

MINUTES OF
BUDGET AND CONTROL BOARD
MEETING

June 20, 1995

007426

STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF THE EXECUTIVE DIRECTOR



DAVID M. BEASLEY, CHAIRMAN
GOVERNOR

RICHARD A. ECKSTROM
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

HENRY E. BROWN, JR.
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

P.O. BOX 12444
COLUMBIA, SOUTH CAROLINA 29211
(803) 734-2320

June 20, 1995

MEMORANDUM

TO: Budget and Control Board Office Directors
FROM: Donna Kaminer Williams *DKW*
SUBJECT: Summary of Board Actions at June 20, 1995, Meeting

This listing of actions is an unofficial **summary** of the Board actions taken at the referenced meeting. The minutes of the meeting are presented in a separate, more detailed document which becomes official when approved by the Board at a subsequent meeting.

1. Acting as the Educational Facilities Authority for Private, Nonprofit Institutions of Higher Learning, adopted a resolution authorizing the execution and delivery of not exceeding \$18,400,000 revenue bonds of the Educational Facilities Authority for Private, Nonprofit Institutions of Higher Learning for the Benedict College project;
2. Adopted the Budget and Control Board agenda after adding executive session item #3, relating to a legal briefing from the Attorney General's Office;
3. Approved the minutes of the May 24, 1995, Budget and Control Board meeting;
4. In accord with Board policy, approved the following bond counsel and issuer's counsel assignment for Jobs-Economic Development Authority conduit issues:

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contracts are used) for a period of three years: goods and services, \$25,000; consultant services, \$25,000; information technology in accordance with the approved information technology plan, \$25,000;

7. In accord with Code Sections 1-11-80, 1-11-90, and 1-11-100, granted an easement to the City of Columbia for an 8" sanitary sewer line for the Criminal Justice Academy on Geology Road;
8. Approved the following grant requests as recommended by the Office of Local Government: (a) Town of Clio, \$120,000; and (b) Chester County, \$200,000;
9. Adopted resolutions approving the following proposals to issue revenue bonds:
 - (a) Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: \$3,266,300 Multifamily Housing Mortgage Revenue bonds
Allocation Amount: \$3,266,300 -- granted previously
Name of Project: United Dominion - Hunting Ridge Apartments
Employment Impact: n/a
Project Description: acquisition and rehabilitation of a 152-unit multifamily residential rental property
 - (b) Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: not exceeding \$6,000,000 Economic Development Revenue Bonds (private placement)
Allocation Amount: \$6,000,000 (request included in a separate agenda item)
Name of Project: Orders Realty Co., Inc.
Location: Greenville County
Employment Impact: approximately 20 within 12 months and 30 within 24 months
Project Description: manufacture of mattresses, box springs, foundations, sofas, loveseats, sofa sleepers, ottomans, chairs, and various other upholstered furniture products
 - (c) Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: not exceeding \$4,000,000 Economic Development Revenue Bonds (private placement)
Allocation Amount: \$4,000,000 (request included in a separate agenda item)
Name of Project: Foundry & Steel, Inc. & Champion Tooling & Machining Co. Inc.
Location: Anderson County

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Employment Impact: approximately 6 within 12 months and 10 within 24 months
Project Description: manufacture industrial equipment for the man-made fiber industry and production of additional tooling and metal stamping of industrial and consumer parts

(d) Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: not exceeding \$20,000,000 Variable Rate Hospital Revenue Bonds (private sale for public distribution thereafter)

Allocation Amount: -0-

Name of Project: Baptist Healthcare System of South Carolina, Inc.

Location: City of Columbia

Employment Impact: maintain existing employment for 2,529 people

Project Description: building improvements, renovations to surgical and psychiatric areas, reimbursing Institution for certain prior capital expenditures

(e) Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: not exceeding \$60,000,000 Hospital Revenue Bonds (private sale for public distribution thereafter)

Allocation Amount: -0-

Name of Project: Tuomey Regional Medical Center

Location: Sumter County

Employment Impact: maintaining 1212 and adding 25 within 24 months

Project Description: acquisition and construction of certain improvements and renovations, including necessary equipment and furnishings

10. Approved guidelines for awarding unclassified salary increases for 1995-96;
11. In accordance with Proviso 129.12, authorized John de la Howe School to transfer \$31,100 from personal services to other operating expenses;
12. Approved the following property acquisitions in accord with Code Section 1-11-65:

a. Agency: Department of Natural Resources
Acreage: 192± acres
Location: Adjoining the Waccamaw River Preserve, Horry County
Purpose: For the river frontage and protection of the four rare plant species located on the property and for public outdoor recreational activities

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Appraised Value: \$547,000
Sale Price/Seller: \$400,000/Emily Schultz
Source of Funds: Heritage Land Trust Fund
Project Number: P24-9687
Environmental Study: Approved
Annual Op Cost/SOF: Construction costs \$6,000 (Heritage Land Trust Fund); additional annual operating costs \$1,000 (federal funds)

Approved by: JBRC 3/21/95; County Delegation 5/18/95

b. Agency: Department of Natural Resources
Acreage: 327± acres
Location: Adjacent to the Samworth Wildlife Management area, Georgetown County
Purpose: To increase wetland related wildlife management activities and public recreation

Appraised Value: \$278,600
Sale Price/Seller: \$278,600/Larry Young
Source of Funds: Duck Stamp Revenue
Project Number: P24-9697
Environmental Study: Approved
Annual Op Cost/SOF: Construction costs \$105,875 (federal and other funds); additional annual operating costs \$20,000 (federal and agency revenue funds)

Approved by: JBRC 5/16/95

c. Agency: Department of Public Safety
Acreage: 2.6 acres and a 31,267 ft² office building
Location: Near Goose Creek in Charleston County
Purpose: To establish a central location of Highway Patrol District and County Headquarters, Regional State Transportation Police, and other DPS functions. The Transportation Police currently has no office space; Criminal Justice Academy students are being trained at the TEC Center; Highway Patrol is occupying DOT space needed by DOT.

