

MINUTES OF  
Budget and  
Control Board  
Meeting  
*August 17, 1982*

002322

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

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

Box 12444  
Columbia  
29211

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

August 17, 1982

MEMORANDUM FOR RECORD

RE: Budget and Control Board Actions at August 17, 1982 Meeting

At the referenced meeting, the Budget and Control Board took the following actions:

1. Approved a Spartanburg County proposal to issue \$3,000,000 Industrial Revenue Note on behalf of the Spartanburg Steel Products, Inc., project, on the condition that the required reviews by the Attorney General's Office are completed with satisfactory results;
2. Approved a Greenville County proposal to issue \$915,000 Industrial Revenue Bond on behalf of the Rainerman project;

[Secretary's Note: At this point, the meeting of the Budget and Control Board was adjourned temporarily for the purpose of convening a meeting of the State Education Assistance Authority during which that Authority adopted a resolution authorizing the issuance of \$17,500,000 of South Carolina State Education Assistance Authority Insured Student Loan Revenue Bonds. The State Education Assistance Authority meeting then was adjourned and the Budget and Control Board reconvened.]

3. Heard budget requests of the following agencies: Adjutant General's Office, Tax Commission, Department of Labor, Commission on Aging, and Water Resources Commission.

[Secretary's Note: The Board took the referenced actions after hearing introductory remarks on the State's economic situation and the outlook for fiscal year 1983-84 by Governor Riley; a report by the Board of Economic Advisors; a review of the outlook for federal funding; and a summary of agency requests and statewide budget issues.]

WAM:dw

002323



MINUTES OF BUDGET AND CONTROL BOARD MEETING

AUGUST 17, 1982      9:30 A. M.

The Budget and Control Board met at 9:30 A. M. on Tuesday, August 17, 1982, in 219 Edgar A. Brown Office Building for the purpose of beginning the plan/budget requests review process relating to fiscal year 1983-84 with the following members in attendance:

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

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

OPENING OF 1983-84 BUDGET HEARINGS - Governor Riley opened the hearings with an introductory statement. He called attention to an article in the Wall Street Journal pointing out that state government surpluses all across the country virtually have vanished and that financial problems are to be found all over the country. He urged that during the course of these hearing the opportunity be taken to look beyond to where the State should be developing. He urged a willingness to consider new and better ways of accomplishing the various State missions and stressed the importance of being realistic during these times. He noted that so much of our situation is controlled by outside forces. He also observed that if the hearings are to be of value they must be realistic and that some things considered desirable under ordinary circumstances would be unrealistic if the weak economic situation continues.

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Governor Riley then traced the events of last fiscal year relating to revenue shortfalls and noted that the Board had responded when advised in December of the likelihood of the shortfall and that action was followed by further action by the Board, the General Assembly and by him in his role as Governor. He pointed out that despite a \$60,000,000 reduction during the year the State had ended 1981-82 with a \$55,000,000 shortfall. He also noted that approximately \$90,000,000 has been reduced from the 1982-83 appropriation with \$39,000,000 of that being taken out during the process and about \$52,000,000 by way of vetoes. Governor Riley expressed the view that all of these actions were responsible and necessary and he expressed great concern that further reductions may be needed in the current year. He observed that revenue growth in July was about 6% and contrasted that with the 13.5% growth required to meet the 1982-83 appropriation.

Governor Riley concluded his introductory remarks by stating that it appears inescapable that some type of mid-year correction on the 1982-83 appropriation will be required. He expressed the view that for too long government and private business have engaged in short-term solutions but that our planning must look beyond. He cited the benefits of strong early childhood programs as the types of efforts which can pay tremendous dividends over time. He closed by noting that \$55,000,000 of the \$76,000,000 reserve fund had been used to cover the shortfall in 1981-82 which recorded the slowest revenue growth in twenty years and he urged that we not make the reserve fund an operating reserve.

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BOARD OF ECONOMIC ADVISORS - OVERVIEW - Chairman James A. Morris

of the Board of Economic Advisors, accompanied by members of that Board Tax Commission Chairman Jack Weeks and Chief Economist Barbara Feinn, appeared before the Board. Dr. Morris expressed some uncertainty as to his mission at today's meeting and noted that he had not been asked to provide specific figures today but rather would provide those forecasts early in September.

He pointed out that the economic situation is still characterized by great uncertainty although it appears that we are on the threshold of a modest recovery although whether or not that recovery could be sustained is uncertain.

Dr. Morris stressed that his Board is looking for a consistent pattern of developments and noted that the daily August sales tax figures provide no basis for joy. He indicated his expectation that by mid-September we would know what consumers would do in response to decreasing interest rates and actions on the federal budget. Dr. Morris expressed the view that South Carolina is not faring as well as the country generally and noted that problems persist in the area of textiles, manufacturing and agriculture in particular with tourism being a very positive factor.

Dr. Morris expressed the view that the outlook for South Carolina is for a somewhat delayed recovery although the pattern has not yet emerged. He pointed out that the general fund revenues in the last three months of fiscal year 1981-82 actually had declined and expressed the view that last year witnessed the worst performance ever in general fund revenue.

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Dr. Morris noted that the present forecast for 1982-83 by the Board of Economic Advisors is \$2,003,200,000 to which the General Assembly added \$47,600,000 for a total revenue estimate for 1982-83 of \$2,050,800,000. Dr. Morris indicated that it does not look good now that that figure will be achieved.

Dr. Morris indicated that September is too early to provide specific figures on adjustments for the current fiscal year but that they will be forthcoming. He noted that the estimate for the current year is questionable but the dimension of any problem associated with it cannot be calculated until some pattern emerges. He noted in particular that the casual sales tax receipts to date are far below expectations and that the coin-operated tax is performing reasonably well. He stressed that the State will have a bad refund problem next spring because of the current poor year.

FEDERAL OUTLOOK - Elmer Whitten of the Governor's Office Grants Services staff presented information on the prospects for federal funding in the coming year. He opened his remarks by noting that some \$11.1 million had been collected from indirect cost allocations in 1981-82 and that about \$10.5 million are projected from this source in 1982-83. Mr. Whitten then reviewed the national budget situation and pointed out the prospect that South Carolina might lose some \$113,000,000 of federal funds from the 1981 level to 1983. He also reviewed the federal grants estimated to come to South Carolina in federal fiscal years and noted that somewhat over one billion dollars is expected from this source in 1983 with that figure increasing to \$1.1 billion in federal fiscal year 1984.



Mr. Whitten also reviewed South Carolina block grant funding based on the first budget resolution and noted the prospect of the loss of approximately \$16 million in this area.

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

SUMMARY OF REQUESTS AND STATEWIDE BUDGET ISSUES - J. S. Griswold of the Executive Director's Office presented the highlights of agency requests and reviewed the major statewide budget issues involved in the 1983-84 budget.

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

REGULAR BUSINESS AGENDA ADDITIONS - The Board unanimously agreed to consider two industrial revenue bond petitions and to convene as the Education Assistance Authority for the purpose of adopting a resolution relating to the issuance of \$17.5 million of Authority bonds.

SPARTANBURG COUNTY - PROPOSAL TO ISSUE INDUSTRIAL REVENUE NOTE - Upon a motion by Mr. Morris, seconded by Representative Mangum, the Budget and Control Board approved a Spartanburg County proposal to issue \$3,000,000 Industrial Revenue Note on behalf of the Spartanburg Steel Products, Inc., project, on the condition that the required reviews by the Attorney General's Office are completed with satisfactory results.

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

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GREENVILLE COUNTY - PROPOSAL TO ISSUE INDUSTRIAL REVENUE BOND -

Upon a motion by Mr. Morris, seconded by Representative Mangum, the Board approved a Greenville County proposal to issue \$915,000 Industrial Revenue Bond on behalf of the Rainerman project.

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

[Secretary's Note: The Budget and Control Board meeting was recessed and a meeting of the State Education Assistance Authority was convened. At that meeting, upon a motion by Representative Mangum, seconded by Mr. Morris, the Authority adopted a series resolution providing for the issuance and sale of \$17,500,000 of Insured Student Loan Revenue Bonds.]

The Board reconvened at 2:00 p.m. and heard budget requests of the Adjutant General's Office, Tax Commission, Department of Labor, Commission on Aging, and Water Resources Commission.

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

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# EXHIBIT

AUG 17 1982 NO. 1

STATE BUDGET & CONTROL BOARD

## State of South Carolina

### Office of the Governor

RICHARD W. RILEY  
GOVERNOR

OFFICE OF EXECUTIVE  
POLICY AND PROGRAMS

August 13, 1982

#### IMPACT STATEMENT

FY 1983 Federal Budget and South Carolina:  
The First Concurrent Budget Resolution

Under the First Concurrent Budget Resolution passed by Congress in June, South Carolina would fare slightly better in the federal fiscal year beginning October 1, 1982 than under President Reagan's February budget. However, South Carolina would still experience a two year reduction of \$113.2 million in federal aid between 1981 and 1983. A comparison of total grant funding levels for the three years follows:

	1981	\$1.175 billion
	1982	1.115
Reagan Budget	1983	1.018 (\$157 million two year reduction)
First Budget Resolution	1983	1.062 (\$113 million two year reduction)

The First Budget Resolution provides budget targets to congressional committees involved in the authorization and appropriations process. The attached tables indicate how these targets would affect the funding levels for 62 of the major grant programs operated by South Carolina state and local governments. Many of these funding levels will change as Congress adopts the Second Concurrent Resolution, due on September 15<sup>th</sup>, and the final Appropriations, which must be completed by October 1<sup>st</sup>.

One of the major areas experiencing severe reductions under Congress' First Budget Resolution is Employment and Training Assistance, which will replace the CETA program. Under the current budget targets, South Carolina's funding for for employment and job training programs will drop from nearly \$75 million in 1981 to less than half of that in 1983 - \$35 million. President Reagan's proposal would have dropped South Carolina's funding to \$20 million.

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A second group of programs, the Health and Human Services Block Grants, are suffering from budget reductions adopted for the current federal fiscal year. Although Congress is presently considering the maintenance of these programs at the 1982 funding level, they will nevertheless experience a two year reduction of nearly 20%. The Social Services Block Grant ("Title XX") is the only HHS Block currently targeted for a slight increase in 1983 over 1982, but the reduction in 1982 was nearly \$7 million. The outlook for the Block Grants will not improve, since they are targeted for level funding through 1985, which will mean that inflation will necessitate further service reductions.

Because of the "forward funding" nature of the appropriations for elementary and secondary education, Congress' First Budget Resolution targets do not affect the 1983 funding levels for the major programs. In "Title I," the program providing education for educationally deprived children, the 1982 federal budget actions reduced South Carolina's 1983 funding by \$21 million under 1981 levels. Funds for handicapped individuals and for vocational and adult education were reduced by over \$7 million combined.

One area in which Congress' proposed budget levels would provide significant relief is higher education student aid, which would be \$13 million more for South Carolina than under the President's proposals. President Reagan's proposal would have eliminated the Supplemental Educational Opportunity Grants and would have reduced sharply the Pell Grant funding level, but Congress has restored these in 1983 nearly to the 1982 funding level. In addition, Congress has brought the "Impact Aid" funding for school districts with children of military personnel back to the 1982 level, although the program was reduced sharply between 1981 and 1982.

Congress provided relief for two other programs threatened with extinction by the Reagan administration. The Public Library Services program, which provides funding to local libraries, was allocated funding equal to the 1982 level. Also, the Appalachian Regional Commission, for which President Reagan proposed elimination of all except highway funds, would receive funding to provide South Carolina over \$3.5 million for programs in the upstate region. Table 4 indicates the status of other programs eliminated or proposed for elimination.

The tables that follow summarize how South Carolina would fare in 1983 federal funding as of August. Congress' First Budget Resolution would help selected federal programs received by South Carolina agencies, but, on the whole, the federal funds outlook has not improved significantly since President Reagan proposed his first budget in February of 1981 and his second in February 1982.

## EXHIBIT

AUG 17 1982 NO. 1

STATE BUDGET & CONTROL BOARD

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## PRELIMINARY

Table 1

SUMMARY OF FINANCIAL IMPACT OF CONGRESS' FIRST BUDGET RESOLUTION ON SOUTH CAROLINA  
(in millions of dollars)

	Estimated Grant Revenue				Reductions Under F.B. Resolution	
	FY 1981	FY 1982	FY 1983		FY 1982 to	FY 1981 to
			Reagan Budget	F.B. Resolution	FY 1983 (1 Year)	FY 1983 (2 Years)
Health & Social Services	\$ 687.6	\$ 684.4	\$ 678.1	\$ 685.2	\$ 0.8	\$ (2.4)
Education	141.1	115.1	92.4	108.3	(6.8)	(32.8)
Community & Economic Dev.	72.8	54.5	46.1	48.8	(5.7)	(24.0)
Energy & Environment	35.4	34.9	29.9	32.8	(2.1)	(2.6)
Transportation	88.4	110.5	106.9	106.9	(3.6)	18.5
Criminal Justice & Public Safety	4.4	3.3	3.8	2.6	(.7)	(1.8)
Employment & Training	97.9	67.3	44.2	60.9	(6.4)	(37.0)
Other Programs	<u>47.4</u>	<u>45.0</u>	<u>16.3</u>	<u>16.3</u>	<u>(28.7)</u>	<u>(31.1)</u>
Total	<u>\$1,175.0</u>	<u>\$1,115.0</u>	<u>\$1,017.7</u>	<u>\$1,061.8</u>	<u>\$(53.2)</u>	<u>\$(113.2)</u>

NOTE: This table and the two attached supporting schedules present estimates of Fiscal Year 1982-83 federal grant reductions to South Carolina based on Congress' First Concurrent Budget Resolution and President Reagan's February budget proposal. Sixty-two major programs providing grants to state and local governments are included in the tables. The figures take into consideration budget rescissions and are based on the federal fiscal year. (Fiscal Year 1983 is the year beginning October 1, 1982.) Where funds are passed through from a state agency to another state agency or to local governments, the funds are counted only once.

PREPARED BY: South Carolina Office of the Governor  
Grant Services Division  
July 15, 1982

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PRELIMINARY  
FINANCIAL IMPACT OF CONGRESS' FIRST BUDGET  
RESOLUTION ON SOUTH CAROLINA  
(in millions of dollars)

Table 2

		Estimated Reductions: First Budget Resolution*		Change From Reagan Budget*
Principal Recipient		1982 to 1983	1981 to 1983	
<u>HEALTH AND SOCIAL SERVICES</u>				
Medicaid	Social Services	\$ 6.4	\$ 18.4	\$(21.1)
Aid to Families with Dependent Children	Social Services	(5.6)	(3.4)	(3.2)
Food Stamps	Social Services	(10.4)	(17.2)	0
Women, Infants, and Children	Health & Environ. Control	.7	3.1	7.0
Child Welfare Services	Social Services	(.9)	.9	0
Child Support Enforcement	Social Services/Atty. Gen'l	.1	.3	.4
Work Incentive	Social Services	.2	(.1)	1.5
Rehabilitation Services:	Blind Comm./Voc. Rehabilitation	1.2	.1	5.9
Basic Support				
Disability Determination, Social Security	Vocational Rehabilitation	.7	2.1	0
Older Americans Act	Aging Commission	0	.3	.3
Senior Nutrition	Aging Commission	(.5)	.2	0
Child Nutrition	Education	8.2	10.4	2.1
Health & Human Services Block Grants (See Table 3)	Various Agencies	.7	(17.5)	14.4
Total Health & Social Services		\$ .8	\$ (2.4)	\$ 7.3
<u>EDUCATION</u>				
<u>Elementary and Secondary Programs:</u>				
Education for Deprived Children (Title I)**	Education	\$(9.4)	\$(20.4)	\$ 0
Education Block Grant (Chapter II)**	Education	(.5)	(1.3)	0
Handicapped Children**	Education	.9	(2.7)	0
Vocational & Adult Education**	Education	.4	(4.6)	0
Impact Aid to Schools	School Districts	0	(2.7)	2.1

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STATE BUDGET & CONTROL BOARD

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NOTES: \*Reductions are shown in parentheses; increases are unmarked. The "Change from Reagan Budget" column indicates increases or decreases from Reagan budget to Congress' first Budget Resolution.

\*\*Programs are "forward funded", FY 1982 federal funding determines state's funding for FY 1983.



		Estimated Reductions:		Change From
		First Budget	Resolution*	Reagan
		1982 to 1983	1981 to 1983	Budget
Principal Recipient				
<u>EDUCATION CONT'D</u>				
<u>Student Aid: Higher Education:</u>				
Basic Education Opportunity (Pell Grants)	Colleges & Universities	\$ 1.9	\$ .3	\$ 10.1
Supplemental Educational Opportunity (SEOG)	Colleges & Universities	0	(1.0)	3.1
<u>Other Education Programs:</u>				
Public Library Services	State Library	0	(.3)	.6
State Programs in the Arts	Arts Commission	(.1)	(.1)	0
Total Education		\$(6.8)	\$(32.8)	\$ 15.9
<u>COMMUNITY AND ECONOMIC DEVELOPMENT</u>				
Community Development - Entitlement	Local Governments	\$ 0	\$ .5	\$ 0
Community Development - Small Cities	Governor's Office	0	2.3	0
Urban Development Action Grants	Local Governments	0	(12.4)	0
Appalachian Regional Commission	Various	(1.1)	(3.9)	2.3
Economic Development (EDA)	Local Governments	(4.6)	(7.5)	0
Historic Preservation	Archives & History	0	(.1)	.4
Outdoor Recreation	Parks, Recreation & Tourism	0	(2.9)	0
Total Community & Economic Development		\$(5.7)	\$(24.0)	\$ 2.7
<u>ENERGY AND ENVIRONMENT</u>				
Cooperative Forestry Assistance	Forestry Commission	\$ (.3)	\$ (.1)	\$ 0
Water Resources Planning	Water Resources Commission	0	(.2)	0
Wildlife Restoration	Wildlife & Marine Resources	(.1)	.2	0
Fishery Restoration	Wildlife & Marine Resources	0	.1	0
Anadromous Fish	Wildlife & Marine Resources	(.1)	(.2)	0
Sea Grants	Sea Grants Consortium	(.6)	(.6)	0
Coastal Zone Management	Coastal Council	(.5)	(.9)	0
Wastewater Treatment	Local Governments	0	.2	2.8

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Table 2, Page 3

	Principal Recipient	Estimated Reductions: First Budget Resolution*		Changes From Reagan Budget
		1982 to 1983	1981 to 1983	
ENERGY AND ENVIRONMENT CONT'D				
Wastewater Treatment Planning	Health & Environ. Control	\$ (.1)	\$ .1	\$ 0
Solid & Hazardous Waste Mgt.	Health & Environ. Control	(.1)	0	0
Public Water Supply Supervision	Health & Environ. Control	(.1)	(.2)	0
Air Pollution Control	Health & Environ. Control	(.1)	(.1)	0
Coastal Energy Impact	Governor's Office	(.1)	(.9)	0
Total Energy & Environment		\$ (2.1)	\$ (2.6)	\$ 2.8
TRANSPORTATION				
Urban Mass Transit: Capital	Governor's Office	\$ .5	\$ .5	\$ 0
Public Trans.: Non-Urban Areas	Governor's Office	(.1)	(.4)	0
Highway Planning & Construction	Highways & Public Transportation	(4.0)	18.4	0
Total Transportation		\$ (3.6)	\$ 18.5	\$ 0
CRIMINAL JUSTICE AND PUBLIC SAFETY				
Crime Control (LEAA)	Governor's Office	\$ (.2)	\$ (.3)	\$ 0
Juvenile Justice	Governor's Office	0	(.3)	.2
Highway Safety	Governor's Office	(.2)	(1.2)	0
Railroad Safety	Public Svc. Commission	(.1)	(.1)	0
Federal Emergency Management	Federal Emergency Management	(.2)	.1	(1.4)
Total Criminal Justice & Public Safety		\$ (.7)	\$ (1.8)	\$ (1.2)
EMPLOYMENT AND TRAINING				
Employment & Training Assistance	Governor's Office	\$ (7.8)	\$ (39.8)	\$ 15.0
Employment Services	Employment Security	0	(.7)	.2
Unemployment Insurance	Employment Security	1.2	3.9	0
Work Incentive (WIN)	Employment Security	.2	(.6)	1.5
Occup. Safety and Health	Labor	0	.2	(.1)
Total Employment and Training		\$ (6.4)	\$ (37.0)	\$ 16.6
OTHER PROGRAMS				
Net Reductions For South Carolina		\$ (53.2)	\$ (113.2)	\$ 44.1

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STATE BUDGET & CONTROL BOARD

AUG 17 1982

NO. 1

EXHIBIT

EXHIBIT  
 AUG 17 1982  
 NO. 1  
 STATE BUDGET & CONTROL BOARD

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PRELIMINARY  
FINANCIAL IMPACT OF CONGRESS' FIRST BUDGET  
RESOLUTION ON SOUTH CAROLINA'S BLOCK GRANTS  
(in millions of dollars)

Table 3

	<u>Principal Recipient</u>	<u>Estimated Reductions:</u> <u>First Budget Resolution</u>		<u>Change From Reagan Budget</u>
		<u>1982 to 1983</u>	<u>1981 to 1983</u>	
Social Services	Social Services	\$ .7	\$ (6.1)	\$ 6.5
Alcohol, Drug Abuse, and Mental Health	Governor's Office	0	(2.1)	0
Preventive Health	Health & Environmental Control	0	(.2)	0
Maternal and Child Health*	Health & Environmental Control	0	(1.1)	.8
Primary Care	**	0	(3.5)	(.1)
Energy and Energy Assistance	Governor's Office	0	(4.2)	3.3
Community Services	Governor's Office	<u>0</u>	<u>(.3)</u>	<u>3.9</u>
Total HHS Block Grants		<u>\$ .7</u>	<u>\$(17.5)</u>	<u>\$14.4</u>

\* Included with U.S. Department of Agriculture's Women, Infants, and Children program in President Reagan's budget.

\*\* This Block Grant is available to the State beginning October 1, 1982. The State has decided not to accept this as a Block Grant in Federal Fiscal Year 1982-83.

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Revised July 20, 1982

Table 4

**FEDERAL PROGRAMS THREATENED WITH ELIMINATION  
1982 AND 1983**

<u>FEDERAL PROGRAM</u>	<u>RECIPIENT AGENCY</u>	<u>STATUS</u>
<u>EMPLOYMENT AND TRAINING</u>		
- CETA PUBLIC SERVICE EMPLOYMENT	GOVERNOR'S OFFICE	ELIMINATED IN FY 1982
- WORK INCENTIVE (WIN)	DSS, EMPLOYMENT SECURITY	ELIMINATED - REAGAN BUDGET; RESTORED IN FIRST BUDGET RESOLUTION (FBR)
<u>EDUCATION</u>		
- SUPPLEMENTAL EDUCATION OPPOR- TUNITY GRANTS (STUDENT AID)	COLLEGES & UNIVERSITIES	ELIMINATED IN REAGAN BUDGET; RESTORED AT REDUCED LEVEL-FBR
- PUBLIC LIBRARY SERVICES	STATE LIBRARY	ELIMINATED - REAGAN BUDGET; RESTORED AT REDUCED LEVEL-FBR
<u>ENERGY AND ENVIRONMENT</u>		
- WATER RESOURCES PLANNING	WATER RESOURCES COMM.	PROPOSED FOR ELIMINATION
- ANADROMOUS FISH	WILDLIFE AND MARINE RES.	PROPOSED FOR ELIMINATION
- SEA GRANTS	SEA GRANTS CONSORTIUM	PROPOSED FOR ELIMINATION IN 1984 - REAGAN BUDGET; CONGRES- SIONAL ACTIONS TO RETAIN PROGRAMS ARE PENDING.
<u>ENERGY AND ENVIRONMENT CONT'D</u>		
- COASTAL ZONE MANAGEMENT	COASTAL COUNCIL	NEARLY 100% REDUCTION PROPOSED- REAGAN BUDGET
- COASTAL ENERGY IMPACT	GOVERNOR'S OFFICE	PROPOSED FOR ELIMINATION
<u>COMMUNITY AND ECONOMIC DEVELOPMENT</u>		
- HISTORIC PRESERVATION	ARCHIVES AND HISTORY	ELIMINATED - REAGAN BUDGET; RESTORED AT 1982 LEVEL-FBR
- OUTDOOR RECREATION	PRT	ELIMINATED IN FY 1983 - ONLY CARRYOVER FUNDS AVAILABLE
- APPALACHIAN REGIONAL COMM.	GOVERNOR'S OFFICE	NON-HIGHWAY FUNDS ELIMINATED - REAGAN BUDGET; PARTIAL RESTOR- ATION IN FBR
<u>CRIMINAL JUSTICE</u>		
- CRIME CONTROL (LEAA)	GOVERNOR'S OFFICE	ELIMINATED FOR FY 1982
- JUVENILE JUSTICE		50% REDUCTION - REAGAN BUDGET; PARTIAL RESTORATION-FBR

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# EXHIBIT

AUG 17 1982 NO. 1

STATE BUDGET & CONTROL BOARD

## GENERAL FUND INDIRECT COST COLLECTIONS FY 1977-78 THROUGH FY 1983-84

	<u>COLLECTIONS</u>	<u>% CHANGE FROM PRIOR YEAR</u>
1977-78*	\$ 4,646,963	-
1978-79	6,140,722	+32%
1979-80	7,251,089	+18%
1980-81	10,207,613	+41%
1981-82	11,184,131 (4% OVER ESTIMATE)	+10%
1982-83	10,572,000 (ESTIMATE)	- 5%
1983-84	10,572,000 (ESTIMATE)	-

\* 1977-78 WAS THE FIRST YEAR FOR DEPOSIT OF INDIRECT  
COLLECTIONS IN GENERAL FUND.

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PROJECTED FEDERAL OUTLAYS UNDER  
FIRST BUDGET RESOLUTION (FBR) FOR 1983  
(IN BILLIONS OF DOLLARS)

EXHIBIT

AUG 17 1982

NO. 1

STATE BUDGET & CONTROL BOARD

EXPENDITURES	1981 (ACTUAL)	1982 (FBR)	1985 FBR	% CHANGE 1981 TO 1985
INCOME SECURITY (INCLUDES SOCIAL SECURITY)	\$225.1	\$250.3	\$308.9	+37%
NATIONAL DEFENSE	159.8	187.6	279.0	+75%
INTEREST	82.5	100.7	111.5	+35%
HEALTH (INCLUDES MEDICAID)	69.3	73.7	98.8	+43%
EDUCATION AND TRAINING	31.4	28.1	26.2	-17%
TRANSPORTATION	23.4	21.3	19.6	-16%
NATURAL RESOURCES	13.5	12.8	8.7	-36%
COMMUNITY & REGIONAL DEVELOPMENT	9.4	8.5	7.4	-21%
ENERGY	10.3	6.4	3.0	-71%
COMMERCE AND HOUSING	4.0	3.8	1.9	-53%
OTHER	<u>31.8</u>	<u>40.9</u>	<u>16.4</u>	-48%
TOTAL EXPENDITURES	\$660.5	\$734.1	\$881.4	+33%
REVENUE	\$599.3	\$628.4	\$821.4	+47%
DEFICIT	\$ 61.2	\$105.7	\$ 60.0	-

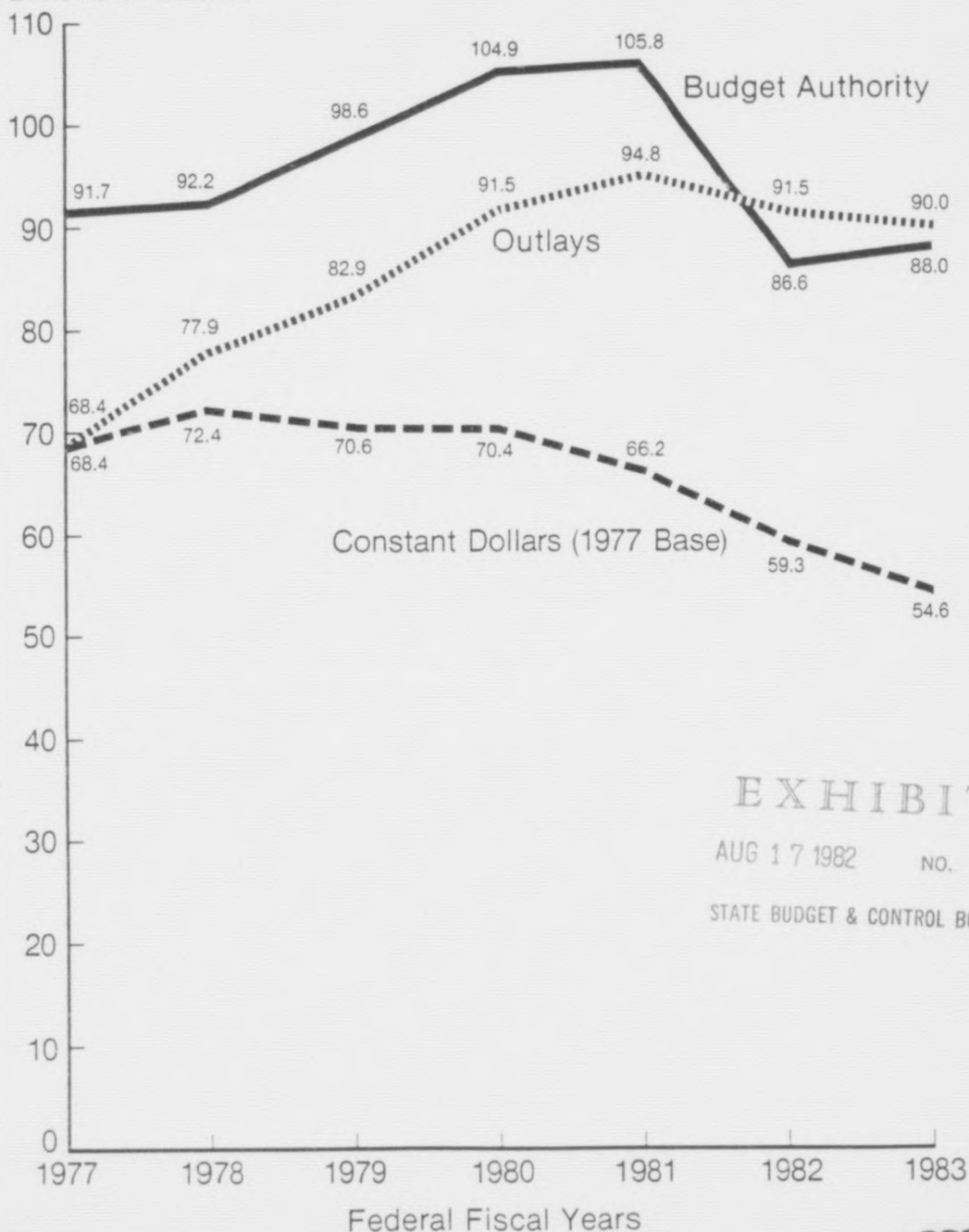
002339

# FY 1983 First Budget Resolution

## Federal Aid to State and Local Governments

FY 1977-1983

Billions of Dollars



EXHIBIT

AUG 17 1982 NO. 1

STATE BUDGET & CONTROL BOARD

Source: National Governors' Association. Computation based on OMB Special Analysis H and CBO Estimates.

002340

MAJOR SOUTH CAROLINA PROGRAM REDUCTIONS  
UNDER CONGRESS' FIRST BUDGET RESOLUTION

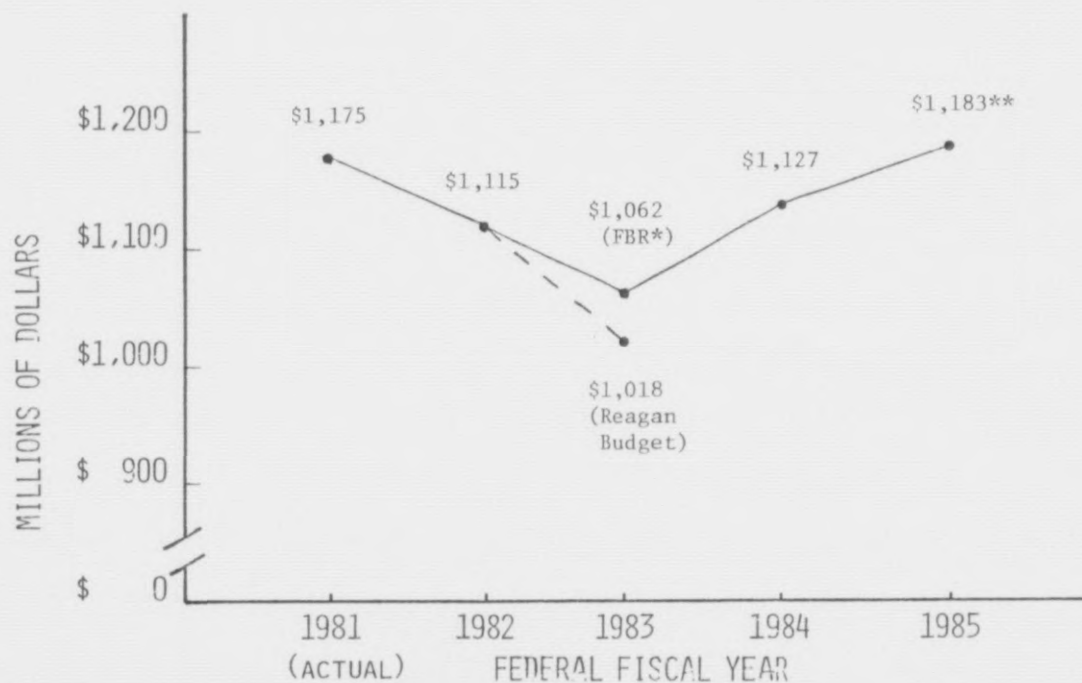
(IN MILLIONS OF DOLLARS)

	ESTIMATED REDUCTIONS <u>1981 TO 1983</u>	
EMPLOYMENT AND TRAINING	\$- 37.0	(-38%)
HEALTH AND SOCIAL SERVICES (EXCLUDING MEDICAID)	- 20.8	(- 4%)
MEDICAID	+ 18.4	(+ 9%)
EDUCATION	- 32.8	(-23%)
COMMUNITY AND ECONOMIC DEVELOPMENT	- 24.0	(-33%)
ENERGY AND ENVIRONMENT	- 2.6	(- 7%)
CRIMINAL JUSTICE AND PUBLIC SAFETY	- 1.8	(-41%)
TRANSPORTATION AND OTHER	- <u>12.6</u>	<u>(- 9%)</u>
TOTAL REDUCTIONS - 1981 TO 1983	\$- <u>113.2</u> *	(-10%)

\* REDUCTION PER REAGAN BUDGET: \$157.3 MILLION (13%)

002341

ESTIMATED FEDERAL GRANTS TO SOUTH CAROLINA  
1981 THROUGH 1985  
(MILLIONS OF DOLLARS)



\* FIRST BUDGET RESOLUTION

\*\* THIS 1985 LEVEL DOES NOT ASSUME PASSAGE OF THE CONSTITUTIONAL AMENDMENT REQUIRING A BALANCED FEDERAL BUDGET. DRASTIC REDUCTIONS IN 1985 ARE ANTICIPATED IF THE AMENDMENT IS APPROVED.

002342

SOUTH CAROLINA BLOCK GRANT FUNDING  
 BASED ON FIRST BUDGET RESOLUTION .  
 (IN MILLIONS OF DOLLARS)

	<u>FY 81</u>	<u>FY 82</u>	<u>PROPOSED FY 83</u>	<u>81-83 CHANGE</u>
ALCOHOL, DRUG ABUSE, MENTAL HEALTH	\$ 7.7	\$ 5.6	\$ 5.6	\$- 2.1
PREVENTIVE HEALTH	1.3	1.0	1.0	- 0.3
MATERNAL AND CHILD HEALTH	7.7	6.6	6.6	- 1.1
SOCIAL SERVICES	39.6	32.8	33.5	- 6.1
LOW INCOME ENERGY	16.1	12.8	12.8	- 3.3
COMMUNITY SERVICES	5.8	5.1	5.1	- 0.7
PRIMARY CARE	15.0	11.5	11.5	- 3.5
EDUCATION	7.0	6.1	5.6	- 1.4
COMMUNITY DEVELOPMENT	<u>24.6</u>	<u>27.0</u>	<u>27.0</u>	+ <u>2.4</u>
TOTAL	<u>\$124.8</u>	<u>\$108.5</u>	<u>\$108.7</u>	\$- <u>16.1</u>

**002343**



# EXHIBIT

PROPOSED TURNBACK PROGRAMS \*

AUG 17 1982

NO. 1

STATE BUDGET & CONTROL BOARD

## EDUCATION & TRAINING

VOCATIONAL REHABILITATION  
VOCATIONAL & ADULT EDUCATION  
STATE BLOCK GRANTS (ESEA, CH.2)  
CETA  
WIN

## SOCIAL, HEALTH & NUTRITION SERVICES

CHILD NUTRITION  
CHILD WELFARE  
ADOPTION ASSISTANCE  
FOSTER CARE  
RUNAWAY YOUTH  
CHILD ABUSE  
SOCIAL SERVICES BLOCK GRANT  
LEGAL SERVICES  
COMMUNITY SERVICES BLOCK GRANT  
PREVENTION BLOCK GRANT  
ALCOHOL, DRUG ABUSE & MENTAL  
HEALTH BLOCK GRANT  
PRIMARY CARE BLOCK GRANT  
MATERNAL & CHILD HEALTH BLOCK  
GRANT  
PRIMARY CARE RESEARCH AND  
DEVELOPMENT  
FAMILY PLANNING

## INCOME ASSISTANCE

LOW INCOME HOME ENERGY  
ASSISTANCE

## TRANSPORTATION

HIGHWAYS - URBAN AND  
SECONDARY  
APPALACHIAN HIGHWAYS  
URBAN MASS TRANSIT:  
CONSTRUCTION  
OPERATING  
HIGHWAY SAFETY

## COMMUNITY DEVELOPMENT AND FACILITIES

WATER & SEWER GRANTS AND  
LOANS  
COMMUNITY FACILITIES LOANS  
COMMUNITY DEVELOPMENT BLOCK  
GRANT  
WASTE WATER TREATMENT  
GRANTS

\* BASED ON REAGAN'S PROPOSED '83 BUDGET - LIST AMENDED JULY 13, 1982

002344

## PRINCIPLES OF PRESIDENT REAGAN'S NEW FEDERALISM PROPOSAL

1. "NEW FEDERALISM" NOT A VEHICLE FOR BUDGETARY SAVINGS.
2. DOLLAR-FOR-DOLLAR EXCHANGE OF PROGRAMS FOR REVENUE SOURCES TO PAY FOR THEM.
3. NO WINNERS OR LOSERS AMONG STATES.
4. STABILITY IN FEDERAL FUNDS FOR STATE AND LOCAL GOVERNMENTS.
5. FEDERAL GOVERNMENT OVERLOADED WITH MORE RESPONSIBILITIES THAN IT CAN MANAGE.
6. STATE AND LOCAL OFFICIALS AS COMPETENT AND COMPASSIONATE AS FEDERAL OFFICIALS.
7. REGULATORY STRINGS ON STATE AND LOCAL GOVERNMENTS SHOULD BE REDUCED.
8. GOVERNMENT RESPONSIBILITIES AMONG LEVELS OF GOVERNMENT NEED TO BE SORTED OUT.

002345

UNANSWERED QUESTIONS REGARDING THE "NEW FEDERALISM"

1. PROPER LEVEL OF GOVERNMENT TO DELIVER PARTICULAR SERVICES?
2. WHICH PROGRAMS TO BE MAINTAINED AT STATE LEVEL? WHICH ELIMINATED?
3. EFFECT ON DISTRIBUTION OF WEALTH AMONG STATES?
4. TAX CAPACITY OF STATE TO FINANCE PROGRAMS?
5. TAX CAPACITY OF LOCAL GOVERNMENTS TO MAKE UP FOR LOST FEDERAL FUNDS?
6. TRUST FUND LARGE ENOUGH TO SMOOTH TRANSITION?
7. WHICH SEGMENTS OF POPULATION WILL BENEFIT / BE HURT BY "NEW FEDERALISM"?
8. ADMINISTRATIVE ABILITY OF STATES TO TAKE OVER PROGRAMS DURING TRANSITION PERIOD?
9. CHANGE IN INTEREST GROUPS' INFLUENCE WITH DECENTRALIZATION OF PROGRAMS?

002346

FEDERAL PROGRAMS THREATENED WITH ELIMINATION  
1982 AND 1983

<u>FEDERAL PROGRAM</u>	<u>RECIPIENT AGENCY</u>	<u>STATUS</u>
<u>EMPLOYMENT AND TRAINING</u>		
- CETA PUBLIC SERVICE EMPLOYMENT	GOVERNOR'S OFFICE	ELIMINATED IN FY 1982
- WORK INCENTIVE (WIN)	DSS, EMPLOYMENT SECURITY	ELIMINATED - REAGAN BUDGET; RESTORED IN FIRST BUDGET RESOLUTION (FBR)
<u>EDUCATION</u>		
- SUPPLEMENTAL EDUCATION OPPORTUNITY GRANTS (STUDENT AID)	COLLEGES & UNIVERSITIES	ELIMINATED IN REAGAN BUDGET; RESTORED AT REDUCED LEVEL-FBR
- PUBLIC LIBRARY SERVICES	STATE LIBRARY	ELIMINATED - REAGAN BUDGET; RESTORED AT REDUCED LEVEL-FBR
<u>ENERGY AND ENVIRONMENT</u>		
- WATER RESOURCES PLANNING	WATER RESOURCES COMM.	PROPOSED FOR ELIMINATION
- ANADROMOUS FISH	WILDLIFE AND MARINE RES.	PROPOSED FOR ELIMINATION
- SEA GRANTS	SEA GRANTS CONSORTIUM	PROPOSED FOR ELIMINATION IN 1984 - REAGAN BUDGET; CONGRESSIONAL ACTIONS TO RETAIN PROGRAMS ARE PENDING.

002347



<u>FEDERAL PROGRAM</u>	<u>RECIPIENT AGENCY</u>	<u>STATUS</u>
<u>ENERGY AND ENVIRONMENT CONT'D</u>		
- COASTAL ZONE MANAGEMENT	COASTAL COUNCIL	NEARLY 100% REDUCTION PROPOSED- REAGAN BUDGET
- COASTAL ENERGY IMPACT	GOVERNOR'S OFFICE	PROPOSED FOR ELIMINATION
<u>COMMUNITY AND ECONOMIC DEVELOPMENT</u>		
- HISTORIC PRESERVATION	ARCHIVES AND HISTORY	ELIMINATED - REAGAN BUDGET; RESTORED AT 1982 LEVEL-FBR
- OUTDOOR RECREATION	PRT	ELIMINATED IN FY 1983 - ONLY CARRYOVER FUNDS AVAILABLE
- APPALACHIAN REGIONAL COMM.	GOVERNOR'S OFFICE	NON-HIGHWAY FUNDS ELIMINATED - REAGAN BUDGET; PARTIAL RESTOR- ATION IN FBR
<u>CRIMINAL JUSTICE</u>		
- CRIME CONTROL (LEAA)	GOVERNOR'S OFFICE	ELIMINATED FOR FY 1982
- JUVENILE JUSTICE	YOUTH SERVICES	50% REDUCTION - REAGAN BUDGET; PARTIAL RESTORATION-FBR

002348

EXHIBIT

AUG 17 1982 NO. 1

STATE BUDGET & CONTROL BOARD

# EXHIBIT

AUG 17 1982 NO. 2

STATE BUDGET & CONTROL BOARD

## REQUESTED INCREASES

TOTAL FOR ALL AGENCIES	258,100,000
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## OTHER REQUIREMENTS

RESERVE FUND - REGULAR	4,750,000
REPLENISHMENT	18,042,000

DEBT SERVICE	?
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EMPLOYER CONTRIBUTIONS	14,093,000
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## OTHER NEEDS

COMPENSATION ADJUSTMENT (7%)	48,528,000*
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AID TO SUBDIVISIONS (MAINTAIN CURRENT LEVEL)	4,985,000
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TOTAL	<u>348,498,000</u>
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\* INCLUDES ESTIMATE FOR AGENCY HEADS

002349

# EXHIBIT

AUG 17 1982 NO. 2

STATE BUDGET & CONTROL BOARD

## EMPLOYEE BENEFITS INCREASES \*

### HEALTH INSURANCE

STATE EMPLOYEES	4,980,200
RETIRED STATE EMPLOYEES	783,761
RETIRED SCHOOL EMPLOYEES	2,470,814
	<hr/>
	8,234,775

### OTHER

RETIREES COST OF LIVING (2%)	2,390,079
SOCIAL SECURITY - STATE EMPLOYEES	2,311,782
WORKMEN'S COMPENSATION/UNEMPLOYMENT	1,155,891
	<hr/>
	5,857,752

\*ESTIMATES SUPPLIED BY STATE AUDITOR'S OFFICE

002350

# EXHIBIT

AUG 17 1982 NO. 2

STATE BUDGET & CONTROL BOARD

## BASE PAY INCREASE OPTIONS \*

ESTIMATED COST OF 1% BPI	6,808,000
6%	40,848,000
7%	47,656,000
8%	54,464,000
ESTIMATED COST OF 1% MERIT INCREASE	3,438,000
2%	6,876,000
3%	10,314,000
4%	13,752,000

\*ESTIMATES FURNISHED BY STATE AUDITOR'S OFFICE

002351



# EXHIBIT

AUG 17 1982 NO. 2

STATE BUDGET & CONTROL BOARD

FY 83 - 84

## AID TO SUBDIVISIONS

	<u>TOTAL</u>	<u>ADDITIONAL FUNDS</u>
82-83 LEVEL	\$ 125,847,369	\$
TO MAINTAIN CURRENT LEVEL*	130,832,503	4,985,134
70% REMOVAL OF FREEZE	135,191,473	9,344,104
COMPLETE REMOVAL OF FREEZE	158,508,000	32,660,631

\*CURRENT LEVEL = 64.397% REMOVAL OF FREEZE

002352

# EXHIBIT

AUG 17 1982 NO. 2

## REQUESTS BY FUNCTIONAL GROUPS\*

STATE BUDGET & CONTROL BOARD

<u>FUNCTIONAL GROUP</u>	<u>82-83</u>	<u>INCREASE</u>	<u>% CHANGE</u>
LEGISLATIVE	15.3	.1	.7
JUDICIAL	15.3	1.1	7.6
EXECUTIVE	81.4	.6	.8
HEALTH	196.2	24.6	12.5
HUMAN SERVICES	136.6	30.7	22.5
PUBLIC SAFETY	93.3	20.3	21.8
PUBLIC EDUCATION	784.6	85.2	10.9
HIGHER EDUCATION	345.2	88.7	25.7
SPECIALIZED EDUCATION/ CULTURAL RESOURCES	29.4	2.6	8.8
ECONOMIC/RESOURCE DEVELOPMENT	66.5	10.0	15.0
REGULATION - BUSINESS	34.8	3.6	10.2
REGULATION - PROFESSIONS	3.6	.3	8.9
TRANSPORTATION	2.6	.4	14.5
 TOTAL	 1,814.8	 258.1	 14.2

\*DOES NOT INCLUDE DEBT SERVICE, AID TO SUBDIVISIONS, CONTRIBUTIONS, MISCELLANEOUS, SALARY INCREASES FOR 1983-84, AUTOMATIC INCREASES IN EMPLOYER CONTRIBUTIONS, OR ALL LEGISLATIVE INCREASES. INCLUDES ONLY AGENCY REQUESTS.

**002353**

# EXHIBIT

AUG 17 1982 NO. 2

STATE BUDGET & CONTROL BOARD

## NEW POSITIONS REQUESTED

<u>FUNCTIONAL GROUP</u>	<u>NUMBER</u>
LEGISLATIVE	1.00
JUDICIAL	3.00
EXECUTIVE	79.25
HEALTH	668.50
HUMAN SERVICES	- 20.98
PUBLIC SAFETY	471.00
PUBLIC EDUCATION	54.00
HIGHER EDUCATION	515.00
SPECIALIZED EDUCATION/CULTURAL RESOURCES	46.43
ECONOMIC/RESOURCE DEVELOPMENT	137.23
REGULATION - BUSINESS	86.00
REGULATION - PROFESSIONS	6.00
TRANSPORTATION	3.00
TOTAL	<hr/> 2,049.43

**002354**

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: WIL LOU GRAY OPPORTUNITY SCHOOL

ISSUES TO BE ADDRESSED:

1. The agency's request includes an inflationary increase of \$90,000. Please explain the nature of this item in detail, outlining the impact of inflation on the agency's budget in recent years.
2. Justify the various requests for equipment outlined in the Opportunity School's budget request. How critical are those needs, and what will be the impact of deferring them?

002355



## MAINTENANCE REQUEST

	STATE	FY 83 - 84 REQUEST FEDERAL	OTHER	TOTAL
PERSONAL SERVICE	2,105,645	55,008	78,831	2,239,484
NUMBER OF POSITIONS	113.50	3.00	5.00	121.50
ALL OTHER	626,269	740,671	155,949	1,522,889
.31 RED./AGN. ADJ	-9,970			-9,970

SUB TOTAL MAINT. REQ.

2,721,944	795,679	234,780	3,752,403
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ADDITIONAL INCREASE REQUEST  
PRIORITY PROGRAMSTATE TOTAL  
POSITIONS POSITIONS

	STATE	TOTAL	STATE	TOTAL
001 REFERENCE & RESEARCH			10,000	10,000
002 STATE RECORDS CENTER	2.00	2.00	74,557	74,557
003 STATE RECORDS CENTER			9,000	9,000
004 REFERENCE & RESEARCH			9,100	9,100
005 COUNTY RECORDS MICROFILMING			11,500	11,500
006 COUNTY RECORDS MICROFILMING			2,500	2,500
007 ***NOT ON FILE***			2,520	2,520
008 ***NOT ON FILE***			10,368	10,368
009 MICROFILM SERVICES DIV			700	700
010 COMPUTER SERVICES			750	750
011 GENERAL MANAGEMENT			2,500	2,500
012 COUNTY RECORDS MICROFILMING			2,500	2,500
013 ***NOT ON FILE***	1.00	1.00	14,283	14,283
014 ***NOT ON FILE***	1.00	1.00	16,898	16,898
015 MICROFILM SERVICES DIV	2.00	2.00	2,943,900	2,943,900
016 HISTORIC PRESERVE PROJECT &	1.00	1.00	16,898	16,898
017 STATE RECORDS CENTER	1.00	1.00	6,044	6,044
018 NATIONAL REGIS OF HIST FLAC	1.00	1.00	16,898	16,898
019 ***NOT ON FILE***	3.00	3.00	57,242	57,242

002356

MAINTENANCE REQUEST		STATE		FY 83 - 84 REQUEST		TOTAL	
ADDITIONAL INCREASE REQUEST	PRIORITY PROGRAM	STATE POSITIONS	TOTAL POSITIONS	STATE	FEDERAL	OTHER	TOTAL
020	GENERAL MANAGEMENT			240,000	240,000		
021	GENERAL MANAGEMENT			800	800		
022	STATE RECORDS SURVEY			47,000	47,000		
SJR TOTAL-ADDITIONAL INCREASE		12.00	12.00	3,495,958	3,495,958		
TOTAL AGENCY REQUEST FY 83-84		125.50	133.50	6,217,902	7,248,361		

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002357

DATE:08/09/82

TIME:125003

AGENCY H79

LINE ITEM  
NO.

ARCHIVES &amp; HISTORY D

ESTIMATED 8 1 - 8 2  
STATE TOTAL

BUDGET REQUEST

AGENCY TOTALS

PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3  
STATE TOTALR E Q U E S T E D 8 3 - 8 4  
STATE FEDERAL OTHERPAGE 63  
PRGM:AVY280CR

TOTAL

010 PER. SERVICE	1,960,841	2,036,315	2,105,645	2,239,484	2,105,645	55,008	78,831	2,239,484
020 NO. POSITIONS	114.50	118.50	113.50	121.50	113.50	3.00	5.00	121.50
030 ALL OTHERS	522,415	1,244,313	626,269	1,522,889	626,269	740,671	155,949	1,522,889
035 .031 RED./AGN			-9,970	-9,970	-9,970			-9,970
040 SUB TOTAL	2,483,256	3,280,628	2,721,944	3,752,403	2,721,944	795,679	234,780	3,752,403

=====

TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE FEDERAL OTHER TOTAL

10 PER. SERVICE				\$3,099,948
	\$3,059,548			
20 NO. POSITIONS				12.00
	12.00			
30 ALL OTHER				\$396,010
	\$396,010			
40 SUB TOTAL				\$3,495,958
	\$3,455,558			

=====

TOTAL AMOUNT REQUESTED

\$6,217,902 \$795,679 \$7,248,361

TOTAL POSITIONS REQUESTED

125.50 3.00 5.00 133.50

002358

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME South Carolina Dept. of Archives & HistoryAGENCY CODE H 79PROGRAM NAME Summary of Additional IncreasesPROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

002359

LINE NO. (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	185,487			185,487	
020	No. of Positions	<sup>12</sup> ( <del>8.5</del> )	(     )	(     )	<sup>12</sup> ( <del>8.5</del> )	
030	All Other	349,480			349,480	
040	Total	534,967			534,967	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						



1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME South Carolina Department of Archives & History AGENCY CODE H 79

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
13	Administration	010100	1	14,283			14,283
8	Administration	010100		10,368			10,368
7	Administration	010100		2,520			2,520
21	Records Management: General Management	050100		800			800
22	Records Management: State Records Survey	050500		470			470
9	Records Management: Microfilm Services	051000		700			700
15	Records Management: Microfilm Services	051000	2	29,439			29,439
17	Records Management: State Records Center	051500	1	6,044			6,044
2	Records Management: State Records Center (New Annex)	051500	2	74,557			74,557
3	Records Management: State Records Center	051500		9,000			9,000
6	Records Management: County Records Microfilm	052500		2,500			2,500
12	Records Management: County Records Microfilm	052500		2,500			2,500
5	Records Management: County Records Microfilm	052500		11,500			11,500
19	Records Management: Municipal Records Management	053000	3	57,242			57,242
11	Archives and Publications: General Management	100100		2,500			2,500
4	Archives and Publications: Reference and Research	101500		9,100			9,100
1	Archives and Publications: Reference and Research	101500		10,000			10,000
10	Archives and Publications: Computer Services	103000		750			750
20	Historical Programs: General Management	200100		240,000			240,000
18	Historical Programs: Historical Services	200500	1	16,898			16,898
16	Historical Programs: National Register of Historic Places	201000	1	16,898			16,898
14	Historical Programs: Historic Preservation, Protection and Planning	201500	1	16,898			16,898
			12	534,967			534,967

0022360

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: DEPARTMENT OF ARCHIVES AND HISTORY

ISSUES TO BE ADDRESSED:

Provide a detailed presentation of equipment replacement and upgrading needs for the agency.

002361

MAINTENANCE REQUEST			FY 83 - 84 REQUEST			
			STATE	FEDERAL	OTHER	TOTAL
PERSONAL SERVICE			321,531		47,496	369,027
NUMBER OF POSITIONS			17.00		2.00	19.00
ALL OTHER			163,964	42,967	51,854	258,785
.31 RED./AGN. ADJ			-2,927			-2,927
SUB TOTAL MAINT. REQ.			482,568	42,967	99,350	624,885

ADDITIONAL INCREASE REQUEST			STATE		TOTAL	
PRIORITY	PROGRAM		POSITIONS	POSITIONS	STATE	TOTAL
001	COLLECTIONS EXHIBITION & ED	1.00	1.00		33,796	33,796
002	COLLECTIONS EXHIBITION & ED	1.00	1.00		29,758	29,758
003	ADMINISTRATION & PLANNING	1.00	1.00		18,895	18,895
004	COLLECTIONS EXHIBITION & ED	1.00	1.00		8,335	8,335
005	COLLECTIONS EXHIBITION & ED	1.00	1.00		25,360	25,360
006	COLLECTIONS EXHIBITION & ED				6,288	6,288
007	COLLECTIONS EXHIBITION & ED				9,000	9,000
008	ADMINISTRATION & PLANNING	1.00	1.00		3,428	3,428
009	ADMINISTRATION & PLANNING	.25	.25		1,866	1,866
010	COLLECTIONS EXHIBITION & ED		1.00			22,820
011	COLLECTIONS EXHIBITION & ED		1.00			25,934
012	COLLECTIONS EXHIBITION & ED	1.00	1.00		26,111	26,111
013	ADMINISTRATION & PLANNING				15,000	15,000
014	COLLECTIONS EXHIBITION & ED				35,000	35,000
015	STATEWIDE SERVICES				3,448	3,448
016	ADMINISTRATION & PLANNING				3,186	3,186
017	COLLECTIONS EXHIBITION & ED				6,392	6,392
018	STATEWIDE SERVICES				1,562	1,562

002362

PRGM:AVY290CR

FY 83 - 84 BUDGET REQUEST  
H95 MUSEUM COMMISSION

PAGE 70

MAINTENANCE REQUEST		----- FY 83 - 84 REQUEST -----			
		STATE	FEDERAL	OTHER	TOTAL
ADDITIONAL INCREASE REQUEST					
PRIORITY	PROGRAM	STATE	TOTAL		
		POSITIONS	POSITIONS		
SUB TOTAL-ADDITIONAL INCREASE		7.25	9.25	227,425	276,179
TOTAL AGENCY REQUEST FY 83-84		24.25	28.25	709,993	901,064
		=====			

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002863



DATE:08/09/82

TIME:125003

AGENCY H95

LINE ITEM  
NO.

MUSEUM COMMISSION

ESTIMATED 8 1 - 8 2  
STATE TOTALBUDGET REQUEST  
AGENCY TOTALS  
PROGRAM MAINTENANCE SCHEDULEAPPROPRIATION 8 2 - 8 3  
STATE TOTALR E Q U E S T E D 8 3 - 8 4  
STATE FEDERAL OTHERPAGE 67  
PRGM:AVY280CR

TOTAL

010 PER. SERVICE	218,376	218,376	321,531	369,027	321,531		47,496	369,027
020 NO. POSITIONS	11.00	11.00	17.00	19.00	17.00		2.00	19.00
030 ALL OTHERS	132,390	146,612	163,964	258,785	163,964	42,967	51,854	258,785
035 .031 RED./AGN			-2,927	-2,927	-2,927			-2,927
040 SUB TOTAL	350,766	364,988	482,568	624,885	482,568	42,967	99,350	624,885

=====

TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----  
STATE FEDERAL OTHER TOTAL

10 PER. SERVICE	\$111,080		\$34,454	\$145,534
20 NO. POSITIONS	7.25		2.00	9.25
30 ALL OTHER	\$116,345		\$14,300	\$130,645
40 SUB TOTAL	\$227,425		\$48,754	\$276,179

=====

TOTAL AMOUNT REQUESTED

\$709,993 \$42,967 \$148,104 \$901,064

TOTAL POSITIONS REQUESTED

24.25 4.00 28.25

002364

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME S.C. Museum CommissionAGENCY CODE 1195PROGRAM NAME SUMMARY OF ADDITIONAL INCREASESPROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

LINE NO. (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	111,080		34,454	145,534	
020	No. of Positions	( 7.25 )	( )	( 2.00 )	( 9.25 )	
030	All Other	116,345		14,300	130,645	
040	Total	227,425		48,754	276,179	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						

002365

1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME S.C. Museum CommissionAGENCY CODE H95

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
3	Administration & Planning	01 00 00	1.00	18,895			18,895
8	" "	01 00 00	1.00	3,428			3,428
9	" "	01 00 00	0.25	1,866			1,866
13	" "	01 00 00	0	15,000			15,000
16	" "	01 00 00	0	3,186			3,186
1	Collections, Exhibition & Education	05 00 00	1.00	33,796			33,796
2	" "	05 00 00	1.00	29,758			29,758
4	" "	05 00 00	1.00	8,335			8,335
5	" "	05 00 00	1.00	25,360			25,360
6	" "	05 00 00	0	6,288			6,288
7	" "	05 00 00	0	9,000			9,000
10	" "	05 00 00	1.00			22,820	22,820
11	" "	05 00 00	1.00			25,934	25,934
12	" "	05 00 00	1.00	26,111			26,111
14	" "	05 00 00	0	35,000			35,000
17	" "	05 00 00	0	6,392			6,392
15	State-wide Services	10 00 00	0	3,448			3,448
18	" "	10 00 00	0	1,562			1,562
			9.25	227,425		48,754	276,179

002366

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: MUSEUM COMMISSION

ISSUES TO BE ADDRESSED:

1. How does the budget request fit into your long term staffing goals for the Museum Commission?
2. What are the projected operating costs at opening of the new Museum?
3. Have you identified funding sources for operating expenses other than the state?
4. What is the status on the progress toward the new museum facility?
5. Discuss the fund raising efforts for the new museum facility.

002367



MAINTENANCE REQUEST		FY 83 - 84 REQUEST			
		STATE	FEDERAL	OTHER	TOTAL
PERSONAL SERVICE		798,512	87,310		885,822
NUMBER OF POSITIONS		41.00	6.00		47.00
ALL OTHER		2,808,714	761,169		3,569,883
.31 RED./AGN. ADJ		-12,570			-12,570
SUB TOTAL MAINT. REQ.		3,594,656	848,479		4,443,135
ADDITIONAL INCREASE REQUEST					
PRIORITY	PROGRAM	STATE POSITIONS	TOTAL POSITIONS	STATE	TOTAL
001	ADMINISTRATION			58,700	58,700
002	BLIND & HANDICAPPED	2.00	2.00	49,311	49,311
003	READER SERVICES	1.00	1.00	31,666	31,666
004	FIELD SERVICES			41,500	41,500
005	FIELD SERVICES			779,802	779,802
SUB TOTAL-ADDITIONAL INCREASE		3.00	3.00	960,979	960,979
TOTAL AGENCY REQUEST FY 83-84		44.00	50.00	4,555,635	5,404,114

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002368



DATE:08/09/82

TIME:125003

AGENCY H87

LINE ITEM

NO.

## STATE LIBRARY

ESTIMATED 8 1 - 8 2  
STATE TOTALBUDGET REQUEST  
AGENCY TOTALS  
PROGRAM MAINTENANCE SCHEDULEAPPROPRIATION 8 2 - 8 3  
STATE TOTALR E Q U E S T E D 8 3 - 8 4  
STATE FEDERAL OTHERPAGE 65  
PRGM:AVY280CR

TOTAL

010 PER. SERVICE	778,626	868,918	798,512	885,822	798,512	87,310	885,822
020 NO. POSITIONS	41.00	47.00	41.00	47.00	41.00	6.00	47.00
030 ALL OTHERS	2,648,948	3,655,773	2,808,714	3,569,883	2,808,714	761,169	3,569,883
035 .031 RED./AGN			-12,570	-12,570	-12,570		-12,570
040 SUB TOTAL	3,427,574	4,524,691	3,594,656	4,443,135	3,594,656	848,479	4,443,135

## TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----  
STATE FEDERAL OTHER TOTAL

10 PER. SERVICE	\$50,877			\$50,877
20 NO. POSITIONS	3.00			3.00
30 ALL OTHER	\$910,102			\$910,102
40 SUB TOTAL	\$960,979			\$960,979

=====

TOTAL AMOUNT REQUESTED \$4,555,635 \$848,479 \$5,404,114

TOTAL POSITIONS REQUESTED 44.00 6.00 50.00

=====

002369

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME SOUTH CAROLINA STATE LIBRARY  
PROGRAM NAME SUMMARYAGENCY CODE H87  
PROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

002370

LINE NO. (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	50,877			50,877	
020	No. of Positions	( 3 )	( )	( )	( 3 )	
030	All Other	910,102			910,102	
040	Total	960,979			960,979	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						

1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME South Carolina State LibraryAGENCY CODE H87

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
1	Administration	01/00/00	0	58,700			58,700
2	Blind and Physically Handicapped	20/00/00	2	49,311			49,311
3	Reader Services	15/00/00	1	31,666			31,666
4	Field Services	10/00/00	0	41,500			41,500
5	Field Services	10/00/00	0	779,802			779,802
				960,979			960,979

002371

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: STATE LIBRARY

ISSUES TO BE ADDRESSED:

1. Explain and justify all items in this year's budget request, concentrating on the impact of federal funds cutbacks on the programs of the State Library.
2. How much of the additional increase requested by the State Library is for replacement of federal funds? What is the justification for such a request?
3. What is the current forecast for federal funding for libraries?
4. Since no funds were requested for a state bibliographic network, does this mean you have abandoned that goal?

002372



MAINTENANCE REQUEST		FY 83 - 84 REQUEST			
		STATE	FEDERAL	OTHER	TOTAL
PERSONAL SERVICE		622,560			622,560
NUMBER OF POSITIONS		19.17			19.17
ALL OTHER		1,096,145			1,096,145
.31 RED./AGN. ADJ		-7,186			-7,186
SUB TOTAL MAINT. REQ.		1,711,519			1,711,519
ADDITIONAL INCREASE REQUEST					
PRIORITY PROGRAM		STATE	TOTAL		
		POSITIONS	POSITIONS		
001 ADMINISTRATION		20,000	20,000		
002 SERVICE PROGRAMS		37,650	37,650		
003 ADMINISTRATION		30,397	30,397		
004 SERVICE PROGRAMS		13,500	13,500		
005 ADMINISTRATION		26,000	26,000		
006 SERVICE PROGRAMS		229,740	229,740		
007 ADMINISTRATION		9,277	9,277		
008 ADMINISTRATION		7,930	7,930		
SJR TOTAL-ADDITIONAL INCREASE		374,494	374,494		
TOTAL AGENCY REQUEST FY 83-84		19.17	19.17	2,086,013	2,086,013

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002373



DATE:08/09/82

TIME:125003

AGENCY H03

LINE ITEM

NO.

## HIGHER EDUCATION COM

ESTIMATED 8 1 - 8 2

STATE TOTAL

## BUDGET REQUEST

## AGENCY TOTALS

## PROGRAM MAINTENANCE SCHEDULE

APPROPRATION 8 2 - 8 3

STATE TOTAL

R E Q U E S T E D 8 3 - 8 4

FEDERAL

OTHER

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TOTAL

010 PER. SERVICE	605,056	605,056	622,560	622,560	622,560	622,560
020 NO. POSITIONS	19.00	19.00	19.17	19.17	19.17	19.17
030 ALL OTHERS	1,092,394	1,092,394	1,096,145	1,096,145	1,096,145	1,096,145
035 .031 RED. / AGN			-7,186	-7,186	-7,186	-7,186
040 SUB TOTAL	1,697,450	1,697,450	1,711,519	1,711,519	1,711,519	1,711,519

## TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE FEDERAL OTHER TOTAL

10 PER. SERVICE				\$30,397
	\$30,397			

20 NO. POSITIONS

30 ALL OTHER				\$344,097
	\$344,097			

40 SUB TOTAL				\$374,494
	\$374,494			

TOTAL AMOUNT REQUESTED				\$2,086,013
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TOTAL POSITIONS REQUESTED	\$2,086,013			19.17
				19.17

002374

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME Commission on Higher EducationAGENCY CODE 1103PROGRAM NAME Summary of Additional IncreasesPROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

002375

LINE NO. (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	30,397			30,397	
020	No. of Positions	( 1 )	( )	( )	( 1 )	
030	All Other	344,097			344,097	
040	Total	374,494			374,494	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						

1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME

Commission on Higher Education

AGENCY CODE H03

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
1	Administration	01/00/00	1	20,000			20,000
2	Administration	01/00/00		30,397			30,397
3	Administration	01/00/00		26,000			26,000
4	Administration	01/00/00		9,277			9,277
5	Administration	01/00/00		7,930			7,930
1	Service Programs (Contracts)	05/00/00		37,650			37,650
2	Service Programs (Contracts)	05/00/00		13,500			13,500
3	Service Programs (Loans)	05/00/00		229,740			229,740
			1	374,494			374,494

002376

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: COMMISSION ON HIGHER EDUCATION

ISSUES TO BE ADDRESSED:

1. Higher Education's top priority is "full formula funding" for all institutions. This year major changes were made in the formula. Please explain these changes and also the significance of meeting formula requirements.
2. Many institutions of higher education now have increasing problems with operating expenses and maintenance requirements that must be deferred. Please comment on this matter as it relates to our institutions in South Carolina.
3. Tuition increases in higher education have continued in the past year, placing a greater burden on individuals in higher education programs. Please discuss this problem, focusing on causes and possible solutions and particularly the relationship between the problem and the state's budgeting methodology for faculty salary increases.
4. Discuss the major items in this year's budget requests for higher education institutions.

002377



STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET REQUEST HEARINGS

002378

AUGUST 25, 1982

DEPARTMENT OF YOUTH SERVICES  
DEPARTMENT OF CORRECTIONS  
PAROLE AND COMMUNITY CORRECTIONS  
DEPARTMENT OF HEALTH & ENVIRONMENTAL CONTROL  
DEPARTMENT OF MENTAL HEALTH  
CLEMSON PSA

MAINTENANCE REQUEST			FY 83 - 84 REQUEST			
			STATE	FEDERAL	OTHER	TOTAL
PERSONAL SERVICE			14,696,322	1,072,341	596,423	16,365,086
NUMBER OF POSITIONS			861.03	56.97	24.50	942.50
ALL OTHER			3,544,773	708,392	138,205	4,391,370
.31 RED./AGN. ADJ			-58,447			-58,447
SUB TOTAL MAINT. REQ.			18,182,648	1,780,733	734,628	20,698,009
ADDITIONAL INCREASE REQUEST						
PRIORITY	PROGRAM	STATE POSITIONS	TOTAL POSITIONS	STATE	TOTAL	
001	COMMUNITY PROGRAMS	12.00	12.00	229,000	229,000	
002	COMMUNITY PROGRAMS	1.00	1.00	334,000	334,000	
003	INSTITUTIONAL PROGRAMS	52.00	52.00	635,584	635,584	
004	ADMINISTRATIVE SERVICES			216,222	216,222	
005	TREATMENT SERVICES	3.00	3.00	104,327	104,327	
006	EDUCATIONAL SERVICES	5.00	5.00	72,567	72,567	
007	ADMINISTRATIVE SERVICES			94,553	94,553	
008	TREATMENT SERVICES	3.00	3.00	75,000	75,000	
009	COMMUNITY PROGRAMS	3.00	3.00	150,000	150,000	
010	ADMINISTRATIVE SERVICES			269,621	269,621	
011	ADMINISTRATIVE SERVICES			75,000	75,000	
012	ADMINISTRATIVE SERVICES			300,000	300,000	
SUB TOTAL-ADDITIONAL INCREASE			79.00	79.00	2,555,874	2,555,874
TOTAL AGENCY REQUEST FY 83-84			540.03	1021.50	20,738,522	23,253,883

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002379

DATE:08/09/82

TIME:125003

AGENCY N12

LINE ITEM

NO.

