount

## PROJECT APPROVED PREVIOUSLY

Yes (        ) X No  
 Date

## DOCUMENTS ENCLOSED:

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

- A. X Petition (executed original and two copies)  
 B. X Resolution or ordinance (executed copy)  
 C.      Inducement Resolution or comparable preliminary approval (executed copy)  
 D.      \* Standard Form Investment Letter from bonds purchaser (executed original)  
 (Purchaser: NCNB and Marion Gandy)

OR      Audited financial statements for three most recent years

E.      Department of Health and Environmental Control certificate IF REQUIRED

F. X Budget and Control Board Resolution and ~~Public Notice~~ (original)

[Plus 3 copies for certification and return to counsel]

G. n/a Processing fee

Amount \$                                  Check No.                 

Payor   

\* To be supplied.

Bond Counsel: Daniel R. McLeod, Jr.

Typed Name

By: Daniel R. McLeod, Jr.

Signature

007335

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

DEC 16 1986  
8:35 A.M.

*LG*

ENCLOSURE MEMO

TO: William A. McInnis  
South Carolina State Budget &  
Control Board  
Wade Hampton Building, Room 618  
Columbia, South Carolina 29211

RE: City of Hartsville, South Carolina,  
Housing Facilities Revenue Bonds, 1986,  
\$1,600,000 File No. 7260/3086

Date: December 15, 1986

Herewith the following:

Enclosed is an executed petition of the  
Housing Authority of Hartsville.

Should you have any questions please contact  
me.

EXHIBIT

DEC 16 1986 NO. 24

STATE BUDGET & CONTROL BOARD

007336

By

*Daniel R. McLeod*

Daniel R. McLeod, Jr.

/mma

# EXHIBIT

STATE OF SOUTH CAROLINA )  
 )  
CITY OF HARTSVILLE )

DEC 16 1986

NO. 24

STATE BUDGET & CONTROL BOARD

-----  
TO: STATE BUDGET AND )  
CONTROL BOARD OF )  
SOUTH CAROLINA )  
-----

PETITION

This Petition of the Housing Authority of Hartsville, South Carolina (the "Authority"), is submitted to the State Budget and Control Board of South Carolina (the "Board"), pursuant to Act No. 396 (1986 Acts) (the "Act") and respectively shows:

1. The Act provides that following a determination made by the Authority that a series of bonds must be sold and a finding that the revenues or other moneys estimated to thereafter be available for the repayment of the bonds will provide the moneys required for the payment of the bonds, the Authority shall submit certain information to the Board.

2. Pursuant to a Resolution duly adopted by the Authority on December 9, 1986, the Authority has authorized the issuance of not exceeding \$1,600,000 Mortgage Revenue Bonds (Lincoln Village Apartments), Series of 1986 (the "Bonds") and made such determinations as required by Act No. 396. A certified copy of such Resolution is attached as Exhibit A.

3. The principal amount of Bond proposed to be issued is not to exceed \$1,600,000.

4. The proceeds of the Bonds will be used to purchase an existing housing complex located in the City of Hartsville known as Lincoln Village Apartments which contains sixty-four dwelling units. The project is currently subsidized under the Housing and Urban Development's Section 8 Existing Housing Assistance Program.

5. The maturity schedule for the Bonds is attached hereto as Exhibit B.

6. Attached as Exhibit C is a schedule showing the annual debt service requirements on all outstanding notes or bonds of the Authority.

7. Also shown on Exhibit C is a schedule showing the amount and source of revenues available for the payment of the debt service requirements on the Authority's outstanding notes and bonds.

007337



8. \$1,000,000 of the Bonds will be sold to NCNB South Carolina. \$600,000 of the Bonds will be sold to Marion Gandy, the present owner of the Lincoln Village Apartments.

Wherefore, on the basis of the foregoing, the Authority requests that Board give its approval to the issuance of the Bonds.

Respectfully submitted,

Housing Authority of Hartsville,  
South Carolina

By: 

Chairman, Commissioners of  
the Housing Authority of  
Hartsville, South Carolina

December 9, 1986

**EXHIBIT**

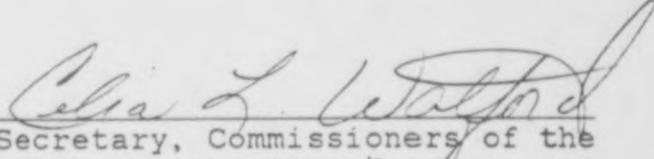
DEC 16 1986 NO. 24

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA    )  
                                  )  
CITY OF HARTSVILLE         )    CERTIFIED COPY OF BOND  
                                  )    RESOLUTION

I, the undersigned being the duly qualified and acting Secretary of the Commissioners of the Housing Authority of Hartsville, South Carolina (the "Authority"), do hereby certify that attached hereto is a copy of a Resolution authorizing the issuance and sale of not exceeding \$1,600,000 Mortgage Revenue Bonds (Lincoln Village Apartments), Series of 1986, of the Authority adopted by the Commissioner at a meeting duly called and held on December , 1986, at which a quorum was present and acting throughout, which Resolution has been compared by me with the original thereof, and that such Resolution has been duly adopted and has not been modified, amended or repealed and is in full force and effect on and as of the date hereof in the form attached hereto.

In witness whereof, I have hereunto set my hand and the official seal of the Authority this 10th day of December, 1986.

  
Secretary, Commissioners of the  
Housing Authority of  
Hartsville, South Carolina

(SEAL)

EXHIBIT

DEC 16 1986    NO. 24

STATE BUDGET & CONTROL BOARD

007339

DEC 16 1986

NO. 24

## A RESOLUTION

AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$1,600,000 MORTGAGE REVENUE BONDS (LINCOLN VILLAGE APARTMENTS), SERIES OF 1986, OF THE HOUSING AUTHORITY OF HARTSVILLE, SOUTH CAROLINA; AND OTHER MATTERS IN CONNECTION WITH THE FOREGOING.

STATE BUDGET &amp; CONTROL BOARD

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF HARTSVILLE, SOUTH CAROLINA, AS FOLLOWS:

Section 1. Findings and Determinations. The Commissioners of the Housing Authority of Hartsville (the "Authority") hereby find and determine:

(a) The Authority was created on November 16, 1967, by resolution of the Hartsville City Council pursuant to the Act.

(b) Pursuant to the provisions of Section 31-3-310 to 31-3-600 Code of Laws of South Carolina, 1976, as amended (the "Enabling Statute"), the Authority is empowered to acquire any lands, structures or buildings for any housing project and further possesses the power to borrow money upon its bonds and secure the repayment thereof by mortgage, pledge or lien upon the property held by it and/or the revenues or income therefrom.

(c) Act No. 396 (1986 Acts) provides that following a determination made by the Authority that a series of bonds must be sold and a finding that the revenues or other moneys estimated to thereafter be available for the repayment thereof will provide moneys required for the payment of the bonds, the Authority must submit certain information to the State Budget and Control Board.

(d) The owners of certain housing facilities in the City of Hartsville known as Lincoln Village Apartments (the "Project") have offered to sell the Project to the Authority for the sum of \$1,600,000.

(e) In order to finance the acquisition of the Project, it is necessary and in the best interest of the Authority to issue \$1,600,000 mortgage revenue bonds. The revenues or other moneys estimated to thereafter be available for the repayment of such bonds will provide money required for the payment of such bonds.

Section 2. Approval and Authorization of Project. There is hereby approved and authorized the undertaking of the acquisition of the Project.

007340

Section 3. Authorization of Bonds. Pursuant to the Enabling Statute as amended by Act No. 396 and this Resolution, there is hereby authorized to be issued mortgage revenue bonds of the Authority in the principal amount of \$1,500,000 for the purpose of defraying the cost of the acquisition of the Project, including any engineering, architectural, legal or other expenses related or incidental thereto. The Bonds shall be designated "\$1,600,000 Mortgage Revenue Bonds (Lincoln Village Apartments), Series of 1986, of the Housing Authority of Hartsville, South Carolina" (the "Bonds").

The Bonds shall be authorized by and issued pursuant to and subject to the terms and conditions of a resolution to be hereafter adopted by the Authority and shall be secured by a mortgage or other security agreement as the Authority and the purchase of the Bonds may agree upon.

The Bonds shall be special obligations of the Authority secured by and payable solely from the moneys, income and receipts of the Authority pledged thereto.

Section 4. The proper officers of the Authority shall prepare and present to the State Budget and Control Board the information prescribed by Act No. 396 which shall among other things set forth the pertinent terms and provisions relating to the Bonds and the outstanding bonds, if any, of the Authority. The Commissioners hereby authorize the Chairman, Secretary/Executive Director and attorney for the Authority to execute such documents and instruments as necessary to effect the issuance of the Bonds.


Section 5. Effectiveness of Bond Resolution. This Bond Resolution will become effective upon its adoption.

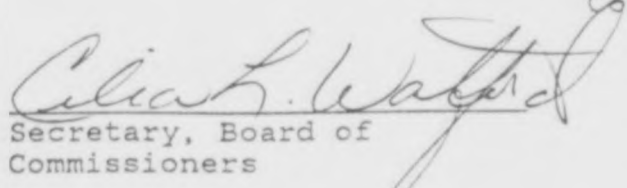
Adopted this 10th day of December 1986.

(SEAL)

ATTEST:

HOUSING AUTHORITY OF  
HARTSVILLE, SOUTH CAROLINA

  
Chairman, Board of  
Commissioners

  
Secretary, Board of  
Commissioners

EXHIBIT

DEC 16 1986

NO. 24

STATE BUDGET & CONTROL BOARD

007341

## HARTSVILLE HOUSING AUTHORITY

Item F(6) and (7)

The annual debt service of the proposal bonds are as follows:

	\$1,000,000 Bond to NCNB		\$600,000 Note to M. M. Gandy		Total
	Principal	Interest	Principal	Interest	
1987	\$ 66,667	\$ 77,526	\$ 0	\$ 48,120	\$192,313
1988	66,667	75,600	0	50,400	192,667
1989	66,667	70,000	0	50,400	187,067
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2000	66,667	8,400	0	50,400	125,407
2001	66,667	2,800	0	50,400	119,867
Unpaid Balances after 15 years	- 0 -		600,000		

The above schedules are based on a level amortization of principal over 15 years for the \$1,000,000 NCNB bond and a payout after 15 years through refinancing of the \$600,000 note. Interest is based on a fixed rate of 10.5% adjusted to reflect the effect of tax-free equivalency of interest on the indebtedness. For 1987 the adjusted rate is 8.02% per annum and for 1988 and thereafter, the rate is 8.04% per annum.

M. M. Gandy has agreed to accept a moratorium on interest to the extent gross costs less operating expenses and a reasonable reserve for maintenance and upkeep are not adequate to fund the interest. Any portion not paid will be added to the principal balance as of each year end and the combined balance shall bear interest for the ensuing year.

## EXHIBIT

DEC 16 1986

NO. 24

HARTSVILLE HOUSING AUTHORITY CONTROL BOARD

007342



EXHIBIT C

The Authority is presently indebted to the Department of Housing and Urban Development (HUD) in the amount of \$1,870,819.50 payable in annual installments of \$133,879.33. Debt service is paid from annual contributions from HUD

EXHIBIT

DEC 16 1986

NO. 24

STATE BUDGET & CONTROL BOARD

007343

# EXHIBIT

DEC 16 1986

NO. 25

STATE BUDGET AND CONTROL BOARD  
MEETING OF December 16, 1986

STATE BUDGET & CONTROL BOARD  
REGULAR SESSION  
ITEM NUMBER

9

AGENCY: Executive Director

SUBJECT: Permanent Improvement Projects

Budget and Control Board approval is requested for the following permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee:

On Summary 10-87:

**WITHDRAWN**

A. Item 16: Agency: Department of Corrections  
Project: 48-Bed Drug/Alcohol Treatment Unit  
Request: Establish project and budget  
Amount: \$307,191  
Source: Capital Improvement Bonds & Capital Expenditure Funds  
Purpose: Consists of 48-bed addition to the Watkins Pre-Release Center and an administration building which will contain treatment, program services and office space.

B. Item 17: Agency: Parole & Community Corrections  
Project: 60-Bed Midlands Restitution Center Construction  
Request: Establish project and budget  
Amount: \$347,844  
Source: Other funds (Court Fees and Fines)  
Purpose: To construct a 60-bed Restitution Center and renovation of an existing house (Warden's former residence) with inmate labor on State land located at the Manning Correctional Institution in Richland County. An Attorney General's Office opinion has been secured which agrees with this proposed use of the funds involved. It had been thought that the agency might be allowed only to lease such facilities.

On Summary 11-87:

C. Item 2: Agency: Technical & Comprehensive Education  
Project: 8642, Trident-Palmer Campus Brown Bldg Renovation  
Request: Increase budget to \$3,765,500  
Amount: \$515,500  
Source: Other (Local) funds  
Purpose: Expenditures exceeded budgeted amount. Also, revise scope to include new equipment for the Culinary Arts program and cover added costs of Phase I.

D. Item 6: Agency: Vocational Rehabilitation  
Project: Rock Hill-Additional Land Purchase  
Request: Establish project and budget  
Amount: \$24,400  
Source: Other (Workshop Production) funds  
Purpose: To purchase from York County approximately 2 acres of additional land to guarantee free access to all sides of original tract (7.09 acres) purchased by project 8678 entitled Rock Hill Land Purchase. The price of \$11,700 is the price paid for the land by York County in February of 1986.

007344

# EXHIBIT

DEC 16 1986

NO. 25

STATE BUDGET AND CONTROL BOARD MEETING OF December 16, 1986

STATE BUDGET & CONTROL BOARD  
ITEM NUMBER

9

, Page 2

AGENCY: Executive Director

SUBJECT: Permanent Improvement Projects

E. Item 7: Agency: Department of Corrections  
Project: Goodman Correctional Institute Cafeteria  
Request: Establish project and budget  
Amount: \$700,000  
Source: Capital Expenditure Fund  
Purpose: To construct a cafeteria with the capability to feed 400 inmates. The current cafeteria was designed to support an inmate population of 187 and has been feeding a population in excess of 350 since 1978.

On Summary 13-87:

F. Supplement 1 Agency: B&C Bd-General Services (for DSS)  
Project: North Tower Computer Installation Upfitting  
Request: Establish project and budget  
Amount: \$347,500  
Source: Appropriated State and Federal funds  
Purpose: Preparation of building to receive a new uninterruptible power supply system to support a new mainframe computer which is to serve the Department of Social Services. A 20-ton air conditioner is included.

G. Supplement 2 Agency: Parks, Recreation & Tourism  
Project: Caesar's Head-Mountain Bridge Acq  
Request: Establish project and budget  
Amount: \$155,000  
Source: Appropriated State funds  
Purpose: The acquisition of 1.9 acres and two houses on parcel in order to expand recreational development at Caesar's Head. PRT advises that this is the land in-holding in the Mountain Bridge park. The property has been appraised for \$166,000. Present owner is anxious to close this transaction before year-end due to tax law changes.

BOARD ACTION REQUESTED:

Approve permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee.

ATTACHMENTS:

Referenced summary extracts plus attachments.

007345

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

SUMMARY 10-87 Page 1 of 16  
Forwarded to JBRC 11/06/86

Item Agency: N04 Dept of Corrections Project: 9335, 48-Bed Drug/Alcohol Treatment Unit  
16.

Action  
Proposed: Establish project.

Total budget.....\$ 307,191.00  
[0] Capital Improvement Bonds.....\$ 109,826.00  
[5] Capital Expenditure Fund.....\$ 197,365.00

Purpose: A 48-bed addition to the Watkins Pre-Release Center and an administration building which will contain treatment, program services and office space. Funds are being requested to be transferred from excess funds remaining involving the construction of temporary units. The availability of the needed additional operating cost of \$775,200 and the additional 23.0 FTE is uncertain at this time.

Ref: Supporting document pages 48-52d.

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

Budget After Action Proposed	
Source	Amount
Capital Improvement Bonds	109,826.00
Capital Expenditure Fund	197,365.00

TOTAL FUNDS 307,191.00

Item Agency: N08 Parole & Comm Corrections Project: 9336, 60-Bed Midlands Restitution Center Const  
17.

Action  
Proposed: Establish project.

Total budget.....\$ 347,844.00  
[9] Other.....\$ 347,844.00

Purpose: To construct a 60-bed Restitution Center and renovation of an existing house (Warden's former residence) with inmate labor on state land located at the Manning Correctional Institution in Richland County. Agency is requesting to apply earmarked court fine funds appropriated for leasing/renovations of restitution centers for the construction cost of this project.

Ref: Supporting document pages 53-60.

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

Budget After Action Proposed	
Source	Amount
Other	347,844.00

TOTAL FUNDS 347,844.00

EXHIBIT  
DEC 16 1986 NO. 2  
STATE BUDGET & CONTROL BOARD

007346

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
November 1, 1986 Through November 15, 1986

SUMMARY 11-87 Page 1 of 6  
Forwarded to JBRC 11/19/86

Item Agency: H59 Tech & Comp Education Project: 8642, Trdnt-Palmer Campus Brown Bldg Renov

2.

Action

Proposed: Increase budget from \$ 3,250,000.00 to \$ 3,765,500.00

(Add \$ 515,500.00 [9] Other, Local)

Purpose: Expenditures exceeded budgeted amount. Also, revise scope to include new equipment for the Culinary Arts program and cover overrun of Phase I.

Ref: Supporting document pages 4-6.

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

Budget After Action Proposed	
Source	Amount
Federal	212,500.00
Other	3,553,000.00

TOTAL FUNDS 3,765,500.00

Item Agency: H73 Vocational Rehab Project: 9337, Rock Hill-Additional Land Purchase

6.

Action

Proposed: Establish project.

Total budget.....\$ 24,400.00  
[9] Other, Workshop Production.....\$ 24,400.00

Purpose: To purchase approximately 2 acres of additional land to guarantee free access to all sides of original tract (7.09 acres) purchased by project 8678 entitled Rock Hill Land Purchase. Land is being purchased from York County at the same price (see attached purchase agreement) of \$11,700 per acre.

Ref: Supporting document pages 14-28.

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

Budget After Action Proposed	
Source	Amount
Other	24,400.00

TOTAL FUNDS 24,400.00

Item Agency: N04 Dept of Corrections Project: 9338, Goodman Correctional Inst Cafeteria

7.

Action

Proposed: Establish project.

Total budget.....\$ 700,000.00  
[5] Capital Expenditure Fund.....\$ 700,000.00

Purpose: To construct a cafeteria with the capability to feed 400 inmates. The current cafeteria was designed to support an inmate population of 187 and has been feeding a population in excess of 350 since 1978. The entire structure and it's equipment is simply "worn out" and does not meet required Federal, State and Nelson Agreement standards in the area of health, sanitation and safety. Funds are being transferred from project 9075 (item 18) entitled General Renovations. Existing cafeteria facility will be utilized for a visitation area and canteen and commissary space, none of which is currently adequate for the population.

Ref: Supporting document pages 29-31.

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

Budget After Action Proposed	
Source	Amount
Capital Expenditure Fund	700,000.00

TOTAL FUNDS 700,000.00

STATE BUDGET & CONTROL BOARD  
DEC 16 1986  
EXHIBIT  
NO. 25

007347



10-87 (16)

Packet Number

PROJECT PROPOSAL AND JUSTIFICATION STATEMENT

FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR 86-87

1. PROJECT IDENTIFIERS:

A. Agency: Number N04 Name South Carolina Department of Corrections  
B. Contact Person: Jerry S. Edwards Phone: 737-8493  
C. Project Name: 48-Bed Drug/Alcohol Treatment Unit # 9335  
D. Facility Affected: Name Watkins Pre-Release Center Number: 32322

2. PROJECT DESCRIPTION (What does it consist of? Attach supporting documentation):

This project consists of a 48-bed addition to the Watkins Pre-Release Center and a administration building which will contain treatment, program services and office space.

Site Description: (Attach a map showing project location)

Location: Richland 40 Columbia Watkins Pre-Release Cnt  
county code city site

3. PROJECT JUSTIFICATION (What does it consist of? Attach supporting documentation):

This project will provide the Department of Corrections with a special capability to treat selected non-violent inmates with serious drug or alcohol addiction. Currently, 38% of our inmate population is estimated to have had a drug dependence problem prior (What specific needs does this project address?): to their incarceration. This facility will provide a closely supervised drug-free environment which will provide an opportunity for the motivated inmate to re-enter society with a much improved chance of remaining drug-free, therefore greatly reducing the possibility of his or her committing future crimes. The target group will be minimum security inmates nearing the end of their

4. ALTERNATIVES CONSIDERED AS A MEANS OF MEETING NEEDS SPECIFIED IN #3: sentences.

No feasible alternatives.

5. PRIORITY: This project is priority number: 1 of 1 projects proposed in this program.

6. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs?

Yes X No      If yes, complete and attach addendum A-49.