Appraised Value: \$1,058,000
Sale Price/Seller: \$950,000/George D. Saffo
Source of Funds: Court fines and gas tax revenues
Project Number: K05-9530

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Environmental Study:	Level I; no hazardous conditions on site
Annual Op Cost/SOF:	Annual operating, \$117,156/state appropriated funds. Approximately \$450,000 needed to bring the building into compliance with current fire and ADA codes (court fines and gas tax revenues). Proposed renovations will not increase operating costs. DPS will install energy conservation measures at a later date using sources of revenue in conjunction with State Energy Office and State Energy Act.
Approved by:	JBRC 5/16/95

13. In accord with Code Section 1-11-65, authorized the Forestry Commission to issue a quit-claim deed acknowledging reversion rights on 8.19 acres in Chester County to Marion Lathan in exchange for a transfer of the reversionary interest in the remaining 1.82 acres from Marion Lathan;
14. Authorized the Department of Commerce to issue an RFP, in a format acceptable to the Office of General Services, for the development, design, construction, financing, and operation of a golf course, inn/overnight accommodations, retail space, and restaurant at Lake Russell, Calhoun Falls, with up to approximately 1,094 acres to be made available for sale to the developer at a cost to be determined, and directed that the proposal be brought back to the Board;
15. Approved the following bond counsel selection as recommended by the State Treasurer's Office:
 - (a) University of Charleston, \$1,150,300 (15-year commercial notes) to purchase facilities located at 298-300 Meeting Street and 65 Coming Street for continued use as residence halls: Nexsen Pruet Jacobs & Pollard; and
 - (b) University of South Carolina, \$14,000,000 Student and Faculty Housing Revenue Bonds to fund the construction of new student housing on the current soccer field/Booker T. Washington area of campus and the refunding or defeasement of a portion or all of the outstanding \$6,900,000 Student and Faculty Housing Revenue Bonds: Nexsen Pruet Jacobs & Pollard;
16. Pursuant to Code Section 1-11-560(C), granted a 31-day extension to the tentative allocation of \$3,266,300 for the State Housing Finance and Development Authority Hunting Ridge Apartments project;

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17. Agreed to meet at 10:00 a. m. on Tuesday, July 11, 1995, in the Governor's conference room in the Wade Hampton Building;
18. Disencumbered \$100,000 previously encumbered for the Office of Attorney General for the Catawba Indian lawsuit; encumbered \$100,000 for expert witnesses, consultants, and legal expenses associated with education equalization lawsuits (Abbeville County, Allendale County); and, in accord with the terms of 1995-96 Proviso 72.53, authorized the carryforward of this amount for expenditure for this purpose in 1995-96;
19. Deferred action on requests for 1995 ceiling allocations until the July 11, 1995, meeting; and
20. Received a legal briefing from the Attorney General's Office.

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MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

June 20, 1995 9:30 A. M.

The Budget and Control Board met at 9:30 a.m. on Tuesday, June 20, 1995, in the Governor's conference room in the State House, with the following members in attendance:

Governor David M. Beasley, Chairman;
Mr. Richard A. Eckstrom, State Treasurer;
Mr. Earle E. Morris, Jr., Comptroller General;
Senator John Drummond, Chairman, Senate Finance Committee;
Representative Henry E. Brown, Jr., Chairman, Ways and Means Committee.

Also attending were Executive Director Luther F. Carter; Deputy Executive Directors Richard W. Kelly and Robert C. Toomey; General Counsel Joseph D. Shine; Governor's Senior Executive Assistant Nancy Wrenn; Interim Deputy State Treasurer Edwin Evans; Assistant Comptrollers General George M. Lusk and Kinsey Jenkins; Finance Committee Chief of Staff Robert Merritt; Ways and Means Committee Director of Research Frank Fusco; Board Secretary Donna Kaminer Williams; and other Board staff.

Governor Beasley introduced Mr. Paul Younginer and Mr. Bryce Wilson who are participating in the Governor's Excel Leadership Institute.

[Secretary's Note: This Board meeting was held immediately following a meeting of the Educational Facilities Authority for Private, Nonprofit Institutions of Higher Learning, the members of which are Budget and Control Board members, *ex officio*.]

Adoption of Agenda

Upon a motion by Mr. Eckstrom, seconded by Mr. Brown, the Board adopted the agenda after adding executive session item #3, relating to a legal briefing from the Attorney General's Office.

Minutes of Previous Meeting

Board members previously had been furnished a draft version of the minutes of the May 24, 1995, Budget and Control Board meeting.

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

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Blue Agenda

Upon a motion by Mr. Eckstrom, seconded by Mr. Brown, the Board approved all items included on the blue agenda. Blue agenda items are identified as such in these minutes.