## YOUTH SERVICES DEPAR

ESTIMATED 8 1 - 8 2

STATE TOTAL

## BUDGET REQUEST

## AGENCY TOTALS

## PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE TOTAL

R E Q U E S T E D 8 3 - 8 4

STATE FEDERAL OTHER TOTAL

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010 PER. SERVICE	13,109,759	14,933,258	14,696,322	16,365,086	14,696,322	1,072,341	596,423	16,365,086
020 NO. POSITIONS	861.03	942.50	861.03	942.50	861.03	56.97	24.50	942.50
030 ALL OTHERS	3,208,422	4,187,059	3,544,773	4,391,370	3,544,773	708,392	138,205	4,391,370
035 .031 RED./AGN			-58,447	-58,447	-58,447			-58,447
040 SUB TOTAL	16,318,181	19,120,257	18,182,648	20,698,009	18,182,648	1,780,733	734,628	20,698,009

## TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE FEDERAL OTHER TOTAL

10 PER. SERVICE				\$912,346
	\$912,346			
20 NO. POSITIONS				79.00
	79.00			
30 ALL OTHER				\$1,643,528
	\$1,643,528			
40 SUB TOTAL				\$2,555,874
	\$2,555,874			

=====

TOTAL AMOUNT REQUESTED

\$20,738,522 \$1,780,733 \$23,253,883

TOTAL POSITIONS REQUESTED

940.03 56.97 24.50 1,021.50

002380

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME DEPARTMENT OF YOUTH SERVICESAGENCY CODE N12PROGRAM NAME SUMMARYPROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

LINE NO. (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	912,346			912,346	
020	No. of Positions	( 79 )	( )	( )	( 79 )	
030	All Other	1,643,528			1,643,528	
040	Total	2,555,874			2,555,874	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						

002361



1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME DEPARTMENT OF YOUTH SERVICES

AGENCY CODE N12

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
1	Community Programs (Chronic Status Offender)	16/00/00	12	229,000			229,000
2	Community Programs (Detention Screening Program)	16/00/00	1	334,000			334,000
3	Institutional Programs (Institutional Security and Public Safety)	06/00/00	52	635,584			635,584
4	Administrative Services (Youth Counselor Reclassifications)	22/00/00	-	216,222			216,222
5	Treatment Services (Community Psychology)	26/00/00	3	104,327			104,327
6	Educational Services (Addition of Handicap Teacher)	12/00/00	5	72,567			72,567
7	Administrative Services (Counselor Reclassification)	22/00/00	-	94,553			94,553
8	Treatment Services (Medical/Dental)	26/00/00	3	75,000			75,000
9	Community Programs (Delinquency Prevention)	16/00/00	3	150,000			150,000
10	Administrative Services (Vehicles)	22/00/00	-	269,621			269,621
11	Administrative Services (Replacement of Equipment)	22/00/00	-	75,000			75,000
12	Administrative Services (Inflation)	22/00/00	-	300,000			300,000
			79	2,555,874			2,555,874

002382

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: DEPARTMENT OF YOUTH SERVICES

ISSUES TO BE ADDRESSED:

1. Describe the Department's plan to implement state statutes prohibiting detention of status offenders. How will the requested funds for Priority #1 aid in such implementation?
2. Explain how detention screening is currently implemented and funded and why it is necessary to request additional state funds at this time.

002383

MAINTENANCE REQUEST			STATE		FY 83 - 84 REQUEST		TOTAL
					FEDERAL	OTHER	
PERSONAL SERVICE			39,809,662		1,194,783	1,896,561	42,901,006
NUMBER OF POSITIONS			2,375.48		72.22	110.20	2,557.90
ALL OTHER			16,882,566		162,895	2,603,365	19,648,826
.31 RED./AGN. ADJ			-125,317				-125,317
SUB TOTAL MAINT. REQ.			56,566,911		1,357,678	4,499,926	62,424,515
ADDITIONAL INCREASE REQUEST			STATE		TOTAL		
PRIORITY	PROGRAM		POSITIONS	POSITIONS	STATE	TOTAL	
001	HOUSING CARE SECURITY SLPER				1,102,500	1,102,500	
002	HOUSING CARE SECURITY SLPER	77.00	77.00		1,500,404	1,500,404	
003	HOUSING CARE SECURITY SLPER	186.00	186.00		4,833,612	4,833,612	
004	HOUSING CARE SECURITY SLPER				3,183,134	3,283,134	
005	HOUSING CARE SECURITY SLPER	18.00	18.00		367,488	367,488	
006	HOUSING CARE SECURITY SLPER	6.00	6.00		62,108	62,108	
007	HOUSING CARE SECURITY SLPER				386,910	386,910	
008	WORK & VOCATIONAL ACTIVITIE	1.00	1.00		928,670	928,670	
009	INDIVIDUAL GROWTH & MOTIVAT	2.00	2.00		61,886	61,886	
010	INTERNAL ADMINISTRATION & S				141,600	141,600	
011	HOUSING CARE SECURITY SLPER				854,548	854,548	
012	HOUSING CARE SECURITY SLPER				303,188	303,188	
013	PALMETTO UNIFIED SCH DIST 1	2.00	2.00		46,564	46,564	
014	PALMETTO UNIFIED SCH DIST 1	16.00	1.00		363,443	363,443	
015	WORK & VOCATIONAL ACTIVITIE	9.00	9.00		146,423	146,423	
016	PALMETTO UNIFIED SCH DIST 1	15.00			344,370	344,370	
017	INTERNAL ADMINISTRATION & S	1.00	1.00		26,568	26,568	
018	INTERNAL ADMINISTRATION & S				25,661	25,661	
019	HOUSING CARE SECURITY SLPER				330,750	330,750	

002384

MAINTENANCE REQUEST				FY 83 - 84 REQUEST			
				STATE	FEDERAL	OTHER	TOTAL
ADDITIONAL PRIORITY	INCREASE REQUEST	PROGRAM		STATE POSITIONS	TOTAL POSITIONS	STATE	TOTAL
020	HOUSING CARE SECURITY SUPER					99,225	99,225
021	HOUSING CARE SECURITY SUPER					159,468	159,468
022	INTERNAL ADMINISTRATION & S		4.00	4.00		65,246	65,246
023	INDIVIDUAL GROWTH & MOTIVAT		3.00	3.00		215,525	215,525
024	PALMETTO UNIFIED SCH DIST 1		4.00	4.00		111,265	111,265
025	PALMETTO UNIFIED SCH DIST 1		9.00			191,972	191,972
026	PALMETTO UNIFIED SCH DIST 1					18,412	18,412
SUB TOTAL-ADDITIONAL INCREASE				353.00	314.00	15,870,940	15,970,940
TOTAL AGENCY REQUEST FY 83-84				2728.48	2871.90	72,437,851	78,395,455

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002355



DATE:08/10/82

TIME:114712

AGENCY NO4

LINE ITEM

NO.

CORRECTIONS DEPARTMENT

ESTIMATED 8 1 - 8 2

STATE TOTAL

BUDGET REQUEST

AGENCY TOTALS

PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE TOTAL

R E Q U E S T E D 8 3 - 8 4

STATE FEDERAL OTHER TOTAL

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PRGM:AVY280CR

010 PER. SERVICE	35,378,149	38,397,099	39,809,662	42,901,006	39,809,662	1,194,783	1,896,561	42,901,006
020 NO. POSITIONS	2,054.48	2,230.90	2,375.48	2,557.90	2,375.48	72.22	110.20	2,557.90
030 ALL OTHERS	14,972,653	17,736,485	16,882,566	19,648,826	16,882,566	162,895	2,603,365	19,648,826
035 .031 RED./AGN			-125,317	-125,317	-125,317			-125,317
040 SUB TOTAL	50,350,802	56,133,584	56,566,911	62,424,515	56,566,911	1,357,678	4,499,926	62,424,515

TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE FEDERAL OTHER TOTAL

10 PER. SERVICE	7,712,744		100,000	7,812,744
20 NO. POSITIONS	353.00	-39.00		314.00
30 ALL OTHER	8,158,196			8,158,196
40 SUB TOTAL	15,870,940		100,000	15,970,940

=====

TOTAL AMOUNT REQUESTED

72,437,851 1,357,678 4,599,926 78,395,455

TOTAL POSITIONS REQUESTED

2,728.48 33.22 110.20 2,871.90

002386

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME South Carolina Department of CorrectionsAGENCY CODE N04

PROGRAM NAME

SummaryPROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

002387

LINE NO. (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	7,712,744		100,000	7,812,744	
020	No. of Positions	( 353 )	( -39 )	( )	( 314 )	
030	All Other	8,158,196			8,158,196	
040	Total	15,870,940		100,000	15,970,940	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						

## PROGRAM REQUEST SUMMARY

AGENCY NAME South Carolina Department of Corrections AGENCY CODE N04

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
10	Internal Administration and Support	01/00/00		141,600			141,600
17	Internal Administration and Support	01/00/00	1	26,568			26,568
18	Internal Administration and Support	01/00/00		25,661			25,661
22	Internal Administration and Support	01/00/00	4	65,246			65,246
1	Housing, Care, Security and Supervision	05/00/00		1,102,500			1,102,500
2	Housing, Care, Security and Supervision	05/00/00	77	1,500,404			1,500,404
3	Housing, Care, Security and Supervision	05/00/00	186	4,833,612			4,833,612
4	Housing, Care, Security and Supervision	05/00/00		3,183,134		100,000	3,283,134
5	Housing, Care, Security and Supervision	05/00/00	18	367,488			367,488
6	Housing, Care, Security and Supervision	05/00/00	6	62,108			62,108
7	Housing, Care, Security and Supervision	05/00/00		386,910			386,910
11	Housing, Care, Security and Supervision	05/00/00		854,548			854,548
12	Housing, Care, Security and Supervision	05/00/00		303,188			303,188
19	Housing, Care, Security and Supervision	05/00/00		330,750			330,750
20	Housing, Care, Security and Supervision	05/00/00		99,225			99,225
21	Housing, Care, Security and Supervision	05/00/00		159,468			159,468
8	Work and Vocational Activities	10/00/00	1	928,670			928,670
15	Work and Vocational Activities	10/00/00	9	146,423			146,423
9	Individual Growth and Motivation	15/00/00	2	61,886			61,886
23	Individual Growth and Motivation	15/00/00	3	215,525			215,525
13	Palmetto Unified School District No. 1	35/00/00	2	46,564			46,564
14	Palmetto Unified School District No. 1	35/00/00	1	363,443			363,443
16	Palmetto Unified School District No. 1	35/00/00		344,370			344,370
24	Palmetto Unified School District No. 1	35/00/00	4	111,265			111,265
25	Palmetto Unified School District No. 1	35/00/00		191,972			191,972
26	Palmetto Unified School District No. 1	35/00/00		18,412			18,412
			314	15,870,940		100,000	15,970,940

002388

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: DEPARTMENT OF CORRECTIONS

ISSUES TO BE ADDRESSED:

1. For some time professionals and officials associated with Corrections have been warning that the combination of high incarceration rates and underfunding are pushing us toward a crisis in our prison system. Please discuss the various dimensions of this problem, specifically addressing staffing needs, overcrowding, and minimum funding requirements.
2. What impact has the economic situation had on incarceration rates for the past year? Display any revised projections of costs arising from this source.

002389



MAINTENANCE REQUEST			FY 83 - 84 REQUEST		TOTAL
	STATE		FEDERAL	OTHER	
PERSONAL SERVICE	6,079,135			137,000	6,216,135
NUMBER OF POSITIONS	401.00				401.00
ALL OTHER	1,117,429		10,000	363,000	1,490,429
.31 RED./AGN. ADJ	-23,843				-23,843
SUB TOTAL MAINT. REQ.			7,172,721	10,000	7,682,721
ADDITIONAL INCREASE REQUEST			STATE		TOTAL
PRIORITY	PROGRAM	POSITIONS	POSITIONS		
001	COMMUNITY CORRECTIONS		455,000	455,000	
002	COMMUNITY CORRECTIONS		33,900	33,900	
003	ADMINISTRATION	5.00	5.00	68,249	68,249
004	PAROLES AND PARDONS	11.00	11.00	198,797	198,797
005	COMMUNITY CORRECTIONS	20.00	20.00	340,995	340,995
SUB TOTAL-ADDITIONAL INCREASE			36.00	36.00	1,096,941
TOTAL AGENCY REQUEST FY 83-84			437.00	437.00	8,269,662

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002390

DATE:09/09/82

TIME:125003

AGENCY NO8

LINE ITEM

NO.

## PAROLE AND COMMUNITY

ESTIMATED 8 1 - 8 2

STATE

TOTAL

## BUDGET REQUEST

## AGENCY TOTALS

## PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE

TOTAL

R E Q U E S T E D 8 3 - 8 4

FEDERAL

OTHER

TOTAL

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010 PER. SERVICE	5,718,725	5,718,725	6,079,135	6,216,135	6,079,135		137,000	6,216,135
020 NO. POSITIONS	401.00	401.00	401.00	401.00	401.00			401.00
030 ALL OTHERS	762,235	850,065	1,117,429	1,490,429	1,117,429	10,000	363,000	1,490,429
035 .031 RED./AGN			-23,843	-23,843	-23,843			-23,843
040 SUB TOTAL	6,480,960	6,568,790	7,172,721	7,682,721	7,172,721	10,000	500,000	7,682,721

## TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE

FEDERAL

OTHER

TOTAL

10 PER. SERVICE	\$999,481			\$999,481
20 NO. POSITIONS	36.00			36.00
30 ALL OTHER	\$97,460			\$97,460
40 SUB TOTAL	\$1,096,941			\$1,096,941

\$1,096,941

\$1,096,941

TOTAL AMOUNT REQUESTED

\$8,269,662

\$10,000

\$500,000

\$8,779,662

TOTAL POSITIONS REQUESTED

437.00

437.00

153200

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME Parole and Community CorrectionsAGENCY CODE N08PROGRAM NAME Agency SummaryPROGRAM CODE 00 / 000 / 000

PRIORITY # \_\_\_\_\_

002392

LINE NO (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	544,481			544,481	
020	No. of Positions	( 36 )	( )	( )	( 36 )	
030	All Other	97,460			97,460	
040	Total	641,941			641,941	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						





STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: PAROLE AND COMMUNITY CORRECTIONS

ISSUES TO BE ADDRESSED:

In its revised request, Parole and Community Corrections is requesting \$455,000 to cover current needs which are not provided for in the current budget year. Please explain the nature of these costs and describe how the agency will cover them in FY 1982-83. If funding is inadequate in FY 1983-84 to cover the shortage, what will the impact be?

002394

MAINTENANCE REQUEST			FY 83 - 84 REQUEST			
			STATE	FEDERAL	OTHER	TOTAL
PERSONAL SERVICE			41,785,331	16,773,605	11,463,338	70,022,274
NUMBER OF POSITIONS			2,190.09	1,051.73	602.17	3,843.99
ALL OTHER			16,735,871	30,746,637	7,774,757	55,257,265
.31 RED./AGN. ADJ			-183,182			-183,182
SUB TOTAL MAINT. REQ.			58,338,020	47,520,242	19,238,095	125,096,357
ADDITIONAL INCREASE REQUEST						
PRIORITY	PROGRAM		STATE	TOTAL		
			POSITIONS	POSITIONS		
001	STATE EMPLOYER CONTRIBUTION		339,786	339,786		
002	GENERAL ADMINISTRATION		371,150	371,150		
003	DISTRICT SERVICES EQC	56.00	5.00	1,735,534	548,078	
004	DISEASE SURVEILLANCE & INVE	22.00	19.00	656,345	597,609	
005	COMMUNITY HEALTH SERVICES	16.00	16.00	485,461	485,461	
006	MATERNAL & CHILD HEALTH	27.50		1,378,673	296,723	
007	FAMILY PLANNING	14.90		426,312		
008	RADIOLOGICAL HEALTH	5.00	5.00	94,788	94,788	
009	HOME HEALTH SERVICES			200,000	200,000	
010	CRIPPLED CHILDREN			718,329	234,275	
011	EMERGENCY MEDICAL SERVICES	1.00		180,787	137,274	
012	MEDICAL & DENTAL SCHOLARSHI			124,000	124,000	
SUB TOTAL-ADDITIONAL INCREASE			142.40	45.00	6,711,165	3,429,144
TOTAL AGENCY REQUEST FY 83-84			2332.49	3888.99	65,049,185	128,525,501

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002355

DATE:08/10/82

TIME:114712

AGENCY J04

LINE ITEM

NO.

HEALTH &amp; ENVIRON CNT

ESTIMATED 8 1 - 8 2

STATE

TOTAL

BUDGET REQUEST  
AGENCY TOTALS  
PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE

TOTAL

R E Q U E S T E D 8 3 - 8 4

FEDERAL

OTHER

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TOTAL

010 PER. SERVICE	40,266,595	68,562,636	41,785,331	70,022,274	41,785,331	16,773,605	11,463,338	70,022,274
020 NO. POSITIONS	2,159.64	3,871.58	2,190.09	3,843.99	2,190.09	1,051.73	602.17	3,843.99
030 ALL OTHERS	15,374,263	59,287,676	16,735,871	55,257,265	16,735,871	30,746,637	7,774,757	55,257,265
035 .031 RED./AGN			-183,182	-183,182	-183,182			-183,182
040 SUB TOTAL	55,640,858	127,850,312	58,338,020	125,096,357	58,338,020	47,520,242	19,238,095	125,096,357

## TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE

FEDERAL

OTHER

TOTAL

10 PER. SERVICE		-2,133,948		901,896
	3,035,844			
20 NO. POSITIONS		-97.40		45.00
	142.40			
30 ALL OTHER		-1,148,073		2,527,248
	3,675,321			
40 SUB TOTAL		-3,282,021		3,429,144
	6,711,165			

=====

TOTAL AMOUNT REQUESTED

44,238,221

128,525,501

65,049,185

19,238,095

TOTAL POSITIONS REQUESTED

954.33

3,888.99

2,332.45

602.17

002396

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME S.C. DEPARTMENT OF HEALTH & ENVIRONMENTAL  
CONTROLAGENCY CODE J04PROGRAM NAME SUMMARYPROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

002397

LINE NO (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	3,035,844	-2,133,948		901,896	
020	No. of Positions	( 142.4 )	( -97.4 )	( )	( 45 )	
030	All Other	3,675,321	-1,148,073		2,527,248	
040	Total	6,711,165	-3,282,021		3,429,144	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						



1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME S.C. Department of Health and Environmental  
ControlAGENCY CODE J04

002398

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
1	Non-Optional Items						
A.	Employer Contribution	950500	0	339,786			339,786
B.	General Administration	010500	0	371,150			371,150
2	District Services - EQC	788700	<del>56</del> 5	1,735,534	-1,187,456		548,078
3	Disease Surveillance & Investigation	051005	<del>22</del> 19	656,345	-58,736		597,609
4	Community Health Services	052505	16	485,461			485,461
5	Maternal & Child Health	052006	<del>27</del> 50	1,378,673	-1,081,950		296,723
6	Family Planning	052010	<del>14</del> 0	426,312	-426,312		
7	Radiological Health	055500	5	94,788			94,788
8	Home Health Services	050510	0	200,000			200,000
9	Crippled Children	052020	0	718,329	-484,054		234,275
10	Emergency Medical Services	056000	<del>4</del> 0	180,787	-43,513		137,274
11	Medical & Dental Scholarships	054505	0	124,000			124,000
			<del>442</del> 45	6,711,165	-3,282,021		3,429,144

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

ISSUES TO BE ADDRESSED:

1. What recommendations or considerations for user fees in DHEC programs might be considered for the next budget year?
2. The Department of Health and Environmental Control's request calls for a large replacement of Federal dollars with State dollars. Please explain your reasons for asking for such a large substitution of funds. Is there any mechanism to better organize the present staff so that replacement of Federal funds could be avoided?
3. The Disease Surveillance and Investigation area and the Community Health Services area have the largest number of new positions of any areas in your budget request. Please explain why you are requesting this large number of new positions (36).
4. DHEC has indicated in its request that the closing of the Crippled Children's Convalescent Center would free funds that would "substantially reduce the need for additional funds." Since the Convalescent Center is now closed, what reduction to your \$718,329 request can be made?

002399

MAINTENANCE REQUEST			FY 83 - 84 REQUEST			
			STATE	FEDERAL	OTHER	TOTAL
PERSONAL SERVICE			71,348,886	5,817,824	13,194,828	90,361,538
NUMBER OF POSITIONS			4,449.65	288.50	617.42	5,355.57
ALL OTHER			11,342,657	1,235,803	7,621,182	20,199,642
.31 RED./AGN. ADJ			-258,128			-258,128
SUB TOTAL MAINT. REC.			82,433,415	7,053,627	20,816,010	110,303,052
ADDITIONAL INCREASE REQUEST						
PRIORITY	PROGRAM		STATE	TOTAL		
			POSITIONS	POSITIONS		
001	***NOT ON FILE**	192.00	192.00	4,405,188	4,405,188	
002	DIV OF COMMUNITY MENTAL HEA	100.00	100.00	2,152,716	2,152,716	
003	CRAFTS-FARROW ST HOSPITAL			850,000	850,000	
004	PROJECTS & GRANTS			1,000,000	1,000,000	
005	***NOT ON FILE**	14.00	14.00	339,031	339,031	
006	CG WEBER BRYAN PSYCHIATRIC	46.00	46.00	850,591	850,591	
007	PROJECTS & GRANTS			150,000	150,000	
008	LONG TERM CARE			390,000	390,000	
009	CHARLESTON AREA MH CENTER	3.00	3.00	77,904	77,904	
010	COASTAL EMPIRE MH CENTER	1.00	1.00	60,000	60,000	
011	AUTISTIC CHILDREN	5.00	5.00	270,000	270,000	
012	GREENVILLE AREA MH CENTER	1.00	1.00	18,500	18,500	
013	SOUTH GREENVILLE MH CENTER	4.00	4.00	82,208	82,208	
014	BERKELEY MH CLINIC	1.00	1.00	48,317	48,317	
015	BERKELEY MH CLINIC			8,812	8,812	
016	PROJECTS & GRANTS	1.00	1.00	29,940	29,940	
017	CATAWBA CTR FOR GROWTH & DE	3.00	3.00	59,512	59,512	
018	LEXINGTON MH CLINIC			70,267	140,534	
019	COLUMBIA AREA MH CENTER	12.00	12.00	316,357	316,357	

002400

MAINTENANCE REQUEST		ADDITIONAL INCREASE REQUEST		STATE TOTAL		FY 83 - 84 REQUEST		TOTAL	
PRIORITY	PROGRAM	POSITIONS	POSITIONS	STATE	TOTAL	FEDERAL	OTHER	TOTAL	
020	PROJECT COIL	1.00	1.00	18,218	18,218				
021	PROJECTS & GRANTS	1.00	1.00	25,589	25,589				
022	ANDERSON-OCONEE-PICKENS MH	5.00	5.00	74,658	74,658				
023	ANDERSON-OCONEE-PICKENS MH	3.00	3.00	67,200	67,200				
024	ANDERSON-OCONEE-PICKENS MH	3.00	3.00	54,560	54,560				
025	PEE DEE MH CENTER			111,553	111,553				
026	SANTEE-WATEREE MH CENTER	5.00	5.00	119,803	119,803				
027	TRI-COUNTY MH CENTER	5.00	5.00	147,047	147,047				
028	MACCAM CENTER FOR MH	10.00	10.00	214,169	214,169				
029	AIKEN-BARNWELL MH CENTER	1.00	1.00	24,050	24,050				
030	BECKMAN CENTER FOR MH SERVI	1.00	1.00	71,177	71,177				
031	COASTAL EMPIRE MH CENTER	2.50	2.50	58,863	58,863				
032	COASTAL EMPIRE MH CENTER	2.00	2.00	45,129	45,129				
033	COASTAL EMPIRE MH CENTER	1.00	1.00	23,639	23,639				
034	GREENVILLE AREA MH CENTER	4.00	4.00	151,286	151,286				
035	ORANGEBURG AREA MH CENTER	2.00	2.00	57,257	57,257				
036	MACCAM CENTER FOR MH	1.00	1.00	158,750	158,750				
037	BERKELEY MH CLINIC			7,200	7,200				
038	CRAFTS-FARROW ST HOSPITAL	45.00	45.00	678,211	678,211				
039	RESEARCH & EDUCATION	4.00	4.00	184,440	184,440				
040	RESEARCH & EDUCATION	3.00	3.00	55,590	55,590				
041	RESEARCH & EDUCATION	13.00	13.00	136,582	136,582				
042	ALCOHOL & DRUG ADDICTION	5.00	5.00	53,163	53,163				
043	LONG TERM CARE	5.00	5.00	85,000	85,000				

002401



MAINTENANCE REQUEST	STATE		FY 83 - 84 REQUEST		TOTAL
	STATE	TOTAL	STATE	FEDERAL	OTHER
ADDITIONAL INCREASE REQUEST	POSITIONS	POSITIONS			
PRIORITY PROGRAM					
SUB TOTAL-ADDITIONAL INCREASE	505.50	505.50	13,802,477	13,872,744	
TOTAL AGENCY REQUEST FY 83-84	4555.15	5861.07	96,235,892	124,175,796	

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002402

DATE:08/09/82

TIME:125003

AGENCY J12

LINE ITEM

NO.

MENTAL HEALTH DEPT

ESTIMATED 8 1 - 8 2

STATE TOTAL

BUDGET REQUEST

AGENCY TOTALS

PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE TOTAL

R E Q U E S T E D 8 3 - 8 4

FEDERAL

OTHER

PAGE 69

PRGM:AVY280CR

TOTAL

010 PER. SERVICE	69,542,178	87,006,765	71,348,886	90,361,538	71,348,886	5,817,824	13,194,828	90,361,538
020 NO. POSITIONS	4,455.73	5,361.65	4,449.65	5,355.57	4,449.65	288.50	617.42	5,355.57
030 ALL OTHERS	11,155,822	20,676,123	11,342,657	20,199,642	11,342,657	1,235,803	7,621,182	20,199,642
035 .031 RED./AGN			-258,128	-258,128	-258,128			-258,128
040 SUB TOTAL	80,698,010	107,682,888	82,433,415	110,303,052	82,433,415	7,053,627	20,816,010	110,303,052

TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE

FEDERAL

OTHER

TOTAL

10 PER. SERVICE				\$10,303,624
	\$10,303,624			
20 NO. POSITIONS				505.50
	505.50			
30 ALL OTHER				\$3,569,120
	\$3,498,853		\$70,267	
40 SUB TOTAL				\$13,872,744
	\$13,802,477		\$70,267	

TOTAL AMOUNT REQUESTED		\$7,053,627	\$124,175,796
	\$96,235,892	\$20,886,277	
TOTAL POSITIONS REQUESTED		288.50	5,861.07
	4,955.15	617.42	

002403

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME MENTAL HEALTHAGENCY CODE J12PROGRAM NAME SUMMARY of Additional IncreasesPROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

LINE NO. (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	10,303,624			10,303,624	
020	No. of Positions	( 460.5 )	(     )	(     )	( 460.5 )	
030	All Other	3,498,853		70,267	3,569,120	
040	Total	13,802,477		70,267	13,872,744	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						

002404

1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME MENTAL HEALTHAGENCY CODE J12

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
1	Mental Health (Agency Wide)	00 00 00	192	4,405,188			4,405,188
3	Crafts-Farrow	05 15 00		850,000			850,000
38	Crafts-Farrow	05 15 00	45	678,211			678,211
6	Bryan Hospital	05 20 00		850,591			850,591
2	Community Mental Health (Multi-Program)	25 00 00	100	2,152,716			2,152,716
4	Projects & Grants	25 35 01		1,000,000			1,000,000
7	Projects & Grants	25 35 01		150,000			150,000
16	Projects & Grants	25 35 01	1	29,940			29,940
21	Projects & Grants	25 35 01	1	25,589			25,589
11	Autistic Children	25 35 05	5	270,000			270,000
20	Project COIL	25 35 10	1	18,218			18,218
29	Aiken-Barnwell MHC	25 40 01	1	24,050			24,050
22	Anderson-Oconee-Pickens MHC	25 40 05	5	74,658			74,658
23	Anderson-Oconee-Pickens MHC	25 40 05	3	67,200			67,200
24	Anderson-Oconee-Pickens MHC	25 40 05	3	54,560			54,560
30	Beckman Center for Mental Health	25 40 10	1	71,177			71,177
17	Catawba MHC	25 40 15	3	59,512			59,512
9	Charleston Area MHC	25 40 20	3	77,904			77,904
10	Coastal Empire MHC	25 40 25	1	60,000			60,000
31	Coastal Empire MHC	25 40 25	2.5	58,863			58,863
32	Coastal Empire MHC	25 40 25	2	45,129			45,129
33	Coastal Empire MHC	25 40 25	1	23,639			23,639
19	Columbia Area MHC	25 40 30	12	316,357			316,357
12	Greenville Area MHC	25 40 35	1	18,500			18,500
34	Greenville Area MHC	25 40 35	4	151,286			151,286
35	Orangeburg Area MHC	25 40 40	2	57,257			57,257
25	Pee Dee MHC	25 40 45		111,553			111,553
26	Santee-Wateree MHC	25 40 50	5	119,803			119,803
13	South Greenville MHC	25 40 55	4	82,208			82,208

002405



1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME MENTAL HEALTHAGENCY CODE J12

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
27	Tri-County MHC	25 40 65	5	147,047			147,047
28	Waccamaw Center for Mental Health	25 40 70	10	214,169			214,169
36	Waccamaw Center for Mental Health	25 40 70	1	158,750			158,750
18	Lexington County MHC	25 40 75		70,267		70,267	140,534
14	Berkeley County MHC	25 40 80	1	48,317			48,317
15	Berkeley County MHC	25 40 80	1	8,812			8,812
37	Berkeley County MHC	25 40 80		7,200			7,200
5	Precare, Screening, Aftercare	25 50 01	14	339,031			339,031
39	Research & Education	55 00 00	4	184,440			184,440
40	Research & Education	55 00 00	3	55,590			55,590
41	Research & Education	55 00 00	13	136,582			136,582
43	Long Term Care	60 00 00	5	85,000			85,000
8	Long Term Care	60 00 00		390,000			390,000
42	Alcohol & Drug Addiction	65 00 00	5	53,163			53,163
	TOTAL		460.5	13,802,477		70,267	13,872,744
			460.5	13,802,477		70,267	13,872,744

002406

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: MENTAL HEALTH

ISSUES TO BE ADDRESSED:

1. Summarize the issue concerning the "paying patients account."  
Priority #1 of the agency requests that these funds be reinstated to capital improvement purposes and replaced by an appropriation from the General Fund. Discuss the status of this account and the impact on capital improvements if current practices continue. Are there options which could partially alleviate operational budget problems without severely affecting capital plans.
2. Priority #2 concerns federal block grant reductions. Review this situation for the Board and the statewide impact it will have.
3. Priority #3 concerns accreditation of Crafts-Farrow State Hospital. What is the status of Crafts-Farrow and what position has the federal government taken on its deficiencies? Would anything less than the \$850,000 request allow for accreditation?

002407

MAINTENANCE REQUEST				FY 83 - 84 REQUEST			
				STATE	FEDERAL	OTHER	TOTAL
PERSONAL SERVICE				20,389,636	11,281,520	1,475,978	33,147,134
NUMBER OF POSITIONS				888.19	464.21	72.60	1,425.00
ALL OTHER				4,489,122	2,270,012	841,464	7,600,598
.31 PED./AGN. ADJ				-77,124			-77,124
SUB TOTAL MAINT. REQ.				24,801,634	13,551,532	2,317,442	40,670,608
ADDITIONAL INCREASE REQUEST							
PRIORITY	PROGRAM	STATE POSITIONS	TOTAL POSITIONS	STATE	TOTAL		
001	AGRICULTURAL RESEARCH	5.00	5.00	1,262,925	1,262,925		
002	***NOT ON FILE***	19.00	19.00	1,188,292	1,188,292		
003	***NOT ON FILE***			284,000	284,000		
004	***NOT ON FILE***	7.25	7.25	347,710	347,710		
005	AGRICULTURAL RESEARCH	39.40	39.40	1,503,117	1,503,117		
006	REGULATORY & PUBLIC SER PRE	1.58	1.58	57,473	57,473		
007	***NOT ON FILE***	3.00	3.00	52,000	52,000		
008	***NOT ON FILE***			17,000	17,000		
009	REGULATORY & PUBLIC SER PRE	3.00	4.00	79,640	102,940		
SUB TOTAL-ADDITIONAL INCREASE				78.23	79.23	4,792,157	4,815,457
TOTAL AGENCY REQUEST FY 83-84				566.42	1504.23	29,593,791	45,486,065

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002408

DATE:08/09/82  
TIME:125003

AGENCY P20  
LINE ITEM  
NO.

CLEMSON UNIV PUB SER

ESTIMATED 8 1 - 8 2  
STATE TOTAL

BUDGET REQUEST  
AGENCY TOTALS  
PROGRAM MAINTENANCE SCHEDULE  
APPROPRIATION 8 2 - 8 3  
STATE TOTAL

R E Q U E S T E D 8 3 - 8 4  
STATE FEDERAL OTHER

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PRGM:AVY280CR

TOTAL

010 PER. SERVICE	19,749,876	32,212,513	20,389,636	33,147,134	20,389,636	11,231,520	1,475,978	33,147,134
020 NO. POSITIONS	888.19	1,425.00	888.19	1,425.00	888.19	464.21	72.60	1,425.00
030 ALL OTHERS	4,254,013	7,365,489	4,489,122	7,600,598	4,489,122	2,270,012	841,464	7,600,598
035 .031 RED./AGN			-77,124	-77,124	-77,124			-77,124
040 SUB TOTAL	24,003,889	39,578,002	24,801,634	40,670,608	24,801,634	13,551,532	2,317,442	40,670,608

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TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----  
STATE FEDERAL OTHER TOTAL

10 PER. SERVICE	\$1,799,359	\$20,300	\$1,819,659
20 NO. POSITIONS	78.23	1.00	79.23
30 ALL OTHER	\$2,992,798	\$3,000	\$2,995,798
40 SUB TOTAL	\$4,792,157	\$23,300	\$4,815,457

=====

TOTAL AMOUNT REQUESTED	\$29,593,791	\$13,574,832	\$45,486,065
TOTAL POSITIONS REQUESTED	566.42	465.21	1,504.23

002409



1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME CLEMSON UNIVERSITY - PUBLIC SERVICE  
ACTIVITIES  
PROGRAM NAME SUMMARYAGENCY CODE P20  
PROGRAM CODE 00 / 00 / 00

002410

PRIORITY # \_\_\_\_\_

LINE NO. (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	1,799,359	20,300		1,819,659	
020	No. of Positions	( 78.23 )	( 1 )	( )	(79.23 )	
030	All Other	2,992,798	3,000		2,995,798	
040	Total	4,792,157	23,300		4,815,457	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						

1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME Clemson University  
Public Service ActivitiesAGENCY CODE P-20

PRIORITY NO	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
1	Agricultural Research	30-00-00	5.0	\$1,262,925			\$1,262,925
2	Extension Service	35-20-00	19.0	1,188,292			1,188,292
3	Forest and Recreation Resources	05-00-00	-0-	284,000			284,000
4	Forest and Recreation Resources	05-00-00	7.25	347,710			347,710
5	Agricultural Research	30-00-00	39.4	1,503,117			1,503,117
6	Regulatory and Public Service	20-00-00	1.58	57,473			57,473
7	Forest and Recreation Resources	05-00-00	<del>3.0</del> 4.0	52,000			52,000
8	Livestock and Poultry Health	20-25-00	-0-	17,000			17,000
9	Regulatory and Public Service	20-00-00	3.0	79,640	\$23,300		102,940
			<del>79.23</del>	\$4,792,157	\$23,300		\$4,815,457

002411

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: CLEMSON PUBLIC SERVICE AUTHORITY (PSA)

ISSUES TO BE ADDRESSED:

1. Is the agriculture research performed by Clemson PSA unique to South Carolina? Are coordinating efforts in operation with other land grant universities to eliminate redundant research efforts?
2. Discuss Clemson PSA's research review process that insures that only the highest priority areas are approved and funded. Be specific as possible.
3. Why should South Carolina provide matching dollars for federal funds that specify research that is not a high priority for the State?
4. What are some examples of specific benefits derived from forestry research efforts over the past several years?

002412

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: DEPARTMENT OF EDUCATION

ISSUES TO BE ADDRESSED:

1. Last year funding difficulties made it necessary to delay full implementation of the Education Finance Act. Please comment on the impact of this deferral. After full implementation, what further increases might the State anticipate in the EFA? Project increases through 1985-86.
2. Discuss current requirements of the school bus transportation system, including replacement needs, costs of supplies and maintenance, and cost of gasoline. What assessments have been made to determine that maintenance is being performed as economically as possible?
3. What options might be developed to control the annual increases of 17 to 20 million dollars for Public School Employee Benefits? What fair way might this expense be shared by the State and local levels of government?
4. How much of free textbook funding is allocated to new textbook adoptions? To maintenance of current adoptions? What will be the anticipated impact of a decision not to provide full funding for the free textbook program?

002413



STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET REQUEST HEARINGS

002414

AUGUST 19, 1982

EDUCATIONAL TELEVISION  
DEPARTMENT OF SOCIAL SERVICES  
COMMISSION FOR THE BLIND  
WILDLIFE AND MARINE RESOURCES  
TECHNICAL AND COMPREHENSIVE EDUCATION  
ALCOHOL AND DRUG ABUSE

MAINTENANCE REQUEST			FY 83 - 84 REQUEST			
	STATE		FEDERAL	OTHER	TOTAL	
PERSONAL SERVICE	6,299,066		87,657	768,125	7,154,848	
NUMBER OF POSITIONS	323.49		5.00	36.38	364.87	
ALL OTHER	6,517,518		319,348	4,451,037	11,287,903	
.31 RED./AGN. ADJ	-43,187				-43,187	
SUB TOTAL MAINT. REQ.			12,773,397	407,005	5,219,162	18,399,564
ADDITIONAL INCREASE REQUEST						
PRIORITY PROGRAM	STATE POSITIONS	TOTAL POSITIONS	STATE	TOTAL		
001 TRANSMISSION & RECEPTION			58,986	58,986		
002 ***NOT ON FILE***			52,376	52,376		
003 INTERNAL ADMINISTRATION			148,720	148,720		
004 INTERNAL ADMINISTRATION			105,000	105,000		
005 TRANSMISSION & RECEPTION			540,000	540,000		
006 T V RADIO & OTHER PRODUCTIC			802,000	802,000		
007 TRANSMISSION & RECEPTION			70,000	70,000		
008 T V RADIO & OTHER PRODUCTIC			75,000	75,000		
009 T V RADIO & OTHER PRODUCTIC	17.00	17.00	417,520	417,520		
010 T V RADIO & OTHER PRODUCTIC	17.00	17.00	417,520	417,520		
011 T V RADIO & OTHER PRODUCTIC	17.00	17.00	417,520	417,520		
SUB TOTAL-ADDITIONAL INCREASE			51.00	51.00	3,104,642	3,104,642
TOTAL AGENCY REQUEST FY 83-84			374.49	415.87	15,878,039	21,504,206

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002415

DATE:08/09/82

TIME:125003

AGENCY H67

LINE ITEM

NO.

## EDUCATIONAL TELEVISI

ESTIMATED 8 1 - 8 2

STATE TOTAL

## BUDGET REQUEST

## AGENCY TOTALS

## PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE TOTAL

R E Q U E S T E D 8 3 - 8 4

FEDERAL

OTHER

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PRGM:AVY280CR

TOTAL

010 PER. SERVICE	6,614,182	7,350,614	6,299,066	7,154,848	6,299,066	37,657	768,125	7,154,848
020 NO. POSITIONS	348.49	385.87	323.49	364.87	323.49	5.00	36.38	364.87
030 ALL OTHERS	5,969,501	9,377,599	6,517,518	11,287,903	6,517,518	319,348	4,451,037	11,287,903
035 .031 RED./AGN			-43,187	-43,187	-43,187			-43,187
040 SUB TOTAL	12,583,683	16,728,213	12,773,397	18,399,564	12,773,397	407,005	5,219,162	18,399,564

## TOTAL SCHEDULE OF ADDITIONAL INCREASES

REQUESTED FY 83-84

STATE FEDERAL OTHER TOTAL

10 PER. SERVICE	\$973,710			\$973,710
20 NO. POSITIONS	51.00			51.00
30 ALL OTHER	\$2,130,932			\$2,130,932
40 SUB TOTAL	\$3,104,642			\$3,104,642

TOTAL AMOUNT REQUESTED	\$15,878,039	\$407,005	\$5,219,162	\$21,504,206
TOTAL POSITIONS REQUESTED	374.49	5.00	36.38	415.87

002416

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME S.C. ETV CommissionAGENCY CODE H67PROGRAM NAME Summary of Additional IncreasesPROGRAM CODE 00/ 00 / 00

PRIORITY # \_\_\_\_\_

002417

LINE NO. (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	973,710			973,710	
020	No. of Positions	( 51 )	( )	( )	( 51 )	
030	All Other	2,130,932			2,130,932	
040	Total	3,104,642			3,104,642	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						



1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME South Carolina ETV CommissionAGENCY CODE H67

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
2	Agency-Wide Increases	00 00 00		52,376			52,376
3	Internal Administration	01 00 00		148,720			148,720
4		01 00 00		105,000			105,000
6	TV, Radio and Other Production	10 00 00		802,000			802,000
8		10 00 00		75,000			75,000
9		10 00 00	17	417,520			417,520
10		10 00 00	17	417,520			417,520
11		10 00 00	17	417,520			417,520
1	Transmission and Reception	15 00 00		58,986			58,986
5		15 00 00		540,000			540,000
7		15 00 00		70,000			70,000
			51	3,104,642			3,104,642

002418

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: EDUCATIONAL TELEVISION

ISSUES TO BE ADDRESSED:

1. Please explain the agency's equipment replacement and upgrading needs, providing some perspective on the impact of obsolescence.
2. Which ETV projects could be deferred for startup one or more years beyond FY 1983-84? Describe the impact of such deferrals.

002419

MAINTENANCE REQUEST		FY 83 - 84 REQUEST			
PERSONAL SERVICE		STATE	FEDERAL	OTHER	TOTAL
NUMBER OF POSITIONS					
ALL OTHER		105,121,222	492,786,960	24,038,058	621,946,240
.31 RED./AGN. ADJ		-407,489			-407,489
SUB TOTAL MAINT. REQ.		130,444,321	536,866,026	24,560,547	691,870,894
ADDITIONAL INCREASE REQUEST		FY 83 - 84 REQUEST			
PRIORITY PROGRAM		STATE	FEDERAL	OTHER	TOTAL
001 ****NOT ON FILE***		16,135,373	16,135,373		32,270,746
002 BENEFIT PAYMENTS		856,340	1,569,350		2,425,690
003 ****NOT ON FILE***		5,339,253	17,515,293		22,854,546
004 SOCIAL SERVICES DEPT		340,066	815,366		1,155,432
005 SSI SUPP AND OTHER PAYMENTS		100,000	125,000		225,000
006 BENEFIT PAYMENTS		1,433,194	4,903,161		6,336,355
007 ****NOT ON FILE***		25,920	25,920		51,840
008 ****NOT ON FILE***		123,560	123,560		247,120
009 GENERAL ASSISTANCE		358,525	358,525		717,050
010 ****NOT ON FILE***		16,632	16,632		33,264
011 MEDICAL ASSISTANCE MANAGE		152,261	609,043		761,304
012 SOCIAL SERVICES DEPT		99,289	198,572		297,861
013 ****NOT ON FILE***		85,926	140,862		226,788
014 ****NOT ON FILE***			1,114,913		1,114,913
015 BENEFIT PAYMENTS		2,947,593	9,931,263		12,878,856
016 ****NOT ON FILE***		2,342,508	7,892,547		10,235,055
017 COMMUNITY LONG TERM CARE		32,748	121,801		154,549
030 COMMISSIONERS OFFICE		-78	-2,00		-2,078
031 ADMINISTRATIVE SUPPORT SERV		-9,21	14,00		4,789

002420

MAINTENANCE REQUEST				FY 83 - 84 REQUEST			
ADDITIONAL	INCREASE	REQUEST	STATE	TOTAL	STATE	FEDERAL	OTHER
PRIORITY	PROGRAM		POSITIONS	POSITIONS			
032	SOCIAL SERVICES-MANAGEMENT	-6.71	-8.00	31,402	357,368		
033	SOCIAL SERVICES-MANAGEMENT				-30,000		
034	OTHER SOCIAL SERVICES		1.00		58,398		
035	HOMEMAKERS	1.78	7.00	30,721	99,773		
036	CONTRACT SERVICES			-6,268	-24,854		
037	WORK INCENTIVE PROGRAM	.30	-27.00	-63,444	-645,901		
038	REFUGEE RESET CUBAN-HAI ENT		1.00		31,927		
039	CHILD SUPPORT ENFORCEMENT			-6,924	-34,997		
040	GENERIC SERVICES MANAGEMENT	602.66	1190.00	8,594,060	16,939,164		
041	AFDC-MANAGEMENT	-385.10	-765.00	-5,266,650	-10,577,070		
042	FOOD STAMPS-MANAGEMENT	-221.79	-415.00	-3,054,483	-6,840,777		
043	BENEFIT PAYMENTS-FOOD STAMP				-1,564,500		
044	MEDICAL ASSISTANCE MANAGEME	-6.13	4.00	-145,484	-208,206		
045	COMMUNITY LONG TERM CARE				270,469		
046	SSI SUPP AND OTHER PAYMENTS			2,016	2,016		
047	SSI SUPP AND OTHER PAYMENTS			-2,016	-2,016		
048	SSI SUPP AND OTHER PAYMENTS				30,000		
SJB TOTAL-ADDITIONAL INCREASE			-26.58	30,389,185	60,032,661		
TOTAL AGENCY REQUEST FY 83-84			1477.63	4055.00	160,833,506	751,903,555	

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002421



DATE:08/09/82

TIME:125003

AGENCY L04

LINE ITEM

NO.

## SOCIAL SERVICES DEPT

ESTIMATED 8 1 - 8 2

STATE TOTAL

## BUDGET REQUEST

## AGENCY TOTALS

## PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE TOTAL

R E Q U E S T E D 8 3 - 8 4

STATE FEDERAL OTHER TOTAL

010 PER. SERVICE	24,701,124	66,524,458	25,730,588	70,332,143	25,730,588	44,079,066	522,489	70,332,143
020 NO. POSITIONS	1,534.53	4,088.05	1,504.61	4,055.00	1,504.61	2,514.74	35.65	4,055.00
030 ALL OTHERS	106,183,938	610,935,446	105,121,222	621,946,240	105,121,222	492,786,960	24,038,058	621,946,240
035 .031 RED./AGN			-407,489	-407,489	-407,489			-407,489
040 SUB TOTAL	130,885,062	677,859,904	130,444,321	691,870,894	130,444,321	536,866,026	24,560,547	691,870,894

## TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE FEDERAL OTHER TOTAL

10 PER. SERVICE		\$42,808		\$42,808
20 NO. POSITIONS	26.56	27.17	.19	
30 ALL OTHER	\$30,389,185	\$25,489,177	\$154,299	\$60,032,661
40 SUB TOTAL	\$30,389,185	\$25,531,985	\$111,491	\$60,032,661
TOTAL AMOUNT REQUESTED	\$160,823,506	\$566,398,011	\$24,672,038	\$751,903,555
TOTAL POSITIONS REQUESTED	1,477.63	2,541.91	35.46	4,055.00

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002422

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME Department of Social ServicesAGENCY CODE L04PROGRAM NAME Summary of Additional IncreasesPROGRAM CODE 00 / 00 / 00PRIORITY # N/A

002423

LINE NO. (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs		42,808	-42,808		
020	No. of Positions	(-26.98 )	( 27.17 )	( -.19 )	( )	
030	All Other	30,389,185	29,489,177	154,299	60,032,661	
040	Total	30,389,185	29,531,985	111,491	60,032,661	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						

1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME Department of Social ServicesAGENCY CODE 101

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
4	Division of Information Systems	ALL		340,066	475,300		815,366
12	Postage	ALL		99,286	99,286		198,572
13	North Tower Rent	ALL		85,926	54,936		140,862
N/A	Commissioner	01 05 00	-2.00	-25,166	-36,045		-61,211
N/A	Administrative Support Services	01 10 00	14.00	-87,764	673,557	50,124	635,917
N/A	Social Services and Child Welfare Services	15 20 01	-8.00	31,402	339,682	-13,716	357,368
N/A	Child Welfare Services	15 20 01			-30,000		-30,000
N/A	Other Social Services	15 20 10	1.00		58,398		58,398
N/A	Homemaker	15 25 00	7.00	30,721	68,962	90	99,773
N/A	Contract Services	15 45 00		-6,268	-18,586		-24,854
N/A	Work Incentive Program	15 50 00	-27.00	-63,444	-582,457		-645,901
N/A	Refugee Resettlement Program	15 52 00	1.00		31,927		31,927
N/A	Child Support Enforcement	54 56 00		-6,924	-28,073		-34,997
N/A	Generic Services Management	54 57 00	1190.00	8,594,060	8,251,021	94,083	16,939,164
N/A	Aid to Families with Dependent Children	54 58 60	-765.00	-5,266,650	-5,281,765	-28,655	-10,577,070
2	Aid to Families with Dependent Children	54 58 62		856,340	713,010		1,569,350
6	Aid to Families with Dependent Children	54 58 62		1,433,194	3,469,967		4,903,161
15	AFDC - Intact Family Program	54 58 62		2,947,593	6,983,650		9,931,243
N/A	Food Stamps	54 64 66	-415.00	-3,054,483	-3,686,553	-99,741	-6,840,777
N/A	Food Stamps	54 64 68			-1,564,500		-1,564,500
N/A	Medical Assistance Program	54 70 72	4.0	-145,484	-62,722		-208,206
11	Medical Assistance Program	54 70 72		152,261	456,782		609,043
1	Medical Assistance Program	54 70 74		16,135,373			16,135,373
3	Medical Assistance Program	54 70 74		5,339,253	12,176,040		17,515,293
14	AFDC - Home Health Aid Program	54 70 74			1,003,422	111,491	1,114,913
16	AFDC - Intact Family Program	54 70 74		2,342,508	5,550,039		7,892,547
17	Community Long Term Care	54 70 84		32,748	89,053		121,801
N/A	Community Long Term Care	54 70 84			272,654	-2,185	270,469

002424

1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME Department of Social ServicesAGENCY CODE 104

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
7	General Assistance - Regular Program	54 78 22		25,920			25,920
8	General Assistance - Regular Program	54 78 22		123,560			123,560
10	General Assistance - Regular Program	54 78 22		16,632			16,632
9	General Assistance - Residential Care Facil.	54 78 82		358,525			358,525
5	Emergency Caretaker Service Program	54 78 84		100,000	25,000		125,000
N/A	Adult Protective Services	54 78 84		2,016			2,016
N/A	SSI Supplementation Program	54 78 84		-2,016			-2,016
N/A	Medical Pymts to Phys. & Men. Handi. Child.	54 78 84			30,000		30,000
TOTAL			0.00	30,389,185	29,531,985	111,491	60,032,661

002425



STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: DEPARTMENT OF SOCIAL SERVICES

ISSUES TO BE ADDRESSED:

1. Priority #1 requests \$16 million for the Medical Assistance Program. Increases are related to a.) proposed changes in federal regulations concerning optional services; b.) quality control error rate sanctions; and c.) normal match rate change. Explain the nature of these increases. What is the status of these federal changes? What is the quality control error rate in South Carolina (estimated to cost \$5.6 million if not reduced) and what steps have been or are being taken to reduce the rate?
2. Priority #3 requests an inflationary increase of 7.5% for the Medical Assistance Program. What has been the impact of cost containment measures which have been taken in the program? What additional measures might alleviate the need for this \$5.3 million increase?
3. Explain in greater detail the increase requested in AFDC (Priority #2) and the fact that State funds are greater than federal funds. How is this being handled in the current year?

002426

MAINTENANCE REQUEST			FY 83 - 84 REQUEST			
	STATE		FEDERAL	OTHER	TOTAL	
PERSONAL SERVICE	1,043,708		1,187,726	17,469	2,248,903	
NUMBER OF POSITIONS	61.50		58.50	1.00	121.00	
ALL OTHER	1,337,880		569,482	35,000	1,942,362	
.31 RED./AGN. ADJ	-8,717				-8,717	
SUB TOTAL MAINT. REC.			2,372,871	1,757,208	52,469	4,182,548
ADDITIONAL INCREASE REQUEST						
PRIORITY PROGRAM	STATE POSITIONS	TOTAL POSITIONS	STATE	TOTAL		
001 SPECIAL SERVICES	1.00	1.00	16,740	16,740		
002 REHABILITATION SERVICES	1.00	1.00	26,740	26,740		
003 PREVENTION OF BLINDNESS			35,000	35,000		
SUB TOTAL-ADDITIONAL INCREASE			2.00	2.00	78,480	78,480
TOTAL AGENCY REQUEST FY 83-84			62.50	123.00	2,451,351	4,261,028

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002427

DATE:08/09/82

TIME:125003

AGENCY L24

LINE ITEM

NO.

BLIND COMMISSION

ESTIMATED 8 1 - 8 2

STATE TOTAL

BUDGET REQUEST

AGENCY TOTALS

PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE TOTAL

R E Q U E S T E D 8 3 - 8 4

STATE FEDERAL OTHER TOTAL

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010 PER. SERVICE	1,026,643	2,186,054	1,043,708	2,248,903	1,043,708	1,197,726	17,469	2,248,903
020 NO. POSITIONS	61.47	134.57	61.50	121.00	61.50	58.50	1.00	121.00
030 ALL OTHERS	1,327,610	1,586,073	1,337,880	1,942,362	1,337,880	569,482	35,000	1,942,362
035 .031 RED./AGN			-8,717	-8,717	-8,717			-8,717
040 SUB TOTAL	2,354,253	4,172,127	2,372,871	4,182,548	2,372,871	1,757,208	52,469	4,182,548

=====

TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE FEDERAL OTHER TOTAL

10 PER. SERVICE				\$33,480
20 NO. POSITIONS				2.00
30 ALL OTHER				\$45,000
40 SUB TOTAL				\$78,480

=====

TOTAL AMOUNT REQUESTED

\$2,451,351 \$1,757,208 \$4,261,028

TOTAL POSITIONS REQUESTED

63.50 58.50 1.00 123.00

002428

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME Commission for the BlindAGENCY CODE L24PROGRAM NAME SummaryPROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

002429

LINE NO (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	33,480			33,480	
020	No. of Positions	( 2 )	( )	( )	( 2 )	
030	All Other	45,000			45,000	
040	Total	78,480			78,480	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						





STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: COMMISSION FOR THE BLIND

ISSUES TO BE ADDRESSED:

All three of the agency's priorities (total \$78,480) deal with direct services to the blind. What is the impact if funding were not available? How many clients are affected?

**002431**

MAINTENANCE REQUEST			FY 83 - 84 REQUEST		
	STATE		FEDERAL	OTHER	TOTAL
PERSONAL SERVICE	7,036,050		2,638,568	4,518,672	14,193,290
NUMBER OF POSITIONS	349.33		136.25	227.80	713.38
ALL OTHER	4,016,470		916,413	4,806,165	9,739,048
.31 RED./AGN. ADJ	-36,163				-36,163
SUB TOTAL MAINT. REC.			11,016,357	3,554,981	9,324,837
ADDITIONAL INCREASE REQUEST					
PRIORITY PROGRAM	STATE POSITIONS	TOTAL POSITIONS	STATE	TOTAL	
001 MARINE RESEARCH INSTITUTE			381,722	381,722	
002 LAW ENFORCEMENT	22.00	22.00	750,000	750,000	
003 INFORMATION & EDUCATION			43,000	43,000	
004 HERITAGE TRUST	2.00	2.00	50,000	50,000	
005 OFF OF MARINE CONSERV & MAN	6.00	6.00	97,000	97,000	
006 MARINE RESEARCH INSTITUTE	1.00	1.00	25,000	25,000	
007 MAGAZINE			50,000	50,000	
SUB TOTAL-ADDITIONAL INCREASE			1,396,722	1,396,722	
TOTAL AGENCY REQUEST FY 83-84			12,413,079	25,292,897	

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002432

DATE:09/09/82

TIME:125003

AGENCY P24

LINE ITEM

NO.

WILDLIFE &amp; MARINE RE

ESTIMATED 8 1 - 8 2

STATE

TOTAL

BUDGET REQUEST  
AGENCY TOTALS  
PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE

TOTAL

R E Q U E S T E D 8 3 - 8 4

STATE

FEDERAL

OTHER

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TOTAL

010 PER. SERVICE	6,386,270	13,613,702	7,036,050	14,193,290	7,036,050	2,638,568	4,518,672	14,193,290
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020 NO. POSITIONS	334.33	706.38	349.33	713.38	349.33	136.25	227.80	713.38
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030 ALL OTHERS	4,006,162	9,513,355	4,016,470	9,739,048	4,016,470	916,413	4,806,165	9,739,048
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035 .031 RED./AGN			-36,163	-36,163	-36,163			-36,163
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040 SUB TOTAL	10,392,432	23,127,057	11,016,357	23,896,175	11,016,357	3,554,981	9,324,837	23,896,175
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TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE FEDERAL OTHER TOTAL

10 PER. SERVICE				\$260,581
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\$260,581

20 NO. POSITIONS				31.00
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31.00

30 ALL OTHER				\$1,136,141
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\$1,136,141

40 SUB TOTAL				\$1,396,722
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\$1,396,722

=====

TOTAL AMOUNT REQUESTED

\$12,413,079

\$3,554,981

\$9,324,837

\$25,292,897

TOTAL POSITIONS REQUESTED

380.33

136.25

227.80

744.38

002433



1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME Wildlife and Marine ResourcesAGENCY CODE P24PROGRAM NAME Summary of Additional IncreasesPROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

002434

LINE NO. (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	260,581			260,581	
020	No. of Positions	( 31 )	( )	( )	( 31 )	
030	All Other	940,263			940,263	
040	Total	1,200,844			1,200,844	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						

1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME

Wildlife and Marine Resources

AGENCY CODE

P24

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
3	Information and Education	05 10 00		43,000			43,000
7	Magazine	05 15 00		50,000			50,000
2	Law Enforcement	40 00 00	22	750,000			750,000
5	OMCMS	50 60 00	6	97,000			97,000
1	Marine Research Institute	50 65 00		185,844			185,844
6	Marine Research Institute	50 65 00	1	25,000			25,000
4	Heritage Trust	70 00 00	2	50,000			50,000
	TOTAL WILDLIFE AND MARINE RESOURCES		31	1,200,844			1,200,844

002435

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: WILDLIFE AND MARINE RESOURCES

ISSUES TO BE ADDRESSED:

1. Discuss in detail the mariculture facility at Victoria Bluff, Beaufort County. What is the potential economic impact for the State? Do you envision private investors capitalizing on this research effort and investing private capital in similar facilities in South Carolina?
2. Priority #5 incorporates funding for the second phase of the mechanical oyster harvester. What is the status of this equipment after phase #1 and what would be accomplished in phase #2? What commercial benefits might accrue to the State?

002436

MAINTENANCE REQUEST			FY 83 - 84 REQUEST		TOTAL
	STATE		FEDERAL	OTHER	
PERSONAL SERVICE	55,674,429		10,909,887	9,646,159	76,230,475
NUMBER OF POSITIONS	2,392.10		464.75	255.64	3,112.49
ALL OTHER	2,578,053		4,600,839	23,306,919	30,485,811
.31 RED./AGN. ADJ	-182,441				-182,441
SJB TOTAL MAINT. REQ.			58,070,041	32,953,078	106,533,876

ADDITIONAL INCREASE REQUEST			FY 83 - 84 REQUEST		TOTAL
PRIORITY	PROGRAM	POSITIONS	STATE	FEDERAL	
001	INDUSTRIAL SERVICES		500,000	500,000	
002	ADMINISTRATICN		85,496	85,496	
003	FIREMAN TRAINING	10.00	308,554	308,554	
004	INDUSTRIAL SERVICES		77,040	77,040	
005	TECHNICAL COLLEGES		10,993,542	10,993,542	
006	***NOT ON FILE***		159,324	159,324	
007	TECHNICAL COLLEGES	231.50	8,033,341	8,033,341	
008	TECHNICAL COLLEGES	163.00	6,420,679	6,420,679	
009	TECHNICAL COLLEGES	33.00	1,649,254	1,649,254	
010	***NOT ON FILE***	5.00	241,919	241,919	
SJB TOTAL-ADDITIONAL INCREASE			442,500	28,865,991	
TOTAL AGENCY REQUEST FY 83-84			28,346.60	135,399,836	

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.



DATE:08/09/82

TIME:125003

AGENCY H59

LINE ITEM

NO.

TECH &amp; COMP EDUC BD

ESTIMATED 8 1 - 8 2

STATE TOTAL

BUDGET REQUEST

AGENCY TOTALS

PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE TOTAL

R E Q U E S T E D 8 3 - 8 4

STATE

FEDERAL

OTHER

TOTAL

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010 PER. SERVICE	53,877,965	73,940,921	55,674,429	76,230,475	55,674,429	10,909,887	9,646,159	76,230,475
020 NO. POSITIONS	2,387.10	3,107.49	2,392.10	3,112.49	2,392.10	464.75	255.64	3,112.49
030 ALL OTHERS	2,279,069	30,615,920	2,578,053	30,485,811	2,578,053	4,600,839	23,306,919	30,485,811
035 .031 RED./AGN			-182,441	-182,441	-182,441			-182,441
040 SUB TOTAL	56,157,034	104,556,841	58,070,041	106,533,845	58,070,041	15,510,726	32,953,078	106,533,845

## TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----  
 STATE FEDERAL OTHER TOTAL

10 PER. SERVICE	\$10,841,932			\$10,841,932
20 NO. POSITIONS	442.50			442.50
30 ALL OTHER	\$17,627,217		\$396,842	\$18,024,059
40 SUB TOTAL	\$28,469,149		\$396,842	\$28,865,991

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TOTAL AMOUNT REQUESTED	\$15,510,726			\$15,510,726
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TOTAL POSITIONS REQUESTED	464.75			464.75
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TOTAL POSITIONS REQUESTED	2,834.60		255.64	3,090.24
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002438

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME STATE BOARD FOR TECHNICAL AND  
COMPREHENSIVE EDUCATION  
PROGRAM NAME SUMMARYAGENCY CODE H59  
PROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

LINE NO. (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	10,841,932			10,841,932	
020	No. of Positions	( 442.5 )	(     )	(     )	( 442.5 )	
030	All Other	17,627,217		396,842	18,024,059	
040	Total	28,469,149		396,842	28,865,991	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						

002439

1983-84

## PROGRAM REQUEST SUMMARY

 AGENCY NAME State Board for Technical and  
Comprehensive Education

 AGENCY CODE H59

002440

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
1	Industrial Services	20 00 00		500,000			500,000
2	Administration	01 00 00		85,496			85,496
3	Data Processing Support	05 30 00	10.0	308,554			308,554
4	Industrial Services	20 00 00		77,040			77,040
5	Technical Colleges	05 10 00		10,993,542			10,993,542
6	Innovative Technical Training	05 40 00		159,324			159,324
7	Technical Colleges	05 10 00	231.5	8,033,341			8,033,341
8	Technical Colleges	05 10 00	163.0	6,420,679		259,291	6,679,970
9	Technical Colleges	05 10 00	33.0	1,649,254		137,551	1,786,805
10	Fire Academy	05 50 00	5.0	241,919			241,919
TOTAL - STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION			442.5	28,469,149		396,842	28,865,991

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: TECHNICAL AND COMPREHENSIVE EDUCATION

ISSUES TO BE ADDRESSED:

State Board for Technical and Comprehensive Education's budget request for 1983-84, if granted, would require an increase of about 50% in State funding for technical education. Given the current fiscal strain faced by the State, how does the Board justify the magnitude of its request? Comment on the specific items detailed in the request, focusing particularly on requests for equipment upgrading or replacement and new positions.

002441



MAINTENANCE REQUEST			FY 83 - 84 REQUEST			
	STATE	FEDERAL	OTHER	TOTAL		
PERSONAL SERVICE	1,686,555	44,677		1,731,232		
NUMBER OF POSITIONS	69.87	1.09		70.96		
ALL OTHER	2,355,839	3,222,089	17,311	5,595,239		
.31 RED./AGN. ADJ	-14,141			-14,141		
SUB TOTAL MAINT. REQ.	4,028,253	3,266,766	17,311	7,312,330		
ADDITIONAL INCREASE REQUEST						
PRIORITY PROGRAM	STATE POSITIONS	TOTAL POSITIONS	STATE	TOTAL		
001 INTERVENTION			-30,000	-30,000		
002 ADMINISTRATION & PROGRAM SU	-1.00	-1.00	-21,123	-21,123		
003 COMMUNITY SUPPORT SERVICES			-149,657	-149,657		
004 COMMUNITY SUPPORT SERVICES			50,000	50,000		
005 COMMUNITY SUPPORT SERVICES			175,000	175,000		
006 PREVENTION			50,000	50,000		
007 INTERVENTION			300,000	300,000		
008 COMMUNITY SUPPORT SERVICES			150,000	150,000		
SUB TOTAL-ADDITIONAL INCREASE	-1.00	-1.00	524,220	524,220		
TOTAL AGENCY REQUEST FY 83-84	68.87	69.96	4,552,473	7,836,550		

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002442

DATE:08/09/82

TIME:125003

AGENCY J20

LINE ITEM

NO.

ALCOHOL &amp; DRUG ABUSE

ESTIMATED 8 1 - 8 2

STATE TOTAL

BUDGET REQUEST

AGENCY TOTALS

PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE TOTAL

R E Q U E S T E D 8 3 - 8 4

STATE FEDERAL

OTHER

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PRGM:AVY280CR

TOTAL

010 PER. SERVICE	1,696,796	1,765,442	1,686,555	1,731,232	1,686,555	44,677		1,731,232
020 NO. POSITIONS	71.85	74.00	69.87	70.96	69.87	1.09		70.96
030 ALL OTHERS	2,483,417	5,471,116	2,355,839	5,595,239	2,355,839	3,222,089	17,311	5,595,239
035 .031 RED./AGN			-14,141	-14,141	-14,141			-14,141
040 SUB TOTAL	4,180,215	7,236,558	4,028,253	7,312,330	4,028,253	3,266,766	17,311	7,312,330

TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE FEDERAL OTHER TOTAL

10 PER. SERVICE				\$21,123
	\$21,123			
20 NO. POSITIONS				1.00
	1.00			
30 ALL OTHER				\$545,343
	\$545,343			
40 SUB TOTAL				\$524,220
	\$524,220			

TOTAL AMOUNT REQUESTED \$4,552,473 \$3,266,766 \$17,311 \$7,836,550

TOTAL POSITIONS REQUESTED 68.87 1.09 69.96

002443

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME South Carolina Commission on Alcohol  
and Drug Abuse  
PROGRAM NAME Agency SummaryAGENCY CODE J20PROGRAM CODE 00 / 00 / 00PRIORITY # Summary

002444

LINE NO (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs					
020	No. of Positions	(     )	(     )	(     )	(     )	
030	All Other	725,000			725,000	
040	Total	725,000			725,000	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED:						

1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME SOUTH CAROLINA COMMISSION ON ALCOHOL AND  
DRUG ABUSE

AGENCY CODE J20

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
1	Community Support Services	15/00/00	0	50,000			50,000
2	Community Support Services	15/00/00	0	175,000			175,000
3	Prevention	25/00/00	0	50,000			50,000
4	Systems Intervention	20/00/00	0	300,000			300,000
5	Community Support Services	15/00/00	0	150,000			150,000
			0	725,000			725,000

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PAGE NO. \_\_\_\_\_

002445



STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: ALCOHOL AND DRUG ABUSE COMMISSION

ISSUES TO BE ADDRESSED:

1. Several of the agency's requests relate to the DUI Offender Relicensing Bill and the provision of services to offenders who cannot pay for these services. Does the law require the agency to provide these services free of charge? Cannot a fee structure be developed so that the program is self-supporting?
2. Priority #3 concerns development of alcohol and drug abuse programs on the college campuses. What campuses are being considered? Do the colleges or universities have similar programs? What is the responsibility of the institution for such problems among the student populations? What coordination and planning has occurred with the state supported colleges and universities concerning this program?