EXHIBIT

7. ESTIMATES OF PROPOSED PROJECT COSTS:

A. Total estimated cost of project \$ 307,191.00

DEC 16 1986

NO. 25

B. Total estimated cost of project includes the following (1. through 10. STATE BUDGET & CONTROL BOARD)

- (1) \$                      Planning/design services
- (2)                      Site work (including utilities)
- (3)                      Central energy systems repair/replacement
- (4)                      Mechanical systems repair/replacement
- (5)                      General renovation/repair of floor space (Gross sq. ft.                     )
- (6)                      Roof repair/replacement
- (7)                      Construction of additional floor space: (Gross sq. ft.                     )
- (8) 46,191.00 Equipment/supplies
- (9)                      Purchase of facilities: (Floor space, gross sq. ft.                     )  
(Land, acres:                     )
- (10) 261,000.00 Other (Specify: Construction of Facility)

\$ 307,191.00 Total (Same as 7 A)

007348

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7. C. Total estimated cost of project by broad purpose. Total cost: \$ 307,191.00  
(equals 1 through 8, below and is same as 7A)

1. Purchase land	\$ _____	5. Restore facility	\$ _____
2. Purchase facility	\$ _____	6. Maintain facility	\$ _____
3. Demolish facility	\$ _____	7. Replace facility	\$ _____
4. Construct additional facility	\$ _____	8. Other: <u>Construct Facility/Equip.</u>	\$ <u>307,191.00</u>

8. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR:

A. Estimated expenditures and expenditure purposes, this FY: 86-87 \$ 307,191.00  
(Expenditure purposes (use 7B categories): Construct Facility/Equipment)

B. Estimated expenditures after this FY: \$ - 0 -

C. Total (Same as 7A, 7B and 7C): \$ 307,191.00

9. PROPOSED SOURCES OF FUNDS: Type	Amount	Revenue Code	Treasurer ID Number	Sub Fund	Mini Code	Object Code
(0) Capital Improvement Bonds	\$ <u>109,826.00</u>	<u>8115</u>	<u>02003900</u>	<u>3043</u>	<u>9001</u>	<u>0700</u>
(1) Dept Capital Imp Bonds						
(2) Inst (tuition) Bonds						
(3) Revenue Bonds						
(4) Excess Debt Service						
(5) Capital Expenditure Fund	<u>53,852.00</u>	<u>8895</u>	<u>53000700</u>	<u>3603</u>	<u>9001</u>	<u>0700</u>
"	<u>35,815.00</u>	<u>8895</u>	<u>53000700</u>	<u>3603</u>	<u>9001</u>	<u>0700</u>
"	<u>107,698.00</u>	<u>8895</u>	<u>53000700</u>	<u>3603</u>	<u>9001</u>	<u>0700</u>
(9) Other						
TOTAL (Same as 7A)	\$ <u>307,191.00</u>					

10. Submitted By:

Authorized Official: William D. Leeke, Commissioner  
Typed Name and Title and Signature

Date Submitted 12/31/86  
FY Submitted 86-87

11. APPROVED (For Board Use Only):

Typed Name and Title and Signature  
PROJECT NUMBER \_\_\_\_\_  
PROJECT NAME \_\_\_\_\_

Date 007349

# ADDENDUM TO FORM A-1, A-13, A-23

Form-Addendum A-49

## ADDITIONAL ANNUAL OPERATING COSTS RELATED TO PERMANENT IMPROVEMENT PROJECT

(Copy this form as needed; submit completed, typed original as attachment to original A-1, or A-13, or A-23.)

AGENCY NUMBER: N04 AGENCY NAME: South Carolina Department of Corrections

NAME OF PROJECT: 48-Bed Drug/Alcohol Treatment Unit - Watkins Pre-Release Center Priority 1 of 1.

Complete the left side (below) for all additional annual operating costs attributable to the project. The dollar number entered for each year should be the amount of increase in operating costs over the year prior to the completion of this project. (Example: Assume that operating costs the year prior to the project completion were \$100; after project completion, the operating cost will be \$115; the FY 1 line then will show a \$15 increase in the total column and by financing source. Assume FY 2 costs will be \$120; line 2 then will show a \$20 increase in the total column and by financing source.)

Complete the right side (below) for additional annual personal service costs and number of positions attributable to the project. The dollar number and the position number entered for each year should be the amount of increase in number of positions and personal service costs over the year prior to the completion of the project. (For example, see paragraph above.) Note that the additional costs for personal services are included in the total additional operating costs entered in the left side of the form.

### ADDITIONAL ANNUAL OPERATING COSTS RELATED TO PROJECT

FISCAL YEAR (Start with FY project is to be completed.)	TOTAL ADDITIONAL OPERATING COSTS Projected Financing Sources				PERSONAL SERVICE COSTS ONLY# Projected Financing Sources				
	Gen. Funds	Federal	Other*	Total	Gen. Funds	Federal	Other*	Total	
								Amount	Positions
(1) FY 87-88	306,000		469,200	775,200	\$186,000 ( 9 )	\$ ( )	\$ 350,000 ( 14 )	\$536,000	23
(2)					\$ ( )	\$ ( )	\$ ( )	\$	
(3)					\$ ( )	\$ ( )	\$ ( )	\$	
(4)					\$ ( )	\$ ( )	\$ ( )	\$	
(5)					\$ ( )	\$ ( )	\$ ( )	\$	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

\*Specify what "Other" sources are.

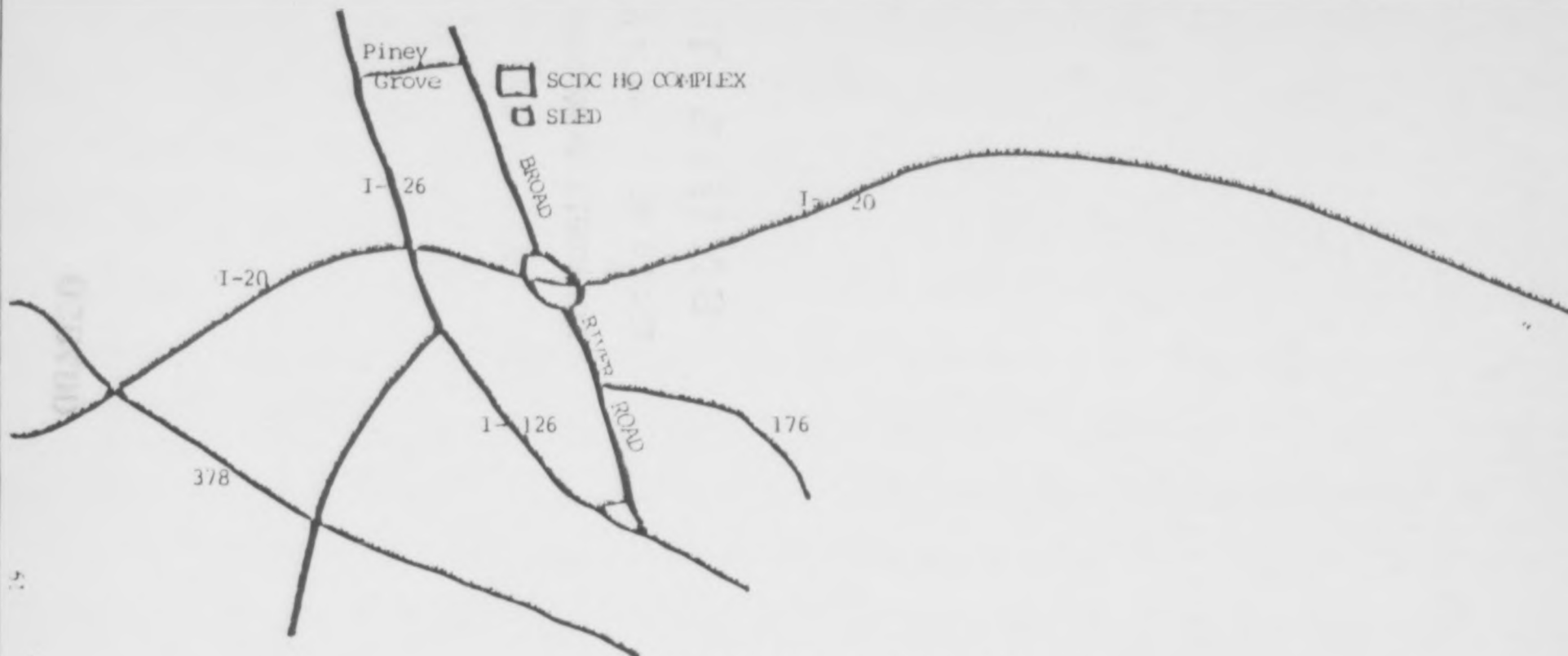
Show additional positions in parenthesis where appropriate.

\*Professional staff is to be funded as outlined in the Code Section 44-53-588 S.C. Code 1976 as amended

007350

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EXHIBIT  
DEC 16 1986  
NO. 25  
STATE BUDGET & CONTROL BOARD



#### DIRECTIONS TO SCDC HEADQUARTERS COMPLEX

Administration Building  
Construction Division  
Engineering & Maintenance Division  
Support Services Division  
Campbell Work Release Center

Goodman Correctional Institution  
Kirkland Correctional Institution  
Watkins Pre-Release Center  
Walden Correctional Institution  
Women's Correctional Center

#### VIA INTERSTATE 20

Take Broad River Road exit - go North for 2½ miles to Headquarters.

#### VIA INTERSTATE 26 WEST FROM GREENVILLE/SPARTANBURG

Take Piney Grove Road Exit - go South for 1½ miles to Broad River Road - turn right and Headquarters is one-tenth mile on left.

#### VIA INTERSTATE 26 EAST FROM CHARLESTON

Take Bush River Road Exit - go East for 2 miles to Broad River Road - go North for 3 miles to Headquarters.

007351

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# south carolina department of corrections

P.O. BOX 21787 4444 BROAD RIVER ROAD/COLUMBIA, SOUTH CAROLINA 29221 1787  
TELEPHONE (803) 737 8555  
WILLIAM D. LEEKE, Commissioner

October 30, 1986

## EXHIBIT

DEC 16 1986

NO. 25

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis  
Deputy Executive Director  
Budget and Control Board  
Post Office Box 12444  
Columbia, South Carolina 29201

Dear Mr. McInnis:

The attached A-Forms are submitted under the interim process procedures as set forth in the Manual for Planning and Execution of State Permanent Improvements.

This project will allow the Department of Corrections to build a 48-bed treatment facility addition to the Watkins Pre-Release Center, for the purpose of providing intensive treatment and counseling for selected non-violent inmates who have known drug or alcohol addiction and who are nearing the end of their sentences. In addition to providing this Department with the capability to treat addicted inmates, the facility will provide 48 minimum security beds which will help alleviate our current overcrowded condition.

The program was developed with the advise and agreement of the State Commission on Alcohol and Drug Abuse.

We propose to fund this project by transferring funds saved from the construction of the five 96-bed temporary barracks as shown on the attached A-23's.

Your prompt and favorable action on this request will be appreciated.

Sincerely,

*Hubert M. Clements*

Hubert M. Clements, Ed.D.  
Deputy Commissioner for Administration

HMC:elz

007352

### BOARD OF CORRECTIONS

GOETZ B. EATON  
Chairman  
Anderson, S.C.

NORMAN KIRKLAND  
Vice-Chairman  
Bamberg, S.C.

CHARLES C. MOORE  
Secretary  
Spartanburg, S.C.

CLARENCE E. WATKINS  
Member  
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Mt. Pleasant, S.C.

EUGENE N. ZEIGLER  
Member  
Florence, S.C.

GOV. RICHARD W. RILEY, Member, Ex-Officio, Columbia, S.C.

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11/3/86

PROPOSAL  
FOR AN  
ALCOHOL AND DRUG TREATMENT UNIT  
WATKINS PRE-RELEASE CENTER

Introduction

A committee comprised of representatives of the Department of Corrections, the Department of Parole and Community Corrections and the State Commission on Alcohol and Drug Abuse met to develop this plan for the treatment unit.

Problem Statement

During FY86, 43 percent of the inmates admitted to the Department Corrections reported that they committed their offenses while under the influence of alcohol and/or drugs. Three hundred fifty of the incoming inmates were admitted for DUI offenses.

Impact Statement

This facility and program will provide the Department of Corrections with the capability to implement an intensive, inter-disciplinary, short-term, residential treatment program for inmates with alcohol and drug problems. In addition, the program will include a statewide system for aftercare services to continue the treatment process for inmates released from the unit. This system will utilize the resources of both state and local agencies and organizations, including AA, NA and other volunteer groups.

The goal of this program is to reduce the recidivism of offenders with alcohol and drug abuse problems.

Facility

It is being proposed a 48-bed male dormitory be built at Watkins Pre-Release Center in Columbia. Attached to this building will be offices and activity areas for staff and inmates for a comprehensive alcohol and drug treatment program.

Recommended components for these offices and activity areas are:

- 1) Fourteen private offices for treatment counselors and administrative staff.
- 2) Five sound proof group rooms. Two of the rooms should be large enough to accommodate 25 to 30 persons each. A one-way mirror should be installed in one of the rooms for training purposes.
- 3) A lounge large enough to accommodate 50 persons which will be used during the day and evenings.

- 4) A multi-purpose building for AA/NA meetings, community meetings, recreational activities and weights/exercise area.

The existing cafeteria will serve the new dorm.

#### Program

The alcohol and drug abuse program will be a voluntary, highly structured, residential treatment program. Female inmates will be transported to the unit from the Women's Correctional Center.

The projected length of the program will be 60 days; however, the inmate's time in the program will be contingent upon his/her progress in treatment.

The program activities will be scheduled for seven days a week and will include orientation and educational sessions, individual and group therapy, lectures, films, as well as other treatment approaches developed by the staff. When possible, involvement of families will be a part of the program. The 60-day program will be divided into several defined phases including: assessment/evaluation, orientation, education, treatment, discharge and institutional or community-based aftercare.

#### Referrals to the Program

Referrals of inmates to the unit can be made by the Reception and Evaluation Center or other institutions based upon the needs of the inmate and the program selection criteria. Priority will be given to inmates as they near eligibility for work/pre-release. Referral to the unit would require the recommendation by both the institutional classification officer and the social worker and is subject to approval by the institution warden. Acceptance to the program would depend upon treatment unit staff and the superintendent of the Watkins Pre-Release Center.

An objective of the program is to schedule inmates in such a manner to facilitate the continuity of treatment programming back to the community. Additionally, scheduling would follow a logical sequence of pre-release and work release activities leading to placement in the community-based programs such as extended work release, probation, and parole.

#### Aftercare

Aftercare programming will occur for inmates leaving the unit and returning to correctional facilities as well as for those released to probation, parole and community-based programs. For inmates going back to correctional facilities, institutional case management will ensure appropriate utilization of Vocational Rehabilitation, AA/NA and other treatment/social work services important to the success of the inmate.

Inmates released to community-based programs (extended work release, probation and parole) will be referred to local treatment agencies for continuing alcohol and drug treatment services. In addition, other local programs such as Vocational Rehabilitation, AA and NA will be utilized. Case management for probationers and parolees will be provided by the Department of Parole and Community Corrections.

#### Staffing

In order to provide the intensive, seven-day-a-week treatment regimen desirable, the following treatment staffing is proposed.

- 6 Six alcohol and drug counselors
- 1 One social worker (family program coordinator)
- 3 Three administrative support staff
- 1 One medical technician
- 2 Two activity therapists
- 1 One psychologist

14  
In addition, the unit will contract with a licensed psychologist for consultant services to provide a totally independent, periodic assessment of the treatment program. The facility will also expand their contract with the Department of Vocational Rehabilitation to provide assessment and aftercare services.

Staffing would include recovering persons. AA and NA volunteers would be utilized in the treatment process.

#### Drug Testing

Based upon 60 inmates participants and weekly testing at \$7 per test, total cost for drug testing will be about \$22,000 per year. It is recommended that these tests be used only for program purposes by treatment staff and not for disciplinary actions. Written guidelines for drug testing should be established.

#### Department of Corrections

The Department of Corrections proposes to use construction monies for the building of the 48-bed dorm and space for the unit - both offices and program areas. However, the use of these funds for this project is subject to the approval of the Budget and Control Board and the Joint Bond Review Committee.

In addition, the Department of Corrections will provide for a unit manager to oversee the program and eight correctional officers to provide security.

1 manager  
8 correctional officers } existing Department of Corrections  
23 total

Budget Summary - Treatment Component Only

<u>Number</u>	<u>Position</u>	<u>Grade</u>	<u>Salary Mid-Point</u>	<u>Total</u>
5	Counselors	29	\$22,840	\$114,200
2	Counselors	32	25,693	51,386
2	Administrative Support Specialist B	20	16,047	32,094
1	Administrative Support Specialist C	22	17,355	17,355
1	Medical Technician I	27	21,118	21,118
2	Activity Therapist I	24	18,773	37,546
1	Psychologist II	32	25,693	25,693
	Salaries			\$299,392
	Fringe (at .19%)			56,884
	Total			\$356,276

Five counselors (Social Worker III, Bachelor's Degree plus three year's experience), two counselors (Social Worker IV, Master's plus three year's experience).

Contract Psychologist

12 hours/month X 12 months/year @ \$75 per hour = \$10,800/year

Expanded Contract - Vocational Rehabilitation

\$20,000

Travel

12 staff X \$300 = \$3,600

2 staff X \$1,200 = 2,400

Total \$6,000

Training

14 staff X \$300 each/year = \$4,200

Office Supplies

14 staff X \$300 each/year - \$4,200

Equipment

\$74,000

TR/ha1/10-31-86(2)

007356



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

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



Box 12444  
Columbia  
29211

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

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

November 5, 1986

The Honorable Horace C. Smith, Chairman  
Joint Bond Review Committee  
410 Gressette Building  
Columbia, South Carolina 29201

Dear Senator Smith:

Summary 10-87, Permanent Improvement Project Actions Proposed By:

B&C Bd-General Services	Deaf & Blind School
John de la Howe School	The Citadel
Mental Health	Clemson University
Francis Marion	Dept of Corrections
Winthrop College	State College
Parole & Comm Corrections	Youth Services
Medical University	Dept of Agriculture
Tech & Comp Education	Wildlife & Marine Res
Wil Lou Gray Op School	Parks, Rec & Tourism
Vocational Rehabilitation	Highway & Public Trans

The referenced summary includes 47 items. Twenty are submitted for the Committee's review and 27 are submitted for information.

The Committee's attention is called to Item 15 for John de la Howe School. The agency is requesting to increase the budget on the Therapeutic Wilderness Camping Facilities by \$158,685, from \$245,000 to \$403,685. As proposed, the amended project would be funded by \$200,000 in appropriated 1986-87 special item funds, \$103,685 in 1985-86 proviso authorized carry-forward state funds and \$100,000 in Duke Endowment funds. The additional funds will allow for an increase in square footage, enabling the educational component to be housed with the program facility.

→ In Item 16 (48-Bed Drug/Alcohol Treatment Unit - \$307,191), the Department of Corrections is proposing a new facility at the Watkins Pre-Release Center for the purpose of providing intensive treatment and counseling for selected non-violent inmates who have known drug or alcohol addiction and who are nearing the end of their sentence. The program, developed with the advice and agreement of the State Commission of Alcohol and Drug Abuse, will provide 48 minimum security beds which will help alleviate the current prison overcrowded condition. The agency proposes to fund this project by transferring \$109,826 of remaining excess capital improvement bond funds authorized for "facilities expansion, phase III, construction and equipment" from the original two 96-bed temporary units approved March 11, 1986. An additional amount of \$197,365 of capital expenditure funds

007357



The Honorable Horace C. Smith, Chairman  
November 5, 1986  
Page Two

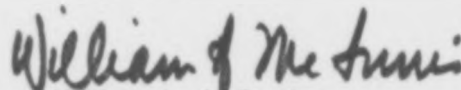
identified as excess of the \$900,000 included for "temporary buildings (3)" in the initial Capital Expenditure Fund Appropriation Act (Act 548 of 1986) is being requested to be utilized as the remaining funding source.

It should be noted that the availability of the additional other operating cost (\$775,200 and 23 FTE - refer to attachments 50-52d) for FY 1987-88 is uncertain at this time. The Department of Corrections has indicated that it will provide the 8 correction officers and the unit manager from existing FTE's. The funding and provision of FTEs for the additional 14 professional staff and other operating cost has not been determined. As of this time no state agency has formally requested any funds or FTE for this program. The tentative statement of additional operating cost indicates that state funds of \$306,000 and other funds of \$469,200, comprised of some mix of Omnibus Criminal Justice Improvements Act funds and proceeds received from the sale of forfeited items seized in drug related convictions, will be utilized for the budget support of this program.

In Item 17 (60-Bed Midlands Restitution Center - \$347,844), the Department of Parole and Community Corrections is proposing to construct a new facility of approximately 7,000 square feet and renovate the existing 3,000 square foot former warden's residence to serve as a restitution center as provided by the Omnibus Criminal Justice Improvements Act of 1986. The Manning Correctional Institution (Richland County) location will be leased from the Department of Corrections at \$1.00 per year and it is anticipated that inmate labor will be utilized for construction. The agency is requesting to apply earmarked court fine funds appropriated for leasing/renovations to fund the cost of this project. If successful, this method of providing restitution centers could become an alternative for the four additional facilities anticipated in January of 1988 and 1989.

Please let us know if you need additional information on any of these items.

Sincerely,



William A. McInnis  
Deputy Executive Director

WAM:sm

Enclosure

cc: Lib Croft, Katherine Hepfer, Bill Clement, Jerry Branham, Sue Hooks, Scott Inkley, Jim Paschal, Baron Holmes, Preston Cantrell, Charlie Shaw, Jack Sprott, Robert Barton, Paul Manly, Jack Wilson, Milford Hunter, George Young, Owen Martin, Larry Lorick, L. L. Battiste, Frank Sanders, Tucker Johnson, Pearce Thomson, Ed Kaylor, Dan Ramage, Don Peterson, John Reeves, Beth McClure, Sam Drew, T. E. Ringer, E. B. McDaniel

007358

10-31-86  
For Board Use Only

10-27 (17)

Packet Number

PROJECT PROPOSAL AND JUSTIFICATION STATEMENT  
FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR \_\_\_\_\_

1. PROJECT IDENTIFIERS:

A. Agency: Number N08 Name Parole and Community Corrections  
B. Contact Person Tom Cleary Phone: 734-9244  
C. Project Name 60-Bed Midlands Restitution Center Construction # 9336  
D. Facility Affected: Name \_\_\_\_\_ Number \_\_\_\_\_

2. PROJECT DESCRIPTION (What does it consist of? Attach supporting documentation):

60 Bed Restitution Center (see attached supplemental information)

Site Description: (Attach a map showing project location)

Location: Richland county code city Manning Correctional Facility site

3. PROJECT JUSTIFICATION (What does it consist of? Attach supporting documentation)

Cost - Effective Approach (see cover letter)

DEC 16 1986

NO. 2 5

(What specific needs does this project address?):

STATE BUDGET & CONTROL BOARD

Provides for a probationary sentence option for non-violent offenders who would otherwise be incarcerated.

4. ALTERNATIVES CONSIDERED AS A MEANS OF MEETING NEEDS SPECIFIED IN #3:

Commercial lease for facility

5. PRIORITY: This project is priority number 1 of 1 projects proposed in this program.

6. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs?

Yes \_\_\_\_\_ No X If yes, complete and attach addendum A-49.