State Treasurer: Bond Counsel Selection, JEDA Conduit Issues (Blue Agenda #1)

Upon a motion by Mr. Eckstrom, seconded by Mr. Brown, the Board approved the following bond counsel and issuer's counsel selected by the Jobs-Economic Development Authority for conduit issues and which were submitted to the Board by the State Treasurer's Office in accord with Board policy:

Approximate Size of Issue	Borrower	Bond Counsel Name/Firm	Issuer's Counsel from Rotation
\$20,000,000	Baptist Healthcare Systems of SC	Kathy McKinney McNair & Sanford	Haynsworth Marion McKay & Guérard
\$6,000,000	Orders Realty Company, Inc.	Kathy McKinney McNair & Sanford	Nelson Mullins Riley & Scarborough
\$4,000,000	Foundry and Steel, Inc.	Kathy McKinney McNair & Sanford	Haynsworth Marion McKay & Guérard
\$10,000,000	Ergste Westig of America, Inc.	April Lucas McNair & Sanford	Nexsen Pruet Jacobs & Pollard
\$10,000,000	Kendall Healthcare Products	Kathy McKinney McNair & Sanford	Sinkler & Boyd
\$2,000,000	Letney Foods	Kathy McKinney McNair & Sanford	Nexsen Pruet Jacobs & Pollard
\$2,000,000	Sea-Pro Boats, Inc.	Kathy McKinney McNair & Sanford	Nexsen Pruet Jacobs & Pollard

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

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General Services: Permanent Improvement Projects (Blue Agenda #2)

Upon a motion by Mr. Eckstrom, seconded by Mr. Brown, the Board approved the following permanent improvement project establishment requests and budget revisions which are contingent upon approval by the Joint Bond Review Committee:

- a. Summary 17-95: Suppl. 1. College of Charleston
Project: 9551, Sears Renovation-Basement Floor
Request: Establish project and budget (\$500,000 appropriated state funds) to renovate approximately 22,000 ft² of basement space in the former Sears Building to accommodate administrative and academic departments. *Contingent upon JBRC approval.*

- b. Summary 17-95: Suppl. 2. College of Charleston
Project: 9552, Deferred Maintenance
Request: Establish project and budget (\$600,000 appropriate state funds) to begin the process of addressing deferred maintenance needs. Work includes window repairs and replacements in Randolph Hall, stucco and porch repairs on Maybank Hall, and repairs to several former homes housing academic and administrative offices. *Contingent upon JBRC approval.*

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

General Services: Procurement Certification, School for the Deaf and the Blind (Blue #3)

Upon a motion by Mr. Eckstrom, seconded by Mr. Brown, the Board, in accord with Section 11-35-1210, granted procurement certification to the School for the Deaf and the Blind within the parameters described in the audit report for the following limits (total potential purchase commitment whether single- or multi-year contracts are used) for a period of three years: goods and services, \$25,000; consultant services, \$25,000; information technology in accordance with the approved information technology plan, \$25,000.

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

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General Services: Easement (Blue Agenda #4)

Upon a motion by Mr. Eckstrom, seconded by Mr. Brown, the Board, in accord with Code Sections 1-11-80, 1-11-90, and 1-11-100, granted an easement to the City of Columbia for an 8" sanitary sewer line for the Criminal Justice Academy on Geology Road for the consideration of \$1.00.

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

Local Government: Grant Requests (Blue Agenda #5)

The Office of Local Government advised of the following grant requests:

- (a) Grantee: Town of Clio (Grant Agreement No. 726)
 Grant request: \$160,000
 Purpose/description: Water system improvements to include repainting of elevated water storage tank, water treatment plant repairs, and the interconnection of the Clio system with the Marlboro County Water System thereby providing a standby source for Clio.

 Impact: n/a
 Cost of project: \$175,000
 LG recommendation: \$120,000
- (b) Grantee: Chester County (Grant Agreement No. 723)
 Grant request: \$200,000
 Purpose/description: Purchase of equipment to be used in the construction of a wastewater treatment facility to serve PPG Industries, Inc.

 Impact: Capital investment, \$45,000,000; employment, 95 jobs
 Cost of project: \$1,019,000 (CDBG, \$518,000; Chester County, \$301,000)
 LG recommendation: \$200,000

The Board was advised that the Office of Local Government had received a supplemental appropriation of \$4.3 million for the "Infrastructure Grant Revolving Fund" to assist with infrastructure projects in economically distressed areas as provided for in Code Section 41-43-180. JEDA developed the listing designating 17 counties qualifying as economically distressed

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areas. The Town of Clio is located in Marlboro County, an area designated as economically distressed. Chester County is designated as economically distressed.

Upon a motion by Mr. Eckstrom, seconded by Mr. Brown, the Board approved the following grant requests as recommended by the Office of Local Government: (a) Town of Clio, \$120,000; and (b) Chester County, \$200,000.

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

Executive Director: Revenue Bonds (Blue Agenda #6)

Upon a motion by Mr. Eckstrom, seconded by Mr. Brown, the Board adopted resolutions approving the following proposals to issue revenue bonds:

- (a) Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: \$3,266,300 Multifamily Housing Mortgage Revenue bonds
Allocation Amount: \$3,266,300 -- granted previously
Name of Project: United Dominion - Hunting Ridge Apartments
Employment Impact: n/a
Project Description: acquisition and rehabilitation of a 152-unit multifamily residential rental property

(Exhibit 6)

- (b) Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: not exceeding \$6,000,000 Economic Development Revenue Bonds (private placement)
Allocation Amount: \$6,000,000 (request included in a separate agenda item)
Name of Project: Orders Realty Co., Inc.
Location: Greenville County
Employment Impact: approximately 20 within 12 months and 30 within 24 months
Project Description: manufacture of mattresses, box springs, foundations, sofas, loveseats, sofa sleepers, ottomans, chairs, and various other upholstered furniture products

(Exhibit 7)

- (c) Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: not exceeding \$4,000,000 Economic Development Revenue Bonds (private placement)

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Allocation Amount: \$4,000,000 (request included in a separate agenda item)
Name of Project: Foundry & Steel, Inc. & Champion Tooling & Machining Co. Inc.
Location: Anderson County
Employment Impact: approximately 6 within 12 months and 10 within 24 months
Project Description: manufacture industrial equipment for the man-made fiber industry and production of additional tooling and metal stamping of industrial and consumer parts

(Exhibit 8)