002446

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET REQUEST HEARINGS

002447

AUGUST 24, 1982

WIL LOU GRAY OPPORTUNITY SCHOOL  
DEPARTMENT OF ARCHIVES AND HISTORY  
MUSEUM COMMISSION  
STATE LIBRARY  
COMMISSION ON HIGHER EDUCATION

MAINTENANCE REQUEST		FY 83 - 84 REQUEST			
		STATE	FEDERAL	OTHER	TOTAL
PERSONAL SERVICE		1,120,956	106,294	23,518	1,250,768
NUMBER OF POSITIONS		60.86	6.25	1.45	68.56
ALL OTHER		155,226	51,800	242,300	449,326
.31 RED./AGN. ADJ		-5,249			-5,249
SUB TOTAL MAINT. REQ.		1,270,933	158,094	265,818	1,694,845
ADDITIONAL INCREASE REQUEST		STATE TOTAL			
PRIORITY	PROGRAM	POSITIONS	POSITIONS		
001	VOCATIONAL EDUCATION	3,172	3,172		
002	SUPPORT SERVICES	90,000	90,000		
003	REGULAR PROGRAM	6,200	6,200		
004	STUDENT SERVICES	3,500	3,500		
005	VOCATIONAL EDUCATION	4,500	4,500		
006	LIBRARY	4,317	4,317		
007	LIBRARY	3,500	3,500		
008	REGULAR PROGRAM	800	800		
009	STUDENT SERVICES	2,500	2,500		
010	VOCATIONAL EDUCATION	6,000	6,000		
011	SUPPORT SERVICES	5,000	5,000		
SJB TOTAL-ADDITIONAL INCREASE		129,489	129,489		
TOTAL AGENCY REQUEST FY 83-84		60.86	68.56	1,400,422	1,824,334

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002448

DATE:08/09/82

TIME:125003

AGENCY H71

LINE ITEM

NO.

WIL LOU GRAY OPPORTU

ESTIMATED 8 1 - 8 2

STATE

TOTAL

PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE

TOTAL

R E Q U E S T E D 8 3 - 8 4

STATE

FEDERAL

OTHER

TOTAL

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PRGM:AVY280CR

010 PER. SERVICE	1,076,543	1,236,368	1,120,956	1,250,768	1,120,956	106,294	23,518	1,250,768
020 NO. POSITIONS	60.86	68.56	60.86	68.56	60.86	6.25	1.45	68.56
030 ALL OTHERS	120,871	414,971	155,226	449,326	155,226	51,800	242,300	449,326
035 .031 RED./AGN			-5,249	-5,249	-5,249			-5,249
040 SUB TOTAL	1,197,414	1,651,339	1,270,933	1,694,845	1,270,933	158,094	265,818	1,694,845

## TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE FEDERAL OTHER TOTAL

10 PER. SERVICE

20 NO. POSITIONS

30 ALL OTHER

\$129,489

\$129,489

40 SUB TOTAL

\$129,489

\$129,489

TOTAL AMOUNT REQUESTED

\$1,400,422

\$158,094

\$265,818

\$1,824,334

TOTAL POSITIONS REQUESTED

60.86

6.25

1.45

68.56

002449



1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME WIL LOU GRAY OPPORTUNITY SCHOOLAGENCY CODE H71PROGRAM NAME SUMMARYPROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

002450

LINE NO (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs					
020	No. of Positions	(     )	(     )	(     )	(     )	
030	All Other	129,489			129,489	
040	Total	129,489			129,489	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						

1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME Wil Lou Gray Opportunity SchoolAGENCY CODE H71

002451

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
Three (3)	Regular Education	05 10 00		6,200			6,200
Eight (8)	Regular Education	05 10 00		800			800
One (1)	Vocational Education	05 15 00		3,172			3,172
Five (5)	Vocational Education	05 15 00		4,500			4,500
Ten (10)	Vocational Education	05 15 00		6,000			6,000
Six (6)	Library	05 25 00		4,317			4,317
Seven (7)	Library	05 25 00		3,500			3,500
Four (4)	Student Services	30 00 00		3,500			3,500
Nine (9)	Student Services	30 00 00		2,500			2,500
Two (2)	Support Services	35 00 00		90,000			90,000
Eleven (11)	Support Services	35 00 00		5,000			5,000
				129,489			129,489

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: PARKS, RECREATION AND TOURISM

ISSUES TO BE ADDRESSED:

1. The budget request from PRT contains a request for \$250,000 for park maintenance. What is the status of our park physical facilities. Will the \$250,000 bring our physical facilities up to an optimum level? What, if any, amount of maintenance funds will be necessary after FY 83-84?
2. Has there been any measurable impact on the State's economy and tax revenues as result of the earmarking of admission tax growth revenues for tourism promotion by PRT and through grants to local areas?
3. What results have been obtained from the nominal entry fees at major State Parks this summer and what future possibilities does this source of revenue offer toward meeting State Park operational costs? What has been the public response to this action?

002452

MAINTENANCE REQUEST			FY 83 - 84 REQUEST		
			STATE	FEDERAL	OTHER
PERSONAL SERVICE			9,007,055	959,420	9,966,475
NUMBER OF POSITIONS			588.42	42.72	631.14
ALL OTHER			1,415,663	789,930	2,253,593
.31 RED./AGN. ADJ			-34,073		-34,073
SUB TOTAL MAINT. REQ.			10,388,645	1,749,350	12,185,995

ADDITIONAL INCREASE REQUEST			STATE		TOTAL	
PRIORITY	PROGRAM		PCPOSITIONS	PCPOSITIONS	STATE	TOTAL
001	FOREST LANDOWNER ASSISTANCE	1.00	1.00		295,862	295,862
002	FOREST LANDOWNER ASSISTANCE				853,094	853,094
003	FOREST LANDOWNER ASSISTANCE	6.00	6.00		557,680	557,680
004	FOREST LANDOWNER ASSISTANCE	3.00	3.00		117,228	117,228
005	FOREST LANDOWNER ASSISTANCE	3.00	3.00		41,877	41,877
SUB TOTAL-ADDITIONAL INCREASE			13.00	13.00	1,865,741	1,865,741
TOTAL AGENCY REQUEST FY 83-84			601.42	644.14	12,254,386	14,051,736

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002453



DATE:08/09/82

TIME:125003

AGENCY P12

LINE ITEM

NO.

## FORESTRY COMMISSION

ESTIMATED 8 1 - 8 2

STATE TOTAL

## BUDGET REQUEST

## AGENCY TOTALS

## PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE TOTAL

R E Q U E S T E D 8 3 - 8 4

STATE

FEDERAL

OTHER

TOTAL

010 PER. SERVICE	8,754,387	9,805,196	9,007,055	9,966,475	9,007,055	959,420		9,966,475
020 NO. POSITIONS	588.42	633.14	588.42	631.14	588.42	42.72		631.14
030 ALL OTHERS	1,110,259	1,991,389	1,415,663	2,253,593	1,415,663	789,930	48,000	2,253,593
035 .031 RED./AGN			-34,073	-34,073	-34,073			-34,073
040 SUB TOTAL	9,864,646	11,796,585	10,388,645	12,185,995	10,388,645	1,749,350	48,000	12,185,995

## TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE FEDERAL OTHER TOTAL

10 PER. SERVICE				\$146,613
20 NO. POSITIONS				13.00
30 ALL OTHER				\$1,719,128
40 SUB TOTAL				\$1,865,741

=====

TOTAL AMOUNT REQUESTED

\$12,254,386 \$1,749,350 \$48,000 \$14,051,736

TOTAL POSITIONS REQUESTED

601.42 42.72 644.14

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME FORESTRY COMMISSIONAGENCY CODE P-12PROGRAM NAME Agency SummaryPROGRAM CODE 001 00 100

PRIORITY # \_\_\_\_\_

002455

LINE NO. (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	146,613			146,613	
020	No. of Positions	( 4 ) 9 temporary	( )	( )	( 4 ) 9 temporary	
030	All Other	1,719,128			1,719,128	
040	Total	1,865,741			1,865,741	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						

1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME Forestry CommissionAGENCY CODE P-12

002456

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
1.	F.L.A. 2nd. Generation Seed Orchard	050000	1	295,862			295,862
2.	F.L.A. Mechanized Equipment Replacement	050000		853,094			853,094
3.	F.L.A. Regeneration Initiative	050000	6 (temp.)	557,680			557,680
4.	F.L.A. Law Enforcement & Fire Protection	050000	3	117,228			117,228
5.	F.L.A. Containerized Seedlings	050000	3 (temp.)	41,877			41,877
			4 ( 9 temporary)	1,865,741			1,865,741

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: FORESTRY COMMISSION

ISSUES TO BE ADDRESSED:

1. In past years it was considered a possibility that land for the start of the second generation seed orchard was to be donated and that the initial costs to be funded by the state consisted of personnel and operating funds. What is the status of this potential arrangement? What benefits can a second generation seed orchard have for the State?
2. What is the status of the program to utilize ANG helicopters in certain circumstances for fire control?
3. Explain more fully the concept of containerized seedlings and the need for this type of service.
4. What are the projections of the demand for wood and wood products in the future? How might S.C. take advantage of these trends?

002457



MAINTENANCE REQUEST			FY 83 - 84 REQUEST		
	STATE	FEDERAL	OTHER	TOTAL	
PERSONAL SERVICE	41,530,155	668,453	21,807,590	64,006,198	
NUMBER OF POSITIONS	2,969.20	46.00	1,721.82	4,737.02	
ALL OTHER	10,030,420	2,318,605	10,872,680	23,221,705	
.31 RED./AGN. ADJ	-161,698			-161,698	
SUB TOTAL MAINT. REQ.			51,398,877	2,987,058	32,680,270 87,066,205

ADDITIONAL INCREASE REQUEST		STATE TOTAL		STATE TOTAL	
PRIORITY	PROGRAM	PCSTIONS	PCSTIONS		
001	RESIDENTIAL			172,887	172,887
002	COMMUNITY PROGRAM			1,961,499	1,961,499
003	HEALTH PROGRAM			76,077	76,077
004	DEVELOPMENTAL PROGRAM			17,275	17,275
005	PREVENTION & RESEARCH	1.00	1.00	88,904	88,904
006	SERVICES SUPPORT PROGRAM	12.00	12.00	718,176	718,176
007	ADMINISTRATION	9.00	9.00	418,490	418,490
SUB TOTAL-ADDITIONAL INCREASE		22.00	22.00	3,453,308	3,453,308
TOTAL AGENCY REQUEST FY 83-84		2991.20	4759.02	54,852,185	90,519,513

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002458

DATE:08/09/82

TIME:125003

AGENCY J16

LINE ITEM

NO.

MENTAL RETARDATION C

ESTIMATED 8 1 - 8 2  
STATE TOTAL

BUDGET REQUEST

AGENCY TOTALS

PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3  
STATE TOTALR E Q U E S T E D 8 3 - 8 4  
STATE FEDERAL OTHER

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TOTAL

010 PER. SERVICE	40,112,302	62,534,020	41,530,155	64,006,198	41,530,155	668,453	21,807,590	64,006,198
020 NO. POSITIONS	2,969.20	4,744.02	2,969.20	4,737.02	2,969.20	46.00	1,721.82	4,737.02
030 ALL OTHERS	9,325,374	21,184,851	10,030,420	23,221,705	10,030,420	2,318,605	10,872,680	23,221,705
035 .031 RED./AGN			-161,698	-161,698	-161,698			-161,698
040 SUB TOTAL	49,437,676	83,718,871	51,398,877	87,066,205	51,398,877	2,987,058	32,680,270	87,066,205

## =====

## TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE FEDERAL OTHER TOTAL

10 PER. SERVICE				\$500,709
20 NO. POSITIONS				22.00
30 ALL OTHER				\$2,952,599
40 SUB TOTAL				\$3,453,308

=====

TOTAL AMOUNT REQUESTED \$2,567,058 \$90,519,513

\$54,852,185 \$32,680,270

TOTAL POSITIONS REQUESTED 46.00 4,759.02

2,991.20 1,721.82

002459

1983-84

# SCHEDULE OF ADDITIONAL INCREASES

AGENCY NAME Department of Mental Retardation

AGENCY CODE J-16

PROGRAM NAME ~~Consolidated~~ Summary

PROGRAM CODE 00 / 00 / 00

PRIORITY # N/A

002460

LINE NO (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	500,709			500,709	
020	No. of Positions	( 22 )	( )	( )	( 22 )	
030	All Other	2,952,599			2,952,599	
040	Total	3,453,308			3,453,308	
<p>IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED</p>						

1983 84

## PROGRAM REQUEST SUMMARY

AGENCY NAME Department of Mental RetardationAGENCY CODE J-16

002461

PRIORITY NO	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
7	Administration	01 00 00	9	418,490			418,490
6	Support Services	03 00 00	12	718,176			718,176
4	Developmental	05 00 00		17,275			17,275
3	Health	10 00 00		76,077			76,077
2	Community	15 00 00		1,961,499			1,961,499
1	Residential	20 00 00		172,887			172,887
5	Prevention and Research	25 00 00	1	88,904			88,904
TOTAL			22	3,453,308			3,453,308



STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: MENTAL RETARDATION

ISSUES TO BE ADDRESSED:

1. A top agency priority is for eleven positions and \$191,058 to "comply with the State Auditor's recommendations." Explain this priority in more detail. Has this request been prepared in conjunction with the Auditor's staff? What other options might be explored to accomplish these ends?
2. Agency priorities #2 through #5 deal with the Community Program. Provide an overview of the status of agency plans and their implementation in the Community Program. What are the prospects for federal funds which have been used in the program? Will proposed changes in the Medicaid program have an impact?

MAINTENANCE REQUEST		FY 83 - 84 REQUEST			
		STATE	FEDERAL	OTHER	TOTAL
PERSONAL SERVICE		5,134,240	16,677,540	434,461	22,296,241
NUMBER OF POSITIONS		269.10	818.15	26.00	1,113.25
ALL OTHER		6,178,165	7,268,807	4,324,432	17,771,404
.31 RED./AGN. ADJ		-36,981			-36,981
SUB TOTAL MAINT. REQ.		11,275,424	23,946,347	4,808,893	40,030,664
ADDITIONAL INCREASE REQUEST					
PRIORITY	PROGRAM	STATE POSITIONS	TOTAL POSITIONS	STATE	TOTAL
001	BASIC SERVICE PROGRAM	20.30		319,177	431,578
002	ADMINISTRATION	1.88		35,578	
003	STATE EMPLOYER CONTRIBUTION			64,293	
004	COMPENSAT PLAN INCREMENTS			12,530	
SUB TOTAL-ADDITIONAL INCREASE		22.18		431,578	431,578
TOTAL AGENCY REQUEST FY 83-84		291.28	1113.25	11,707,002	40,462,242

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002463

DATE:08/10/82

TIME:114712

AGENCY H73

LINE ITEM

NO.

## VOCATIONAL REHABILITATION

ESTIMATED 8 1 - 8 2

STATE TOTAL

## BUDGET REQUEST

## AGENCY TOTALS

## PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE TOTAL

R E Q U E S T E D 8 3 - 8 4

STATE

FEDERAL

OTHER

TOTAL

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010 PER. SERVICE	5,060,324	21,080,553	5,134,240	22,296,241	5,134,240	16,677,540	484,461	22,296,241
020 NO. POSITIONS	262.92	1,084.25	269.10	1,113.25	269.10	818.15	26.00	1,113.25
030 ALL OTHERS	5,588,570	16,526,260	6,178,165	17,771,404	6,178,165	7,268,807	4,324,432	17,771,404
035 .031 RED./AGN			-36,981	-36,981	-36,981			-36,981
040 SUB TOTAL	10,648,894	38,006,813	11,275,424	40,030,664	11,275,424	23,946,347	4,808,893	40,030,664

## TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE FEDERAL OTHER TOTAL

10 PER. SERVICE		-367,285		
	367,285			
20 NO. POSITIONS		-22.18		
	22.18			
30 ALL OTHER		367,285		431,578
	64,293			
40 SUB TOTAL				431,578
	431,578			

=====

TOTAL AMOUNT REQUESTED

11,707,002 23,946,347 4,808,893 40,462,242

TOTAL POSITIONS REQUESTED

291.28 795.97 26.00 1,113.25

002464

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME VOCATIONAL REHABILITATIONAGENCY CODE H73PROGRAM NAME SUMMARY OF ADDITIONAL INCREASESPROGRAM CODE 00 / 00 / 00PRIORITY # -

002465

LINE NO (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	367,285	(367,285)			
020	No. of Positions	( 22.18)	( -22.18)	(     )	(     )	
030	All Other	64,293	367,285		431,578	
040	Total	431,578			431,578	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						





STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: DEPARTMENT OF VOCATIONAL REHABILITATION

ISSUES TO BE ADDRESSED:

Essentially the Department's request would transfer funding for 22.18 positions from federal to state revenue sources. Explain why this would be desirable and what problems are associated with continuing as we have in the past. Also, project the cost in future years through FY 1985-86 if the request is approved.

002467

MAINTENANCE REQUEST		FY 83 - 84 REQUEST		
	STATE	FEDERAL	OTHER	TOTAL
PERSONAL SERVICE	3,013,721	20,627	1,683,214	4,717,562
NUMBER OF POSITIONS	155.00	1.00	63.00	219.00
ALL OTHER	1,405,334	48,598	1,149,469	2,603,401
.31 RED./AGN. ADJ	-13,699			-13,699
SUB TOTAL MAINT. REQ.	4,405,356	69,225	2,832,683	7,307,264
ADDITIONAL INCREASE REQUEST		STATE	TOTAL	
PRIORITY	PROGRAM	POSITIONS	POSITIONS	
001	COMMODITY BOARDS	95,000	95,000	
002	MARKETING GENERAL	90,000	90,000	
003	MARKETING GENERAL	25,000	25,000	
004	MARKETING GENERAL	24,753	24,753	
005	LABORATORY	12,200	12,200	
006	REGULATORY SERVICES	17,400	17,400	
007	ADMINISTRATION	222,493	222,493	
008	MARKETING GENERAL	27,000	27,000	
009	LABORATORY	80,000	80,000	
010	LABORATORY	75,000	75,000	
011	ADMINISTRATION	1.00	1.00	21,887
012	LABORATORY	2.00	2.00	30,713
013	ADMINISTRATION			16,000
SUB TOTAL-ADDITIONAL INCREASE	3.00	3.00	737,446	737,446
TOTAL AGENCY REQUEST FY 83-84	156.00	222.00	5,142,802	8,044,710

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002458

DATE:08/09/82  
 TIME:125003  
 AGENCY P16  
 LINE ITEM  
 NO.

AGRICULTURE DEPARTME

ESTIMATED 8 1 - 8 2  
 STATE TOTAL

BUDGET REQUEST  
 AGENCY TOTALS

PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3  
 STATE TOTAL

R E Q U E S T E D 8 3 - 8 4  
 STATE FEDERAL OTHER

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TOTAL

010 PER. SERVICE	2,793,076	4,222,545	3,013,721	4,717,562	3,013,721	20,627	1,683,214	4,717,562
020 NO. POSITIONS	146.00	210.00	155.00	219.00	155.00	1.00	63.00	219.00
030 ALL OTHERS	1,322,857	2,087,809	1,405,334	2,603,401	1,405,334	48,598	1,149,469	2,603,401
035 .031 RED./AGN			-13,699	-13,699	-13,699			-13,699
040 SUB TOTAL	4,115,933	6,310,354	4,405,356	7,307,264	4,405,356	69,225	2,832,683	7,307,264

TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----  
 STATE FEDERAL OTHER TOTAL

10 PER. SERVICE				\$48,600
	\$48,600			
20 NO. POSITIONS				3.00
	3.00			
30 ALL OTHER				\$688,846
	\$688,846			
40 SUB TOTAL				\$737,446
	\$737,446			

TOTAL AMOUNT REQUESTED		\$69,225		\$8,044,710
	\$5,142,802		\$2,832,683	
TOTAL POSITIONS REQUESTED		1.00		222.00
	158.00		63.00	

002469



1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME Department of AgricultureAGENCY CODE P16PROGRAM NAME SummaryPROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

LINE NO. (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	48,600			48,600	
020	No. of Positions	( 3 )	( )	( )	( 3 )	
030	All Other	688,846			688,846	
040	Total	737,446			737,446	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						

002470

1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME AGRICULTURE

AGENCY CODE P16

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
1	IV Marketing: B. Farm Market Facilities, Surveys & Services	15 10 00		95,000			95,000
2	IV Marketing: A. Marketing General	15 01 00		90,000			90,000
3	IV Marketing: A. Marketing General	15 01 00		25,000			25,000
4	IV Marketing: A. Marketing General	15 01 00		24,753			24,753
5	II Laboratory	05 00 00		12,200			12,200
6	III Regulatory Services	10 00 00		17,400			17,400
7	I Administration: Special-Market Bulletin	01 00 00		222,493			222,493
8	IV Marketing: A. Marketing General	15 01 00		27,000			27,000
9	II Laboratory	05 00 00		80,000			80,000
10	II Laboratory	05 00 00		75,000			75,000
11	I Administration	01 00 00	1	21,887			21,887
12	II Laboratory	05 00 00	2	30,713			30,713
13	I Administration: Special-Market Bulletin	01 00 00		16,000			16,000
TOTALS: Program Request Summary			3	737,446			737,446

002471

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: DEPARTMENT OF AGRICULTURE

ISSUES TO BE ADDRESSED:

Identify your most pressing needs and discuss the impact if not funded.

**002472**

MAINTENANCE REQUEST			FY 83 - 84 REQUEST		TOTAL
	STATE		FEDERAL	OTHER	
PERSONAL SERVICE	1,654,596				1,654,596
NUMBER OF POSITIONS	60.00				60.00
ALL OTHER	1,713,654		15,308		1,728,962
.31 RED./AGN. ADJ	-12,285				-12,285
SUB TOTAL MAINT. REQ.			3,355,965	15,308	3,371,273

ADDITIONAL INCREASE REQUEST		STATE	TOTAL	STATE	TOTAL
PRIORITY	PROGRAM	POSITIONS	POSITIONS		
001	ECONOMIC DEVELOPMENT & SUPP	18,000		18,000	
002	ECONOMIC DEVELOPMENT & SUPP	60,000		60,000	
003	ECONOMIC DEVELOPMENT & SUPP	15,000		15,000	
004	ECONOMIC DEVELOPMENT & SUPP	104,000		104,000	
005	ECONOMIC DEVELOPMENT & SUPP	200,000		200,000	
SJR TOTAL-ADDITIONAL INCREASE		397,000		397,000	
TOTAL AGENCY REQUEST FY 83-84		60.00	60.00	3,752,965	3,768,273

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002473



DATE:08/09/82

TIME:125003

AGENCY P32

LINE ITEM

NO.

## DEVELOPMENT BOARD

ESTIMATED 8 1 - 8 2

STATE

TOTAL

## PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE

TOTAL

STATE

R E Q U E S T E D 8 3 - 8 4

FEDERAL

OTHER

TOTAL

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010 PER. SERVICE	1,613,358	1,613,358	1,654,596	1,654,596	1,654,596			1,654,596
020 NO. POSITIONS	60.00	60.00	60.00	60.00	60.00			60.00
030 ALL OTHERS	1,648,048	1,682,603	1,713,654	1,728,962	1,713,654	15,308		1,728,962
035 .031 RED./AGN			-12,285	-12,285	-12,285			-12,285
040 SUB TOTAL	3,261,406	3,295,961	3,355,965	3,371,273	3,355,965	15,308		3,371,273

## TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE

FEDERAL

OTHER

TOTAL

10 PER. SERVICE

20 NO. POSITIONS

30 ALL OTHER

\$397,000

\$397,000

40 SUB TOTAL

\$397,000

\$397,000

TOTAL AMOUNT REQUESTED

\$3,752,965

\$15,308

\$3,768,273

TOTAL POSITIONS REQUESTED

60.00

60.00

002474

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME State Development BoardAGENCY CODE P32PROGRAM NAME SummaryPROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

002475

LINE NO. (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs					
020	No. of Positions	(     )	(     )	(     )	(     )	
030	All Other	397,000			397,000	
040	Total	397,000			397,000	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						

1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME State Development BoardAGENCY CODE P32

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
	<u>Economic Development &amp; Support</u>	050000					
1	Automated Prospect Retrieval file			18,000			18,000
2	Maintenance and Supplies			60,000			60,000
3	Travel			15,000			15,000
4	Printing, Binding and Advertising			104,000			104,000
5	Reverse Thrusters			200,000			200,000
				397,000			397,000

002476

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: DEVELOPMENT BOARD

ISSUES TO BE ADDRESSED:

1. In light of our current economic situation that has contributed to the failure of a number of manufacturing concerns what efforts are being made to attract industries that would enhance the existence and growth of other South Carolina industries and move the State toward a more balanced economic base?
2. Two approaches to economic development might be: a) to attempt to locate industries in all counties and concentrate efforts to locate them in less developed areas or b.) to located industries in already developed areas where facilities already exist thus creating employment centers to serve the less developed areas through commuting. Discuss the pros and cons of each of these approaches and which would be most appropriate for the State to pursue.

002477



MAINTENANCE REQUEST			FY 83 - 84 REQUEST		
	STATE	FEDERAL	OTHER	TOTAL	
PERSONAL SERVICE	17,466,089	4,333,271	747,428	22,546,788	
NUMBER OF POSITIONS	861.84	169.47	36.29	1,067.60	
ALL OTHER	756,728,636	156,680,262	291,072	913,699,970	
.31 RED./AGN. ADJ	-2,396,496			-2,396,496	
SUB TOTAL MAINT. REQ.	771,798,229	161,013,533	1,038,500	933,850,262	
ADDITIONAL INCREASE REQUEST					
PRIORITY PROGRAM	STATE POSITIONS	TOTAL POSITIONS	STATE	TOTAL	
001 POLICY DEVELOPMENT			10,038	10,038	
002 STAFF ADMINISTRATION	3.00	3.00	72,332	72,332	
003 INSTRUCTIONAL SUPPORT			-144,639	-144,639	
004 NONINSTRUCTIONAL SUPPORT			3,501,911	3,501,911	
005 ***NOT ON FILE***			8,137,072	8,137,072	
006 PLANNING RESEARCH & DISSEMI			13,563	13,563	
007 EDUCATION FINANCE ACT			70,555,563	70,555,563	
SUB TOTAL-ADDITIONAL INCREASE	3.00	3.00	82,145,840	82,145,840	
TOTAL AGENCY REQUEST FY 83-84	864.84	1070.60	853,944,069	1,015,996,102	

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002478

DATE:08/09/82

TIME:125003

AGENCY H63

LINE ITEM

NO.

EDUCATION DEPARTMENT

ESTIMATED 8 1 - 8 2

STATE TOTAL

BUDGET REQUEST

AGENCY TOTALS

PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE TOTAL

R E Q U E S T E D 8 3 - 8 4

STATE

FEDERAL

OTHER

TOTAL

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010 PER. SERVICE	17,050,604	21,597,942	17,466,089	22,546,788	17,466,089	4,333,271	747,428	22,546,788
020 NO. POSITIONS	864.84	1,084.60	861.84	1,067.60	861.84	169.47	36.29	1,067.60
030 ALL OTHERS	703,688,958	865,995,678	756,728,636	913,699,970	756,728,636	156,680,262	291,072	913,699,970
035 .031 RED./AGN			-2,396,496	-2,396,496	-2,396,496			-2,396,496
040 SUB TOTAL	720,739,562	887,993,620	771,798,229	933,850,262	771,798,229	161,013,533	1,038,500	933,850,262

=====

TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE FEDERAL OTHER TOTAL

10 PER. SERVICE				\$68,732
	\$68,732			
20 NO. POSITIONS				3.00
	3.00			
30 ALL OTHER				\$82,077,108
	\$82,077,108			
40 SUB TOTAL				\$82,145,840
	\$82,145,840			

TOTAL AMOUNT REQUESTED	\$853,944,069	\$161,013,533	\$1,015,996,102
TOTAL POSITIONS REQUESTED	864.84	169.47	1,070.60
		36.29	

002479

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME Department of EducationAGENCY CODE H-63PROGRAM NAME SummaryPROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

002480

LINE NO (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	68,732			68,732	
020	No. of Positions	( 3 )	( )	( )	( 3 )	
030	All Other	82,077,108			82,077,108	
040	Total	82,145,840			82,145,840	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						

1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME Department of Education AGENCY CODE H-63

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
	Policy Development	01 00 00		10,038			10,038
	Staff Administration	05 00 00	3	72,332			72,332
	Instructional Support	10 00 00		(144,639)			(144,639)
	Non-Instructional Support	15 00 00		3,501,911			3,501,911
	Direct Support	15 25 00		8,137,072			8,137,072
	Planning, Research, Evaluation and Information Services	20 00 00		13,563			13,563
	Education Finance Act and Public School Employee Fringe Benefits	30 00 00		70,555,563			70,555,563
			3	82,145,840			82,145,840

002481



STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: TAX COMMISSION

ISSUES TO BE ADDRESSED:

1. The Tax Commission's budget request for FY 83-84 contains significant amounts for sophisticated computer equipment. What direct effect on tax revenue collections will this equipment generate? Will this result in lower personnel costs in years to come?
2. The travel request increase amounts to a 24% increase. Please justify this request.

002482

MAINTENANCE REQUEST		FY 83 - 84 REQUEST		TOTAL
	STATE	FEDERAL	OTHER	
PERSONAL SERVICE	1,782,613	861,271		2,643,884
NUMBER OF POSITIONS	88.14	39.86		128.00
ALL OTHER	676,944	360,186		1,037,130
.31 RED./AGN. ADJ	-9,347			-9,347
SUB TOTAL MAINT. REQ.	2,450,210	1,221,457		3,671,667
ADDITIONAL INCREASE REQUEST		STATE TOTAL		
PRIORITY PROGRAM	POSITIONS	POSITIONS		
001 ADMINISTRATION		15,346	20,794	
002 ***NOT ON FILE***	4.00 4.00	117,263	117,263	
003 ***NOT ON FILE***	7.00 7.00	191,180	191,180	
SUB TOTAL-ADDITIONAL INCREASE	11.00 11.00	323,789	329,237	
TOTAL AGENCY REQUEST FY 83-84	55.14 139.00	2,773,999	4,000,904	

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002483

DATE:08/09/82

TIME:125003

AGENCY R36

LINE ITEM

NO.

LABOR DEPARTMENT

ESTIMATED 8 1 - 8 2

STATE

TOTAL

BUDGET REQUEST  
AGENCY TOTALS  
PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE

TOTAL

R E Q U E S T E D 8 3 - 8 4

STATE

FEDERAL

OTHER

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TOTAL

010 PER. SERVICE	1,723,553	2,578,755	1,782,613	2,643,884	1,782,613	861,271	2,643,884
020 NO. POSITIONS	86.62	127.00	88.14	128.00	88.14	39.86	128.00
030 ALL OTHERS	645,340	1,001,149	676,944	1,037,130	676,944	360,186	1,037,130
035 .031 RED./AGN			-9,347	-9,347	-9,347		-9,347
040 SUB TOTAL	2,368,893	3,579,904	2,450,210	3,671,667	2,450,210	1,221,457	3,671,667

## TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE

FEDERAL

OTHER

TOTAL

10 PER. SERVICE				\$208,769
	\$208,769			
20 NO. POSITIONS				11.00
	11.00			
30 ALL OTHER		\$5,448		\$120,468
	\$115,020			
40 SUB TOTAL		\$5,448		\$329,237
	\$323,785			

=====

TOTAL AMOUNT REQUESTED

\$2,773,999

\$1,226,905

\$4,000,904

TOTAL POSITIONS REQUESTED

95.14

39.86

139.00

002484

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME Labor DepartmentAGENCY CODE R36PROGRAM NAME SummaryPROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

002485

LINE NO. (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	208,769			208,769	
020	No. of Positions	( 11 )	( )	( )	( 11 )	
030	All Other	115,020	5,448		120,468	
040	Total	323,789	5,448		329,237	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						





STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: DEPARTMENT OF LABOR

ISSUES TO BE ADDRESSED:

1. Your budget request for FY 83-84 includes funds for an Apprenticeship Program. Please provide a more indepth explanation of this program's objectives including the status of this program in FY 82-83.

What are the implications of funding for this program if not available in FY 83-84?

002487

MAINTENANCE REQUEST		FY 83 - 84 REQUEST			
		STATE	FEDERAL	OTHER	TOTAL
PERSONAL SERVICE		323,261	382,623		705,884
NUMBER OF POSITIONS		12.30	15.70		28.00
ALL OTHER		992,256	9,232,448	228,328	10,453,032
.31 RED./AGN. ADJ		-5,579			-5,579
SUB TOTAL MAINT. REQ.		1,309,938	9,615,071	228,328	11,153,337

ADDITIONAL INCREASE REQUEST		STATE		TOTAL	
PRIORITY	PROGRAM	POSITIONS	POSITIONS	STATE	TOTAL
001	AGING SERVICES	1.00	1.00	26,982	26,982
002	AGING SERVICES			10,438	10,438
003	AGING SERVICES	3.00	3.00	50,270	50,270
SUB TOTAL-ADDITIONAL INCREASE		4.00	4.00	87,690	87,690
TOTAL AGENCY REQUEST FY 83-84		16.30	32.00	1,397,628	11,241,027

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

DATE:08/09/82

TIME:125003

AGENCY L28

LINE ITEM

NO.

AGING COMMISSION

ESTIMATED 8 1 - 8 2

STATE TOTAL

BUDGET REQUEST

AGENCY TOTALS

PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE TOTAL

R E Q U E S T E D

FEDERAL

8 3 - 8 4

OTHER

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TOTAL

LINE NO.	ITEM	ESTIMATED STATE	8 1 - 8 2 TOTAL	APPROPRIATION STATE	8 2 - 8 3 TOTAL	R E Q U E S T E D STATE	FEDERAL	8 3 - 8 4 OTHER	TOTAL
010	PER. SERVICE	313,593	688,036	323,261	705,884	323,261	382,623		705,884
020	NO. POSITIONS	12.30	29.00	12.30	28.00	12.30	15.70		28.00
030	ALL OTHERS	1,004,253	10,199,438	992,256	10,453,032	992,256	9,232,448	228,328	10,453,032
035	.031 RED./AGN			-5,579	-5,579	-5,579			-5,579
040	SUB TOTAL	1,317,846	10,887,474	1,309,938	11,153,337	1,309,938	9,615,071	228,328	11,153,337

=====

TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE FEDERAL OTHER TOTAL

10 PER. SERVICE \$67,168

\$67,168

20 NO. POSITIONS 4.00

4.00

30 ALL OTHER \$20,522

\$20,522

40 SUB TOTAL \$87,690

\$87,690

=====

TOTAL AMOUNT REQUESTED \$1,397,628 \$9,615,071 \$228,328 \$11,241,027

TOTAL POSITIONS REQUESTED 16.30 15.70 32.00

16.30

002489



1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME COMMISSION ON AGINGAGENCY CODE L28PROGRAM NAME SUMMARYPROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

002490

LINE NO (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	67,168			67,168	
020	No. of Positions	( 4 )	( )	( )	( 4 )	
030	All Other	20,522			20,522	
040	Total	87,690			87,690	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						



STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: COMMISSION ON AGING

ISSUES TO BE ADDRESSED:

1. Priority #1 requests state funds to pay for projected salary increases for staff currently on federal funds which are capped. What plans are being considered to handle this problem in the coming years? What is the projected future for federal funds for aging services? What would be the direct impact on services to the elderly if these funds were not provided?
2. Priority #3 projects the loss of federal funds for three staff members. What will be the impact on programs and clients in the two regions covered by these staff if funding is not forthcoming?

**002492**

MAINTENANCE REQUEST			FY 83 - 84 REQUEST			
	STATE		FEDERAL	OTHER	TOTAL	
PERSONAL SERVICE	749,973		58,974		808,947	
NUMBER OF POSITIONS	33.00		5.00		38.00	
ALL OTHER	384,758		39,969	60,923	485,650	
.31 RED./AGN. ADJ	-4,928				-4,928	
SUB TOTAL MAINT. REQ.			1,129,803	98,943	60,923	1,289,669

ADDITIONAL INCREASE REQUEST			STATE		TOTAL	
PRIORITY	PROGRAM	PCSTIONS	PCSTIONS	STATE	TOTAL	
001	***NOT ON FILE***			10,000	10,000	
002	ENVIRONMENTAL AFFAIRS			10,000	10,000	
003	COMPREHENSIVE WATER RES PLA			10,000	10,000	
004	COMPREHENSIVE WATER RES PLA	1.00	1.00	21,347	21,347	
005	ADMINISTRATION	1.00	1.00	12,179	12,179	
SUB TOTAL-ADDITIONAL INCREASE			2.00	2.00	63,526	63,526
TOTAL AGENCY REQUEST FY 83-84			35.00	40.00	1,193,329	1,353,195

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002493



DATE:08/09/82

TIME:125003

AGENCY P04

LINE ITEM

NO.

WATER RESOURCES CMM

ESTIMATED 8 1 - 8 2

STATE

TOTAL

BUDGET REQUEST

AGENCY TOTALS

PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE

TOTAL

R E Q U E S T E D 8 3 - 8 4

STATE

FEDERAL

OTHER

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TOTAL

010 PER. SERVICE	704,906	838,175	749,973	808,947	749,973	58,974		808,947
020 NO. POSITIONS	32.00	45.55	33.00	38.00	33.00	5.00		38.00
030 ALL OTHERS	339,516	612,736	384,758	485,650	384,758	39,969	60,923	485,650
035 .031 RED./AGN			-4,928	-4,928	-4,928			-4,928
040 SUB TOTAL	1,044,422	1,450,511	1,129,803	1,289,669	1,129,803	98,943	60,923	1,289,669

## =====

TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE

FEDERAL

OTHER

TOTAL

10 PER. SERVICE				\$33,526
20 NO. POSITIONS				2.00
30 ALL OTHER				\$30,000
40 SUB TOTAL				\$63,526

=====

TOTAL AMOUNT REQUESTED

\$1,193,329

\$98,943

\$60,923

\$1,353,195

TOTAL POSITIONS REQUESTED

35.00

5.00

40.00

002494

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME WATER RESOURCES COMMISSIONAGENCY CODE P04PROGRAM NAME SUMMARYPROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

002495

LINE NO (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	33,526			33,526	
020	No. of Positions	( 2 )	( )	( )	( 2 )	
030	All Other	30,000			30,000	
040	Total	63,526			63,526	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						

1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME Water Resources Commission

AGENCY CODE P 04

FORM 84-P9

PAGE NO. 33

002496

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: WATER RESOURCES

ISSUES TO BE ADDRESSED:

1. What is the long term forecast for South Carolina's fresh water supply verses our needs.
2. The use rate for fresh water in the Port Royal Sound area and the resulting lowering of the aquifer level may have a serious effect on citizens living in this area. Please discuss.

002497



STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET REQUEST HEARINGS

002498

AUGUST 18, 1982

PARKS, RECREATION AND TOURISM  
FORESTRY COMMISSION  
DEPARTMENT OF MENTAL RETARDATION  
VOCATIONAL REHABILITATION  
AGRICULTURE DEPARTMENT  
DEVELOPMENT BOARD  
DEPARTMENT OF EDUCATION

PRGM:AVY290CR

FY 83 - 84 BUDGET REQUEST  
P28 PARKS RECREATION & T

PAGE 104

MAINTENANCE REQUEST		----- FY 83 - 84 REQUEST -----			
		STATE	FEDERAL	OTHER	TOTAL
PERSONAL SERVICE		4,738,847	51,483	2,434,908	7,225,238
NUMBER OF POSITIONS		270.47	1.00	139.00	410.47
ALL OTHER		3,250,278	2,505,100	5,353,092	11,108,470
.31 RED./AGN. ADJ		-26,488			-26,488
SUB TOTAL MAINT. REQ.		7,962,637	2,556,583	7,788,000	18,307,220
ADDITIONAL INCREASE REQUEST					
PRIORITY	PROGRAM	STATE	TOTAL	STATE	TOTAL
		PCPOSITIONS	PCPOSITIONS		
001	STATE PARKS	250,000	250,000		
SUB TOTAL-ADDITIONAL INCREASE		250,000	250,000		
TOTAL AGENCY REQUEST FY 83-84		270.47	410.47	8,212,637	18,557,220

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002433

DATE:08/09/82

TIME:125003

AGENCY P28

LINE ITEM

NO.

PARKS RECREATION &amp; T

ESTIMATED 8 1 - 8 2

STATE

TOTAL

PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE

TOTAL

BUDGET REQUEST

AGENCY TOTALS

REQUESTED 8 3 - 8 4

STATE

FEDERAL

OTHER

PAGE 97

PRGM:AVY280CR

TOTAL

010 PER. SERVICE	4,619,139	7,112,880	4,738,847	7,225,238	4,738,847	51,483	2,434,908	7,225,238
020 NO. POSITIONS	271.47	418.47	270.47	410.47	270.47	1.00	139.00	410.47
030 ALL OTHERS	3,010,309	10,172,047	3,250,278	11,108,470	3,250,278	2,505,100	5,353,092	11,108,470
035 .031 RED./AGN			-26,488	-26,488	-26,488			-26,488
040 SUB TOTAL	7,629,448	17,284,927	7,962,637	18,307,220	7,962,637	2,556,583	7,788,000	18,307,220

TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE

FEDERAL

OTHER

TOTAL

10 PER. SERVICE

20 NO. POSITIONS

30 ALL OTHER

\$250,000

\$250,000

40 SUB TOTAL

\$250,000

\$250,000

=====

TOTAL AMOUNT REQUESTED

\$8,212,637

\$2,556,583

\$7,788,000

\$18,557,220

TOTAL POSITIONS REQUESTED

270.47

1.00

139.00

410.47

002500

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME PARKS, RECREATION & TOURISM  
PROGRAM NAME SUMMARYAGENCY CODE P28  
PROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

LINE NO. (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs					
020	No. of Positions	(      )	(      )	(      )	(      )	
030	All Other	250,000			250,000	
040	Total	250,000			250,000	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						

002501



1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME PARKS, RECREATION & TOURISMAGENCY CODE P28

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
1	State Parks	11-00-00		250,000			250,000
				250,000			250,000

002502

EXHIBIT

AUG 17 1982 NO. 2

STATE BUDGET & CONTROL BOARD

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET REQUEST HEARINGS

AUGUST 17 - AUGUST 25, 1982

ABC HEARING ROOM  
219 EDGAR A. BROWN BUILDING



002503

Revised  
7/29/82

AGENDA

EXHIBIT

BUDGET AND CONTROL BOARD  
FY 83-84 BUDGET REQUEST HEARINGS  
ABC HEARING ROOM  
219 EDGAR BROWN BUILDING

AUG 17 1982 NO. 2  
STATE BUDGET & CONTROL BOARD

<u>TIME</u>	<u>AGENCY</u>
<u>AUGUST 17, 1982 (Tuesday)</u>	
9:30 - 9:45	Governor's Opening Statement
9:45 - 10:15	Board of Economic Advisors
10:15 - 10:45	Federal Outlook
10:45 - 12:00	Summary of Requests and Statewide Budget Issues
12:00 - 2:00	LUNCH
2:00 - 2:30	Adjutant General
2:30 - 3:00	Tax Commission
3:00 - 3:30	Department of Labor
3:30 - 4:00	Commission on Aging
4:00 - 4:30	Water Resources Commission
<u>AUGUST 18, 1982 (Wednesday)</u>	
9:00 - 9:30	Department of Parks, Recreation and Tourism
9:30 - 10:30	Forestry Commission
10:30 - 11:30	Department of Mental Retardation
11:30 - 12:00	Vocational Rehabilitation
12:00 - 2:00	LUNCH
2:00 - 2:30	Agriculture Department
2:30 - 3:00	Development Board
3:00 - 4:30	Department of Education
<u>AUGUST 19, 1982 (Thursday)</u>	
9:00 - 10:00	Educational Television
10:00 - 11:00	Department of Social Services
11:00 - 11:30	Commission for the Blind
11:30 - 12:00	Wildlife and Marine Resources
12:00 - 2:00	LUNCH
2:00 - 3:30	Technical Education
3:30 - 4:30	Alcohol and Drug Abuse
<u>AUGUST 24, 1982 (Tuesday)</u>	
9:30 - 10:00	Wil Lou Gray Opportunity School
10:00 - 10:30	Department of Archives and History
10:30 - 11:15	Museum Commission
11:15 - 11:45	State Library
11:45 - 3:00	LUNCH/BUDGET & CONTROL BOARD MEETING
3:00 - 4:30	Commission on Higher Education
<u>AUGUST 25, 1982 (Wednesday)</u>	
9:00 - 10:00	Department of Youth Services
10:00 - 11:15	Department of Corrections
11:15 - 12:00	Parole and Community Corrections
12:00 - 2:00	LUNCH
2:00 - 3:00	Department of Health & Environmental Control
3:00 - 4:00	Department of Mental Health
4:00 - 5:00	Clemson PSA

002504

ERRATA SHEET  
STATE BUDGET AND CONTROL BOARD  
FY 83-84 BUDGET REQUEST HEARINGS

Attached please find the corrected pages which are to be inserted into the Hearing Manual for the following agencies:

- 1) Wildlife and Marine Resources
- 2) Commission on Alcohol and Drug Abuse
- 3) Department of Archives and History
- 4) Parole and Community Corrections.

002505



1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME WILDLIFE & MARINE RESOURCESAGENCY CODE P24PROGRAM NAME SUMMARY OF ADDITIONAL INCREASESPROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

002506

LINE NO (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	260,581			260,581	
020	No. of Positions	( 31 )	( )	( )	( 31 )	
030	All Other	1,136,141			1,136,141	
040	Total	1,396,722			1,396,722	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						

1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME Wildlife and Marine ResourcesAGENCY CODE P24

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
3	Information and Education	05 10 00		43,000			43,000
7	Magazine	05 15 00		50,000			50,000
2	Law Enforcement	40 00 00	22	750,000			750,000
5	OMCMS	50 60 00	6	97,000			97,000
1	Marine Research Institute	50 65 00		381,722			381,722
6	Marine Research Institute	50 65 00	1	25,000			25,000
4	Heritage Trust	70 00 00	2	50,000			50,000
	TOTAL WILDLIFE AND MARINE RESOURCES		31	1,396,722			1,396,722

002507

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME South Carolina Commission on Alcohol  
and Drug Abuse  
PROGRAM NAME Agency SummaryAGENCY CODE J20  
PROGRAM CODE 00 / 00 / 00PRIORITY # Summary

002508

LINE NO (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	-21,123			-21,123	
020	No. of Positions	( -1 )	( )	( )	( -1 )	
030	All Other	545,343			545,343	
040	Total	524,220			524,220	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED:						

1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME SOUTH CAROLINA COMMISSION ON ALCOHOL AND  
DRUG ABUSEAGENCY CODE J20

PRIORITY NO	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
4	Community Support Services	15/00/00	0	50,000			50,000
5	Community Support Services	15/00/00	0	175,000			175,000
6	Prevention	25/00/00	0	50,000			50,000
7	Systems Intervention	20/00/00	0	300,000			300,000
8	Community Support Services	15/00/00	0	150,000			150,000
1	Intervention	20/00/00	0	-30,000			-30,000
2	Administration & Program Support	01/00/00	-1	-21,123			-21,123
3	Community Support Services	15/00/00	0	-149,657			-149,657
4							
			-1	524,220			524,220

002509



MAINTENANCE REQUEST				FY 83 - 84 REQUEST			
				STATE	FEDERAL	OTHER	TOTAL
PERSONAL SERVICE				2,105,645	55,008	78,831	2,239,484
NUMBER OF POSITIONS				113.50	3.00	5.00	121.50
ALL OTHER				626,269	740,671	155,949	1,522,889
.31 RED./AGN. ADJ				-9,970			-9,970
SUB TOTAL MAINT. REQ.				2,721,944	795,679	234,780	3,752,403
ADDITIONAL INCREASE REQUEST							
PRIORITY	PROGRAM	STATE POSITIONS	TOTAL POSITIONS	STATE	TOTAL		
001	REFERENCE & RESEARCH			10,000	10,000		
002	STATE RECORDS CENTER	2.00	2.00	74,557	74,557		
003	STATE RECORDS CENTER			9,000	9,000		
004	REFERENCE & RESEARCH			9,100	9,100		
005	COUNTY RECORDS MICROFILMING			11,500	11,500		
006	COUNTY RECORDS MICROFILMING			2,500	2,500		
007	***NOT ON FILE***			2,520	2,520		
008	***NOT ON FILE***			10,368	10,368		
009	MICROFILM SERVICES DIV			700	700		
010	COMPUTER SERVICES			750	750		
011	GENERAL MANAGEMENT			2,500	2,500		
012	COUNTY RECORDS MICROFILMING			2,500	2,500		
013	***NOT ON FILE***	1.00	1.00	14,283	14,283		
014	***NOT ON FILE***	1.00	1.00	16,898	16,898		
015	MICROFILM SERVICES DIV	2.00	2.00	29,439	29,439		
016	HISTORIC PRESERVE PROJECT	1.00	1.00	16,898	16,898		
017	STATE RECORDS CENTER	1.00	1.00	6,044	6,044		
018	NATIONAL REGIS OF HIST FILE	1.00	1.00	16,898	16,898		
019	***NOT ON FILE***	3.00	3.00	57,242	57,242		

002510

PRGM:AVY290CR

FY 83 - 84 BUDGET REQUEST  
H79 ARCHIVES & HISTORY D

PAGE 65

MAINTENANCE REQUEST		----- FY 83 - 84 REQUEST -----			
		STATE	FEDERAL	OTHER	TOTAL
ADDITIONAL INCREASE REQUEST					
PRIORITY	PROGRAM	STATE	TOTAL		
		POSITIONS	POSITIONS		
020	GENERAL MANAGEMENT	240,000	240,000		
021	GENERAL MANAGEMENT	800	800		
022	STATE RECORDS SURVEY	470	470		
SJR TOTAL-ADDITIONAL INCREASE		12.00	12.00	534,967	534,967
TOTAL AGENCY REQUEST FY 83-84		125.50	133.50	3,256,911	4,287,370

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NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002511

DATE:08/09/82  
TIME:125003  
AGENCY H79  
LINE ITEM  
NO.

ARCHIVES & HISTORY D

ESTIMATED B 1 - B 2  
STATE TOTAL

BUDGET REQUEST  
AGENCY TOTALS

PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION B 2 - B 3  
STATE TOTAL

REQUESTED B 3 - B 4  
STATE FEDERAL OTHER

PAGE 63  
PRGM:AVY280CR

010 PER. SERVICE	1,960,841	2,036,315	2,105,645	2,239,484	2,105,645	55,008	78,831	2,239,484
020 NO. POSITIONS	114.50	118.50	113.50	121.50	113.50	3.00	5.00	121.50
030 ALL OTHERS	522,415	1,244,313	626,269	1,522,899	626,269	740,671	155,949	1,522,889
035 .031 RED./AGN			-9,970	-9,970	-9,970			-9,970
040 SUB TOTAL	2,483,256	3,280,628	2,721,944	3,752,403	2,721,944	795,679	234,780	3,752,403

TOTAL SCHEDULE OF ADDITIONAL INCREASES

REQUESTED FY 83-84  
STATE FEDERAL OTHER TOTAL

10 PER. SERVICE	\$185,487			\$185,487
20 NO. POSITIONS	12.00			12.00
30 ALL OTHER	\$349,480			\$349,480
40 SUB TOTAL	\$534,967			\$534,967

TOTAL AMOUNT REQUESTED	\$3,256,911	\$795,679	\$234,780	\$4,287,370
TOTAL POSITIONS REQUESTED	125.50	3.00	5.00	133.50

002512

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME PAROLE AND COMMUNITY CORRECTIONSAGENCY CODE N08PROGRAM NAME AGENCY SUMMARYPROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

002513

LINE NO (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	999,481			999,481	
020	No. of Positions	( 36 )	( )	( )	( 36 )	
030	All Other	97,460			97,460	
040	Total	1,096,941			1,096,941	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						



1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME Parole and Community CorrectionsAGENCY CODE N08

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
3	ADMINISTRATION	01-000-000	(5)	68,249			68,249
5	COMMUNITY CORRECTIONS	05-000-000	(20)	340,995			340,995
2	COMMUNITY CORRECTIONS MIS	05-000-000	-	33,900			33,900
4	PAROLES AND PARDONS	10-000-000	(11)	198,797			198,797
5	COMMUNITY CORRECTIONS	05-000-000	-	455,000			455,000
TOTAL				1,096,941			1,096,941

002514

1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME Parole and Community CorrectionsAGENCY CODE N08

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
3	ADMINISTRATION	01-000-000	(5)	68,249			68,249
5	COMMUNITY CORRECTIONS	05-000-000	(20)	340,995			340,995
2	COMMUNITY CORRECTIONS MIS	05-000-000	-	33,900			33,900
4	PAROLES AND PARDONS	10-000-000	(11)	198,797			198,797
5	COMMUNITY CORRECTIONS	05-000-000	-	455,000			455,000
TOTAL				1,096,941			1,096,941

002515

STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET REQUEST HEARINGS

002516

AUGUST 17, 1982

ADJUTANT GENERAL  
TAX COMMISSION  
DEPARTMENT OF LABOR  
COMMISSION ON AGING  
WATER RESOURCES COMMISSION

MAINTENANCE REQUEST			FY 83 - 84 REQUEST			
			STATE	FEDERAL	OTHER	TOTAL
PERSONAL SERVICE			1,413,572	1,148,312		2,561,884
NUMBER OF POSITIONS			56.25	63.75		120.00
ALL OTHER			1,348,605	1,291,937	175,000	2,815,542
.31 RED./AGN. ADJ			-8,563			-8,563
SUB TOTAL MAINT. REQ.			2,753,614	2,440,249	175,000	5,368,863
ADDITIONAL INCREASE REQUEST						
PRIORITY	PROGRAM	STATE POSITIONS	TOTAL POSITIONS	STATE	TOTAL	
001	ADMINISTRATION			20,151	20,151	
002	ADMINISTRATION			8,249	8,249	
003	ADMINISTRATION			64,700	64,700	
004	MILITARY PERSONNEL	1.00	1.00	49,800	49,800	
005	ADMINISTRATION	.25	1.00	6,038	24,150	
006	MCENTIRE ANG BASE			14,600	58,400	
007	BUILDINGS & GROUNDS			10,000	10,000	
008	BUILDINGS & GROUNDS			25,000	25,000	
009	MCENTIRE ANG BASE	.25	1.00	3,984	15,938	
010	MCENTIRE ANG BASE	.25	1.00	4,460	17,838	
011	MCENTIRE ANG BASE	.50	2.00	1,973	7,893	
012	ADMINISTRATION			2,850	2,850	
013	BUILDINGS & GROUNDS			30,000	30,000	
014	ADMINISTRATION			10,000	10,000	
015	BUILDINGS & GROUNDS			10,000	10,000	
016	BUILDINGS & GROUNDS	1.00	1.00	12,749	12,749	
017	EMERGENCY PREPAREDNESS			11,500	11,500	
018	EMERGENCY PREPAREDNESS			10,700	10,700	
019	EMERGENCY PREPAREDNESS			1,025	2,050	

002517



PRGM:AVY290CR

FY 83 - 84 BUDGET REQUEST  
E24 ADJUTANT GENERAL

PAGE 25

MAINTENANCE REQUEST		----- FY 83 - 84 REQUEST -----			
		STATE	FEDERAL	OTHER	TOTAL
ADDITIONAL INCREASE REQUEST					
PRIORITY	PROGRAM	STATE	TOTAL		
		FCSTIONS	POSITIONS		
020	EMERGENCY PREPAREDNESS	2,000	4,000		
021	EMERGENCY PREPAREDNESS	6,000	12,000		
SUB TOTAL-ADDITIONAL INCREASE		3.25	7.00	305,779	407,968
TOTAL AGENCY REQUEST FY 83-84		55.50	127.00	3,059,393	5,776,831
=====					

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002518

DATE:08/09/82

TIME:125003

AGENCY E24

LINE ITEM

NO.

ADJUTANT GENERAL

ESTIMATED 8 1 - 8 2

STATE TOTAL

BUDGET REQUEST

AGENCY TOTALS

PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE TOTAL

R E Q U E S T E D 8 3 - 8 4

STATE

FEDERAL

OTHER

PAGE 24

PRGM:AVY280CR

TOTAL

010 PER. SERVICE	1,360,002	2,466,787	1,413,572	2,561,884	1,413,572	1,148,312		2,561,884
020 NO. POSITIONS	57.25	120.00	56.25	120.00	56.25	63.75		120.00
030 ALL OTHERS	1,301,360	2,757,097	1,348,605	2,815,542	1,348,605	1,291,937	175,000	2,815,542
035 .031 RED./AGN			-8,563	-8,563	-8,563			-8,563
040 SUB TOTAL	2,661,362	5,223,884	2,753,614	5,368,863	2,753,614	2,440,249	175,000	5,368,863

## =====

## TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE FEDERAL OTHER TOTAL

10 PER. SERVICE		\$49,364		\$89,568
	\$40,204			
20 NO. POSITIONS		3.75		7.00
	3.25			
30 ALL OTHER		\$52,825		\$318,400
	\$265,575			
40 SUB TOTAL		\$102,189		\$407,968
	\$305,779			

=====

TOTAL AMOUNT REQUESTED

\$3,059,393 \$2,542,438 \$5,776,831

TOTAL POSITIONS REQUESTED

59.50 67.50 127.00

002519

1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)AGENCY NAME Adjutant General's Office  
PROGRAM NAME SummaryAGENCY CODE E24  
PROGRAM CODE 00 / 00 / 00

PRIORITY # \_\_\_\_\_

LINE NO. (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	40,204	49,364		89,568	
020	No. of Positions	( 3.25 )	( 3.75 )	( )	( 7.00 )	
030	All Other	265,575	52,825		318,400	
040	Total	305,779	102,189		407,968	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						

002520

1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME

ADJUTANT GENERAL'S OFFICE

AGENCY CODE E24

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
1	ADMINISTRATION	010000		20,151			20,151
2	ADMINISTRATION	010000		8,249			8,249
3	ADMINISTRATION	010000		64,700			64,700
4	MILITARY PERSONNEL	050000	1	49,800			49,800
5	ADMINISTRATION	010000	1	6,038	18,112		24,150
6	McENTIRE ANG BASE	400000		14,600	43,800		58,400
7	BUILDINGS & GROUNDS	150000		10,000			10,000
8	BUILDINGS & GROUNDS	150000		25,000			25,000
9	McENTIRE ANG BASE	400000	1	3,984	11,954		15,938
10	McENTIRE ANG BASE	400000	1	4,460	13,378		17,838
11	McENTIRE ANG BASE	400000	2	1,973	5,920		7,893
12	ADMINISTRATION	010000		2,850			2,850
13	BUILDINGS & GROUNDS	150000		30,000			30,000
14	ADMINISTRATION	010000		10,000			10,000
15	BUILDINGS & GROUNDS	150000		10,000			10,000
16	BUILDINGS & GROUNDS	150000	1	12,749			12,749
EPD-1	EMERGENCY PREPAREDNESS	450000		11,500			11,500

002521





STATE BUDGET & CONTROL BOARD  
FY 1983-84 BUDGET HEARINGS

---

AGENCY NAME: ADJUTANT GENERAL

ISSUES TO BE ADDRESSED:

1. Of the several priorities proposed by the agency, identify those which are absolutely critical to accomplishment of the mission of the agency this year.

002523

MAINTENANCE REQUEST		FY 83 - 84 REQUEST			
		STATE	FEDERAL	OTHER	TOTAL
PERSONAL SERVICE		13,732,388		25,000	13,757,388
NUMBER OF POSITIONS		638.00			638.00
ALL OTHER		3,925,303			3,925,303
.31 RED./AGN. ADJ		-60,002			-60,002
SUB TOTAL MAINT. REQ.		17,597,689		25,000	17,622,689

ADDITIONAL INCREASE REQUEST		STATE		TOTAL	
PRIORITY	PROGRAM	POSITIONS	POSITIONS	STATE	TOTAL
001	***NOT ON FILE***			233,549	233,549
002	***NOT ON FILE***			237,611	237,611
003	***NOT ON FILE***	24.00	24.00	476,043	476,043
004	***NOT ON FILE***			750,441	750,441
005	***NOT ON FILE***			5,000	5,000
006	***NOT ON FILE***			24,000	24,000
SUB TOTAL-ADDITIONAL INCREASE		24.00	24.00	1,726,644	1,726,644
TOTAL AGENCY REQUEST FY 83-84		662.00	662.00	19,324,333	19,349,333

NOTE: --- THE MAINTENANCE REQUEST REFLECTS THE FY 82-83 APPROPRIATED AMOUNTS. THE PERSONAL SERVICE AMOUNT AND EMPLOYER CONTRIBUTION AMOUNT MUST BE ADJUSTED UPWARD TO REFLECT THE FY 82-83 MERIT INCREASES. ADDITIONALLY, RATE INCREASES IN EMP. CONTR. ARE NOT REFLECTED BY AGENCY BUT ARE INCLUDED IN ST. TOTALS.

002524

DATE:08/09/82

TIME:125003

AGENCY R44

LINE ITEM

NO.

## TAX COMMISSION

ESTIMATED 8 1 - 8 2

STATE

TOTAL

BUDGET REQUEST  
AGENCY TOTALS  
PROGRAM MAINTENANCE SCHEDULE

APPROPRIATION 8 2 - 8 3

STATE

TOTAL

STATE

R E Q U E S T E D 8 3 - 8 4

FEDERAL

OTHER

PAGE 114

PRGM:AVY280CR

TOTAL

010 PER. SERVICE	13,378,531	13,378,531	13,732,388	13,757,388	13,732,388		25,000	13,757,388
020 NO. POSITIONS	638.00	638.00	638.00	638.00	638.00			638.00
030 ALL OTHERS	3,511,303	3,511,303	3,925,303	3,925,303	3,925,303			3,925,303
035 .031 RED./AGN			-60,002	-60,002	-60,002			-60,002
040 SUB TOTAL	16,889,834	16,889,834	17,597,689	17,622,689	17,597,689		25,000	17,622,689

## TOTAL SCHEDULE OF ADDITIONAL INCREASES

----- REQUESTED FY 83-84 -----

STATE

FEDERAL

OTHER

TOTAL

10 PER. SERVICE	\$395,463			\$395,463
20 NO. POSITIONS	24.00			24.00
30 ALL OTHER	\$1,331,181			\$1,331,181
40 SUB TOTAL	\$1,726,644			\$1,726,644

TOTAL AMOUNT REQUESTED

\$19,324,333

\$25,000

\$19,349,333

TOTAL POSITIONS REQUESTED

662.00

662.00

002525



1983-84

SCHEDULE OF ADDITIONAL  
INCREASES/(DECREASES)

AGENCY NAME

STATE TAX COMMISSION

AGENCY CODE

R44

PROGRAM NAME

*Summary of Additional Increases*  
~~STATE TAX COMMISSION~~

PROGRAM CODE

00 / 00 / 00

PRIORITY #

002526

LINE NO. (1)	ITEMS (2)	BUDGET REQUEST 83-84				EXPLANATION OF NEED AND PRIORITY ASSIGNMENT
		STATE (3)	FEDERAL (4)	OTHER (5)	TOTAL (6)	
010	Personnel Costs	395,463			395,463	
020	No. of Positions	( 24 )	( )	( )	( 24 )	
030	All Other	1,331,181			1,331,181	
040	Total	1,726,644			1,726,644	
IMPACT IF NOT FUNDED AND OTHER ALTERNATIVES CONSIDERED						

1983-84

## PROGRAM REQUEST SUMMARY

AGENCY NAME STATE TAX COMMISSION AGENCY CODE R44

PRIORITY NO.	PROGRAM NAME	PROGRAM CODE (6 DIGIT)	NO. OF POSITIONS	STATE	FEDERAL	OTHER	TOTAL
1	STATE TAX COMMISSION			233,549			233,549
2	" " "			237,611			237,611
3	" " "		24	476,043			476,043
4	" " "			750,441			750,441
5	" " "			5,000			5,000
6	" " "			24,000			24,000
			24	1,726,644		.	1,726,644

002527

The State of South Carolina

AUG 17 1982



EXHIBIT

AUG 17 1982

NO. 3

Office of the Attorney General

STATE BUDGET & CONTROL BOARD

DANIEL R. McLEOD  
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING  
POST OFFICE BOX 11549  
COLUMBIA, S.C. 29211  
TELEPHONE 803-758-8820

August 17, 1982

Mr. William A. McInnis  
Secretary  
State Budget and Control Board  
212 Wade Hampton Office Building  
Columbia, South Carolina 29201

Re: \$3,000,000 Spartanburg County, South  
Carolina, Industrial Revenue Note  
(Spartanburg Steel Products, Inc.  
Project)

Dear Mr. McInnis:

Regarding the above-referenced note, we have reviewed the Petition and other documents submitted to the State Budget and Control Board for its approval pursuant to Sections 4-29-10 et seq., CODE OF LAWS OF SOUTH CAROLINA, 1976, as amended, and the same appear, in our opinion, to be in order.

With kind regards,

A handwritten signature in cursive script, reading "Karen LeCraft Henderson".

Karen LeCraft Henderson  
Deputy Attorney General

KLH/jvh  
Enclosures

002528

REVENUE BOND ISSUE PETITION PROCESSING CHECKLIST

[Item for Board meeting of 8-24-82]

**EXHIBIT**

1. Local Government: Spartanburg County AUG 17 1982 NO. 3

2. Bond Counsel:

(a) Firm MCKAY + GUERARD, PA STATE BUDGET & CONTROL BOARD

(b) Contact Person SAM APPEGATE Phone 722-7606

(c) Address Box 1119 CHARLESTON 29402

3. Project Name: Spartanburg Steel Products, Inc

4. Issue Amount: \$ 3,000,000 Type: Industrial NOTE

5. Employment Impact of Project: continued employment for 700; additional employment for 55

6. Type/Nature of Business of Firm Involved: Steel stamping plant

to manufacture beer barrels, automotive products, syrup containers and other products

\* \* \* \* \*

7. Processing Checklist	Rec'd. From	Sent To
(a) Governing body resolution/ordinance/ petition	DEPT SA 8/12	DEPT KH 8-12
(b) Documents on issuance/securing of bonds	SA 8/12	KH 8-12
(c) Financial Information: (1) Audited Statements (3 most recent years) OR (2) If private placement, "investment letter" (Purchaser: <u>Mercantile Bank, Dallas, TX</u> ) (3) Review by State Auditor's Office (memo)	<u>Bank 8-9-82</u> OK EAV 8-9	EAV 8-9-82 XXXXXXXX
(d) Health and Environmental Control certification	—	—
(e) B&C Board Resolution and Notice ( <u>0+10</u> copies for certification for bond counsel)	SA 8/12	1 to KH 8-12
(f) Review by Attorney General's Office (letter)	OK 8/17	XXXXXXXX

Motion: TGM

Second: EEM

Absent:

Vote: For 5 ; Against 0

Certificates signed: 8/17/82.

Resolutions mailed: 8/17/82

**002529**



# EXHIBIT

AUG 17 1982

NO. 3

## A RESOLUTION

## STATE BUDGET & CONTROL BOARD

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APPROVING AN UNDERTAKING BY THE COUNTY COUNCIL OF SPARTANBURG COUNTY PURSUANT TO CHAPTER 29, TITLE 4, VOLUME 1, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED BY ACT NO. 518 OF THE ACTS AND JOINT RESOLUTIONS OF THE GENERAL ASSEMBLY OF THE STATE OF SOUTH CAROLINA, REGULAR SESSION OF 1980, AND AS FURTHER AMENDED BY ACT NO. 179 OF THE ACTS AND JOINTS RESOLUTIONS OF THE GENERAL ASSEMBLY OF THE STATE OF SOUTH CAROLINA, REGULAR SESSION OF 1981, TO PROVIDE FOR INDUSTRIAL FACILITIES IN SPARTANBURG COUNTY THROUGH THE ISSUANCE OF A \$3,000,000 SPARTANBURG COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE NOTE (SPARTANBURG STEEL PRODUCTS, INC., PROJECT).

WHEREAS, heretofore the County Council of Spartanburg County (County Council) did, pursuant to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended by Act No. 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980, and as further amended by Act No. 179 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1981 (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 \$3,000,000 Spartanburg County, South Carolina, Industrial Revenue Note (the Note), pursuant to the Enabling Statute, and the loan of the proceeds thereof to Spartanburg Steel Products, Inc., a corporation organized and existing under the Laws of the State of South Carolina (the Company), under the terms of loan agreement between the County and the Company (the Loan Agreement), to finance the acquisition of

002530

the existing machinery and equipment and other personal property and assets including a covenant not to compete (the Project), currently being utilized by an existing manufacturing plant located on New Cut Road in Spartanburg County; and

WHEREAS, under the Loan Agreement, the Company is unconditionally obligated to pay the amount necessary to provide the payments of principal and interest to become due on the Note; and

WHEREAS, the Note will be secured by a first mortgage lien on the Company's leasehold interest in the land and building on which and in which the Project is located and a 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 Mercantile National Bank at Dallas, Dallas, Texas, a national banking association under the Laws of the United States of America (the Assignee); and

WHEREAS, the Note will be additionally secured by Brenlin Corporation, pursuant to the terms of a Guaranty Agreement dated as of September 1, 1982, between Brenlin Corporation and the Assignee, and by the joint and several guarantee by Paul F. White, Richard M. Hamlin, David L. Brennan and James P. McCready, of an aggregate principal amount of \$2,000,000 of the Note pursuant to the terms of a Guaranty Agreement dated as of September 1, 1982, among Paul F. White, Richard M. Hamlin, David L. Brennan and James P. McCready and the Assignee (the aforementioned Guaranty Agreements being hereinafter collectively referred to as the Guaranty Agreements).

002531

WHEREAS, the form of the Loan Agreement, the Mortgage, the Guaranty Agreements, and the Note have been reviewed by the Attorney General of South Carolina, on behalf of the State Board; 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. That it has been found and determined by the State Board as follows:

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

b. 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 acquired, together with the existing manufacturing plant, of which it forms a part, will provide continued employment for approximately 700 employees presently employed there, and for an additional 55 employees; and

d. The Project is intended to promote the purposes of the Enabling Statute and is reasonably anticipated to effect such results.