7. ESTIMATES OF PROPOSED PROJECT COSTS:

A. Total estimated cost of project \$ 347,844

B. Total estimated cost of project includes the following (1. through 10.=7A above)

- (1) \$ - 0 - Planning/design services  
(2) 22,000 Site work (including utilities)  
(3) - 0 - Central energy systems repair/replacement  
(4) - 0 - Mechanical systems repair/replacement  
(5) 23,000 General renovation/repair of floor space (Gross sq. ft.: 3000)  
(6) - 0 - Roof repair/replacement  
(7) 302,844 Construction of additional floor space: (Gross sq. ft.: 7000)  
(8) - 0 - Equipment/supplies  
(9) - 0 - Purchase of facilities: (Floor space, gross sq. ft.: \_\_\_\_\_)  
(Land, acres: 2.1)  
(10) 000000 Other (Specify) \_\_\_\_\_

\$ 347,844 Total (Same as 7 A)

007359

53

7. C. Total estimated cost of project by broad purpose: Total cost: \$ 347,844  
 (equals 1 through 8, below and is same as 7A)

1. Purchase land	\$ -	5. Restore facility	\$ 23,000
2. Purchase facility	\$ -	6. Maintain facility	\$ -
3. Demolish facility	\$ -	7. Replace facility	\$ -
4. Construct additional facility	\$ 324,844	8. Other:	\$ -

8. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR:

A. Estimated expenditures and expenditure purposes, this FY: 87 \$ 347,844  
 (Expenditure purposes (use 7B categories): \_\_\_\_\_)

B. Estimated expenditures after this FY: \$ -

C. Total (Same as 7A, 7B and 7C): \$ 347,844

9. PROPOSED SOURCES OF FUNDS: Type	Amount	Revenue Code	Treasurer I D Number	Sub Fund	Mini Code	Object Code
(0) Capital Improvement Bonds	\$					
(1) Dept Capital Imp Bonds						
(2) Inst (tuition) Bonds						
(3) Revenue Bonds						
(4) Excess Debt Service						
(6) Appropriated State						
(7) Federal						
(8) Athletic						
(9) Other	347,844	5701	98800100	3948	0695	0700
TOTAL (Same as 7A)	\$ 347,844					

10. Submitted By:

Authorized Official: Frank B. Sanders, Exec. Dir.

(Typed Name and Title and Signature)

Date Submitted 10/31/86

FY Submitted 87

11. APPROVED (For Board Use Only):

Typed Name and Title and Signature

PROJECT NUMBER \_\_\_\_\_

PROJECT NAME: \_\_\_\_\_

002360  
Date

54

2. Project Description: "The Omnibus Criminal Justice Improvements Act of 1986" provided, among other things, for the establishment of Restitution Centers as a probationary sentence option for nonviolent offenders. This project involves the construction of a 60-bed Restitution Center and renovation of an existing house (Warden's former residence) with inmate labor on state land located at the Manning Correctional Institution in Richland County (see cover letter for additional description).

SECRET

007361



South Carolina Department of Parole and Community Corrections

HON. MARION BEASLEY  
CHAIRMAN  
DISTRICT FOUR

HON. RHETT JACKSON  
SECRETARY  
DISTRICT TWO

HON. JOHN E. HUSS, D.D.  
DISTRICT ONE

HON. DR. JERRY M. NEAL  
DISTRICT THREE



FRANK B. SANDERS  
EXECUTIVE DIRECTOR

GRADY A. WALLACE  
COMMISSIONER

HON. H. L. LACKEY  
VICE CHAIRMAN  
MEMBER-AT-LARGE

HON. LEE R. CATHCART  
DISTRICT FIVE

HON. WALTER N. LAWSON  
DISTRICT SIX

ADDRESS: 2221 DEVINE STREET  
P. O. BOX 50666  
COLUMBIA, S. C. 29250

October 31, 1986

The Honorable Horace C. Smith  
Senator - District No. 13  
410 Gressette Building  
Columbia, South Carolina 29202

RE: Project Proposed and Justification Statement for  
Annual Permanent Improvement Program for FY87 (Enclosed)

Dear Senator Smith:

Please find attached a request from the Department of Parole and Community Corrections to the Joint Bond Review Committee. It is my understanding that our request is not typical of matters normally brought to the Joint Bond Review Committee's attention. Therefore, I am taking the liberty of writing a cover letter in addition to the standard forms that are filled out by the requesting Agency.

As you will recall, the Omnibus Crime Bill gave new responsibilities and resources to the Department of Parole and Community Corrections to offer meaningful alternatives to incarceration. A centerpiece of this legislation was the authorization and appropriation of funds to the Department of Parole and Community Corrections to open restitution centers. Based upon our request the General Assembly provided monies for our Agency to lease existing facilities to utilize as restitution centers with the first two sites being operational by January, 1987.

While we are moving in this direction in Greenville, we have encountered a considerable obstacle in the Columbia area. Our original proposal in Columbia was to convert a vacant downtown hotel. At the very last moment we were told that our action would require zoning changes. Simultaneously we received considerable opposition by some

007362



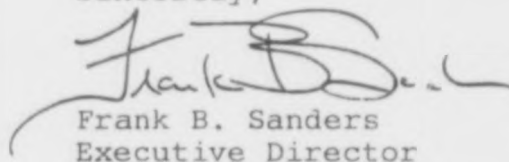
elected officials in the Columbia area. I felt it was ill advised to move into a downtown area unless the community was receptive or at least neutral about the matter. Our decision to not proceed with the downtown site is perhaps a blessing in disguise. Our thoughts turned to securing or leasing existing state property and having prisoners construct a specifically designed facility which will meet our needs. Commissioner Leeke has agreed with his Board's endorsement to the leasing of sufficient land so that a center may be constructed by inmate labor. The site is located on the grounds outside of the perimeter fence at Manning Correctional Institution. He has also agreed to lease us the existing Warden's house which is no longer used as living quarters. A lease agreement for a nominal amount is being drafted by our legal counsels.

We are requesting to convert funds (earmarked court fines) currently appropriated for leasing/renovations for use in constructing a 60-person restitution center utilizing prison labor. We think that by constructing this facility in the Columbia area with prison labor we can actually pay for the facility with what it would cost to renovate and commercially lease an existing facility over a two year period. If those efforts are successful we may ask for approval to construct, with inmate labor, the four additional facilities anticipated in January 1988 and January 1989.

Obviously this would provide a great savings to the state in the long run, put prisoners to work and, specifically with the Manning site, allow residents of the restitution center to see on a daily basis what the consequences will be if they do not live up to their conditions of probation.

I would like to thank you and other members of the Joint Bond Committee in advance for considering this request.

Sincerely,

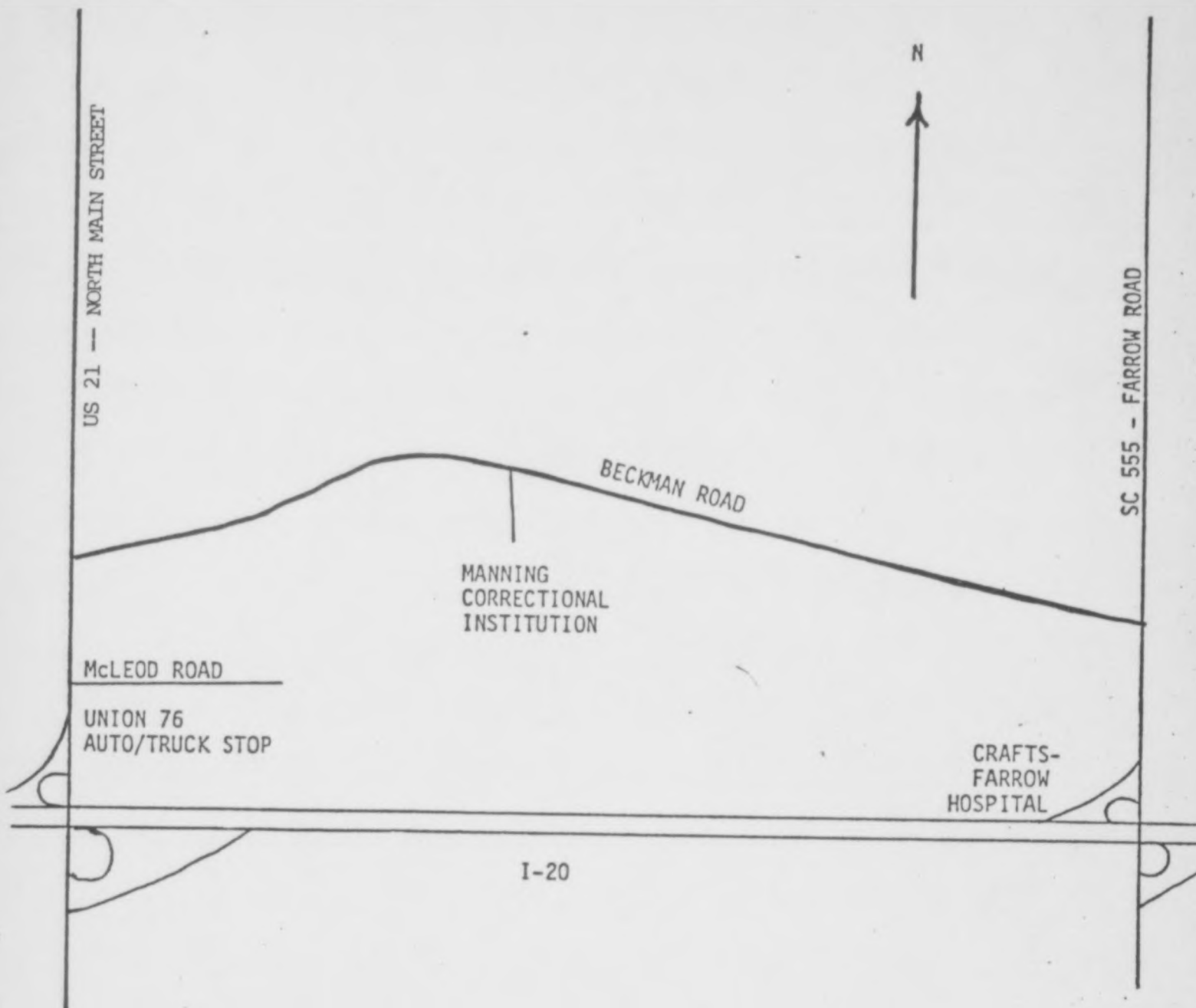
  
Frank B. Sanders  
Executive Director

FBS/pls  
(smith.2)

cc Scott Inkley

007363

*Leave Green  
Smithing  
Columbia*



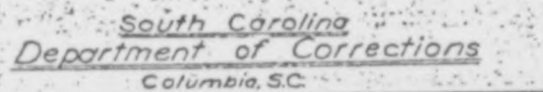
MANNING CORRECTIONAL INSTITUTION IS LOCATED ON A SITE ADJOINING CRAFTS-FARROW STATE HOSPITAL. FROM INTERSTATE - 20, EXIT NORTH ON EITHER US 21 (NORTH MAIN STREET) OR SC 555 (FARROW ROAD). PROCEED APPROXIMATELY 1/2 MILE TO BECKMAN ROAD - RIGHT OFF US 21 - LEFT OFF SC 555. THE ENTRANCE TO THE INSTITUTION IS CLEARLY MARKED. VISITORS MAY PARK AND ENTER THE SECURITY OFFICE LOCATED AT THE FRONT GATE.

007364

THIS CASE MAY HAVE SOME OR ALL OF THE FOLLOWING DEFECTS WHICH MAY BE QUESTIONABLE WHEN READING. IN SPECIAL PROBLEM AREAS, THIS ROLL NOTE MAY BE REFILMED BEFORE THE DOCUMENT OR DOCUMENTS IN QUESTION.

1. PHOTOCOPY NOT CENTERED PROPERLY CUTTING OFF SOME OF THE INFORMATION.
2. DOCUMENTS ARE OF POOR QUALITY AND MAY NOT PHOTOGRAPH WELL.
3. DOCUMENTS DAMAGED OR TORN BEFORE ARRIVING FOR FILMING.
4. DOCUMENTS CONTAIN A DOUBLE-COPY IMAGE, THE UNDERLYING IMAGE IS IRRELEVANT TO THE READABLE INFORMATION.
5. DOCUMENTS WITH GLUED INSERTS WHICH WERE OR COULD NOT BE REMOVED, INFORMATION MAY OR MAY NOT BE UNDER THE INSERT.
6. OVERSIZED DOCUMENTS THAT COMPRISE TWO OR MORE FRAMES.
7. EXTREMELY DARK COLORED DOCUMENTS THAT LACK CONTRAST BETWEEN WRITING AND BACKGROUND.
8. THE NUMBERED PAGES OF THESE FILES MAY APPEAR TO BE MISSING, OR NUMBERED WRONG.

007365



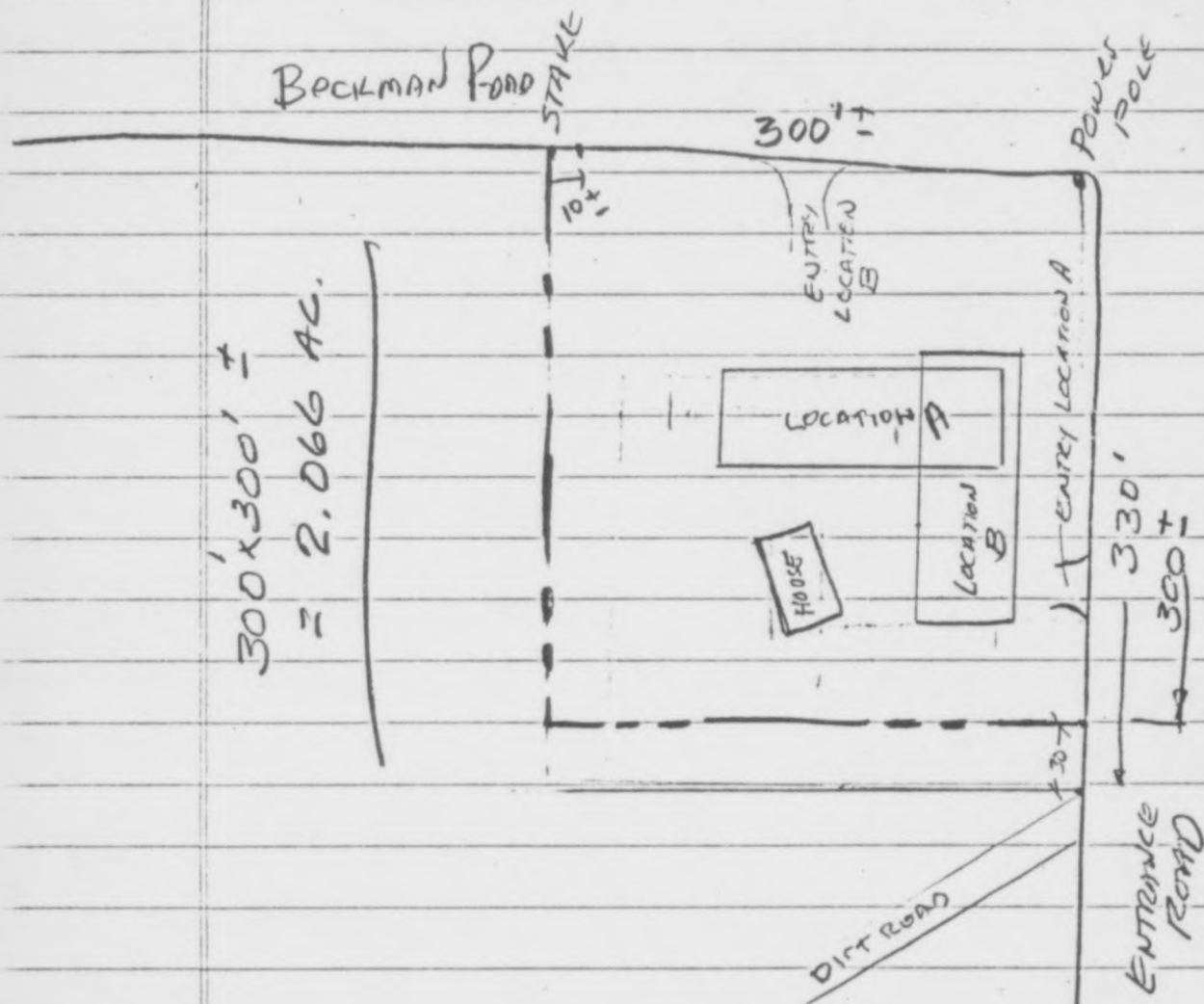
W. D. Leeke; \_\_\_\_\_ Director  
C. A. Leath; PE \_\_\_\_\_ Engineer  
Date: 2 Sept. 70 \_\_\_\_\_ Scale: 1" = 200'  
Ref: Plot #12353-B-7 \_\_\_\_\_ 12438-G9

FRANCE RETURN  
THIS MORNING TO  
DEPT. NO. 21

59



# RESTITUTION CTR. @ MCI



007366



DEC 10 1986

Capital Improvements  
Joint Bond Review Committee

S-10-87

HORACE C. SMITH

SENATE  
CHAIRMAN

SCOTT R. INKLEY

DIRECTOR OF RESEARCH AND ADMINISTRATION/  
BUDGET AND CONTROL BOARD LIAISON



MARION P. CARNELL

HOUSE OF REPRESENTATIVES  
VICE CHAIRMAN

LIB CROFT

ADMINISTRATIVE ASSISTANT

734-2824

3090

P.O. BOX 142 TELEPHONE (803)-758-5088 OR -8900

ROOM 410, GRESSETTE BUILDING

Columbia, South Carolina 29202

SENATE MEMBERS:

HORACE C. SMITH  
JAMES M. WADDELL, JR.  
WILLIAM W. DOAR, JR.  
HUGH K. LEATHERMAN  
THOMAS L. MOORE

December 10, 1986

HOUSE MEMBERS:

MARION P. CARNELL  
JENNINGS G. MCABEE  
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

In Re: S-10-87  
(17)Parole & Community Corrections Dept.

Dear Mr. McInnis:

Transmitted herewith is Summary #10-87, page 6, indicating Joint Bond Review Committee approval, at the meeting of December 9, 1986, of the proposed 60-Bed Midlands Restitution Center construction proposed by the Department of Parole and Community Corrections (project #17).

This project was Carried Over at our meeting of 11/12/86 in order to receive an Opinion from the State Attorney General as to the legality of the Department's construction, rather than leasing, of such facilities. Attached is a copy of the Opinion which we received.

With kind regards, I am

Sincerely,

*Horace C. Smith*  
Senator Horace C. Smith, Chairman  
Joint Bond Review Committee

HCS:lc

cc: Mr. Bill Clement  
Acting State Engineer

Encs. S-10-87, pg. 6  
Attn. Gen. Opinion of 12/3/86

007367

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

SUMMARY 10-87 Page 6 of 16  
Forwarded to JBRC 11/06/86

Item Agency: N04 Dept of Corrections Project: 48-Bed Drug/Alcohol Treatment Unit  
16.

Action  
Proposed: Establish project.

Total budget.....\$ 307,191.00  
[0] Capital Improvement Bonds.....\$ 109,826.00  
[5] Capital Expenditure Fund.....\$ 197,365.00

Purpose: A 48-bed addition to the Watkins Pre-Release Center and an administration building which will contain treatment, program services and office space. Funds are being requested to be transferred from excess funds remaining involving the construction of temporary units. The availability of the needed additional operating cost of \$775,200 and the additional 23.0 FTE is uncertain at this time.

Ref: Supporting document pages 48-52d.

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

Budget After Action Proposed	
Source	Amount
Capital Improvement Bonds	109,826.00
Capital Expenditure Fund	197,365.00

\*\*Carried Over - 11/12/86

TOTAL FUNDS 307,191.00

Item Agency: N08 Parole & Comm Corrections Project: 60-Bed Midlands Restitution Center Const  
17.

Action  
Proposed: Establish project.

Total budget.....\$ 347,844.00  
[9] Other.....\$ 347,844.00

Purpose: To construct a 60-bed Restitution Center and renovation of an existing house (Warden's former residence) with inmate labor on state land located at the Manning Correctional Institution in Richland County. Agency is requesting to apply earmarked court fine funds appropriated for leasing/renovations of restitution centers for the construction cost of this project.

Ref: Supporting document pages 53-60.

CHE Approval Date: Not req'd  
Committee Review Date: \*\* 12/9/86  
B&C Board Approval Date: \*

Budget After Action Proposed	
Source	Amount
Other	347,844.00

\*\*Carried Over - 11/12/86

TOTAL FUNDS 347,844.00

Item Agency: N12 Youth Services Project: 9249, Roof Replacements-Phase III  
18.

Action  
Proposed: Increase budget from \$ 300,000.00 to \$ 475,000.00

(Add \$ 175,000.00 [0] Capital Improvement Bonds)

Purpose: To increase budget and change the scope to include eight more buildings to receive new roofs. These funds were approved for transfer to this project by Act 540 of 1986, Part II, Section 23.

Ref: Supporting document pages 61-63.

CHE Approval Date: Not req'd  
Committee Review Date: \* 11/12/86  
B&C Board Approval Date: \*

Budget After Action Proposed	
Source	Amount
Capital Improvement Bonds	175,000.00
Appropriated State	300,000.00

TOTAL FUNDS 475,000.00

007368

# The State of South Carolina



## Office of the Attorney General

T. TRAVIS MEDLOCK  
ATTORNEY GENERAL

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

December 3, 1986

The Honorable Horace C. Smith  
Member, South Carolina Senate  
Post Office Box 1144  
Spartanburg, South Carolina 29301

Dear Senator Smith:

You have requested an opinion as to whether existing statutes authorize the Department of Parole and Community Corrections to fund the construction of a 60-bed Midlands Restitution Center. The proposed facility would cost approximately \$350,000 and would consist of renovating a 3,000 square-foot former warden's residence at Manning Correctional Institution and adding a new facility of 7,000 square feet at the same site. The entire facility would be leased from the Department of Corrections for \$1 a year.

§ 24-21-485, South Carolina Code of 1976, as amended by Section 5 of Act No. 462 of 1986 (the Omnibus Crime Act), authorizes the Department of Parole and Community Corrections to establish restitution centers through such means as leasing buildings or the funding of "such other management options as may be advantageous to the State..." § 24-21-485(2).

The \$350,000 would be taken from an appropriation of \$1,248,722 in the Department's 1986-87 budget. This amount is listed in the 1986-87 General Appropriations Act as being for "Permanent Improvements: Other Capital Outlay Costs." The Appropriations Act contains nothing more specific as to the use of these funds. No other legislative history could be found which provided further detail concerning these funds.

The terms of the above-quoted heading from the Appropriations Act do not limit the funds' use to the leasing of facilities; indeed, by referring to capital outlays for permanent improvements, the Act would seem to envision uses of the funds such as proposed in this instance. Moreover, § 24-21-485 does not limit the Parole Board to leasing buildings, but specifically

007369

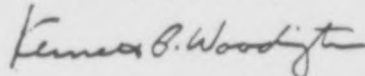
The Honorable Horace C. Smith

Page 2

December 3, 1986

mentions the funding of other management options. For either or both of the above reasons, it is the opinion of this Office that the funds in question may be used in the manner proposed.