- (d) Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: not exceeding \$20,000,000 Variable Rate Hospital Revenue Bonds (private sale for public distribution thereafter)

Allocation Amount: -0-
Name of Project: Baptist Healthcare System of South Carolina, Inc.
Location: City of Columbia
Employment Impact: maintain existing employment for 2,529 people
Project Description: building improvements, renovations to surgical and psychiatric areas, reimbursing Institution for certain prior capital expenditures

(Exhibit 9)

- (e) Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: not exceeding \$60,000,000 Hospital Revenue Bonds (private sale for public distribution thereafter)

Allocation Amount: -0-
Name of Project: Tuomey Regional Medical Center
Location: Sumter County
Employment Impact: maintaining 1212 and adding 25 within 24 months
Project Description: acquisition and construction of certain improvements and renovations, including necessary equipment and furnishings

(Exhibit 10)

Information relating to this matter has been retained in these files and is identified as Exhibits 6 through 10, respectively.

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Human Resources: 1995-96 Salary Increases, Proposed Guidelines for Unclassified Employees (Regular Session #1)

Steve Osborne, Director of the Office of Human Resources, appeared before the Board on this matter.

The Board was advised that, in the past, appropriations acts have provided that unclassified employees receive pay increases without uniformity based upon guidelines approved by the Budget and Control Board.

Contingent upon passage of the 1995-96 Appropriations Act, variable annual salary increases may be awarded to all unclassified employees effective on the first pay day which occurs on or after July 1, 1995. Funds for increases are projected on an annual average 3.5% increase. The Act further states that guidelines must be established by the Budget and Control Board and that Office of Human Resources approval must be obtained before any unclassified employee may be granted an annual pay increase in excess of the guidelines.

Upon a motion by Senator Drummond, seconded by Mr. Morris, the Board approved guidelines for awarding unclassified salary increases for 1995-96 as recommended by the Office of Human Resources.

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

Office of Budget: John de la Howe School Transfer (Regular Session #2)

State Budget Office Director George Dorn appeared before the Board on this matter.

The Board was advised that John de la Howe School had requested authorization to transfer \$31,100 from personal services to other operating expenses in order to pay for May and June food purchases, water and sewer, electricity, contractual services for garbage pickup, and other related costs. This transfer requires Board approval under the conditions of Proviso 129.12 of the 1994-95 Appropriations Act.

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Upon a motion by Mr. Brown, seconded by Mr. Eckstrom, the Board, in accordance with Proviso 129.12, authorized John de la Howe School to transfer \$31,100 from personal services to other operating expenses.

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

General Services: Property Acquisitions (Regular Session #3)

Deputy Executive Director Richard W. Kelly appeared before the Board on this matter.

Upon a motion by Senator Drummond, seconded by Mr. Brown, the Board approved the following property acquisitions in accord with Code Section 1-11-65:

- a. Agency: Department of Natural Resources
 Acreage: 192± acres
 Location: Adjoining the Waccamaw River Preserve, Horry
 County
 Purpose: For the river frontage and protection of the four rare
 plant species located on the property and for public
 outdoor recreational activities

 Appraised Value: \$547,000
 Sale Price/Seller: \$400,000/Emily Schultz
 Source of Funds: Heritage Land Trust Fund
 Project Number: P24-9687
 Environmental Study: Approved
 Annual Op Cost/SOF: Construction costs \$6,000 (Heritage Land Trust
 Fund); additional annual operating costs \$1,000
 (federal funds)

 Approved by: JBRC 3/21/95; County Delegation 5/18/95
- b. Agency: Department of Natural Resources
 Acreage: 327± acres
 Location: Adjacent to the Samworth Wildlife Management
 area, Georgetown County
 Purpose: To increase wetland related wildlife management
 activities and public recreation

 Appraised Value: \$278,600
 Sale Price/Seller: \$278,600/Larry Young
 Source of Funds: Duck Stamp Revenue

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Project Number: P24-9697
Environmental Study: Approved
Annual Op Cost/SOF: Construction costs \$105,875 (federal and other funds); additional annual operating costs \$20,000 (federal and agency revenue funds)
Approved by: JBRC 5/16/95

c. Agency: Department of Public Safety
Acreage: 2.6 acres and a 31,267 ft² office building
Location: Near Goose Creek in Charleston County
Purpose: To establish a central location of Highway Patrol District and County Headquarters, Regional State Transportation Police, and other DPS functions. The Transportation Police currently has no office space; Criminal Justice Academy students are being trained at the TEC Center; Highway Patrol is occupying DOT space needed by DOT.
Appraised Value: \$1,058,000
Sale Price/Seller: \$950,000/George D. Saffo
Source of Funds: Court fines and gas tax revenues
Project Number: K05-9530
Environmental Study: Level I; no hazardous conditions on site
Annual Op Cost/SOF: Annual operating, \$117,156/state appropriated funds. Approximately \$450,000 needed to bring the building into compliance with current fire and ADA codes (court fines and gas tax revenues). Proposed renovations will not increase operating costs. DPS will install energy conservation measures at a later date using sources of revenue in conjunction with State Energy Office and State Energy Act.
Approved by: JBRC 5/16/95

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

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General Services: Forestry Commission Quit Claim Deed (Regular Session #4)

Deputy Executive Director Richard W. Kelly appeared before the Board on this matter.

The Office of General Services advised that the Forestry Commission received approximately 10 acres in 1939 from W. C. White to be used for forest protection. In the event this use ceased for a period of two years, the property was to revert to the grantor.