2. That, on the basis of the foregoing findings, the proposed undertaking of the County Council to finance the acquisition of the

002532

existing machinery and equipment and other personal property and assets, including a covenant not to compete, currently being utilized by an existing manufacturing plant located on New Cut Road in Spartanburg County, a Project under the Enabling Statute, through the issuance of a \$3,000,000 Spartanburg County, South Carolina, Industrial Revenue Note, payable from the loan payment to be derived under the Loan Agreement, and additionally to be secured by the said Mortgage on the Project and by the pledge of loan payments to be paid under the Loan Agreement and the Guaranty Agreements, all pursuant to the Enabling Statute (including changes in any details of the said financing, as finally consummated, which do not materially affect the said undertaking), be, and the same is, hereby approved, and County Council may proceed on the basis of the foregoing approval to issue the the Note.

3. Notice of the action taken by the State Board in giving approval to the undertaking of Spartanburg County above described in Paragraph 2, *supra*, shall be published one time in The Spartanburg Herald, a daily newspaper published in the City of Spartanburg, South Carolina, having general circulation in Spartanburg County.

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

002533



NOTICE PURSUANT TO  
CHAPTER 29, TITLE 4, VOLUME 1,  
CODE OF LAWS OF SOUTH CAROLINA 1976  
AS AMENDED BY ACT NO. 518 OF THE  
ACTS AND JOINT RESOLUTIONS  
OF THE GENERAL ASSEMBLY OF THE  
STATE OF SOUTH CAROLINA,  
REGULAR SESSION OF 1980,  
AND AS FURTHER AMENDED BY ACT NO. 179  
OF THE ACTS AND JOINT RESOLUTIONS  
OF THE GENERAL ASSEMBLY OF THE  
STATE OF SOUTH CAROLINA,  
REGULAR SESSION OF 1981

---

Notice is hereby given that, following the filing of a Petition by the County Council of Spartanburg 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 acquisition of the existing machinery and equipment and other personal property and assets currently being utilized by an existing manufacturing plant located on New Cut Road in Spartanburg County including a covenant not to compete, all of which Project, together with the land and building on which the same are located, constitute a steel stamping plant to manufacturer beer barrels, automotive products, syrup containers, and other products. To finance the Project, the County Council will issue its industrial revenue note, in the aggregate principal amount of

\$3,000,000, pursuant to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended by Act No. 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980, and as further amended by Act No. 179 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1981, under the terms of Loan Agreement between the County and the Company (the Loan Agreement). The Note of Spartanburg County will be payable by the County solely from the loan payment 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 will be secured by a first mortgage lien on the Company's leasehold interest in the land and building on which and in which the Project is located and a 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 Mercantile National Bank at Dallas, Dallas, Texas and will be additionally secured by the guarantee of Brenlin Corporation under the terms of a Guaranty Agreement, dated as of September 1, 1982, between Brenlin Corporation and the Assignee, and by the joint and several guarantee of Paul F. White, Richard M. Hamlin, David L. Brennan and James P. McCready, of an aggregate principal amount of \$2,000,000 of the Note pursuant to the terms of a Guaranty Agreement dated as of September 1, 1982, among Paul F. White, Richard M. Hamlin, David L. Brennan and James P. McCready and the Assignee.

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The Note shall not constitute a charge against the general credit or taxing power of Spartanburg County.

It is estimated that the Project, when acquired, together with the said existing manufacturing plant, will provide continued employment for approximately 700 employees presently employed there, and for an additional 55 employees.

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 Spartanburg County.

STATE BUDGET AND CONTROL BOARD OF  
SOUTH CAROLINA

By: William A. McInnis, Secretary

Publication Date:

\_\_\_\_\_, 1982

002536

# EXHIBIT

STATE OF SOUTH CAROLINA

AUG 17 1982 NO. 3

COUNTY OF RICHLAND

STATE BUDGET & CONTROL BOARD

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

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina at 2:00 P. M., Tuesday, August 17, 1982, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of: none.

That at said meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by Rep. Mangum, who moved its adoption; said motion was seconded by Mr. Morris, 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 said Board in my custody as its Secretary.

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

August 17, 1982

William A. McInnis  
Secretary

002537



AUG 09 1982



**Mercantile Bank**

Phil Douglas Conway  
Assistant Vice President

July 30, 1982

*gh*  
*8-9-82*  
**EXHIBIT**

AUG 17 1982 NO. 3

STATE BUDGET & CONTROL BOARD

State Budget and Control Board of  
South Carolina  
Post Office Box 12444  
Columbia, South Carolina 29211  
Attention: Mr. William A. McInnis, Secretary

Dear Mr. McInnis:

Re: \$3,000,000 Spartanburg County, South Carolina, Industrial Revenue Bonds,  
Series 1982 (Spartanburg Steel Products, Inc., Project)

In connection with the sale by Spartanburg County, South Carolina (the "Issuer") of its Industrial Development Revenue Bonds (the Spartanburg Steel Products, Inc. Project), Series 1982, dated the date of issuance and delivery thereof, in the principal amount of Three Million and no/100ths Dollars (\$3,000,000) (the "Bonds") to Mercantile National Bank at Dallas, Dallas, Texas (the "Purchaser"), the Purchaser makes the following representations and certifications:

(i) 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;

(ii) the Purchaser is financially able to bear the economic risk of its proposed investment in the Bonds for an indefinite period;

(iii) the Purchaser is familiar with the business affairs of Spartanburg Steel Products, Inc. (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;

(iv) 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;

(v) 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

**Mercantile**

State Budget and Control Board of  
South Carolina  
Page 2  
July 30, 1982

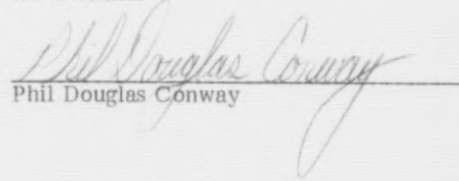
no present intention of offering the Bonds or any portion thereof for resale either currently or after the passage of a fixed period of time, or upon the occurrence or nonoccurrence of any predetermined event or circumstances, but the Purchaser reserves the right to sell, pledge, hypothecate, transfer, convey, mortgage or dispose of the Bonds at some future date determined by the Purchaser; and

(vi) the Purchaser is not presently a party to, nor has it contemplated any agreement, undertaking, arrangement, obligation, indebtedness or commitment which is likely to compel the disposition of its investment in the Bonds.

Sincerely,

MERCANTILE NATIONAL BANK  
AT DALLAS

By:

  
Phil Douglas Conway

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McKAY & GUÉRARD, P.A.

ATTORNEYS AND COUNSELORS AT LAW

JULIUS W. McKAY  
THEODORE B. GUERARD  
W.E. APPLEGATE, III  
SHERWOOD M. CLEVELAND  
ADELE J. POPE  
WILLIAM C. CLEVELAND  
JOHN PAUL TROUCHE  
WILLIAM P. SIMPSON  
SAMUEL W. HOWELL, IV

125 CHURCH STREET  
POST OFFICE BOX 1119  
CHARLESTON, SOUTH CAROLINA 29402  
TELEPHONE 803 / 722-7606

COLUMBIA:  
Sixth Floor  
First National Bank Building  
P.O. Drawer 7157  
Columbia, S.C. 29202  
(803) 765-2396

August 11, 1982

EXHIBIT

AUG 17 1982 NO. 3

Mr. William A. McInnis  
Secretary  
State Budget and Control Board  
Wade Hampton Office Building, Room 212  
1200 Senate Street  
Columbia, South Carolina 29211

STATE BUDGET & CONTROL BOARD

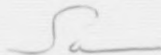
Re: \$3,000,000 Spartanburg County, South Carolina,  
Industrial Revenue Note, Series A of 1982  
(Spartanburg Steel Products, Inc., Project)

Dear Bill:

I am enclosing herewith the original and ten copies of the State Budget and Control Board's Resolution, together with drafts of the basic documents, which are in substantially final form, in connection with the above referenced issue. I am advised that both the Petition from Spartanburg County and the Investment Letter from Mercantile National Bank at Dallas have been heretofore forwarded to you. If at all possible, I would like this issue to be considered by the State Board at its meeting scheduled for Tuesday, August 17, 1982. I will give you a call to discuss this possibility with you toward the end of the week.

Thank you for your assistance, and with best personal regards, I am

Sincerely yours,



W. E. Applegate, III

WEAIII/jam

Enclosures

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AUG 05 1982

OFFICE OF

**Spartanburg County Attorney**

Suite 415 Montgomery Building

P. O. Box 5306

Telephone (803) 582-6727

SPARTANBURG, SOUTH CAROLINA 29304

County Attorney  
ROY McBEE SMITH

Assistant County Attorney  
CHARLES P. EDWARDS

August 4, 1982

**EXHIBIT**

AUG 17 1982 NO. 3

Hon. William A. McInnis  
Secretary  
State Budget and Control Board  
P.O. Box 12444  
Columbia, SC 29211

STATE BUDGET & CONTROL BOARD

RE: \$3,000,000 Spartanburg County, South Carolina, Industrial  
Revenue Bonds, Series 1982 (Spartanburg Steel Products, Inc.,  
Project)

Dear Mr. McInnis:

I am enclosing herewith the original Petition to the State Budget  
and Control in the above. This Petition received adoption at the  
meeting of Spartanburg County Council today.

With kind regards,

Sincerely,

*Roy McBee Smith /aw.*

Roy McBee Smith  
RMS:aw  
Enclosure

cc: Mr. W.E. Applegate, III

**002541**



# EXHIBIT

AUG 17 1982 NO. 3

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: \$3,000,000 SPARTANBURG COUNTY, SOUTH  
CAROLINA, INDUSTRIAL REVENUE NOTE,  
SERIES 1982 (SPARTANBURG STEEL  
PRODUCTS, INC., PROJECT)

EX PARTE:  
COUNTY COUNCIL OF SPARTANBURG COUNTY,  
SOUTH CAROLINA

TO: The Honorable Richard W. Riley, Governor  
The Honorable Grady L. Patterson, Jr., State Treasurer  
The Honorable Earle E. Morris, Jr., Comptroller General  
The Honorable Rembert C. Dennis, Chairman  
Senate Finance Committee  
The Honorable Tom G. Mangum, Chairman  
House Ways and Means Committee

Constituting the State Budget and Control Board of the  
State of South Carolina

Your Petitioner, the County Council of Spartanburg County, South  
Carolina, respectfully prays:

1. Spartanburg County (the County) proposes to issue its not  
exceeding \$7,500,000 Spartanburg County, South Carolina, Industrial  
Revenue Bonds (Spartanburg Steel Products, Inc., Project), pursuant  
to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976,  
as amended by Act No. 518 of the Acts and Joint Resolutions of the  
General Assembly of the State of South Carolina, Regular Session of  
1980, and as further amended by Act No. 179 of the Acts and Joint  
Resolutions of the General Assembly of the State of South Carolina,  
Regular Session of 1981 (the Enabling Statute), and loan the proceeds  
thereof to Spartanburg Steel Products, Inc., a corporation organized and  
existing under the Laws of the State of South Carolina (the Company),  
pursuant to the terms of a loan agreement between the County and the  
Company (the Loan Agreement), to finance the acquisition of new  
machinery and equipment and the acquisition of the existing machinery  
and equipment and other personal property and assets currently being  
utilized by an existing manufacturing plant located on New Cut Road in  
Spartanburg County including a covenant not to compete, all of which,  
together with the land on which and building in which the same is and

will be located, constitutes a steel stamping plant (the Plant) to manufacture beer barrels, automotive products, syrup containers and other products.

2. The Company has advised County Council that the cost of the acquisition and installation of the said machinery and equipment and other personal property and assets, will be approximately \$7,500,000 and has requested that the County issue a first increment of Bonds in the amount of \$3,000,000 in the form of its Industrial Revenue Note (the Note) to finance the acquisition of the existing machinery, equipment and other personal property currently utilized by the Plant (the Project), including the cost incident to the issuance of the Note.

3. The Company has further advised County Council that the Company will lease from Newcutt Associates the said land and building included in the Plant and that the Plant, when leased by the Company and equipped by the acquisition of this Project, will provide continued employment for approximately 700 employees presently employed there, and for an additional 55 employees.

4. The Company has advised County Council that the Mercantile National Bank at Dallas, Dallas, Texas, a national banking association under the Laws of the United States of America (the Bank), has committed to buy the Note, which will be issued as a single note, payable to the order of the Bank, in the principal amount of \$3,000,000, with interest thereon from the date of delivery at the rate of Eighty-five per centum (85%) of the prime rate announced from time to time by the Bank but in no event less than 10% per annum, payable semi-annually.

The Note shall mature fifteen (15) years from date of its delivery subject to the continuing right of the holder of the Note to demand redemption of the Note upon one hundred eighty (180) days notice to the Company of the holder's demand for such redemption.

5. 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 \$3,000,000 Industrial Revenue Note, 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 Note will be secured by a first mortgage lien on the Company's said leasehold interest in the land on which and the building in which the Project is located at the Plant 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 will be additionally secured by a guaranty agreement between Brenlin Corporation, a corporation organized and existing under the Laws of Ohio, and the Purchaser (the Guaranty Agreement).

(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 Note, all other costs and expenses resulting from the execution and delivery of the Loan Agreement and the Mortgage and the issuance of the Note pursuant thereto.



(c) The proceeds derived from the sale of the Note will be deposited in an acquisition 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 Note.

(d) The Loan Agreement shall contain an agreement obligating the Company to pay from its own funds all costs in connection with the Project in excess of the proceeds of the Note, 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 Note. Inasmuch as the Purchaser has not deemed it advisable to build up and maintain any reserve in connection with the Project or the Note, no loan repayments will be required for that purpose.

(e) The Loan Agreement shall contain the agreement of the Company to pay for the maintenance and insurance of the Plant and to pay the cost of maintaining the Plant in good repair and keeping it properly insured.

(f) The Loan Agreement will contain no provision imposing any pecuniary liability upon the County or which would create a charge upon the County's general credit or taxing power.

6. The proposed Mortgage from the Company to the County, securing the Note, in the amount of Three Million and no/100 (\$3,000,000.00) Dollars, will be in conventional form and will constitute a forecloseable mortgage upon the Project. Included in the granting clause of the Mortgage will be:

(a) The Company's said leasehold interest in the land on which and the building in which the Project is located.

(b) The existing machinery, equipment and all other personal property currently utilized in the Plant, acquired or to be acquired for the Project;

(c) 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

(d) All funds from time to time in the Acquisition Account established pursuant to the Loan Agreement, and any securities in which said funds are invested, and the proceeds thereof.

7. Drafts of the proposed Loan Agreement, Guaranty Agreement, and Mortgage, in form satisfactory to the County Attorney, are being submitted to the office of the Attorney General for South Carolina.

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 and the terms and provisions of the Loan Agreement, the Guaranty Agreement, and the Mortgage and Note as it deems advisable, and that thereafter, the said 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 said financing as finally consummated which do not materially affect the said undertaking, and give published notice of its approval in the manner set forth in Code Section 4-29-140.

Respectfully submitted,

SPARTANBURG COUNTY, SOUTH CAROLINA

By: K. L. Westmoreland  
County Administrator  
Spartanburg County, South Carolina

ATTEST:

Casey P. Davis  
Clerk, County Council of  
Spartanburg County, South Carolina

EXHIBIT

AUG 17 1982 NO. 3

STATE BUDGET & CONTROL BOARD

# EXHIBIT

AUG 17 1982 NO. 3

## A RESOLUTION

STATE BUDGET & CONTROL BOARD

MAKING CERTAIN DETERMINATIONS AND FINDINGS PRIOR TO UNDERTAKING A PROPOSED PROJECT TO BE FINANCED THROUGH THE ISSUANCE OF A SPARTANBURG COUNTY INDUSTRIAL REVENUE NOTE, APPROVING THE UNDERTAKING OF THE PROJECT AND THE ISSUANCE OF THE INDUSTRIAL REVENUE NOTE, AND AUTHORIZING THE FILING OF A PETITION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA, SEEKING ITS APPROVAL OF THE PROJECT AND OF THE ISSUANCE OF THE INDUSTRIAL REVENUE NOTE.

BE IT RESOLVED BY THE COUNTY COUNCIL OF SPARTANBURG COUNTY (the County Council), in meeting duly assembled, that the County Council hereby determines and finds as follows:

1. Spartanburg County (the County) has entered into an Assistance Contract and a Supplemental Assistance Contract with Spartanburg Steel Products, Inc., a corporation organized and existing under the Laws of the State of South Carolina (the Company), whereby the County agrees, under the conditions set forth in the Assistance Contract and the Supplemental Assistance Contract, inter alia, to issue not to exceed \$7,500,000 Spartanburg County Industrial Revenue Bonds (the Bonds) pursuant to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended by Act No. 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980, and as further amended by Act No. 179 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1981 (the Enabling Statute), to finance the acquisition and installation of new machinery and equipment and the acquisition of the existing machinery and equipment and other personal property and assets currently being utilized by an

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existing manufacturing plant located on New Cut Road in Spartanburg County including a covenant not to compete, all of which, together with the land on which and building in which the same is and will be located, constitutes a steel stamping plant (the Plant) to manufacture beer barrels, automotive products, syrup containers and other products.

2. The Company has now advised County Council that the cost of the acquisition and installation of the said machinery and equipment and other personal property and assets, will be approximately \$7,500,000 and has requested that the County issue a first increment of Bonds in the amount of \$3,000,000 in the form of its Industrial Revenue Note (the Note) to finance the acquisition of the existing machinery, equipment and other personal property currently utilized by the Plant (the Project), including the cost incident to the issuance of the Note.

3. The Company has further advised County Council that the Company will lease from Newcutt Associates the said land and building included in the Plant and that the Plant, when leased by the Company and equipped by the acquisition of the Project, will provide continued employment for approximately 700 employees presently employed there, and for an additional 55 employees.

4. The financing of the Project as proposed would render assistance to the Company in continuing and expanding a manufacturing enterprise in the County and thereby promote the industrial development of the State and develop trade by inducing this enterprise

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to locate and expand in the State and thus utilize and employ the manpower, agricultural products, and natural resources of the State. The Project, thus, will subserve the purposes of said Enabling Statute.

5. The Company has agreed under the terms of the proposed loan agreement with the County to pay all of the costs of the Project in excess of the proceeds of the Note, and, under its proposed loan agreement with the County, the Company will also be 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 Note as they become due. Neither the Project nor any charges in connection with the Project or the acquisition, operation, and maintenance of the Project or in connection with the Note, including the payment of principal or interest, shall constitute or give rise to a pecuniary liability of the County or a charge against the general credit or taxing power of the County.

6. The Company has advised County Council that the Mercantile National Bank at Dallas, Dallas, Texas, a national banking association under the Laws of the United States of America (the Bank), has committed to buy the Note, which will be issued as a single note, payable to the order of the Bank, in the principal amount of \$3,000,000, with interest thereon from the date of delivery at the rate of Eighty-five per centum (85%) of the prime rate announced from time to time by the Bank, but in no event less than 10% per annum, payable semi-annually. The Note shall mature fifteen (15) years from date of delivery subject to the continuing right of the holder of the Note to

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demand redemption of the Note on one hundred eighty (180) days notice to the Company of holder's demand for such redemption.

7. As security for the Note, the Company will give the County a first mortgage lien on the Company's said leasehold interest in the land on which and the building in which the Project is located and a security interest in the Project and other machinery and equipment located at the Plant, 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.

8. The payment of the Note, principal of and premium, if any, will be unconditionally guaranteed by Brenlin Corporation, a corporation organized and existing under the Laws of Ohio, under a guaranty agreement with the Bank.

9. In view of the established credit of the Company, the Bank is not requiring the establishment of a reserve fund for the retirement of the Note.

AND, BE IT FURTHER RESOLVED that the County Council of Spartanburg County hereby approves the undertaking of the Project and the issuance of its Industrial Revenue Note as aforesaid, the filing of its petition, in accordance with Code Section 4-29-140, to the State Budget and Control Board of South Carolina, in substantially the form of the Petition attached hereto (or with such changes as shall be approved by the Attorney for Spartanburg County), and the execution by the County Administrator, or in his absence, the Acting County Administrator, and the attestation by the Clerk, or, in her absence,

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the Acting Clerk, of the County Council of Spartanburg County to the same and, further, authorizes and empowers the County Administrator, or, in his absence, the Acting County Administrator, to take all other action necessary or incidental to the execution and filing of such Petition.

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EXHIBIT A

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: \$3,000,000 SPARTANBURG COUNTY, SOUTH  
CAROLINA, INDUSTRIAL REVENUE NOTE,  
SERIES 1982 (SPARTANBURG STEEL  
PRODUCTS, INC., PROJECT)

EX PARTE:  
COUNTY COUNCIL OF SPARTANBURG COUNTY,  
SOUTH CAROLINA

TO: The Honorable Richard W. Riley, Governor  
The Honorable Grady L. Patterson, Jr., State Treasurer  
The Honorable Earle E. Morris, Jr., Comptroller General  
The Honorable Rembert C. Dennis, Chairman  
Senate Finance Committee  
The Honorable Tom G. Mangum, Chairman  
House Ways and Means Committee

Constituting the State Budget and Control Board of the  
State of South Carolina

Your Petitioner, the County Council of Spartanburg County, South  
Carolina, respectfully prays:

1. Spartanburg County (the County) proposes to issue its not  
exceeding \$7,500,000 Spartanburg County, South Carolina, Industrial  
Revenue Bonds (Spartanburg Steel Products, Inc., Project), pursuant  
to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976,  
as amended by Act No. 518 of the Acts and Joint Resolutions of the  
General Assembly of the State of South Carolina, Regular Session of  
1980, and as further amended by Act No. 179 of the Acts and Joint  
Resolutions of the General Assembly of the State of South Carolina,  
Regular Session of 1981 (the Enabling Statute), and loan the proceeds  
thereof to Spartanburg Steel Products, Inc., a corporation organized and  
existing under the Laws of the State of South Carolina (the Company),  
pursuant to the terms of a loan agreement between the County and the  
Company (the Loan Agreement), to finance the acquisition of new  
machinery and equipment and the acquisition of the existing machinery  
and equipment and other personal property and assets currently being  
utilized by an existing manufacturing plant located on New Cut Road in  
Spartanburg County including a covenant not to compete, all of which,  
together with the land on which and building in which the same is and

will be located, constitutes a steel stamping plant (the Plant) to manufacture beer barrels, automotive products, syrup containers and other products.

2. The Company has advised County Council that the cost of the acquisition and installation of the said machinery and equipment and other personal property and assets, will be approximately \$7,500,000 and has requested that the County issue a first increment of Bonds in the amount of \$3,000,000 in the form of its Industrial Revenue Note (the Note) to finance the acquisition of the existing machinery, equipment and other personal property currently utilized by the Plant (the Project), including the cost incident to the issuance of the Note.

3. The Company has further advised County Council that the Company will lease from Newcutt Associates the said land and building included in the Plant and that the Plant, when leased by the Company and equipped by the acquisition of this Project, will provide continued employment for approximately 700 employees presently employed there, and for an additional 55 employees.

4. The Company has advised County Council that the Mercantile National Bank at Dallas, Dallas, Texas, a national banking association under the Laws of the United States of America (the Bank), has committed to buy the Note, which will be issued as a single note, payable to the order of the Bank, in the principal amount of \$3,000,000, with interest thereon from the date of delivery at the rate of Eighty-five per centum (85%) of the prime rate announced from time to time by the Bank but in no event less than 10% per annum, payable semi-annually.

The Note shall mature fifteen (15) years from date of its delivery subject to the continuing right of the holder of the Note to demand redemption of the Note upon one hundred eighty (180) days notice to the Company of the holder's demand for such redemption.

5. 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 \$3,000,000 Industrial Revenue Note, 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 Note will be secured by a first mortgage lien on the Company's said leasehold interest in the land on which and the building in which the Project is located at the Plant 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 will be additionally secured by a guaranty agreement between Brenlin Corporation, a corporation organized and existing under the Laws of Ohio, and the Purchaser (the Guaranty Agreement).

(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 Note, all other costs and expenses resulting from the execution and delivery of the Loan Agreement and the Mortgage and the issuance of the Note pursuant thereto.



(c) The proceeds derived from the sale of the Note will be deposited in an acquisition 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 Note.

(d) The Loan Agreement shall contain an agreement obligating the Company to pay from its own funds all costs in connection with the Project in excess of the proceeds of the Note, 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 Note. Inasmuch as the Purchaser has not deemed it advisable to build up and maintain any reserve in connection with the Project or the Note, no loan repayments will be required for that purpose.

(e) The Loan Agreement shall contain the agreement of the Company to pay for the maintenance and insurance of the Plant and to pay the cost of maintaining the Plant in good repair and keeping it properly insured.

(f) The Loan Agreement will contain no provision imposing any pecuniary liability upon the County or which would create a charge upon the County's general credit or taxing power.

6. The proposed Mortgage from the Company to the County, securing the Note, in the amount of Three Million and no/100 (\$3,000,000.00) Dollars, will be in conventional form and will constitute a forecloseable mortgage upon the Project. Included in the granting clause of the Mortgage will be:

(a) The Company's said leasehold interest in the land on which and the building in which the Project is located.

(b) The existing machinery, equipment and all other personal property currently utilized in the Plant, acquired or to be acquired for the Project;

(c) 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

(d) All funds from time to time in the Acquisition Account established pursuant to the Loan Agreement, and any securities in which said funds are invested, and the proceeds thereof.

7. Drafts of the proposed Loan Agreement, Guaranty Agreement, and Mortgage, in form satisfactory to the County Attorney, are being submitted to the office of the Attorney General for South Carolina.

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 and the terms and provisions of the Loan Agreement, the Guaranty Agreement, and the Mortgage and Note as it deems advisable, and that thereafter, the said 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 said financing as finally consummated which do not materially affect the said undertaking, and give published notice of its approval in the manner set forth in Code Section 4-29-140.

Respectfully submitted,

SPARTANBURG COUNTY, SOUTH CAROLINA

By: XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
County Administrator  
Spartanburg County, South Carolina

ATTEST:

XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
Clerk, County Council of  
Spartanburg County, South Carolina

EXHIBIT

AUG 17 1982 NO. 3

STATE BUDGET & CONTROL BOARD

Draft 8/11/82

# EXHIBIT

AUG 17 1982 NO. 3

STATE BUDGET & CONTROL BOARD

## GUARANTY AGREEMENT

among

PAUL F. WHITE,

RICHARD M. HAMLIN,

DAVID L. BRENNAN,

JAMES P. McCREADY

and

MERCANTILE NATIONAL BANK AT DALLAS

DATED AS OF SEPTEMBER 1, 1982

002561



THIS GUARANTY AGREEMENT, dated as of September 1, 1982, is by and among PAUL F. WHITE, RICHARD M. HAMLIN, DAVID L. BRENNAN and JAMES P. McCREADY, jointly and severally (hereinafter called the Guarantors), and the MERCANTILE NATIONAL BANK AT DALLAS, and the holder from time to time of the Note (as hereinafter defined) (hereinafter called the Purchaser).

W I T N E S S E T H:

WHEREAS, Spartanburg County, South Carolina, a body politic and corporate and a political subdivision organized and existing under and by virtue of the laws of the State of South Carolina (hereinafter, together with any successor to its functions, called the County) proposes to issue its \$3,000,000 Spartanburg County, South Carolina, Industrial Revenue Note, Series 1982 (Spartanburg Steel Products, Inc., Project) (hereinafter called the Note); and

WHEREAS, the proceeds of the sale of the Note will be loaned to Spartanburg Steel Products, Inc., a corporation organized and existing under the Laws of the State of South Carolina (hereinafter referred to as the Company), under the terms of a Loan Agreement between the County and the Company, dated as of September 1, 1982 (hereinafter and as from time to time amended called the Loan Agreement), and used to defray the costs of the acquisition of the existing machinery and other personal property and assets currently being utilized by an existing manufacturing plant located on New Cut Road in Spartanburg County including a covenant not to compete (the said machinery and equipment and other personal property and assets, as so acquired, being hereinafter called the Project), all of which Project together with the land and building on which the same are located constitutes a steel stamping plant to manufacture beer barrels, automotive products, syrup containers, and other products; and

WHEREAS, the Guarantors desire that the County issue and sell the Note and loan the proceeds thereof to the Company for the purposes described above and, in order to provide an inducement to the County to issue and sell the Note and an inducement to the purchase of the Note by the Purchaser and all who shall at any time become the holder thereof, the Guarantors is willing to enter into this Guaranty Agreement;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the Guarantors do hereby covenant and agree with the Purchaser as follows:

## ARTICLE I

### GUARANTY

SECTION 1.1 The Guarantors hereby unconditionally and irrevocably guarantee to the Purchaser and to the holder from time to time of the Note the full and prompt payment of the principal of and/or interest on the Note up to an aggregate amount of \$2,000,000 on the date the same is expressed to become due, whether at the stated maturity thereof or by prepayment, as provided in the Note, or otherwise. All payments by the Guarantors under this Guaranty Agreement shall be made in lawful money of the United States of America.

SECTION 1.2 The obligation of the Guarantors under this Guaranty Agreement shall be absolute and unconditional and shall remain in full force and effect until the entire principal of and interest on the Note shall have been paid in full (or provision for the prepayment of the Note shall have been made in accordance with the terms of the Note). Such obligations shall not be affected, modified, or impaired upon the happening from time to time of any event, including without limitation any of the following, whether or not such event shall occur with notice to, or the consent of, the Guarantors:

(a) the waiver, surrender, compromise, settlement, discharge, release, or termination of any or all of the obligations, covenants, or agreements of the Company contained in the Mortgage and Security Agreement from the Company to the County, dated as of September 1, 1982, covering the Project (hereinafter called the Mortgage), or in the Note;

(b) the transfer, assignment, or mortgaging or the purported transfer, assignment, or mortgaging of all or any part of the interest of the Company in the Project or any failure of title with respect to the Company's interest in the Project or the invalidity, unenforceability, or termination of the Loan Agreement;

(c) the waiver, surrender, compromise, settlement, release, or termination of the County's obligations, covenants, or agreements contained in the Loan Agreement;

(d) the waiver, surrender, compromise, settlement, release, or termination of any of the obligations, covenants, or agreements of the Company under the Loan Agreement;

(e) the extension of the time for payment of any principal of, premium, if any, or interest owing or payable on the Note or of the time for performance of any obligations,

covenant, or agreement under or arising out of the Loan Agreement or the Mortgage or any extension or renewal of either thereof;

(f) the modification or amendment (whether material or otherwise) of any obligation, covenant, or agreement set forth in the Loan Agreement, the Note, or the Mortgage;

(g) the taking or the omission of any action referred to in the Loan Agreement or the Mortgage or of any action under this Guaranty Agreement;

(h) any failure, omission, delay, or lack of diligence on the part of the County or the Purchaser in the enforcement, assertion, or exercise of any right, power, or remedy conferred on the County or the Purchaser in the enforcement, assertion, or exercise of any right, power, or remedy conferred on the County or the Purchaser under the Loan Agreement or the Mortgage, or conferred on the Purchaser in this Guaranty Agreement, or the inability of the County or the Purchaser to enforce any provision of the Loan Agreement or the Mortgage or this Guaranty Agreement for any other reason, or any other act or omission on the part of the County, the Purchaser, or the holder from time to time of the Note;

(i) the dissolution, sale, or other disposition of all or substantially all of the assets, liquidation, the marshalling of assets and liabilities, receivership, insolvency, assignment for the benefit of creditors, bankruptcy, reorganization, arrangement, adjustment, composition, or other similar proceedings affecting the County, the Company, or the Guarantors under the Loan Agreement or any of the assets of either of them, or any allegation of invalidity or contest of the validity of this Guaranty Agreement or the Loan Agreement or the disaffirmance of the Loan Agreement in any such proceeding;

(j) the release or impairment of any collateral pledged by the Company as security for its obligations under the Loan Agreement or the Mortgage; or

(k) to the extent permitted by law, any event or action that would, in the absence of this clause, result in the release or discharge by operation of law of the Guarantors from the performance or observance of any obligation, covenant, or agreement contained in this Guaranty Agreement.

This guarantee is an absolute unconditional present and continuing guarantee of payment and not of collectability and is in no way conditioned or contingent upon any attempt to collect from the Guarantors or upon any other condition or contingency.

SECTION 1.3 The Guarantors waive notice of the issuance of the Note and notice from the Purchaser of its acceptance and reliance on this Guaranty Agreement. The Guarantors also waive presentment, demand for payment, protest, and notice of nonpayment or dishonor and all other notices and demands whatsoever relating to the Note.

SECTION 1.4 No set-off, counterclaim, reduction, or diminution of an obligation, or any defense of any kind or nature (other than performance by the Guarantors of its obligation hereunder) which the County may have or assert or which the Guarantors may have or assert against the County or the Purchaser shall be available hereunder to the Guarantors against the Purchaser.



## ARTICLE II

### DEFAULT AND REMEDIES

SECTION 2.1 The Purchaser shall have the right, power, and authority to do all things it deems necessary or advisable to enforce the provisions of this Guaranty Agreement and protect its interest and, in the event of a default in payment of the principal of the Note when and as the same shall become due, whether at the stated maturity thereof or by prepayment, as provided in the Note, or otherwise, or in the event of a default in the payment of any interest on the Note when and as the same shall become due, the Purchaser may institute or appear in such appropriate judicial proceedings as the Purchaser shall deem most effectual to protect and enforce any of its rights, whether for the specific enforcement of any covenant or agreement in this Guaranty Agreement or in aid of the exercise of any power granted herein, or to enforce any other proper remedy. Without limiting the generality of the foregoing, in the event of a default in payment of the principal of, or interest on the Note when due, the Purchaser may institute a judicial proceeding for the collection of the sums so due and unpaid, and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Guarantors and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Guarantors, wherever situated.

SECTION 2.2 No remedy conferred upon or reserved to the Purchaser herein is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Guaranty Agreement or now or hereafter existing at law or in equity.

SECTION 2.3 Each and every default in payment of the principal of, premium, if any, or interest on the Note shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action arises. In the event of such a default, the Purchaser shall have the right to proceed first and directly against the Guarantors under this Guaranty Agreement without proceeding against any other person or exhausting any other remedies which it may have and without resorting to any other security held by the County or the Purchaser.

SECTION 2.4 The Guarantors agree to pay all costs, expenses, and fees, including all reasonable attorneys' fees, which may be incurred by the Purchaser in enforcing or attempting to enforce this

Guaranty Agreement or protecting the rights of the Purchaser hereunder following any default on the part of the Guarantors hereunder, whether the same shall be enforced by suit or otherwise.

SECTION 2.5 No delay or omission to exercise any right or power accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

## ARTICLE III

### GENERAL

SECTION 3.1 The Guarantors agree that, as long as the Note is outstanding, they will not divest themselves of all or substantially all of their assets.

SECTION 3.2 The obligation of the Guarantors under this Guaranty Agreement shall arise absolutely and unconditionally upon the issuance, sale, and delivery of the Note. This Guaranty Agreement is executed prior to the execution of the Loan Agreement and is separate and independent of the Loan Agreement. Any modification, limitation, or discharge of the Guarantor's liability under the Loan Agreement arising out of or by virtue of any bankruptcy, arrangement, reorganization, or similar proceeding shall not modify, limit, discharge, or otherwise affect the liability of the Guarantors under this Guaranty Agreement in any manner whatsoever.

SECTION 3.3 All moneys recovered by the Purchaser pursuant to this Guaranty Agreement (other than those provided for in Section 2.4 hereof) shall be applied to the payment of the principal of and interest on the Note. This Guaranty Agreement is entered into by the Guarantors for the benefit of the Purchaser and the holder(s) of the Note and shall not be deemed to create any right in, or to be in whole or in part for the benefit of any person other than, the Purchaser, the holder(s) of the Note, the Guarantors, and their respective heirs, executors, administrators, successors, and assigns.

SECTION 3.4 This Guaranty Agreement:

(a) constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof;

(b) may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument;

(c) may not be modified except with the consent of the holder of the Note; and

(d) shall be governed in all respects, including validity, interpretation, and effect, by, and shall be enforceable in accordance with, the law of the State of South Carolina. If any provision of this Guaranty Agreement shall be held to be invalid by any court of competent jurisdiction, the invalidity of such provision shall not affect any of the remaining provisions.

ARTICLE IV

MISCELLANEOUS

SECTION 4.1      The rights and remedies provided under this Guaranty Agreement shall inure to the benefit of and be enforceable by the holder of the Note.



IN WITNESS WHEREOF, PAUL F. WHITE, RICHARD M. HAMLIN, DAVID L. BRENNAN and JAMES P. McCREADY, have hereunto set their hands and seals, and MERCANTILE NATIONAL BANK AT DALLAS, has accepted the same, as of the date first hereinabove written.

\_\_\_\_\_(L.S.)  
Paul F. White

\_\_\_\_\_(L.S.)  
Richard M. Hamlin

\_\_\_\_\_(L.S.)  
David L. Brennan

\_\_\_\_\_(L.S.)  
James P. McCready

WITNESS:

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

Accepted this \_\_\_\_ day of September,  
A.D. 1982.

MERCANTILE NATIONAL BANK AT DALLAS

(SEAL)

By: \_\_\_\_\_

Its: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Its: \_\_\_\_\_

Draft 8/11/82

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**002571**

Draft 8/11/82

# EXHIBIT

AUG 17 1982 NO. 3

STATE BUDGET & CONTROL BOARD

GUARANTY AGREEMENT

between

BRENLIN CORPORATION

and

MERCANTILE NATIONAL BANK AT DALLAS

DATED AS OF SEPTEMBER 1, 1982

002572

THIS GUARANTY AGREEMENT, dated as of September 1, 1982, is by and between BRENLIN CORPORATION, a corporation duly organized and existing under the Laws of Ohio (hereinafter called the Guarantor), and the Mercantile National Bank at Dallas, Dallas, Texas, a national banking corporation organized and existing under the Laws of the United States of America, the purchaser of the Note (as hereafter defined) (hereafter called the Purchaser).

W I T N E S S E T H:

WHEREAS, Spartanburg County, South Carolina, a body politic and corporate and a political subdivision organized and existing under and by virtue of the laws of the State of South Carolina (hereinafter, together with any successor to its functions, called the County), proposes to issue its \$3,000,000 Spartanburg County, South Carolina, Industrial Revenue Note, Series 1982 (Spartanburg Steel Products, Inc., Project) (hereinafter called the Note); and

WHEREAS, the proceeds of the sale of the Note will be loaned to Spartanburg Steel Products, Inc., a corporation organized and existing under the Laws of the State of South Carolina (hereinafter referred to as the Company), under the terms of a Loan Agreement between the County and the Company, dated as of September 1, 1982 (hereinafter and as from time to time amended called the Loan Agreement), to defray the costs of the acquisition of the existing machinery and equipment and other personal property and assets currently being utilized by an existing manufacturing plant located on New Cut Road in Spartanburg County including a covenant not to compete (the said machinery and equipment and other personal property and assets, as so acquired, being hereinafter called the Project), all of which Project together with the land and building on which the same are located constitutes a steel stamping plant to manufacture beer barrels, automotive products, syrup containers, and other products; and

WHEREAS, the Guarantor desires that the County issue and sell the Note and loan the proceeds thereof to the Company for the purposes described above and, in order to provide an inducement to the County to issue and sell the Note and an inducement to the purchase of the Note by the Purchaser and all who shall at any time become holder thereof, the Guarantor is willing to enter into this Guaranty Agreement.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the Guarantor does hereby covenant and agree with the Purchaser as follows:



## ARTICLE I

### REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR

SECTION 1.1 The Guarantor hereby represents and warrants that it is a corporation duly incorporated and in good standing under the Laws of Ohio, has full power and authority to enter into and perform this Guaranty Agreement, has duly authorized the execution and delivery of this Guaranty Agreement by proper corporate action and that such execution and delivery and compliance with the terms hereof will not contravene or constitute a default under its Memorandum of Association or By-Laws or any indenture, commitment, agreement, or other instrument to which it is bound or any existing law, rule, regulation, judgment, order, or decree to which it is subject.

SECTION 1.2 The Guarantor covenants and agrees from the date hereof and until payment in full of the principal of and interest on the Note, unless the Purchaser shall otherwise consent in writing, to furnish the Purchaser a copy of the report of certified audit of the Guarantor for each fiscal year after the date hereof prepared by an independent certified public accountant, and a balance sheet and related statements of income and changes in financial position of the Guarantor for each quarter, other than the fourth quarter, signed by an officer of the Guarantor. All financial statements will be consolidated financial statements and will be prepared in accordance with generally accepted accounting principles. The financial statements will be accompanied by an officer's certificate, showing any and all of the terms of this Agreement that are being violated or that there are no violations. Such annual audits and quarterly statements shall be delivered to the Purchaser within one hundred and twenty (120) days and sixty (60) days, respectively, after the close of the fiscal period. The Guarantor will furnish the Purchaser within a reasonable period of time such additional information as the Purchaser may from time to time reasonably request.

## ARTICLE II

### GUARANTY

SECTION 2.1 The Guarantor hereby unconditionally and irrevocably guarantees to the Purchaser for the benefit of holders from time to time of the Note (a) the full and prompt payment of an amount equal to the principal of the Note within 10 calendar days after the date the same is expressed to become due, whether at the stated maturity thereof or by prepayment or acceleration, as provided in the Note, or otherwise; (b) the full and prompt payment of an amount equal to interest on the Note within 10 calendar days after the date the same is expressed to become due, as provided in the Note; and (c) the full and prompt payment of any other amount due under the Note or the Loan Agreement within 10 calendar days after demand therefor. All payments by the Guarantor under this Guaranty Agreement shall be made in lawful money of the United States of America.

SECTION 2.2 The obligations of the Guarantor under this Guaranty Agreement shall be absolute and unconditional and shall remain in full force and effect until the entire principal of and interest on the Note shall have been paid in full (or provision for the prepayment of the Note shall have been made in accordance with the terms of the Note). Such obligations shall not be affected, modified, or impaired upon the happening from time to time of any event, including without limitation any of the following, whether or not such event shall occur with notice to, or the consent of, the Guarantor:

(a) the waiver, surrender, compromise, settlement, discharge, release, or termination of any or all of the obligations, covenants, or agreements of the Company contained in the Mortgage and Security Agreement from the Company to the County, dated as of September 1, 1982, covering the Project (hereinafter called the Mortgage), or in the Note;

(b) the transfer, assignment, or mortgaging or the purported transfer, assignment, or mortgaging of all or any part of the interest of the Company in the Project or any failure of title with respect to the Company's interest in the Project or the invalidity, unenforceability, or termination of the Loan Agreement;

(c) the waiver, surrender, compromise, settlement, release, or termination of the County's obligations, covenants, or agreements contained in the Loan Agreement;

(d) the waiver, surrender, compromise, settlement, release, or termination of any of the obligations, covenants, or agreements of the Company under the Loan Agreement;

(e) the extension of the time for payment of any principal of, premium, if any, or interest owing or payable on the Note or of the time for performance of any obligations, covenant, or agreement under or arising out of the Loan Agreement or any extension or renewal thereof;

(f) the modification or amendment (whether material or otherwise) of any obligation, covenant, or agreement set forth in the Loan Agreement, the Note, or the Mortgage;

(g) the taking or the omission of any action referred to in the Loan Agreement or the Mortgage or of any action under this Guaranty Agreement;

(h) any failure, omission, delay, or lack of diligence on the part of the County or the Purchaser in the enforcement, assertion, or exercise of any right, power, or remedy conferred on the County or the Purchaser in the enforcement, assertion, or exercise of any right, power, or remedy conferred on the County or the Purchaser under the Loan Agreement or the Mortgage, or conferred on the Purchaser in this Guaranty Agreement, or the inability of the County or the Purchaser to enforce any provision of the Loan Agreement or the Mortgage or this Guaranty Agreement for any other reason, or any other act or omission on the part of the County, the Purchaser, or the holder from time to time of the Note;

(i) the dissolution, sale, or other disposition of all or substantially all of the assets, liquidation, the marshalling of assets and liabilities, receivership, insolvency, assignment for the benefit of creditors, bankruptcy, reorganization, arrangement, adjustment, composition, or other similar proceedings affecting the County, the Company, or the Guarantor under the Loan Agreement or any of the assets of either of them, or any allegation of invalidity or contest of the validity of this Guaranty Agreement or the Loan Agreement or the disaffirmance of the Loan Agreement in any such proceeding;

(j) the release or impairment of any collateral pledged by the Company as security for its obligations under the Loan Agreement or the Mortgage; or

(k) to the extent permitted by law, any event or action that would, in the absence of this clause, result in the release or discharge by operation of law of the Guarantor from the performance or observance of any obligation, covenant, or agreement contained in this Guaranty Agreement.

This guarantee is an absolute, unconditional, present, and continuing guarantee of payment and not of collectability and is in no way conditioned or contingent upon any attempt to collect from the Company or upon any other condition or contingency.

SECTION 2.3 The Guarantor waives notice of the issuance of the Note and notice from the Purchaser of its acceptance and reliance on this Guaranty Agreement. The Guarantor also waives presentment, demand for payment, protest, and notice of nonpayment or dishonor and all other notices and demands whatsoever relating to the Note.

SECTION 2.4 No set-off, counterclaim, reduction, or diminution of an obligation, or any defense of any kind or nature (other than performance by the Guarantor of its obligations hereunder) which the County may have or assert or which the Guarantor may have or assert against the County or the Purchaser shall be available hereunder to the Guarantor against the Purchaser. Nothing contained herein shall be construed to be a waiver of any rights which the Guarantor may have against the County or the Purchaser or any holder of the Note pursuant to this Guaranty Agreement, the Loan Agreement, the Mortgage, or the Note, or pursuant to any provision of law.



## ARTICLE III

### DEFAULT AND REMEDIES

SECTION 3.1 The Purchaser shall have the right, power, and authority to do all things it deems necessary or advisable to enforce the provisions of this Guaranty Agreement and protect its interest and, in the event of a default in payment of the principal or premium, if any, of the Note when and as the same shall become due, whether at the stated maturity thereof or by prepayment or acceleration, as provided in the Note, or otherwise, or in the event of a default in the payment of any interest on the Note when and as the same shall become due, the Purchaser may institute or appear in such appropriate judicial proceedings as the Purchaser shall deem most effectual to protect and enforce any of its rights, whether for the specific enforcement of any covenant or agreement in this Guaranty Agreement or in aid of the exercise of any power granted herein, or to enforce any other proper remedy. Without limiting the generality of the foregoing, in the event of a default in payment of the principal of, premium, if any, or interest on the Note when due, the Purchaser may institute a judicial proceeding for the collection of the sums so due and unpaid, and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Guarantor and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Guarantor, wherever situated.

SECTION 3.2 No remedy conferred upon or reserved to the Purchaser herein is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Guaranty Agreement or now or hereafter existing at law or in equity.

SECTION 3.3 Each and every default in payment of the principal of, premium, if any, or interest on the Note shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action arises. In the event of such a default, the Purchaser shall have the right to proceed first and directly against the Guarantor under this Guaranty Agreement without proceeding against any other person or exhausting any other remedies which it may have and without resorting to any other security held by the County or the Purchaser.

SECTION 3.4 The Guarantor agrees to pay all costs, expenses, and fees, including all reasonable attorneys' fees, which may be incurred by the Purchaser in enforcing or attempting to enforce this Guaranty Agreement or protecting the rights of the Purchaser hereunder following any default on the part of the Guarantor hereunder, whether the same shall be enforced by suit or otherwise.

SECTION 3.5 No delay or omission to exercise any right or power accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

## ARTICLE IV

### GENERAL

SECTION 4.1 The Guarantor agrees that during the term of this Agreement it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or permit one or more corporations (other than a subsidiary) to consolidate with or merge into it; provided, however, that the Guarantor may, without violating the agreements contained in this Agreement, consolidate with or merge into another corporation, or permit one or more corporations to consolidate with or merge into it, or sell or otherwise transfer to another corporation all or substantially all of its assets as an entirety and thereafter dissolve, if the successor corporation or transferee assumes in writing all of the obligations of the Guarantor under this Agreement and has consolidated net worth of at least \$\_\_\_\_\_.

SECTION 4.2 The obligations of the Guarantor under this Guaranty Agreement shall arise absolutely and unconditionally upon the issuance, sale, and delivery of the Note. This Guaranty Agreement is executed prior to the execution of the Loan Agreement and is separate and independent of the Loan Agreement. Any modification, limitation, or discharge of the Guarantor's liability under the Loan Agreement arising out of or by virtue of any bankruptcy, arrangement, reorganization, or similar proceeding shall not modify, limit, discharge, or otherwise affect the liability of the Guarantor under this Guaranty Agreement in any manner whatsoever.

SECTION 4.3 All moneys recovered by the Purchaser pursuant to this Guaranty Agreement (other than those provided for in Section 3.4 hereof) shall be applied to the payment of the principal of and interest on the Note. This Guaranty Agreement is entered into by the Guarantor for the benefit of the Purchaser and shall not be deemed to create any right in, or to be in whole or in part for the benefit of any person other than, the Purchaser, the Guarantor, and their respective successors and assigns.

SECTION 4.4 This Guaranty Agreement:

(a) constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof;

(b) may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument;

(c) may not be modified except with the consent of the holder of the Note; and

(d) shall be governed in all respects, including validity, interpretation, and effect, by, and shall be enforceable in accordance with, the law of the State of South Carolina. If any provision of this Guaranty Agreement shall be held to be invalid by any court of competent jurisdiction, the invalidity of such provision shall not affect any of the remaining provisions.



ARTICLE V

MISCELLANEOUS

SECTION 5.1 The rights and remedies provided under this Guaranty Agreement shall inure to the benefit of and be enforceable by the holders of the Note.

SECTION 5.2 All notices, requests and demands to or upon the respective parties hereto shall be deemed to have been given or made by personal delivery, 3 business days after being deposited in the mail, postage prepaid, or, in the case of telegraphic notice, when delivered to the telegraphic company, addressed as follows or to such other address as may be hereafter designated in writing by the respective parties hereto:

The Guarantor:

Brenlin Corporation  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ATTN: \_\_\_\_\_

The Purchaser:

Mercantile National Bank at Dallas  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ATTN: \_\_\_\_\_

IN WITNESS WHEREOF, BRENLIN CORPORATION, has caused these presents to be executed by its \_\_\_\_\_, attested by its \_\_\_\_\_, and the MERCANTILE NATIONAL BANK AT DALLAS, has accepted the same, as of the date first hereinabove written.

WITNESS:

BRENLIN CORPORATION

By: \_\_\_\_\_

Its: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_

Its: \_\_\_\_\_

Accepted this \_\_\_\_ day of September,  
A.D. 1982.

MERCANTILE NATIONAL BANK AT DALLAS

By: \_\_\_\_\_

Its: \_\_\_\_\_

Draft 8/11/82

# EXHIBIT

AUG 17 1982 NO. 3

STATE BUDGET & CONTROL BOARD

MORTGAGE AND SECURITY AGREEMENT

between

SPARTANBURG STEEL PRODUCTS, INC.

and

SPARTANBURG COUNTY, SOUTH CAROLINA

DATED AS OF SEPTEMBER 1, 1982

002584

THE STATE OF SOUTH CAROLINA       )  
  )  
COUNTY OF SPARTANBURG            ) MORTGAGE  
  AND  
  SECURITY AGREEMENT

TO ALL WHOM THESE PRESENTS MAY CONCERN:  
IN THE STATE AFORESAID, SEND GREETING:

WHEREAS, SPARTANBURG STEEL PRODUCTS, INC., a corporation organized and existing under the Laws of the State of South Carolina (hereinafter sometimes referred to as the Mortgagor), SENDS GREETINGS:

WHEREAS, Spartanburg County, South Carolina (hereinafter sometimes referred to as the Mortgagee), pursuant to Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended by Act No. 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980, and as further amended by Act No. 179 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1981 (the Enabling Statute), proposes to issue its \$3,000,000 Spartanburg County, South Carolina, Industrial Revenue Note, Series 1982 (Spartanburg Steel Products, Inc., Project), payable to the Mercantile National Bank at Dallas, Dallas, Texas, its successors and assigns (the Note), and, pursuant to a Loan Agreement between the Mortgagor and the Mortgagee, dated as of September 1, 1982 (the Loan Agreement), loan the proceeds thereof to the Mortgagor, in order to



finance the acquisition of the machinery and equipment and other personal property and assets currently being utilized by an existing manufacturing plant located on New Cut Road in Spartanburg County including a covenant not to compete, all of which, together with the land and the building leased to the Mortgagor pursuant to the term of a Lease Agreement between Newcutt Associates and the Mortgagor, dated as of September 1, 1982 (the Lease Agreement), on which and in which the same is and will be located, constitutes a steel stamping plant to manufacture beer barrels, automotive products, syrup containers and other products (the Project); and

WHEREAS, the Mortgagor agrees to repay the said loan in accordance with the terms and provisions of the Note and Loan Agreement; and

WHEREAS, the Mortgagor is now minded to secure its obligations under the Loan Agreement by giving the Mortgagee this mortgage and security agreement, dated as of September 1, 1982 (the Mortgage), which constitutes a perfected first lien and security interest upon the Project, subject only to Permitted Encumbrances, as defined in the Loan Agreement; and

WHEREAS, the Mortgagee, in order to secure the payment of the Note, has assigned all of its right, title, and interest under the Loan Agreement, including the right to receive revenues and receipts thereunder, to the Mercantile National Bank at Dallas, Dallas, Texas, the holder of the Note, its successors and assigns (the Assignee), and proposes to assign this Mortgage to the Assignee in order to secure the repayment of the Note; and

WHEREAS, the execution and delivery of this Mortgage have been authorized by an Ordinance, duly enacted by the County Council of Spartanburg County, and, in accordance with the requirements of the said Enabling Statute, the County has submitted its Petition to the State Budget and Control Board of the State of South Carolina and the said Board has duly approved the said Project and thereby authorized the County Council of Spartanburg County to proceed with the financing of the Project as aforesaid, and notice of such approval was duly published in a newspaper having general circulation in Spartanburg County and, notwithstanding that more than twenty (20) days have elapsed from the date of such publication of such notice, no challenge has been made to the validity of such approval, as provided in the said Enabling Statute;

NOW, KNOW ALL MEN, that the Mortgagor, in consideration of the said debt and sum of money aforesaid, and for better securing the payment thereof to the Mortgagee, according to the conditions of the Note and Loan Agreement, which, with all of their provisions are hereby made a part hereof; and also in consideration of the sum of THREE and no/100 (\$3.00) DOLLARS to the Mortgagor in hand well and truly paid by the Mortgagee at and before the sealing and delivery of these Presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, and released, and by these Presents does grant, bargain, sell, and release, subject to Permitted Encumbrances, unto SPARTANBURG COUNTY, SOUTH CAROLINA, its successors and assigns, the following described property, to-wit:

I  
The Mortgagor's leasehold interest in the property described below, pursuant to the Lease Agreement, dated as of September 1, 1982, recorded in Book \_\_\_\_ at Page \_\_\_\_, in the Office of the Register of Mesne Conveyances for Spartanburg County, South Carolina.

PUT IN LEGAL DESCRIPTION HERE

II  
The machinery, equipment, or other property described in Exhibit B attached to the Loan Agreement, and substitutions or replacements therefor; all other furnishings,

equipment, or other property acquired by the Mortgagor with the proceeds from the Note secured by this Mortgage, and substitutions or replacements therefor; and furnishings, equipment, or other property which, under the terms of the Loan Agreement, is to become the property of the Mortgagor or subject to the lien of this Mortgage; and, without limiting the foregoing, all of the property of the Mortgagor at any time installed or located on the land described herein, except as provided in Section 9.7 of the Loan Agreement, together with all proceeds of all of the foregoing.

### III

All right, title, and interest of the Mortgagor in and to the Loan Agreement, dated as of September 1, 1982, between Spartanburg County, South Carolina, and Spartanburg Steel Products, Inc., and all revenues and receipts received or to be received under the Loan Agreement.

### IV

The proceeds derived from the sale of the Note; all funds from time to time in the Acquisition Account established pursuant to the Loan Agreement or any special trust account or collateral account established pursuant to the Loan Agreement, and any securities in which said funds are invested and the proceeds thereof.

### V

Any and all other property from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned, or transferred as and for additional security under this Mortgage by the Mortgagor or by anyone on its behalf or with its written consent to the Mortgagee, which is authorized to receive any and all such property at any and all times and to hold and apply the same, subject to the terms of this Mortgage.

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 unto the said SPARTANBURG COUNTY, SOUTH CAROLINA, its successors and assigns, forever.

AND, the Mortgagor does hereby bind itself and its successors and assigns to procure or execute any further necessary assurances of title to the said premises, the title to which is unencumbered, and also to warrant and forever defend all and singular the said Premises unto the said Mortgagee, its successors and assigns, from and against itself and its successors and assigns.

AND IT IS AGREED, by and between the parties hereto, that the Mortgagor shall have the right at any time and from time to time to amend this Mortgage, as set forth in Section 9.3 of the Loan Agreement, subject to the written approval of the Assignee, for the purpose of effecting the release of and removal from this Mortgage (i) any unimproved part of the Land, as defined in the Loan Agreement (on which neither the Building nor any Equipment is situated, but upon which transportation or utility facilities may be situated) on which the Mortgagor or any subsidiary or affiliated corporation thereof then proposes to construct, or cause to be constructed, improvements under another and different loan or other financing agreement or (ii) any part (or interest in such part) of the Land with respect to which the Mortgagor proposes to grant an easement or convey fee title to a railroad, public utility, or public body in order that railroad, utility

services, or roads may be provided for the Project; provided, that if, at the time any such amendment is made, any amount is outstanding and unpaid on the Note, there shall, within thirty (30) days after the delivery of such amendment or release, be deposited with the Assignee the following:

(a) A copy of the said amendment as executed; and

(b) A resolution of the County Council of the Mortgagee

(i) stating that the Mortgagee is not in default under any of the provisions of this Mortgage and the Mortgagor is not, to the knowledge of the Mortgagee, in default under any of the provisions of the Loan Agreement or the Mortgage, (ii) giving an adequate legal description of that portion of the Land to be released, (iii) stating the purpose for which the Mortgagor desires the release, (iv) stating that the said improvements which will be so constructed will be such as will promote the continued commercial development of South Carolina, and (v) requesting such release; and

(c) A certificate of the president or any vice president or treasurer of the Mortgagor approving such amendment and stating that the Mortgagor is not in default under any of the provisions of the Loan Agreement or the Mortgage, and the release so proposed to be made will not impair or materially endanger the lien of this Mortgage on that portion of the Project not so released; and

(d) A copy of any agreement wherein the Mortgagor or any subsidiary or affiliated corporation thereof agrees to construct, or cause to be constructed, improvements on the portion of the Land so requested to be released, or a copy of the instrument granting the easement or conveying the title to a railroad, public utility, or public body; and

(e) A certificate of an Independent Engineer, as defined in the Loan Agreement, dated not more than sixty (60) days prior to the date of the release and stating that, in the opinion of the person signing such certificate, (i) the portion of the Land so proposed to be released is necessary or desirable in order to obtain railroad, utility services, or roads to benefit the Project or is not otherwise needed for the operation of the Project for the purposes hereinabove stated, and (ii) the release so proposed to be made will not impair the usefulness of the Project and will not destroy the means of ingress thereto and egress therefrom.

AND, IT IS FURTHER PROVIDED, if such release relates to Land on which transportation or utility facilities are located, an easement to use such transportation or utility facilities to the extent necessary for the efficient operation of the Project as a facility for the purposes described in Article II of the Loan Agreement shall remain subject to the provisions of the Loan Agreement.

AND, IT IS AGREED, by and between the parties hereto, that if all of the above conditions are met, including Assignee's approval of the

amendment to the Loan Agreement, the Mortgagee shall release any such property from the lien of the Mortgage.

AND IT IS AGREED, by and between the parties hereto, that no release effected under the provisions hereof shall entitle the Mortgagor to any abatement or diminution of the amounts payable under Section 5.2 of the Loan Agreement.

AND IT IS AGREED, by and between the parties hereto, that if no event of default under the Loan Agreement shall have happened and be continuing, with the prior written consent of the Assignee, the Mortgagor may at any time or times grant easements, licenses, rights of way (including the dedication of public highways), and other rights or privileges in the nature of easements with respect to any property included in the Project free from the lien of the Mortgage, or the Mortgagor may release existing easements, licenses, rights of way, and other rights or privileges with or without consideration, and the Mortgagee agrees that it shall execute and deliver and will cause and direct the Assignee to execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right of way, or other right or privilege, upon receipt by the Assignee of: (i) a copy of the instrument of grant or release, (ii) a written application signed by the president or any vice president or treasurer of the Mortgagor requesting such instrument, (iii) a certificate executed by the president or any vice president or treasurer of the Mortgagor stating (1) that such grant or release is not detrimental to the business being conducted at the Project, and (2) that such grant or release will



not impair the effective use or interfere with the operation of the Project and will not weaken, diminish, or impair the security intended to be given by or under this Mortgage. No grant or release effected under the provisions of this Mortgage shall entitle the Mortgagor to any abatement or diminution of the amounts payable under Section 5.2 of the Loan Agreement.

AND IT IS AGREED, by and between the parties hereto, that if no event of default under the Loan Agreement shall have happened and then be continuing, the Mortgagor shall have, and is hereby granted, subject to the Assignee's consent, which consent shall not be unreasonably withheld, the option to release from the lien of this Mortgage any part of the Land on which neither the Building nor any Equipment is located, but upon which transportation or utility facilities may be located.

AND IT IS AGREED, by and between the parties hereto, that reference is made to the provisions of the Loan Agreement, including, without limitation, Sections 6.4, 6.5, 6.6, and 6.7 of the Loan Agreement, whereby the Mortgagor, its successors or assigns, is required to keep the buildings erected or to be erected on said premises insured against loss or damage by fire for the benefit of the said Mortgagee. In default of the payment of the premiums thereon, the Mortgagee, its successors or assigns, may cause the same to be paid, together with all penalties and costs incurred thereon, and reimburse themselves under this Mortgage for the same, with interest

thereon from the date of such payment at the rate of \_\_\_\_\_  
\_\_\_\_\_ (the Penalty Rate).

AND IT IS AGREED, by and between the said parties, that reference is made to the provisions of the Loan Agreement, including, without limitation, Section 6.3 thereof, whereby the Mortgagor, its successors or assigns, is required to pay all taxes and other governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project. In default thereof, the Mortgagee, its successors or assigns, may cause the same to be paid, together with all penalties and costs incurred thereon, and reimburse themselves under this Mortgage for the same, with interest thereon from the date of such payment at the Penalty Rate.

AND IT IS AGREED, by and between the parties hereto, that upon the occurrence of an "event of default" under the Loan Agreement, then the entire amount of the debt secured, or intended to be secured hereby, shall forthwith become due, at the option of the Mortgagee, its successors or assigns, although the period for the payment of the said debt may not then have expired, and the lien on the above described premises created and vested by this Mortgage may be foreclosed either by sale at public outcry or by proceedings in equity and the Assignee may become the purchaser at any foreclosure sale if the highest bidder. No delay or omission by the Mortgagee to exercise any right or power accruing upon any default shall impair any such right or power or shall

be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient; no waiver of any default hereunder shall be deemed to constitute a waiver of any other default or impair any right consequent thereon.

AND IT IS AGREED, by and between the parties hereto, that, should legal proceedings be instituted for the collection of the debt secured hereby, then, and in that event, the said Mortgagee, its successors or assigns, shall have the right to have a receiver appointed of the revenues and receipts of the above described premises, with power to forthwith lease out the said premises anew if he should so elect, who, after deducting all charges and expenses attending such proceedings, and the execution of the said trust as receiver, shall apply the residue of the said revenues and receipts towards the payment of the debt secured hereby.

AND IT IS FURTHER AGREED, by and between the parties hereto, that should legal proceedings be instituted for the foreclosure of this Mortgage, or for any purpose involving this Mortgage, or should the debt hereby secured be placed in the hands of an attorney at law for collection, by suit or otherwise, that all costs and expenses incurred by the Mortgagee, its successors or assigns, including a reasonable counsel fee, shall thereupon become due and payable as a part of the debt secured hereby, and may be recovered and collected hereunder.

PROVIDED, ALWAYS, and it is the true intent and meaning of the parties to these Presents, that if the Mortgagor, its successors or

assigns, shall pay or cause to be paid unto the Mortgagee, its successors or assigns, the said debt secured hereby, with the interest thereon, if any shall be due, and also all sums of money paid by the Mortgagee, its successors or assigns, on behalf of the Mortgagor, according to the conditions and agreements of the Note and of this Mortgage, and shall perform all its obligations according to the true intent and meaning of the Note and this Mortgage, and the conditions thereunder and hereunder written, then this deed of bargain and sale shall cease, determine, and be void; otherwise, it shall remain in full force and virtue.

AND IT IS LASTLY AGREED, by and between the parties hereto, that the Mortgagor is to hold and enjoy the said premises until default shall be made.



IN WITNESS WHEREOF, SPARTANBURG STEEL PRODUCTS, INC.,  
has executed this Mortgage and Security Agreement by causing its name  
to be hereunto subscribed by its \_\_\_\_\_, and attested by its  
\_\_\_\_\_, and SPARTANBURG COUNTY, SOUTH CAROLINA,  
has executed this Mortgage and Security Agreement, by causing its  
name to be hereunto subscribed by the County Administrator of  
Spartanburg County, all as of the \_\_\_\_ day of September, 1982, and in  
the two hundred and seventh year of the Sovereignty and Independence  
of the United States of America.

SPARTANBURG STEEL PRODUCTS, INC.

By: \_\_\_\_\_

Its: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Its: \_\_\_\_\_

Signed, Sealed, and Delivered in  
the presence of:

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

SPARTANBURG COUNTY, SOUTH CAROLINA

(SEAL)

By: \_\_\_\_\_  
County Administrator of  
Spartanburg County, South Carolina

ATTEST:

\_\_\_\_\_, Clerk  
County Council of  
Spartanburg County, South Carolina

Signed, Sealed, and Delivered in  
the presence of:

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

STATE OF SOUTH CAROLINA     )  
                                      )  
COUNTY OF SPARTANBURG     )

BEFORE ME personally appeared \_\_\_\_\_, who,  
being duly sworn, deposes and says that (s)he saw the within named  
SPARTANBURG STEEL PRODUCTS, INC., by \_\_\_\_\_,  
its \_\_\_\_\_, sign, and \_\_\_\_\_, its \_\_\_\_\_, attest the  
within written Mortgage and Security Agreement, and that (s)he with  
\_\_\_\_\_ witnessed the execution and delivery thereof as  
the act and deed of the said SPARTANBURG STEEL PRODUCTS, INC.

\_\_\_\_\_  
SWORN to before me, this \_\_\_\_\_  
day of \_\_\_\_\_, A.D. 1982.

\_\_\_\_\_(L.S.)

Notary Public for the  
State of South Carolina.

My Commission Expires:  
\_\_\_\_\_

STATE OF SOUTH CAROLINA       )  
  )  
COUNTY OF SPARTANBURG        )

BEFORE ME personally appeared \_\_\_\_\_, who,  
being duly sworn, deposes and says that (s)he saw \_\_\_\_\_,  
as County Administrator of Spartanburg County, South Carolina, sign,  
and \_\_\_\_\_, as Clerk of the County Council of  
Spartanburg County, South Carolina, attest the within written Mortgage  
and Security Agreement, and that (s)he with \_\_\_\_\_ witnessed  
the execution and delivery thereof as the act and deed of the said  
Spartanburg County, South Carolina.

\_\_\_\_\_  
SWORN to before me, this \_\_\_\_\_  
day of \_\_\_\_\_, A.D. 1982.

\_\_\_\_\_ (L.S.)

Notary Public for the  
State of South Carolina.

My Commission Expires:  
\_\_\_\_\_



STATE OF SOUTH CAROLINA )  
 ) ASSIGNMENT OF MORTGAGE  
COUNTY OF SPARTANBURG )

KNOW ALL MEN BY THESE PRESENTS, that Spartanburg County, a body politic and corporate and a political subdivision of the State of South Carolina, acting by and through the County Council of Spartanburg County, in consideration of the sum of ONE and no/100 (\$1.00) DOLLAR to it in hand paid at and before the sealing of these presents, the receipt of which is hereby acknowledged, and, in accordance with the provisions of the Loan Agreement between the County and Spartanburg Steel Products, Inc., dated as of September 1, 1982, and to secure the payment of the \$3,000,000 Spartanburg County, South Carolina, Industrial Revenue Note, Series 1982 (Spartanburg Steel Products, Inc., Project), dated as of September 1, 1982, does hereby assign, transfer, and set over unto the MERCANTILE NATIONAL BANK AT DALLAS, its successors and assigns:

(a) All of the right, title and interest of said Spartanburg County in and to the foregoing Mortgage and Security Agreement, dated as of September 1, 1982, between Spartanburg Steel Products, Inc., as Mortgagor, and Spartanburg County, as Mortgagee.

IN WITNESS WHEREOF, SPARTANBURG COUNTY, SOUTH CAROLINA, has executed this Assignment by causing its name to be

subscribed by the County Administrator of Spartanburg County, all  
being done as of the \_\_\_ day of September, A. D. 1982.

SPARTANBURG COUNTY, SOUTH CAROLINA

(SEAL)

By: \_\_\_\_\_

County Administrator  
Spartanburg County, South Carolina

ATTEST:

\_\_\_\_\_, Clerk  
County Council of  
Spartanburg County, South Carolina

Signed, Sealed, and Delivered  
in the Presence of:

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

Draft 8/11/82

Assignment - 2

002503

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF SPARTANBURG )

PERSONALLY APPEARED before me \_\_\_\_\_  
who, being duly sworn, says that (s)he saw \_\_\_\_\_, as  
County Administrator of Spartanburg County, sign, and  
\_\_\_\_\_, as Clerk of County Council of Spartanburg County,  
attest the same and that (s)he with \_\_\_\_\_  
witnessed the execution and delivery thereof as the act and deed of the  
said Spartanburg County, South Carolina.