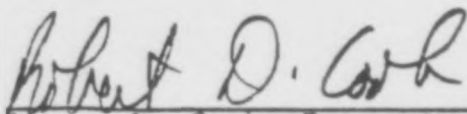
Sincerely yours,



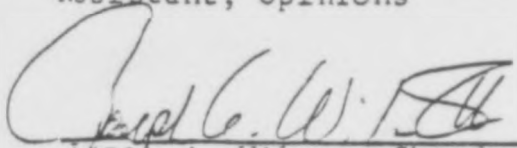
Kenneth P. Woodington  
Senior Assistant Attorney General

KPW:jca

Reviewed and approved:



Robert D. Cook, Executive  
Assistant, Opinions



Joseph A. Wilson, Chief  
Deputy Attorney General

007370



NOV 13 1986

NOV 17 1986

BUDGET AND CONTROL BOARD FORM A-23 PAGE 1  
STATEWIDE PERMANENT IMPROVEMENT REPORTING SYSTEM (SPIRS)

For Board Use Only

11-87 (2)

Packet Number

## REVISION OF PROJECT BUDGET OR PROJECT SCOPE

FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR 1986/87

## 1. PROJECT IDENTIFIERS:

- A. Agency: Number H59 Name Trident Technical College  
 B. Contact person: George Struzyna Phone: 572-6363  
 C. Project Number: 8642 Name: Renovate Portions of the Old C.A. Brown High School  
for use as the Palmer Campus (Phase II)

## 2. PROJECT ACTION PROPOSED:

- X Increase total project budget                      Change source of funds  
                     Decrease total project budget X Revise scope

## 3. WHAT IS THE REVISION PROPOSED? :

- A. Add new equipment for the Culinary Arts program;  
 B. Expand the meat-cutting operation to the Culinary Arts Program;  
 C. To cover overrun of Phase I project amount.

## 4. JUSTIFICATION FOR REVISION (Why is it needed?):

- A. The existing equipment does not conform to the standards of DHED;  
 B. Demand for a more comprehensive program;  
 C. See attached memo to Dr. Charles Branch, Dated 10-23-86.

EXHIBIT

NO. 25

DEC 16 1986

STATE BUDGET &amp; CONTROL BOARD

5. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs because of the revision? Yes                      No X  
 If yes, complete and attach Addendum A-49.

## 6. ESTIMATES OF PROJECT COSTS AS REVISED

- A. Total estimated cost of project as revised: \$ 3,765,500  
 B. Total estimated cost of project as revised includes the following (1 through 10 = 6A above)  
 (1) \$ 206,600 Planning/design services  
 (2) 217,000 Site work (including utilities)  
 (3) 760,000 Central energy systems repair/replacement  
 (4)                      Mechanical systems repair/replacement 56,100  
 (5) 1,320,900 General renovation/repair of floor space: (Gross sq. ft. 34,100)  
 (6) 240,000 Roof repair/replacement  
 (7)                      Construction of additional floor space (Gross sq. ft.                     )  
 (8) 641,000 Equipment/supplies  
 (9) 250,000 Purchase of facilities: (Floor space, gross sq. ft. 114,300 sq. ft.)  
 (Land, acres: 5 acre)  
 (10) 130,000 Other (Specify) contingencies  
3,765,500  
 \$                      Total (Same as 6A)

007371

4

41





Capital Improvements  
Joint Bond Review Committee

DEC 10 1986

S-11-87

HORACE C. SMITH

SENATE  
CHAIRMAN

SCOTT R. INKLEY

DIRECTOR OF RESEARCH AND ADMINISTRATION/  
BUDGET AND CONTROL BOARD LIAISON



MARION P. CARNELL  
HOUSE OF REPRESENTATIVES  
VICE CHAIRMAN

LIB CROFT  
ADMINISTRATIVE ASSISTANT

734-2824

3090

P.O. BOX 142 TELEPHONE (803)-758-5088 OR 8900  
ROOM 410, GRESSETTE BUILDING  
Columbia, South Carolina 29202

SENATE MEMBERS:

HORACE C. SMITH  
JAMES M. WADDELL, JR.  
WILLIAM W. DOAR, JR.  
HUGH K. LEATHERMAN  
THOMAS L. MOORE

December 10, 1986

HOUSE MEMBERS:

MARION P. CARNELL  
JENNINGS G. MCABEE  
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

In Re: S-11-87

(1) Winthrop College  
(2-3) Trident TEC  
(4) Aiken TEC

(5) Trident TEC  
(6) Vocational Rehabilitation  
(7) Dept. of Corrections

Dear Mr. McInnis:

Transmitted herewith is Summary #11-87, pages 1-3, indicating Joint Bond Review Committee approval, at the meeting of December 9, 1986, of various projects for the above referenced agencies and departments.

With kind regards, I am

Sincerely,

*Horace C. Smith*  
Senator Horace C. Smith, Chairman  
Joint Bond Review Committee

HCS:lc

cc: Mr. Bill Clement  
Acting State Engineer

Enc. S-11-87, pgs. 1-3

007373

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
November 1, 1986 Through November 15, 1986

SUMMARY 11-87 Page 1 of 6  
Forwarded to JBRC 11/19/86

Item Agency: H47 Winthrop College Project: 9013, Richardson/Wofford Brick Repair

CHE Approval Date: 11/12/86  
Committee Review Date: \* 12/9/86  
B&C Board Approval Date: \*

1. Action  
Proposed: Increase budget from \$ 87,000.00 to \$ 134,413.90

Budget After Action Proposed  
Source Amount

(Add \$ 68,000.00 [4] Excess Debt Service)

Excess Debt Service 134,413.90

Purpose: Increase is necessary because of additional expenditures not anticipated.  
This increase will provide angle iron supports which were not included  
in original construction.

Ref: Supporting document pages 1-3.

TOTAL FUNDS 134,413.90

Item Agency: H59 Tech & Comp Education Project: 8642, Trdnt-Palmer Campus Brown Bldg Renov

CHE Approval Date: Not req'd  
Committee Review Date: \* 12/9/86  
B&C Board Approval Date: \*

2. Action  
Proposed: Increase budget from \$ 3,250,000.00 to \$ 3,765,500.00

Budget After Action Proposed  
Source Amount

(Add \$ 515,500.00 [9] Other, Local)

Federal 212,500.00  
Other 3,553,000.00

Purpose: Expenditures exceeded budgeted amount. Also, revise scope to include  
new equipment for the Culinary Arts program and cover overrun of Phase I.

Ref: Supporting document pages 4-6.

TOTAL FUNDS 3,765,500.00

Item Agency: H59 Tech & Comp Education Project: 9029, Trident/Main Campus-New Entrance

CHE Approval Date: Not req'd  
Committee Review Date: \* 12/9/86  
B&C Board Approval Date: \*

3. Action  
Proposed: Increase budget from \$ 90,000.00 to \$ 140,000.00

Budget After Action Proposed  
Source Amount

(Add \$ 50,000.00 [9] Other, Local)

Other 140,000.00

Purpose: To cover unforeseen expenditures resulting from need to remove and replace  
unsuitable roadbed material.

Ref: Supporting document pages 7-8.

TOTAL FUNDS 140,000.00

007374

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
November 1, 1986 Through November 15, 1986

SUMMARY 11-87 Page 2 of 6  
Forwarded to JBRC 11/19/86

Item Agency: H59 Tech & Comp Education Project: 9037, Aiken-Student Center Renovations

CHE Approval Date: Not req'd  
Committee Review Date: \* 12/9/86  
B&C Board Approval Date: \*

4. Action  
Proposed: Increase budget from \$ 99,400.00 to \$ 150,000.00

(Add \$ 50,600.00 [9] Other, Local)

Budget After Action Proposed	
Source	Amount
Other	150,000.00

Purpose: To incorporate safety changes required by the State Engineer related to potential fire safety, plus equipment funds and a contingency amount.

Ref: Supporting document pages 9-11.

TOTAL FUNDS 150,000.00

Item Agency: H59 Tech & Comp Education Project: Trident-Bldg 700 Roof Replace

CHE Approval Date: Not req'd  
Committee Review Date: \* 12/8/86  
B&C Board Approval Date: \*

5. Action  
Proposed: Establish project.

Total budget.....\$ 68,000.00  
[9] Other, Local.....\$ 68,000.00

Budget After Action Proposed	
Source	Amount
Other	68,000.00

Purpose: To replace existing roof. Roof is only 8 years old, but has already deteriorated beyond repair.

Ref: Supporting document pages 12-13.

TOTAL FUNDS 68,000.00

Item Agency: H73 Vocational Rehab Project: Rock Hill-Additional Land Purchase

CHE Approval Date: Not req'd  
Committee Review Date: \* 12/9/86  
B&C Board Approval Date: \*

6. Action  
Proposed: Establish project.

Total budget.....\$ 24,400.00  
[9] Other, Workshop Production.....\$ 24,400.00

Budget After Action Proposed	
Source	Amount
Other	24,400.00

Purpose: To purchase approximately 2 acres of additional land to guarantee free access to all sides of original tract (7.09 acres) purchased by project 8678 entitled Rock Hill Land Purchase. Land is being purchased from York County at the same price (see attached purchase agreement) of \$11,700 per acre.

Ref: Supporting document pages 14-28.

TOTAL FUNDS 24,400.00

007375



STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
November 1, 1986 Through November 15, 1986

SUMMARY 11-87 Page 3 of 6  
Forwarded to JBRC 11/19/86

Item Agency: N04 Dept of Corrections Project: Goodman Correctional Inst Cafeteria

7.  
Action  
Proposed: Establish project.

Total budget.....\$ 700,000.00  
[5] Capital Expenditure Fund.....\$ 700,000.00

Purpose: To construct a cafeteria with the capability to feed 400 inmates. The current cafeteria was designed to support an inmate population of 187 and has been feeding a population in excess of 350 since 1978. The entire structure and it's equipment is simply "worn out" and does not meet required Federal, State and Nelson Agreement standards in the area of health, sanitation and safety. Funds are being transferred from project 9075 (item 18) entitled General Renovations. Existing cafeteria facility will be utilized for a visitation area and canteen and commissary space, none of which is currently adequate for the population.

Ref: Supporting document pages 29-31.

CHE Approval Date: Not req'd  
Committee Review Date: \*12/8/86  
B&C Board Approval Date: \*

Budget After Action Proposed	
Source	Amount
Capital Expenditure Fund	700,000.00

TOTAL FUNDS 700,000.00

Item Agency: H47 Winthrop College Project: 8062, McLaurin Retrofit

8.  
Action  
Proposed: Decrease budget from \$ 1,581,541.28 to \$ 1,558,583.44

(Subtract \$ 22,957.84 [4] Excess Debt Service)

Purpose: To close completed project and transfer remaining funds to project 9013 (refer to item 1).

Ref: Supporting document pages 32-33.

CHE Approval Date: 11/12/86  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 11/14/86

Budget After Action Proposed	
Source	Amount
Excess Debt Service	1,558,583.44

TOTAL FUNDS 1,558,583.44

Item Agency: H47 Winthrop College Project: 8328, Phelps Hall Fire Stairwell

9.  
Action  
Proposed: Decrease budget from \$ 67,000.00 to \$ 66,997.61

(Subtract \$ 2.39 [4] Excess Debt Service)

Purpose: To close completed project and transfer remaining funds to project 9013 (refer to item1).

Ref: Supporting document pages 34-35.

CHE Approval Date: 11/12/86  
Committee Review Date: 99/99/99  
B&C Board Approval Date: 11/14/86

Budget After Action Proposed	
Source	Amount
Excess Debt Service	66,997.61

TOTAL FUNDS 66,997.61

007376





INTEROFFICE  
MEMORANDUM

Trident Technical College

TO: Dr. Charles W. Branch  
FROM: George Struzyna *GS.*  
SUBJECT: Palmer Campus - Phase I; Over Expenditures.  
DATE: October 23, 1986.

The project amount approved by the State was \$ 1,950,000.-

The actual expenditures were \$ 2,065,487.-

The difference amounts to \$ 115,487.- or 5.9 %.

Here are the major items of unexpected expenditures that exceeded the budgeted amount:

1. Parking Lot:

Lowest acceptable bid: \$ 217,000.-

Actual lowest bid by  
Green Construction Comp. \$ 185,000.-

Difference: \$ 32,000.-

2. Fire Walls ( 4,680 sq.ft.) \$ 17,500.-

3. Sheetrock for sub-ceiling: \$ 3,200.-

4. New Elevator: \$ 21,000.-

5. New Doors: \$ 20,800.-

6. Transom Panels: \$ 3,000.-

7. Water Coolers: \$ 3,600.-

8. Extras for Office Autom. Ctr.: \$ 13,800.-

Sub-Total: \$ 114,900.-

9. Engineering for items 1 to 8: \$ 6,900.-

Total: \$ 121,800.-

=====

007377

6

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



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

Box 12444  
Columbia  
29211

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

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

November 18, 1986

The Honorable Horace C. Smith, Chairman  
Joint Bond Review Committee  
410 Gressette Building  
Columbia, South Carolina 29201

Dear Senator Smith:

Summary 11-87, Permanent Improvement Project Actions Proposed By:  
Winthrop College                      Mental Retardation  
Dept of Corrections                      Tech & Comp Education  
Vocational Rehabilitation

The referenced summary includes 18 items. Seven are submitted for the Committee's review and 11 are submitted for information.

The Committee's attention is called to item 7 for the Department of Corrections. The agency proposes to establish a new "Goodman Correctional Institution Cafeteria" project with a capacity to feed 400 inmates with a construction budget of \$700,000. The existing cafeteria was designed to support an inmate population of 187 and has been serving in excess of 350 since 1978. The entire structure, including equipment, is worn out and does not meet Federal, State and Nelson Agreement standards in the areas of health, sanitation, and safety. The existing cafeteria facility will be utilized for a visitation area, a canteen, and commissary space, none of which is currently adequate for the population.

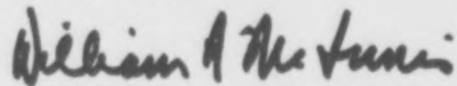
The agency is proposing to transfer the needed \$700,000 from the "General Renovations" authorization of \$3,603,568 as included in the 1986 Capital Expenditure Fund Act (#548).

007378

The Honorable Horace C. Smith, Chairman  
November 18, 1986  
Page Two

Please let us know if you need additional information on any of these items.

Sincerely,



William A. McInnis  
Deputy Executive Director

WAM:sm

Enclosure

cc: Lib Croft, Katherine Hepfer, Bill Clement, Jerry Branham, Sue Hooks,  
Scott Inkley, Jim Paschal, Baron Holmes, Preston Cantrell, Charlie Shaw,  
Tucker Johnson, H. C. Steele, Don Peterson, Larry Lorick, T. E. Ringer,  
Jack Sprott

007379

11-12-86
For Board Use Only
11-87(6)
Packet Number

PROJECT PROPOSAL AND JUSTIFICATION STATEMENT  
FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR 1986-87

1. PROJECT IDENTIFIERS:

A. Agency: Number H73 Name Vocational Rehabilitation Department  
B. Contact Person T. E. Ringer, Jr. Phone: 734-4302  
C. Project Name: Rock Hill-Additional Land Purchase # 9337  
D. Facility Affected: Name Rock Hill VR Center Number 17

2. PROJECT DESCRIPTION (What does it consist of? Attach supporting documentation):

EXHIBIT

Approximately 2 Acres of land.

DEC 16 1986 NO. 25

Site Description: (Attach a map showing project location)

Location: York 46 Rock Hill, S. C. STATE BUDGET & CONTROL BOARD  
county code city site

3. PROJECT JUSTIFICATION (What does it consist of? Attach supporting documentation):

Additional land which will give the VR workshop: (1) a separate entrance for the large cargo trucks used in the production area; (2) additional land for storage of bulky and unsightly production material with buffer zone from York County buildings. This will (What specific needs does this project address?):

guarantee free access to all sides of the property (7.09 Acres) already owned by VR on the Heckle By-Pass.

(See attachments)

*Original tract (7.09) purchased by Project 8678 entitled Rock Hill Land Purchase. Project established 12/18/84, Closed 6/25/85 for 71,900.*

4. ALTERNATIVES CONSIDERED AS A MEANS OF MEETING NEEDS SPECIFIED IN #3:

Unsatisfactory entrance for large cargo trucks for production and unsightly storage.

5. PRIORITY: This project is priority number \_\_\_\_\_ of \_\_\_\_\_ projects proposed in this program.

Interim Request

6. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs?

Yes \_\_\_\_\_ No X If yes, complete and attach addendum A-49.

7. ESTIMATES OF PROPOSED PROJECT COSTS:

A. Total estimated cost of project \$ 24,400.00

B. Total estimated cost of project includes the following (1. through 10.=7A above)

- (1) \$ \_\_\_\_\_ Planning/design services
- (2) \_\_\_\_\_ Site work (including utilities)
- (3) \_\_\_\_\_ Central energy systems repair/replacement
- (4) \_\_\_\_\_ Mechanical systems repair/replacement
- (5) \_\_\_\_\_ General renovation/repair of floor space (Gross sq. ft.: \_\_\_\_\_)
- (6) \_\_\_\_\_ Roof repair/replacement
- (7) \_\_\_\_\_ Construction of additional floor space: (Gross sq. ft.: \_\_\_\_\_)
- (8) \_\_\_\_\_ Equipment/supplies
- (9) 23,400.00 Purchase of facilities: (Floor space, gross sq. ft. Approximately 2 Acres)  
(Land, acres: \_\_\_\_\_)
- (10) 1,000.00 Other (Specify) Closing Costs, survey, etc.

\$ 24,400.00 Total (Same as 7 A) **007380**

7. C. Total estimated cost of project by broad purpose: Total cost: \$ 24,400.00  
(equals 1 through 8, below and is same as 7A)
- |                                  |                     |                      |          |
|----------------------------------|---------------------|----------------------|----------|
| 1. Purchase land                 | \$ <u>24,400.00</u> | 5. Restore facility  | \$ _____ |
| 2. Purchase facility             | \$ _____            | 6. Maintain facility | \$ _____ |
| 3. Demolish facility             | \$ _____            | 7. Replace facility  | \$ _____ |
| 4. Construct additional facility | \$ _____            | 8. Other: _____      | \$ _____ |

## 8. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR:

A. Estimated expenditures and expenditure purposes, this FY: 1986-87 \$ 24,400.00  
(Expenditure purposes (use 7B categories): Purchase land)

B. Estimated expenditures after this FY: \$ -0-

C. Total (Same as 7A, 7B and 7C): \$ 24,400.00

9. PROPOSED SOURCES OF FUNDS: Type	Amount	Revenue Code	Treasurer I D Number	Sub Fund	Mini Code	Object Code
(0) Capital Improvement Bonds	\$					
(1) Dept Capital Imp Bonds						
(2) Inst (tuition) Bonds						
(3) Revenue Bonds						
(4) Excess Debt Service						
(6) Appropriated State						
(7) Federal						
(8) Athletic						
(9) Other						
Workshop Production	24,400.00	7803	98800100	3439	4218	0700
TOTAL (Same as 7A)	\$ 24,400.00					

## 10. Submitted By:

Authorized Official: J. S. Dusenbury, Commissioner

Typed Name and Title and Signature

Date Submitted 11/7/86

FY Submitted 1986-87

## 11. APPROVED (For Board Use Only):

Typed Name and Title and Signature

PROJECT NUMBER \_\_\_\_\_

PROJECT NAME: \_\_\_\_\_

Date

**007381**

15



Project Name: York County - Land Purchase

#3. PROJECT JUSTIFICATION (Cont.):

At the time the property was bought on Heckle By-Pass, the seller requested that we leave him enough space for an entrance road on the far right of property so he could have access to the back acreage. We agreed and did not buy to right hand property line. When he sold the land to York County, he sold the balance acreage including the road site which we were to use when he constructed the entrance road. Now the County states they are not going to construct a road for heavy-load traffic. Their traffic will be to the left of our property. If we exchange with them land for the double entrance traffic lane, we can share the road for egress and ingress auto traffic.