The Board was advised that the Commission is in the process of closing fire tower sites around the State and replacing them with a radio tower system. The radio towers will require approximately one acre each and will be constructed at existing fire tower locations. The Commission is, therefore, seeking approval to issue a quit-claim deed acknowledging reversion rights on 8.19 acres to Marion Lathan (who now owns the reversion rights) in exchange for a transfer of the reversionary interest in the remaining 1.82 acres from Marion Lathan.

Upon a motion by Mr. Eckstrom, seconded by Mr. Morris, the Board, in accord with Code Section 1-11-65, authorized the Forestry Commission to issue a quit-claim deed acknowledging reversion rights on 8.19 acres in Chester County to Marion Lathan in exchange for a transfer of the reversionary interest in the remaining 1.82 acres from Marion Lathan.

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

General Services: Property Sale, Department of Commerce (Regular Session #5)

Appearing before the Board on this matter were Department of Commerce Director of Administration W. B. Floyd, Interim Director of Savannah Valley Development William Carlisle, and Deputy Executive Director Richard W. Kelly.

The Board was advised that the Department of Commerce has requested authorization to sell approximately 1,094 acres and to issue a Request for Proposals (RFP) to develop, design, construct, finance, and operate a golf course, inn/overnight accommodations, retail space, and restaurant at Lake Russell, Calhoun Falls.

This project, generally referred to as "The Lake Russell Project", is an effort by the Department of Commerce to stimulate development in the Lake Russell area. The goal of the

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RFP is to select a proposer who will develop, design, construct, finance, and operate an 18-hole golf course with pro shop, snack bar, and support facilities; an 80-unit short-term rentable housing project; a restaurant with seating capacity of at least 60 persons; and a retail store. The project may include additional rental properties, lot development and resales, and additional amenities. Up to approximately 1,094 acres will be made available for sale to the developer at a cost to be determined.

At the meeting, Mr. Carlisle distributed a map of the referenced area. He indicated that some of the property is owned by the Savannah Valley Authority, some is owned by PRT, and some is leased from the Corps of Engineers. He said the purpose of the RFP is to secure proposals from private developers to take over the project. The agency would negotiate with the private developer regarding the development of the property which would enhance economic development for Abbeville County and Calhoun Falls, in particular. He said it is expected that negotiations will involve only those things already appropriated for the Savannah Valley Authority. He added that it is the intent to put the entire project in the private sector and remove the State from any risk.

Following further discussion, Dr. Carter advised that if the proposal selected involves the sale of land, the matter would come back to the Board. He added that it is likely that the issue of how much money will be involved in the land transfer and sale will be dependent upon the developer's investment strategies and incentives.

Upon a motion by Senator Drummond, seconded by Mr. Eckstrom, the Board authorized the Department of Commerce to issue an RFP, in a format acceptable to the Office of General Services, for the development, design, construction, financing, and operation of a golf course, inn/overnight accommodations, retail space, and restaurant at Lake Russell, Calhoun Falls, with up to approximately 1,094 acres to be made available for sale to the developer at a cost to be determined, and directed that the proposal be brought back to the Board.

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

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State Treasurer's Office: Bond Counsel Selection (Regular Session #6)

Upon a motion by Mr. Brown, seconded by Senator Drummond, the Board approved the following bond counsel selection as recommended by the State Treasurer's Office:

- (a) University of Charleston, \$1,150,300 (15-year commercial notes) to purchase facilities located at 298-300 Meeting Street and 65 Coming Street for continued use as residence halls: Nexsen Pruet Jacobs & Pollard; and
- (b) University of South Carolina, \$14,000,000 Student and Faculty Housing Revenue Bonds to fund the construction of new student housing on the current soccer field/Booker T. Washington area of campus and the refunding or defeasement of a portion or all of the outstanding \$6,900,000 Student and Faculty Housing Revenue Bonds: Nexsen Pruet Jacobs & Pollard.

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

State Housing Finance and Development Authority: Ceiling Allocation Extension (Reg. #7)

On March 28, the Board had granted a tentative allocation of \$6,681,332 to the State Housing Finance and Development Authority for the Hampton Forest & Hunting Ridge Apartments projects, with that tentative allocation to expire June 27, 1995. When the developer decided to proceed with only the Hunting Ridge Apartments project, the Housing Authority relinquished \$3,415,032 of its original allocation in order that other projects requiring allocation could proceed as expeditiously as possible.

The Authority's plan of finance had provided for marketing the bonds on June 14, the day following the then-scheduled Budget and Control Board meeting. With the postponement of the Board meeting to June 20, it is necessary for the Authority to adjust its financing calendar by one week.

Pursuant to Code Section 1-11-560(C), the Authority requested a 31-day extension for the tentative allocation of \$3,266,300 for the Hunting Ridge Apartments project.

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Upon a motion by Mr. Morris, seconded by Mr. Eckstrom, the Board, pursuant to Code Section 1-11-560(C), granted a 31-day extension to the tentative allocation of \$3,266,300 for the State Housing Finance and Development Authority Hunting Ridge Apartments project.

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

Future Meeting

Upon a motion by Mr. Eckstrom, seconded by Mr. Morris, the Board agreed to meet at 10:00 a. m. on Tuesday, July 11, 1995, in the Governor's conference room in the Wade Hampton Building. Governor Beasley observed that today's meeting is the last time the Board will meet in the State House for the next 2½ years while the State House is undergoing renovation.