\_\_\_\_\_

SWORN to before me this \_\_\_\_\_  
day of \_\_\_\_\_, A. D. 1982.

\_\_\_\_\_ (L.S.)

Notary Public for the  
State of South Carolina.

My Commission Expires:  
\_\_\_\_\_

Draft 8/11/82

# EXHIBIT

AUG 17 1982 NO. 3

STATE BUDGET & CONTROL BOARD

## LOAN AGREEMENT

between

SPARTANBURG COUNTY, SOUTH CAROLINA

and

SPARTANBURG STEEL PRODUCTS, INC.

DATED AS OF SEPTEMBER 1, 1982

002505



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ASSIGNMENT OF LOAN AGREEMENT	

THIS LOAN AGREEMENT, dated as of September 1, 1982, between SPARTANBURG COUNTY, SOUTH CAROLINA, a body politic and corporate and a political subdivision of the State of South Carolina, acting by and through the County Council of Spartanburg County, South Carolina, which is the governing body of said County, party of the first part, and SPARTANBURG STEEL PRODUCTS, INC., a corporation organized and existing under the Laws of the State of South Carolina, party of the second part,

W I T N E S S E T H:

In consideration of the respective representations and agreements hereinafter contained, the parties hereto agree as follows (provided that in the performance of the agreements of the party of the first part herein contained, any obligation it may thereby incur for the payment of money shall not create a pecuniary liability or a charge upon its general credit or against its taxing powers but shall be payable solely out of the proceeds derived from this Loan Agreement, the sale of the Note, as hereinafter defined, the insurance proceeds, and proceeds from released property and condemnation awards as herein provided):



## ARTICLE I

### DEFINITIONS

SECTION 1.1 Certain terms used in this Loan Agreement are defined herein. When used herein, such terms shall have the meanings given to them by the language employed in this Article I defining such terms, unless the context clearly indicates otherwise.

SECTION 1.2 The following terms are defined terms under this Loan Agreement:

"ACQUISITION ACCOUNT" means the Acquisition Account created in Section 4.3 herein.

"ACQUISITION PERIOD" means the period between the beginning of the acquisition of the Equipment or the date on which the Note is first delivered to the purchaser thereof (whichever is earlier) and the Completion Date.

"ADDITIONS" or "ALTERATIONS" means improvements, replacements, alterations, additions, enlargements, or expansions in, on, or to the Project.

"ADMINISTRATOR" means the County Administrator of Spartanburg County. The term shall also include the Assistant or Acting Administrator of the County whenever, by reason of absence, illness, or other reason, the person who is the Administrator is unable to act.

"AGREEMENT" or "LOAN AGREEMENT" means the within Loan Agreement between the County and the Company as the same may be amended from time to time in accordance with the provisions hereof.

"ASSIGNEE" means Mercantile National Bank at Dallas, Dallas, Texas, the assignee of this Agreement and the Mortgage, its successors and assigns.

"ASSIGNMENT" means the instrument of assignment to the Mercantile National Bank at Dallas, its successors and assigns.

"AUTHORIZED COMPANY REPRESENTATIVE" means the person at the time designated to act on behalf of the Company by written certificate furnished to the County and the Assignee, containing the specimen signature of such person and signed by the Company. Such certificates may designate an alternate or alternates.

"BUILDING" means the building leased to the Company by Newcutt Associates and all other facilities forming a part of the Project, and not constituting part of the Equipment, which have previously been or are to be constructed on the Land, including any renovations, improvements, and additions, as they may at any time exist, including

any air conditioning and heating systems (which shall be deemed fixtures).

"CHAIRMAN" means the chief executive officer of the County Board. The term shall also include the Vice Chairman of the County Board whenever, by reason of absence, illness, or other reason, the person who is Chairman is unable to act.

"CLERK" means the Clerk of the County Board. The term shall also include the Assistant or Acting Clerk of the County Board whenever, by reason of absence, illness, or other reason, the person who is the Clerk is unable to act.

"CODE" means the Internal Revenue Code of 1954, as amended.

"COMPANY" means the party of the second part hereto and its successors and assigns.

"COMPLETION DATE" means the date of completion of the the acquisition of the Equipment in connection with the Project as that date shall be certified as provided in Section 4.5 hereof.

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

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

"ENABLING STATUTE" means Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina, 1976, as amended by Act No. 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980, as further amended by Act No. 179 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1981.

"EQUIPMENT" means those items of machinery, equipment, and other personal property described in Exhibit B attached hereto and incorporated herein by reference, and such other items of machinery and equipment and any transportation facility and equipment used as an integral part of the Project, required herein to be acquired and installed in the Building or elsewhere on the Land with proceeds from the sale of the Note, or the proceeds of any payment by the Company pursuant to Section 4.6 hereof and any item of machinery, equipment, furnishings, and related property acquired and installed in the Building or elsewhere on the Land in substitution therefor and renewals and replacements thereof.

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

"INDEPENDENT ENGINEER" means an engineer or engineering firm registered and qualified to practice the profession of engineering under the laws of South Carolina, satisfactory to the Assignee, and who or which is not a full-time employee of either the County or the Company.

"LAND" means the real property leased to the Company by Newcutt Associates described in Exhibit A attached hereto which, by this reference thereto, is incorporated herein.

"MORTGAGE" means the mortgage upon the Land and Building, and the security interest in the Equipment given by the Company to the County, securing the obligations of the Company under this Agreement, and assigned by the County to the Assignee.

"NET PROCEEDS", when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which that term is used remaining after payment of all expenses (including attorneys' fees and reasonable fees and expenses of the Assignee) incurred in the collection of such gross proceeds.

"NEWCUTT ASSOCIATES" means the partnership that owns the Land and Building.

"NOTE" means the \$3,000,000 Spartanburg County, South Carolina, Industrial Revenue Note, Series 1982 (Spartanburg Steel Products, Inc., Project), of the County to be issued and secured by the Mortgage, the proceeds of which will be loaned to the Company to be used to finance the acquisition of the Equipment forming a part of the Project. The Note shall be substantially in the form of the attached Exhibit C.

"PENALTY RATE" means interest at the rate of \_\_\_\_ per centum (\_\_\_\_%) per annum.

"PERMITTED ENCUMBRANCES" means, as of any particular time, (i) liens for ad valorem taxes not then delinquent, (ii) the Mortgage, (iii) utility, access, and other easements and rights of way, flood rights, encroachments, leases, restrictions, and exceptions that an Independent Engineer and the Authorized Company Representative certify will not interfere with or impair the operations being conducted at the Project or in the Building (or, if the Building is not yet complete, the operations to be conducted in the Building, or, if the Building has been completed and no operations are being conducted therein, the operations for which the Building was last designed or modified), (iv) such minor defects, irregularities, and encumbrances as normally exist with respect to properties similar in character to the Project and as do not, in the opinion of an Independent Counsel, materially impair the title to the Project for the purposes for which it was acquired or is held by the Company and which do not and will not interfere with the occupation, use, and enjoyment by the Company of

the Project for the purposes hereby contemplated, and (v) mechanics' and materialmen's liens not filed or perfected in the manner prescribed by Chapter 5, Title 29, Code of Laws of South Carolina 1976, as now or hereafter amended. Sections, and other subdivisions of this Loan Agreement.

"PROJECT" means the Land, Building, and Equipment.

SECTION 1.3 The words "hereof", "herein", "hereunder", and other words of similar import refer to this Loan Agreement as a whole.

SECTION 1.4 References to Articles, Sections, and other subdivisions of this Loan Agreement are to the designated Articles, Sections, and other subdivisions of this Loan Agreement.

SECTION 1.5 The headings of this Loan Agreement are for convenience only and shall not define or limit the provisions hereof.



## ARTICLE II

### REPRESENTATIONS AND UNDERTAKINGS

#### SECTION 2.1      Representations by the County.

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

(a) The County is a body politic and corporate and a political subdivision of the State of South Carolina, and is authorized and empowered by the provisions of the Enabling Statute to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. The Project constitutes and will constitute a "project" within the meaning of the Enabling Statute. By proper action of the County Board and the State Budget and Control Board of South Carolina, the County has been duly authorized to execute and deliver this Agreement.

(b) The County has all of the necessary powers, authorizations, consents, and approvals and has, by proper corporate action, agreed to enter into, execute, deliver, and perform (i) this Loan Agreement, (ii) the Assignment of Loan Agreement, dated as of the date hereof, (iii) the Mortgage and Security Agreement, (iv) the assignment of the Mortgage, dated as of the date hereof, and (v) the Note; and further, to apply the proceeds from the issuance of the Note as set forth in this Agreement.

(c) Heretofore, the County and the Company did agree, as set forth in an Assistance Agreement dated as of June 23, 1982 and a Supplemental Assistance Contract dated as of July 7, 1982 between the County and the Company, that the County would assist the Company in financing the acquisition and installation of new machinery and equipment and the acquisition of the existing machinery and equipment and other personal property and assets currently being utilized by an existing manufacturing plant located on New Cut Road in Spartanburg County including a covenant not to compete, all of which, together with the land on which and the building in which the same is and will be located, constitutes a steel stamping plant, to manufacture beer barrels, automotive products, syrup containers and other products. The Company has estimated that such cost will be \$7,500,000 and has requested that the County issue a first increment of its Industrial Revenue Bonds in the amount of \$3,000,000. On that basis, the County now proposes to issue a first increment of bonds in the amount of \$3,000,000 in the form of its Industrial Revenue Note (the Note), which will be dated

the date of its delivery, and which will mature and bear interest and will be subject to prepayment, in whole or in part, as set forth in the form of the Note attached hereto as Exhibit C, and loan the proceeds to the Company to pay the cost of acquiring the Equipment forming a part of the Project.

(d) The County does hereby agree to assign this Agreement and the Mortgage to the Mercantile National Bank at Dallas, the initial purchaser of the Note.

SECTION 2.2      Representations by the Company.

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

(a) The Company is a corporation duly incorporated under the Laws of the State of South Carolina, is in good standing under its Articles of Incorporation, is duly qualified to do business in the State of South Carolina, and has power to enter into this Agreement, and, by proper corporate action, has been duly authorized to execute and deliver this Agreement.

(b) Neither the the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, conflict with or result in a breach of the Company's Articles of Incorporation or By-Laws or any of the terms, conditions, or provisions of any corporate restriction or any agreement or instrument to which the Company is now a party or by which it is bound, or constitute a default under any of the foregoing, or result in the creation or imposition of any lien, charge, or encumbrance of any nature whatsoever upon any of the property or assets of the Company under the terms of any instrument or agreement.

(c) The intention of the County to issue the Note and loan the proceeds thereof to the Company to finance the Project has assisted the Company in expanding its operations in the County.

(d) The Company intends to continue operating the Project, from the Completion Date to the expiration or earlier termination of this Agreement as a steel stamping manufacturing plant.

(e) The Project, when completed, will provide continued employment for the approximately seven hundred (700)

employees presently employed there and, in addition, will provide, fifty-five (55) additional jobs.

(f) All proceeds derived from the sale of the Note will be used to acquire land or property of a character subject to the allowance for depreciation as prescribed in Section 103(b)(6)(A) and (D) of the Code, and no part of the proceeds of the Note will be used to finance inventory or for working capital.

(g) Prior to the execution and delivery by the County and the Company of the Assistance Agreement and Supplemental Assistance Contract referred to in Section 2.1(c) hereof, no expenses related to the acquisition of the Equipment forming a part of the Project were paid or incurred by the Company or any "related person" to the Company as that term is defined in Section 103(b)(6)(C) of the Code, except for expenses totalling \$\_\_\_\_\_.

(h) No state, territory, or possession of the United States of America, nor any political subdivision of any such state, territory, or possession, nor the District of Columbia, nor any entity acting on behalf of any of the foregoing, has, since April 30, 1968, issued any obligations the proceeds of which are to be or have been used primarily with respect to any facilities (i) that are located within the corporate limits of Spartanburg County, South Carolina, and (ii) a "principal user" of which facilities was, is, or will be the Company or any "related person" (as the terms "principal user" and "related person" are defined and used in Section 103(b)(6) of the Code), and for the purposes of this subparagraph (g), a contiguous or integrated facility located on both sides of the border between any two or more political jurisdictions shall be considered as being located wholly within each such political jurisdiction.

(i) There is no litigation or proceeding pending against the Company nor, to the knowledge of the Company, threatened which, if decided adversely to the Company would have a material effect upon its financial condition or business.

### ARTICLE III

#### TITLE INSURANCE

##### SECTION 3.1      Title Insurance.

At the time of the delivery of the Note, the Company will provide, at Company's expense, a Mortgagee Title Insurance Policy (or appropriate Binder) upon the Land and Building, showing the Assignee as a named insured, issued by a Company approved by the Assignee, insuring the lien of the Mortgage upon the Land and Building, subject to no encumbrances other than Permitted Encumbrances, in the amount of \$3,000,000.



## ARTICLE IV

### ACQUISITION OF THE EQUIPMENT FORMING A PART OF THE PROJECT; ISSUANCE OF THE NOTE; ACQUISITION ACCOUNT

#### SECTION 4.1      Agreement to Acquire the Equipment.

The Company has leased the Land and Building from Newcutt Associates pursuant to a Lease Agreement dated as of September 1, 1982 between Newcutt Associates and the Company. The Company agrees as promptly as practicable after receipt of proceeds from the sale of the Note and to effect the acquisition of the Equipment in the Building or on the Land as promptly as practicable.

The Company agrees that it will obtain all governmental permits, approvals, or certifications required in connection with the acquisition, equipping, and operation of the Project.

#### SECTION 4.2      Agreement to Issue Note; Application of Note Proceeds.

In order to provide funds for payment of the costs of acquiring the Equipment forming a part of the Project, the County agrees that it will, on or before the 30th day of October, 1982, sell and cause to be delivered to the Assignee, as the initial purchaser, the Note, in the principal amount of \$3,000,000, and will thereupon deposit in the Acquisition Account hereinafter established the proceeds received from said sale.

#### SECTION 4.3      Establishment of the Acquisition Account; Disbursements from the Acquisition Account.

Not later than the occasion of the delivery of the Note, the County will establish the Acquisition Account with the Assignee. The Assignee shall be paid a reasonable fee for its services. Withdrawals from the Acquisition Account shall be made only upon written certificate of the Authorized Company Representative. The County and the Company hereby authorize Assignee to disburse the moneys in the Acquisition Account and to pay out the same to the persons entitled thereto in accordance with instructions of the Company in the form referred to below, and the Company is hereby authorized to instruct the Assignee to disburse funds from the Acquisition Account only for the following purposes (but, subject to the provisions of Section 4.9 hereof, for no other purposes):

(a) Payment of the initial or acceptance fee, if any, of the Assignee the fees for recording the financing statements and any title curative documents that either the Assignee, the Company, or Independent Counsel may deem desirable to file for record in order to perfect or protect the lien or security interest of the Mortgage on the Project; and the fees and expenses in connection with any actions or proceedings that either the Assignee, the Company, or Independent Counsel may deem desirable to bring in order to perfect or protect the title of the Company to the Project or to perfect or protect the lien or security interest of the Mortgage on the Project.

(b) Payment of such amounts, if any, as shall be necessary to make reimbursement in full for all advances and payments made prior to or after the delivery of the Note for expenditures in connection with the acquisition of the Equipment, and any other costs and expenses relating to the acquisition of the Equipment.

(c) Payment of the cost of legal, accounting, and financing fees and expenses, title insurance premiums, and printing and engraving costs incurred in connection with the authorization, sale, and issuance of the Note, the preparation of this Agreement, the Mortgage, and all other documents in connection therewith, and in connection with the acquisition of title to the Equipment.

(d) Payment for all costs incident to the acquisition of the Equipment, payment for the cost of the construction, acquisition, and installation of utility services or other facilities deemed necessary in connection with the acquisition of the Equipment and payment for the miscellaneous expenses incidental to any of the foregoing items, including the premium on any surety bond.

(e) Payment of the fees, or out-of-pocket expenses, if any, for architectural, engineering, and supervisory services with respect to the acquisition of the Equipment.

(f) Payment to Assignee, as such payments become due, of the fees and expenses of Assignee, including reasonable fees and expenses of counsel for Assignee, that may become due during the Acquisition Period.

(g) Payment of the premiums on all insurance required to be taken out and maintained during the Acquisition Period under this Agreement.

(h) Payment of the taxes, assessments, and other charges, if any, referred to in Section 6.3 hereof, that may become payable during the Acquisition Period or reimbursement thereof, if paid by the Company.

(i) Payment of expenses incurred in seeking to enforce any remedy against any contractor or subcontractor in respect of any default under a contract relating to the Project.

(j) Payment of interest on the Note to the extent provided by the Enabling Statute and payment of any other costs and expenses relating to the acquisition of the Equipment authorized by the Enabling Statute.

(k) All moneys remaining in the Acquisition Account after completion of the acquisition of the Equipment and payment in full of the costs thereof, and after payment of all other items provided for in the preceding subsections (a) to (j), inclusive, of this Section, shall be applied at the earliest possible date to the prepayment of the Note in inverse order of principal installments, and, pending such use, shall not be invested at a yield in excess of the yield on the Note, except for amounts remaining in the Acquisition Account with the approval of the Authorized Company Representative for payment of costs related to the acquisition of the Equipment forming a part of the Project incurred but not then due and payable.

The payments specified in subsections (a) through (j) of this Section shall be made by the Assignee, only upon receipt of the certificate(s) below described:

(1) A requisition signed by the Authorized Company Representative, stating, with respect to each payment: (i) the amount to be paid; (ii) the nature and purpose of the obligation for which such payment is requested; (iii) the person, firm, or corporation to whom such obligation is owed, or to whom a reimbursable advance has been made; (iv) that such obligation has been properly incurred, is a proper charge against the Acquisition Account, and has not been the basis of any previous withdrawal; (v) that it has no written notice of any mechanics', materialmen's, or other liens or rights to liens, or other obligations (other than those being contested in good faith, as permitted by Section 6.3 hereof) which should be satisfied or discharged before payment of such obligation is made; (vi) that such payment does not include any amount which is then entitled to be retained under any holdbacks or retainages provided for in any agreement; and (vii) that such payment, when added to all other payments previously made from the Acquisition Account, will not result in less than substantially all of the proceeds of the Note having been expended for the acquisition, construction, reconstruction, or improvement of land or property of a character subject to the allowance for depreciation within the meaning of Section 103(b)(6)(A) of the Code; and

(2) With respect to any such requisition for payment for work, materials, or supplies, or equipment, a certificate, signed by the Authorized Company Representative, certifying that, insofar as such obligation was incurred for work, material, supplies, or equipment in connection with the acquisition of the Equipment forming a part of the Project, such work was actually performed in a satisfactory manner and such materials, supplies, or equipment were actually used in or for such acquisition, expansion, or installation or delivered to the Building or elsewhere on the Land for that purpose in accordance with the approved plans and specifications.

(3) Upon request, copies of all bills, invoices, or statements for all expenses for which the disbursement is requested.

SECTION 4.4      Reliance on Directions, Requisitions, and  
Certifications

In making any such payment from the Acquisition Account, the Assignee may rely on such directions, requisitions, and certifications delivered to it pursuant to Section 4.3, and the Assignee, shall not have any liability with respect to making such payments in accordance with such directions, requisitions, and certifications or any liability with respect to the proper application hereof by the Company. The



Assignee shall be liable only for its own gross negligence and willful misconduct. The duties of the Assignee shall be only as specifically set forth in this Loan Agreement.

SECTION 4.5      Establishment of Completion Date.

The Completion Date shall be evidenced to the Assignee by a certificate signed by the Authorized Company Representative, stating that, except for amounts retained by the Assignee for Project costs incurred but not then due and payable as provided in Section 4.3(k), (i) the Equipment acquired is suitable and sufficient for the efficient operation of the Project for the purposes specified in Article II hereof, and the costs and expenses incurred in the acquisition of the Equipment have been paid, and (ii) a certificate of occupancy, if required, and any other approvals or permits required by any governmental authority for the occupancy and use of the Project for its intended purposes have been obtained, including, but not limited to, certificates that the intended use of the Project is in compliance with all applicable zoning and building codes. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. It shall be the duty of the Company to cause the certificate contemplated by this Section 4.5 to be furnished as soon as the Project shall have been completed.

SECTION 4.6      Company Required to Pay Construction Costs in Event Acquisition Account Insufficient.

In the event the moneys in the Acquisition Account available for payment of the costs of the Project shall not be sufficient to pay the costs thereof in full, the Company agrees to complete, or cause to be completed, the Project and to pay all that portion of the costs of the Project in excess of the moneys available therefor in the Acquisition Account. The County does not make any warranty, either express or implied, that the moneys which will be paid into the Acquisition Account and which, under the provisions of this Agreement, will be available for payment of the costs of the Project, will be sufficient to pay all the costs which will be incurred in that connection. The Company agrees that payment by the Company after exhaustion of the moneys in the Acquisition Account of the said costs of the Project pursuant to the provisions of this Section, shall not entitle the Company to any reimbursement therefor from the County or from the holders of the Note, nor to any diminution of its obligation to repay the loan pursuant to Section 5.2 hereof. The obligation of the Company to complete the Project and to pay the costs thereof in excess of the moneys available therefor in the Acquisition Account shall survive any termination of this Agreement.

SECTION 4.7      Authorized Company Representative and Successors.

The Company shall designate, in the manner prescribed in Section 1.2, the Authorized Company Representative. In the event that any person so designated and his alternate or alternates, if any, should become unavailable or unable to take any action or make any certificate provided for or required in this Agreement, a successor shall be appointed in the same manner.

SECTION 4.8      Enforcement of Remedies Against Contractors and Subcontractors and Their Sureties.

The Company covenants that it will take such action and institute such proceedings as shall be necessary to cause and require all contractors and material suppliers to complete their contracts, including, without limitation, the correcting of any defective work, with all expenses incurred by Company in connection with the performance of its obligations under this Section 4.8 to be considered part of the Project costs referred to in Section 4.3(k). Any amounts recovered by way of damage, refunds, adjustments, or otherwise in connection with the foregoing, less any unreimbursed legal expenses incurred in order to collect the same, shall be paid into the Acquisition Account and after the Completion Date shall be held by the Assignee and applied to the payment of principal on the Note in inverse order of maturity.

SECTION 4.9      Investment of Acquisition Account Moneys and Other Funds Permitted - Limitation on Investments.

Any moneys held as part of the Acquisition Account or any special trust account or collateral account established pursuant to this Agreement shall, at the written request of the Authorized Company Representative, be invested or reinvested by the Assignee for the account of the Company to the extent permitted by law in the manner set forth below but with maturities consonant with anticipated expenditures to be made from the Acquisition Account or such other accounts:

- (i) obligations issued or guaranteed by the United States of America, or to the payment of which the full faith and credit of the United States of America is pledged;
- (ii) general obligations of the State of South Carolina;
- (iii) interest bearing deposits in Savings and Loan Associations to the extent that the same are insured by the Federal Savings and Loan Insurance Corporation; or

(iv) certificates of deposit issued by a bank or trust company, (including the Assignee, off-shore branches of major U. S. banks and other major recognized international banks) which have combined capital and surplus of at least \$\_\_\_\_\_, and where such certificates of deposit are collaterally secured by securities of the type described in (i) and (ii) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest.

Such investments shall be as directed in writing by the Authorized Company Representative.

Any interest accruing on or profit realized from the investment of any moneys held as part of the Acquisition Account shall be credited to the Acquisition Account and any loss resulting from such investment shall be charged to such Account. Any interest accruing or profit realized from the investment of any moneys held as part of any such special trust account or collateral account shall be credited to such trust account or collateral account and any loss resulting from such investment shall be charged to such trust account or collateral account.

The Company further covenants and agrees:

(a) that it will not direct the Assignee to invest any moneys held as a part of the Acquisition Account in a manner which shall be contrary to any policy or rules or regulations of the Internal Revenue Service with respect to "arbitrage bonds" within the meaning of Section 103(c)(2) of the Code and the applicable regulations thereunder and as in effect on the occasion of the delivery of the Note (the Regulations); and

(b) it will furnish to the County accurate information to enable the appropriate County officers and bond counsel to make all necessary certifications required by the Regulations.

## ARTICLE V

### EFFECTIVE DATE OF THIS AGREEMENT, DURATION OF TERM; REPAYMENT OF LOAN; AND UNCONDITIONAL OBLIGATIONS OF COMPANY

#### SECTION 5.1      Effective Date of this Agreement; Duration of Term.

This Agreement shall become effective upon its delivery and, subject to the provisions of this Agreement, shall expire upon full payment of the Note (whether at maturity or by prepayment or otherwise, as provided in the Note) and amounts then due to the County and the Assignee under this Agreement.

#### SECTION 5.2      Repayment of Loan and Other Amounts Payable.

The County has made available to the Company in the form of a loan the proceeds derived from the sale of the Note, and the Company shall repay such loan in accordance with the provisions of this Section 5.2, by paying to the Assignee (such payment to be made not later than 11:00 A.M. Assignee's local time, on the date such payment is due, in Federal or other funds immediately available at the time and place of such payments) on March 1 and September 1 of each year commencing March 1, 1983 and continuing through and including March 1, 1987, a sum equal to the interest due on the Note and on September 1, 1987, unless sooner paid, a sum equal to the entire principal balance together with accrued interest.

The Company may prepay the amounts set forth above as provided in the Note, and shall prepay such amounts if the holder of the Note exercises his right to redeem the Note as provided in the Note.

The amount of principal and interest due on the Note from time to time will be the amounts set forth therein and, upon the happening of an Official Determination, as defined in Section 12.1, the amount of interest due shall be adjusted in accordance with the provisions of Section 12.1.

In any event, each loan payment under this Section shall be sufficient to pay the total amount of interest and principal (whether at maturity or by prepayment, or otherwise, as provided in the Note) payable on the payment date, and, if at any payment date the loan payment is insufficient to make required payments of principal (whether at maturity or by prepayment, or otherwise, as provided in the Note), and interest on such date, the Company will forthwith pay any such deficiency; provided that, should any loan payment exceed the amount payable on the payment date, then such excess shall be held by the Assignee and applied to the prepayment of the Note in inverse order of principal installments; and provided further, that if at any time the



amount held by the Assignee for application as aforesaid should be sufficient to pay at the times required the principal of and interest on the Note then remaining unpaid, then the Company shall not be obligated to make any further payments under this Section.

The Company agrees to pay to the Assignee, until the principal of and interest on the Note shall have been paid: (i) an amount equal to the annual fee of the Assignee for the ordinary expenses of the Assignee, as Assignee, rendered, and its ordinary expense, as Assignee, incurred under the Mortgage, as and when the same become due; (ii) reasonable fees and charges of the Assignee for the necessary extraordinary services rendered by it and extraordinary expenses incurred by it under the Mortgage, as and when the same become due; provided, that the Company may, without creating a default hereunder, contest in good faith the necessity for any such extraordinary services and extraordinary expenses and the reasonableness of any such fees, charges, or expenses.

In the event the Company shall fail to make any of the payments required in this Section, the item or installment so in default shall continue as an obligation of the Company until the amount in default shall have been fully paid, and the Company agrees to pay the same with interest thereon at the Penalty Rate until paid.

The payments provided for in this Section shall, to the extent of the sum or sums so paid, satisfy and discharge the liability of the County for moneys payable upon the Note.

#### SECTION 5.3      Obligations of Company Hereunder Unconditional.

The obligations of the Company to make the payments required to be made under Section 5.2 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional and shall not be subject to diminution by set-off, counterclaim, abatement, or otherwise. Until such time as payment in full of the Note shall have been made, the Company (i) will not suspend or discontinue any payments required to be made herein, except to the extent the same have been prepaid, (ii) will perform and observe all its other agreements contained in this Agreement, and (iii) will not terminate this Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, sale, loss, destruction, or condemnation of or damage to the Project, any change in the tax or other laws of the United States of America or of the State of South Carolina or any political subdivision of either, or any failure of the County to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or in connection with this Agreement. Nothing contained in the Section shall be construed to release the County from the performance of any of the agreements on its part contained herein; and, in the event the County

should fail to perform any such agreement on its part, the Company may institute such action against the County as the Company may deem necessary to compel such performance, so long as such action shall not do violence to the agreement on the part of the Company contained in the preceding sentence.

Nothing contained herein shall be construed to be a waiver of any rights which the Company may have against the County under this Agreement, or against other persons under this Agreement, or under any provision of law.

SECTION 5.4      Place of Payments.

The payments provided for in Section 5.2 hereof shall be paid directly to the Assignee at its principal office in Dallas, Texas, for the account of the County.

## ARTICLE VI

### MAINTENANCE, TAXES, AND INSURANCE

#### SECTION 6.1      Maintenance and Modifications of Project by the Company.

The Company agrees that during the term of this Agreement it will at its own expense (i) keep the Project and related facilities in as reasonably safe condition as its operations shall permit and (ii) keep the Project and related facilities in good repair and in good operating condition, making from time to time, subject to the provisions of Section 6.2, all necessary repairs thereto and renewals and replacements thereof. The Company may, also at its own expense, make from time to time any Additions or Alterations to the Project it may deem desirable for its business purposes that do not adversely affect the structural integrity of the Building, or the operations being conducted in and upon the Project (or, if no operations are being conducted, the operations for which the Project was designed or last modified) or materially impair the use of the Project or materially decrease its value. Subject to the provisions of Section 6.2 hereof, such Additions and Alterations so made by the Company shall become a part of the Project.

#### SECTION 6.2      Removal of Equipment.

If no event of default under this Agreement shall have happened and be continuing, in any instance where the Company in its discretion determines that any items of Equipment have become inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary, the Company may remove such items of Equipment from the Building and the Land and sell, trade in, exchange, or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the County or the Assignee therefor, provided that the Company shall either:

(a) Substitute (either by direct payment of the cost thereof or by advancing to the County the funds necessary therefor) and install anywhere in the Building or on the Land other machinery, equipment, or related property (i) having equal or greater utility (but not necessarily having the same function) in the operation of the Project for the purpose for which it is intended, (ii) equal or greater market value, and (iii) an equal or greater remaining useful life than the replaced Equipment, provided such removal and substitution shall not impair operating unity, all of which substituted machinery, equipment or related property shall be free of all liens and encumbrances (except as permitted hereby) and shall become part of the Equipment; or

(b) Not make any such substitution and installation, provided (i) that, in the case of the sale of any such Equipment to anyone other than itself or a person under common control or, in the case of the scrapping thereof, the Company shall pay to the Assignee, to be applied forthwith to principal on the Note in inverse order of principal installments, the proceeds of such sale or the scrap value thereof, as the case may be, (ii) that, in the case of the trade-in of such Equipment for other machinery, equipment or related property not to be installed in the Building or on the Land, the Company shall pay to the Assignee, to be forthwith applied to principal on the Note in inverse order of principal installments, the amount of credit received on such trade-in, and (iii) that in the case of the sale of any such Equipment to the Company or in the case of any other disposition thereof the Company shall pay to the Assignee, to be forthwith applied to principal on the Note in inverse order of principal installments, an amount equal to the original cost thereof less depreciation on a straight-line basis calculated in accordance with generally accepted accounting practices.

If such removal causes damage to existing property not being removed, restoration and repair of such damage shall be made at the cost and expense of the Company.

The removal from the Project of any portion of the Equipment pursuant to the provisions of this Section shall not entitle the Company to any abatement or diminution of the amounts due under Section 5.2 hereof.

The Company shall promptly report to the Assignee each such removal, substitution, sale, trade-in, exchange, and other disposition; provided that, no such report need be made until the amount on account of all such sales, trade-ins, or other dispositions not previously reported aggregates at least \$\_\_\_\_\_, and the Company shall pay to the Assignee such amounts as are required by the provisions of the preceding subsection (b) of this Section to be paid to the Assignee promptly after the sale, trade-in, or other disposition requiring such payment; provided, that no such payment need be made until the amount to be paid to the Assignee on account of all such sales, trade-ins, or other dispositions not previously reported aggregates at least \$\_\_\_\_\_. The Company shall not remove, or permit the removal of, any of the Equipment from the Land except in accordance with the provisions of this Section.

SECTION 6.3      Taxes, Other Governmental Charges, and  
Utility Charges.

The Company will pay, as the same become due, all taxes and governmental charges of any kind whatsoever that may at any time be



lawfully assessed or levied against or with respect to the Project or any furnishings, equipment, or other property installed or brought by the Company therein or thereon (including, without limiting the generality of the foregoing, any taxes levied upon or with respect to the income, revenues, or receipts of the County from this Agreement which, if not paid, will become a lien on the Project prior to or on a parity with the lien of the Mortgage or a charge on the income, revenues, or receipts from this Agreement prior to or on a parity with the charge thereon and the pledge or assignment thereof to be created and made in the Mortgage and including all ad valorem taxes lawfully assessed upon the Project), all utility and other charges incurred in the operation, maintenance, use, occupancy, and upkeep of the Project and all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Project; provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated to pay only such installments as are required to be paid during the term of this Agreement.

If the Company shall first notify the Assignee of its intention so to do, the Company may, at its expense and in its own name and behalf, in good faith contest any such taxes, assessments, and other charges and, in the event of any such contest, may permit the taxes, assessments, or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom if the Company shall furnish the Assignee (i) an opinion of Independent Counsel that the lien of the Mortgage as to any part of the Project will not be materially endangered and no part of the Project will be subject to loss or forfeiture by nonpayment of any such items and (ii) a reserve or other appropriate provision, if any, as shall be required by generally accepted accounting principles, shall have been made therefor; otherwise such taxes, assessments, or charges shall be paid promptly. In the event that the Company shall fail to pay any of the foregoing items required by this Section to be paid by the Company, the Assignee may (but shall be under no obligation to) pay the same and any amounts so advanced therefor by the Assignee shall become an additional obligation of the Company to the Assignee, which amounts, together with interest thereon at the Penalty Rate from the date thereof until paid, the Company agrees to pay.

#### SECTION 6.4 Insurance Required.

Throughout the term of this Agreement, the Company shall keep the Project continuously insured against such risks as are at the time customarily insured against by businesses of like size and type (other than business interruption insurance), paying, as the same become due, all premiums in respect thereto. Such insurance shall include but not necessarily be limited to:

(a) During construction, a builder's risk insurance policy with a mortgagee loss payable clause in favor of the Assignee, providing for the following types of insurance on the Project: fire, with extended and additional extended coverage, vandalism and malicious mischief, sprinkler, business interruption, public liability, plate glass, boiler, flood, and such other insurance as the Assignee may require from time to time. Said policy is to be delivered to the Assignee at the time of the delivery of the Note and said policy to contain a written obligation on the part of the insurance carrier to notify the Assignee in writing at least thirty (30) days prior to any cancellation of its policy.

(b) If a portion of the Project is completed, and the Company takes possession of a portion of the Project prior to the Completion Date, then the builder's risk insurance policy must be endorsed to recognize that the portion completed is covered by the policy, and no defenses will be raised because of parties being in possession of a portion of the Project.

(c) Policies of fire and extended coverage insurance covering such hazards, in such amounts, in such form, and issued by such companies as are satisfactory to the Assignee, containing a mortgagee loss payable clause in favor of the Assignee and a written agreement of the insurer to notify the Assignee in writing at least thirty (30) days prior to any cancellation of the policy.

(d) Policies of public liability coverage insurance, in such amounts, in such form, and issued by such companies as are satisfactory to the Assignee, containing a mortgagee loss payable clause in favor of the Assignee and a written agreement of the insurer to notify the Assignee in writing at least thirty (30) days prior to any cancellation of the policy.

(e) If on the date of the delivery of the Note, the Land is located in a geographical area designated by the Department of Housing and Urban Development of the United States of America as containing special flood or mudslide hazards and in which area the sale of flood insurance is available in accordance with the provisions of the National Flood Insurance Act of 1968, the purchase of such flood insurance in accordance with the provisions of this Act to the satisfaction of the Assignee will be required.

(f) Insurance (or authorization by the appropriate officials of the State of South Carolina to self insure)

covering any liability under the Workmen's Compensation laws of South Carolina for deaths of or injuries to persons arising out of any act or omission during the term of this Agreement.

SECTION 6.5      Application of Net Proceeds of Insurance.

The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.4 hereof shall be applied as follows: (i) the Net Proceeds of the insurance required in Section 6.4(a), (b), and (d) hereof shall be applied as provided in Section 7.1 hereof, and (ii) the Net Proceeds of the insurance required in Section 6.4(c), (e), and (f) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance is carried.

SECTION 6.6      Additional Provisions Respecting Insurance.

All insurance required in Section 6.4 hereof shall be taken out and maintained in generally recognized responsible insurance companies selected by the Company and acceptable to the Assignee. All policies evidencing such insurance shall provide for payment of the losses to the Company and the Assignee, as their respective interests may appear. The insurance hereby required may be contained in blanket policies now or hereafter maintained by the Company, including blanket policies for general public liability insurance.

All such policies shall contain a provision that any such policy may not be cancelled unless the Assignee is notified at least thirty (30) days prior to cancellation; and at least thirty (30) days prior to expiration of any such policy, the Company shall furnish the Assignee with evidence satisfactory to the latter, that the policy has been renewed or replaced or is no longer required by this Loan Agreement.

The Company shall furnish the Assignee annually with a certificate, in form and substance satisfactory to the Assignee, signed by the Authorized Company Representative, stating and demonstrating that the Company is in compliance with the insurance requirements of this Article VI.

SECTION 6.7      Advances by Assignee.

In the event the Company shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep the Project and related facilities in as reasonably safe condition as its operating conditions will permit, or shall fail to keep the Project in good repair and good operating condition, the Assignee, after written notice to the Company of its intent to take such action, may, but shall not be required to, endeavor to take out the required policies of insurance and pay the premium on the same or make the required repairs, renewals, and replacements; and all amounts so advanced therefor by the Assignee shall become an additional obligation of the Company to the

Assignee, which amounts, together with interest at the Penalty Rate, from the date thereof, the Company agrees to pay on demand; provided that the Assignee shall not be liable if it is unable, despite its reasonable efforts so to do, to take out such insurance or make such repairs, renewals, and replacements.



## ARTICLE VII

### DAMAGE, DESTRUCTION, AND CONDEMNATION

#### SECTION 7.1      Damage and Destruction.

(a) If, prior to full payment of the Note (whether at maturity or by prepayment or otherwise, as provided in the Note), the Project is damaged by fire or other casualty to such extent that the claim for loss under the insurance policies required to be carried pursuant to Section 6.4(a), Section 6.4(b), and Section 6.4 (d), hereof resulting from such destruction or damage, is not greater than \$\_\_\_\_\_, the Company (i) shall promptly repair, rebuild, or restore the Project to substantially the same condition thereof as existed prior to the event causing such damage or destruction with such changes, alterations, and modifications (including the substitution and addition of other property) as may be desired by the Company and as will not impair the value or the character of the Project, and (ii) will apply for such purpose so much as may be necessary of any Net Proceeds of insurance resulting from such claims for losses. All Net Proceeds of insurance resulting from such claims for losses shall be paid to the Company, subject to the provisions of Section 7.1(e).

(b) If, prior to full payment of the Note (whether at maturity or by prepayment or otherwise, as provided in the Note), the Project is damaged by fire or other casualty to such extent that the claim for loss under the insurance policies required to be carried pursuant to Section 6.4(a), Section 6.4(b), and Section 6.4(c) hereof resulting from such damage is in excess of \$\_\_\_\_\_, the Company shall promptly give written notice thereof to the Assignee. All Net Proceeds of insurance resulting from such claims for losses in excess of \$\_\_\_\_\_ shall be paid to and held by the Assignee in a separate trust account, whereupon the Company shall proceed promptly to repair, rebuild, or restore the Project to substantially the same condition thereof as existed prior to the event causing such damage, with such changes, alterations, and modifications (including the substitution and addition of other property) as may be desired by the Company and as will not impair the value or the character of the Project. The Company is authorized to direct the Assignee to disburse so much as may be necessary of the Net Proceeds of such insurance to payment of the costs of such repair, rebuilding, or restoration, and such disbursement shall be made by the Assignee upon receipt of instructions and other documents, as provided in Section 4.3 hereof, as in the case of disbursements from the Acquisition Account.

(c) In the event the Net proceeds are not sufficient to pay in full the costs of any such repair, rebuilding, or restoration, the Company shall nonetheless complete said work and shall pay that portion of the costs thereof in excess of the amount of said Net Proceeds.

(d) The Company shall not, by reason of the payment of such excess costs made pursuant to Section 7.1(c), be entitled to any reimbursement from the County, the Assignee, or the holders or owners of the Note or any abatement or diminution of the payments made under Section 5.2 hereof.

(e) Any balance of such Net Proceeds remaining after payment of all costs of such repair, rebuilding, or restoration made pursuant to Section 7.1(a) and (b) shall be paid forthwith to the Assignee as a pro-rata prepayment of principal of the Note in inverse order of maturity, based on the principal amount then outstanding. If the Note has been fully paid (whether at maturity or by prepayment or otherwise, as provided in the Note), all Net Proceeds shall be paid to the Company.

(f) Notwithstanding any other provision of this Section, in any event of damage or destruction when the Note is not outstanding and unpaid, there shall be no obligation on the part of the Company to restore the Project.

#### SECTION 7.2      Condemnation.

In the event that title to, or the temporary use of, the Project or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm, or corporation acting under governmental authority, the Company shall be obligated to continue to make the payments specified in Section 5.2 hereof. The County, the Company, and the Assignee shall cause the Net Proceeds received by them or any of them from any award made in such eminent domain proceedings to be disbursed for application by the Company in one or more of the following ways as shall be directed in writing by the Company:

(a) To the restoration of the Project to substantially the same condition thereof as existed prior to the exercise of the said power of eminent domain.

(b) To the acquisition, by construction or otherwise, in the name of the Company, of improvements consisting of a building or buildings, facilities, furnishings, equipment, or other properties suitable for the Company's operations at the Project, which improvements shall be deemed a part of the Project and subjected to the lien of the Mortgage; provided

that such improvements or acquisitions by the Company shall be approximately equivalent in value to the part of the Project so taken or lost and shall not be subject to any liens or encumbrances prior to or on a parity with the lien of the Mortgage, other than Permitted Encumbrances.

(c) To prepayment of principal of the Note in inverse order of principal installments, provided that the Company shall furnish to the County and the Assignee a certificate of an Independent Engineer stating (i) that the property forming a part of the Project that was taken by such condemnation proceedings is not essential to the Company's use or occupancy of the Project, or (ii) that the Project has been restored to a condition substantially equivalent to its condition prior to the taking by such condemnation proceedings, or (iii) that improvements have been acquired which are suitable for the Company's operations at the Project as contemplated by the foregoing subsection (b) of this Section and which give the Project the ratio of value to the outstanding Note not less than that which existed immediately prior to such condemnation proceedings.

In the event the Net Proceeds are applied pursuant to subsection (a) or (b) and are not sufficient to pay in full the costs of such restoration or acquisition of improvements, as the case may be, the Company shall nonetheless complete said work and shall pay that portion of the costs thereof in excess of the amount of the Net Proceeds. The Company shall not, by reason of the payment of any such excess costs, be entitled to any reimbursement from the County, the Assignee, or the holders or owners of the Note or any abatement or diminution of the amounts payable under Section 5.2 hereof.

Any balance of the Net Proceeds of the award in such eminent domain proceedings shall be forthwith paid to the Assignee to be applied to prepayment of principal of the Note in inverse order of principal installments. If the Note has been fully paid (whether at maturity or by prepayment or otherwise, as provided in the Note), all Net Proceeds shall be paid to the Company.

Notwithstanding any other provision of this Section, in any event of condemnation when the Note is not outstanding and unpaid, there shall be no obligation on the part of Company to restore or repair the Project.

## ARTICLE VIII

### SPECIAL COVENANTS

#### SECTION 8.1      No Warranty of Condition or Suitability by the County.

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

#### SECTION 8.2      County's and Assignee's Right of Access to the Project and to Company Records.

The Company agrees that the County, the Assignee, and the duly authorized agents of each of them shall have the right at all reasonable times during normal business hours to enter upon the Land and to examine and inspect the Project, including such rights of access to the Project as may be reasonably necessary for the proper maintenance of the Project (including such rights of access as may be reasonably necessary in the event of failure by the Company to perform its obligations under Section 6.1 hereof). The County and the Assignee shall also have access to and the right to inspect, examine, and make copies of the books and records and any and all accounts, similar data, and income tax and other tax returns of the Company.

#### SECTION 8.3      Company to Maintain its Corporate Existence, Conditions under which Exceptions Permitted.

The Company agrees that during the term of this Agreement it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another corporation or permit one or more corporations (other than a subsidiary) to consolidate with or merge into it; provided, however, that the Company may, without violating the agreements contained in this Agreement, consolidate with or merge into another corporation, or permit one or more corporations to consolidate with or merge into it, or sell or otherwise transfer to another corporation all or substantially all of its assets as an entirety and thereafter dissolve, if the successor corporation or transferee assumes in writing all of the obligations of the Company under this Agreement, and is duly qualified to do business in the State of South Carolina.

#### SECTION 8.4      Qualification in South Carolina.

The Company warrants that it is, and throughout the term of this Agreement it will continue to be, duly qualified to do business in South Carolina.



SECTION 8.5      Indemnification Covenants.

(a) The Company agrees to indemnify and save the County, and the Assignee harmless against and from all claims by or on behalf of any person, firm, or corporation arising from the conduct or management of, or from any work or thing done on, the Project during the term of this Agreement and, the Company further shall indemnify and save the County and the Assignee harmless against and from all claims arising during the loan term from (i) any condition of the Project, (ii) any breach or default on the part of the Company in the performance of any of its obligations under this Agreement, (iii) any act of negligence of the Company or of any of its agents, contractors, servants, employees, or licensees, or (iv) any act of negligence of any assignee of the Company, or of any agents, contractors, servants, employees, or licensees of any assignee of the Company. The Company shall indemnify and save the County and the Assignee harmless from and against all costs and expenses incurred in or in connection with any such claim arising as aforesaid or in connection with any action or proceeding brought thereon, and upon notice from the County or the Assignee, the Company shall defend them or either of them in any such action or proceeding.

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

SECTION 8.6      Covenants of Company with Respect to Tax  
Exemption of Note.

In order to ensure that interest on the Note is not and will not become subject to Federal income taxes as a result of failure of the Note to qualify as an exempt small issue under Section 103(b)(6)(A) and (D)

of the Code, the Company covenants with the County and the Assignee as follows:

(a) That all rights and privileges granted to the Company hereunder shall be exercised in such manner that the covenants made by this Section 8.6 shall be observed, and if any conflict between Section 8.6 and any other provisions in this Agreement shall arise, then, in such case, Section 8.6 shall control;

(b) That the Company has not committed nor permitted and will not commit nor permit the commission of any act which would cause the Note not to qualify as, or not to continue to be qualified as, an exempt small issue under the provisions of Section 103(b)(6)(A) and (D) of the Code;

(c) That the Company will not fail to take any action necessary to be taken in order that the Note shall qualify as, and continue to be, an exempt small issue under the provisions of said Section 103(b)(6)(A) and (D) of the Code;

(d) That it will comply with Section 103 of the Code and with the governing regulations applicable to Section 103 of the Code, including, without limitation, Sections 1.103-13, 1.103-14, and 1.103-15 of the Income Tax Regulations applicable to Section 103 of the Code, to the extent that compliance therewith is necessary in order that interest on the Note shall remain exempt from Federal income taxes.

Nothing contained in this Section 8.6 shall create any obligation upon the Company or the County as a result of interest on the Note becoming taxable by virtue of the provisions of Section 103(b)(10) of the Code.

## ARTICLE IX

### ASSIGNMENT, LEASING, SALE, OR OTHER DISPOSITION

#### SECTION 9.1      Assignment, Leasing, Sale, and Other Disposition.

This Agreement may be assigned, and the Project may be leased, sold, or otherwise disposed of, as a whole or in part, by the Company with the prior written consent of the Assignee, subject, however, to each of the following conditions:

(a) No assignment, lease, sale, or other disposition of the Project shall relieve the Company from primary liability for any of its obligations hereunder, and, in the event of any such assignment, lease, sale, or other disposition, the Company shall continue to remain primarily liable for payment of the amounts specified in Section 5.2 hereof and for the payment, performance, and observance of the other obligations and agreements on its part herein provided to be performed and observed by it.

(b) The assignee, lessee, or transferee shall assume in writing the obligations of the Company hereunder to the extent of the interest assigned, leased, or transferred;

(c) The Company shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the County and to the Assignee a true and complete copy of each such assignment, lease, deed, or other instrument of transfer, as the case may be.

#### SECTION 9.2      Assignment of Loan Agreement by the County.

The County will assign its interest in this Agreement and all income, revenues, or receipts to be derived by the County hereunder to the Assignee, for the payment of principal of, premium, if any, and interest on the Note, as the same become due. The Company hereby acknowledges and consents to such Assignments.

#### SECTION 9.3      Mortgage of Project by Company and Assign- ment of the Mortgage by the County.

The Company will grant, as security for its obligations under this Agreement, a first mortgage on the Project to the County, which the County will assign to the Assignee, as agent for the holder or holders of the Note. The Company hereby acknowledges and consents to such Assignment of the Mortgage. The Mortgage may be amended or modified only as provided therein.

SECTION 9.4      Restrictions on Sale or Other Disposition of the Project.

The Company agrees that it will not sell, convey, mortgage, encumber, or otherwise dispose of any part of, or interest in, the Project during the term of this Agreement, except as set forth in Sections 9.1, and 9.3 hereof.

SECTION 9.5      Prepayment of Note.

The County, at the prior written request at any time of the Company, shall forthwith take all steps that may be necessary under the applicable prepayment provisions of the Note to effect prepayment of all or part of the outstanding balance of the Note as may be specified by the Company on the earliest prepayment date on which such prepayment may be made under such applicable provisions.

SECTION 9.6      Reference to Note Ineffective After Note Paid.

Upon payment in full of the Note (whether at maturity or by prepayment or otherwise, as provided in the Note) all references in this Agreement to the Note and the Assignee shall be ineffective and neither the Assignee nor the holders of the Note shall thereafter have any rights hereunder, saving and excepting those that shall have theretofore vested or those that shall be expressly provided herein.

SECTION 9.7      Installation of Additional Machinery and Equipment by the Company.

The Company may from time to time, in its sole discretion and at its own expense, install additional machinery, equipment, and other personal property which may be attached or affixed to the Project. All such additional machinery, equipment, and other personal property which was not directly or indirectly purchased with the proceeds of the Note and which is not in replacement or substitution for Equipment under Section 6.2 hereof shall remain the sole property of the Company and the Company may, upon identification of such additional machinery, equipment, or personal property to the Assignee, remove the same from the Project at any time, in its sole discretion and at its own expense; provided, that any damage to the Project resulting from any such removal shall be repaired by the Company at the expense of the Company. The Company may create any mortgage, encumbrance, lien, or charge on any such additional machinery, equipment, and other personal property, provided that the same will not diminish or impair the security intended to be given by or under the Mortgage.



## ARTICLE X

### EVENTS OF DEFAULT AND REMEDIES

#### SECTION 10.1 Events of Default Defined.

The following events shall be "events of default" under this Agreement and the terms "event of default" or "default", whenever such terms are used herein, shall mean:

(a) Failure of the Company to make the payments required by Section 5.2 hereof within ten (10) business days after the due date. All payments of principal and interest made after the due date shall be subject to an additional charge from the due date at the Penalty Rate.

(b) Any material representation or warranty made by the Company herein, or made by the Company in any written statement or certificate furnished in connection with this Agreement, the Note, or the Mortgage, which proves to have been incorrect in any material respect when made;

(c) Failure by the Company to perform any covenant, condition, or agreement in this Agreement on the part of the Company to be observed or performed, other than as referred to in subsections (a) and (b) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied shall have been given to the Company by the County or the Assignee; provided, however, in the case of any such default specified in this Section 10.1(c) which cannot with due diligence be cured within such 30-day period, it shall not constitute an event of default if corrective action is instituted by the Company within such 30-day period, is diligently pursued, and the default is corrected within ninety (90) days after the written notice hereinabove specified has been given.

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

(e) The commencement by the Company of a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency, or any other similar law, or the consent by it to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Company or for any substantial part of its property, or the making by it of any assignment for the benefit of creditors, or the failure of the Company generally to pay its debts as such debts become due, or the taking of corporate action by the Company in furtherance of any of the foregoing, or the occurrence of any of the following: the Company shall admit in writing its inability to pay its debts; the Company shall conceal, remove, or permit to be concealed or removed any part of its property with intent to hinder, delay, or defraud its creditors or any of them; the Company shall make or suffer a transfer of any of its property with intent to hinder, delay, or defraud its creditors or any of them; or the Company shall make or suffer a transfer of any part of its property within four (4) months of insolvency for less than full and adequate consideration; or the Company shall suffer or permit, while insolvent, any creditor to obtain a lien upon any of its property through legal proceedings or distraint and shall not vacate or discharge such lien within thirty (30) days from the date thereof, or at least five (5) days before the date set for any sale or other disposition of such property.

The provisions of subsection (c) of this Section are subject to the following limitations: if, by reason of force majeure, the Company is unable in whole or in part to carry out the agreements of the Company on its part herein contained (other than the obligations on the part of the Company contained in Article V and Sections 6.3, 6.4, and 8.5 hereof, to which this paragraph shall have no application), the Company shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes; lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of South Carolina or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricane; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes, or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Company, in each case which has the effect of making it impossible (as distinguished from impracticable) for the Company to perform, it being agreed that the settlement of strikes, lockouts, and other industrial disturbances shall be entirely within the discretion of the Company, and the Company shall not be required to make settlement of strikes, lockouts, and other

industrial disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the Company, unfavorable to the Company.

SECTION 10.2 Remedies on Default.

Whenever any event of default referred to in Section 10.1 hereof shall have happened and be subsisting, the County or the Assignee may take any one or more of the following remedial steps:

(a) The Assignee, or the County with the prior written consent of the Assignee, may, at its option, declare all amounts payable under Section 5.2 hereof for the remainder of the term of this Agreement to be immediately due and payable, whereupon the same shall become immediately due and payable, and which amounts the Company hereby agrees to pay.

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

(c) The Assignee, or the County with the prior written consent of the Assignee, may (or, upon the written direction of the Assignee, the County shall) exercise any remedies available under the Uniform Commercial Code.

Any amounts collected pursuant to action taken under this Section shall be paid to the Assignee and applied to the payment of, first, any costs incurred by the County or the Assignee in taking such action; second, the payment of the accrued interest on the Note; and third, the unpaid principal of the Note in the inverse order in which installments thereof become due and, if the Note has been fully paid (whether at maturity or by prepayment or otherwise, as provided in the Note) and the Company is then in good standing with respect to the payment of amounts due hereunder and shall have paid the County and the Assignee all other sums due and owing hereunder, such amount shall be paid to the Company.

No action taken pursuant to this Section shall relieve the Company from the Company's obligations pursuant to Section 5.2 and Section 10.2(a) hereof, all of which shall survive any such action, and the County or the Assignee may take whatever action at law or in equity as may appear necessary and desirable to collect the amounts then due and thereafter to become due and/or to enforce the performance and observance of any obligation, agreement, or covenant of the Company hereunder.

SECTION 10.3      No Remedy Exclusive.

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

SECTION 10.4      Agreement to Pay Attorneys' Fees and Expenses.

In the event the Company should default under any of the provisions of this Agreement and the County or the Assignee should employ attorneys or incur other expenses for the collection of amounts due hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Company herein contained, the Company agrees that it will, on demand therefor, pay to the County or the Assignee the reasonable fees of such attorneys and such other expenses so incurred by the County or the Assignee.

SECTION 10.5      No Additional Waiver Implied by One Waiver.

In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived, and shall not be deemed to waive any other breach hereunder. No waiver shall be effective unless in writing.



## ARTICLE XI

### OPTIONS IN FAVOR OF THE COMPANY

#### SECTION 11.1 Options to Terminate this Agreement.

The Company shall have, and is hereby granted, the following options to terminate this Agreement:

(a) At any time prior to full payment of the Note (whether at maturity or by prepayment or otherwise, as provided in the Note), the Company may terminate this Agreement by paying to the Assignee an amount which will be sufficient to pay and retire the Note (including, without limiting the generality of the foregoing, principal, premium, if any, interest to maturity or earliest applicable prepayment date, as the case may be, expenses of prepayment, and Assignee's fees and expenses).

(b) At any time after full payment of the Note (whether at maturity or by prepayment or otherwise, as provided in the Note) and of any and all sums then due to the County and the Assignee under this Agreement, the Company may terminate this Agreement by giving the County notice in writing of the termination, the termination shall forthwith become effective, and the County will execute and deliver to the Company such documentation as the Company, at its cost, shall reasonably require to evidence the termination of the Company's obligations hereunder and under the Mortgage, and publicly to record such evidence.

#### SECTION 11.2 Relative Position of Options and Mortgage.

The options respectively granted to the Company in this Article shall be and remain prior and superior to the Mortgage and may be exercised whether or not the Company is in default hereunder.

ARTICLE XII

ADDITIONAL OBLIGATIONS OF COMPANY AND COUNTY

SECTION 12.1    Company's Obligation to Pay Taxable Rate under Certain Circumstances.

If, subject to the provisions of this Section 12.1,

(a) interest on the Note becomes subject to Federal income taxation as a result of a change in the Federal tax laws (for the purposes of this clause (a), interest on the Note becomes subject to Federal income taxation when the President of the United States of America signs into law legislation which, in the opinion of nationally recognized bond counsel, assuming the validity of the legislation, requires that interest on the Note be included in the gross income of the holder thereof for Federal income tax purposes), or

(b) interest on the Note be determined to be subject to Federal income taxation by:

(i) the National Office of the Internal Revenue Service of the United States Treasury Department, or

(ii) the District Director of Internal Revenue for the District in which the Company or any noteholder files its Federal income tax returns, or

(iii) any court of competent jurisdiction except as a result of the application of Section 103(b)(10) of the Code, or

(c) interest on the Note becomes subject to Federal income taxation as a result of any tax preference or minimum tax provision, or

(d) interest on the Note is asserted to be subject to Federal income taxation by the Internal Revenue Service, and such assertion is determined to be reasonable by an opinion of counsel selected by the Assignee (each such event described in Paragraph (a), (b), (c), or (d) hereof being hereinafter referred to in this Section 12.1 as the "Official Determination"),

the Company agrees to pay interest on the Note at the Taxable Rate hereinafter mentioned from the date on which interest on the Note became, or was determined to have become, taxable, to the date of payment of the Note in order that the owner of the Note during the

period when interest thereon was subject to Federal income taxation as a result of an Official Determination shall be entitled to receive interest thereon at the Taxable Rate (based on a year of 360 days per year) during such period; provided that, the Company shall be entitled to a credit against such interest at the Taxable Rate in the amount of any interest previously paid on the Note during the period when interest thereon was subject to Federal income taxation. The obligation of the Company under this Section 12.1 shall survive any termination of this Agreement.

The Taxable Rate shall be the annual rate (based on a year of 365 or 366 days per year, as the case may be) which shall be sufficient to yield to the Assignee an after-tax rate of return of eighty-five per cent (85%) of the prime interest rate per annum announced as such from time to time by the Assignee, but in no event less than 10% per annum, at its principal office in Dallas, Texas, such taxable rate to change automatically from time to time, effective as of the effective date of each change in said prime rate. In the event that the maximum marginal Federal corporate income tax rate presently imposed on the taxable income of corporations pursuant to Subtitle A, Chapter 1A, Part II, Section 11(b) or any successor provision of the Internal Revenue Code of 1954, as amended, as in effect from time to time (the "Base Rate") is either increased or decreased from the present 46% rate, the Taxable Rate shall be increased or decreased as follows: the new rate of interest shall be the Tax Equivalent Yield multiplied by the difference between one (1) and the new Base Rate. "Tax Equivalent Yield" shall mean 85% of the prime rate announced as such from time to time in effect, divided by 54%.

If such Official Determination is reversed or withdrawn by competent authority, the Company shall be relieved of such obligation to pay interest at the Taxable Rate, and the Assignee will rebate to any Company any refunds received by it.

Nothing herein contained shall create any obligation upon the Company or the County as a result of interest on the Note becoming taxable by virtue of the provisions of Section 103(b)(10) of the Code or any successor provision thereto.

SECTION 12.2 Company's Option to Pay Note in Full As a Result of Official Determination.

If an Official Determination shall be made, the Company may elect to prepay the Note in full, for an amount equal to the outstanding principal balance of and accrued interest on the Note, together with any additional amounts required to be paid by Section 12.1 to the earliest prepayment date.

## ARTICLE XIII

### MISCELLANEOUS

#### SECTION 13.1     Notices.

All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, or given when dispatched by telegram addressed as follows: if to the County, to the County Council of Spartanburg County, Post Office Box 5666, Spartanburg, South Carolina 29304; if to the Company, at Spartanburg Steel Products, Inc., \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, Attention: \_\_\_\_\_; if to the Assignee, at \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, Attention: \_\_\_\_\_. The County, the Company, and the Assignee may, by notice given to all parties to this Agreement and the Mortgage, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

#### SECTION 13.2     Recording and Filing.

(a) The Mortgage shall be recorded and indexed as a mortgage in the appropriate office of the County in which the Project is located and/or such other office as may at the time be provided by law as the proper place for recordation thereof. The security interest of the County created in the Mortgage as to any fixtures forming a part of the Project shall be perfected by the filing of financing statements which fully comply with the South Carolina Uniform Commercial Code--Secured Transactions, in the appropriate office of the County in which the Project is located, and in the Office of the Secretary of State in the City of Columbia, South Carolina. The parties further agree that all necessary continuation statements shall be filed by the Company within the time prescribed by the South Carolina Uniform Commercial Code--Secured Transactions, in order to continue the security interest created by the Mortgage, to the end that the rights of the County in the Project shall be fully preserved as against creditors of, or purchasers for value from, the Company.

(b) The Mortgage may be recorded prior to the delivery of the Note. If subsequent to such recording, the Note shall not be delivered on or before the date prescribed in Section 4.2 hereof, or such later date as the Company may agree upon in writing, then this Agreement and the Mortgage shall be of no force and effect and, in such event, the



County and the Company do hereby mutually release and discharge each other from any and all claims of any character which either may have against the other by reason of or arising from a failure to deliver the Note. All parties shall execute such further instruments as may be necessary to fully implement the provisions of this subsection (b) of Section 13.2.

SECTION 13.3 Other Instruments.

(a) The Company covenants to deliver to the County and the Assignee within sixty (60) days after the Completion Date a description of the Project on the Completion Date if the Project is not then adequately described in the granting clauses of the Mortgage, as then supplemented, and in this Agreement, as then amended. Such description shall be sufficiently detailed so as to enable counsel to render the opinion referred to in clause (4) of the next succeeding sentence. Within thirty (30) days after delivery of such description, the Company covenants that it will:

(1) prepare a supplement to the Mortgage and an amendment to this Agreement, each containing an adequate and full description of the Project;

(2) deliver the supplement to the Mortgage to the Assignee and the County and the supplement to this Agreement to the County for execution;

(3) deliver the fully executed supplement to the Mortgage to the appropriate recording or filing officer for recording and filing or re-recording and re-filing in all places required by the opinion of counsel referred to in Clause (4) of this subsection (a) of this Section 13.3; and

(4) deliver to the Assignee a written opinion of counsel (who may be counsel for the County or the Company) addressed to the Assignee that the description of the Mortgaged Property (being the property described under Paragraphs I, II, III, IV, and V of the Mortgage), contained in the granting clauses of the Mortgage, as supplemented, and the description of the Project contained in this Agreement, as supplemented, are adequate for all purposes thereof and hereof and in the opinion given with respect to the Completion Date, that such descriptions include descriptions of

the entire Project; that the Mortgage as supplemented, constitutes a valid first mortgage lien in the said Project, subject only to Permitted Encumbrances other than the Mortgage; that the Mortgage, as supplemented, and all financing statements, continuation statements, notices, and other instruments required by applicable law have been recorded or filed or re-recorded or re-filed in such manner and in such places required by law in order fully to preserve and protect the rights of the holders or owners of the Note and the Mortgage in the Project (and in the assignment to the Assignee of income, receipts, or revenues payable under this Agreement) as against creditors of, or purchasers for value from, the Company.

(b) The Company, the County, and the Assignee shall execute and deliver all instruments and shall furnish all information and evidence reasonably deemed necessary or advisable by such counsel in order to enable him to render the opinion referred to in subsection (a)(4) of this Section 13.3. The Company shall file and record and re-record or cause to be filed and recorded and re-recorded all instruments required to be filed and recorded and re-recorded pursuant to the opinion of such counsel and shall continue or cause to be continued the liens of such instruments for so long as the Note shall be outstanding, except as otherwise in this Agreement required.

#### SECTION 13.4 Binding Effect.

This Agreement shall inure to the benefit of and shall be binding upon the County, the Company, and their respective successors and assigns, subject, however, to the provisions of Sections 8.5, 9.1, 9.2, and 9.3 hereof.

#### SECTION 13.5 Severability.

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

#### SECTION 13.6 Amounts Held by the Assignee.

It is agreed by the parties hereto that any amounts held by the Assignee upon expiration or sooner termination of the term of this Agreement, as provided in this Agreement, after payment in full of the Note (whether at maturity or by prepayment or otherwise, as provided in the Note) and the fees, charges, and expenses of the Assignee, in

accordance with this Agreement, shall belong to and be paid to the Company by the Assignee as overpayment of amounts due hereunder.

SECTION 13.7     Amendments, Changes, and Modifications.

This Agreement may not be amended, changed, modified, altered, or terminated without in each instance the prior written consent of the County, the Company, and the Assignee.

SECTION 13.8     Execution of Counterparts.

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

SECTION 13.9     Law Governing Construction of Agreement.

This Agreement is prepared and entered into with the intention that the Laws of the State of South Carolina shall govern its construction.

IN WITNESS WHEREOF, SPARTANBURG COUNTY, SOUTH CAROLINA, has executed this Loan Agreement by causing its name to be hereunto subscribed by the County Administrator of Spartanburg County and attested by the Clerk of the County Council of Spartanburg County; and SPARTANBURG STEEL PRODUCTS, INC., has executed this Loan Agreement by its President, attested by its Secretary, under its Seal, all being done as of the day and year first above written.

SPARTANBURG COUNTY, SOUTH CAROLINA

By: \_\_\_\_\_

K. L. Westmoreland  
County Administrator  
Spartanburg County, South Carolina

ATTEST:

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

Signed, Sealed, and Delivered in  
the Presence of:

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



SPARTANBURG STEEL PRODUCTS, INC.

(SEAL)

By: \_\_\_\_\_  
\_\_\_\_\_, President

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_, Secretary

Signed, Sealed, and Delivered  
in the Presence of:

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

EXHIBIT A

(Attached to Loan Agreement between Spartanburg County, South Carolina, and Spartanburg Steel Products, Inc., dated as of September 1, 1982).

DESCRIPTION OF LAND

EXHIBIT B

(Attached to Loan Agreement between Spartanburg County, South Carolina, and Spartanburg Steel Products, Inc., dated as of September 1, 1982).

DESCRIPTION OF EQUIPMENT ACQUIRED AND  
TO BE ACQUIRED OUT OF PROCEEDS OF THE NOTE

EXHIBIT C

UNITED STATES OF AMERICA  
STATE OF SOUTH CAROLINA  
COUNTY OF SPARTANBURG  
INDUSTRIAL REVENUE NOTE, SERIES 1982  
(SPARTANBURG STEEL PRODUCTS, INC., PROJECT)

\$3,000,000.00

KNOW ALL MEN BY THESE PRESENTS, that SPARTANBURG COUNTY, SOUTH CAROLINA, a body politic and corporate, and a political subdivision of the State of South Carolina (the County), for value received, promises to pay, but only from the source and as hereinafter provided, in immediately available funds, to the order of MERCANTILE NATIONAL BANK AT DALLAS, (the Assignee), at its principal office in the City of Dallas, State of Texas (or at such other place as the holder hereof shall designate in writing to the County), the sum of THREE MILLION and no/100 (\$3,000,000.00) DOLLARS, together with interest from the date hereof on the principal amount from time to time outstanding, at the rate (the Tax-Free Rate) of eighty-five per centum (85%) per annum of the prime rate announced as such by the Assignee at its principal office in Dallas, Texas, but in no event less than 10% per annum, such rate to change automatically from time to time. The Note shall mature September 1, 1997 from date of its delivery subject to the continuing right of the holder of the Note to demand redemption of the Note on one hundred (180) days notice to the Company of holder's demand for such redemption.

In the event that the maximum marginal Federal corporate income tax rate presently imposed on the taxable income of corporations pursuant to Subtitle A, Chapter 1A, Part II, Section 11(b) or any successor provision of the Internal Revenue Code of 1954, as amended, as in effect from time to time (the "Base Rate") is either increased or decreased from the present 46% rate, the Tax-Free Rate shall be increased or decreased as follows: the new rate of interest shall be the Tax Equivalent Yield multiplied by the difference between one (1) and the new Base Rate. "Tax Equivalent Yield" shall mean 85% of the prime rate announced as such from time to time in effect, divided by 54%.

If an Official Determination, as defined in Section 12.1 of the Loan Agreement, dated as of September 1, 1982, between the County and Spartanburg Steel Products, Inc., a corporation organized and existing under the Laws of the State of South Carolina (the Company) (the Loan Agreement), shall occur, the County agrees to pay, but only from the revenues and receipts specified in Section 5.2 and Section 12.1 of the Loan Agreement, additional payments, as described in Section 12.1 of the Loan Agreement.