007382

ENCLOSURE

*Owned by York County*

*Approximately 23.3 acres*

*Owned by York County*

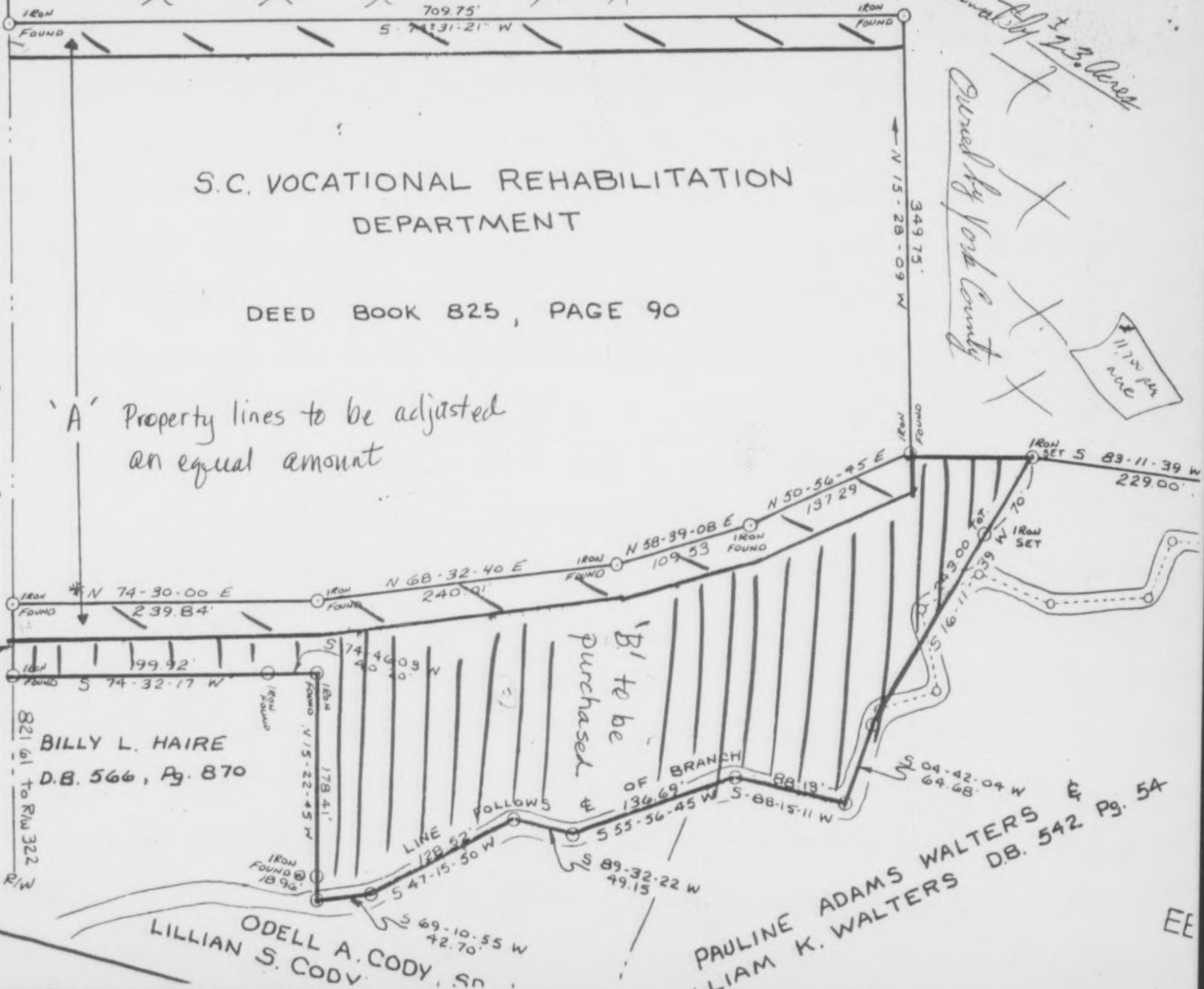
S.C. VOCATIONAL REHABILITATION  
DEPARTMENT

DEED BOOK 825, PAGE 90

'A' Property lines to be adjusted  
an equal amount

*90' R/W Hebley - Fair*  
*143.5 to be split and*  
*3 To be purchased*

007383



'B' to be  
purchased

EE



## YORK COUNTY

P.O. Box 66 • York, S.C. 29745  
Phone: 803-684-8512

P.S. Thomas  
Director of General Services

November 3, 1986

J.S. Dusenbury  
Commissioner South Carolina Vocational Rehabilitation Dept.  
P.O. Box 15  
West Columbia, South Carolina 29171-0015

Dear Mr. Dusenbury,

This letter is in confirmation of the agreement reached between representatives of South Carolina Vocational Rehabilitation and representatives of York County. This agreement is subject to approval by the appropriate State and County authorities.

1. South Carolina Vocational Rehabilitation and York County both agree to shift property lines an equal amount (to be specifically determined) as per the attached drawing (labeled A).
2. South Carolina Vocational Rehabilitation agrees to purchase from York County the remaining acreage (labeled B) for the County's original purchase price of \$11,700. per acre. A copy of York County's purchase contract is included for verification.

We appreciate your cooperation in expediting this agreement. Thank you.

Sincerely,

Deborah S. Lentz  
Director Administrative Services

cc: Edward T. Zeigler, A.I.A.

007384

STATE OF SOUTH CAROLINA       )  
  )  
COUNTY OF YORK                    )

CONTRACT OF PURCHASE AND SALE

This Agreement made and entered into this 3<sup>rd</sup> day of FEBRUARY, 1986, by and between Heckle Properties, a Partnership, party of the first part, hereinafter referred to as "seller" and County of York, a body politic and corporate and political subdivision of the State of South Carolina, party of the second part, hereinafter referred to as "purchaser",

WITNESSETH:

The parties to this agreement, in consideration of the premises, and in further consideration of the sum of Five Thousand (\$5,000.00) Dollars paid by purchaser to seller contemporaneously with the execution of this agreement, the receipt, adequacy and sufficiency of which is hereby acknowledged, have and do agree:

1. Sale of Property.

Seller hereby agrees to sell unto purchaser and purchaser hereby agrees to purchase from seller that certain piece, parcel or tract of land hereinafter described for the consideration and upon the terms, covenants and conditions hereinafter set forth.

2. Description of Property.

The property which is the subject of this agreement (hereinafter referred to as the "subject property") is that certain piece, parcel or tract of land located on Heckle By-Pass

in York County, South Carolina, containing twenty (20) acres, more or less, and being more particularly described upon Exhibit "A", attached hereto and incorporated herein by reference.

3. Purchase Price.

The purchase price of the subject property to be sold and purchased pursuant to this agreement shall be the sum of Eleven Thousand Seven Hundred (\$11,700.00) Dollars per acre computed to the nearest one thousandth of an acre as finally determined by an accurate survey of the subject property.

4. Payment of Purchase Price.

The purchase price of the subject property to be sold and purchased pursuant to this agreement shall be paid in the following manner: the sum of \$5,000.00 has been paid contemporaneously with the execution of this agreement as a binder, which sum shall be credited and applied upon the purchase price as determined by an accurate survey. The balance of the purchase price shall be paid in cash at closing.

5. Closing.

The closing of the purchase and sale of the subject property (the "Closing") shall be held at any time mutually convenient to seller and purchaser within sixty (60) days from the date of this agreement. The closing may be extended only by mutual agreement of seller and purchaser expressed in writing. The closing shall be held in the offices of Spratt, McKeown & McCrae, Attorneys at Law, 26 West Liberty Street, York, South Carolina.

6. Closing Documents.

007386



At the closing of the purchase and sale of the subject property, purchaser shall tender and deliver to seller the full balance of the purchase price of the subject property. Seller shall execute and deliver unto purchaser a general warranty deed conveying fee simple title to the subject property free of all liens and encumbrances except permitted encumbrances.

7. Closing Costs.

Seller shall furnish at closing and shall bear the expense of preparing or providing one or more general warranty deeds conveying title to the subject property with documentary stamps affixed to the deed of conveyance or a check to the Clerk of Court for York County, South Carolina, in a sufficient amount to purchase such stamps. Purchaser shall bear the expense of recording the deed to the subject property, the examination of the title to the subject property, and premiums of title insurance, if required. Each party shall bear separately the expense of attorneys' fees incurred in connection with the closing.

8. Real Estate Taxes.

Real estate taxes levied upon the subject property during the calendar year 1986 shall be pro-rated at the date of closing. In the event closing occurs before the tax levy or assessed values for 1986 are determined, taxes shall be computed and determined by using the appraised value and tax millage for the year 1985.

9. Permitted Encumbrances.

007387

The subject property shall be conveyed subject to existing easements and rights of way for roads and utilities. The parties agree that no other encumbrances or liens are contemplated or shall be permitted, and seller shall pay in full and satisfy any such liens or encumbrances prior to or contemporaneously with the closing of the purchase and sale of the subject property.

10. Conditions Precedent and Contingencies to Obligations of Purchaser.

The obligations of purchaser under this agreement are subject to the satisfaction of the following conditions:

- (a) The subject property shall contain approximately twenty acres, more or less;
- (b) The availability of water and sewer services through the City of Rock Hill at the subject property;
- (c) The availability of natural gas service at the subject property;
- (d) The satisfaction by seller of all remaining terms, conditions and obligations on the part of seller under this contract of purchase and sale.

Upon failure of seller to comply with any of the terms, conditions or contingencies of this agreement, or upon the failure to occur of any of the conditions precedent or terms or conditions stated in this agreement, purchaser may cancel and terminate this contract of purchase and sale without liability to seller, and in such event, seller shall refund to purchaser the sum of \$5,000.00 paid by purchaser to seller contemporaneously

007388

with the execution of this agreement.

11. Seller's Warranties.

Seller warrants and represents to purchase:

(a) That it is seized and possessed of a good marketable fee simple title to the subject property, free of all liens and encumbrances except permitted encumbrances, and;

(b) That it has the right to convey the same. Seller further warrants and represents that there is no federal, state or local law or ordinance prohibiting the construction and erection of an office building by purchaser on the subject property.

12. Purchaser's Warranties.

Purchaser hereby warrants and represents to Seller:

(a) That Purchaser is a body politic and corporate and political subdivision of the State of South Carolina duly organized;

(b) The execution, delivery and performance of this agreement has been duly approved by all necessary action on the part of Purchaser, and such actions are within the powers of Purchaser.

13. Possession.

Purchaser shall have the right, following the execution of this agreement to enter upon the subject property for the purpose of viewing or examining the same or making tests or surveys or developing plans for its use. Possession of the subject property shall otherwise remain in Seller until closing.

007389

14. Default by Seller.

The following events shall constitute default by Seller:

- (a) Any defect in or material exception to title not specified in this agreement as a permitted encumbrance.
- (b) Failure of Seller to execute and deliver to Purchaser one or more good and sufficient general warranty deeds conveying fee simple title to the subject property, subject only to the encumbrances permitted by this agreement.
- (c) Failure of Seller or the subject property to comply with the warranties, covenants or conditions contained in this agreement.

15. Purchaser's Remedy upon Default.

In the event of default by Seller, Purchaser shall have the following remedies:

- (a) Purchaser may terminate this contract by giving written notice of termination to Seller, specifying the cause therefor.
- (b) Purchaser may grant unto Seller a reasonable time to cure any defect or default.
- (c). Purchaser may institute a suit or proceeding at law or in equity for breach of contract or for specific performance of this agreement by Seller.

16. Default by Purchaser.

The following events shall constitute default by Purchaser:

- (a) The failure of Purchaser to comply with any obligation contained in this agreement.
- (b) Failure of Purchaser to tender the balance of the

007290



purchase price of the subject property at closing upon delivery of a general warranty deed conveying fee simple title to the subject property free of all liens and encumbrances except encumbrances permitted by this agreement.

17. Seller's Remedy on Default.

In the event of default by Purchaser, and if such default is not timely cured, Seller shall have the following remedies:

(a) Seller may terminate this agreement by giving written notice of termination to Purchaser specifying the cause therefor.

(b) Without effecting its liability in any way, Seller may grant unto Purchaser a reasonable time to cure any defect or default; provided, however, that such conduct on the part of Seller shall not obligate Seller in any respect under any provision of this agreement.

(c) Seller may institute a suit or proceeding at law or in equity for breach of contract or for specific performance of this agreement by Purchaser.

18. Binding Effect.

The obligations of this agreement shall be binding upon and the benefits hereunder shall inure to the benefit of the parties hereto, their respective heirs, successors, personal representatives and assigns.

19. Notices.

Any notices required to be given under the terms of this agreement shall be given by certified mail, return receipt requested, to the parties at the following addresses:

007391



Notice to Seller:

Heckle Properties  
c/o G. Patrick Flint, Managing Partner  
P.O. Box 4452  
Rock Hill, SC 29731.

Notice to Purchaser:

J. E. Klugh, County Manager  
York County, South Carolina  
P.O. Box 66  
York, SC 29745.

20. Applicable Law.

This agreement shall be interpreted and enforced in accordance with the statutory and case law of the State of South Carolina.

21. Entire Agreement.

This agreement contains the entire agreement between Seller and Purchaser. Any prior or contemporaneous oral or written agreements are merged into this agreement. No amendment to this agreement shall be effective unless such amendment is reduced to a written agreement signed by Seller and Purchaser.

22. Time of Essence.

Time is of the essence to this agreement.

23. Duplicate Counterparts.

This agreement shall be executed in duplicate counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, Seller and Purchaser have hereunto respectively executed this agreement this \_\_\_\_ day of \_\_\_\_\_, 1986.

007392

Signed, Sealed and  
Delivered in the  
Presence of:

W.B. Phillips  
Margaret J. Van Remmen  
Philip S. Thomas  
W.B. White

Philip S. Thomas  
W.B. White

STATE OF SOUTH CAROLINA )

COUNTY OF YORK )

HECKLE PROPERTIES, A Partnership

By: G. Patrick Flint  
Managing Partner

SELLER,

COUNTY OF YORK

By: Murray B. White, Jr.  
Chairman, York County Council

ATTEST:

By: Nancy B. Moore, Clerk to Council  
Nancy B. Moore, Clerk to Council

PURCHASER.

PERSONALLY appeared before me William B Phillips Jr.  
who, on oath, says that he saw the within named Heckle  
Properties, a Partnership, by G. Patrick Flint, Managing Partner,  
sign the within Contract of Purchase and Sale, and the said  
~~Partnership~~  
~~Corporation~~, by said officer, seal said Contract of Purchase and  
Sale, and, as its act and deed, deliver the same, and that he  
with Margaret J. Van Remmen witnessed the execution  
thereof.

SWORN to before me, this 3<sup>rd</sup>  
day of February, 1986.

Shirley P. Wren  
Notary Public for South Carolina  
My commission expires: 1-25-95

007393

STATE OF SOUTH CAROLINA )

COUNTY OF YORK )

PERSONALLY appeared before me PHILLIP STEVEN THOMAS  
who, on oath, says that he saw the within named County of York by  
Murray B. White, Jr. its Chairman of the York County Council,  
sign the within Contract of Purchase and Sale, and J. E. Klugh,  
County Manager Attest the same, and the said County of York by  
said officers, seal said Contract of Purchase and Sale, and, as  
its act and deed, deliver the same, and that he with  
MELVIN MCKEOWN witnessed the execution thereof.

SWORN to before me, this  
day of                     , 1986.

WMB  
Notary Public for South Carolina  
My commission expires:                     

007394

# EXHIBIT

NOV 14 1986

BUDGET AND CONTROL BOARD FORM A-13 PAGE 1  
STATEWIDE PERMANENT IMPROVEMENT REPORTING SYSTEM (SPIRS)

DEC 16 1986

NO. 25

For Board Use Only

11-87(7)

Packet Number

## PROJECT PROPOSAL AND JUSTIFICATION STATEMENT FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR 86-87

### 1. PROJECT IDENTIFIERS:

A. Agency: Number N04 Name South Carolina Department of Corrections  
B. Contact Person: Jerry S. Edwards Phone: 737-8493  
C. Project Name: Goodman Correctional Institution Cafeteria # 9338  
D. Facility Affected: Name Goodman Correctional Institution Number 32232

### 2. PROJECT DESCRIPTION (What does it consist of? Attach supporting documentation):

This project provides for the construction of a cafeteria with the capability to feed 400 inmates 3 meals per day 7 days a week. (See attached blueprint)

Site Description: (Attach a map showing project location)

Location: Richland 40 Columbia Goodman Correctional  
county code city site Institution

### 3. PROJECT JUSTIFICATION (What does it consist of? Attach supporting documentation):

The current cafeteria was designed to support an inmate population of 187, and has been used to feed a population in excess of 350 since 1978. The entire structure and its' equipment is simply "worn out" and does not meet the standards required by Federal, State

(What specific needs does this project address?): and Nelson Agreement in the area of health, sanitation and safety. The only cost effective solution is to construct a new cafeteria. Upon completion of this project, the existing structure will be utilized for a visitation area, and canteen and commissary space, none of which is currently adequate for the population at this institution.

### 4. ALTERNATIVES CONSIDERED AS A MEANS OF MEETING NEEDS SPECIFIED IN #3:

No feasible alternatives.

### 5. PRIORITY: This project is priority number 1 of 1 projects proposed in this program.

### 6. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs?

Yes ☐ No ☒ If yes, complete and attach addendum A-49.

### 7. ESTIMATES OF PROPOSED PROJECT COSTS:

A. Total estimated cost of project \$ 700,000.00

B. Total estimated cost of project includes the following (1. through 10.=7A above)

- (1) \$                      Planning/design services
- (2) 3,500.00 Site work (including utilities)
- (3)                      Central energy systems repair/replacement
- (4)                      Mechanical systems repair/replacement
- (5)                      General renovation/repair of floor space (Gross sq. ft.:                     )
- (6)                      Roof repair/replacement
- (7)                      Construction of additional floor space: (Gross sq. ft.:                     )
- (8) 300,000.00 Equipment/supplies
- (9)                      Purchase of facilities: (Floor space, gross sq. ft.                     )  
(Land, acres:                     )
- (10) 396,500.00 Other (Specify) Construction of new cafeteria

\$ 700,000.00 Total (Same as 7 A)

007395

29



7. C. Total estimated cost of project by broad purpose: Total cost: \$ 700,000.00  
(equals 1 through 8, below and is same as 7A)

1. Purchase land	\$ _____	5. Restore facility	\$ _____
2. Purchase facility	\$ _____	6. Maintain facility	\$ _____
3. Demolish facility	\$ _____	7. Replace facility	\$ _____
4. Construct additional facility	\$ _____	8. Other: <u>Construction/</u> <u>Equipment/Siteworks</u>	<u>700,000.00</u>

6. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR:

A. Estimated expenditures and expenditure purposes, this FY: 86-87 \$ 700,000.00  
(Expenditure purposes (use 7B categories): Sitework/Equipment/  
Construction)

B. Estimated expenditures after this FY: \$ - 0 -

C. Total (Same as 7A, 7B and 7C): \$ 700,000.00

9. PROPOSED SOURCES OF FUNDS: Type	Amount	Revenue Code	Treasurer ID Number	Sub Fund	Mini Code	Object Code
(0) Capital Improvement Bonds	\$ _____					
(1) Dept Capital Imp Bonds						
(2) Inst (tuition) Bonds						
(3) Revenue Bonds						
(4) Excess Debt Service						
(5) Capital Expenditure Fund	<u>700,000.00</u>	<u>8895</u>	<u>53001900</u>	<u>3603</u>	<u>9001</u>	<u>0700</u>
(7) Federal						
(8) Athletic						
(9) Other						
TOTAL (Same as 7A)	\$ <u>700,000.00</u>					

10. Submitted By:

Authorized Official: William D. Leeke, Commissioner

Typed Name and Title and Signature

Date Submitted 11-14-86

FY Submitted 86-87

11. APPROVED (For Board Use Only):

Typed Name and Title and Signature

Date

PROJECT NUMBER \_\_\_\_\_

PROJECT NAME: \_\_\_\_\_

**007396**

30



NOV 14 1986



# south carolina department of corrections

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

November 12, 1986

Mr. William A. McInnis  
Deputy Executive Director  
Budget and Control Board  
Post Office Box 12444  
Columbia, South Carolina 29201

Dear Mr. McInnis:

The attached A-Forms are submitted under the interim process procedure as set forth in the Manual for Planning and Execution of State Permanent Improvements.

This project will allow the Department of Corrections to construct a new cafeteria at the Goodman Correctional Institution which will meet the requirement to properly feed the inmates housed at that facility, and comply with the federal, state, and Nelson agreement standards in the Food Service area.

When the <sup>9075</sup> funds were provided this year to renovate the facility under Project ~~9095~~ General Renovations, this agency determined that it was not feasible nor cost effective to simply upgrade the existing kitchen and dining areas. Therefore, it is requested that a project be approved to provide a new cafeteria which will meet all required standards and make the best use of available funds.

When the new dining facility is completed, the existing structure will provide a visitation area, a canteen, and a commissary (supply room) for this institution. None of which are currently adequate for the population assigned to this institution.

Your prompt and favorable action on this request will be greatly appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Hubert M. Clements".

Hubert M. Clements, Ed.D.  
Deputy Commissioner for Administration

HMC:fmn

007397

Attachments

**BOARD OF  
CORRECTIONS**

GOETZ B. EATON  
Chairman  
Anderson, S.C.

NORMAN KIRKLAND  
Vice Chairman  
Bamberg, S.C.

CHARLES C. MOORE  
Secretary  
Spartanburg, S.C.

CLARENCE E. WATKINS  
Member  
Camden, S.C.

BETTY M. CONDON  
Member  
Mt. Pleasant, S.C.

EUGENE N. ZEIGLER  
Member  
Florence, S.C.

GOV. RICHARD W. RILEY, Member, Ex-Officio, Columbia, S.C.

31

12-8-86

For Board Use Only

Packet Number

PROJECT PROPOSAL AND JUSTIFICATION STATEMENT

FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR 86-87

1. PROJECT IDENTIFIERS: S.C. Budget and Control Board/Division of  
A. Agency: Number F-12 Name General Services  
B. Contact Person Louis A. Wintzer #9346 Phone: 734-5631  
C. Project Name: North Tower Computer Install Upfitting #9346  
D. Facility Affected: Name North Tower Building Number 055

2. PROJECT DESCRIPTION (What does it consist of? Attach supporting documentation):

Preparation of Building to receive a new UPS System and Mainframe  
(See Attached).

Site Description: (Attach a map showing project location)

Location: Richland 40 Columbia  
county code city site

3. PROJECT JUSTIFICATION (What does it consist of? Attach supporting documentation):

Work is needed to accomodate new Mainframe Installation  
(See Attached).

(What specific needs does this project address?):

EXHIBIT

DEC 16 1986 NO. 25

STATE BUDGET & CONTROL BOARD

4. ALTERNATIVES CONSIDERED AS A MEANS OF MEETING NEEDS SPECIFIED IN #3:

There are no Alternatives

5. PRIORITY: This project is priority number 1 of 1 projects proposed in this program.

6. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs?  
Yes      No X If yes, complete and attach addendum A-49.