Executive Session

Upon a motion by Senator Drummond, seconded by Mr. Eckstrom, the Board agreed to consider the following items, which had been published previously, in executive session, whereupon Governor Beasley declared the meeting to be in executive session:

1. Executive Director Legal Advice (Pending Litigation)
2. Executive Director Economic Development (Ceiling Allocations)
3. Attorney General Legal Briefing

Report on Matters Discussed in Executive Session

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

(a) Executive Director: Legal Advice (Pending Litigation) (Executive #1)

Upon a motion by Mr. Morris, seconded by Mr. Eckstrom, the Board disencumbered \$100,000 previously encumbered for the Office of Attorney General for the Catawba Indian lawsuit; encumbered \$100,000 for expert

007446

Minutes of Budget and Control Board Meeting
June 20, 1995 -- Page 14

witnesses, consultants, and legal expenses associated with education equalization lawsuits (Abbeville County, Allendale County); and, in accord with the terms of 1995-96 Proviso 72.53, authorized the carryforward of this amount for expenditure for this purpose in 1995-96.

(b) Executive Director: Economic Development (Ceiling Allocations) (Exec. #2)

The Board deferred action on requests for 1995 ceiling allocations until the July 11, 1995, meeting.

(c) Attorney General: Legal Briefing (Executive Session #3)

The Board received a legal briefing from the Attorney General's Office.

Adjournment

The meeting was adjourned at 11:00 a.m.

[Secretary's Note: In compliance with Code §30-4-80, public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, near the Board Secretary's office in the Wade Hampton Building, and in the lobby of the Wade Hampton Office Building at 4:00 p.m. on Friday, June 16 1995.]

007447

EXHIBIT

JUN 20 1995

1

STATE BUDGET AND CONTROL BOARD

STATE BUDGET & CONTROL BOARD
BLUE AGENDA

MEETING OF June 20, 1995

ITEM NUMBER 1

AGENCY: State Treasurer

SUBJECT: Bond Counsel Selection, JEDA Conduit Issues

In accord with Board policy, the State Treasurer's Office has submitted for approval the following bond counsel and issuer's counsel selected by the Jobs-Economic Development Authority for conduit issues:

Approximate Size of Issue	Borrower	Bond Counsel Name/Firm	Issuer's Counsel from Rotation
\$20,000,000	Baptist Healthcare Systems of SC	Kathy McKinney McNair & Sanford	Haynsworth Marion McKay & Guérard
\$6,000,000	Orders Realty Company, Inc.	Kathy McKinney McNair & Sanford	Nelson Mullins Riley & Scarborough
\$4,000,000	Foundry and Steel, Inc.	Kathy McKinney McNair & Sanford	Haynsworth Marion McKay & Guérard
\$10,000,000	Ergste Westig of America, Inc.	April Lucas McNair & Sanford	Nexsen Pruet Jacobs & Pollard
\$10,000,000	Kendall Healthcare Products	Kathy McKinney McNair & Sanford	Sinkler & Boyd
\$2,000,000	Letney Foods	Kathy McKinney McNair & Sanford	Nexsen Pruet Jacobs & Pollard
\$2,000,000	Sea-Pro Boats, Inc.	Kathy McKinney McNair & Sanford	Nexsen Pruet Jacobs & Pollard

BOARD ACTION REQUESTED:

In accord with Board policy, approve the referenced bond counsel and issuer's counsel assignment for Jobs-Economic Development Authority conduit issues.

ATTACHMENTS:

Notification of Assignment of Bond Counsel

CC7448

EXHIBIT

JUN 20 1995

2

STATE BUDGET AND CONTROL BOARD

STATE BUDGET & CONTROL BOARD
BLUE AGENDA

MEETING OF June 20, 1995

ITEM NUMBER 2

AGENCY: General Services

SUBJECT: Permanent Improvement Projects

Budget and Control Board approval is requested for the following permanent improvement project establishment requests and budget revisions which are contingent upon approval by the Joint Bond Review Committee. The JBRC will not meet until the end of June. Appropriations for these projects will lapse if these projects are not approved prior to the end of the current fiscal year.

- a. Summary 17-95: Suppl. 1. College of Charleston
Project: 9551, Sears Renovation-Basement Floor
Request: Establish project and budget (\$500,000 appropriated state funds) to renovate approximately 22,000 ft² of basement space in the former Sears Building to accommodate administrative and academic departments. *This project is contingent upon JBRC approval.*
- b. Summary 17-95: Suppl. 2. College of Charleston
Project: 9552, Deferred Maintenance
Request: Establish project and budget (\$600,000 appropriate state funds) to begin the process of addressing deferred maintenance needs. Work includes window repairs and replacements in Randolph Hall, stucco and porch repairs on Maybank Hall, and repairs to several former homes housing academic and administrative offices. *This project is contingent upon JBRC approval.*

BOARD ACTION REQUESTED:

Approve the referenced permanent improvement project establishment requests and budget revisions *which are contingent upon favorable review by the Joint Bond Review Committee.*

ATTACHMENTS:

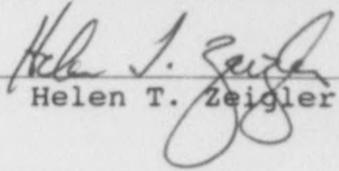
007450

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 13, 1995

STATE BUDGET & CONTROL BOARD
Blue Agenda

- 1. Submitted by:
- (a) Agency: Office of General Services
- (b) Authorized Official Signature


Helen T. Zeigler

- 2. Subject:
Permanent Improvement Projects

3. Summary Background Information

- (a) Summary 17-95: Suppl. 1. College of Charleston
Project: 9551, Sears Renovation-Basement Floor
Request: Establish project and budget (\$500,000 Appropriated State funds) to renovate approximately 22,000 square feet of basement space in the former Sears Building to accommodate administrative and academic departments. This project is contingent upon JBRC's approval.
- (b) Summary 17-95: Suppl. 2. College of Charleston
Project: 9552, Deferred Maintenance
Request: Establish project and budget (\$600,000 Appropriated State funds) to begin the process of addressing the College's deferred maintenance needs. Work includes window repairs and replacements in Randolph Hall, stucco and porch repairs on Maybank Hall, and repairs to several former homes housing academic and administrative offices. This project is contingent upon JBRC's approval.