This Note is the "Note" referred to in the Loan Agreement and is secured by the terms of a mortgage and security agreement, dated as of September 1, 1982, given by the Company to the County (the Mortgage), which Mortgage is assigned by an Assignment of Mortgage, dated as of September 1, 1982, by the County to the Assignee, as agent for the holder or holders of this Note and any notes hereafter issued on parity herewith (the Assignment of the Mortgage). This Note is issued for the purpose of financing the acquisition of the Equipment forming a part of the Project, as such terms are defined in the Loan Agreement, and thereby to promote commerce and develop trade in South Carolina. Under the Loan Agreement, the Company must pay to the Assignee, for the account of the County (the Loan Agreement and income, revenue, and receipts having been assigned and pledged to the Assignee by the County by the Assignment of the Loan Agreement, dated as of September 1, 1982 [the Assignment of the Loan Agreement], for that purpose), such payments as will be fully sufficient to pay the principal of, premium, if any, and interest on this Note as the same matures and becomes due. Copies of the Mortgage and the Assignment of the Mortgage and the Loan Agreement, the Assignment of the Loan Agreement are on file at the principal office of the Assignee in the City of Dallas, Texas, and the Mortgage and Assignment of the Mortgage are recorded in the Office of the Register of Mesne Conveyances for Spartanburg County, South Carolina, and reference is made to the Mortgage and Loan Agreement for a description of the security, the provisions, among others, with respect to the nature and extent of the rights and remedies of the holder of this Note, the rights, duties, and obligations of the County, the Company, and the Assignee and the terms upon which this Note is issued and secured.

The payment of principal of, premium, if any, and interest on this Note is unconditionally guaranteed by Brenlin Corporation, pursuant to the terms of a Guaranty Agreement dated as of September 1, 1982, between Brenlin Corporation and the Assignee, and by the joint and several guarantee of Paul F. White, Richard M. Hamlin, David L. Brennan and James P. McCready, of an aggregate principal amount of \$2,000,000 of the Note pursuant to the terms of a Guaranty Agreement dated as of September 1, 1982, among Paul F. White, Richard M. Hamlin, David L. Brennan and James P. McCready and the Assignee.

This Note is issued pursuant to the authorization of and for the purposes prescribed by Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended by Act No. 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980, and further amended by Act No. 179 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1981, and pursuant to an Ordinance duly enacted by the County Council of Spartanburg County and with the approval of the State Budget and Control Board of the State of South Carolina. This Note is a limited obligation of the County and is payable by the County solely out of the income, revenues, and receipts received under the Loan Agreement (excluding amounts paid by the

Company to the County pursuant to Sections 6.3, 8.5, or 10.4 of the Loan Agreement). The full faith, credit, and taxing powers of the County are not pledged to the payment of principal of, premium, if any, or interest on this Note.

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

Pursuant to the Loan Agreement, payments sufficient for the prompt payment, when due, of the principal of, premium, if any, and interest on the Note are to be paid by the Company to the Assignee for the account of the County and have been pledged for that purpose, and, in addition, the Project has been subjected to the lien of the Mortgage to secure payment of such principal and interest and of the payment of the principal and interest of any notes issued on parity herewith.

This Note is not subject to prepayment prior to September 1, 1985 and thereafter it may be prepaid at the request of the Company, at its option, prior to maturity in whole on the prepayment dates and at the prepayment prices (expressed as percentage of principal amount then outstanding) set forth in the table below:

<u>Prepayment Date</u>	<u>Prepayment Price</u>
Prior to September 1, 1985	No Prepayment
September 1, 1985 to September 1, 1986	102%
September 1, 1986 to September 1, 1987	101½%
September 1, 1987 to September 1, 1988	101%
September 1, 1988 to September 1, 1989	100½%
September 1, 1989 to September 1, 1997	100%

Under certain circumstances, as provided in Sections 4.3(k), 6.2(b), 7.1(d), and 7.2(c) of the Loan Agreement, moneys received by the Company shall be applied to the payment of principal installments on the Note in inverse order of maturity.

If an Official Determination, as defined in Section 12.1 of the Loan Agreement, shall occur, the Note may be called for prepayment at the election of the Company in the principal amount thereof, plus accrued interest, plus additional payments, as described in Section 12.1 of the Loan Agreement, to the prepayment date.

Upon the happening of an event of default, as defined in the Loan Agreement or the Mortgage, or upon failure to pay principal or interest hereunder, the principal of the Note then outstanding may be declared due and payable before the stated maturity thereof, together with interest accrued thereon.

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

IN WITNESS WHEREOF, SPARTANBURG COUNTY, SOUTH CAROLINA, has caused this Note to be executed by the Chairman of the County Council of Spartanburg County, South Carolina, by his manual signature and attested by the County Administrator of Spartanburg County, South Carolina, by his manual signature, all on the \_\_\_\_\_ day of \_\_\_\_\_, A.D. 1982.

SPARTANBURG COUNTY, SOUTH CAROLINA

By:XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX  
Chairman, County Council of  
Spartanburg County, South Carolina

ATTEST:

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX  
County Administrator  
Spartanburg County, South Carolina

STATE OF SOUTH CAROLINA     )  
                                      )  
COUNTY OF SPARTANBURG     )

ASSIGNMENT OF LOAN AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that SPARTANBURG COUNTY, SOUTH CAROLINA, a body politic and corporate and a political subdivision of the State of South Carolina, acting by and through the County Council of Spartanburg County, in consideration of the sum of ONE and no/100 (\$1.00) DOLLAR to it in hand paid at and before the sealing of these presents, the receipt of which is hereby acknowledged, does hereby assign, transfer, and set over unto the MERCANTILE NATIONAL BANK AT DALLAS, its successors and assigns, as the holder of the \$3,000,000 Spartanburg County, South Carolina, Industrial Revenue Note, Series 1982 (Spartanburg Steel Products, Inc., Project) (the Note), as security for (i) the payment of the principal of and interest on the Note, dated the date of its delivery, issued pursuant to this Agreement, and (ii) the due performance and observance by the County of all of its covenants and agreements in the Note and the Loan Agreement (hereinafter defined), the following:

All of the right, title, and interest of the said Spartanburg County in and to the foregoing Loan Agreement, dated as of September 1, 1982, between said Spartanburg County, South Carolina, and Spartanburg Steel Products, Inc., excepting only the rights of Spartanburg County to be indemnified pursuant to Section 8.5 thereof, the right to receive taxes and other governmental charges pursuant to Section 6.3 thereof, and the right to receive attorneys' fees pursuant to Section 10.4 thereof.

The parties hereto agree that the pledge and assignment made hereby shall not subject the Mercantile National Bank at Dallas of



to, or transfer or pass, or in any way affect or modify, any obligations of the County under the Loan Agreement, it being understood and agreed that all such obligations of the County shall be and remain enforceable only against the County.

IN WITNESS WHEREOF, SPARTANBURG COUNTY, SOUTH CAROLINA, has executed this Assignment by causing its name to be subscribed by the County Administrator of Spartanburg County, South Carolina, and attested by the Clerk of the County Council of Spartanburg County, all being done as of the 1st day of September, A.D. 1982.

SPARTANBURG COUNTY, SOUTH CAROLINA

By: \_\_\_\_\_

K. L. Westmoreland  
County Administrator  
Spartanburg County, South Carolina

ATTEST:

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

Signed, Sealed, and Delivered  
in the Presence of:

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

The Company hereby consents to the within Assignment.

SPARTANBURG STEEL PRODUCTS, INC.

(SEAL)

By: \_\_\_\_\_

Its: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Its: \_\_\_\_\_

Signed, Sealed, and Delivered  
in the Presence of:

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

McKAY & GUÉRARD, P. A.

POST OFFICE BOX 1119  
125 CHURCH STREET  
CHARLESTON, SOUTH CAROLINA 29402  
TELEPHONE 803/722-7606

SEP 28 1982

Julius W. McKay  
Theodore B. Guérard  
W. E. Applegate, III  
Sherwood M. Cleveland  
Adele J. Pope  
William C. Cleveland \*  
John Paul Trouche \*\*  
William P. Simpson  
Samuel W. Howell, IV  
Holly M. Rubinstein

September 27, 1982

FIRST NATIONAL BANK BUILDING  
P.O. DRAWER 7157  
COLUMBIA, S. C. 29202  
(803) 765-2306

\* Also Admitted in California  
\*\* Also Admitted in Georgia

Mr. William A. McInnis  
Secretary  
State Budget and Control Board  
Post Office Box 12444  
Columbia, South Carolina 29211

Re: \$3,000,000 Spartanburg County, South  
Carolina, Industrial Revenue Note, Series  
1982 (Spartanburg Steel Products, Inc.,  
Project)

Dear Mr. McInnis:

This is to advise that, subsequent to my letter to you of September 17, 1982, in connection with the issuance of the above referenced Note (the Note), the purchaser of the Note, Mercantile National Bank at Dallas, Dallas, Texas, eliminated the requirement that the duties and responsibilities of the agent for the holder of the Note be set forth in a Trust Indenture, and agreed that such duties and responsibilities should be set forth in the Loan Agreement between Spartanburg County, South Carolina, and Spartanburg Steel Products, Inc., as initially submitted to you for review by the Attorney General's Office. In all other respects, the details of the financing are as previously submitted to you.

Thank you for your assistance in this matter.

Sincerely yours,

*W. E. Applegate*  
W. E. Applegate, III *jam*

WEAIII/jam

002664

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

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

Box 12444  
Columbia  
29211

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

September 21, 1982

W. E. Applegate, III, Esquire  
McKay & Guerard, P.A.  
P. O. Box 1119  
Charleston, SC 29402

Dear Mr. Applegate:

Re: \$3,000,000 Spartanburg County, South Carolina,  
Industrial Revenue Note, Series 1982  
(Spartanburg Steel Products, Inc., Project)

This is to advise that I have determined that the changes outlined in your letter to me of September 17, 1982, do not materially affect the undertaking to be financed by the issuance of the referenced Note, and that further consideration by the State Budget and Control Board is not necessary. This determination was concurred in by Deputy Attorney General Karen LeCraft Henderson.

Sincerely,

*William A. McInnis*  
William A. McInnis  
Secretary

WAM:dw

cc: Roy McBee Smith, Esquire  
County Attorney  
Spartanburg County

Karen LeCraft Henderson  
Deputy Attorney General

002665



STATE BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

TO: *Karen*  
FROM: *Donna*  
DATE: *9/20/82*

- |   |   |
|---|---|
| <input type="checkbox"/> As we discussed              | <input type="checkbox"/> Note and file            |
| <input type="checkbox"/> As you requested             | <input type="checkbox"/> Note and return          |
| <input checked="" type="checkbox"/> For your approval | <input type="checkbox"/> Note and see/call me     |
| <input type="checkbox"/> For your comments            | <input type="checkbox"/> Investigate and report   |
| <input type="checkbox"/> For your information         | <input type="checkbox"/> Return with more details |
| <input type="checkbox"/> For your signature           | <input type="checkbox"/> Take appropriate action  |

*If you'll phone when you've reviewed this, I'll come to your office to pick up the package.*

*dw*

*Copy  
Pls call Elaine (560-6) & ask  
her to let I speak w/ Bill's assistant -*

*Charles*

*KCH*

002566

SEP 20 1982

McKAY & GUÉRARD, P. A.

POST OFFICE BOX 1110  
125 CHURCH STREET  
CHARLESTON, SOUTH CAROLINA 29402  
TELEPHONE 803/722-7606

Julius W. McKay  
Theodore B. Guérard  
W. E. Applegate, III  
Sherwood M. Cleveland  
Adele J. Pope  
William C. Cleveland \*  
John Paul Trouche \*\*  
William P. Simpson  
Samuel W. Howell, IV  
Holly M. Rubinstein

September 17, 1982

FIRST NATIONAL BANK BUILDING  
P.O. DRAWER 7157  
COLUMBIA, S. C. 29202  
(803) 765-2306

\* Also Admitted in California  
\*\* Also Admitted in Georgia

Mr. William A. McInnis  
Secretary  
State Budget and Control Board  
Post Office Box 12444  
Columbia, South Carolina 29211

Re: \$3,000,000 Spartanburg County, South  
Carolina, Industrial Revenue Note, Series  
1982 (Spartanburg Steel Products, Inc.,  
Project)

Dear Mr. McInnis:

The State Budget and Control Board approved the issuance of the above Note (the Note) at its meeting on August 17, 1982. The Petition of Spartanburg County to the State Budget and Control Board provided, among other things, the following:

1. The Note would be additionally secured by a Mortgage on the leasehold interest of Spartanburg Steel Products, Inc. in the real property on which and the building in which the Project is located (i.e. the existing machinery, equipment, personal property, and assets located in the existing manufacturing facility located on New Cut Road in Spartanburg County);

2. The Note would be additionally secured by an individual Guaranty of Paul F. White, Richard M. Hamlin, David L. Brennan, and James P. McCready;

3. There would be a floating interest rate tied to the prime rate, but in no event would the interest rate be less than 10%;

4. The duties and responsibilities of the agent for the holder of the Note would be included in the Loan Agreement between the County and the Company.

002667

McKAY & GUÉRARD, P. A.

Mr. William A. McInnis  
September 17, 1982  
Page 2

Subsequent to the State Budget and Control Board's approval referenced above, the purchaser of the Note, Mercantile National Bank at Dallas, Dallas, Texas, which heretofore furnished an investment letter to the State Board, has advised us that it and the Company have agreed to the following changes:

1. The elimination of the Mortgage on the leasehold interest and the individual Guaranty, both of which are referenced above;
2. The minimum rate of interest of 10% set forth above shall be changed to 7- $\frac{1}{8}$ %; and
3. The duties and responsibilities of the agent for the holder of the Note shall be set forth in a Trust Indenture between the County and Mercantile National Bank at Dallas, as Trustee, as opposed to merely incorporating those duties and responsibilities in the Loan Agreement.

With respect to the elimination of the Mortgage on the leasehold interest and the Trust Indenture, I am enclosing herewith a copy of the proposed Security Agreement covering the Project and the proposed Trust Indenture.

Unless you feel otherwise, we would appreciate your providing us with a letter, stating that the changes do not materially affect the undertaking of Spartanburg County previously approved by the State Budget and Control Board, and, therefore, no further approval or publication of notice is required. As you are aware, paragraph five of the Resolution of the State Budget and Control Board approves the undertaking of the County "... (including changes in any details of the said financing, as finally consummated, which do not materially affect the said undertaking) ...".

The closing is scheduled for the 24th of September, 1982, and I would, therefore, appreciate your giving this matter your immediate attention.

If you have any questions, please contact me.

Sincerely yours,



W. E. Applegate, III

WEAIII/jam  
Enclosures

002588

Draft of 9/17/82

SECURITY AGREEMENT

between

SPARTANBURG STEEL PRODUCTS, INC.

and

SPARTANBURG COUNTY, SOUTH CAROLINA

DATED AS OF SEPTEMBER 1, 1982

002569



## SECURITY AGREEMENT

This Security Agreement, made and entered into as of the 1st day of September 1982, by and between SPARTANBURG STEEL PRODUCTS, INC., a corporation organized and existing under the Laws of the State of South Carolina (the Company), and SPARTANBURG COUNTY, SOUTH CAROLINA (the County),

### WITNESSETH:

WHEREAS, the Company has entered into a Loan Agreement with the County, dated as of September 1, 1982 (the Loan Agreement), pursuant to which the County agrees to loan to the Company THREE MILLION no/100 (\$3,000,000.00) DOLLARS, representing the proceeds from the issuance by the County of its Industrial Revenue Note, Series 1982 (Spartanburg Steel Products, Inc., Project), in the face amount of \$3,000,000 (the Note) issued under a Trust Indenture dated as of September 1, 1982 (the Indenture) between the County and Mercantile National Bank at Dallas, as Trustee (the Trustee); and

WHEREAS, Mercantile National Bank at Dallas, Dallas, Texas (the Purchaser) has agreed to purchase the Note; and

WHEREAS, the Purchaser desires the Company to enter into this Security Agreement, granting a first lien security interest in the machinery, equipment, and other personal property listed on the attached Exhibit A to this Agreement (the Equipment) to secure the Company's obligations under the Loan Agreement; and

WHEREAS, the Company has consented to the immediate assignment by the County of its rights under this Security Agreement to the Trustee, to secure the County's obligations under the Note.

NOW, THEREFORE, in consideration of the execution of the Loan Agreement by the County and other good and valuable consideration, receipt of which is hereby acknowledged, it is agreed by and between the parties as follows:

1. SECURITY INTEREST. The Company hereby grants to the County a security interest in and to the Equipment.

2. INDEBTEDNESS SECURED. The security interest herein granted shall secure all obligations and indebtedness of the Company to the County under the Loan Agreement, as amended from time to time, including, but not limited to, the obligation to make loan repayments in amounts and at the times provided therein, and all court costs, attorneys' fees, and expenses of whatever kind incident to the enforcement or collection of such obligations and indebtedness, and the enforcement and protection of the security interest created by this Security Agreement.

3. WARRANTIES AND COVENANTS AS TO EQUIPMENT: The Company warrants and covenants that it owns the Equipment and that no other person, firm, or corporation has any right, title, interest, claim, or lien therein or thereto and that the Equipment will remain free and clear of any and all encumbrances, liens, and security interests except (a) the security interest granted to the County hereby, and (b) liens and security interests expressly permitted by the Loan Agreement, and the Company shall defend the Equipment and any replacements thereof against all claims and demands of all persons at any time claiming the same or any interest therein adverse to the County.

4. DEFAULT. An Event of Default, as defined in the Loan Agreement, or the failure of the Company to observe or perform any of its agreements herein contained, or of any representation, warranty, or certificate made or furnished by the Company to the County as set forth in this Security Agreement or otherwise made in connection with the issuance of the Note, shall be materially false, shall constitute a default hereunder. Upon default, the County may exercise any or all rights and remedies provided by the Uniform Commercial Code in effect in the State of South Carolina, or other applicable law, as well as all other rights and remedies possessed by the County, all of which shall be cumulative. Whenever the Company is in default hereunder, and upon demand by the County, the Company shall assemble the Equipment and make it available to the County at a place reasonably convenient to the Company and the County. All expenses of retaking, holding, preparing for sale or other use or disposition, selling, or otherwise using or disposing of the Equipment and the like which are incurred or paid by the County, including also reasonable attorneys' fees, legal expenses and costs, shall be added to the indebtedness secured by this Security Agreement and Company shall be liable therefor. After final disposition of and realization on the Equipment, the Company shall be obligated to pay any indebtedness secured hereby and remaining unpaid and shall be entitled to any surplus remaining after the satisfaction of all indebtedness secured hereby. All recitals in any instrument of assignment or any other instrument executed by the County incident to sale, transfer, assignment, lease or other disposition or utilization of the Equipment or any part thereof hereunder shall be full proof of the matters stated therein, and no other proof shall be required to establish full legal propriety of the sale or other action or of any fact, condition or thing incident thereto, and all prerequisites of such sale or other action and of the fact, condition or thing incident thereto shall be presumed conclusively to have been performed or to have occurred; provided, however, that any such sale, transfer, assignment, lease or other disposition shall be pursuant to the requirements of the UCC in effect in the State of South Carolina. Any notice of sale, lease, or other intended disposition of or realization on the Equipment by the County sent to the Company at the address indicated in the Indenture, at least fifteen (15) days prior to such action, shall constitute reasonable notice to the Company.

5. WAIVER OF DEFAULT. The County may waive any default before or after the same has been declared without impairing its right to declare a subsequent default hereunder, this right being a continuing one.

6. ASSIGNMENT. This Agreement shall inure to the benefit of the County's successors and assigns, and shall bind the Company's successors and assigns. It is contemplated by the parties that the County shall immediately assign its rights hereunder to the Trustee, and, in such event, the Trustee shall succeed to all of the rights of the County hereunder as fully as if named herein. The Company hereby consents to such assignment.

IN WITNESS WHEREOF, the parties have caused this Security Agreement to be executed by their duly authorized officers as of the date first above written.

SPARTANBURG STEEL PRODUCTS, INC.

(SEAL)

By: \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

SIGNED, SEALED, AND DELIVERED  
in the Presence of:

\_\_\_\_\_

\_\_\_\_\_

SPARTANBURG COUNTY, SOUTH  
CAROLINA

By: \_\_\_\_\_  
County Administrator  
Spartanburg County, South Carolina

ATTEST:

\_\_\_\_\_  
Clerk  
County Council of  
Spartanburg County, South Carolina

SIGNED, SEALED, AND DELIVERED  
in the Presence of:

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



STATE OF SOUTH CAROLINA     )  
                                      )  
COUNTY OF SPARTANBURG     )

PERSONALLY APPEARED before me \_\_\_\_\_,  
who, being duly sworn, says that (s)he saw \_\_\_\_\_, as  
President of SPARTANBURG STEEL PRODUCTS, INC., sign and  
\_\_\_\_\_, as Secretary attest the foregoing Security  
Agreement, and that (s)he with \_\_\_\_\_  
witnessed the execution and delivery thereof as the act and deed of the  
said SPARTANBURG STEEL PRODUCTS, INC.

\_\_\_\_\_

SWORN to before me this \_\_\_\_\_  
day of September, A. D. 1982.

\_\_\_\_\_ (L.S.)

Notary Public for the  
State of South Carolina

My Commission Expires:  
\_\_\_\_\_

STATE OF SOUTH CAROLINA     )  
                                      )  
COUNTY OF SPARTANBURG     )

PERSONALLY appeared before me \_\_\_\_\_,  
who, being duly sworn, deposes and says that (s)he saw the  
County Administrator of Spartanburg County, South Carolina, sign, and  
\_\_\_\_\_, as Clerk of the County Council of Spartanburg  
County, attest the same and that (s)he with \_\_\_\_\_  
witnessed the execution and delivery thereof as the act and deed of the  
said Spartanburg County, South Carolina.

\_\_\_\_\_  
SWORN to before me this \_\_\_\_\_  
day of September, A. D. 1982.

\_\_\_\_\_ (L.S.)

Notary Public for the  
State of South Carolina

My Commission Expires:  
\_\_\_\_\_

STATE OF SOUTH CAROLINA        )  
                                      )  
COUNTY OF SPARTANBURG        ) SECURITY AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, that SPARTANBURG COUNTY, SOUTH CAROLINA, a body politic and corporate and a political subdivision of the State of South Carolina, acting by and through the County Council of Spartanburg County, in consideration of the sum of ONE and no/100 (\$1.00) DOLLAR to it in hand paid at and before the sealing of these presents, the receipt of which is hereby acknowledged, does hereby assign, transfer, and set over unto the MERCANTILE NATIONAL BANK AT DALLAS, Dallas, Texas, a national banking association organized under the Laws of the United States of America, its successors and assigns:

All of the right, title, and interest of said Spartanburg County in and to the foregoing Security Agreement, dated as of September 1, 1982, between Spartanburg Steel Products, Inc. and Spartanburg County, South Carolina.

IN WITNESS WHEREOF, SPARTANBURG COUNTY, SOUTH CAROLINA, has executed this Assignment by causing its name to be subscribed by the County Administrator of Spartanburg County and attested by the Clerk of the County Council of Spartanburg County, all being done as of the 1st day of September, A. D. 1982.

SPARTANBURG COUNTY, SOUTH  
CAROLINA

By: \_\_\_\_\_

County Administrator  
Spartanburg County, South Carolina

ATTEST:

\_\_\_\_\_  
Clerk  
County Council of  
Spartanburg County, South Carolina

SIGNED, SEALED, AND DELIVERED  
IN THE PRESENCE OF:

\_\_\_\_\_

\_\_\_\_\_





STATE OF SOUTH CAROLINA     )  
                                      )  
COUNTY OF SPARTANBURG     )

PERSONALLY appeared before me \_\_\_\_\_,  
who, being being duly sworn, deposes and says that (s)he saw the  
\_\_\_\_\_, as the County Administrator of Spartanburg  
County, South Carolina, sign, and \_\_\_\_\_, as Clerk  
of County Council of Spartanburg County, attest the same and that  
(s)he with \_\_\_\_\_ witnessed the execution  
and delivery thereof as the act and deed of the said Spartanburg  
County, South Carolina.

\_\_\_\_\_

SWORN to before me this \_\_\_\_\_  
day of September, A. D. 1982.

\_\_\_\_\_ (L.S.)

Notary Public for the  
State of South Carolina

My Commission Expires:  
\_\_\_\_\_

Draft of 9/17/82

TRUST INDENTURE

between

SPARTANBURG COUNTY, SOUTH CAROLINA

and

MERCANTILE NATIONAL BANK AT DALLAS,  
as Trustee

DATED AS OF SEPTEMBER 1, 1982

**002579**

## I N D E X

ARTICLE I	<u>DEFINITIONS</u>
ARTICLE II	<u>THE NOTE</u>
Section 201	Restrictions on the Issuance of Note
Section 202	Issuance of the Note
Section 203	Execution; Limited Obligation
Section 204	Authentication
Section 205	Delivery of the Note
Section 206	Mutilated, Lost, Stolen, or Destroyed Note
Section 207	Registration and Transfer of Note; Persons Treated as Owners
Section 208	Form of the Note; Denominations; Medium of Payment
Section 209	Numbers, Date, and Payment Provisions
Section 210	Regulations with Respect to Transfer
ARTICLE III	<u>REDEMPTION OF NOTE BEFORE MATURITY</u>
Section 301	Redemption Dates and Prices of Note
Section 302	Notice of Redemption
Section 303	Cancellation
Section 304	Purchase of Note
ARTICLE IV	<u>GENERAL COVENANTS</u>
Section 401	Condition of County's Obligation; Payment of Principal and Interest
Section 402	Performance of Covenants; Authority of County
Section 403	Instruments of Further Assurance
Section 404	Inspection of Project Books
Section 405	Rights under Loan Agreement
ARTICLE V	<u>REVENUES AND FUNDS</u>
Section 501	Source of Payment of Note
Section 502	Creation of the Note Fund
Section 503	Payments into the Note Fund
Section 504	Use of Moneys in the Note Fund
Section 505	Custody of the Note Fund
Section 506	Non-presentment of Note
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THIS TRUST INDENTURE made and entered into as of the 1st day of September, 1982, by and between SPARTANBURG COUNTY, SOUTH CAROLINA, a body politic and corporate and a political subdivision of the State of South Carolina (hereinafter sometimes referred to as the County), as party of the first part, and MERCANTILE NATIONAL BANK AT DALLAS, Dallas, Texas, a national banking association duly organized, existing, and authorized to accept and execute trusts of the character herein set out, under and by virtue of the Laws of the United States, as Trustee, as party of the second part;

W I T N E S S E T H:

WHEREAS, the County is authorized and empowered by the provisions of Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended by Act No. 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980, as further amended by Act No. 179 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1981 (the Enabling Statute), to enter into loan agreements with certain industries, including those engaged in manufacturing enterprises, to enlarge, improve, and expand such projects, in order that the industrial development of South Carolina will be promoted and trade developed by inducing manufacturing enterprises to locate and remain in South Carolina and thus utilize and employ manpower and other resources of South Carolina; and

WHEREAS, the County is further authorized by the Enabling Statute to issue revenue bonds payable solely from the loan repayments to be made by such industries pursuant to loan agreements between such industries and the County, with respect to such projects, in order to obtain funds to loan to such industries for the purpose of defraying the cost of enlarging, improving, and expanding any such projects; and

WHEREAS, the County has made the necessary arrangements with Spartanburg Steel Products, Inc., a corporation organized and existing under the Laws of the State of South Carolina (hereinafter sometimes referred to as the Company) for the issuance of bonds in the form of its industrial revenue note to obtain funds to be loaned to the Company to finance the acquisition of the existing machinery and equipment and other personal property and assets currently being utilized by an existing manufacturing plant located on New Cutt Road in Spartanburg County including a covenant not to compete (the Project), which, together with the land on which and building in which the same is located, constitutes a steel stamping plant to manufacture beer barrels, automotive products, syrup containers and other products, and all of which will be of the character and accomplish the purposes provided by the Enabling Statute, and the County has further entered into a Loan Agreement with the Company specifying the terms and conditions of the loan from the County to the Company (the Loan Agreement); and

WHEREAS, the execution and delivery of this Trust Indenture (hereinafter sometimes referred to as the Indenture) have been authorized by an Ordinance duly enacted by the County Council of Spartanburg County (hereinafter sometimes referred to as the County Board) and the County, in accordance with the requirements of Section 4-29-140 of the Enabling Statute, has submitted its Petition to the State Budget and Control Board of South Carolina, including a general summary of the terms and conditions of the Indenture, and the State Budget and Control Board of South Carolina has duly approved the Project in accordance with the provisions of the Enabling Statute and thereby authorized the County Board to proceed with the acquisition and installation of the said machinery and equipment and other personal property and assets; and notice of the approval was duly published in a newspaper having general circulation in the County and, notwithstanding more than twenty (20) days have elapsed from the date of the publication of such notice, no challenge was made to the validity of such approval as provided in the Enabling Statute; and

WHEREAS, it has been determined that the estimated amount necessary to finance the cost of the Project will require the issuance, sale, and delivery of bonds in the form of an industrial revenue note designated as "SPARTANBURG COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE NOTE, SERIES 1982 (SPARTANBURG STEEL PRODUCTS, INC., PROJECT) (the Note), in the principal amount of \$3,000,000, as hereinafter provided; and

WHEREAS, the issuance of the Note under the Enabling Statute has been, in all respects, duly and validly authorized by an Ordinance duly passed and approved by the County Board; and

WHEREAS, the \$3,000,000 Note to be issued and the Trustee's Certificate of Authentication to be endorsed on the Note are all to be in substantially the forms hereto attached as Exhibit B, with necessary and appropriate variations, omissions, and insertions as permitted by or required by this Indenture; and

WHEREAS, all things necessary to make the Note, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding, and legal obligations of the County according to the import thereof, and to constitute this Indenture a valid pledge of the loan repayments to be made by the Company pursuant to the Loan Agreement for the payment of the principal of, premium, if any, and interest on the Note have been done and performed, and the creation, execution, and delivery of this Indenture, and the creation, execution, and issuance of the Note, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS TRUST INDENTURE WITNESSETH:

That the County, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Note by the holders and owners thereof, and of the sum of ONE and no/100 (\$1.00) DOLLAR in lawful money of the United States of America, to it fully paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Note, according to their tenor and effect, and the performance and observance by the County of all the covenants expressed or implied herein and in the Note, does hereby, subject to the terms and provisions of the Loan Agreement, grant, bargain, convey, pledge, and assign unto Mercantile National Bank at Dallas, Dallas, Texas, as Trustee, and unto its successors in said trust, and to its assigns forever, for the securing of the performance of the obligations of the County hereinafter set forth, the following:

I

All right, title, and interest of the County in and to the Loan Agreement, dated as of September 1, 1982, between the County and the Company, and all Loan Repayments required to be made by the Company pursuant to the Loan Agreement.

II

All right, title, and interest of the County in and to the Security Agreement, dated as of September 1, 1982, between the Company and the County.

III

Any and all other property from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned, or transferred as and for additional security hereunder by the County or by anyone on its behalf or with its written consent to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in said trust and to them and their assigns forever.

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all holders and owners of the Note issued under and secured by this Indenture;



PROVIDED, HOWEVER, that if the County shall pay or cause to be paid to the holders and owners of the Note the principal, interest and premium, if any, to become due thereon at the times and in the manner stipulated therein and herein and if the County shall keep, perform, and observe, all and singular, the covenants and promises in the Note and in this Indenture expressed as to be kept, performed, and observed by it or on its part, or if the issuance of the Note is not made within the time provided in Section 4.2 of the Loan Agreement, then these presents and the estate and rights hereby granted shall, at the option of the County, cease, determine and be void, and, thereupon, the Trustee shall cancel and discharge this Indenture and execute and deliver to the County such instruments in writing as shall be requisite to effectuate such cancellation and discharge and deliver to the County any property at the time subject to the lien of this Indenture which may then be in its possession, except amounts in the Note Fund required to be paid to the Company under Section 509 hereof and except cash held by the Trustee for the payment of interest on and retirement of the Note; otherwise this Indenture to be and remain in full force and effect.

THIS TRUST INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all bonds issued and secured hereunder are to be issued, authenticated, and delivered and all said Loan Repayments hereby pledged are to be dealt with and disposed of under, upon, and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the County has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective holders and owners from time to time of the said Note or any part thereof, as follows, that is:

## ARTICLE I

### DEFINITIONS

SECTION 101 The terms defined in this Section 101 (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section 101.

"ACCOUNTANT" or "ACCOUNTANTS" shall mean the independent certified public accountant or firm of such accountants at the time serving as such for the Company.

"ACQUISITION ACCOUNT" or "SPARTANBURG COUNTY INDUSTRIAL ACQUISITION ACCOUNT - SPARTANBURG STEEL PRODUCTS, INC., PROJECT" means the fund created in Section 602 hereof.

"ADMINISTRATOR" means the County Administrator of the County. The term shall include the Assistant or Acting County Administrator whenever, by reason of absence, illness, or other reason the person who is the County Administrator is unable to act.

"CHAIRMAN" means the chief executive officer of the County Board. The term shall also include the Vice Chairman of the County Board wherever, by reason of absence, illness, or other reason, the person who is the Chairman is unable to act.

"CLERK" means the Clerk of the County Board. The term shall also include the Assistant or Acting Clerk of the County Board whenever, by reason of absence, illness, or other reason, the person who is the Clerk is unable to act.

"CODE" means the Internal Revenue Code of 1954, as amended.

"COMPANY" means Spartanburg Steel Products, Inc., a corporation organized and existing under the Laws of South Carolina, and its successors and assigns and any surviving, resulting, or transferee corporation.

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

"COUNTY BOARD" means the County Council of Spartanburg County as the governing body of Spartanburg County, South Carolina, and any successor body.

"DEFAULT" means any of those defaults specified in and defined by Section 1001 hereof.

"ENABLING STATUTE" means Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended by Act No. 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980, as further amended by Act No. 179 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1981.

"EXTRAORDINARY SERVICES" and "EXTRAORDINARY EXPENSES" means all services rendered and all expenses incurred under the Indenture other than Ordinary Services and Ordinary Expenses.

"GOVERNMENT OBLIGATIONS" shall mean direct obligations of, or obligations the principal and interest on which are unconditionally guaranteed by, the United States of America.

"INDENTURE" or "TRUST INDENTURE" means these presents and any amendments or supplements hereto.

"LOAN AGREEMENT" means the Loan Agreement executed by and between the County and the Company, dated as of September 1, 1982, and any amendments or supplements thereto.

"LOAN REPAYMENTS" means all of the payments of principal of, premium, if any, and interest on the Note required to be made by the Company under Section 5.2 of the Loan Agreement.

"NOTE FUND" OR "SPARTANBURG COUNTY INDUSTRIAL REVENUE NOTE FUND - SPARTANBURG STEEL PRODUCTS, INC., PROJECT" means the fund created in Section 502 hereof.

"NOTE" means the \$3,000,000 Spartanburg County, South Carolina, Industrial Revenue Note, Series 1982 (Spartanburg Steel Products, Inc., Project), of the County to be issued and outstanding under the Indenture, the proceeds of which will be loaned to the Company to be used to finance the acquisition of the Project. The Note shall be substantially in the form of the attached Exhibit B of this Indenture.

"NOTEHOLDER" means the registered owner or owners of the Note.

"ORDINARY SERVICES" and "ORDINARY EXPENSES" means those services normally rendered and those expenses normally incurred by a trustee under instruments similar to this Indenture.

"OUTSTANDING NOTE" or "NOTE OUTSTANDING" means the Note which has been duly authenticated and delivered by the Trustee under this Indenture.

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

"PENALTY RATE" means interest at the rate per annum equal to one and three-fourths (1-3/4%) per centum above the Prime Lending Rate, or such lesser amount as shall be the maximum permitted by applicable usury laws.

"PRIME LENDING RATE" means the prime commercial lending rate of interest announced by the Mercantile National Bank at Dallas, Dallas, Texas, from time to time at its principal office.

"PROJECT" means the Equipment.

"PURCHASER" means the Mercantile National Bank at Dallas, Dallas, Texas.

"TRUSTEE" means Mercantile National Bank at Dallas, Dallas, Texas, the party of the second part hereof, and any successor trustee pursuant to Sections 1106 or 1109 hereof at the time serving as successor trustee hereunder.



## ARTICLE II

### THE NOTE

#### SECTION 201      Restrictions on the Issuance of the Note.

The Note shall be issued under the provisions of this Article. The total principal amount of Note that may be issued is hereby expressly limited to \$3,000,000.

#### SECTION 202      Issuance of the Note.

The Note, in the principal amount of \$3,000,000, dated the date of its delivery, shall be designated "Spartanburg County, South Carolina, Industrial Revenue Note, Series 1982 (Spartanburg Steel Products, Inc., Project). It shall bear interest from the date of its delivery at the rate of eighty-five per centum (85%) of the Prime Lending Rate. Interest only as aforesaid on the Note shall be payable March 1, 1983, and semi-annually thereafter on March 1 and September 1 of each year, to and including March 1, 1997 and on September 1, 1997, unless sooner paid, a sum equal to the entire principal balance, together with accrued interest.

The Note is issuable as a fully registered Note, without coupons, in the principal amount of \$3,000,000.

Payments of principal and interest made in respect of the Note shall be paid by check or draft mailed to the registered owner at his address as it appears in the registration books, or such address as is furnished in writing to the Trustee by such registered owner. The Trustee shall keep a record of all such payments.

#### SECTION 203      Execution; Limited Obligation.

The Note shall be executed on behalf of the County by the Chairman of the County Board and the corporate seal of the County or a facsimile thereof shall be impressed or reproduced thereon and attested by the County Administrator of the County, provided that at least one of said signatures shall be a manual signature. The Note, together with interest thereon, shall be limited obligations of the County payable from the Note Fund and shall be a valid claim of the respective holders thereof only against such fund and the Loan Repayments due from the Company under the Loan Agreement and pledged to such fund, which Loan Repayments are hereby pledged and assigned for the payment of the Note and shall be used for no other purposes than to pay the principal of, premium, if any, and interest on the Note, except as may be otherwise expressly authorized in this Indenture. The Note does not now and shall never constitute an indebtedness of the County within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

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

SECTION 204      Authentication.

To be entitled to any right or benefit under this Indenture, the Note shall have endorsed thereon a certificate of authentication, substantially in the form set forth in Exhibit B attached hereto, duly executed by the Trustee. The Note shall not be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon the Note shall be conclusive evidence that such Note has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on the Note shall be deemed to have been executed by it if signed by an authorized signature of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication on any new Note issued hereunder.

SECTION 205      Delivery of the Note.

Upon the execution and delivery of this Indenture, the County shall execute and deliver to the Trustee, and the Trustee shall authenticate, the Note, in the principal amount of \$3,000,000, and deliver it to the Purchaser as may be directed by the County as hereinafter in this Section 205 provided.

Prior to the authentication by the Trustee of the Note, there shall be filed with the Trustee:

1. A copy, duly certified by the Clerk of the County Board, of the Ordinance of the County Board authorizing the execution and delivery of the Loan Agreement.
2. An original executed counterpart of the Loan Agreement and the Assignment of the Loan Agreement.
3. A copy, duly certified by the Clerk of the County Board, of the Ordinance of the County Board authorizing the execution and delivery of this Indenture and the issuance of the Note in the principal amount of \$3,000,000.
4. A request and authorization to the Trustee on behalf of the County Board and signed by the County Administrator and Clerk of the County Board to authenticate and deliver the Note, in the principal amount of \$3,000,000, to the Purchaser therein identified upon payment to the Trustee, but for account of the County, of a sum specified in such request and authorization. Such proceeds shall be paid over to the Trustee and deposited to the credit of the

Acquisition Account as hereinafter provided under Article VI hereof.

5. Such other documents, certificates, and opinions relating to the transactions contemplated hereby as the Trustee may reasonably request.

SECTION 206      Mutilated, Lost, Stolen, or Destroyed Note

In the event any Note is mutilated, lost, stolen, or destroyed, the County may execute and the Trustee may authenticate a new Note of like date, maturity, and denomination as that mutilated, lost, stolen, or destroyed; provided that, in the case of any mutilated Note, such mutilated Note shall first be surrendered to the County, and in the case of any lost, stolen, or destroyed Note, there shall be first furnished to the County and the Trustee evidence of such loss, theft, or destruction satisfactory to the County and the Trustee, together with indemnity satisfactory to them, provided that, in the case of a holder which is a bank or insurance company, the agreement of such bank or insurance company to indemnify shall be sufficient. In the event any such Note shall have matured, instead of issuing a duplicate Note, the County may pay the same without surrender thereof. The County and the Trustee may charge the holder or owner of such Note with their reasonable fees and expenses in this connection, which fees and expenses shall be the sole responsibility of the Noteholder.

SECTION 207      Registration and Transfer of Note; Persons Treated as Owners.

The Note shall be fully registered and shall be transferable only upon the books of the County, which shall be kept for that purpose at the principal corporate trust office of the Trustee in Dallas, Texas, by the registered owner thereof or by his attorney, duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his duly authorized attorney. Upon the transfer of the Note, the County shall issue, subject to the provisions of Section 210 hereof, in the name of the transferee, a new registered Note of the same series and of the same principal amount as the unpaid principal amount of the surrendered Note. Upon the transfer of the Note, the Trustee shall notify the Company of said transfer and the identity of the said transferee.

As to any Note, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal and interest of any Note shall be made only to or upon the order of the registered owner thereof, or his duly authorized attorney, and neither the County, the Trustee, or any paying agent, shall be affected by any notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to

satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

SECTION 208      Form of the Note; Denominations;  
Medium of Payment.

The Note shall be in fully registered form without coupons. The Note shall be issued in the outstanding principal amount thereof. The Note shall be substantially in the form set forth in Exhibit B to this Indenture with such variations, insertions, or omissions as are appropriate and not inconsistent therewith and shall conform generally to the rules and regulations of any governmental authority or usage or requirement of law with respect thereto. The Note shall be payable with respect to principal, interest, and premium, if any, 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 209      Numbers Date, and Payment Provisions.

The Note shall be numbered and designated in such manner as the County, with the concurrence of the Trustee, shall determine. The Note, including any new Note issued in place thereof, shall bear interest from its date and shall be dated as of the date of its delivery, provided, however, that if at the time of authentication of any such Note, any interest on such Note is in default, such Note shall be dated as of the date to which interest on such Note has been paid.

SECTION 210      Regulations with Respect to Transfer.

In all cases in which the privilege of transferring the Note is exercised, the County shall execute and the Trustee shall authenticate and deliver Note in accordance with the provisions of this Indenture. Any Note surrendered in any such transfers shall forthwith be cancelled by the Trustee. There shall be no charge for such transfer of such Note except that the Trustee may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such transfer. Neither the County nor the Trustee shall be required to transfer such Note for a period of ten (10) days next preceding an interest payment date on the Note.



### ARTICLE III

#### REDEMPTION OF NOTE BEFORE MATURITY

##### SECTION 301      Redemption Dates and Prices of Note

The Note may not be redeemed prior to September 1, 1985, except in the event of (i) exercise by the holder of the Note of its continuing right to demand redemption on 180 days written notice to the Company, or (ii) exercise by the Company of its option to demand redemption of the Note upon the occurrence of an Official Determination as defined in Section 12.1 of the Loan Agreement. If called for redemption, the Note shall be subject to redemption by the County at any time after notice as provided in this Indenture, whether or not such date is an interest payment date, at a price of par, plus accrued interest to the redemption date and, but only in the event of redemption of the Note pursuant to Section 12.1 of the Loan Agreement, an additional amount as provided in Section 12.1 of the Loan Agreement.

The Note is also subject to redemption by the County, at the request of the Company, prior to maturity on or after September 1, 1985, in whole on the redemption dates and at the redemption prices set forth in the table below:

<u>Redemption Date</u>	<u>Redemption Price</u>
Prior to September 1, 1985	No Redemption
September 1, 1985 to September 1, 1986	102%
September 1, 1986 to September 1, 1987	101½%
September 1, 1987 to September 1, 1988	101%
September 1, 1988 to September 1, 1989	100½%
September 1, 1989 to September 1, 1997	100%

Provided, however, that any redemption made pursuant to the provision of Article VII of the Loan Agreement may be made without premium or any such redemption penalty before or after September 1, 1985.

##### SECTION 302      Notice of Redemption.

In the event the Note is called for redemption the Trustee shall give notice, in the name of the County, of the redemption of such Note, the redemption date, and the place or places where amounts due upon such redemption will be payable and the number of such Note so to be redeemed. Such notice shall be given by mailing a copy of the redemption notice by registered mail at least one hundred eighty (180) days, in the case of the holder of the Note exercising its option as set forth in Section 301 hereof, and in the case of the Company exercising its right to redeem as set forth in the Loan Agreement, the Note, or Section 301 hereof, thirty (30) days prior to the date fixed for redemption to the holder of the Note at the address shown on the registration books. The Note so called for redemption will cease to

bear interest on the specified redemption date, provided funds for its redemption are on deposit with the Trustee, and such Note shall not be deemed to be outstanding under the provisions of the Indenture.

SECTION 303      Cancellation.

The Note upon being redeemed shall be cancelled and destroyed by the Trustee and shall not be reissued, and a counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Trustee to the County and the Company.

SECTION 304      Purchase of Note.

The Trustee shall, if and to the extent practicable, endeavor to purchase the Note at the written direction of the County upon request of the Company at such time, in such manner, and at such price as may be specified by the Company. The Trustee may so purchase the Note with any moneys then held by the Trustee and available for the redemption or purchase of Note; provided, that any limitations or restrictions on such redemption or purchases contained in the Loan Agreement or this Indenture shall be complied with. The expenses of such purchase shall be deemed an expense of the Trustee under Section 1103 hereof. The Trustee shall incur no liability for any purchase made in accordance with this Section or for its inability to effect such purchase, as long as such inability does not result from the gross negligence or willful misconduct of the Trustee.

## ARTICLE IV

### GENERAL COVENANTS

#### SECTION 401     Condition of County's Obligation; Payment of Principal and Interest.

Each and every covenant herein made, including all covenants made by the various sections of this Article IV, is predicated upon the condition that any obligation for the payment of money incurred by the County shall not create a pecuniary liability of the County or a charge upon its general credit or against its taxing powers, but shall be payable solely from the Loan Repayments derived from or in connection with the Project, which are required to be set apart and transferred to the Note Fund, which Loan Repayments are hereby specifically pledged to the payment thereof in the manner and to the extent in this Indenture specified and nothing in the Note or in this Indenture shall be considered as pledging any other funds or assets of the County.

The County covenants that it will promptly pay (but solely from, and only to the extent of, the Loan Repayments) the principal of, including any applicable redemption premiums, and interest on the Note issued under this Indenture at the place, on the dates and in the manner provided herein and in said Note, according to the true intent and meaning thereof.

#### SECTION 402     Performance of Covenants; Authority of County.

The County covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions on its part to be performed contained in this Indenture, in the Note executed, authenticated, and delivered hereunder and in all proceedings pertaining thereto. The County covenants that it is duly authorized under the Constitution and laws of the State of South Carolina, to issue the Note authorized hereby, to execute this Indenture, and to pledge the Loan Repayments hereby pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Note and the execution and delivery of this Indenture has been duly and effectively taken, and that the Note in the hands of the holders and owners thereof is and will be a valid and enforceable obligation of the County according to the import thereof.

SECTION 403      Instruments of Further Assurance.

The County covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such indentures supplemental hereto and such further acts, instruments, and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning, and confirming unto the Trustee all and singular the Loan Repayments pledged hereby to the payment of the principal of and interest and premium, if any, on the Note.

SECTION 404      Inspection of Project Books.

The County covenants and agrees that all books and documents in its possession relating to the Project and the Loan Repayments derived from the Project shall be open to inspection at all reasonable times during regular business hours by such accountants or other agents as the Trustee may from time to time designate.

SECTION 405      Rights under Loan Agreement.

The Loan Agreement, a duly executed counterpart of which has been filed with the Trustee, sets forth the covenants and obligations of the County and the Company, including a provision that, subsequent to the initial issuance of the Note and prior to the payment in full of the Note, or provision for payment thereof in accordance with the provisions hereof, the Loan Agreement may not be effectively amended, changed, modified, altered, or terminated without the written consent of the Trustee, the Company, or the County, and reference is hereby made to the Loan Agreement for a detailed statement of said covenants and obligations of the Company under the Loan Agreement, and the County agrees that the Trustee, in its name or in the name of the County, may enforce all rights of the County and all obligations of the Company under and pursuant to the Loan Agreement and on behalf of the Noteholders whether or not the County is in default hereunder.



## ARTICLE V

### REVENUES AND FUNDS

#### SECTION 501      Source of Payment of Note.

The Note herein authorized and all payments by the County hereunder are not general obligations of the County but are limited obligations payable solely from the Loan Repayments derived from the Project and as authorized and provided in this Indenture.

The Loan Repayments provided for in Section 5.2 of the Loan Agreement are to be remitted directly to the Trustee for the account of the County and deposited in the Note Fund. Said Loan Repayments shall be sufficient in amount to pay the principal of, premium, if any, and interest on the Note and the entire amount of Loan Repayments from the Loan Agreement are pledged to the payment of the principal of, premium, if any, and interest on the Note.

#### SECTION 502      Creation of the Note Fund.

There is hereby created by the County and ordered established with the Trustee a trust fund to bear the designation set forth in the definition of "Note Fund" in Section 101.

#### SECTION 503      Payments into the Note Fund.

There shall be deposited into the Note Fund, as and when received (a) any amount remaining in the Acquisition Account to the extent provided in Section 4.3(k) of the Loan Agreement except as otherwise provided in said Section 4.3(k); (b) all Loan Repayments specified in Section 5.2 of the Loan Agreement; and (c) all other moneys received by the Trustee under and pursuant to any of the provisions of the Loan Agreement when accompanied by written directions of the Company that such moneys are to be paid into the Note Fund. The County hereby covenants and agrees that, so long as the Note issued hereunder is outstanding, it will deposit, or cause to be deposited (but solely from, and only to the extent of, the Loan Repayments described and pledged in Section 401), in the Note Fund for its account sufficient sums from Loan Repayments promptly to meet and pay the principal of, interest and premium, if any, on the Note as the same become due and payable and, to this end, the County covenants and agrees that, so long as the Note issued hereunder is outstanding, should there be a default under the Loan Agreement, the County shall fully cooperate with the Trustee and with the Noteholder to the end of fully protecting the rights and security of the Noteholder. Nothing herein shall be construed as requiring the County to operate the Project or to use any funds or revenues from any source other than Loan Repayments.

SECTION 504      Use of Moneys in the Note Fund.

Except as provided in Section 509 hereof, moneys in the Note Fund shall be used solely for the payment of the principal of, and interest on and premium, if any, on the Note and for the redemption of the Note at or prior to maturity, and other expenses arising pursuant to the provisions of this Indenture, the Loan Agreement and the Security Agreement.

SECTION 505      Custody of the Note Fund.

The Note Fund shall be in the custody of the Trustee but in the name of the County and the County hereby authorizes and directs the Trustee to withdraw sufficient funds from the Note Fund to pay principal of and interest and premium, if any, on the Note on the dates the same become due and payable and to make said funds so withdrawn available to the Trustee and to the paying agent or agents for the purpose of paying said principal and interest, and premium, if any, which authorization and direction the Trustee hereby accepts. The Trustee shall keep and maintain adequate records pertaining to the Note Fund and all disbursements therefrom and shall provide the Company with semi-annual statements pertaining thereto.

SECTION 506      Non-presentment of Note.

In the event the Note shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, if funds sufficient to pay such Note shall have been made available to the Trustee for the benefit of the holder thereof, all liability of the County to the holder thereof for the payment of such Note shall forthwith cease, determine, and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the holder of such Note, who shall thereafter be restricted exclusively to such fund or funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Note.

SECTION 507      Trustee's and Paying Agent's Fees, Charges, and Expenses.

Pursuant to the provisions of the Loan Agreement, the Company has agreed to pay the Trustee, until the principal of, interest, and premium, if any, on the Note shall have been fully paid, (i) Trustee's customary charges and expenses for performing the duties of Trustee, Registrar and Paying Agent for the Note, as reflected in Schedule A attached to the Loan Agreement, as amended from time to time by Trustee upon thirty (30) days written notice to the Company, and (ii) the reasonable fees and charges for the necessary Extraordinary Services and Extraordinary Expenses of the Trustee under this Indenture, as and when the same become due. It is further understood and agreed that the fees, charges, and expenses of the Trustee

referred to in the preceding sentence which become due prior to the Completion Date (as defined in the Loan Agreement) will be paid to the Trustee from the Acquisition Account as and when the same shall become due. The Company may, without creating a default hereunder, contest in good faith, the necessity for any such Extraordinary Services and Extraordinary Expenses and the reasonableness of any of the fees, charges, or expenses referred to herein.

SECTION 508      Moneys to Be Held in Trust.

All moneys deposited with or paid to the Trustee for account of the Note Fund or the Acquisition Account under any provision of this Indenture shall be held by the Trustee in trust.

SECTION 509      Repayment to the Company from the Note Fund.

Any amounts remaining in the Note Fund after payment in full of the principal of, interest and premium, if any, on the Note, (or provision for payment thereof as provided in this Indenture), the fees, charges, and expenses of the Trustee and any paying agents and all other amounts required to be paid hereunder shall be paid to the Company, as provided in Section 13.5 of the Loan Agreement.

## ARTICLE VI

### CUSTODY AND APPLICATION OF PROCEEDS OF THE NOTE

#### SECTION 601      Deposits in the Acquisition Account.

The proceeds of the issuance and delivery of the Note, received upon the sale of the Note, shall be deposited into the Acquisition Account established in Section 602 hereof.

#### SECTION 602      Acquisition Account; Disbursement.

There is hereby created and established with the Trustee a trust fund in the name of the County to bear the designation set forth in the definition of "Acquisition Account" in Section 101. Moneys in the Acquisition Account shall be expended in accordance with the provisions of the Loan Agreement and particularly Section 4.3 thereof.

The Trustee is hereby authorized and directed to promptly issue its checks sufficient for each disbursement required by the aforesaid provisions of the Loan Agreement.

The Trustee shall keep and maintain adequate records pertaining to the Acquisition Account and all disbursements therefrom, and after the Project shall have been completed and a certificate of payment of all costs filed as provided in Section 603 hereof, the Trustee shall, if requested by the Company, file an accounting thereof with the County and with the Company. The Company, upon request, may also make copies of all records pertaining to the Acquisition Account during Trustee's regular business hours.

#### SECTION 603      Completion of the Project.

The completion of the Project and the payment of all costs and expenses incident thereto shall be evidenced by the filing with the Trustee of (i) the certificate of the Authorized Company Representative (as defined in the Loan Agreement) required by the provisions of Section 4.5 of the Loan Agreement and (ii) a certificate signed by the Company by one of its authorized officers, which certificate shall state that no labor or material liens have been filed with respect to the Project or to the knowledge of such officer are pending or threatened and all obligations and costs in connection with the Project and payable out of the Acquisition Account have been paid and discharged except for amounts retained by the Trustee with the approval of the said Authorized Company Representative for the payment of costs of the Project not then due and payable as provided in the Loan Agreement. As soon as practicable and, in any event, within sixty (60) days from the date of the certificate referred to in clause (ii) of the preceding sentence, any balance remaining in the Acquisition Account (other than the amounts retained by the Trustee referred to in the preceding sentence) shall without further authorization be deposited in the Note



Fund by the Trustee with advice to the County and to the Company of such action.

## ARTICLE VII

### INVESTMENTS

#### SECTION 701      Investment of Acquisition Account Moneys.

Any moneys held as part of the Acquisition Account shall, at the written direction or oral direction confirmed in writing of and as specified by the Authorized Company Representative (as defined in the Loan Agreement), be invested and reinvested by the Trustee in accordance with the provisions of Section 4.9 of the Loan Agreement. Any such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Acquisition Account and the interest accruing thereon and any profit realized from such investments shall be credited to such fund, and any loss resulting from such investments shall be charged to such fund. The Trustee is directed to sell, and reduce to cash funds, a sufficient amount of such investments whenever the cash balance in the Acquisition Account is insufficient to pay a requisition when presented.

#### SECTION 702      Investment of Note Fund Moneys.

Any moneys held as part of the Note Fund shall, at the written direction or oral direction confirmed in writing of and as specified by the Authorized Company Representative (as defined in the Loan Agreement), be invested or reinvested by the Trustee in any bonds or other obligations which as to principal and interest constitute direct obligations of the United States of America, having maturities consonant with the need to apply moneys in the Note Fund to the payment of principal, interest, and premium, if any, to come due on the Note, provided, however, that no moneys held as part of the Note Fund shall be invested in a manner contrary to any policy or rules or regulations of the Internal Revenue Service with respect to "arbitrage bonds" within the meaning of Section 103(c)(2) of the Code and the applicable regulations issued thereunder and as applicable to the Note. Any such investment shall be held by or under control of the Trustee and shall be deemed at all times a part of the Note Fund and the interest accruing thereon and any profit realized therefrom shall be credited to such fund and any loss resulting from such investments shall be charged to such fund. The Trustee shall sell and reduce to cash funds a sufficient portion of investments under the provision of this Section 702 whenever the cash balance in the Note Fund is insufficient to pay the current interest, principal, and premium, if any, requirements on the Note.

#### SECTION 703      Trustee's Own Bond Department.

The Trustee may make any and all investments permitted under Section 701 and Section 702 through its own Bond Department.

SECTION 704

Trustee's Right to Rely.

The Trustee may conclusively rely upon any investment directions within the limitations set forth hereinabove received pursuant to this Article VII and shall not be liable or responsible for (i) any diminution in the value of any investments made pursuant to this Article VII or for any loss arising from any sale or other disposition thereof or (ii) for any violation of any statute or of any policy or rules or regulations of the Internal Revenue Service with respect to "arbitrage bonds".

SECTION 705  
on Investments.

Company's Obligation Unaffected by Losses

Any losses resulting from the investment by the Trustee of any moneys held as part of the Acquisition Account or the Note Fund shall not affect the Company's obligation to make Loan Repayments as required under the Loan Agreement; provided, however, that notwithstanding the above described obligation of the Company to make such loan repayments, the Company does not hereby waive any right or cause of action it may have against Noteholder, Trustee and/or County pursuant to the terms of the Indenture, Loan Agreement, Note, Security Agreement or pursuant to other applicable law.

ARTICLE VIII

TITLE TO THE PROJECT

Section 801

Title to the Project.

Title to the Project shall be vested in the Company and the Company shall have sole and exclusive possession of the Project upon the issuance of the Note.



## ARTICLE IX

### DEFEASANCE OF NOTE

#### SECTION 901      Defeasance of Note.

If the County shall pay or cause to be paid to the Noteholder the principal, interest, and premium, if any, to become due thereon at the times and in the manner stipulated therein and herein, and shall have paid all fees and expenses of the Trustee and each paying agent, and if the County shall keep, perform, and observe all and singular the covenants and promises in the Note and in this Indenture expressed as to be kept, performed, and observed by it or on its part, or if the issuance of the Note is not made within the time provided in Section 4.2 of the Loan Agreement, then these presents and the estate and rights hereby granted shall, at the option of the County and the Company, cease, determine, and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the County and the Company such instruments in writing as shall be requisite to satisfy the lien hereof, and assign and deliver to the County any property at the time subject to the lien of this Indenture which may then be in its possession, except amounts in the Note Fund required to be paid to the Company under Section 509 hereof and except funds, or securities in which such funds are invested, held by the Trustee for the payment of principal of, interest and premium, if any, on the Note.

The Note shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed above if (a) in case the Note is to be redeemed on any date prior to its maturity, the County or the Company shall have given to the Trustee, in form satisfactory to it, at least fifteen (15) business days prior to the date by which notice of redemption of such Note is to be provided pursuant to Section 302 hereof, irrevocable instructions to give notice of redemption of such Note on said date as provided in Section 302 hereof, (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or direct obligations of the United States of America the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal and interest and premium, if any, due and to become due on said Note on or prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Note is not by its terms subject to redemption within the next succeeding sixty (60) days, the County shall have given the Trustee in form satisfactory to it irrevocable instructions to give, as soon as practicable, in the same manner as a notice of redemption is published pursuant to Section 302 hereof, a notice to the Noteholder that the deposit required by (b) above has been made with the Trustee and that said Note is deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal and premium, if any, on

said Note. Neither the securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest and premium, if any, on said Note; provided that any cash received from such principal or interest payments on such securities deposited with the Trustee, if not then needed for such purpose, to the extent practicable, shall be reinvested in direct obligations of the United States of America maturing at times and in amounts sufficient to pay when due the principal and interest and premium, if any, to become due on said Note on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Company, as received by the Trustee, free and clear of any trust, lien, or pledge.

Anything in this Indenture to the contrary notwithstanding, any moneys held by the Trustee or a paying agent in trust for the payment and discharge of the Note, which remains unclaimed after the date when such Note has become due and payable (either at its stated maturity date or by call for earlier redemption), for the period of time during which such claims must be made under applicable law with the result that such claims for payment are barred by law, shall be repaid by the Trustee or paying agent to the Company free from trust, and the Trustee or paying agent shall thereupon be released and discharged with respect thereto, and the Noteholder shall look only to the Company for the payment of such Note.

## ARTICLE IX

### DEFEASANCE OF NOTE

#### SECTION 901      Defeasance of Note.

If the County shall pay or cause to be paid to the Noteholder the principal, interest, and premium, if any, to become due thereon at the times and in the manner stipulated therein and herein, and shall have paid all fees and expenses of the Trustee and each paying agent, and if the County shall keep, perform, and observe all and singular the covenants and promises in the Note and in this Indenture expressed as to be kept, performed, and observed by it or on its part, or if the issuance of the Note is not made within the time provided in Section 4.2 of the Loan Agreement, then these presents and the estate and rights hereby granted shall, at the option of the County and the Company, cease, determine, and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the County and the Company such instruments in writing as shall be requisite to satisfy the lien hereof, and assign and deliver to the County any property at the time subject to the lien of this Indenture which may then be in its possession, except amounts in the Note Fund required to be paid to the Company under Section 509 hereof and except funds, or securities in which such funds are invested, held by the Trustee for the payment of principal of, interest and premium, if any, on the Note.

The Note shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed above if (a) in case the Note is to be redeemed on any date prior to its maturity, the County or the Company shall have given to the Trustee, in form satisfactory to it, at least fifteen (15) business days prior to the date by which notice of redemption of such Note is to be provided pursuant to Section 302 hereof, irrevocable instructions to give notice of redemption of such Note on said date as provided in Section 302 hereof, (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or direct obligations of the United States of America the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal and interest and premium, if any, due and to become due on said Note on or prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Note is not by its terms subject to redemption within the next succeeding sixty (60) days, the County shall have given the Trustee in form satisfactory to it irrevocable instructions to give, as soon as practicable, in the same manner as a notice of redemption is published pursuant to Section 302 hereof, a notice to the Noteholder that the deposit required by (b) above has been made with the Trustee and that said Note is deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal and premium, if any, on

said Note. Neither the securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest and premium, if any, on said Note; provided that any cash received from such principal or interest payments on such securities deposited with the Trustee, if not then needed for such purpose, to the extent practicable, shall be reinvested in direct obligations of the United States of America maturing at times and in amounts sufficient to pay when due the principal and interest and premium, if any, to become due on said Note on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Company, as received by the Trustee, free and clear of any trust, lien, or pledge.

Anything in this Indenture to the contrary notwithstanding, any moneys held by the Trustee or a paying agent in trust for the payment and discharge of the Note, which remains unclaimed after the date when such Note has become due and payable (either at its stated maturity date or by call for earlier redemption), for the period of time during which such claims must be made under applicable law with the result that such claims for payment are barred by law, shall be repaid by the Trustee or paying agent to the Company free from trust, and the Trustee or paying agent shall thereupon be released and discharged with respect thereto, and the Noteholder shall look only to the Company for the payment of such Note.



## ARTICLE X

### DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND NOTEHOLDER

#### SECTION 1001      Events of Default.

If any of the following events occurs, it is hereby defined as and declared to be and to constitute an "event of default":

(a) Default in the due and punctual payment (as required by the Loan Agreement) of any interest on the Note; or

(b) Default in the due and punctual payment (as required by the Loan Agreement) of the principal of the Note (or premium, if any), whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;

(c) Subject to the provisions of Section 1011, default in the performance or observance of any other of the covenants, agreements, or conditions on the part of the County in this Indenture or in the Note contained; or

(d) Subject to the provisions of Article X of the Loan Agreement, the occurrence of an "event of default" under the Loan Agreement as defined therein.

#### SECTION 1002      Acceleration.

Upon the occurrence of an event of default, the Trustee may, and upon the written request of the Noteholder shall, by notice in writing delivered to the County, declare the principal of the Note then outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

#### SECTION 1003      Remedies of Trustee.

Upon the occurrence of an event of default, the Trustee shall have the power to proceed with any right or remedy granted by the Constitution and laws of the State of South Carolina, as it may deem best, including any suit, action, or special proceeding in equity or at law, for the specific performance of any covenant or agreement contained herein or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect the rights aforesaid, insofar as such may be authorized by law. The rights

herein specified are to be cumulative to all other available rights, remedies, or powers and shall not exclude any such rights, remedies, or powers.

SECTION 1004      Rights of Noteholders.

If an event of default shall have occurred, and if requested so to do by the Noteholder, and if indemnified as provided in Section 1101(k) hereof, the Trustee shall be obliged to exercise such one or more of the rights and powers conferred by this Article X as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Noteholder.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Noteholder) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Noteholder hereunder or now or hereafter existing at law or in equity or by statute.

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

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

SECTION 1005      Rights of Noteholder to Direct Proceedings.

Anything in this Indenture to the contrary notwithstanding, the Noteholder shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture.

SECTION 1006      Application of Moneys.

All moneys received by the Trustee pursuant to any right given or action taken under the provision of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of

such moneys and of the expenses, liabilities, and advances incurred or made by the Trustee, be deposited in the Note Fund and all moneys in the Note Fund shall be applied as follows:

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

First--To the payment of the persons entitled thereto of all installments of interest then due on the Note, in the order of the maturity of the installments of such interest; and

Second--To the payment of the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Note which shall have become due (other than Note called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates; and

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

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

(c) If the principal of the Note shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of Paragraph (b) of this Section (in the event that the principal of all Note shall later become due or be declared due and payable), the moneys shall be applied in accordance with the provision of Paragraph (a) of this Section.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Noteholder until such Note shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all principal of, premium, if any, and interest on the Note has been paid under the provisions of this Section 1006 and all expenses and charges of the Trustee shall have been paid, any balance remaining in the Note Fund shall be paid to the Company, as provided in Section 509 hereof.

#### SECTION 1007 Remedies Vested in Trustee.

All rights of action (including the right to file proof of claims) under this Indenture or under the Note may be enforced by the Trustee without the possession of the Note or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants the Noteholder, and any recovery of judgment shall be for the benefit of the Noteholder.

#### SECTION 1008 Rights and Remedies of Noteholder.

Except in the case of the failure of the Trustee to accelerate payment of the Note when requested so to do pursuant to Section 1002 hereof, no Noteholder shall have the right to institute any suit, action, or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver of any other remedy hereunder, unless also a default has occurred of which the Trustee has been notified as provided in subsection (g) of Section 1101 hereof, or of which by said subsection it is deemed to have notice, nor unless also such default shall have become an event of default and the Noteholder has made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit, or proceeding in its own name, nor unless also it has offered to the Trustee indemnity as provided in Section 1101(k) hereof, nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its, his, or their own names or names; and such notification, request, and offer of indemnity are hereby declared in every case, at the option of the Trustee, to be conditions precedent to



the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no Noteholder shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of this Indenture by its, his, or their action or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided. Nothing in this Indenture contained shall, however, affect or impair the right of the Noteholder to enforce the payment of the principal of, premium, if any, and interest on any Note at and after the maturity thereof, or the obligation of the County to pay the principal of, premium, if any, and interest on the Note issued hereunder to the holder thereof at the time, place, from the source, and in the manner provided in said Note.

SECTION 1009      Termination of Proceedings.

In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the County and the Trustee shall be restored to their former positions and rights hereunder, and all rights and remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

SECTION 1010      Waivers of Events of Default.

The Trustee shall waive any event of default hereunder and its consequences and rescind any declaration of maturity of principal of, premium, if any, and interest on the Note upon the written request of the Noteholder; provided, however, that there shall not be waived

(a) any default in the payment of (i) the principal of or premium, if any, on the Note, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or (ii) any interest when due on the Note, unless prior to such waiver or rescission, all arrears of interest, and all arrears of payments of principal then due (whether at the stated maturity thereof or upon proceedings for redemption) with interest at the Penalty Rate on such arrears of principal, and all expenses of the Trustee in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the County, Trustee, and Noteholder shall be restored to their former positions and rights hereunder respectively, but no

such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

(b) any default under Section 10.1(c) of the Loan Agreement.

SECTION 1011 Notice of Defaults; Opportunity of the County and Company to Cure Defaults.

No defaults under Section 1001(c) hereof shall constitute an event of default until actual notice of such default by registered or certified mail shall be given by the Trustee or by the Noteholder to the Company and the County, and the County and the Company shall have had thirty (30) days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an event of default if corrective action is instituted by the Company or the County as the case may be, within the applicable period, is diligently pursued, and the default is corrected within ninety (90) days after the notice hereinabove specified has been given.

With regard to any alleged default concerning which notice is given to the Company under the provisions of this Section 1011, the County hereby grants the Company full authority for account of the County to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the County with full power to do any and all things and acts to the same extent that the County could do and perform any such things and acts and with power of substitution.

SECTION 1012 Powers of Trustee upon Event of Default under Loan Agreement or in Payment of Note.

If any Loan Repayments required to be paid under Section 5.2 of the Loan Agreement are not paid on the occasion therein prescribed, or an event of default, as defined in Section 1001 hereof, in the payment of principal of, premium, if any, or interest on any Note shall occur and be continuing, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of all sums due and unpaid under the Loan Agreement or the Note, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against any obligor thereon, and collect in the manner provided by law out of the property of any obligor thereon, wherever situated, the moneys adjudged or decreed to be payable.