7. ESTIMATES OF PROPOSED PROJECT COSTS:

- A. Total estimated cost of project \$ 347,500.00
- B. Total estimated cost of project includes the following (1. through 10.= 7A above)
- (1) \$ 12,000.00 Planning/design services
  - (2)                      Site work (including utilities)
  - (3)                      Central energy systems repair/replacement
  - (4) 312,500.00 Mechanical systems repair/replacement
  - (5) 3,000.00 General renovation/repair of floor space (Gross sq. ft.:                     )
  - (6)                      Roof repair/replacement
  - (7)                      Construction of additional floor space: (Gross sq. ft.:                     )
  - (8)                      Equipment/supplies
  - (9)                      Purchase of facilities: (Floor space, gross sq. ft.:                     )  
(Land, acres:                     )
  - (10) 20,000.00 Other (Specify) Contingency
- \$ 347,500.00 Total (Same as 7 A)

007398

7. C. Total estimated cost of project by broad purpose: Total cost: \$ 347,500.00  
(equals 1 through 8, below and is same as 7A)

1. Purchase land	\$ _____	5. Restore facility	\$ _____
2. Purchase facility	\$ _____	6. Maintain facility	\$ _____
3. Demolish facility	\$ _____	7. Replace facility	\$ _____
4. Construct additional facility	\$ _____	8. Other: _____	\$ _____

8. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR:

A. Estimated expenditures and expenditure purposes, this FY: 1986-87 \$ 347,500.00  
(Expenditure purposes (use 7B categories): \_\_\_\_\_)

B. Estimated expenditures after this FY: \$ 0.00

C. Total (Same as 7A, 7B and 7C): \$ 347,500.00

9. PROPOSED SOURCES OF FUNDS: Type	Amount	Revenue Code	Treasurer ID Number	Sub Fund	Mini Code	Object Code
(0) Capital Improvement Bonds	\$ _____					
(1) Dept Capital Imp Bonds						
(2) Inst (tuition) Bonds						
(3) Revenue Bonds						
(4) Excess Debt Service						
(6) Appropriated State	135,525.00	8895		7600	0615	0299
(7) Federal	211,975.00	2801		5787	0615	0299
(8) Athletic						
(9) Other						
TOTAL (Same as 7A)	\$ 347,500.00					

10. Submitted By:

Authorized Official: William J. Clement, AIA, Assistant Director  
Division of General Services  
Typed Name and Title and Signature  
Date Submitted 12-08-86  
FY Submitted 1986-87

11. APPROVED (For Board Use Only):

**007399**

\_\_\_\_\_  
Typed Name and Title and Signature  
Date  
PROJECT NUMBER: \_\_\_\_\_  
PROJECT NAME: \_\_\_\_\_

The Department of Social Services has the approval of the Division of Research & Statistics, Office of Information Technology Planning to acquire and install a mainframe computer system in the Computer Room at the South Carolina Department of Social Services North Tower Office Building.

This project request is for site preparation and installation of an uninterruptible power supply system to support the mainframe. It also includes a 20 ton air conditioner needed to support the new mainframe.

007400



DEC 10 1986

Capital Improvements  
Joint Bond Review Committee

S-13-87  
(Supplement)

HORACE C. SMITH

SENATE  
CHAIRMAN

SCOTT R. INKLEY

DIRECTOR OF RESEARCH AND ADMINISTRATION/  
BUDGET AND CONTROL BOARD LIAISON



MARION P. CARNELL  
HOUSE OF REPRESENTATIVES  
VICE CHAIRMAN

LIB CROFT  
ADMINISTRATIVE ASSISTANT

734-2824 3090

P.O. BOX 142 TELEPHONE (803)-758-5088 OR -8900  
ROOM 410, GRESSETTE BUILDING  
Columbia, South Carolina 29202

SENATE MEMBERS:

HORACE C. SMITH  
JAMES M. WADDELL, JR.  
WILLIAM W. DOAR, JR.  
HUGH K. LEATHERMAN  
THOMAS L. MOORE

December 10, 1986

HOUSE MEMBERS:

MARION P. CARNELL  
JENNINGS G. MCABEE  
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

In Re: S-13-87  
(1)B&C Board - Division of General Services  
(2)PRT

Dear Mr. McInnis:

In response to your letter of December 8, 1986, (S-13-87 Supplement), this is to advise that the Joint Bond Review Committee, at the meeting of December 9, 1986, approved the following two projects:

1. B&C Board-Div. of General Services --- North Tower Computer Installation Upfitting. Project cost is \$347,500 to be funded from State Appropriated and Federal Funds.
2. PRT --- Caesar's Head-Mountain Bridge Land Acquisition. Project cost is \$155,000 to be funded from Recreation Land Trust Funds.

With kind regards, I am

Sincerely,

Senator Horace C. Smith, Chairman  
Joint Bond Review Committee

HCS:lc

cc: Mr. Bill Clement  
Acting State Engineer

007401



For Board Use Only

Packet Number

PROJECT PROPOSAL AND JUSTIFICATION STATEMENT

FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR 86-87

1. PROJECT IDENTIFIERS:

A. Agency: Number P28 Name South Carolina Parks, Recreation and Tourism  
B. Contact Person William O. McMeekin Phone: 734-0188  
C. Project Name: Mountain Bridge - Acquisition  
D. Facility Affected: Name Caesars Head State Park Number N/A

2. PROJECT DESCRIPTION (What does it consist of? Attach supporting documentation):

Project includes the acquisition of 1.9 acres and two houses on this parcel.

Site Description: (Attach a map showing project location)

Location: Greenville 23 N/A Caesars Head State Park  
county code city site

3. PROJECT JUSTIFICATION (What does it consist of? Attach supporting documentation):

The project is needed to expand recreational development at Caesars head.

(What specific needs does this project address?):

EXHIBIT

DEC 16 1986 NO. 25

STATE BUDGET & CONTROL BOARD

4. ALTERNATIVES CONSIDERED AS A MEANS OF MEETING NEEDS SPECIFIED IN #3:

None Available

5. PRIORITY: This project is priority number \_\_\_\_\_ of \_\_\_\_\_ projects proposed in this program.

N/A

6. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs?

Yes X No \_\_\_\_\_ If yes, complete and attach addendum A-49.

7. ESTIMATES OF PROPOSED PROJECT COSTS:

A. Total estimated cost of project \$ 155,000.00

B. Total estimated cost of project includes the following (1. through 10.= 7A above)

- (1) \$ \_\_\_\_\_ Planning/design services
- (2) \_\_\_\_\_ Site work (including utilities)
- (3) \_\_\_\_\_ Central energy systems repair/replacement
- (4) \_\_\_\_\_ Mechanical systems repair/replacement
- (5) \_\_\_\_\_ General renovation/repair of floor space (Gross sq. ft.: \_\_\_\_\_)
- (6) \_\_\_\_\_ Roof repair/replacement
- (7) \_\_\_\_\_ Construction of additional floor space: (Gross sq. ft.: \_\_\_\_\_)
- (8) \_\_\_\_\_ Equipment/supplies
- (9) 155,000.00 Purchase of facilities: (Floor space, gross sq. ft. 2200)  
(Land, acres: 1.9)
- (10) \_\_\_\_\_ Other (Specify) \_\_\_\_\_

\$ 155,000.00 Total (Same as 7 A)

007402

7. C. Total estimated cost of project by broad purpose: Total cost: \$ 155,000.00  
(equals 1 through 8, below and is same as 7A)

1. Purchase land	\$ <u>100,000.00</u>	5. Restore facility	\$ _____
2. Purchase facility	\$ <u>55,000.00</u>	6. Maintain facility	\$ _____
3. Demolish facility	\$ _____	7. Replace facility	\$ _____
4. Construct additional facility	\$ _____	8. Other: _____	\$ _____

8. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR:

A. Estimated expenditures and expenditure purposes, this FY: 86-87 \$ 155,000.00  
(Expenditure purposes (use 7B categories): Purchase facilities)

B. Estimated expenditures after this FY: \$ -0-

C. Total (Same as 7A, 7B and 7C): \$ 155,000.00

9. PROPOSED SOURCES OF FUNDS: Type	Amount	Revenue Code	Treasurer I D Number	Sub Fund	Mini Code	Object Code
(0) Capital Improvement Bonds	\$ _____					
(1) Dept Capital Imp Bonds		<div style="text-align: center;"> <b>EXHIBIT</b>  DEC 16 1986      NO. 25  STATE BUDGET &amp; CONTROL BOARD </div>				
(2) Inst (tuition) Bonds						
(3) Revenue Bonds						
(4) Excess Debt Service						
(6) Appropriated State Recreation Land Trust Fund	155,000.00	8895	68800100	4278	9001	0700
(7) Federal						
(8) Athletic						
(9) Other						
TOTAL (Same as 7A)	\$ <u>155,000.00</u>					

10. Submitted By:

Authorized Official: William O. McMeekin, Chief Engineer Date Submitted 12-5-86  
Typed Name and Title and Signature FY Submitted 86-87

11. APPROVED (For Board Use Only):

**007403**

\_\_\_\_\_  
Typed Name and Title and Signature Date  
PROJECT NUMBER \_\_\_\_\_  
PROJECT NAME: \_\_\_\_\_

# ADDENDUM TO FORM A-1, A-13, A-23

Form-Addendum A-49

## ADDITIONAL ANNUAL OPERATING COSTS RELATED TO PERMANENT IMPROVEMENT PROJECT

(Copy this form as needed; submit completed, typed original as attachment to original A-1, or A-13, or A-23.)

AGENCY NUMBER: P28 AGENCY NAME: South Carolina Parks, Recreation and Tourism

NAME OF PROJECT: Mountain Bridge - Acquisition Priority - of -.

Complete the left side (below) for all additional annual operating costs attributable to the project. The dollar number entered for each year should be the amount of increase in operating costs over the year prior to the completion of this project. (Example: Assume that operating costs the year prior to the project completion were \$100; after project completion, the operating cost will be \$115; the FY 1 line then will show a \$15 increase in the total column and by financing source. Assume FY 2 costs will be \$120; line 2 then will show a \$20 increase in the total column and by financing source.)

Complete the right side (below) for additional annual personal service costs and number of positions attributable to the project. The dollar number and the position number entered for each year should be the amount of increase in number of positions and personal service costs over the year prior to the completion of the project. (For example, see paragraph above.) Note that the additional costs for personal services are included in the total additional operating costs entered in the left side of the form.

### ADDITIONAL ANNUAL OPERATING COSTS RELATED TO PROJECT

FISCAL YEAR (Start with FY project is to be completed.)	TOTAL ADDITIONAL OPERATING COSTS Projected Financing Sources				PERSONAL SERVICE COSTS ONLY# Projected Financing Sources				
	Gen. Funds	Federal	Other*	Total	Gen. Funds	Federal	Other*	Total	
								Amount	Positions
(1)	STATE BUDGET & CONTROL BOARD DEC 16 1986 NO. 25	EXHIBIT	3,750	3,750	\$	\$	\$	\$	1
(2)			3,937	3,937	( )	( )	( )	\$	
(3)			4,134	4,134	( )	( )	( )	\$	
(4)			4,341	4,341	( )	( )	( )	\$	
(5)			4,558	4,558	( )	( )	( )	\$	

\*Specify what "Other" sources are.

Show additional positions in parentheses where appropriate.

007404

# ROBINSON

600 EAST WASHINGTON STREET • GREENVILLE, SOUTH CAROLINA 29601 • TELEPHONE 803-233-6277

ROBINSON COMPANY OF GREENVILLE, INC.

October 28, 1986

Mr. and Mrs. R. H. Searle  
P.O. Box 1315  
Aiken, S.C. 29802

EXHIBIT

DEC 16 1986 NO. 25

STATE BUDGET & CONTROL BOARD

Dear Mr. and Mrs. Searle:

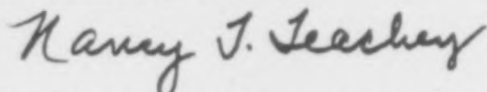
At your request, I have made a real estate appraisal, which is attached, of your property located at Caesar's Head S. C. and identified on the Greenville County Tax Maps as TMS 686.01-1-9. After considering available market data, supply and demand, and the condition of the property, it is my opinion that the estimated market value of the subject property as of October 24, 1986 is:

ONE HUNDRED SIXTY SIX THOUSAND DOLLARS  
(\$166,000.)

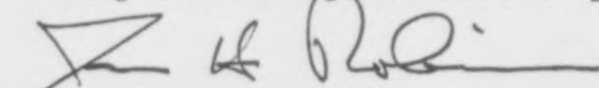
I certify that I have no financial interest in the subject property, present or contemplated, and that my employment is in no way contingent on the value reported.

I appreciate the opportunity of making this appraisal for you.

Yours very truly,



Nancy T. Teacher, Associate Appraiser



James H. Robinson, M.A.I.

007405



### PROPERTY DESCRIPTION

There are two structures on the subject property. The main house is of frame construction and contains approximately 1542 finished square feet and a 52 SF utility porch. There is also a 315SF screened porch. There is a single garage door opening to the area beneath the house; however, this area has a dirt floor and is of little value. The asphalt composition roof is only three years old. The house has been completely rewired with modern circuit breakers and all new PVC plumbing has been installed. It is my understanding that this plumbing will be connected to the new water system by the current owners. The exterior of the house is in basically good condition with the exception of the exterior paint and some rotten steps leading to the screened porch and some rotten boards on the porch. It is my understanding that these repairs will be made by the current owners. A damaged gutter should be replaced on the front of the house also.

The interior of the house is in good condition. The floors are of pine and the walls and ceilings are pine paneled. The house has 4 bedrooms and 1 1/2 baths. Three of the bedrooms have lavatories. There is a wood stove for heat which has its own separate flue. It is my understanding that the rock fireplace will be repaired with a new flue. Three of the bedrooms have closets and two of the closets have cloth curtains for doors. The kitchen was updated 3 years ago with a new stove and dishwasher and new counter tops and floor covering. A refrigerator and a washer and dryer will also remain with the house.

In addition to the main house there is a guest house which is a two story structure containing approximately 595 finished square feet and a 164SF workshop. The house is of frame construction and is in need of paint. The roof appears to be in good condition but is of undetermined age. The house has been rewired with modern circuit breakers. The interior of the house is in good condition and has pine floors and pannelled walls. The kitchen contains a stove and refrigerator and the house is heated by a wood stove on the main floor and a fireplace on the second floor. The second floor has a bedroom and bath and a sitting room which may also be used as a bedroom. It is my understanding that the furnishings in the guest house will remain.

007406



#### SITE DATA

The site consists of Lots 10, 11, 12, 13, and 14 as shown on a plat made in 1928 by Dalton and Neves of Greenville, S. C. It maybe further identified on the Greenville County Tax Maps as TMS 686.1-1-9. The property has access by an unpaved road from Geer Highway (Highway 276). The site consists of approximately 1.90 acres which are very heavily wooded. Lots 13 and 14 have access from Sumter Circle; however, Lots 10, 11, and 12 have access only from an alley since Sumter Circle was never completed. The lots are divided as follows:

Lot 10	-	16,226SF
Lot 11	-	16,200SF
Lot 12	-	17,919SF
Lot 13	-	18,365SF
Lot 14	-	14,141SF

The topography of all of the lots is good in that they are not steep and would not require considerable grading for construction. The house and guest house are located on Lots 13 and 14. There is somewhat of a view from these lots but I do not consider it to be so good that it adds a great deal of value to the lots. The remaining lots have a similar view. It is my understanding that there is currently a moratorium on building in the area until more water is made available to the sites. I do not know how long this moratorium will be in effect. The land value given in this appraisal is contingent upon water being available to the extra lots and septic tank permits being approved.

The lots on which the house and guest house are located have access to public water and have a septic tank system. They also have access to electricity and telephone service.

007407

### LAND VALUATION

Sales of vacant land in Caesar's Head Community have been sparse. The development has been in existence for a long time and parcels have been passed down through families. The following sales are the most recent I have found.

TMS 686.1-4-34	10/15/83	\$14,750.
No View		

TMS 686.1-4-76	12/3/81	\$17,500.
View		

TMS 686.4-1-1.6	5/30/86	\$33,000
View		

In 1983 a new development was started in the area known as Cliff Ridge. Original lot sales were in the \$15,000. to \$37,000. range. The development is in its second phase and there is a possibility of other phases.

Cliff Ridge Community has excellent amenities, including a 5,000SF clubhouse with exercise room, kitchen, meeting room and children's game room. There is also an all-weather tennis complex including two courts lighted for night play.

Recent sales in Cliff Ridge include the following:

6/27/86	690.4-1-59	Cliff Ridge	\$42,900
6/22/86	686.5-1-4	Cliff Ridge	\$45,500
4/12/86	690.4-1-7	Cliff Ridge	\$46,000
10/30/85	690.4-1-44	Cliff Ridge	\$35,000
8/23/85	690.2-1-17	Cliff Ridge	\$40,000
8//31/85	690.4-1-45	Cliff Ridge	\$36,000

Certainly the amenities in these two resorts have an effect on the value of the land. Another important factor is whether or not the site had a view. The subject property has somewhat of a view but not a spectacular one and it does not have amenities; however, because there is a scarcity of land outside Caesar's Head State Park which surrounds the property, it is my opinion that there would definitely be a market for lots outside of the two resorts mentioned above and that the value of these lots would be somewhat less than those of Caesar's Head Community and Cliff Ridge Colony.

0074C8

LAND VALUATION - Continued

The subject property contains approximately 1.90 acres. Of this amount, Lots 13 and 14 as designated on the plat by Dalton and Neves, Surveyors, would be necessary to support the two improvements on the property. Lots 10, 11, and 12 could be cut off and sold separately. Even if these lots are not actually cut off, the fact that such an event could occur adds to the value of the land. In my opinion, taking into the consideration size, topography, location, time and supply and demand, the estimated market value of these lots would be \$20,000/lot or \$60,000. If the lots are divided in such a way that Lot 10 and half of Lot 11 is sold as one lot, the value of said lot would be \$25,000 and the value of Lot 12 and half of Lot 11 would be \$25,000. Some value can be given for increasing the size of the lot; however, it would not be half the value of a full lot. The land remaining with the house, Lots 13 and 14, in my opinion would have a value of approximately \$40,000.

Land Value Summary

Lots 13 & 14	\$40,000.
Lot 10	\$20,000.
Lot 11	\$20,000.
Lot 12	\$20,000.
Total	\$100,000.

007409

## 4

Guest House

2 Fireplaces	4,000
--------------	-------

## Depreciation

Physical Incurable

Economic Life - 50 years

Land Value	\$100,000
------------	-----------

INDICATED VALUE BY THE COST APPROACH	\$165,960
ROUNDED TO	\$166,000

007410.



Fred P. Brinkman, Executive Director

Division of Engineering & Planning  
William R. Jennings, Director  
(803) 758-2863

December 4, 1986

## EXHIBIT

DEC 16 1986 NO. 25

Mr. Bruce Taylor  
Property Management  
Budget and Control Board  
300 Gervais Street  
Columbia, South Carolina 29201

STATE BUDGET & CONTROL BOARD

Dear Bruce:

We are requesting Budget and Control Board approval of a \$ 155,000 expenditure from the Recreation Land Trust Fund. Our Commission has approved this project. The required funding is available from the Trust Fund.

The \$ 155,000 will be used to acquire a 1.9 tract and two residences containing 1600 and 600 square feet at Caesars Head. The property was appraised for \$ 166,000 by an MAI appraiser. An excerpt of the appraisal is enclosed.

The subject property is located just off U.S. 276 directly across the road from PRT's Caesars Head store and overlook area. The tract is surrounded by State owned land.

PRT would use the houses as ranger's residences. The property is also adjacent to an area on which we hope to eventually build a lodge and restaurant, and this tract could be used in conjunction with that development.

The owners have agreed to sell the property for less than the appraised value because they would like for the park to have the property. The owner would like very much to close this transaction before the end of the year due to the change in the tax laws relating to capital gains.

Thank you for your assistance.

Sincerely,

Steve McCalla, Landscape Architect  
Division of Engineering and Planning

007411



DEC - 9 1986

STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES  
300 GERVAIS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 758-7444



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

JACK C. SPROTT, CAE  
ASSISTANT DIVISION DIRECTOR  
PROPERTY MANAGEMENT

December 5, 1986

**EXHIBIT**

DEC 16 1986 NO. 2 5

STATE BUDGET & CONTROL BOARD

Mr. William McInnis  
Deputy Executive Director  
SC Budget and Control Board  
6th Floor, Wade Hampton Building  
Columbia, South Carolina 29201

Dear Bill:

The attached request from PRT needs Joint Bond Review Committee approval prior to being presented to the Budget and Control Board. We would appreciate your assistance in obtaining this approval. PRT had hoped to conclude this transaction before year end as is indicated by Steve McCalla's letter to my office.

Sincerely,

Bruce Taylor  
Supervisor, Sales and Acquisitions

BT/jb

007412

DEC 12 1986

STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES  
300 GERSAIS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 758-7444

**EXHIBIT**

DEC 16 1986

NO. 26

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



JACK C. SPROTT, CAE  
ASSISTANT DIVISION DIRECTOR  
PROPERTY MANAGEMENT

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

TO: William A. McInnis  
Deputy Director  
Office of the Executive Director

FROM: Jack C. Sprott, CAE *JCS*  
Assistant Division Director  
Division of General Services  
Property Management Section

SUBJECT: Purchase Beaufort Elementary School

DATE: December 11, 1986

Enclosed is all of the information that you requested on this property. As I mentioned to you earlier, I have two reservations concerning this transfer:

1. The most recent appraisal is six years old and the appraisals varied from \$648,000.00 to \$900,000.00 in 1980. I was told that the building was checked out but I do not know the date of its last inspection.
2. The deed title has not been examined but the school district has had it over 100 years.

I know that you are being pressed to place this on the agenda, but I recommend that we get an updated appraisal of the property before the transfer.

JCS:dp

Enclosures

cc: Richard W. Kelly, Director  
Division of General Services

007413

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

For meeting scheduled for:

December 16, 1986

Blue Agenda

Regular Session Agenda

Executive Session Agenda

1. Submitted By:

(a) Agency:

(b) Authorized Official Signature:

2. Subject:

Purchase of Elementary School Property in Beaufort

3. Summary Background Information:

1. On SEP 23, 1986 the Budget and Control Board gave approval for the establishment of this project which includes \$1,000,000 for land purchase
2. The property was appraised in 1980 at an estimated value of \$900,000. The building has been checked out and contains no asbestos or structural problems.
3. The building will be used for general classroom space with some faculty offices.
4. A deed and plat have been prepared by the Beaufort County Board of Education.

## EXHIBIT

DEC 16 1986

NO. 26

4. What is Board asked to do?

Approve the purchase

STATE BUDGET & CONTROL BOARD

5. What is recommendation of the Board Division involved?

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

1. Deed to USC
2. Plat of School Property
3. A13 Form
4. Appraisal Letters

List Those Not Attached But Available from Submitter

① PLAT OF SCHOOL PROPERTY

007414

J. HENRY FAIR, JR., M.A.I.  
REAL ESTATE APPRAISER  
AND CONSULTANT  
P.O. BOX 666 CHARLESTON, S.C. 29402  
(803) 722-2642

EXHIBIT

December 24, 1980

DEC 16 1986

NO. 26

STATE BUDGET & CONTROL BOARD

Dean Darwin Bashaw  
University of South Carolina  
at Beaufort  
P. O. Box 1007  
Beaufort, SC 29902

Re: Appraisal of Beaufort  
Elementary School

Dear Dean Bashaw:

We have made an appraisal, at your request, of the above referenced property, which property is described in detail in the following report.