4. What is Board asked to do?

Approve permanent improvement project establishment requests.

5. What is the recommendation of Board Division involved?

Recommend approval of permanent improvement project establishment requests.

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

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

7. List of Supporting Documents:

- (a) Attached:

CC7451

EXHIBIT

JUN 20 1995

3

STATE BUDGET AND CONTROL BOARD

MEETING OF June 20, 1995

STATE BUDGET & CONTROL BOARD
BLUE AGENDA

ITEM NUMBER 3

AGENCY: General Services

SUBJECT: Procurement Certification, School for the Deaf and the Blind

The Division of General Services, in accord with Section 11-35-1210, has audited the School for the Deaf and the Blind and recommends its certification within the parameters described in the audit report for the following limits (total potential purchase commitment whether single- or multi-year contracts are used) for a period of three years: goods and services, \$25,000; consultant services, \$25,000; information technology in accordance with the approved information technology plan, \$25,000.

BOARD ACTION REQUESTED:

In accord with Section 11-35-1210, grant procurement certification to the School for the Deaf and the Blind within the parameters described in the audit report for the following limits (total potential purchase commitment whether single- or multi-year contracts are used) for a period of three years: goods and services, \$25,000; consultant services, \$25,000; information technology in accordance with the approved information technology plan, \$25,000.

ATTACHMENTS:

Agenda item worksheet and attachment

007452

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 9/91)

For meeting scheduled for:

Blue Agenda
 Regular session
 Executive session

June 13, 1995

1. Submitted by: (a) Agency: Office of General Services
(b) Authorized Official Signature: Helen T. Zeigler, Director
Helen T. Zeigler
2. Subject: Procurement Certification of South Carolina School for the Deaf and the Blind

3. Summary Background Information:

In accordance with Section 11-35-1210 of the South Carolina Consolidated Procurement Code, the Office of General Services has audited the procurement system of South Carolina School for the Deaf and the Blind and recommends its certification within the parameters described in the audit report for the following limits for a period of three (3) years:

	Current Certification Per Purchase Commitment	Certification Recommendations Per Purchase Commitment
I. Goods and Services	*\$25,000	*\$25,000
II. Consultant Services	*\$25,000	*\$25,000
III. Information Technology in accordance with the approved Information Technology Plan	*\$25,000	*\$25,000

*Total potential purchase commitment whether single year or multi-term contracts are used.

4. What is Board asked to do?

Grant procurement certification for South Carolina School for the Deaf and the Blind

5. What is recommendation of Board division involved?

Grant certification by approval of the Blue Agenda

6. Recommendation of other office (as required)?

Office Name _____ Authorized Signature _____

7. Supporting Documents:

List those attached:

List those not attached but available:

-Section 11-35-1210 of the Consolidated Procurement Code

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SUBARTICLE 7

EXHIBIT

Advisory Committees and Training

JUN 20 1995

3

STATE BUDGET & CONTROL BOARD

SECTION

- 11-35-1010. Relationship with Using Agencies.
- 11-35-1020. Advisory Groups.
- 11-35-1030. Procurement Training and Certification.

§ 11-35-1010. Relationship with Using Agencies.

The chief procurement officers shall maintain a close and cooperative relationship with the using agencies. The chief procurement officers shall afford each using agency reasonable opportunity to participate in and make recommendations with respect to procurement matters affecting the using agency.

§ 11-35-1020. Advisory Groups.

The chief procurement officers may appoint advisory groups such as user committees to assist with respect to specifications and procurement in specific areas and with respect to any other matters within the authority of the chief procurement officers. The chief procurement officers shall develop methods for obtaining necessary and relevant information from the affected agencies, whether through user committees or by surveys and other methods. The chief procurement officers shall make every reasonable effort to ensure that such contracts are developed as will best suit the interest of the State, giving due emphasis to user needs, total costs and open competitive methods of public purchasing.

§ 11-35-1030. Procurement Training and Certification.

The Division of General Services shall develop a system of training for procurement in accordance with regulations by the board. Such training shall encompass the latest techniques and methods of public procurement. If deemed appropriate by the Division of General Services, such training shall include a requirement for the certification of the procurement officer of each purchasing agency.

SUBARTICLE 9

Auditing and Fiscal Reporting

SECTION

- 11-35-1210. Certification.
- 11-25-1220. Collection of Data Concerning Public Procurement.
- 11-35-1230. Auditing and Fiscal Reporting.
- 11-35-1240. Administrative Penalties.
- 11-35-1250. Authority to Contract for Auditing Services.
- 11-35-1260. Authority to Contract for Legal Services.
- 11-35-1270. Authority to Contract for Certain Professional Services.

§ 11-35-1210. Certification.

(1) Authority. The board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The Division of General Services shall review the respective governmental body's internal procurement operation, shall certify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the board those dollar limits for the respective governmental body's procurement not under term contract.

(2) Policy. Authorizations granted by the board to a governmental body are subject to the following:

- (a) adherence to the provisions of this code and the ensuing regulations, particularly concerning competitive procurement methods;
- (b) responsiveness to user needs;

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EXHIBIT

(c) obtaining of the best prices for value received.

(3) **Adherence to Provisions of the Code.** All procurements shall be subject to all the appropriate provisions of this code, especially regarding competitive procurement ^{UN 2-01-1995} nonrestrictive specifications.

STATE BUDGET & CONTROL BOARD

§ 11-35-1220. Collection of Data Concerning Public Procurement.