In case there shall be pending proceedings for the bankruptcy or for the reorganization of any obligor under the Loan Agreement under Title 11, United States Code "Bankruptcy", or any other applicable law, or in case a receiver or trustee shall have been appointed for the

property of any such obligor, or in case any other judicial proceedings relative to any obligor under the Loan Agreement, or to the creditors or property of any such obligor, the Trustee, irrespective of whether the principal of the Note shall then be due and payable as therein expressed or by declaration or otherwise, and irrespective of whether the Trustee shall have made any demand pursuant to the power vested in it by the Indenture, shall be entitled and empowered by intervention in such proceedings or otherwise, to file and prove a claim or other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee, its agents, attorneys, and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its gross negligence or bad faith) and of the Noteholder allowed in any such judicial proceedings relative to the Company or any other obligor under the Loan Agreement or to the creditors or property of the Company, or any such other obligor, as the case may be, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute all amounts received with respect to the claims of the Noteholder and of the Trustee on their behalf; and any receiver, assignee, or trustee in bankruptcy or reorganization is hereby authorized by the Noteholder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of payments directly to the Noteholder, to pay to the Trustee such amount as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys, and counsel, and all other expenses and liabilities incurred, and all advances made by the Trustee, except as a result of its gross negligence or bad faith.

In case of a default hereunder, the Trustee may, in its discretion, proceed to protect and enforce the rights vested in it by this Indenture, and the Loan Agreement by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in the Loan Agreement or in aid of the exercise of any power granted in this Indenture or the Loan Agreement, or to enforce any other legal or equitable right vested in the Trustee by this Indenture, the Loan Agreement, or by law.

## ARTICLE XI

### THE TRUSTEE

#### SECTION 1101      Acceptance of the Trusts.

The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but only upon and subject to the following terms and conditions:

(a) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers, and employees as may be reasonably employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the County or the Company). The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein or in the Note (except in respect to the authentication certificate of the Trustee endorsed on the Note), or for the validity of the execution by the County of this Indenture or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Note issued hereunder or intended to be secured hereby; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the County or on the part of the Company under the Loan Agreement, except as herein expressly set forth; but the Trustee may require of the County or the Company full information and advice as to the performance of the covenants, conditions, and agreements aforesaid and as to the condition of the property conveyed hereby. Except as otherwise provided in this Indenture, the Trustee shall have no obligation to perform any of the duties or obligations of the County under the Loan Agreement.

(c) The Trustee shall not be accountable for the use of the proceeds from the sale of the Note disbursed in accordance with the provisions of Sections 4.2 and 4.3 of the



Loan Agreement. The Trustee may become the owner of Note, secured hereby with the same rights which it would have if not Trustee.

(d) The Trustee shall be protected in acting hereunder and under the Loan Agreement upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of the Note, shall be conclusive and binding upon all future owners of the Note and of the Note issued in exchange therefor or in place thereof, regardless of whether or not any notation of making such request or giving such authority or consent is made on any such Note.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper, or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the County Board by its County Administrator and attested by its Clerk as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (g) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may, at its discretion, secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the Clerk of the County Board under its seal to the effect that a resolution in the form therein set forth has been adopted by the County Board as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its gross negligence or willful default.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except (i) failure by the County to cause to be made any of the payments to the Trustee required to be made by Article IV hereof and (ii) failure by the Company to make any of the

payments to the Trustee required to be made by Section 5.2 of the Loan Agreement, unless the Trustee shall be specifically notified in writing of such default by the County, the Company under the Loan Agreement, or by the Noteholder, and all notices or other instruments required by this Indenture to be delivered to the Trustee, must, in order to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no default except as aforesaid.

(h) At any and all reasonable times and during normal business hours, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives, shall have the right fully to inspect any and all of the Project, including all books, papers and records of the County pertaining to the Project and the Note, and to make copies and take such memoranda from and in regard thereto as may be desired; subject to the limitations imposed upon such rights of inspection pursuant to Section 8.2 of the Loan Agreement.

(i) The Trustee shall not be required to give any bond or surety in respect to the execution of the said trusts and powers or otherwise in respect of the premises.

(j) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Note, the withdrawal of any cash, or any action whatsoever within the purview of this Indenture, to be furnished with any showings, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, as the Trustee may deem desirable.

(k) Before taking any action hereunder or under the Loan Agreement, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its gross negligence or willful default by reason of any action so taken.

(l) All moneys received by the Trustee or paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds

except to the extent required by law or by this Indenture. Neither the Trustee nor any paying agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

SECTION 1102      Trustee to Act Upon Direction of The Noteholder.

Notwithstanding any other provision of this Indenture or the Loan Agreement, the Trustee shall, upon the written direction of the Noteholder, take all such action as permitted under this Indenture and by law and as directed by the said Noteholders, regardless of whether there exists an event of default, as defined in Article X hereto.

SECTION 1103      Fees, Charges, and Expenses of Trustee.

The Trustee shall be entitled to payment and/or reimbursement for its customary fees, charges, and expenses for performing the duties of Trustee, Registrar and Paying Agent for the Note, as reflected in Schedule A attached to the Loan Agreement, as amended from time to time by Trustee upon thirty (30) days written notice to the Company and, in the event that it should become necessary that the Trustee perform Extraordinary Services, it shall be entitled to reasonable extra compensation therefor, and to reimbursement for reasonable and necessary Extraordinary Expenses in connection therewith; provided, that if such Extraordinary Services or Extraordinary Expenses are occasioned by the neglect or misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. The Trustee shall be entitled to payment and reimbursement for the Note as hereinabove provided. The Trustee shall have a lien with right of payment prior to payment on account of interest, premium, if any, or principal of any Note for the foregoing advances, fees, costs and expenses incurred.

SECTION 1104      Notice to Noteholders if Default Occurs.

If a default occurs of which the Trustee is by subsection (g) of Section 1101 hereof required to take notice or if notice of default be given as in said subsection (g) provided, then the Trustee shall give such notice to the Company and the County as is specified in Section 1011 hereof, and such notice to the Company as is specified in Section 10.1 of the Loan Agreement, in order to have such default mature as an event of default upon the passage of the period of time, if any, therein specified and shall give written notice thereof by mail to the Noteholder as shown by the registration books maintained by the Trustee pursuant to Section 207 hereof.

SECTION 1105      Intervention by Trustee.

In any judicial proceeding to which the County is a party and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of the Noteholder, the Trustee may intervene on behalf of the Noteholder and shall do so if requested in writing by the Noteholder. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

SECTION 1106      Successor Trustee.

Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party, ipso facto, shall be and become successor Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 1107      Resignation by the Trustee.

The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving thirty (30) days written notice to the County, to the Company and by registered or certified mail to the Noteholder shown by the registration books maintained by the Trustee pursuant to Section 207 hereof, and such resignation shall take effect at the end of such thirty (30) days, or upon the earlier appointment of a successor Trustee by the Noteholder or by the County. Such notice to the County and the Company may be served personally or sent by registered or certified mail.

SECTION 1108      Removal of the Trustee.

The Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Trustee and to the County and signed by the Noteholder.



SECTION 1109 Appointment of Successor Trustee by the Noteholder; Temporary Trustee.

In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Noteholder, by an instrument signed by the owner, or by its attorney in fact, duly authorized; provided, nevertheless, that in case of vacancy the County by an instrument executed and signed by the County Administrator of the County Board and attested by the Clerk of the County Board under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Noteholder in the manner above provided; and any such temporary Trustee so appointed by the County shall immediately and without further act be superseded by the Trustee so appointed by the Noteholder. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, within or outside the State of South Carolina, having a reported capital, surplus and undivided profit of not less than \$10,000,000, if there be such an institution willing, qualified, and able to accept the trust upon reasonable or customary terms.

SECTION 1110 Concerning Any Successor Trustee.

Every successor Trustee appointed hereunder shall execute, acknowledge, and deliver to its predecessor and also to the County an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties, and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the County, or of its successor, and upon payment of all amounts due such predecessor pursuant to Section 1103 hereof, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers, and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the County be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers, and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing, shall, on request, be executed, acknowledged, and delivered by the County. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this

Article, shall be filed and/or recorded by the successor Trustee in each recording office where the Indenture shall have been filed and/or recorded.

SECTION 1111      Trustee Protected in Relying upon Resolutions, Etc.

The resolutions, opinions, certificates, and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection, and authority to the Trustee for the release of property, the withdrawal of cash, and the taking or refusing to take any other action hereunder.

SECTION 1112      Successor Trustee as Trustee of Note Fund and Acquisition Account, Paying Agent, and Note Registrar.

In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or has been removed shall cease to be trustee of the Note Fund and the Acquisition Account, and paying agent for principal of and interest and premium, if any, on the Note and Note Registrar and the successor Trustee shall become such Trustee, paying agent, and Note Registrar.

SECTION 1113      Trust Estate May Be Vested in Separate or Co-Trustee.

It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of South Carolina) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or the Loan Agreement, and, in particular, in case of the enforcement of either on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies herein granted to the Trustee, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section 1113 are adopted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee (and the Trustee is hereby expressly granted such power), each and every remedy, power, right, claim, demand, cause of action, immunity, and estate expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights, and remedies, and every covenant and obligation necessary to the exercise

thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any instrument in writing from the County be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties, and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged, and delivered by the County. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign, or be removed, all the estates, properties, rights, powers, trusts, duties, and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

## ARTICLE XII

### SUPPLEMENTAL INDENTURES

#### SECTION 1201     Supplemental Indentures

Subject to the terms and provisions contained in this Section, and not otherwise, the Noteholder shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the County and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the County for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture or in the Note; provided, however, that nothing in this Section contained shall permit, or be construed as permitting,

(a) an extension of the due date of any payment of the principal of or premium, if any, or the interest on, or reduction of any premium payable on the redemption of, the Note, or

(b) the issuance of Note hereunder in excess of the limitations imposed by the provisions of Article II, or

(c) a reduction in the principal amount of, premium, if any, or interest on the Note required to be paid or redeemed by the provisions of this Indenture or any alteration of the date on which the Note is required to be paid or redeemed, or any alteration of the date on which or the order in which the Note shall be redeemed pursuant to this Indenture, or reduction in the rate of interest payable on the Note, or

(d) a reduction in the amount, or extension of the time, of any payment required for the Note Fund, or

(e) a reduction in the aforesaid principal amount of the Note the holder of which is required to consent to any such supplemental indenture, or

(f) any amendment of this Section 1201 or Section 1302, without the consent of the Noteholder which would be affected by the action taken, or

(g) the modification of the rights, duties, or immunities of the Trustee, without the written consent of the Trustee.



If at any time the County shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause a copy of the proposed supplemental indenture to be mailed, postage prepaid, to the Company and the Noteholder shown by the registration books maintained by the Trustee pursuant to Section 207 hereof. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all the Noteholder. If, within sixty (60) days or such longer period as shall be prescribed by the County following the giving of such notice, the Noteholder at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Noteholder shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the County from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Anything herein to the contrary notwithstanding, a supplemental indenture under this Article XII which affects any rights of the Company shall not become effective unless and until the Company shall have consented to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture, together with a copy of the proposed supplemental indenture, to be mailed by certified or registered mail to the Company at least fifteen (15) business days prior to the proposed date of execution and delivery of any supplemental indenture. The Trustee may rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental indenture has been effected in compliance with the provisions of this Article XII.

## ARTICLE XIII

### AMENDMENT OF LOAN AGREEMENT

#### SECTION 1301 Amendments, etc., to Loan Agreement Not Requiring Consent of Noteholder.

The County and the Trustee may, without the consent of or notice to the Noteholder, consent to any amendment, change, or modification of the Loan Agreement as may be required for the purpose of curing any ambiguity or formal defect or omission. Copies of all such amendments, changes, or modifications will be promptly mailed to the Company and the Noteholder shown by the registration books maintained by the Trustee pursuant to Section 207 hereof.

#### SECTION 1302 Amendments, etc., to Loan Agreement Requiring Consent of Noteholder.

Except for the amendments, changes, or modifications as provided in Section 1301 hereof, and subject to the special limitation contained in the sentence of this Section 1302 immediately following this sentence, the County, the Company, and the Trustee may consent to other amendments, changes or modifications of the Loan Agreement after notice to and upon the written approval or consent of the Noteholder given and provided as in Section 1201 hereof provided. Provided, always, that nothing in this Section contained shall permit, or shall be construed as permitting, any amendment, change, or modification of

(i) the Company's unconditional obligation to make payments sufficient to pay the principal, interest, and premium, if any, due at any time on the Note,

(ii) the provisions of Article V of the Loan Agreement, or

(iii) a reduction in the principal amount of, premium, if any, or interest on any Note required to be paid or redeemed by the provisions of this Indenture or any alteration of the date on which Note are required to be paid or redeemed, or any alteration of the date on which or the order in which Note shall be redeemed pursuant to this Indenture, or reduction in the rate of interest payable on any Note, or

without the consent of the Noteholder. If at any time the County and the Company shall request the consent of the Trustee to any such proposed amendment, change, or modification of the Loan Agreement, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change, or modification to be given in the same manner as provided by Section 1201 hereof with respect to supplemental indentures. Such notice shall set forth the proposed amendment, change, or modification and shall state

that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by the Noteholder. If, within sixty (60) days or such longer period as shall be prescribed by the County following the giving of such notice, the Noteholder at the time of the execution of such proposed amendment shall have consented to and approved the execution thereof as herein provided, it shall have no right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the County from consenting to the execution thereof or from taking any action pursuant to the provisions thereof. Upon the execution of any such amendment as in this Section permitted and provided, the Loan Agreement shall be and be deemed to be modified and amended in accordance therewith. The foregoing notwithstanding all amendments made to the Loan Agreement shall be subject to the provisions of Section 13.6 of the Loan Agreement.

## ARTICLE XIV

### MISCELLANEOUS

#### SECTION 1401      Consents, etc., of Noteholder.

Any consent, request, direction, approval, waiver, objection, or other instrument required by this Indenture to be signed and executed by the Noteholder may be in any number of concurrent writings of similar tenor and may be signed or executed by such Noteholder in person or by agent appointed in writing. Proof of the execution of any consent, request, direction, approval, objection, or other instrument or of the writing appointing any such agent and of the ownership of Note, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely:

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

(b) The ownership of the Note shall be proved by the register of such Note.

(c) Any request, consent, or vote of the Noteholder shall bind every future holder of the same Note and the holder of every Note issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the County in pursuance of such request, consent, or vote.

#### SECTION 1402      Limitation of Rights.

With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Note is intended or shall be construed to give to any person other than the parties hereto, the Noteholder and the Company any legal or equitable right, remedy, or claim under or in respect to this Indenture or any covenants, conditions, and provisions herein contained; this Indenture and all of the covenants, conditions, and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Noteholder and the Company as herein provided.



SECTION 1403 Severability.

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

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

SECTION 1404 Notices.

All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, or given when dispatched by telegram when telegraphic notice is permitted by express provisions of this Indenture, addressed as follows: if to the County, to the County Board, P. O. Box 5666 Spartanburg, South Carolina 29304; if to the Company, Spartanburg Steel Products, Inc., New Cut Road, Spartanburg, South Carolina 29301, Attention: Fred Schoen, with a copy to John S. Steinhauer, Esquire; Amer Cunningham Brennan Co., L.P.A., Eleventh Floor, First National Tower, Akron Ohio 44308; and if to the Trustee, Mercantile National Bank at Dallas, 1704 Main Street, Post Office Box 225415, Dallas, Texas 75265, Attention: Corporate Trust Department. The County, the Company, the Trustee, may by notice given to all parties to this Indenture, and the Loan Agreement, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

SECTION 1405 Trustee as Paying Agent and Registrar.

The Trustee is hereby designated and agrees to act as a paying agent and the Note Registrar for and in respect to the Note.

SECTION 1406 Payments Due on Saturdays, Sundays and Holidays.

In any case where the date of maturity of interest or premium, if any, on or principal of the Note or the date fixed for redemption of the Note shall be a Saturday, Sunday, or shall be in South Carolina, New York, or in the jurisdiction where the principal corporate trust office of the Trustee is located, a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal (and premium, if any) need not be made on such date in such city but may be made on the next succeeding business day

not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions are authorized by law to close with the same force and effect as if made on the date of maturity or the date fixed for redemption and no interest shall accrue for the period after such date.

SECTION 1407      Counterparts.

This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 1408      Laws Governing Indenture and Situs and Administration of Trust.

The effect and meaning of this Indenture and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State of South Carolina, but notwithstanding it is the intention of the County that the situs of the trust created by this Indenture be in the state in which is located the principal corporate trust office of the Trustee from time to time acting under this Indenture. The word "Trustee" as used in the preceding sentence shall not be deemed to include any additional individual or institution appointed as a separate or co-trustee pursuant to Section 1113 of this Indenture. It is the further intention of the County that the Trustee administer said trust in the state in which is located, from time to time, the situs of said trust.

IN WITNESS WHEREOF, SPARTANBURG COUNTY, SOUTH CAROLINA, has caused these presents to be signed in its name and behalf by the Administrator of the County, and attested by the Clerk of the County Board, and to evidence its acceptance of the trusts hereby created, Mercantile National Bank at Dallas, has caused these presents to be signed in its name and behalf by one of its \_\_\_\_\_, and the same to be attested by one of its \_\_\_\_\_, all as of the day and year first hereinabove written.

SPARTANBURG COUNTY, SOUTH CAROLINA

By: \_\_\_\_\_  
K. L. Westmoreland  
County Administrator  
Spartanburg County, South Carolina

ATTEST:

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

Signed, Sealed, and Delivered  
in the Presence of:

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

MERCANTILE NATIONAL BANK AT  
DALLAS, as Trustee

(SEAL)

By: \_\_\_\_\_

Its: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Its: \_\_\_\_\_

Signed, Sealed, and Delivered  
in the Presence of:

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

Draft of 9/17/82

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**002733**



STATE OF SOUTH CAROLINA     )  
                                      )  
COUNTY OF SPARTANBURG     )

PERSONALLY appeared before me \_\_\_\_\_ who,  
being duly sworn, says that (s)he saw K. L. WESTMORELAND, as  
Administrator sign, and C. P. PARRIS, as Clerk of the County Council  
of Spartanburg County, attest the same, and that (s)he with  
\_\_\_\_\_ witnessed the execution and delivery  
thereof as the act and deed of the said Spartanburg County, South  
Carolina.

\_\_\_\_\_  
SWORN to before me this \_\_\_\_\_  
day of September, A. D. 1982.

\_\_\_\_\_ (L.S.)

Notary Public for the  
State of South Carolina.

My Commission Expires:  
\_\_\_\_\_

STATE OF )  
COUNTY OF )

PERSONALLY APPEARED before me \_\_\_\_\_,  
who, being duly sworn, says that (s)he saw the corporate Seal of  
MERCANTILE NATIONAL BANK AT DALLAS, as Trustee, affixed to the  
foregoing Trust Indenture, and that (s)he also saw \_\_\_\_\_, as  
a \_\_\_\_\_, and \_\_\_\_\_, as a \_\_\_\_\_, of  
MERCANTILE NATIONAL BANK AT DALLAS, attest the same, and that  
(s)he with \_\_\_\_\_ witnessed the execution  
and delivery thereof as the act and deed of the said MERCANTILE  
NATIONAL BANK AT DALLAS, as Trustee.

\_\_\_\_\_  
SWORN to before me this \_\_\_\_  
day of September, A. D. 1982.

\_\_\_\_\_(L.S.)

Notary Public for the  
State of \_\_\_\_\_.

My Commission Expires:  
\_\_\_\_\_

EXHIBIT A

(Attached to the Trust Indenture between Spartanburg County, South Carolina, and Mercantile National Bank at Dallas, as Trustee, dated as of September 1, 1982)

DESCRIPTION OF EQUIPMENT ACQUIRED  
AND TO BE ACQUIRED OUT OF PROCEEDS OF THE NOTE

EXHIBIT B

UNITED STATES OF AMERICA  
STATE OF SOUTH CAROLINA  
COUNTY OF SPARTANBURG  
INDUSTRIAL REVENUE NOTE, SERIES 1982  
(SPARTANBURG STEEL PRODUCTS, INC., PROJECT)

\$3,000,000.00

KNOW ALL MEN BY THESE PRESENTS, that SPARTANBURG COUNTY, SOUTH CAROLINA, a body politic and corporate, and a political subdivision of the State of South Carolina (the County), for value received, promises to pay, but only from the source and as hereinafter provided, in immediately available funds, to the order of \_\_\_\_\_, or registered assigns, on September 1, 1997, the principal sum of \$3,000,000 and, in like manner, to pay interest on said sum from the date hereof at the rate of eighty-five per centum (85%) per annum of the prime rate (but in no event less than  $7\frac{1}{2}\%$  per annum), announced as such from time to time by the Mercantile National Bank at Dallas, at its principal office in Dallas, Texas (the Tax-Free Rate) semi-annually on each September 1 and each March 1 hereafter until said principal sum is paid, except as the provision hereinafter set forth with respect to redemption prior to maturity may become applicable hereto; provided, however, that all payments of principal and interest made after the relevant due date shall be subject to an additional charge from the redemption due date at the Penalty Rate as defined in the Loan Agreement. Principal of, premium, if any, and interest on this Note being payable in lawful money of the United States of America. Payments of interest shall be by check or draft mailed by Mercantile National Bank at Dallas, Dallas, Texas, as Trustee (the Trustee), at the times provided herein to the registered holder of this Note at the address shown on the registration books, without the necessity of surrendering this Note and all such payments shall fully discharge the obligation of the County herein to the extent of the payments so made. The Trustee shall keep a record of all such payments. The principal of this Note is payable to or upon the order of the registered owner or his legal representative at the principal corporate trust office of the Trustee in the City of Dallas, State of Texas, upon presentation and surrender of this Note for cancellation and, if appropriate, exchange for a Note in the principal amount equal to the balance of the principal amount of this Note remaining unpaid.

In the event that the maximum marginal Federal corporate income tax rate presently imposed on the taxable income of corporations pursuant to Subtitle A, Chapter 1A, Part II, Section 11(b) or any successor provision of the Internal Revenue Code of 1954, as amended, as in effect from time to time (the "Base Rate") is either increased or decreased from the present 46% rate, the Tax-Free Rate shall be increased or decreased as follows: the new rate of interest shall be the Tax Equivalent Yield multiplied by the difference between one (1) and

Exhibit B - 1

Draft of 9/17/82

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the new Base Rate. "Tax Equivalent Yield" shall mean 85% of the prime rate announced as such from time to time in effect, divided by 54%.

This Note in the principal amount of \$3,000,000 is issued for the purpose of obtaining funds to be loaned to Spartanburg Steel Products, Inc., a corporation organized and existing under the laws of South Carolina (the Company) under the terms of a Loan Agreement, dated as of September 1, 1982, between the County and the Company (the Loan Agreement), which has been assigned to the Trustee pursuant to the Assignment of Loan Agreement, dated as of September 1, 1982 (the Assignment of Loan Agreement), to finance the acquisition of existing machinery and equipment and other personal property and assets currently being utilized by an existing manufacturing facility located on New Cut Road in Spartanburg County (hereinafter called the Project), which, together with the land on which and the building in which the same is located, constitutes a steel stamping plant to manufacture beer barrels, automotive products, syrup containers, and other products, and the payment of the necessary expenses incidental thereto so as to thereby promote industry and develop trade in South Carolina. The Note is issued under the terms of a Trust Indenture (hereinafter called the Indenture), dated as of September 1, 1982, duly executed and delivered by the County to the Trustee. Under the terms of the Loan Agreement, the Company must pay to the County such payments as will be fully sufficient to pay the principal of, premium, if any, and interest on the Note, as the same mature and become due and, under the Loan Agreement, it is the obligation of the Company to pay the costs of maintaining the Project in good repair and keep it properly insured.

The obligations of the Company under the Loan Agreement are secured pursuant to the terms of a Security Agreement (hereinafter referred to as the Security Agreement), dated as of September 1, 1982, between the Company and the County, and assigned by the County to the Trustee pursuant to an Assignment of Security Agreement (hereinafter called the Assignment of Security Agreement), dated as of September 1, 1982. The payment of principal of, premium, if any, and interest on the Note is unconditionally guaranteed by Brenlin Corporation, pursuant to the terms of a Guaranty Agreement (hereinafter called the Guaranty Agreement), dated as of September 1, 1982, between Brenlin Corporation and the Trustee.

Copies of the Loan Agreement, Assignment of Loan Agreement, Indenture, Security Agreement, Assignment of the Security Agreement, and the Guaranty Agreement are on file at the principal office of the Trustee in the City of Dallas, Texas, and reference is made to the Loan Agreement, Indenture, and Security Agreement for a description of the security, the provisions, among others, with respect to the nature and extent of the rights and remedies of the holder of the Note, the rights, duties, and obligations of the County, the Company, and the Trustee and the terms upon which the Note is issued and secured.

The Note is issued pursuant to the authorization of and for the purposes prescribed by Chapter 29, Title 4, Volume 1, Code of Laws of South Carolina 1976, as amended by Act No. 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1980, and further amended by Act No. 179 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1981, and pursuant to an Ordinance duly enacted by the County Council of Spartanburg County and with the approval of the State Budget and Control Board of the State of South Carolina. The Note is a limited obligation of the County and is payable by the County solely out of the income, revenues, and receipts received under the Loan Agreement (excluding amounts paid by the Company to the County pursuant to Sections 6.3, 8.5, or 10.4 of the Loan Agreement). The full faith, credit, and taxing powers of the County are not pledged to the payment of principal of, premium, if any, or interest on the Note.

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

Pursuant to the Loan Agreement, payments sufficient for the prompt payment, when due, of the principal of, premium, if any, and interest on the Note are to be paid by the Company to the Trustee for the account of the County and have been pledged for that purpose.

The Note may not be redeemed prior to September 1, 1985, except in the event of (i) the exercise by the holder of the Note of its continuing right to demand redemption upon 180 days notice to the Company, or (ii) exercise by the Company of its option to demand redemption of the Note upon the occurrence of an Official Determination as defined in Section 12.1 of the Loan Agreement. If called for redemption, the Note shall be subject to redemption by the County at any time after notice as provided in this Indenture, whether or not such date is an interest payment date, at a price of par, plus accrued interest to the redemption date and, but only in the event of redemption of the Note pursuant to Section 12.1 of the Loan Agreement, an additional amount as provided in Section 12.1 of the Loan Agreement.

The Note is also subject to redemption by the County, at the request of the Company, prior to maturity on or after September 1, 1985, in whole on the redemption dates and at the redemption prices set

forth in the table below:

<u>Redemption Date</u>	<u>Redemption Price</u>
Prior to September 1, 1985	No Redemption
September 1, 1985 to September 1, 1986	102%
September 1, 1986 to September 1, 1987	101½%
September 1, 1987 to September 1, 1988	101%
September 1, 1988 to September 1, 1989	100½%
September 1, 1989 to September 1, 1997	100%

In the event the Note is called for redemption the Trustee shall give notice, in the name of the County, of the redemption of such Note, the redemption date, and the place or places where amount due upon such redemption will be payable and the number of such Note so to be redeemed. Such notice shall be given by mailing a copy of the redemption notice by registered mail at least one hundred eighty (180) days, in the case of the holder of the Note exercising its option as set forth in Section 301 of the Indenture, and otherwise thirty (30) days prior to the date fixed for redemption to the holder of the Note at the address shown on the registration books. The Note so called for redemption will cease to bear interest on the specified redemption date, provided funds for its redemption are on deposit with the Trustee, and such Note shall not be deemed to be outstanding under the provisions of the Indenture.

Under certain circumstances, as provided in Sections 4.3(k), 6.2(b), 7.1(f), and 7.2(c) of the Loan Agreement, moneys received by the Company shall be applied to the payment of principal on the Note, and notwithstanding the above provisions with respect to redemption and redemption price, and such application shall be made without premium or penalty.

If an Official Determination, as defined in Section 12.1 of the Loan Agreement, shall occur, the County agrees to pay, but only from the revenues and receipts specified in Section 5.2 and Section 12.1 of the Loan Agreement, additional payments, as described in Section 12.1 of the Loan Agreement.

Upon the happening of an event of default, as defined in the Loan Agreement or the Indenture, or upon failure to pay principal or interest hereunder, the principal of the Note then outstanding may be declared due and payable before the stated maturity thereof, together with interest accrued thereon.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions, and things required to exist, happen, and be performed precedent to and in the execution, delivery and issuance of this Note do exist, have happened, and have been performed in due time, form, and manner as required by law; and that the issuance of this Note, together with all other obligations of the County, does not

exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, SPARTANBURG COUNTY, SOUTH CAROLINA, has caused this Note to be executed by the Chairman of the County Council of Spartanburg County, South Carolina, by his manual signature and attested by the County Administrator of Spartanburg County, South Carolina, by his manual signature, all on the \_\_\_\_\_ day of \_\_\_\_\_, A.D. 1982.

SPARTANBURG COUNTY, SOUTH CAROLINA

By:XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX  
Chairman, County Council of  
Spartanburg County, South Carolina

ATTEST:

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX  
County Administrator  
Spartanburg County, South Carolina



This Note is the Note described in the within mentioned Indenture.

MERCANTILE NATIONAL BANK AT  
DALLAS,

as Trustee

By: \_\_\_\_\_  
Authorized Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfer unto \_\_\_\_\_ (please print or type name and address of transferee) \_\_\_\_\_

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ Attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Social Security or Other Identifying

Number of Assignee: \_\_\_\_\_

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

The State of South Carolina

AUG 13 1982



EXHIBIT

AUG 17 1982 NO. 4

Office of the Attorney General

STATE BUDGET & CONTROL BOARD

DANIEL R. McLEOD  
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING  
POST OFFICE BOX 11549  
COLUMBIA, S.C. 29211  
TELEPHONE 803-758-8820

August 11, 1982

Mr. William A. McInnis  
Secretary  
State Budget and Control Board  
212 Wade Hampton Office Building  
Columbia, South Carolina 29201

Re: \$915,000 Greenville County, South  
Carolina, Industrial Revenue Bond,  
1982 (Rainerman 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 4-29-10 et seq., CODE OF LAWS OF SOUTH CAROLINA, 1976, as amended, and the same appear, in our opinion, to be in order.

With kind regards,

A handwritten signature in cursive script, reading "Karen LeCraft Henderson".

Karen LeCraft Henderson  
Deputy Attorney General

KLH/jvh  
Enclosures

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# EXHIBIT

AUG 17 1982

NO. 4

## REVENUE BOND ISSUE PETITION PROCESSING CHECKLIST

STATE BUDGET & CONTROL BOARD

[Item for Board meeting of 8/17/82]

1. Local Government: Greenville County
2. Bond Counsel:
  - (a) Firm Haynsworth, Perry, Bryant, Marion + Johnstone
  - (b) Contact Person Joe Blake / Ann Ellison Phone 271-7970
  - (c) Address Box 2048, Greenville, SC 29602
3. Project Name: Rainerman (Jama International Corp.)
4. Issue Amount: \$ 915,000 Bond Type: Industrial
5. Employment Impact of Project: approximately 10
6. Type/Nature of Business of Firm Involved: warehousing and distribution of sheets, towels and other textile products to others for resale  
Blay \* \* \* \* \*

7. Processing Checklist	Rec'd. From	Sent To
(a) Governing body resolution/ordinance/ petition	AE 8/5	KH 8/6
(b) Documents on issuance/securing of bonds	AE 8/5	KH 8/6
(c) Financial Information: (1) Audited Statements (3 most recent years) OR (2) If private placement, "investment letter" (Purchaser: <u>South Carolina Text Book</u> )	SCN 7/13	EAV 7/13
(3) Review by State Auditor's Office (memo)	OK 7/16	XXXXXXXX
(d) Health and Environmental Control certification	—	—
(e) B&C Board Resolution and Notice ( <u>5</u> copies for certification for bond counsel)	AE 8/5	(1) KH 8/6
(f) Review by Attorney General's Office (letter)	OK 8/13/82	XXXXXXXX

Motion: TGM  
 Second: EEM  
 Absent:  
 Vote: For 5 ; Against 0

Certificates signed: 8/17/82

Resolutions mailed: 8/17/82

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JUL 13 1982

PO Drawer 969  
Greenville, SC  
29602

*OK*  
*7-16-82*



**South Carolina  
National Bank**

July 9, 1982

State Budget and Control Board  
Wade Hampton Office Building  
Post Office Box 12444  
Columbia, South Carolina 29211

**EXHIBIT**

AUG 17 1982 NO. 4

Re: \$915,000 Greenville County, South Carolina,  
Industrial Revenue Bond 1982 (Rainerman Project) STATE BUDGET & CONTROL BOARD

Gentlemen:

We have made a commitment to purchase the above-referenced issue of Greenville County. In connection with our commitment, we have requested and have been provided with certain financial information by Arturo and Adrienne Rainerman, Jama International Corporation, and its subsidiaries, and the information to the extent that it has been furnished and the balance of the information to be furnished in satisfaction of our commitment are satisfactory to us. Our agreement to purchase this issue is made for our own investment for loan purposes and we do not presently contemplate the resale, distribution or redistribution of the issue. This letter shall not be construed to prohibit South Carolina National Bank from granting a participation interest in the Note.

Sincerely,

*Charles P. Cecil*  
Charles P. Cecil  
Vice President

CPC/7338mc

cc: Mrs. Anne S. Ellefson

**002745**



# EXHIBIT

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF GREENVILLE )

AUG 17 1982 NO. 4  
RESOLUTION

## STATE BUDGET & CONTROL BOARD

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

WHEREAS, the proposed undertaking consists of the financing by the Governing Board through the issuance of an Industrial Revenue bond pursuant to the Act of a portion of the costs of the acquisition, completion and furnishing of a building to be owned by Arturo and Adrienne Rainerman (hereinafter "the Owners") and to be leased to Jama International Corporation, a subsidiary thereof, or to a corporation to be formed which will be a related party to the aforesaid (the "Lessee") for the warehousing and distribution of sheets, towels and other textile products to others for resale (collectively, the "Industry"); and

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

WHEREAS, in order to finance a portion of the Project, the Governing Board proposes to provide for the issuance of a \$915,000.00 Greenville County Industrial Revenue Bond, 1982 (Rainerman Project), pursuant to the Act, payable from the revenues owed under the terms of a Loan Agreement between Greenville County and the Industry and additionally secured by a Note executed by the Industry to the County, (the "Note") which

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Note will be secured by a Mortgage and Security Agreement between the Industry and The South Carolina National Bank (the "Bank"); and

WHEREAS, Greenville County and The South Carolina National Bank will enter into a Bond Purchase Agreement pursuant to which the Bank agrees to purchase the Bond; and

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

NOW, THEREFORE, BE IT RESOLVED by the State Budget and Control Board in meeting duly assembled:

1. It has been found and determined by the State Board that:
  - (a) The Statement of Facts set forth in the recitals to this Resolution are in all respects true and correct;
  - (b) The Governing Board has filed proper Petition to the State Board establishing a reasonable estimate of the cost of the Project, a general summary of the terms and conditions of the proposed Loan Agreement, Bond Purchase Agreement, Bond Ordinance, and Bond to be made by the Governing Board and the Note and Mortgage and Security Agreement to be made by the Industry;
  - (c) The Project, when complete, will provide for additional employment in the County and will be of benefit to the County and adjoining areas, and
  - (d) The Project is intended to promote the purpose of the Act and is reasonably anticipated to effect such results.
2. On the basis of the foregoing findings, the proposed undertaking of the Governing Board to finance a portion of the Project through the issuance of a \$915,000.00 Greenville County Industrial Revenue Bond, 1982 (Rainerman Project) payable from the revenues to be derived from obligations of the Industry pursuant to the Loan Agreement, and additionally secured by the Note, which is secured by a Mortgage and Security Agreement, all pursuant to the Act (including changes in any details in the said financing as finally consummated which do not materially affect the undertaking) be and the same is hereby approved.

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

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STATE OF SOUTH CAROLINA    )  
                                  )  
COUNTY OF GREENVILLE    )

EXHIBIT "A"

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

\* \* \* \* \*

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

The financing of a portion of the costs of the acquisition, completion and furnishing of a building to be used in warehousing and distributing textile products (the "Project") through the issuance of a \$915,000.00 Greenville County Industrial Revenue Bond, 1982 (Rainerman Project) (the "Bond") pursuant to Title 4, Chapter 9, 1976 Code of Laws of South Carolina, as amended. The Project will be owned by Arturo and Adrienne Rainerman and leased to Jama International Corporation, a subsidiary thereof, or to a corporation to be formed which will be a related party to the aforesaid (collectively the "Industry"). The Governing Board and the Industry will enter into a Loan Agreement under which terms the Industry agrees to pay to Greenville County amounts sufficient to meet the principal, interest, and premiums, payable on the Bond. The Bond will be additionally secured by a Note executed by the Industry to the County, which Note is secured by a Mortgage and Security Agreement, which constitute forecloseable liens on the Project. Neither the Project nor the Bond will give rise to any pecuniary liability of Greenville County or a charge against its general credit or taxing power.

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When completed, it is estimated the Project will provide for additional employment of approximately ten (10) persons in Greenville County and will be of benefit to Greenville County and surrounding areas.

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

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# EXHIBIT

AUG 17 1982 NO. 4

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

STATE BUDGET & CONTROL BOARD

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

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina at 2:00 P. M., Tuesday, August 17, 1982, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of: none.

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

FOR MOTION

5

AGAINST MOTION

0

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

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

August 17, 1982

William A. McInnis  
Secretary

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# EXHIBIT

AUG 17 1982 NO. 4

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF GREENVILLE )

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

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

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

2. The Act authorizes the Governing Board, if it shall comply with the provisions set forth in the Act, to provide financing for the cost of acquiring and completing a building and installing equipment therein which facility will be owned by Arturo and Adrienne Rainerman (hereinafter the "Owners") and will be leased to Jama International Corporation, a subsidiary thereof, or to a corporation to be formed and duly authorized to do business in the state of South Carolina which corporation shall be a related party to the aforesaid (the "Lessee") for the warehousing and distribution to others for resale of sheets, towels and other textile products (the "Project") through the issuance of an Industrial Revenue Bond payable from and secured by a pledge of the revenues to be payable pursuant to a "Financing Agreement," as that term is defined in the Act.

3. The Governing Board has agreed with the Owners (who, together with the Lessee shall be collectively referred to as the "Industry") that the Governing Board will undertake to finance a portion of the costs of the acquisition, completion and furnishing of the Project to be located in Greenville County through the issuance of a Greenville County Industrial Revenue Bond.

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4. The Governing Board is advised by the Industry that the present cost of the Project will be in excess of \$915,000.00; and that in order to finance a portion of the cost of acquisition, completion and furnishing of the Project, including the costs and charges incident to the issuance and sale of the Bond hereinafter described, it will be necessary that the Governing Board issue a \$915,000.00 Greenville County Industrial Revenue Bond, 1982 (Rainerman Project) (the "Bond"). The South Carolina National Bank (the "Bank") has agreed to purchase the Bond pursuant to the terms of the proposed Bond Purchase Agreement.

5. When complete, the Project will increase employment in the County by approximately 10 persons. It is presently anticipated that the Industry will locate a manufacturing facility at this site within the next two years and will thereby additionally increase employment in this state.

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

- (a) The proposed Project will serve the purposes of the Act;
- (b) By reason of undertaking the Project, no pecuniary liability shall result to the County, nor will there be a charge against its general credit or tax powers;
- (c) The proposed Loan Agreement between the County and the Industry will unconditionally obligate the Industry to repay the loan in the principal sum of Nine Hundred Fifteen Thousand and 00/100 (\$915,000.00) Dollars generally as follows: Commencing on the date of delivery of the Bond, interest only shall accrue on the unpaid outstanding at the rate of either (a) eighty per cent (80%) of the "prime interest rate" of the Bank or (b) sixty-four per cent (64%) of the "prime interest rate" of

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the Bank, together with certain compensating balances which will result in an equivalent yield of approximately eighty per cent (80%) of the prime interest rate. The Industry shall make an election as to which rate shall apply prior to the issuance of the Bond. Interest hereunder shall be due and payable, in arrears, on the outstanding principal balance on the first day of each quarter beginning on September 1, 1982 and continuing on each March 1, June 1, September 1 and December 1 until the Bond is paid in full.

Beginning on June 1, 1983, the principal shall be repaid in forty (40) equal quarterly installments of Twenty-Two Thousand Eight Hundred Seventy-Five and 00/100 Dollars (\$22,875.00) each.

"Prime interest rate", as used herein, means the published rate of the Bank.

Provided, however, that (i) in an Event of Taxability, as that term is defined in the Bond Ordinance authorizing the issuance of the Bond (as hereinafter defined), the interest rate on the Bond shall be adjusted, effective as of the date interest is (or is determined to be) taxable, to a rate equal to the prime interest rate or (ii) if the incremental corporate tax rate imposed under Section 11(h) of the Internal Revenue Code of 1954 as amended, is changed from the rate in effect as of the delivery of the Bond, the interest rate of sixty-four per cent (64%) or eighty per cent (80%) (whichever rate is chosen) of the prime interest rate for the quarter following and thereafter in which such changes are effective shall be adjusted proportionately to provide the Bondholder a rate of interest which will yield an amount equivalent to the yield on a tax exempt obligation bearing interest at sixty-four per cent (64%) or

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eighty per cent (80%) of the prime interest rate during a time in which such incremental federal corporate tax rate was forty-six per cent (46%).

Further, the Industry has agreed to indemnify and hold the Bank harmless in the event that the receipt of any income from the Bond becomes taxable as a result of any tax preference or minimum tax provision.

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

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

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

(a) The Project to be acquired consists of a building to be acquired, completed and furnished by the Owner for use by the Lessee in the warehousing and distribution of sheets, towels and other textile products to others for resale.

(b) The cost of the Project will be in excess of Nine Hundred Fifteen Thousand and 00/100 Dollars (\$915,000.00), including the costs and all expenses to be incurred in connection therewith.

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

(a) To finance a portion of the cost of the acquisition, improvement, and equipping of the Project, the County will issue a \$915,000.00 Greenville County Industrial Revenue Bond, 1982 (Rainerman Project). The Bond will be secured by a pledge of the revenues which the County shall have a right to receive pursuant to the Loan Agreement.

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In addition, the Industry will execute a Note (the "Note") to the County promising to pay that amount due under the Bond of the County, and the Bond will be secured by the Note and pursuant to a Pledge and Assignment Agreement between the County, and the Bank will use each payment by the Industry under the Note to make a like payment of interest or of interest and principal on the Bond. The Note will be secured by a Mortgage and Security Agreement from the Industry to the South Carolina National Bank.

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

10. The rights of the County under the Loan Agreement will be assigned to the South Carolina National Bank by a Pledge and Assignment by the County and the Industry.

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

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

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

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

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

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

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

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

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# EXHIBIT

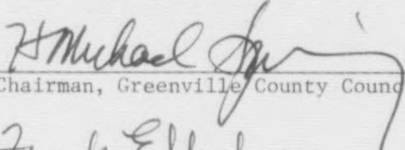
AUG 17 1982 NO. 4


## STATE BUDGET & CONTROL BOARD

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


Respectfully submitted,

GREENVILLE COUNTY, SOUTH CAROLINA

  
Chairman, Greenville County Council

  
County Administrator

ATTEST:

  
Clerk of County Council  
Greenville County, South Carolina

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# EXHIBIT

AUG 17 1982 NO. 4

## A RESOLUTION

## STATE BUDGET & CONTROL BOARD

MAKING CERTAIN DETERMINATIONS AND FINDINGS PRIOR TO UNDERTAKING A PROPOSED PROJECT TO BE FINANCED THROUGH THE ISSUANCE OF AN INDUSTRIAL REVENUE BOND BY THE COUNTY COUNCIL OF GREENVILLE COUNTY AND AUTHORIZING THE FILING OF THE PETITION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA

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

1. Greenville County (the "County") has entered into an Inducement Contract with Arturo and Adrienne Rainerman whereby the County agrees, under the conditions set forth in the Inducement Contract, inter alia, to issue an Industrial Revenue Bond pursuant to Section 4-20-10, et. seq. of the code of Laws of South Carolina, 1976, as amended and continued by Act No. 125 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1977 (the "Act"), to finance the acquisition and completion of a building and installation of equipment therein by Arturo and Adrienne Rainerman (hereinafter "the Owners") to be leased to Jama International Corporation, a subsidiary thereof, or to a corporation to be formed which will be a related party to the aforesaid (the "Lessee") for the warehousing and distribution of sheets, towels and other textile products to others for resale (collectively, the "Industry"). The Industry has requested that the County now issue a \$915,000.00 Greenville County Industrial Revenue Bond. It is estimated that the approximate cost of the Project will exceed this amount.

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

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

2. The County Board has determined that the Project will subserve the purposes of the Act and that neither the Project nor the

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Bond will give rise to any pecuniary liability of Greenville County or a charge against its general credit or taxing power.

3. The amount necessary to finance this portion of the Project through the issuance of an Industrial Revenue Bond will exceed \$915,00.00.
4. The Industry has submitted to the County Board a draft of the proposed Loan Agreement and Note issued pursuant thereto, under which terms the Industry will agree to pay the amount necessary to provide the payments of principal and interest on the Bond, the terms of which are set forth in the attached Petition.
5. In view of the well established credit of the Industry and its successful arrangements to effect a sale of the Bond, no reserve funds will be established.
6. The payment of the Bond will be secured by pledge of the payments due under the Loan Agreement and the Note will be secured by a first Mortgage.
7. The Bond will be issued as a tax exempt Bond pursuant to the provisions of Section 103(b) of the Internal Revenue Code of 1954, as amended.

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

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

BE IT FURTHER RESOLVED:

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

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Petition and to take all other action necessary or incidental to the execution and filing of the Petition.

GREENVILLE COUNTY, SOUTH CAROLINA

H. Michael Jones  
Chairman, Greenville County Council

Frank Ellenbury  
County Administrator

ATTEST:

Mary A. Turner  
Clerk of County Council  
Greenville County, South Carolina

Dated: June 29, 1982

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*Haynsworth, Perry, Bryant, Marion & Johnstone*

AUG 05 1982

ATTORNEYS AT LAW  
FORMERLY HAYNSWORTH & HAYNSWORTH

409 EAST NORTH STREET  
P. O. BOX 2048

*Greenville, South Carolina 29602*

W. FRANCIS MARION  
THOMAS K. JOHNSTONE, JR.  
ANDREW B. MARION  
HARRY R. STEPHENSON, JR.  
ROBT S. GALLOWAY, JR.  
FRED D. COX, JR.  
O. G. CALHOUN  
DONALD I. FERGUSON  
G. DEWEY OKNER, JR.  
WILLIAM M. GRANT, JR.  
JESSE C. BELCHER, JR.  
MAYE R. JOHNSON, JR.  
C. LEWIS RASOR, JR.  
CHARLES E. McDONALD, JR.  
WILLIAM E. SHAUGHNESSY  
JAMES B. PRESSLY, JR.  
H. DONALD SELLERS

ROBERT C. WILSON, JR.  
DONALD A. HARRER  
ANDREW J. WHITE, JR.  
ELLIS M. JOHNSTON II  
JOSEPH J. BLAKE, JR.  
JOHN M. CAMPBELL, JR.  
SAM L. STEPHENSON  
THOMAS H. COKER, JR.  
FRANK J. DANA III  
THEODORE S. STERN, JR.  
W. FRANCIS MARION, JR.  
FRANCES D. ELLISON  
ROBERT W. HASSOLD, JR.  
ANNE S. ELLEFSON  
JOHN B. McLEOD  
W. BENJAMIN McCLAIN, JR.  
EDWIN B. PARKINSON, JR.

H. J. HAYNSWORTH  
(800-194)  
C. F. HAYNSWORTH  
(800-1903)  
J. M. PERRY  
(804-1904)  
EUGENE BRYANT  
(802-1909)

TELEPHONE  
803 271-7970

August 3, 1982

EXHIBIT

AUG 17 1982 NO. 4

STATE BUDGET & CONTROL BOARD

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

Re: \$915,000.00 Greenville County, South Carolina  
Industrial Revenue Bond, 1982 (Rainerman Project)

Dear Mr. McInnis:

Please find enclosed the original and four copies of a Resolution and Petition by the Greenville County Council to the State Budget and Control Board and resolutions and notices to be adopted by the State Budget and Control Board in connection with the above referenced bond issue. In addition, please find enclosed a draft copy of the following documents:

1. Loan Agreement
2. Bond Purchase Agreement
3. A Form of the Bond
4. A Form of the Note
5. A Draft Mortgage and Security Agreement

The South Carolina National Bank has agreed to the purchase of this bond. It is my understanding that they have already forwarded an investment letter to you in this connection. In any event, I am including a copy of the commitment letter from the bank indicating their intent to purchase this issue.

I would appreciate this being considered if at all possible at the next meeting of the State Budget and Control Board, which I understand is scheduled for August 10, 1982.

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

Very truly yours,

HAYNSWORTH, PERRY, BRYANT,  
MARION & JOHNSTONE

*Joe Blake*  
Joseph J. Blake, Jr.

JJB, JR:bb  
Enclosures

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EXHIBIT

AUG 17 1982 NO. 4

STATE BUDGET & CONTROL BOARD

THIS LOAN AGREEMENT, dated as of August 1, 1982, between Greenville County, a political subdivision of the the State of South Carolina, acting by and through the County Council of Greenville County, South Carolina, which is the governing body of the County, and Arturo and Adrienne Rainerman, citizens and residents of the State of Florida (the "Owners"),

WHEREAS, the Owners intend to acquire, complete and furnish a building to be leased to Jama International Corporation, a subsidiary thereof, or to a corporation to be formed which will be a related party to the aforesaid (the "Lessee") (the Owners and the Lessee hereinafter collectively referred to as the "Industry") for the warehousing and distribution of sheets, towels and other textile products for resale ("Project"); and

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

WHEREAS, the County has adopted an Ordinance authorizing the issuance of a Nine Hundred Fifteen Thousand (\$915,000.00) Dollar aggregate principal amount Greenville County, South Carolina Industrial Revenue Bond, 1982 (Rainerman Project) the proceeds of which it will lend to the Industry to enable the Industry to pay costs incurred by it in the acquisition, completion and furnishing of its Project in Greenville County:

AUGUST 4, 1982 DRAFT

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W I T N E S S E T H

IN CONSIDERATION of the respective representations and agreements hereinafter contained, the parties hereto agree as follows (provided that in the performance of the agreement of the County, any obligation it may thereby incur for the payment of money shall not create a pecuniary liability or a charge upon its general credit or against its taxing powers but shall be payable solely out of the proceeds derived from this Loan Agreement and the sale of the Bond):

ARTICLE I

DEFINITIONS

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

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

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

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

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

"BANK" means The South Carolina National Bank, a national banking corporation organized and existing under the laws of the United States.

"BOND" means the \$915,000.00 Greenville County, South Carolina Industrial Revenue Bond, 1982 (Rainerman Project).

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

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

"BONDHOLDER" or "HOLDER OF THE BOND" or "OWNER OF THE BOND" means The South Carolina National Bank; its corporate successor, and any subsequent registered holder of the Bond.

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

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

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

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

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

"DEPOSITORY" means The South Carolina National Bank.

"GUARANTORS" means American-Dream Sales, Inc., Jama International Corporation, Jama International (of Texas) Inc., Arturo Rainerman, and Adrienne Rainerman, all guarantors pursuant to the Guaranty Agreement.



"GUARANTY AGREEMENT" means the Guaranty Agreement executed as of the date hereof between American-Dream Sales, Inc., Jama International Corporation, Jama International (of Texas) Inc., Arturo Rainerman, Adrienne Rainerman, and the Bondholder.

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

"INDUSTRY" means the Owners and the Lessee collectively, their heirs, successors and assigns.

"LESSEE" means Jama International Corporation, a subsidiary thereof, or a corporation to be formed which will be a related party to the aforesaid, their successors and assigns.

"NOTE" means the Note of the Industry described in Section 4.3 hereof.

"OWNERS" means Arturo and Adrienne Rainerman, their heirs and assigns.

"PROJECT" means the acquisition, completion, and furnishing of a building in the County by the Owners to be leased to the Lessee for the warehousing and distribution of sheets, towels and other textile products for resale, or any modification thereof.

"PURCHASER" or "PURCHASER OF THE BOND" means The South Carolina National Bank.

"REVENUES" means all payments, revenues, and receipts which the County shall have a right to receive pursuant to this Agreement, other than payment of indemnifications and attorneys fees and expenses pursuant to Sections 4.3, 6.9, and 8.4, hereof, respectively.

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

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

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

SECTION 1.5           All words referred to in the singular will be deemed to include the plural, and vice versa, when the context so requires.

ARTICLE II

REPRESENTATIONS AND UNDERTAKINGS

SECTION 2.1

Representations by the County.

The County

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

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

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

(c) The County and the Industry have agreed that the County will finance the cost of the Project. The Industry has determined that it

now requires approximately Nine Hundred Fifteen Thousand (\$915,000.00) Dollars to pay costs incurred or to be incurred by the Industry in the Project, and in connection with the issuance of the Bond, and, on that basis, the County now proposes to issue the Bond in the aggregate principal amount of Nine Hundred Fifteen Thousand (\$915,000.00) Dollars, which will mature, bear interest, and be dated as set forth in Section 202 of the Bond Ordinance and which will be subject to prepayment in accordance with Article III of the Bond Ordinance, and loan the proceeds to the Industry to pay the Cost of the Project and costs incurred or to be incurred by the Industry in connection with the issuance of the Bond.

SECTION 2.2                      Representations by the Industry

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

(a) The Lessee is a corporation duly qualified and in good standing to do business in South Carolina and every other jurisdiction wherein qualification is necessary.

(b) Neither the execution and delivery of this Loan Agreement, the Mortgage and Security Agreement, the Guaranty Agreement, or the Note, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Loan Agreement, the Note, the Mortgage and Security Agreement or the Guaranty Agreement conflict with or result in a breach of the Lessee's Certificate of Incorporation, or By-Laws, or any of the terms, conditions, or provisions of any corporate restriction or any agreement or instrument to which the Lessee or the Owners are now parties or by which they are bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge, or encumbrance of any



nature whatsoever upon any of the property or assets of the Owners or the Lessee under the terms of any instrument or agreement other than those provided in connection with this financing.

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

(d) The Industry intends to operate the Project from the Completion Date as a warehousing and distribution facility, and for such other uses as the Industry may deem appropriate in its trade or business.

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

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

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

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

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

SECTION 3.1            Agreement to Complete the Project

The Industry represents that, acting in reliance upon the County's agreement to effect the issuance of the Bond pursuant to the Act and to lend the proceeds to the Industry, it will complete the Project as promptly as practicable, but in no event later than three (3) years from the date hereof.

SECTION 3.2            Agreement to Issue Bond; Application of Bond Proceeds.        In order to provide the Industry, by way of loan, funds for payment of the Costs of the Project, the County agrees that it will sell and cause to be delivered to the Bondholder, the Bond, in the aggregate principal amount of Nine Hundred Fifteen Thousand (\$915,000.00) Dollars.

SECTION 3.3. Use of Proceeds.        The County has, by the Bond Ordinance, authorized and directed the Depository to use the moneys in the Construction Fund, which includes the investment proceeds of such moneys, only for the following purposes:

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

(b) Payments of interest on the Bond for a period not to exceed one year from the certified Completion Date of the Project as provided for in Section 3.4 hereof;

(c) Payment to the Industry of such other amounts as shall be necessary to pay or reimburse the Industry for all other costs (including interest and principal on any obligation incurred from and after June 15, 1982 up to the date of the issuance of the Bond in connection with or as a result of the Project), and other expenses incurred in connection with the Project and the preparations of plans and specifications therefor, and all other expenses, and all real or personal properties deemed necessary in connection with the Project (including architectural, engineering, legal and supervisory service with respect to any of the foregoing);

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

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

(f) Payment to the Depository as such payments become due, of the fees and expenses of the Depository, including reasonable fees and expenses of Purchaser's counsel that may become due during the construction period;

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

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

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

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

SECTION 3.4. Disbursements. Subject to the provisions of this Loan Agreement, the Depository shall make, and the Industry shall accept, the loan in periodic disbursements of not less than \$75,000.00 each.

(a) Conditions Precedent to Request for Loan Disbursements:

1. In no event shall any disbursement from the Construction Fund be made if there exists a default under the Bond, the Note, this Loan Agreement, the Bond Purchase Agreement, the Assignment, the Mortgage and Security Agreement or the Guaranty Agreement. No disbursement shall constitute a waiver of any condition applicable to any subsequent disbursement.

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



construction completed and materials or equipment delivered to the Project.

(b) Request for Funding Disbursements.

Prior to funding of each disbursement, the Depository must receive and approve:

- (i) at the option of Depository, an endorsement from the Title Insurer to the Title Insurance Policy, which endorsement (a) insures that no claim exists which constitutes a cloud on the Bondholder's secured position established by the Mortgage, and that no matters subordinate to the Mortgage exist which are unacceptable to the Depository; (b) accelerates the date of the Title Insurance Policy to the date of the disbursement; and (c) covers the amount of the requested disbursement so that the total amount insured by the Title Insurance Policy equals the total amount advanced by the Depository under the terms of this Agreement (or at the option of Depository, confirmation from the Title Insurer that all requirements for the issuance of such an endorsement have been satisfied and confirmation that the title insurer will issue such an endorsement within a specified time acceptable to Depository);
- (ii) Lien waivers, in form satisfactory to the Noteholder, from the contractor for the construction of the Project, all subcontractors, and all suppliers who have supplied materials to the Project;
- (iii) A Certificate of Payment executed by the Authorized Industry Representative setting forth:

- 1) the names and addresses of the persons, firms, or corporations to whom payment is due or to whom payments are made for which each reimbursement is being required;
- 2) the amount to be paid for each such person, firm, or corporation, and the purposes for such payment;
- 3) that none of the items for which payment is being made forms the basis for any payment theretofore made from the Construction Fund;
- 4) that each item for which the payment is being made is or was necessary in connection with the Project, is in conformance with the plans and specifications therefor, and is authorized by this Loan Agreement to be paid;
- 5) that such payment, when added to all other payments previously made from the Construction Fund, will not result in less than and substantially all of the proceeds of the Note having been expended in the acquisition, construction, or improvement of land or property of a character subject to an allowance for depreciation within the meaning of Section 103(b)(6)(A) of the Internal Revenue Code.
- 6) Representation that warranties contained in this Loan Agreement or any other document related to this financing shall remain true and correct and that there has been no adverse material change in the financial position of the Industry since the date of delivery of the Bond.
- 7) No event of default shall have occurred under this Agreement or any other document or agreement which constitutes a part of this financing.

8) The requirements of this Article shall have been fully satisfied.

(c) Requirement for Funding of Final Construction Disbursement.

At such time as the work to be performed shall have been fully completed, the Industry shall submit to the Depository a final Certificate of Payment for construction disbursements, in an amount not to exceed the amount of the direct cost incurred in connection with the acquisition and construction of the Project less the aggregate amount of all previous construction disbursements made by the Depository and the following:

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

Upon approval of the request for funding of the final construction disbursement, the Depository shall disburse for the account of the Industry the amount approved.

The Depository will at all times have final determination of amounts to be disbursed. In the event a dispute arises with respect to

any request for a construction disbursement, the Depository shall have the right, without notice, to delay the disbursement of such a construction disbursement until the dispute has been resolved.

(d) Provisions Applicable to All Disbursements

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

- (i) The Bondholder and Depository are not acting as agents or trustees for the Industry;
- (ii) The Bondholder and Depository shall not be held accountable for any disbursement made in good faith; and
- (iii) All disbursements made prior to receipt of written notice of revocation shall be deemed disbursements made in good faith;

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



SECTION 3.5 Moneys Remaining in Construction Fund

Any moneys remaining in the Construction Fund after completion of the construction of the Project and payment of all other items provided for in Section 3.3 shall be paid directly to the Noteholder to prepay the Note, in whole or in part, as provided for in the Note.

SECTION 3.6 Industry Required to Pay Construction Costs in the Event Construction Fund is Insufficient.

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

SECTION 3.7 Investment of Construction Fund Monies Permitted; Covenant of Industry with Respect to Investments.

Any monies held as a part of the Construction Fund, which moneys shall include any proceeds derived from the investment of such moneys, shall, at the written request of the Authorized Industry Representative, be invested or reinvested by the Depository, to the extent such investments are not prohibited by law for investment on Note proceeds by the

County in: (i) obligations of the United States and agencies thereof; (ii) general obligations of the State of South Carolina or any of its political units; (iii) Savings and Loan Associations to the extent that the same are secured by the Federal Deposit Insurance Corporation; (iv) certificates of deposit where such certificates of deposit are collaterally secured by securities of the type described in (i) and (ii) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; or (v) to the extent such investments are not prohibited by law for investment of Note proceeds by the County, certificates of deposit of banks or trust companies, including the Depository and Purchaser, organized under the laws of the United States or any state thereof, which have a combined capital and surplus of at least One Hundred Thousand (\$100,000) Dollars. Such investments shall be as specified by the Authorized Industry Representative. The Depository need not so invest any moneys held as a part of the Construction Fund which are estimated to be required on a date earlier than two (2) business days from the date on which such moneys are held, unless the amount of such moneys exceeds \$100,000.

The Depository may, and to the extent required for payments from the Construction Fund shall, sell or otherwise dispose of any such investment at any time, and the proceeds of such sale or disposition, and of all payments at maturity and upon prepayment of such investments, shall be held in the Fund in which such investments were held. Interest and other income received on moneys or securities in such Fund shall be credited to such Fund.

The Industry covenants:

- (i) That it will not direct the Depository pursuant to the provisions of the foregoing paragraphs to make investments or permit the Depository to make investments which would cause the Note to be an "Arbitrage Bond" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, and the applicable regulations issued thereunder as then in effect;
- (ii) that it will not take any action, or fail to take any action, or make any misrepresentation, in connection with issuance, sale or delivery of the Note, which has the effect of causing the interest payable on the Note to become includable in the gross income for Federal income tax purposes of the Holder or former Holders of the Note by violations of Section 103(b) or 103(c) of the Internal Revenue Code of 1954, as amended. All rights and privileges granted to the Industry in this Loan Agreement shall be exercised in such a manner that the covenant contained in this Section shall be observed, and if any conflict between this Section and any other provision of this Loan Agreement shall arise, then in such case this Section shall control.

ARTICLE IV

EFFECTIVE DATE OF THIS AGREEMENT; DURATION OF AGREEMENT;

REPAYMENT PROVISIONS;

UNCONDITIONAL OBLIGATIONS OF THE INDUSTRY;

PREPAYMENT

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

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

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



hereunder, the Industry will deliver the Note payable to the order of the County, endorsed to the Bondholder by the County, in substantially the form attached hereto.

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

In the event that the Industry shall fail to make any of the payments required by this Section, the item or installment so in default shall continue as an obligation of the Industry until the full amount in default has been fully paid. The Industry agrees to pay the same with, to the extent permitted by applicable law, with interest thereon at the prime interest rate (as defined in the Bond) from the date such payment was due and owing.

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

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

or discontinue any payments required under the Bond or the Note, (b) will not terminate this Loan Agreement for any cause, and (c) will perform and observe all of its other covenants contained in this Loan Agreement.

SECTION 4.6    Prepayments.    In accordance with Article III of the Bond Ordinance, the Industry shall have the option to prepay all or portions of the unpaid balance of the Bond outstanding under this Loan Agreement.

SECTION 4.7    Reference to Bond Ineffective After Bond Paid.  
Upon payment in full of the Bond, in accordance with Article II of the Bond Ordinance, all references in the Loan Agreement to the Bond and the Note shall be ineffective, and no holder of the Bond or the Note shall have any rights thereunder.

SECTION 4.8    Assignment of County's Rights.    As security for the payment of its Bond, the County pursuant to the Assignment will assign to the Bondholder the County's rights under this Loan Agreement, including the right to receive payments hereunder and will endorse the Note to the Bondholder, and hereby directs the Industry to make said payments directly to the Bondholder. The Industry herewith consents to such assignment and will make payments directly to the Bondholder.

ARTICLE V  
OPERATION OF  
PROJECT

SECTION 5.1      Operation and Maintenance of Project.

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

ARTICLE VI

SPECIAL COVENANTS

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

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

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

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

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

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

SECTION 6.4    Financial Statements.    The Industry hereby warrants

that the financial statements heretofore delivered to the Bondholder are true and correct in all respects, have been prepared in accordance with generally accepted accounting principles, consistently applied, and fairly present the respective financial conditions of the subjects thereof as of the respective dates thereof; no materially adverse change has occurred in the financial conditions reflected therein since the respective dates thereof; and no additional borrowings have been made by the Industry since the date thereof other than the borrowings



contemplated hereby or other borrowings approved by the Bondholder. All other information submitted by the Industry in support for the application for the loan hereunder is true and correct as of the date of this Agreement, and no material adverse change has occurred.

SECTION 6.5     Inducement Contract.     Nothing contained in this Loan Agreement shall preclude the County from implementing its obligations under the Inducement Agreement dated June 15, 1982, between the County and the Industry, or under a similar contract or agreement with the Industry, by making another loan or loans under any other loan agreement with the Industry from the proceeds of bonds issued by the County pursuant to the Act, or any other applicable legislation in order to finance any portion of the Cost of the Project in excess of the monies available from the sale of the Bond or to issue other bonds in accordance with the Inducement Agreement dated June 15, 1982, which obligates the County to issue a Bond in a sufficient amount to pay the Cost of the Project to be installed.

SECTION 6.6     Annual and Quarterly Financial Statements.     The Industry hereby agrees to deliver to the Bondholder the financial statements of the Guarantors provided for in Section \_\_\_\_ of the Guaranty Agreement.

SECTION 6.7.     Covenants.     So long as any payments shall be due and owing under the Bond, the Owners and the Lessee will, unless otherwise first agreed to in writing by the Bondholder, comply with the affirmative and negative covenants applicable as provided for in the Guaranty Agreement.

SECTION 6.8      Indemnification Covenants.      (a) The Industry

shall and hereby agrees to indemnify and save the County and the Bondholder harmless against and from any loss, liability, damage or expense as a result of any claim, or any action or proceeding brought thereon, by or on behalf of any person arising from the conduct or management of, or from any work or thing done on, the Project during the term of this Agreement, and against and from all claims arising during the term of this Agreement or any action or proceeding brought thereon from:

- (1) any condition of the Project;
- (2) any breach or default on the part of the Industry in the performance of any of its obligations under this Agreement;
- (3) any act of negligence of the Industry or of any of its agents, contractors, servants, employees or licensees in connection with the Project;
- (4) any act of negligence of any assignee of the Industry, or of any agents, contractors, servants, employees or licensees of any assignee of the Industry in connection with the Project; or
- (5) the execution, delivery or performance by the Industry of its obligations hereunder.

The Industry shall indemnify and save the County and the Bondholder harmless from and against all costs and expenses incurred in or in connection with any such claim arising as aforesaid or in connection with any action or proceeding brought thereon, and upon notice from the County or the Bondholder the Industry shall defend them or either of them in any such action or proceeding.

(b) Notwithstanding the fact that it is the intention of the parties hereto that the County shall not incur pecuniary liability by

reason of the terms of this Agreement or the undertakings required of the County hereunder, by reason of the issuance and delivery of the Bond, by reason of the adoption of the Bond Ordinance, by reason of the performance of any act requested of it by the Industry, or by reason of the operation of the Project by the Industry, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if the County should incur any such pecuniary liability, then in such event the Industry shall indemnify and hold harmless the County against any loss, liability, damage or expense as a result of any claim arising out of the same, or any action or proceeding brought thereon, by or on behalf of any person.

SECTION 6.9. Tax Indemnification. (a) In the event that an Event of Taxability (as defined in subsection (b) hereof) shall be made, the Bond will, according to its terms and the terms of the Bond Ordinance, after such Event of Taxability, in lieu of bearing interest at the specified rate, bear interest from the date of the Event of Taxability at a rate (the "Taxable Rate") which after making provision for federal income taxes at the maximum statutory tax rate applicable to the Bondholder will produce to the Bondholder an amount equivalent to the yield on a tax exempt obligation bearing interest at the specified rate from the date of the Event of Taxability until paid.

(b) An event of Taxability shall be deemed to have occurred on the date the Bondholder notifies the Industry that in connection with the Project:

- (1) a. a ruling (including a private ruling) of the Internal Revenue Service (the "IRS") has been issued or revoked,

b. a proposed deficiency letter (30-day letter) has been issued to the Bondholder or any other action has been taken by the IRS, the Department of the Treasury or any other governmental agency, or

c. any judicial opinion has been rendered in connection with the tax-exempt nature of the interest payable under the Bond;

(2) the period for which the Bondholder is obligated under Section 6.6 hereof to contest any of the actions or occurrences set forth in items (1)(a) through 1(c) of this subsection (b) has expired; and

(3) as a consequence of any of the actions or occurrences set forth in items (1)(a) through (1)(c) of this subsection (b), counsel for the Bondholder has advised the Bank either that interest on the Bond is currently includable in gross income for federal income tax purposes or that such counsel cannot give its opinion, without materially qualifying the same, to the effect that interest on the Bond is currently excludable from gross income for federal income tax purposes; provided, however, that if such opinion is based solely upon, or a necessary factor for the basis of such opinion is, the conclusion that the Bondholder is a substantial user of the Project within the meaning of Section 103(b)(10) (or any successor provision) of the Code or a "related person," as defined in Section 103(b)(6)(C) (or any successor provision) of the Code, no Event of Taxability shall be deemed to have occurred.



(c) If as the result of an Event of Taxability (whether before or after payment, at maturity or otherwise, of the Bond) any interest payments paid or accrued to the Bondholder on the Bond prior to the date of any such Event of Taxability are includable in the Bondholder's gross income for federal income tax purposes, the Industry shall pay to the Bondholder within ten (10) business days after demand the following amounts:

(1) an amount equal to the difference between: (a) the interest that would have been payable had such interest payments been calculated at the Taxable Rate and (b) the actual amount of such interest payments; plus

(2) the amount of penalties, additions to tax, exclusive of any taxes imposed under Section 11 (or any successor provision) of the Code, or interest assessed against the Bondholder on account of the inclusion of such interest payments in the Bondholder's gross income for federal income tax purposes ("Additions to Tax") that are deductible by the Bondholder for federal income tax purposes; plus

(3) an amount, which; after the deduction of all federal, state or local taxes required to be paid by the Bondholder in respect of the receipt thereof (calculated at the maximum statutory rate applicable to the Bondholder) minus any tax benefit derived therefrom, shall be equal to the amount of any Additions to Tax that are not deductible by the Bondholder for federal income tax purposes.