As a result of our investigation and analysis, we believe that the market value of the subject property on December 11, 1980, is:

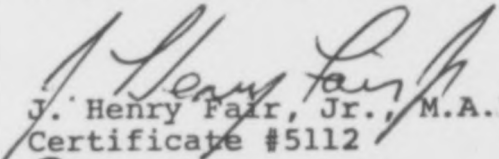
SIX HUNDRED FORTY-EIGHT THOUSAND DOLLARS ----- (\$648,000.00)

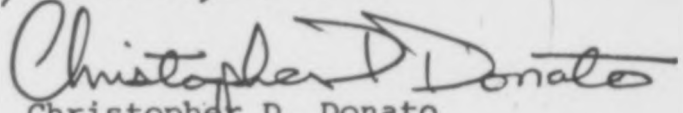
Your attention is invited to the following report which explains the factual evidence found and the reasoning supporting this conclusion.

I hereby certify that I have no interest in the subject property and that neither the employment to make this appraisal nor the compensation therefor, is contingent on the value of the property.

I further certify that this appraisal was made in conformity with the Rules of Professional Ethics of the American Institute of Real Estate Appraisers.

Respectfully submitted,

  
J. Henry Fair, Jr., M.A.I.  
Certificate #5112

  
Christopher D. Donato

JHF/CDD/mdr

007015



# Rowan Associates

*Realtors Appraisers*

P.O. BOX 3001  
HILTON HEAD ISLAND,  
SOUTH CAROLINA 29928  
(803) 671-4600  
(803) 842-2700

## EXHIBIT

DEC 16 1986

NO. 26

STATE BUDGET & CONTROL BOARD

December 18, 1980

Mr. Darwin Bashaw, Dean  
University of South Carolina at Beaufort  
P. O. Box 1007  
Beaufort, South Carolina 29902

Re: Beaufort Elementary School Building  
Northeast Corner, Carteret and  
Washington Streets  
City of Beaufort, South Carolina

Dear Mr. Bashaw:

At your request, we have made an appraisal of the above captioned building and based on the facts and opinions expressed in the following report, we estimate the value as of December 1, 1980 to be:

NINE HUNDRED THOUSAND DOLLARS  
(\$900,000.00)

We trust that the above valuation and the contents of this report meet with your approval.

If you have any questions, do not hesitate to call.

Very truly yours,

ROWAN ASSOCIATES, INC.

George H. Rowan, MAI SREA  
President

GHR/ew

007416



## INDIVIDUAL PROJECT PROPOSAL

PERMANENT IMPROVEMENT PROJECT PROPOSED FOR INITIATION IN FISCAL YEAR: 86

1. Agency Number: H-36 Name: USC-Beaufort  
 Contact Person: David P. Rinker Phone: 777-5993 Date: 7/1/84
2. Project Name: Acquisition and renovation of Beaufort Elementary School and Campus Development
3. Project Priority:  
 A. This project is priority number 1 among 1 projects proposed for initiation in this fiscal year.  
 B. Estimated number of months needed to complete project if authorized

## 4. Project Description (What does it consist of?):

Acquisition and renovation of Beaufort Elementary School  
 which is surrounded by the USC-Beaufort campus. Also,  
 appropriate campus development.

Site Description: (Attach a map showing project location)

Location: Beaufort 07 Beaufort Carteret Street  
                     county                      county code                      city                      site

## 5. Project Justification (Why is the project needed?):

As the narrative explains, USC-Beaufort is a growing  
 institution with a bright future. The elementary school  
 is a key to being able to meet the demands placed on this  
 institution.

## 6. What specific needs does this project address?

A growing student population and the expansion of  
 programs.

## 7. What alternatives were considered as a means of meeting needs specified in #6?

Construction of a new facility

## 8. Impact of proposed project upon agency programs and budgets:

\$50,000 - Utilities  
 \$12,000 - Personnel

9. Are additional annual operating costs related to this project? Yes X No         
 If yes, complete and attach Addendum A-49

EXHIBIT  
 NO. 26  
 DEC 16 1985  
 STATE BUDGET & CONTROL BOARD

007417

# EXHIBIT

FORM A-1 PAGE 2

DEC 16 1986

NO. 26

## 10. Estimates of proposed project costs:

STATE BUDGET & CONTROL BOARD

A. Total estimated cost of project. \$ 2,200,000

B. Total estimated cost of project includes the following: (1 through 10 below = 10A above)

- (1) \$ 100,000 Planning/design services
- (2) \_\_\_\_\_ Site/work (including utilities)
- (3) \_\_\_\_\_ Central energy systems repair/replacement
- (4) \_\_\_\_\_ Mechanical systems repair/replacement
- (5) 1,000,000 General renovation/repair of floor space: (Gross sq. ft.: 32,561)
- (6) \_\_\_\_\_ Roof repair/replacement
- (7) \_\_\_\_\_ Construction of additional floor space: (Gross sq. ft.: \_\_\_\_\_)
- (8) \_\_\_\_\_ Equipment/supplies
- (9) 800,000 Purchase of facilities (Floor space, Gross sq. ft. 32,561)  
(Land, acres: 1.86)
- (10) 300,000 Other (Specify) Campus Development
- \$ 2,200,000 Total (Same as 10A)

C. Total estimated cost of project by broad purpose: Total cost: \$ 2,200,000

(equals 1 through 8, below and is same as 10A above)

- (1.) Purchase land \$ 800,000
- (2.) Purchase facility \$ \_\_\_\_\_
- (3.) Demolish facility \$ \_\_\_\_\_
- (4.) Construct Additional facility \$ \_\_\_\_\_
- (5.) Restore facility \$ 1,100,000
- (6.) Maintain facility \$ \_\_\_\_\_
- (7.) Replace facility \$ \_\_\_\_\_
- (8.) Other: Campus Development \$ 300,000

## 11. Proposed Sources Of Funds:

Type of Funds.	Amount	Revenue Code
(0) Capital Improvement Bonds	\$ <u>2,200,000</u>	<u>811500</u>
(1) Departmental Capital Improvement Bonds		
(2) Institution (tuition) Bonds		
(3) Revenue Bonds (Specify _____)		
(4) Excess Debt Service (Specify _____)		
(6) Appropriated State		
(7) Federal		
(8) Athletic		
(9) Other (Specify _____)		
TOTAL (Same as 10 A)	\$ <u>2,200,000</u>	

29

007418

# EXHIBIT

DEC 16 1986

NO. 2 6

Beaufort  
86-1

STATE BUDGET & CONTROL BOARD

\$2,200,000

Acquisition/Renovation of The Beaufort Elementary School  
and Campus Development

USC-Beaufort probably has the least assignable square feet per student and the highest space utilization of any institution of higher education in the state of South Carolina. With a total assignable building space of 18,022 square feet and a fall 1983 full-time equivalent enrollment of 392 students, USC-B has 46 assignable square feet per FTE student. This figure includes the entire campus classroom (3,576 sq. ft), and lounge (572 sq. ft.) areas. When the 1983 fall headcount enrollment of 637 is used in the calculation, the 27 assignable square feet per student is even more noteworthy. The six classrooms and four laboratories of USC-B have a utilization rate of 60.4 percent by day and 85.1 percent at night.

The enrollment pattern for USC-B is a healthy one with an FTE increase of 38 percent over the past five years. The fall 1978 FTE enrollment was 285 as compared to 392 in 1983. Headcount enrollment grew by 30 percent over the same time period with a 637 headcount in fall 1983 as compared to 489 during fall 1978. This year FTE enrollment continued to rise with a 3 percent increase over fall of 1982. Although high school graduation figures are falling across the nation, in Beaufort County the number of high school graduates is expected to remain relatively constant. In its May 1983 report, the Office of Research of the South Carolina State Department of Education projected that the Beaufort County school district would have the largest percentage increase in enrollment in the state from 1981-82 to 1988-89. They predict a substantial 16.1 percent enrollment increase over the period. They further predict that the number of persons graduating each year from Beaufort County's three high schools will decline by 9 percent over the next two years and then should begin to increase by 11 percent by 1989.

About 60 percent of USC-B's students are adults over the age of 25 drawn from the general population of Beaufort County. In a 1979 study commissioned by the Beaufort County Joint Planning Commission and conducted by the Community Planning Division of the Office of the Governor, Beaufort County's population was projected to increase by 19 percent from 1980 to 1990. Subsequent checks on these projections with actual data have indicated the 19 percent rate to be an underestimation of actual population growth in the county. Based on the county population projection, the public school projected graduation figures, and USC-B's enrollment history, USC-B anticipates a growth rate of about 3 percent per year to 1990. Assuming a 3 percent rate, USC-B's enrollment in 1990 will be 482 FTE and 784 headcount.

007419

# EXHIBIT

DEC 16 1986 NO. 2 6

## STATE BUDGET & CONTROL BOARD

USC-B currently has 16 full-time and 15 part-time faculty members. Three full-time faculty members do not have offices, four others share office space, and there is one small desk area for part-time faculty. The administrative and support staff is made up of 17 full-time and four part-time persons. As indicated in the previous data on assignable square feet, our current 4,452 square feet of office space is inadequate for the size of our staff and enrollment. We anticipate that the size of the faculty, staff, and administrative personnel will grow at the same rate as enrollment, namely 3 percent per year.

USC-B and the Beaufort County School System have been planning for the sale and transfer of the elementary school to the University since 1975. Written agreements regarding acquisition and purchase price have been exchanged. The city and county of Beaufort have also been involved in these plans and are counting on this acquisition as a part of the master plan development for the city of Beaufort. Various private sources, including the Alcoa Foundation, have expressed an interest in possible assistance in equipping the facility. The acquisition and campus development have been a part of the master plan of USC-B since 1975.

The elementary school currently sits in the middle of the USC-B campus separating the faculty house and the marine science building (under construction) from the administration, classroom, and library building. The properties on which the two sections of the campus presently sit are not contiguous. The acquisition of the elementary school will join the two properties into one unified campus. The campus development will provide the parking, walkways, walls, and landscaping required to complete the master plan and present a unified campus appearance.

The building will provide needed space for classrooms, faculty offices, administrative and staff offices, seminar rooms, a lecture hall, a student assembly area, student lounge area, a bookstore, music laboratory, computer laboratory, and reading laboratory. The building will be used for programs in computer science, business administration, anthropology, art, economics, education, engineering, English language and literature, foreign languages, government, international studies, history, mathematics, statistics, philosophy, psychology, religion, theater, speech, and sociology. The additional facilities will enable the University to expand existing space for the library, study area, and the chemistry program.

The only new personnel required will be a custodial position. Including the new custodial position and other operating expenses, we estimate that the cost of operating the new facility will be approximately \$60,000 per year. These costs will be covered by additional allocation based on the Commission of Higher Education funding formula as a result of our added physical plant square footage.

007420



# ADDENDUM TO FORM A-1, A-13, A-23

Form-Addendum A-49

## ADDITIONAL ANNUAL OPERATING COSTS RELATED TO PERMANENT IMPROVEMENT PROJECT

(Copy this form as needed; submit completed, typed original as attachment to original A-1, or A-13, or A-23.)

AGENCY NUMBER: H-36

AGENCY NAME: USC-Beaufort

NAME OF PROJECT: Acquisition & Renovation of Elementary School & Campus Development Priority 1 of 1.

Complete the left side (below) for all additional annual operating costs attributable to the project. The dollar number entered for each year should be the amount of increase in operating costs over the year prior to the completion of this project. (Example: Assume that operating costs the year prior to the project completion were \$100; after project completion, the operating cost will be \$115; the FY 1 line then will show a \$15 increase in the total column and by financing source. Assume FY 2 costs will be \$120; line 2 then will show a \$20 increase in the total column and by financing source.)

Complete the right side (below) for additional annual personal service costs and number of positions attributable to the project. The dollar number and the position number entered for each year should be the amount of increase in number of positions and personal service costs over the year prior to the completion of the project. (For example, see paragraph above.) Note that the additional costs for personal services are included in the total additional operating costs entered in the left side of the form.

## ADDITIONAL ANNUAL OPERATING COSTS RELATED TO PROJECT

FISCAL YEAR (Start with FY project is to be completed.)	TOTAL ADDITIONAL OPERATING COSTS Projected Financing Sources				PERSONAL SERVICE COSTS ONLY Projected Financing Sources				
	Gen. Funds	Federal	Other*	Total	Gen. Funds	Federal	Other*	Total	
								Amount	Positions
(1) 86	50,000			50,000	\$ 12,000 ( 1 )	\$ ( )	\$ ( )	\$ 12,000	1
(2) 87	54,500			54,500	\$ 13,080 ( 1 )	\$ ( )	\$ ( )	\$ 13,080	1
(3) 88	59,405			59,405	\$ 14,257 ( 1 )	\$ ( )	\$ ( )	\$ 14,257	1
(4) 89	64,751			64,751	\$ 15,540 ( 1 )	\$ ( )	\$ ( )	\$ 15,540	1
(5) 90	70,578			70,578	\$ 16,938 ( 1 )	\$ ( )	\$ ( )	\$ 16,938	1
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

\*Specify what "Other" sources are.

Show additional positions in parenthesis where appropriate.

DEC 16 1986 NO. 26

EXHIBIT



For Board Use Only

Packet Number

PROJECT PROPOSAL AND JUSTIFICATION STATEMENT

FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR \_\_\_\_\_

1. PROJECT IDENTIFIERS:

- A. Agency: Number H-36 Name USC- Beaufort  
B. Contact Person David P. Rinker Phone: 777-5993  
C. Project Name: Beaufort Elementary School Acq + Renov #9271  
D. Facility Affected: Name Beaufort Elementary School Number \_\_\_\_\_

2. PROJECT DESCRIPTION (What does it consist of? Attach supporting documentation):

Acquisition and renovation of Beaufort Elementary School which is surrounded by the USC-Beaufort campus.

Site Description: (Attach a map showing project location)

Location: Beaufort 07 Beaufort Carteret Street  
county code city site

3. PROJECT JUSTIFICATION (What does it consist of? Attach supporting documentation):

As the narrative explains, USC-Beaufort is a growing institution with a bright future. The elementary school is a key to being able to meet the demands placed on this institution.

(What specific needs does this project address?):

A growing student population and the expansion of programs.

4. ALTERNATIVES CONSIDERED AS A MEANS OF MEETING NEEDS SPECIFIED IN #3:

Construction of a new facility

5. PRIORITY: This project is priority number 1 of 1 projects proposed in this program.

6. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs?

Yes X No \_\_\_\_\_ If yes, complete and attach addendum A-49.

7. ESTIMATES OF PROPOSED PROJECT COSTS:

A. Total estimated cost of project \$ ~~2,200,000~~ 1,900,000

B. Total estimated cost of project includes the following (1. through 10.= 7A above)

- (1) \$ 100,000 Planning/design services  
(2) \_\_\_\_\_ Site work (including utilities)  
(3) \_\_\_\_\_ Central energy systems repair/replacement  
(4) \_\_\_\_\_ Mechanical systems repair/replacement  
(5) 1,000,000 General renovation/repair of floor space (Gross sq. ft.: 32,561)  
(6) \_\_\_\_\_ Roof repair/replacement  
(7) \_\_\_\_\_ Construction of additional floor space: (Gross sq. ft.: \_\_\_\_\_)  
(8) \_\_\_\_\_ Equipment/supplies  
(9) 800,000 Purchase of facilities: (Floor space, gross sq. ft. 32,561)  
(Land, acres: 1.86)  
(10) ~~300,000~~ Other (Specify) Campus Development

\$ ~~2,200,000~~ Total (Same as 7 A)  
1,900,000

EXHIBIT

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STATE BUDGET & CONTROL BOARD

007422

7. C Total estimated cost of project by broad purpose: Total cost: \$ 2,200,000  
 (equals 1 through 8, below and is same as 7A)

1. Purchase land	\$ <u>300,000</u>	5. Restore facility	\$ <u>1,100,000</u>
2. Purchase facility	\$ _____	6. Maintain facility	\$ _____
3. Demolish facility	\$ _____	7. Replace facility	\$ _____
4. Construct additional facility	\$ _____	8. Other: <u>Campus Development</u>	\$ <u>300,000</u>

8. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR:

A. Estimated expenditures and expenditure purposes, this FY: \$1,052,000  
 (Expenditure purposes (use 7B categories): \_\_\_\_\_)

B. Estimated expenditures after this FY: \$1,138,000

C. Total (Same as 7A, 7B and 7C): \$2,200,000

9. PROPOSED SOURCES OF FUNDS: Type	Amount	Revenue Code	Treasurer ID Number	Sub Fund	Mini Code	Object Code
(0) Capital Improvement Bonds	\$ <u>1,900,000</u> <u>2,200,000</u>	811500	28-026	3043		
(1) Dept Capital Imp Bonds						
(2) Inst (tuition) Bonds						
(3) Revenue Bonds						
(4) Excess Dept Service						
(6) Appropriated State						
(7) Federal						
(8) Athletic						
(9) Other						
TOTAL (Same as 7A)	\$ <u>1,900,000</u> <u>2,200,000</u>					

EXHIBIT

DEC 16 1986 NO. 26

STATE BUDGET & CONTROL BOARD

10. Submitted By:

Authorized Official: David P. Rinker, Systems V.P. for Facilities Planning Date Submitted 9/25/86

Typed Name and Title and Signature

FY Submitted \_\_\_\_\_

11. APPROVED (For Board Use Only):

William A. McInnis

Typed Name and Title and Signature

Date 007423

PROJECT NUMBER \_\_\_\_\_

PROJECT NAME: \_\_\_\_\_



BEAUFORT COUNTY SCHOOL DISTRICT

Drawer 309  
Beaufort, South Carolina 29902

OFFICE OF THE VICE PRESIDENT  
Two-Year Colleges & Community Education

October 29, 1982

EXHIBIT

DEC 16 1986

NO. 2 6

Chairman

PAUL SIEGMUND

Vice Chairman

JOSEPH B. LIST, D.D.S.

Secretary

LEE P. SHAFFER

BOARD MEMBERS

Ramon A. Combs

Dorothy P. Gnan

Frieda R. Mitchell

John C. Rogers

Agnes C. Sherman

Robbie G. Wright

Superintendent

ROBERT G. SALISBURY

Mr. Marion D. Jones

Chairman

Beaufort County Higher Education Commission

P. O. Box 1007

Beaufort, South Carolina 29902

STATE BUDGET & CONTROL BOARD

Dear Mr. Jones:

The Beaufort County Board of Education discussed your letter of September 24, 1982, at its October 26 meeting. The Board reaffirmed its commitment to sell Beaufort Elementary School to the University of South Carolina as programmed in its building plan.

Sincerely,

*Paul Siegmund*  
Paul Siegmund  
Chairman

PS/jh

*cc President*  
*Mr. Runkel*  
*FYI*

*John*

007424

NOV 17 1982

# EXHIBIT

Beaufort County Higher Education Commission

DEO 16 1986

NO. 26

P. O. Box 1007

Beaufort, South Carolina 29902

STATE BUDGET & CONTROL BOARD

September 24, 1982

*to Marion - 304*

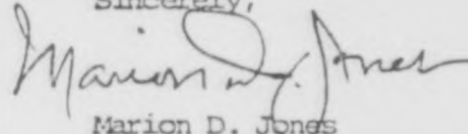
Col. Paul Sigmund  
Chairman, Beaufort County Board of Education  
King Street  
Beaufort, SC 29902

Dear Col. Sigmund:

The University of South Carolina at Beaufort has requested from the South Carolina Commission of Higher Education permission to acquire the Horne house and property adjacent to the Beaufort Elementary School. As you know, we have long anticipated purchasing Beaufort Elementary from the Board of Education pending the availability of state funds. Our ultimate goal is to combine the current USC-B building with the Beaufort Elementary property and the adjacent Horne property to form a unified down-town campus.

Before we commit state funds for the purchase of the Horne property we would like some assurance that the Board of Education is still committed to selling Beaufort Elementary School to the University as soon as your building projects permit. We would also like to get some idea of when the Board of Education anticipates releasing the Beaufort Elementary property to USC-B so we can provide a time-table for the South Carolina Commission of Higher Education.

Sincerely,



Marion D. Jones  
Chairman

MDJ/11

007425

# EXHIBIT

DEC 16 1986

NO. 26

STATE BUDGET & CONTROL BOARD

20 August 1980

Mr. Darwin Bashaw  
Dean  
University of South Carolina - Beaufort Campus  
P. O. Box 1007  
Beaufort, S. C. 29902

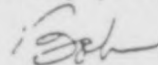
Dear Darwin:

In reply to your recent letter to Mrs. Dorothy P. Gnann requesting a purchase price on the Beaufort Elementary School on Carteret Street, the building is to be sold for \$1,000,000.

It is hoped that in the future the USCB and the Beaufort County Schools can reach a mutual agreement as to the purchase of this school.

We hope for you a most successful year on your campus.

Sincerely yours,



Robert C. Salisbury

RCS/rw

007426



## The State of South Carolina,

## EXHIBIT

DEC 16 1986 NO. 26

STATE BUDGET &amp; CONTROL BOARD

## KNOW ALL MEN BY THESE PRESENTS, That

The Beaufort County Board of Education (Donna Marsh, York Glover, Jack Cole, Donald Coffin, Ann Kilgore, E. H. Marchetti, Beth McDermott, Annie Perry and John Rogers)

in the State aforesaid, -----for and-----in consideration of the sum of

Five (\$5.00) Dollars

and other valuable consideration to it in hand paid at and before the sealing of these presents, by the University of South Carolina of Beaufort, South Carolina in the State aforesaid, (the receipt whereof is hereby acknowledged)

have granted, bargained, sold and released, and by these Presents do grant, bargain, sell and release, un-

to the said University of South Carolina of Beaufort, South Carolina, its successors and assigns:

All that certain piece, parcel or tract of land with all improvements thereon situate lying and being in the City of Beaufort, in the County of Beaufort, State of South Carolina and having such metes and boundaries as more particularly shown and delineated on a plat prepared for the University of South Carolina at Beaufort by R. D. Trogon, Sr., RLS 2712, P. O. Box 612, 1614 Bay Street, Beaufort, South Carolina 29901, and recorded in the Register of Mesne Conveyance Office for Beaufort County in Plat Book \_\_\_\_ at Page \_\_\_\_.

Said property may be more particularly described as follows:

Beginning at a Conc. 0 at the Northwest corner of the subject property along Carteret Street, thence commencing South 89° 56-35 East 239.50 feet to an I.N.; thence commencing along New Street South 00° 12-40 East 380.08 feet to a Conc. 0; thence commencing North 89° 57-50 West 240.04 feet along Washington Street to a Conc. 0; thence commencing North 00° 08-43 West 320.13 feet to a Conc. 0; thence commencing North 00° 02-55 West 66.03 feet to the point of beginning.

This property being all of Block 31 and a portion of Block 30, City of Beaufort, Beaufort County, South Carolina, according to a map or plat adopted by the U. S. Direct Tax Commissioners for the District of South Carolina dated November 3, 1862.

This being the property which was transferred to the Beaufort South Carolina School Board by deed of Elisha P. Hutchinson and Ruth L. Hutchinson dated February 26, 1867 and recorded in Deed Book \_\_\_\_ at page \_\_\_\_ on March 17, 1869 and the property transferred to M. L. Bostick, James G. Thomas, W. King Kyzerling, Walter A. Zowkowski, and Willis Gardner as trustees of School District Number One in Beaufort County, South Carolina by deed of Thomas J. Barden dated March 28, 1963, and recorded in Deed Book 116 at page 126 on April 8, 1963.

This conveyance is made subject to easements, zoning, restrictions, encroachments, rights of way, or other conditions, existing or of record.

Grantee's Address: University of South Carolina  
System Legal Department  
104 Osborne Building  
Columbia, South Carolina 29208

THIS DEED PREPARED WITHOUT BENEFIT OF TITLE EXAMINATION. Prepared by Barnes, Davis & Tupper, P.A., 500 Carteret Street, Beaufort, South Carolina 29902.

007427

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 said premises before mentioned unto the said University of South Carolina of Beaufort, South Carolina, its Heirs and Assigns forever

And the said Beaufort County Board of Education does hereby bind itself and its successors, to warrant and forever defend all and singular the said premises unto the said University of South Carolina of Beaufort, South Carolina, its Heirs and Assigns, against itself and its successors lawfully claiming or to claim the same, or any part thereof.

IN WITNESS WHEREOF Beaufort County Board of Education has caused these presents to be executed in its name by DONNA MARSH (Donna Marsh) its President and by Jack Cole its Secretary and its corporate seal to be hereto affixed this 26th day of November in the year of our Lord one thousand nine hundred and eighty-six, and in the two hundred and tenth year of the Sovereignty and Independence of the United States of America.

Signed, Sealed and Delivered }  
in Presence of }

Nancy L Thomas  
Nancy L. Leif  
Witness  
Witness

(Seal)  
By Donna Marsh President  
Jack Cole  
Sec. or Treas.

The State of South Carolina,

County of Beaufort

PERSONALLY appeared before me Nancy L. Thomas  
(Insert name of Witness)  
who, on oath, says that he saw the within named Beaufort County Board of Education  
(Insert name of Corporation)  
by Donna Marsh its  
(Insert name of President or Vice-President)  
President sign the within Deed, and Jack Cole its  
(Insert Sec. or Treas.)  
Secretary attest the same, and the said Corporation, by said officers, seal  
said Deed, and, as its act and deed, deliver the same, and that he with Terry L. Terril  
(Insert name of other Witness)  
witnessed the execution thereof.

SWORN to before me, this 26<sup>th</sup>  
Cera Ann Shaves (Seal)  
Notary Public, S. C.

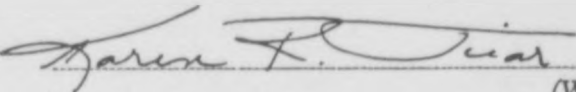
  
(Witness)  
day of November A. D. 1986

EXHIBIT  
DEC 16 1986 NO. 26  
STATE BUDGET & CONTROL BOARD

007429

# EXHIBIT

DEC 16 1986

NO. 27

STATE BUDGET AND CONTROL ~~BOARD~~ BUDGET & CONTROL BOARD REGULAR SESSION

MEETING OF December 16, 1986

ITEM NUMBER

10

AGENCY: General Services

SUBJECT: Procurement Certification, Spartanburg TEC

The Division of General Services, in accord with Code Section 11-35-1210, has audited Spartanburg Technical College and recommends its certification within the parameters described in the audit report for the following limit (total potential purchase commitment to the State whether single-year or multi-year contracts are used), local funds only, for two years:

- |  |                                 |
|--|---------------------------------|
| I. Goods and services  | \$5,000 per purchase commitment |
| II. Information technology in accordance with the approved Information Technology Plan | \$5,000 per purchase commitment |

BOARD ACTION REQUESTED:

In accord with Code Section 11-35-1210, grant procurement certification to Spartanburg Technical College certification within the parameters described in the audit report for \$5,000 per purchase commitment (total purchase commitment to the State whether single-year or multi-year contracts are used), local funds only, for two years: Goods and services; and information technology in accordance with the approved Information Technology Plan.

ATTACHMENTS:

Agenda item worksheet

007430



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

For meeting scheduled for:

December 16, 1986

Blue Agenda

☒ Regular Session Agenda

Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

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

2. Subject:

Procurement Certification of Spartanburg Technical College

3. Summary Background Information:

The Division of General Services has audited Spartanburg Technical College and recommends its certification in accordance with Section 11-35-1210 of the Consolidated Procurement Code within the parameters described in the audit report for the following limit for two (2) years:

- I. Goods and Services \* \$5,000 per purchase commitment  
(Local Funds Only)
- II. Information Technology in \* \$5,000 per purchase commitment  
accordance with the approved  
Information Technology Plan  
(Local Funds Only)

\* This limit means the total potential purchase commitment to the State whether single-year or multi-year contracts are used.

4. What is Board asked to do?

Grant Procurement Certification to Spartanburg Technical College.

5. What is recommendation of the Board Division involved?

Grant Certification.

EXHIBIT

DEC 16 1986

NO. 27

6. Recommendation of other office (as required)?

STATE BUDGET & CONTROL BOARD

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

- 1. 20 Copies of the Procurement  
Audit and Certification Report.

007431

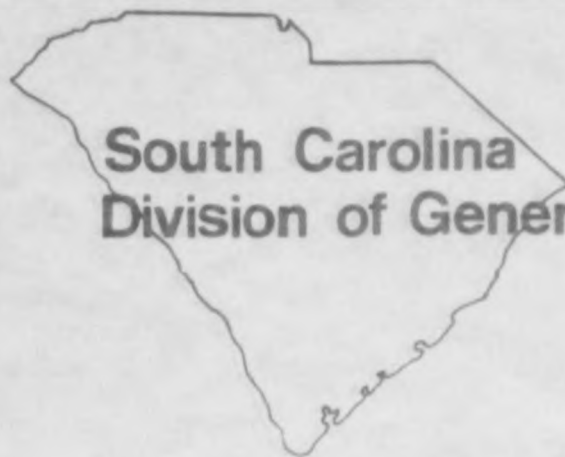


# EXHIBIT

DEC 16 1986

NO. 27

STATE BUDGET & CONTROL BOARD



**South Carolina  
Division of General Services**

## PROCUREMENT AUDIT AND CERTIFICATION

SPARTANBURG TECHNICAL COLLEGE  
AGENCY

OCTOBER 21, 1986  
DATE

**007432**

STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES  
300 GERVAIS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 737-2150

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



WILLIAM J. CLEMENT  
ASSISTANT DIVISION DIRECTOR

REMBERT C. DENNIS  
CHAIRMAN,  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

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

## EXHIBIT

November 5, 1986

DEC 16 1986

NO. 27

STATE BUDGET & CONTROL BOARD

Mr. Richard W. Kelly  
Division Director  
Division of General Services  
300 Gervais Street  
Columbia, South Carolina 29201

Dear Rick:

Attached is the final Spartanburg Technical College audit report and recommendations made by the Office of Audit and Certification. I concur and recommend the Budget and Control Board grant the College two years certification as outlined in the audit report.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bill", written over the typed name.

William J. Clement  
Assistant Division Director

Attachment

007433

# EXHIBIT

DEC 16 1986

NO. 27

STATE BUDGET & CONTROL BOARD

## SPARTANBURG TECHNICAL COLLEGE AUDIT REPORT

MAY 6, 1986

007434

# EXHIBIT

DEC 16 1986

NO. 27

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STATE BUDGET & CONTROL BOARD

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007435

# EXHIBIT

STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES  
300 GERVAS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 737-2150

DEC 16 1986 NO. 27

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



WILLIAM J. CLEMENT  
ASSISTANT DIVISION DIRECTOR

REMBERT C. DENNIS  
CHAIRMAN,  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

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

May 6, 1986

Mr. Richard W. Kelly  
Assistant Division Director  
Division of General Services  
300 Gervais Street  
Columbia, South Carolina 29201

We have examined the local fund procurement policies and procedures of the Spartanburg Technical College for the period April 1, 1985 - February 28, 1986. As a part of our examination we made a study and evaluation of the system of internal control over procurement transactions to the extent we considered necessary.

The purpose of such evaluation was to establish a basis for reliance upon the system of internal control to assure adherence to the Consolidated Procurement Code and State and College procurement policy. Additionally, the evaluation was used in determining the nature, timing and extent of other auditing procedures that were necessary for developing an opinion on the adequacy, efficiency and effectiveness of the procurement system.

The administration of Spartanburg Technical College is responsible for establishing and maintaining a system of internal control over procurement transactions. In fulfilling this responsibility, estimates and judgements by management are

007436



required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance of the integrity of the procurement process, that affected assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and are recorded properly.

Because of inherent limitations in any system of internal control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation of the system of internal control over procurement transactions as well as our overall examination of procurement policies and procedures were conducted with due professional care. They would not, however, because of the nature of audit testing, necessarily disclose all weaknesses in the system.

The examination did disclose conditions enumerated in this report which we believe to be subject to correction or improvement.

Corrective action based on the recommendations described in these findings will in all material respects place the Spartanburg Technical College in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

R. Voight Shealy, Manager  
Office of Audit and Certification

*R. Voight Shealy*

### INTRODUCTION

The Office of Audit and Certification conducted an examination of the internal procurement operating procedures and policies and related manual of the Spartanburg Technical College.

Our on-site review was conducted March 11, 1986 through March 21, 1986, and was made under the authority as described in Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code and Regulation 19-445.2020.

The examination was directed principally to determine whether, in all material respects, the procurement system's internal controls were adequate and the procurement procedures, as outlined in the Internal Procurement Operating Procedures Manual, were in compliance with the South Carolina Consolidated Procurement Code and its ensuing regulations.

007438

BACKGROUND

Section 11-35-1210 of the South Carolina Consolidated Procurement Code states:

The (Budget and Control) Board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The Division of General Services shall review the respective governmental body's internal procurement operation, shall certify in writing that it is consistent with the provision of this code and the ensuing regulations, and recommend to the board those dollar limits for the respective governmental body's procurement not under term contract.

While on site, we received a written request from the Spartanburg Technical College for certification to make procurements in the following categories and designated amounts:

<u>Area</u>	<u>Amount</u>
Goods and Services (local funds only)	\$10,000.00
Information Technology	10,000.00
Construction	10,000.00

### SCOPE

Our examination encompassed a detailed analysis of the internal procurement operating procedures of Spartanburg Technical College and the related policies and procedures manual to the extent we deemed necessary to formulate an opinion on the adequacy of the system to properly handle procurement transactions. The examination was limited to procurements from local funds, which includes some federal funds, local contributions and student collections.

The Audit and Certification team selected random samples for the period July 1, 1985 - February 28, 1986, of procurement transactions for compliance testing and performed other auditing procedures that we considered necessary in the circumstances to formulate this opinion. As specified in the Consolidated Procurement Code and related regulations, our review of the system included, but was not limited to, the following areas:

- (1) adherence to provisions of the South Carolina Consolidated Procurement Code and regulations;
- (2) procurement staff and training;
- (3) adequate audit trails and purchase order registers;
- (4) evidence of competition;
- (5) small purchase provisions and purchase order confirmations;
- (6) emergency and sole source procurements;
- (7) source selections;
- (8) file documentation of procurements;
- (9) disposition of surplus property;

(10) economy and efficiency of the procurement process;  
and

(11) approval of Minority Business Enterprise  
Utilization Plan.

007441



## SUMMARY OF AUDIT FINDINGS

Our audit of the procurement system of Spartanburg Technical College produced findings and recommendations in the following areas:

	<u>PAGE</u>
I. <u>Compliance - General</u>	
Five procurements were not made in accordance with the Consolidated Procurement Code and regulations.	8
II. <u>Compliance - Sole Source and Emergency</u>	
Five procurements were handled improperly as sole sources. Two emergency procurements resulted from poor planning. They should not have been handled in this manner.	10

## RESULTS OF EXAMINATION

### I. Compliance - General

The following procurements were not made in accordance with the Consolidated Procurement Code and regulations:

	<u>P.O. Number</u>	<u>Amount</u>	<u>Description</u>
1.	7624	\$ 521.25	Software
2.	7804	9,777.00	Commercial insurance
3.	7435	1,345.00	Energy modifications
4.	7444	644.32	Energy modifications
5.	7921	2,493.00	Painting services

Item one was not supported by evidence of competition. Section 19-445.2100, Subsection B, requires solicitation of verbal or written quotes from a minimum of two qualified sources of supply.

Item two was not supported by evidence of competition. Section 19-445.2035 requires solicitation of a minimum of five sealed bids for purchases from \$5,0000.00 to \$9,999.99. Additionally, this purchase exceeded the College's procurement certification limit of \$2,500.00 by a substantial amount. Consequently, it is an unauthorized procurement that requires ratification from the Materials Management Officer, in accordance with Section 19-445.2015.

Items three, four, and five are unauthorized procurements, as defined in Section 19-445.2015 of the Procurement Code regulations. In all three cases, services were rendered before purchase orders authorizing the commitments were prepared. This was particularly evident for items three and four because the invoices for services rendered were dated May 29, 1985 but

purchase orders were not prepared until July 31, 1985, two months later. These procurements must be formally ratified by the College President in accordance with the regulation referenced above.

#### AGENCY RESPONSE

<u>P.O. Number</u>	<u>Amount</u>	<u>Description</u>
7624	\$ 521.25	Software

Industry and Business Training (formerly Continuing Education) contracted with an industry customer to provide computer training utilizing the Microsoft C Compiler. Training was to begin immediately. Procurement was arranged with a local vendor at a very reasonable price, less than \$500.00. When the software was delivered, sales tax caused the price to exceed the \$500.00 limit.

7804	9,777.00	Auto Insurance
------	----------	----------------

During a six month period prior to July 1985, several of the senior managers at the college were replaced due to retirement and resignations. Two of these positions included the V.P. for Business Affairs and the Accounting Manager. Consequently, some corporate memory was lost. Expiration date of our fleet auto insurance policy was one of the forgotten requirements. Slightly over a month after our policy was lapsed, it was brought to my attention that we did not have coverage. Grier and Company had provided the college with auto insurance for the past several years. They were immediately contacted to extend the policy to provide immediate coverage. One year extension was the only extension offered. Concurrently we requested information from the Insurance Reserve Fund on auto insurance. In December we still had not received the information. The Procurement Officer contacted Materials Management Officer. It was suggested by MMO that to cancel the existing policy could be more expensive than just retaining until expiration. Five months prior to expiration, the college requested replacement insurance through the Reserve Fund. This policy was issued on the expiration day of existing coverage.

7435	1,345.50	Energy Modification to HVAC
------	----------	-----------------------------

Several Modifications to our heating and cooling were started in late 1984 and 1985. Several bids were received on this particular modification. We were unable to determine if the original purchase request was accomplished and then lost or never accomplished. It was not until we received the invoice May 29, 1985 that the present documents were initiated. Payment was made July 8, 1985.

007444

7444

644.32

Emergency repair

This was a bona fide emergency approved by the President and ratified by subsequent document. Classes would have been curtailed if an immediate fix had not been accomplished. Emergency Procurement Request signed by the President is on file.

7921

2,493.00

Painting Services

Scheduling class rooms for painting is a tedious task since we are not always sure when the rooms will be available. Quotes for painting were obtained in August, with work to be accomplished in the fall. Work was accomplished as scheduled, the purchase request was completed prior to work; but for some reason the P. O. was not completed until the invoice was received.

---

## II. Compliance - Sole Source and Emergency

### 1. Sole Source Procurements

A review of the College's sole source procurement revealed the following exceptions that do not qualify as sole sources:

	<u>P.O. Number</u>	<u>Amount</u>	<u>Description</u>
1.	7260	\$ 741.52	Lock keying services
2.	7357	2,436.00	Printing of brochures
3.	7911	2,966.00	Install computer cables
4.	8302	1,598.65	Shrubs for landscaping
5.	8205	1,622.25	Photography enlarger

Section 19-445.2105 of the regulations indicates, "Sole source procurement is not permissible unless there is only a single source of supply." Further, this section states, "In cases of reasonable doubt, competition should be solicited."

The college should adopt the definition of sole source procurements that is used by the Materials Management Office which requires that the procurements be for unique items available only from a single source. This definition is used



consistently among governmental bodies covered by the Procurement Code.

#### AGENCY RESPONSE

It is difficult to defend our judgement that the five items listed were best procured as sole source items since the report explicitly states that they do not qualify as sole source. However, we would like to provide some rationale for our sole source actions.

1. P.O. 7260 - In the interest of security, it is best that only one keying company has access to our master keys. If each keying operation was procured by open bid, master keys could be found at any vendor successful in obtaining a bid selection. We monitor costs closely to insure that they are reasonable and fair. This procurement was ratified by the President.

2. P.O. 7357 - In the college environment, recruitment of students is of vital interest. It was determined that "flyers" were needed as inserts in the local newspaper. A very tight deadline was upon us. By using reprints of another recent flyer, setup costs and negative costs could be greatly reduced. Since no other printer had the necessary negative, this became a unique item available from only one source.

3. P.O. 7911 - This should more appropriately have been listed as an emergency procurement. Normal registration period creates a great requirement for personnel in a very narrow time frame. As a consequence, past registrations have created overtime requirements. Court decisions relative to Fair Labor Standards Act and State directions that no overtime would accrue, left us in a tenuous position that required resolution. We have only recently been afforded the opportunity to conduct registration on-line through our computer system. To take advantage of this computer capability and reduce overtime, it was necessary to provide a wire network utilizing some existing phone lines. Two local agencies were aware of existing wiring and could accomplish the job. AT&T charges \$65.00 per hour and the time frame is left to chance. John Communications charges \$35.00 per hour and were immediately available.

4. P.O. 8302 - We contacted surrounding nurseries for specific plants needed to landscape around the recently renovated Ledbetter Building. The Plant Superintendent visited the nurseries to insure that the plants were proper and healthy. This was the only nursery that could provide proper caliber of plants within the time frame required.

5. P.O. 8205 - This was the only local studio with the necessary equipment to provide oversized color enlargements with proper quality of final product.



## 2. Emergency Procurements

The following emergency procurement situations occurred due to poor planning.

	<u>P.O. Number</u>	<u>Amount</u>	<u>Description</u>
1)	8304	\$2,766.65	Carpet
2)	8088	567.11	Cork Board and Podium

Item one was procured as part of an on-going construction project. The justification indicated that the room would not have been ready if procurement had followed bid procedures. This procurement could have been scheduled in advance to allow time for normal processing. As stated in report point I above, carpet is a State contract item, so bid procedures were not required.

Item two was needed for specialized training. Since the procurement is between \$500.01 and \$1,499.99, the regulations only require two telephone quotations. With this in mind, declaring the procurement an emergency was inappropriate.

### AGENCY RESPONSE

Faced with the Audit judgement that the two emergency procurements "occurred due to poor planning", please accept a few comments as to the rationale for such actions.

1. P.O. 8304 - In the original plans for the Ledbetter Building, the room in question was not to be finished and would remain as a store room. Just prior to fall semester, Milliken Corporation approached us with a request to provide rooms for special training for their employees. Immediate action was taken to complete this room for their training. We contacted the State Contractor to obtain carpet. We requested that he come to the job site with samples. Although he indicated that he would come to the site, he did not. With time running out, we contacted a more reliable contractor.

2. P.O. 8088 - Part of the same training program listed above in item #1, although used in another area. Board was not readily available in the local area from any vendor. This vendor could provide a "replacement" until ordered board arrived. We used the replacement and ordered the new board. Classes were able to meet on time.

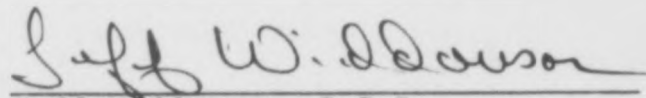
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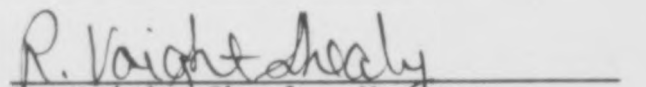
## CERTIFICATION RECOMMENDATIONS

As enumerated in our transmittal letter, corrective action based on the recommendations described in the findings contained in the body of this report, we believe, will in all material respects place Spartanburg Technical College in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

Under the authority described in Section 11-35-1210 of the Procurement Code, subject to this corrective action, we recommend Spartanburg Technical College be certified to make direct agency procurements up to the limits as follows when using local funds:

<u>PROCUREMENT AREAS</u>	<u>RECOMMENDED CERTIFICATION LIMITS</u>
Goods and Services exclusive of printing equipment which must be approved by the Division of Information Resources Management (Local Funds Only)	\$5,000 per purchase commitment
Information Technology (Local Funds Only)	5,000 per purchase commitment
Construction (Not Recommended At This Time)	

  
Jeff Widdowson, P.P.B.  
Office of Audit and Certification

  
R. Voight Shealy, Manager  
Office of Audit and Certification

STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES  
300 GERVAIS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
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CHAIRMAN,  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

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

October 21, 1986

Mr. William J. Clement  
Assistant Division Director  
300 Gervais Street  
Columbia, South Carolina 29201

Dear Bill:

We have returned to Spartanburg Technical College to determine the progress made toward implementing the recommendations in our audit report covering the period April 1, 1985 through February 28, 1986. During this visit, we followed up on each recommendation made in the audit report through inquiry, observation and limited testing.

We observed that the college has made substantial progress toward correcting the problem areas found and improving the internal controls over the procurement system. With the changes made, the system's internal controls should be adequate to ensure that procurements are handled in compliance with the Consolidated Procurement Code and ensuing regulations.

We, therefore, recommend that the certification limits as outlined in the audit report, be granted for a period of two (2) years.

Sincerely,

R. Voight Shealy, Manager  
Audit and Certification

007450