(d) If at any time (whether before or after payment, at maturity or otherwise, of the Bond) it is determined that any payment of interest

on the Bond, or any amount in respect of interest on the Bond, as a whole or in part, is subject to the tax imposed under Sections 56 to 58 (or any successor provisions) of the Code (the "Preference Tax"), as evidenced either by an amendment to the Code or by the opinion of counsel for the Bondholder to that effect, and the Bondholder pays such Preference Tax, the Industry shall pay to the Bondholder within ten (10) business days after demand the following amounts:

(1) the amount of any Preference Tax paid by the Bondholder;  
plus

(2) the amount of any Additions to Tax (which for the purposes of this subsection (d) shall be deemed to refer to such penalties, additions to tax or interest as shall have been assessed against the Bank on account of the imposition of the Preference Tax) that are deductible for federal income tax purposes; plus

(3) an amount, which after the deduction of all federal, state or local taxes required to be paid by the Bondholder in respect of the receipt thereof (calculated at the maximum statutory rate applicable to the Bondholder) minus any tax benefit derived therefrom, shall be equal to the amount of any Additions to Tax that are not deductible by the Bondholder for federal income tax purposes.

(e) If the Industry shall have made any payments to the Bondholder by reason of subsections (a) through (d) hereof and if the Bondholder shall successfully claim for the taxable year in question that all or any part of the interest on the Bond for such taxable year is excluded from the Bondholder's gross income for federal income tax purposes or that the Preference Tax is not due and payable (for this purpose a claim

shall be successful only upon expiration of the statute of limitations provided by Section 6501 of the Code with respect to such taxable year), then the Bondholder shall pay to the Industry an amount equal to all or a comparable part of such payment with respect to such taxable year in question made by the Industry.

(f) All payments by the Industry pursuant to this Section 6.8 shall be made to the Bondholder in Federal or other immediately available funds in Greenville, South Carolina.

(g) The obligations of the Industry under this Section 6.8 shall survive the payment in full of all sums due under the Bond and shall continue in effect until all amounts due hereunder have been paid and until all statutes of limitations have run in respect of any taxable year during which any payment of interest on the Bond or any payment pursuant to this Section 6.8 was received or accrued.

SECTION 6.10. Bondholder's Duty to Contest. (a) Promptly after the Bondholder is advised by counsel that as a result of any of the actions or occurrences set forth in items (1)(a) through (1)(c) of Section 6.5(b) hereof either that interest on the Bondholder is currently includable in the Bondholder's gross income for federal income tax purposes or that such counsel cannot give its opinion, without materially qualifying the same, to the effect that interest on the Bond is currently excludable from the Bondholder's gross income for federal income tax purposes, unless such opinion is based solely upon, or a necessary factor for the basis of such opinion is, the conclusion that the Bondholder is a "substantial user" of the Project within the meaning of Section 103(b)(10) (or any successor provisions) of the Code or a "related person", as defined in Section 103(b)(6)(c) (or any successor provision)

of the Code, the Bondholder shall notify the Industry of such advice. If the Industry requests in good faith that the Bondholder contest such action or occurrence, the Bondholder shall, to the extent permitted by law, contest, at the Industry's expense, any such action or occurrence. In the event that an action or proceeding is brought pursuant to this Section 6.9 or in relation to any such action or occurrence, the Industry shall be entitled to participate therein and, to the extent permitted by law, to assume the prosecution or defense thereof with counsel employed by it.

(b) The Bondholder's obligation to contest shall expire upon the final determination of any action or proceeding brought pursuant to this Section 6.9 or upon the expiration of three (3) years after the date that the Industry receives notification pursuant to subsection (a) of this Section even if any action or proceeding shall not then be completed or terminated, whichever shall first occur.

(c) The Bondholder shall not be obligated to contest any action or occurrence set forth in items (1)(a) through (1)(c) of Section 6.5(b) hereof or to pursue any appeal relating thereto if payment of all or any part of the tax which is alleged to be due and payable and any interest or penalties thereon (the Required Payment) is a prerequisite to such contest or appeal unless the Industry shall first pay to the Bondholder an amount equal to the Required Payment.

(d) If the Industry shall have made any payment to the Bondholder by reason of subsection (c) hereof and if the Bondholder shall successfully claim that all or any part of the Required Payment is not due and payable, then the Bondholder shall pay such amount to the Industry.



ARTICLE VII

ASSIGNMENT; MODIFICATION OF PROJECT

SECTION 7.1    Assignment.    The County will in the Assignment irrevocably pledge and assign to the Bondholder, as security for the punctual payment of the principal of, together with interest on the Bond, and all other sums due under the terms of the Bond Ordinance, for the performance and observance by the County and the Industry of all the respective covenants and agreements set forth or referred to in this Loan Agreement, the Bond Purchase Agreement, the Bond, the Guaranty Agreement, the Mortgage and Security Agreement or the Bond Ordinance, all rights of the County under and all interest of the County in: (i) this Loan Agreement and the Note (other than the rights of the County or the Purchaser to receive payments of Administration Expenses, Indemnification, and Attorney's Fees and Expenses pursuant to Sections 4.3, 6.9 and 8.4, respectively) and (ii) the Revenues. Except as set forth in this Article, while the Bond is outstanding, neither the County nor the Industry will sell, assign, pledge, convey, or otherwise transfer or encumber any of their respective rights or interest in this Loan Agreement, the Note, the Bond or the Revenues.

SECTION 7.2    Modification of the Project.    The Industry may, from time to time, in its sole discretion and at its expense, modify, improve, or enlarge the Project in any way permitted by any applicable statutes, rules, and regulations, for the purpose of meeting the Industry's needs; provided, however, that it will not commit, or suffer to be committed, any change which will adversely affect the taxes and the status of the interest payable on the Bond.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

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

(a) Failure of the Industry to pay the amounts required to be paid under Section 4.3 of this Loan Agreement at the time specified therein and such default shall continue for a period of ten (10) days after written notice thereof shall have been given to the Industry;

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

(c) Failure by the Industry to observe and perform any of its covenants, conditions, or agreements contained herein or in the Mortgage and Security Agreement and such default shall continue for thirty days after written notice of such default shall have been given to the Industry; provided, however, that if any such default cannot with due diligence be cured within such 30-day period, it shall not constitute an event of default if corrective action is instituted by the Industry within such 30-day period and is diligently pursued;

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

(e) The commencement by the Industry or the Guarantors of a voluntary case under the Federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable Federal or state bankruptcy, insolvency or other similar law, or the consent by it to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Industry or the Guarantors or for any substantial part of their property, or the making by them of any assignment for the benefit of creditors, or the failure of the Industry or the Guarantors generally to pay their debts as such debts become due, or the taking of action by the Industry or the Guarantors in furtherance of any of the foregoing, or the occurrence as to the Industry or the Guarantors of any of the following: the Industry or the Guarantors shall admit in writing the inability to pay their debts; the Industry or the Guarantors shall conceal, remove or permit to be concealed or removed any part of their property with intent to hinder, delay or defraud their creditors or any of them; the Industry or the Guarantors shall make or suffer a transfer of any of their property with intent to hinder, delay or defraud their creditors or any of them; or

the Industry or the Guarantors shall make or suffer a transfer of any part of their property within four months of insolvency for less than full and adequate consideration; or the Industry or the Guarantors shall suffer or permit, while insolvent, any creditor to obtain a lien upon any of its property through legal proceedings or distraint and shall not vacate or discharge such lien within thirty (30) days from the date thereof, or at least five (5) days before the date set for any sale or other disposition of such property;

(f) The rendering against the Industry or the Guarantors of a final judgment, decree or order for the payment of money in an amount which exceeds by \$100,000 the amount of such judgment covered by insurance, and the continuance of such judgment, decree or order unsatisfied and in effect for any period of sixty (60) consecutive days without a stay of execution;

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



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

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

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

(k) Failure by the Guarantors to observe and perform any of the covenants, conditions, or agreements contained in the Guaranty Agreement and such default shall not be cured within the time, if any, so specified.

The foregoing provisions of this section are subject to the following limitations: if, by reason of force majeure, the Industry or the Guarantors are unable in whole or in part to carry out the agreements of this Loan Agreement on its part herein contained (other than the obligations on the part of the Industry or the Guarantors contained in Article IV to which this paragraph shall have no application), the Industry or the Guarantors shall not be deemed in default during the continuance of

such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of South Carolina or any of their departments, agencies, or officials, or any civil or military authority; insurrections; storms; floods; washouts; droughts; restraint of government and people; civil disturbances; explosions; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Industry or the Guarantors, which has the effect of making it impossible (as distinguished from impracticable) for the Industry or the Guarantors to perform. The settlement of strikes and other industrial disturbances, however, shall be entirely within the discretion of the Industry or the Guarantors, and the Industry or the Guarantors shall not be required to make settlement of strikes and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the Industry or the Guarantors, unfavorable to them.

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

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

(b) The County or the Bondholder may have access to and inspect, examine, and make copies of the books and records of the Industry or the Guarantors relative to their finances.

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

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

SECTION 8.3    No Remedy Exclusive. No remedy herein conferred upon or reserved to the County or the Bondholder is intended to be exclusive of any other available remedy or remedies, but each such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay in exercising or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the County to exercise

any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given the County hereunder shall also extend to the Bondholder, and the Bondholder shall be deemed a third party beneficiary of all covenants and agreements herein contained.

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

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

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



ARTICLE IX

OPTIONS IN FAVOR OF THE INDUSTRY

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

ARTICLE X

MISCELLANEOUS

SECTION 10.1 Notices. All notices, certificates, or other communications hereunder shall be deemed sufficiently given when mailed by registered mail or certified mail, postage prepaid, or given when dispatched by telegram, by express provisions of this Loan Agreement addressed as follows: if to the County, to County Council of Greenville County, Greenville County Courthouse, Greenville, South Carolina; if to the Industry, to Mr. Arturo Rainerman, Jama International Corporation, 4775 N.W. 132nd Street, Opa Locka, Florida 33054; if to the Bondholder, to Commercial Loan Department, The South Carolina National Bank, P.O. Box 969, Greenville, SC 29602. A duplicate copy of each notice, certificate, request, or other communication given hereunder to the County, the Industry, or the Bondholder shall also be given to the others. The County, the Industry, and the Bondholder may, by notice given to all parties, designate any further addresses to which subsequent notices, certificates, or other communications shall be sent.

SECTION 10.2 Filing. The security interests created in the Assignment shall be perfected as provided for in Section \_\_\_\_ of the Bond Ordinance.

SECTION 10.3 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the County, the Industry, and their respective successors and assigns.

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

SECTION 10.5 Amendments, Changes, and Modifications. This Loan Agreement may not be amended, changed, modified, altered, or terminated except in accordance with Article XI of the Bond Ordinance.

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

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

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

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

GREENVILLE COUNTY, SOUTH CAROLINA

(SEAL)

\_\_\_\_\_  
Administrator of Greenville County

\_\_\_\_\_  
Chairman, Greenville County Council

ATTEST:

\_\_\_\_\_  
Clerk of County Council  
Greenville County, South Carolina

Signed, sealed & delivered  
in the presence of

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

By: \_\_\_\_\_  
Its: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Signed, sealed & delivered  
in the presence of

\_\_\_\_\_

AUGUST 4, 1982 DRAFT

002805



# EXHIBIT

AUG 17 1982

NO. 4

BOND PURCHASE AGREEMENT

STATE BUDGET & CONTROL BOARD

\$915,000.00 GREENVILLE COUNTY, SOUTH CAROLINA  
INDUSTRIAL REVENUE BOND, 1982 (RAINERMAN PROJECT)

AGREEMENT dated as of September 1, 1982 between GREENVILLE COUNTY, South Carolina, (the "County"), a body politic and corporate and a political subdivision of the State of South Carolina, and THE SOUTH CAROLINA NATIONAL BANK (the "Bank"), a banking corporation organized and existing under the laws of the United States.

## SECTION 1. Representations and Warranties.

The County represents and warrants that:

### 1.1 Representations by the County.

(a) The County is a body politic and corporate and a political subdivision of the State of South Carolina, and is authorized and empowered by the provisions of the Act to enter into the transactions contemplated by the Loan Agreement, the Bond Purchase Agreement, the Bond Ordinance, the Assignment, and the Bond. The Project (as hereinafter defined) constitutes and will constitute a "Project" within the meaning of the Act. By proper action of the County Board and the State Budget and Control Board of South Carolina, the County has been duly authorized to execute and deliver the Loan Agreement, the Bond Purchase Agreement, the Assignment, and the Bond and the lending of the proceeds from the sale of the Bond to Arturo and Adrienne Rainerman (the "Owners").

(b) The County has all of the necessary powers, authorizations, consents, and approvals and has agreed to enter into, execute, deliver, and perform: (i) the Loan Agreement; (ii) the Bond Purchase Agreement; (iii) the Assignment of certain obligations of the Loan Agreement, between the County, as assignor, and the Bank, as assignee and the

AUGUST 3, 1982 DRAFT

002806

endorsement of the Note; (iv) the Bond; and further, that all such agreements and instruments and the consummation of the transactions contemplated thereby have been duly authorized by all necessary proceedings and will not contravene or constitute a default under any provision of law or regulation, or any judgment, order, decree, contract, agreement or other instrument binding upon the County.

1.2 Litigation and Governmental Authority.

There is no action, suit or proceeding pending or, to the best knowledge of the County, threatened against or affecting the County or the Governing Board before any Court, governmental department, commission, board or other Federal, state, county, municipal or other instrumentality, agency or authority which might adversely affect the power or authority of the County or the Governing Board or the ability of the County to perform the obligations and agreements of the County set forth or referred to in this Agreement, the Loan Agreement, the Assignment, the Bond or the Bond Ordinance.

All authorizations, consents, approvals and findings of governmental bodies or agencies required in connection with the execution and delivery of this Agreement, the Loan Agreement, the Assignment, and the Bond, the adoption of the Bond Ordinance, or the consummation of the transactions contemplated by this Agreement, the Loan Agreement, the Assignment, the Bond and the Bond Ordinance have been obtained, including without limitation, the finding by the State Budget and Control Board of South Carolina that the Industry's proposed acquisition, completion, and furnishing of a building to be leased to Jama International Corporation, a subsidiary thereof, or to a corporation to be formed which will be a related party to the aforesaid (the "Lessee") (the Lessee and the Owners hereinafter

collectively referred to as the "Industry") for the warehousing and distribution of sheets, towels and other textile products for resale (the "Project"); and the proposal of the Governing Board to issue the Bond in accordance with the Bond Ordinance and the adoption of the Bond Ordinance are consistent with and will further the purposes of the Act. All of the authorizations, consents, approvals and findings referred to above are in full force and effect on and as of the date hereof.

SECTION 2. Bond.

2.1 Agreement to Sell and Purchase. The County hereby agrees to sell to the Bank, and in reliance upon the representations, warranties, covenants and agreements of the County set forth herein and made pursuant hereto, and subject to all the terms and conditions hereof, the Bank agrees to purchase from the County, on the Closing Date referred to in Section 3.1 hereof, a \$915,000.00 Greenville County, South Carolina Industrial Revenue Bond, 1982 (Rainerman Project). The Bond shall be dated as of the date of delivery thereof and shall bear interest on the sums advanced thereunder and shall be payable at such times and places and as set forth in the Bond.

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

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

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

2.5 Security. The County represents and warrants that, as security for the punctual payment of all amounts payable by the County pursuant to the Bond or the Bond Ordinance, for the performance and observance by the County and the Industry of their respective covenants and agreements set forth or referred to in this Agreement, the Loan Agreement, the Bond, the Assignment, or the Bond Ordinance, and to assure the correctness of all representations and warranties made in these documents or any other document or certificate delivered pursuant thereto, the County has in the Assignment irrevocably pledged and assigned to the Bondholder all rights of the County under and all interests of the County in (i) the Loan Agreement and the Note executed by the Industry pursuant thereto (other than the rights of the County to receive payment of Administrative Expenses, indemnification and attorneys' fees and expenses pursuant to Sections 4.3, 6.9, and 8.4 of the Loan Agreement, respectively) and (ii) the Revenues (as defined in the Bond Ordinance). The County agrees that if requested by the Bondholder, and upon presentation of proper filing statements, it will execute such filings or recordings, including without limitation all financing statements and continuation statements in respect thereof under the Uniform Commercial Code of South Carolina, which, in the judgment of the Bondholder are necessary or desirable from time to time to establish, protect and preserve such security interests as valid, perfected and enforceable first liens and security interests in the Collateral (as defined in the Bond Ordinance).



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

SECTION 3. Closing.

3.1 Closing Date. The Closing with respect to the purchase and sale of the Bond by the County to the Bank shall take place in Greenville, South Carolina on or about September 1, 1982 or at such other time and date as the parties hereto may mutually agree (the "Closing Date").

3.2 Delivery and Payment. On the Closing Date, the County will deliver to the Bank a \$915,000.00 Bond against delivery of evidence of receipt from The South Carolina National Bank, as Purchaser. The Bond will be delivered to the Bank as a single Bond registered in the name of the Bank.

SECTION 4. Conditions to Purchase of Bond.

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

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

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

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

(d) receipt by the Bank of a duly authorized, executed and delivered Loan Agreement, Note, and Assignment thereof, a Guaranty Agreement of the Industry and others in favor of the Bank, guaranteeing payment of the principal and interest on the Bond and Note and all other sums due under the terms of the Bond Ordinance as provided for in the loan commitment of the Bank dated June 14, 1982, a copy of which is attached hereto, and a Mortgage and Security Agreement by the Owners to the Bank securing the obligations owed under the Note;

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

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

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

(ii) all necessary or appropriate findings, consents, approvals and actions by the Governing Board to authorize the

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

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

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

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

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

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

(i) receipt by the Bank of an opinion of counsel for the Industry, dated the Closing Date and in form and substance satisfactory to the Bank, to the effect set forth in Exhibit B attached hereto;

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

(k) a title insurance policy insuring the Bank's mortgage interest; a plat of said property; sales contracts for the real estate and machinery constituting the Project showing that cash downpayments in the amount of \$305,000.00 have been made; and a casualty insurance policy naming the Bank as loss payee;

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

SECTION 5. Miscellaneous.

The County covenants and agrees that:

5.1 Notices. All notices, requests or demands hereunder shall be deemed to have been given when deposited in the United States mails, first class postage prepaid, addressed to the appropriate party.

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

5.3 No Waivers. No failure or delay of any Bondholder in exercising any right, power or privilege hereunder or under the Bond Ordinance, the Bond, the Loan Agreement, or the Assignment shall operate as a



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

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

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

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

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

ATTEST:

GREENVILLE COUNTY, SOUTH CAROLINA

\_\_\_\_\_  
County Clerk  
Greenville County, South Carolina

BY: \_\_\_\_\_  
Administrator  
Greenville County, South Carolina

\_\_\_\_\_  
Chairman, County Council of  
Greenville County, South Carolina

Signed, sealed and delivered  
in the presence of:

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

THE SOUTH CAROLINA NATIONAL BANK

BY: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Signed, sealed and delivered  
in the presence of:

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

AUGUST 3, 1982 DRAFT

**002815**

# EXHIBIT

AUG 17 1982

NO. 4

STATE BUDGET & CONTROL BOARD

June 14, 1982

Mr. Arturo Rainerman  
Jama International Corporation  
4775 N. W. 132nd Street  
Opa Locka, Florida 33054

Dear Mr. Rainerman:

I am glad to confirm that, in connection with your company's plans to purchase land and a building in Greenville County, South Carolina, SCN is willing to make a long-term loan on the following terms and conditions:

1. Borrower: Greenville County, South Carolina
2. Principal Amount of Loan: Nine hundred fifteen thousand (\$915,000.00) Dollars
3. Form of Loan: An industrial revenue bond (note) issued by Greenville County, South Carolina, to SCN.
4. Guarantors: American Dream Sales, Inc., Jama International Corporation, Jama International (of Texas) Inc., Arturo Rainerman and Adrienne Rainerman. Such guarantees will be a guarantee of payment rather than a guarantee of collection.
5. Collateral: A valid first mortgage on all land, buildings, equipment, fixtures, and improvements of Arturo Rainerman located in Greenville County, South Carolina.
6. Other Collateral: (a) An assignment of a non-cancellable lease between American Dream Sales, Inc. and Mr. Arturo Rainerman. This lease is to be non-cancellable for at least the duration of this loan. Payments under this lease are to be sufficient to amortize the bank loan in full. (b) An assignment of life insurance in the amount of \$250,000 on the life of Mr. Arturo Rainerman naming SCN beneficiary.

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Mr. Arturo Rainerman  
June 14, 1982  
Page 2

7. Terms of Repayment: The loan will be payable in forty (40) equal quarterly principal payments of \$22,875.00 beginning on June 1, 1983, plus accrued interest computed on the outstanding principal balance at the beginning of the interest payment period (computed on a 360 day year). From the date of closing until June 1, 1983, interest only shall be payable quarterly in arrears beginning on December 1, 1982.
8. Interest Rate: The interest rate for this loan will be one of the following with Mr. Arturo Rainerman's choice to be made on or before the date of closing:
  - (a) 80% of the SCN prime rate, or
  - (b) 64% of the SCN prime rate and the agreement by Mr. Arturo Rainerman and American Dream Sales, Inc. to maintain Net Available Balances (NABs, which are defined as average checking account ledger balances, less float, less required reserves and less the balances required to support services) of no less than \$100,000, with the understanding and agreement that Mr. Arturo Rainerman and American Dream Sales, Inc. will reimburse SCN for any deficiency in the required NABs annually in arrears at the average prime rate for the period plus 2%. This NAB requirement will start on June 1, 1983. The NAB figure to be used for billing purposes each year will be that for the 12 month period ending on the last day of May.
  - (c) Whichever rate is chosen, it will be tax free to SCNB with the rate adjusted to prime at the beginning of the interest payment period which will be the first day of each quarter.
9. Fees: \$2,500 inception fee in advance; said fee to be refunded at closing.
10. Interest Taxability: If the interest on this note is determined by any Federal or State taxing authority to be includable in the taxable income of any holder of the note, then Mr. Arturo Rainerman and American Dream Sales, Inc. will pay to the holder of the note a rate of interest which, after making provision for payment of income taxes at the highest rate, will yield an amount equivalent to the yield on an obligation bearing interest at sixty-four percent (64%) or eighty percent (80%) of SCNB prime ("taxability rate") whichever rate is chosen from the date on which interest on the note becomes or was determined to become taxable to the date when the note is paid, in order that the owner of the note during the period when interest thereon was subject to income taxation shall be entitled to receive interest thereon at the "taxability rate" during that period.

Should the incremental Federal income tax for corporations (currently 46%) change, the percentage applied to the prime rate to determine the actual interest rate shall change proportionately to provide the holder of the note a rate of interest which will yield an amount equivalent to the yield on a tax exempt obligation bearing interest at sixty-four percent (64%) or eighty percent (80%) whichever rate is chosen of the SCNB prime rate with an incremental Federal income tax rate for corporations of forty-six (46%).

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Mr. Arturo Rainerman and American Dream Sales, Inc. agree to indemnify and hold SCN harmless in the event that the receipt of any income from the note becomes taxable as a result of any tax preference or minimum tax provision.

11. Documents: Prior to the closing of this loan and prior to any advances on the loan, SCNB is to be furnished with all documents that it may reasonably require, including but not limited to (a) a note, (b) a mortgage, (c) guaranty, (d) title insurance, (e) casualty insurance naming SCN as loss payee, (f) a plat (g) sales contracts for the real estate and machinery showing a 25% cash down payment totalling \$305,000.00, (h) consent to jurisdiction by the guarantors, (i) a corporate resolution, (j) evidence satisfactory to SCNB that there has been no major adverse change in the financial condition of Mr. Arturo Rainerman and the other guarantors since the date of their last financial statement submitted to SCN, (k) UCC-1's and UCC-4's, (l) security agreement, and (m) a loan agreement which is to be mutually satisfactory to the borrower, the guarantors, and SCNB and which is to contain (but not be limited to) provisions covering the periodic submission of audited financial statements on the guarantors, insurance coverage, subordination of officer debt to the IRB, restrictions on additional debt, and officers' salaries. Additional restrictions will pertain to minimum working capital levels, investments in subsidiaries and debt to equity.
12. Optional Redemption: The industrial revenue bond may be redeemed at the option of Mr. Arturo Rainerman and American Dream Sales, Inc. in whole or in part after June 1, 1987 with not fewer than 30 days written notice to SCNB. There shall be no penalty for partial or full prepayment of the principal of the note. All partial prepayments will be applied against the principal in the inverse order of maturity.
13. Non-assignability: This commitment is not assignable by operation of law or otherwise, and any assignment shall be null and void and of no force and effect.
14. Disbursements: All funds are to be disbursed immediately after this loan is closed at which time the loan proceeds are to be used to purchase equipment and to purchase land and building from The Liberty Corp.
15. Closing Date: If this commitment is accepted, this loan must be closed by October 1, 1982, the date on which this commitment will otherwise expire.
16. Opinion of Counsel: The note and all other documents in regard to this financing shall be in form and content satisfactory to counsel for SCNB, and the consummation of the issue is conditional upon the receipt of favorable opinions of counsel on such matters as counsel for SCNB may require, including but not limited to that all transactions affecting the financing contemplated hereby comply with all applicable federal and state laws and regulations and the note and all other documents related thereto are valid and enforceable in accordance with their terms.

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Mr. Arturo Rainerman  
June 14, 1982  
Page 4

17. Legal Expenses: Mr. Arturo Rainerman and American Dream Sales, Inc. will be responsible for the expense of all legal work in connection with the closing of this loan, including the expenses of counsel for SCNB to review all documentation in connection with this transaction.

Mr. Rainerman, it is a pleasure to make this loan available. If the terms of this commitment are satisfactory, please so indicate by signing, dating, and returning the enclosed carbon copy of this letter to me by June 20, 1982, the date on which this commitment will otherwise expire.

Sincerely,

Charles P. Cecil

CPC/8223mc

Enclosures

Accepted this 16 of June, 1982

By [Signature]

002819

UNITED STATES OF AMERICA  
STATE OF SOUTH CAROLINA  
GREENVILLE COUNTY  
INDUSTRIAL REVENUE BOND, 1982  
(RAINERMAN PROJECT)

GREENVILLE COUNTY, a body politic and corporate, and a political subdivision of the State of South Carolina, (the "County"), for value received, promises to pay, but only from the source and as hereinafter provided, to the order of THE SOUTH CAROLINA NATIONAL BANK, and any subsequent holder(s) hereof, (the "Bank"), at its offices in Greenville, South Carolina, or at such other place as the holder hereof shall designate, the principal sum of Nine Hundred Fifteen Thousand and No/100ths (\$915,000.00) Dollars, together with interest on so much thereof as is from time to time outstanding and unpaid, from the date of delivery of this Bond in accordance with the following provisions calculated on the basis of 360 days per year, at the rates hereinafter set forth, in Federal or other immediately available funds, such principal and interest to be paid as follows:

Commencing on the date of delivery of this Bond, interest only shall accrue on the unpaid principal at the rate of either:

- (a) Option I: 80% of the "prime interest rate"; or
- (b) Option II: 64% of the "prime interest rate", provided that beginning June 1, 1983, the Industry (as that term is defined in the Bond Ordinance, as hereinafter defined) maintains with the Bank Net Available Balances ("NABs"), which are defined as average checking account ledger balances, less float, less required reserves and the balances required to support such banking services) of not less than \$100,000 until the principal, interest and all other sums due hereunder have been paid in full. In the event the Industry fails to maintain these required NABs, the Industry agrees to pay the Bank on July 1 of each year the amount which the Bank would have made during the prior twelve months ending May 31 had such

balances been maintained and invested at the average "prime interest rate" plus 2% for that year.

Such interest shall be due and payable, in arrears, on each March 1, June 1, September 1, and December 1, commencing December 1, 1982 and continuing thereafter until the principal balance of the debt, together with accrued interest thereon, shall have been paid in full.

The principal sum of Nine Hundred Fifteen Thousand and No/100ths (\$915,000.00) Dollars, shall be repaid in forty (40) equal quarterly installments on each March 1, June 1, September 1, and December 1, commencing on June 1, 1983, with the fortieth (40th) and final installment being due and payable on March 1, 1993, at which time the entire principal balance advanced shall have been paid in full.

"Prime interest rate," as used herein, means the published rate charged by the Bank to its best commercial customers, adjusted at the beginning of the interest payment period, which will be the first day of each quarter, computed on the basis of a 360-day year. The prime rate applicable to the first quarterly payment, being that payment due on December 1, 1982, shall be the prime rate as published on September 1, 1982.

Provided, however, that (i) in an Event of Taxability, as that term is defined in the Loan Agreement (as hereinafter defined), the interest rate on the Bond shall be adjusted as provided for in Sections 6.7 and 6.8 of the Loan Agreement or (ii) if the incremental corporate tax rate imposed under the Internal Revenue Code of 1954, as amended, is changed from the rate in effect as of the delivery of this Bond, then the interest rate specified above from and after the date that the incremental corporate tax rate changed shall be adjusted proportionately to provide the Bondholder a rate of interest which will yield an amount equivalent to the yield on a tax exempt obligation bearing interest at the specified rate during a time in which such incremental federal corporate tax rate was forty-six (46%) percent.



In the event that the Industry shall fail to make any of the payments so required, this item or installment in default shall continue as an obligation of the Industry until the full amount in default has been paid. In accordance with Section 4.3 of the Loan Agreement (as hereinafter defined), the Industry agrees to pay the same with, to the extent permitted by applicable law, interest thereon at the prime interest rate (as defined above) from the date such payment was due and owing.

The principal indebtedness evidenced by this Bond may be prepaid pursuant to the terms and conditions set forth in Article III of the Bond Ordinance (as hereinafter defined).

This Bond is issued for the purpose of financing the acquisition, completion and furnishing of a building to be used for the warehousing and distribution of sheets, towels and other textile products for resale (the "Project") owned by Adrienne and Arturo Rainerman (the "Owners") and leased to Jama International Corporation, a subsidiary thereof, or a corporation to be formed which will be a related party to the aforesaid (the "Lessee") (the Lessee and the Owners hereinafter collectively referred to as the Industry). This Bond is issued under and entitled to the protection given by a Bond Ordinance (the "Bond Ordinance") duly adopted by County Council. The Bond is purchased pursuant to a Bond Purchase Agreement between the County and the Bank (the "Bond Purchase Agreement"). The County and the Industry have entered into a Loan Agreement dated as of September 1, 1982 (the "Loan Agreement"), relating to the financing of this project, pursuant to which the Industry has executed a Note to the County evidencing its promise to pay (the "Note"). The payment of principal, interest and other charges, if any, is guaranteed by a Guaranty Agreement between the Industry and others and the

In the event that the Industry shall fail to make any of the payments so required, this item or installment in default shall continue as an obligation of the Industry until the full amount in default has been paid. In accordance with Section 4.3 of the Loan Agreement (as hereinafter defined), the Industry agrees to pay the same with, to the extent permitted by applicable law, interest thereon at the prime interest rate (as defined above) from the date such payment was due and owing.

The principal indebtedness evidenced by this Bond may be prepaid pursuant to the terms and conditions set forth in Article III of the Bond Ordinance (as hereinafter defined).

This Bond is issued for the purpose of financing the acquisition, completion and furnishing of a building to be used for the warehousing and distribution of sheets, towels and other textile products for resale (the "Project") owned by Adrienne and Arturo Rainerman (the "Owners") and leased to Jama International Corporation, a subsidiary thereof, or a corporation to be formed which will be a related party to the aforesaid (the "Lessee") (the Lessee and the Owners hereinafter collectively referred to as the Industry). This Bond is issued under and entitled to the protection given by a Bond Ordinance (the "Bond Ordinance") duly adopted by County Council. The Bond is purchased pursuant to a Bond Purchase Agreement between the County and the Bank (the "Bond Purchase Agreement"). The County and the Industry have entered into a Loan Agreement dated as of September 1, 1982 (the "Loan Agreement"), relating to the financing of this project, pursuant to which the Industry has executed a Note to the County evidencing its promise to pay (the "Note"). The payment of principal, interest and other charges, if any, is guaranteed by a Guaranty Agreement between the Industry and others and the

Bank. The Bond and the interest thereunder are secured by the Note; and pursuant to a Pledge and Assignment dated as of July 1, 1982 (the "Assignment") by the County, the Bank shall use each payment by the Industry under the Note to make a like payment of interest or of principal and interest on this Bond. The terms of the Note are identical with the terms of this Bond as to principal installment payment dates and amount, interest rates, and prepayment provisions. The Note is also secured by a Mortgage and Security Agreement of even date herewith (the "Mortgage") by the Owners to the Bank.

UCC financing statements are also on file with The Secretary of State in Columbia, South Carolina. Reference is made to the Guaranty Agreement, Loan Agreement, Bond Ordinance, Bond Purchase Agreement, Assignment and Mortgage for a description of the security and other provisions.

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

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

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Pursuant to the Loan Agreement and Assignment (and as evidenced by the Note), payments sufficient for the prompt payment when due of the principal of and interest on the Bond are to be paid directly to the Bondholder for the account of the County.

Upon the failure to timely pay principal of or interest when due under this Bond, which default shall continue for a period of ten (10) days after written notice thereof shall have been given to the Industry, or upon the happening of an event of default, as defined in either the Loan Agreement, the Bond Ordinance, the Bond Purchase Agreement, the Assignment, the Note, the Mortgage, or the Guaranty Agreement, the principal balance of the Bond that is outstanding may become or may be declared due and payable before the stated maturity date thereof, together with interest accrued thereon and all other sums due under the terms of the Bond Ordinance, if any, applicable thereto.

This Bond may be transferred or assigned, in whole or in part, only after the Industry has agreed in writing to such transfer or assignment.

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



IN WITNESS WHEREOF, GREENVILLE COUNTY, has caused this Bond to be executed by the Administrator of Greenville County and the Chairman of the County Council of Greenville County, by their manual signatures and its corporate seal impressed or reproduced thereon, and attested by the County Clerk of Greenville County, South Carolina, by his/her manual signature, all as of this \_\_\_\_\_ day of \_\_\_\_\_, 1982.

ATTEST:

GREENVILLE COUNTY, SOUTH CAROLINA

\_\_\_\_\_  
Clerk of County Council  
Greenville County, South Carolina

\_\_\_\_\_  
Administrator, County of  
Greenville, South Carolina

\_\_\_\_\_  
Chairman, County Council of  
Greenville County, South Carolina

Option \_\_\_\_ is the applicable provision.

\_\_\_\_\_  
Administrator, Greenville County

# EXHIBIT

UNITED STATES OF AMERICA AUG 17 1982 NO. 4

STATE OF SOUTH CAROLINA STATE BUDGET & CONTROL BOARD

## PROMISSORY NOTE

ADRIENNE and ARTURO RAINERMAN (the "Owners"), citizens and residents of the State of Florida, for value received, jointly and severally, promise to pay to the order of GREENVILLE COUNTY (the "County") as payee at the office of THE SOUTH CAROLINA NATIONAL BANK, in Greenville, South Carolina (the "Bank"), the principal sum of Nine Hundred Fifteen Thousand and No/100ths (\$915,000.00) Dollars, under the terms of the \$915,000.00 Greenville County, South Carolina Industrial Revenue Bond, 1982 (Rainerman Project) (the "Bond") issued simultaneously herewith, together with interest on so much thereof as is from time to time outstanding and unpaid, from the date of the delivery of the Bond in accordance with the following provisions calculated on the basis of 360 days per year, at the rates hereinafter set forth, in Federal or other immediately available funds, such principal and interest to be paid as follows:

Commencing on the date of delivery of the Bond, interest only shall accrue on the unpaid principal at the rate of either:

- (a) Option I: 80% of the "prime interest rate"; or
- (b) Option II: 64% of the "prime interest rate", provided that beginning June 1, 1983, the Industry (as that term is defined in the Bond Ordinance, as hereinafter defined) maintains with the Bank Net Available Balances ("NABs"), which are defined as average checking account ledger balances, less float, less required reserves and the balances required to support such banking services) of not less than \$100,000 until the principal, interest and all other sums due hereunder have been paid in full. In the event the Industry fails to maintain these required NABs, the Industry agrees to pay the Bank on July 1 of each year the amount which the Bank would have made during the prior twelve months ending May 31 had such balances been maintained and invested at the average "prime interest rate" plus 2% for that year.

Such interest shall be due and payable, in arrears, on each March 1, June 1, September 1, and December 1, commencing

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December 1, 1982 and continuing thereafter until the principal balance of the debt, together with accrued interest thereon, shall have been paid in full.

The principal sum of Nine Hundred Fifteen Thousand and No/100ths (\$915,000.00) Dollars, shall be repaid in forty (40) equal quarterly installments on each March 1, June 1, September 1, and December 1, commencing on June 1, 1983, with the fortieth (40th) and final installment being due and payable on March 1, 1993, at which time the entire principal balance advanced shall have been paid in full.

"Prime interest rate," as used herein, means the published rate charged by the Bank to its best commercial customers, adjusted at the beginning of the interest payment period, which will be the first day of each quarter, computed on the basis of a 360-day year. The prime rate applicable to the first quarterly payment, being that payment due on December 1, 1982, shall be the prime rate as published on September 1, 1982.

Provided, however, that (i) in an Event of Taxability, as that term is defined in the Loan Agreement (as hereinafter defined), the interest rate shall be adjusted as provided for in Sections 6.7 and 6.8 of the Loan Agreement or (ii) if the incremental corporate tax rate imposed under the Internal Revenue Code of 1954, as amended, is changed from the rate in effect as of the delivery of the Bond, then the interest rate specified above from and after the date that the incremental corporate tax rate changed shall be adjusted proportionately to provide the Bondholder a rate of interest which will yield an amount equivalent to the yield on a tax exempt obligation bearing interest at the specified rate during a time in which such incremental federal corporate tax rate was forty-six (46%) percent.

In the event that the Owners shall fail to make any of the payments so required, this item or installment in default shall continue as an

obligation of the Owners until the full amount in default has been paid. In accordance with Section 4.3 of the Loan Agreement (as hereinafter defined), the Owners agree to pay the same with, to the extent permitted by applicable law, interest thereon at the prime interest rate (as defined above) from the date such payment was due and owing.

The principal indebtedness evidenced by this Note may be prepaid pursuant to the terms and conditions set forth in Article III of the Bond Ordinance (as hereinafter defined).

Concurrently with the execution and delivery of this Note, the County has issued the Bond pursuant to a Bond Ordinance duly adopted by the Greenville County Council (the "Bond Ordinance"). The principal proceeds from the sale of the Bond are to be loaned to the Owners for the purpose of financing the acquisition, completion and furnishing of a building to be used for the warehousing and distribution of sheets, towels and other textile products for resale (the "Project") owned by Adrienne and Arturo Rainerman (the "Owners") and leased to Jama International Corporation, a subsidiary thereof, or a corporation to be formed which will be a related party to the aforesaid (the "Lessee") (the Lessee and the Owners hereinafter collectively referred to as the Industry). This Note is issued pursuant to the Loan Agreement and the payments owed hereunder are guaranteed by a Guaranty Agreement between the Industry and others and the Bank. The Bond and the interest thereunder are secured by this Note; and pursuant to a Pledge and Assignment dated as of September 1, 1982 (the "Assignment") by the County, the Bank shall use each payment by the Owners under this Note to make a like payment of interest or of principal and interest on the Bond. The terms of this Note are identical with the terms of the Bond as to principal



installment payment dates and amount, interest rates, and prepayment provisions. This Note is also secured by a Mortgage and Security Agreement executed by the Owners in favor of the Bank of even date herewith (the "Mortgage").

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

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

Upon the failure to timely pay principal of or interest when due under this Note, which default shall continue for a period of ten (10) days after written notice thereof shall have been given to the Owners, or upon the happening of an event of default, as defined in either the Loan Agreement, the Bond Ordinance, the Bond Purchase Agreement, the Assignment, the Bond, the Guaranty, or the Mortgage, the principal balance of the Note that is outstanding may become or may be declared due and payable before the stated maturity date thereof, together with interest accrued thereon and all other sums due under the terms of the Bond Ordinance, if any, applicable thereto.

The obligations of the Owners to make the payments required hereunder shall be absolute and unconditional without defense or setoff by reason of any default by the Owners or the Industry under the Loan Agreement or under any other agreement between the Owners or Industry and the County or the Bank or for any reason, including without limitation, failure to complete the Project, any acts or circumstances that may constitute failure of consideration, constructive eviction, destruction of or damage to the project, commercial frustration of purpose, any change in the tax law or other laws or administrative rulings of administrative actions by the United States of America or the State of South Carolina or any political subdivision of either or the failure of the County to perform and observe any agreement, whether express or implied, or any duty, liability or obligations arising out or connected with the Loan Agreement, it being the intention of the Owners and the County that the payments hereunder will be paid in full when due without any delay or diminution whatsoever.

This Note may be transferred or assigned, in whole or in part, only in connection with a like transfer of the Bond and after the Owners have agreed in writing to such transfer or assignment.

IN WITNESS WHEREOF, the Owners have caused this Note to be duly executed, signed and delivered as of

WITNESSES:

\_\_\_\_\_

\_\_\_\_\_  
Adrienne Rainerman

\_\_\_\_\_

\_\_\_\_\_  
Arturo Rainerman

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GREENVILLE COUNTY, SOUTH CAROLINA hereby assigns all right, title,  
and interest in this instrument to THE SOUTH CAROLINA NATIONAL BANK.

Dated:

\_\_\_\_\_  
Chairman, Greenville County Council

\_\_\_\_\_  
County Administrator

Option \_\_\_\_ is hereby selected.

\_\_\_\_\_  
Adrienne Rainerman

\_\_\_\_\_  
Arturo Rainerman

# EXHIBIT

AUG 17 1982 NO. 4

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA  
COUNTY OF GREENVILLE

MORTGAGE

TO ALL WHOM THESE PRESENTS MAY CONCERN:

SEND(S) GREETING: (hereinafter referred to as Mortgagor)

WHEREAS, the Mortgagor is well and truly indebted unto  
(hereinafter referred to as Mortgagee) as evidenced by the Mortgagor's  
promissory note(s) of even date herewith, the terms of which are  
incorporated herein by reference, in the sum of

DOLLARS (\$ ), with interest thereon as provided in said  
promissory note(s), said principal and interest to be paid as therein  
stated, and

WHEREAS, the Mortgagor may hereafter become indebted to the said  
Mortgagee for such further sums as may be advanced to or for the Mortgagor's  
account for taxes, insurance premiums, public assessments, repairs, or for  
any other purpose, and

WHEREAS, the unpaid balance of said debt or debts, if not sooner paid,  
shall be due and payable \_\_\_\_\_, 19\_\_.

NOW, KNOW ALL MEN, That the Mortgagor, in consideration of the afore-  
said debt, and in order to secure the payment thereof and of any other and  
further sums for which the Mortgagor may be indebted to the Mortgagee at  
any time for advances made to or for his account by the Mortgagee, and to  
secure the performance of all the covenants, conditions, stipulations and  
agreements contained herein and/or in any other document given by the  
Mortgagor to the Mortgagee in connection therewith, and also in considera-  
tion of the further sum of Three Dollars (\$3.00) to the Mortgagor in hand  
well and truly paid by the Mortgagee at and before the sealing and delivery  
of these presents, the receipt whereof is hereby acknowledged, has granted,  
bargained, sold and released, and by these presents does grant, bargain,  
sell and release unto the Mortgagee, its successors and assigns.

All that piece, parcel or lot of land, with all improvements  
thereon, or hereafter constructed thereon, situate, lying and  
being

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Together with all and singular the easements, ways, rights, privileges, members, hereditaments and appurtenances to the same belonging or in any way incident or appertaining, including but not limited to, all and singular the buildings and improvements now and hereafter thereon (including all materials to be used in the construction, maintenance and repair of same), and together also with all shades, wall-to-wall carpeting, screens and screening, awnings, plants, shrubs, and landscaping, elevators, plumbing material, gas and electrical fixtures and equipment, and all heating, cooling, air conditioning and lighting fixtures, equipment and/or apparatus now or hereafter on said premises, whether affixed or annexed or not, and used or usable in connection with any present or future operation of the premises, all of which shall be deemed realty and conveyed by this mortgage, and all rents, issues and profits which may arise or be had from any portion or all of said premises.

TO HAVE AND TO HOLD all and singular the above described premises, with the appurtenances thereto, unto the Mortgagee, its successors and assigns forever.

The Mortgagor covenants and agrees with the Mortgagee as follows:

1. That the Mortgagor will promptly pay the principal of and interest on the indebtedness evidenced by the said note, at the times and in the manner therein provided.
2. That this mortgage shall secure the Mortgagee for such further sums as may be advanced hereafter, at the option of the Mortgagee, for the payment of taxes, insurance premiums, public assessments, repairs or other purposes pursuant to the covenants herein, and also any further loans, advances, readvances or credits that may be made hereafter to the Mortgagor by the Mortgagee; and that all sums so advanced shall bear interest at the same rate as the mortgage debt and shall be payable on demand of the Mortgagee, unless otherwise provided in writing.

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3. That the Mortgagor is lawfully seized of the premises hereinabove described in fee simple has good right and lawful authority to sell, convey, or encumber the same, and that the premises are free and clear of all liens and encumbrances whatsoever. The Mortgagor further covenants to warrant and forever defend all and singular the premises unto the Mortgagee forever, from and against the Mortgagor and all persons whomsoever lawfully claiming the same or any part thereof and agrees that such expenses and fees as may be incurred in the protection of the premises and the maintenance of the lien of this mortgage, including the fees of any attorney employed by the Mortgagee in any litigation or proceeding affecting said premises, shall be paid by the Mortgagor and secured by this instrument.

4. That the Mortgagor will keep the improvements now existing or hereafter erected on the mortgaged premises insured against fire and such other hazards as the Mortgagee may from time to time require, including flood hazard insurance if the premises are ever designated as lying within a flood hazard area, and will also provide such other insurance, including, but not limited to, business interruption coverage, as the Mortgagee may from time to time require and deliver to Mortgagee policies for such insurance in form and amounts, and written by companies, satisfactory to Mortgagee and first payable in case of loss to Mortgagee, full power being hereby given to Mortgagee to settle and compromise claims or bring suit to recover thereunder, to apply the net proceeds therefrom, after deducting all costs of collection, including attorney fees, in reduction of the indebtedness hereby secured or, at its option, toward the repair, reconstruction or restoration of the premises, and in the event of foreclosure to assign each such policy to the transferee of the premises.

5. That the Mortgagor will pay all taxes, assessments, water rates, sewer rents and other charges and any prior liens now or hereafter assessed on or levied against the premises or any part thereof; and, on demand of the Mortgagee, will produce to the Mortgagee, not later than ten (10) days before the date on which any taxes, assessments, water and sewer rents and other charges bear interest or penalties, receipts for all such taxes, assessments, water and sewer rents and other charges; and in case of default in the payment thereof as herein provided, it shall be lawful for the Mortgagee, without notice or demand to the Mortgagor,

to pay the same or any of them; that the moneys paid by the Mortgagee in discharge of taxes, assessments, water rates, sewer rents and other charges and prior liens shall be a lien on the premises added to the amount of said note or obligation and secured by this mortgage, payable on demand with interest at the rate applicable under the note from and after maturity from the time of payment of the same.

6. That the Mortgagor will maintain the premises in good condition and repair, will not commit or suffer any waste of the premises, will not remove or permit the removal of any building, improvement or fixture from, or perform or permit any act which would in any way impair the value of the premises, and will comply with, or cause to be complied with, all statutes, ordinances and requirements of any governmental authority relating to the premises; that the Mortgagor will promptly repair, restore, replace or rebuild any part of the premises now or hereafter subject to the lien of this mortgage which may be damaged or destroyed by any casualty whatsoever or which may be affected by any taking by eminent domain by any public or quasi-public authority; that the Mortgagor will complete without interruption any structure at any time in the process of construction on the premises and will pay any debt, claim or other charge for repairs or improvements that may have been made or may hereafter be made on, and which may become a lien against, the premises or any part thereof, and will not permit any lien or encumbrance of any kind which may be or become superior to this mortgage to accrue or remain on the premises or any part thereof; in the event of default hereunder the Mortgagee may, at its option, enter upon said premises, make whatever repairs are necessary or complete the construction work and charge the expenses for such repairs or for the completion of construction to the mortgage debt and/or declare the indebtedness secured hereby due and payable.

7. That the Mortgagor, at the option of the Mortgagee, will pay to the Mortgagee all moneys received as compensation for the taking of the premises or any part thereof by virtue of the right of eminent domain or



in any other manner whatsoever and all moneys received as damages for injury sustained by the premises or any part thereof and in any such event, the Mortgagee may, if in its sole discretion it determines that its security is impaired, elect to declare the whole of the remaining indebtedness, if any, immediately due and payable.

8. That the Mortgagee may, from time to time, require the maker, co-maker or endorser of any indebtedness secured hereby to carry life insurance upon such persons as may be designated by the Mortgagee in such sums determined by the Mortgagee, designating the Mortgagee as beneficiary thereof, and, upon failure of the Mortgagor to pay the premiums therefor, the Mortgagee may, at its option, pay said premiums, and all sums so advanced by the Mortgagee shall become a part of mortgage debt.

9. That the Mortgagor will comply with all the terms and conditions contained in that certain Building and Loan Agreement between the Mortgagor and the Mortgagee, dated \_\_\_\_\_.

10. That, together with, and in addition to, the payments of principal and interest payable under the terms of the note secured hereby, the Mortgagor will pay to the Mortgagee, at the Mortgagee's option, on such payment date, until the indebtedness secured hereby is paid in full, a proportionate sum of the annual taxes, public assessments and applicable insurance premiums, as estimated by the Mortgagee. All such deposits shall be held by the Mortgagee without interest and free of any lien or claim of the Mortgagors' creditors, to be used by the Mortgagee to pay such taxes, assessments and premiums as the same become due and payable.

11. That the Mortgagor hereby assigns all the rents, issues, and profits of the mortgaged premises and should legal proceedings be instituted pursuant to this instrument, then the Mortgagee shall have the right to have a receiver appointed of the rents, issues and profits, who, after deducting all charges and expenses attending such proceedings shall apply the residue of the rents, issues and profits toward the payment of the debt secured hereby.

12. That the Mortgagor will not, without first obtaining the written consent of the Mortgagee, mortgage or encumber the mortgaged premises or assign or attempt to assign the rents or any part thereof from the said premises.

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13. That, at the option of the Mortgagee, the indebtedness secured by this mortgage shall become due and payable if, without the written consent of the Mortgagee, the Mortgagor shall convey away the mortgaged premises, or if the title shall become vested in any other person or entity in any manner whatsoever other than by death of the Mortgagor or by and through a corporate reorganization or merger. It is understood and agreed that in consideration for the consent of the Mortgagee to any transfer of title to the mortgaged premises, the Mortgagee at its option may charge a loan transfer fee and/or require changes in the rate of interest, term of loan, monthly payments of principal and interest and other terms and conditions of this mortgage and/or the note secured hereby.

14. That the Mortgagor will keep Mortgagor's books and records in accordance with generally accepted accounting principles covering the operation of the premises, should the same be income producing, and, on demand of the Mortgagee, deliver to the Mortgagee, within ninety (90) days after the close of each of the Mortgagors' fiscal years, an annual statement of operations for the premises for the preceding fiscal year, prepared and certified by an independent public accountant acceptable to the Mortgagee.

15. That the Mortgagee shall have the right to enter and inspect the mortgaged premises at all reasonable times.

16. That the enactment of any new statute or law by any governmental agency or body, or the legal interpretation of any existing statute or law, that in the judgment of the Mortgagee materially interferes with the mortgaged premises or with the operation of the business in which the Mortgagor is engaged, shall, at the option of the Mortgagor, constitute a default hereunder.

17. That the Mortgagor will execute and deliver to the Mortgagee, on demand, any instrument or instruments necessary to reaffirm, to correct and to perfect the lien of the Mortgagee to the mortgaged premises.

18. That the rights of the Mortgagee arising under the clauses and covenants contained in this mortgage shall be separate, distinct and cumulative and none of them shall be in exclusion of the others; that the invalidity of one or more of the clauses and covenants contained

herein shall not in any way affect the validity or enforceability of the remaining provisions herein contained; and that no act of the Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding.

It is agreed that the Mortgagor shall hold and enjoy the premises above conveyed until there is a default under this mortgage or in the note secured hereby. It is the true meaning of this instrument that if the Mortgagor shall fully perform all the terms, conditions, and covenants of this mortgage, of the note secured hereby or of any other agreement by the Mortgagor in connection therewith, this mortgage shall be utterly null and void; otherwise to remain in full force and virtue. If there is a default in any of the terms, conditions or covenants of this mortgage, of the note secured hereby, of the loan commitment, security agreement, building or construction loan agreement, or of any other agreement by the Mortgagor in connection therewith, then, at the option of the Mortgagee, all sums then owing by the Mortgagor to the Mortgagee shall become immediately due and payable and this mortgage may be foreclosed. Should any legal proceedings be instituted for the foreclosure of this mortgage, or should the Mortgagee become a party to any suit involving this mortgage or the title to the premises described herein, or should the debt secured hereby or any part thereof be placed in the hands of an attorney at law for collection by suit or otherwise, all costs and expenses incurred by the Mortgagee, and a reasonable attorney's fee, shall thereupon become due and payable, immediately or on demand, at the option of the Mortgagee, as a part of the debt secured hereby, and may be recovered and collected hereunder.

The covenants, agreements and conditions herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties hereto. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, this mortgage has been duly executed by the Mortgagor the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

In the Presence of:

_____	_____ (SEAL)
_____	_____ (SEAL)
_____	_____ (SEAL)
	_____ (SEAL)

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STATE OF SOUTH CAROLINA )  
COUNTY OF GREENVILLE )

PROBATE

PERSONALLY appeared before me \_\_\_\_\_ and made  
oath that he saw \_\_\_\_\_ as \_\_\_\_\_  
and \_\_\_\_\_ as \_\_\_\_\_ of  
\_\_\_\_\_, a \_\_\_\_\_  
organized under the laws of the State of \_\_\_\_\_, sign,  
seal and deliver on behalf of said mortgagor the within written mortgage,  
and that he, with \_\_\_\_\_ witnessed the  
execution thereof.

SWORN to before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 1977.

\_\_\_\_\_(LS)

Notary Public for South Carolina  
My Commission Expires:

STATE OF SOUTH CAROLINA )  
COUNTY OF GREENVILLE )

PROBATE

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

SWORN to before me this  
\_\_\_\_\_ day of \_\_\_\_\_, 1977.

\_\_\_\_\_(LS)

Notary Public for South Carolina  
My Commission Expires:

002841



# EXHIBIT

AUG 17 1982 NO. 4

## BOND ORDINANCE

## STATE BUDGET & CONTROL BOARD

AUTHORIZING THE ISSUANCE OF A \$915,000.00 GREENVILLE COUNTY, SOUTH CAROLINA INDUSTRIAL REVENUE BOND, 1982 (RAINERMAN PROJECT) FOR THE PURPOSE OF LOANING THE PROCEEDS OF SAID BOND TO ARTURO AND ADRIENNE RAINERMAN (THE "OWNERS") TO FINANCE THE COST OF THE ACQUISITION, COMPLETION AND FURNISHING OF A BUILDING TO BE LEASED TO JAMA INTERNATIONAL CORPORATION, A SUBSIDIARY THEREOF, OR TO A CORPORATION TO BE FORMED WHICH WILL BE A RELATED PARTY TO THE AFORESAID (THE "LESSEE") FOR THE WAREHOUSING AND DISTRIBUTION OF SHEETS, TOWELS AND OTHER TEXTILE PRODUCTS FOR RESALE (COLLECTIVELY, THE "INDUSTRY"); THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH ARTURO AND ADRIENNE RAINERMAN IN CONNECTION THEREWITH; AND PROVIDING FOR THE SECURING OF THE BOND.

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

WHEREAS, Arturo and Adrienne Rainerman, citizens and residents of the State of Florida (the "Owners"), in accordance with the provision of an Inducement Contract dated June 15, 1982 by and between the Owners and the County, have determined that they desire to begin operations in the County by the acquisition, completion and furnishing of a building to be leased to Jama International Corporation, a subsidiary thereof, or to a corporation to be formed which will be a related party to the aforesaid (the "Lessee") (the Lessee and the Owners hereinafter collectively referred to as the "Industry") for the warehousing and distribution of sheets, towels and other textile products for resale (the "Project"); and

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WHEREAS, in order to implement the public purposes enumerated in the Act and in furtherance thereof to assist the Industry in expanding its operation within Greenville County, the County has agreed to issue and sell a Nine Hundred and Fifteen Thousand (\$915,000.00) Dollar Bond, under and pursuant to the Act to defray the costs of the acquisition, completion and furnishing of the Project; and

WHEREAS, the County Council, having determined that the Project will increase employment in and the tax base of Greenville County, proposes to issue and sell a Nine Hundred and Fifteen Thousand (\$915,000.00) Dollar principal amount industrial revenue bond, to be designated \$915,000.00 Greenville County, South Carolina Industrial Revenue Bond, 1982 (Rainerman Project) (the "Bond"), to defray the costs of acquiring the Project; and

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

WHEREAS, it has determined that the estimated amount necessary to defray the cost of acquiring the Project, including expenses incidental thereto and to the Bond, requires that a Bond of the County in the principal amount of Nine Hundred and Fifteen Thousand (\$915,000.00) Dollars be authorized as hereinafter provided; and

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

1. The form of a Loan Agreement by the County and the Industry and the Note of the Industry executed pursuant thereto;
2. The form of a Bond Purchase Agreement by the County and The South Carolina National Bank;
3. The form of the Assignment whereby the County assigns its interest in the Loan Agreement and the Note to The South Carolina National Bank;
4. The form of a Mortgage and Security Agreement between the Industry and The South Carolina National Bank; and
5. The form of the Bond of the County.
6. The form of a Guaranty Agreement between American Dream Sales, Sales, Inc., Jama International Corporation, Jama International (of Texas) Inc., Arturo Rainerman, Adrienne Rainerman and The South Carolina National Bank.

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

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

ARTICLE I

DEFINITIONS

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

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

"ADMINISTRATIVE EXPENSES" means the reasonable and necessary expenses incurred by the Purchaser and the Bondholder in connection with this Bond Ordinance, the Loan Agreement, the Bond Purchase Agreement, the Assignment, the Mortgage and Security Agreement and the Guaranty Agreement, and the financing of the Project.

"ADMINISTRATOR" means the Administrator of Greenville County.

"ASSIGNMENT" means the Pledge and Assignment dated as of August 1, 1982 by the County referred to in Section 402 hereof.

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

"BOND" means the \$915,000.00 Greenville County, South Carolina Industrial Revenue Bond, 1982 (Rainerman Project).

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

"BOND PURCHASE AGREEMENT" means that Agreement dated as of August 1, 1982, between the County and the Purchaser of the Bond with regard to the sale of the Bond.

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



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

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

"COLLATERAL" means all rights of the County under and all interests of the County in (i) the Loan Agreement and the Note (other than the rights of the County or the Purchaser to receive payment of Administrative Expenses, indemnification and attorneys' fees and expenses pursuant to Sections 4.3, 6.9 and 8.4 of the Loan Agreement, respectively) and (ii) the Revenues.

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

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

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

"EVENT OF TAXABILITY" means an event as defined in Article I of the Loan Agreement.

"GUARANTY AGREEMENT" means the Guaranty Agreement executed as of the date hereof between American Dream Sales, Inc., Jama International Corporation, Jama International (of Texas) Inc., Arturo Rainerman, Adrienne Rainerman and the Bondholder.

"INDUSTRY" means the Owners and the Lessee collectively, their heirs, successors and assigns.

"LESSEE" means Jama International Corporation, a subsidiary thereof, or a corporation to be formed which will be a related party to the aforesaid, its successors and assigns.

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"LOAN AGREEMENT" means the Loan Agreement to be executed by and between the County and the Industry dated as of August 1, 1982, and any amendments or supplements thereto duly entered into in accordance with Article XI hereof.

"MORTGAGE AND SECURITY AGREEMENT" means the Mortgage and Security Agreement dated as of August 1, 1982 executed by the Industry in favor of the Bondholder.

"NOTE" means the Note of the Industry executed pursuant to the Loan Agreement and dated as of August 1, 1982.

"OWNERS" means Arturo and Adrienne Rainerman, their heirs and assigns.

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

"PROJECT" means the acquisition, completion and furnishing of a building in Greenville County by the Owners to be leased to the Lessee for the warehousing and distribution of sheets, towels and other textile products for resale, or any modification thereof.

"PURCHASER" or "PURCHASER OF THE BOND" means The South Carolina National Bank.

"REVENUES" means all payments, revenues and receipts which the County has a right to receive pursuant to the Loan Agreement, other than payment of indemnification and attorneys fees and expenses pursuant to Section 4.3, 6.9 and 8.4 of the Loan Agreement, respectively.

ARTICLE II

THE BOND

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

SECTION 202. Issuance of the Bond. The Bond in the aggregate principal amount of Nine Hundred and Fifteen Thousand (\$915,000.00) Dollars, dated as of August 1, 1982, designated "\$915,000.00 Greenville County, South Carolina Industrial Revenue Bond, 1982 (Rainerman Project)," shall be issued. It shall bear interest from the date of delivery until maturity at the rate specified in the Bond, and interest and principal shall be payable as provided for in the Bond. The Bond issued pursuant to this Bond Ordinance shall be substantially in the form set forth in Exhibit "A" attached hereto with such variations, omissions, and insertions as are permitted or required by this Bond Ordinance.

Payment of principal and interest on the Bond shall be made to or upon the order of the Bondholder or its legal representative at the office of the Bondholder in Greenville, South Carolina.

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

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

In case any officer whose signature or facsimile of whose signature shall appear on the Bond shall cease to be such officer before the

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delivery of such Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The Bond, together with interest thereon, shall be a limited obligation of the County payable from the Collateral. The Bond does not now and shall never constitute an indebtedness of the County within the meaning of any state constitutional provisions or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

SECTION 204. Delivery of Bond. The County shall execute and deliver to the Bondholder a Bond in the aggregate principal amount of Nine Hundred and Fifteen Thousand \$915,000.00 Dollars.

SECTION 205. Mutilated, Lost, Stolen or Destroyed Bond. In the event the Bond is mutilated, lost, stolen or destroyed, the County may execute a new Bond of like denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the County, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the County evidence of such loss, theft or destruction satisfactory to the County and the Industry, together with indemnity satisfactory to the County and the Industry. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the County must pay the same without surrender thereof. The County may charge the Bondholder with all costs and expenses incurred for this purpose.

SECTION 206. Mediums of Payment. The Bond shall be payable with respect to principal and interest, and all of the sums due hereunder, in Federal or other immediately available funds.



SECTION 207.    Date.        The Bond shall be dated as of August 1, 1982.

SECTION 208.    Transfer and Registry; Persons Treated as Owners.

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

The County and the Industry may deem and treat the person in whose name the Bond shall be registered upon the books of the County as the absolute owner of such Bond for the purpose of receiving payment of or on account of, the principal of and interest on the Bond and for all other purposes, and all such payments so made to any such Bondholder or upon its order, shall be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid, and neither the County nor the Industry shall be affected by any notice to the contrary.

SECTION 209.    Regulations With Respect to Transfer and Exchange.

In all cases in which the privilege of transferring the Bond is exercised, the County shall execute and deliver the Bond in accordance with the provisions of this Bond Ordinance. The Bond surrendered in any such transfers shall forthwith be cancelled. There shall be no charge for transfer of the Bond except that the Bondholder may make a charge to

the Industry sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such transfer or exchange. The County shall not be required (a) to transfer the Bond for a period of ten days next preceding an interest payment date on the Bond or (b) to register or transfer the Bond if the payments due thereunder have been accelerated pursuant to Article VIII hereof.

ARTICLE III

PREPAYMENT OF BOND BEFORE MATURITY

SECTION 301. Prepayment of Bond. At the option of the Industry, the Bond shall be subject to prepayment in inverse order of maturity, in whole or in part, at any time after June 1, 1987 after thirty (30) days written notice to the Bondholder and without prepayment premium or other charge. Upon the happening of the above condition and compliance with the provisions of this Bond Ordinance, the Bond, or portions thereof so prepaid, shall cease to bear interest and shall not be deemed to be outstanding under the provisions of this Bond Ordinance.

SECTION 302. Payment of Bond on Partial Prepayment.

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

ARTICLE IV

LOAN AGREEMENT, ASSIGNMENT

AND BOND PURCHASE AGREEMENT

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

SECTION 402. Pledge and Assignment. As security for the punctual payment of the principal of and interest on the Bond, and all other sums due hereunder, for the performance and observance by the County of all of its covenants and agreements set forth or referred to

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in the Loan Agreement, the Bond, the Bond Purchase Agreement, or this Bond Ordinance, and to assure the correctness of all representations and warranties made by the County in the Loan Agreement, the Bond Purchase Agreement, the Bond or this Bond Ordinance, the County has in the Assignment irrevocably pledged and assigned to the Holder of the Bond all rights of the County under and all interests of the County in (i) the Loan Agreement and the Note (other than the rights of the County or the Bondholder to receive payment of Administration Expenses, indemnification and attorneys' fees and expenses pursuant to Sections 4.3, 6.9 and 8.4 of the Loan Agreement, respectively) and (ii) the Revenues.

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

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

SECTION 404. Performance of Covenants; Authority of County.

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

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

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

SECTION 406. Filing. The security interests of the Holder of the Bond created by the Assignment in the Collateral shall be perfected

by the filing in the Office of the Secretary of State of South Carolina in Columbia, South Carolina, of financing statements which fully comply with the South Carolina Uniform Commercial Code--Secured Transactions. Additional financing or continuation statements which, in the opinion of the Holder of the Bond, are necessary to continue the security interests created by the Assignment and to fully preserve the rights of the Holder of the Bond, shall be filed from time to time in the Office of the Secretary of State of South Carolina.

ARTICLE V

REVENUES AND FUNDS

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

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

SECTION 502. Non-Surrender of Bond. In the event the Bond shall not be surrendered upon payment in full, either at maturity or upon prepayment thereof, and the Industry has made all payments due on the Bonds to the Bondholder, all liability of the County and Industry to the Holder thereof for the payment of the Bond shall forthwith cease, determine and be completely discharged.

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

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



ARTICLE VI

LAWS GOVERNING ORDINANCE

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

ARTICLE VII

DEFEASANCE

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

ARTICLE VIII

DEFAULT PROVISIONS AND REMEDIES OF BONDHOLDER

SECTION 801. Defaults; Events of Default. If there occurs an "event of default" under the Loan Agreement entered into hereunder by Greenville County or the Note executed pursuant thereto then an "event of default" will have been deemed to have occurred hereunder.

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

SECTION 803. Remedies. Upon the happening and continuance of an event of default specified in Section 801, then and in each such case the Bondholder shall have those remedies specified in Article VIII of the Loan Agreement.

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

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

(b) If the principal of the Bond shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the

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provisions of Paragraph (a) of this Section, in the event that the principal of the Bond shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

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

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

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

SECTION 807. Opportunity of the County and Industry to Cure Defaults. With regard to any alleged default hereunder, the County grants the Industry full authority for account of the County to



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

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

ARTICLE IX

THE PURCHASER

SECTION 901. Duties of Purchaser. The duties of the Purchaser shall be determined solely by the express provisions of this Bond Ordinance and the Loan Agreement, and the Purchaser shall not be liable except for willful misconduct or negligence in the performance of such duties as are specifically set forth in this Bond Ordinance and the Loan Agreement, and no implied covenants, duties or obligations shall be read into this Bond Ordinance or the Loan Agreement against the Purchaser. The Purchaser shall not be liable for any action taken, suffered or omitted by it in good faith and reasonably believed by it to be authorized or within the discretion, rights, duties, privileges or powers conferred upon it by this Bond Ordinance and the Loan Agreement.

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

ARTICLE X

SUPPLEMENTAL ORDINANCES

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

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

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

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amendatory ordinance as in this Section permitted and provided, this Bond Ordinance shall be and be deemed to be modified and amended in accordance therewith.

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



ARTICLE XI

AMENDMENTS TO LOAN AGREEMENT

SECTION 1101. Amendments to Loan Agreement Requiring Consent of the Bondholder. The County shall not consent to or enter into any other amendment, change or modification of the Loan Agreement without notice to and the written approval or consent of the Bondholder at the time given and procured as in Section 1002 provided.

ARTICLE XII

MISCELLANEOUS

SECTION 1201. Consents, Etc., of Bondholder. Any consent,

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

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

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

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

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

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

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

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

SECTION 1204. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when given in accordance with Section 10.1 of the Loan Agreement.

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

SECTION 1206. Payments Due on Sundays and Holidays. In any case where the date of maturity of interest on or principal of the Bond shall be a Saturday, a Sunday or shall be in the County of Greenville, a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal need not be made on such date in such County, but may be made on the next succeeding business day, not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the date of maturity.

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

SECTION 1208. Bond Ordinance Constitutes Contract. In consideration of the purchase and acceptance of the Bond authorized to be issued hereunder by those who shall hold the same from time to time, this Bond Ordinance, which shall not be amended, rescinded or modified after the



delivery of the Bond to the Purchaser, except in accordance with Section 1002 of this Bond Ordinance, shall for all purposes be deemed to be and shall constitute a contract between the County and the Bondholder.

Approved and adopted this \_\_\_\_\_ day of \_\_\_\_\_, A. D. 1982, at a duly called meeting of the County Council of Greenville County, South Carolina, proper notice thereof having been given.

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

**THE END**

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