The Division of General Services shall prepare statistical data concerning the procurement, use and disposition of all supplies, services and construction. All using agencies shall furnish such reports as the Division of General Services may require concerning use, needs and stocks on hand, and the chief procurement officers shall prescribe forms to be used by the using agencies in requisitioning, ordering and reporting supplies, services and construction. The chief procurement officers shall limit requests for information to those items necessary for the effective operation of the purchasing system, but using agencies shall be required to provide information as requested.

§ 11-35-1230. Auditing and Fiscal Reporting.

(1) **Auditing.** The Division of General Services through consultation with the chief procurement officers shall develop written plans for the auditing of state procurements. In procurement audits of governmental bodies thereafter, the auditors from the Division of General Services shall review the adequacy of the system's internal controls in order to ensure compliance with the requirement of this code and the ensuing regulations. Any noncompliance discovered through audit must be transmitted in management letters to the audited governmental body, the Budget and Control Board. The auditors shall provide in writing proposed corrective action to governmental bodies. Based upon audit recommendations of the Division of General Services, the board may revoke certification as provided for in Section 11-35-1210 and require the governmental body to make all procurements through the office of materials management above a dollar limit set by the board until such time as the board is assured of compliance with this code and its regulations by that governmental body.

(2) **Fiscal Reporting.** Beginning with the first quarter of fiscal year 1981-82 and each quarter thereafter, in consultation with the Legislative Audit Council, the Comptroller General shall assume responsibility for operation and maintenance of the automated quarterly fiscal reporting procedures that have been developed under Section 1-1-930. The Comptroller General shall assume responsibility for providing quarterly reports to the General Assembly regarding the status of personnel positions, budgets, transfers and expenditures in all state agencies, departments and institutions in a format developed in consultation with the Legislative Audit Council. The Legislative Audit Council shall periodically review the reporting system and coordinate legislative information needs with the Office of the Comptroller General as necessary. All agencies, departments and institutions of state government shall report to the Comptroller General the information required under Section 1-1-940.

Beginning in the first quarter of fiscal year 1981-82, the Legislative Audit Council shall undertake a periodic review of the reporting and data analysis system developed by the division for reporting both commodities purchased and those not purchased through the division's central purchasing system, and shall make recommendations for incorporating these reporting procedures into the Statewide Accounting and Reporting System (STARS) as necessary to reduce unnecessary duplication and improve efficiency, effectiveness and accountability.

§ 11-35-1240. Administrative Penalties.

The board shall prescribe administrative penalties for violation of the provisions of this code and of regulations promulgated thereunder, excluding those matters under the jurisdiction of the Ethics Commission as provided by law.

Violation of these provisions shall be grounds for loss of or reduction in authority delegated by the board.

§ 11-35-1250. Authority to Contract for Auditing Services.

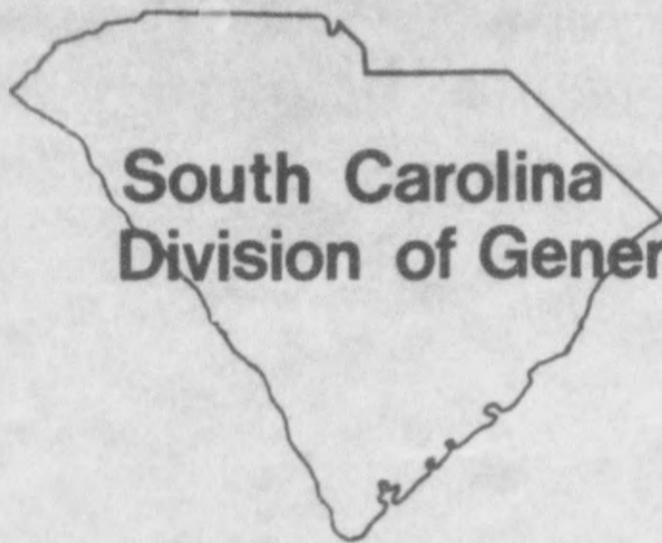
No contract for auditing or accounting services shall be awarded without the approval of the State Auditor except where specific statutory authority is otherwise provided.

007455

EXHIBIT

JUN 20 1995 3

STATE BUDGET & CONTROL BOARD



**South Carolina
Division of General Services**

**PROCUREMENT
AUDIT AND
CERTIFICATION**

SOUTH CAROLINA SCHOOL
FOR THE DEAF AND THE BLIND

AGENCY

JANUARY 1, 1992 - DECEMBER 31, 1994

DATE

007456

007456 - 00000

EXHIBIT

STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF GENERAL SERVICES

JUN 20 1995

3

STATE BUDGET & CONTROL BOARD

DAVID M. BEASLEY, CHAIRMAN
GOVERNOR

RICHARD A. BCKSTROM
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



HELEN T. ZEIGLER
DIRECTOR

MATERIALS MANAGEMENT OFFICE
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Fax (803) 737-0639

WILLIAM E. GUNN
ASSISTANT DIRECTOR

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

HENRY E. BROWN, JR.
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

May 31, 1995

Ms. Helen T. Zeigler, Director
Office Of General Services
1201 Main Street, Suite 420
Columbia, South Carolina 29201

Dear Helen:

Attached is the final South Carolina School for the Deaf and the Blind audit report and recommendations made by the Office of Audit and Certification. I concur and recommend the Budget and Control Board grant the School a three (3) year certification as outlined in the audit report.

Sincerely,

A handwritten signature in cursive script that reads "Voight Shealy".

R. Voight Shealy
Acting Materials Management Officer

007457

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007457

EXHIBIT

JUN 20 1995

3

STATE BUDGET & CONTROL BOARD

SOUTH CAROLINA SCHOOL FOR THE DEAF AND THE BLIND

PROCUREMENT AUDIT REPORT

JANUARY 1, 1992-DECEMBER 31, 1994

007458

TABLE OF CONTENTS

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Introduction.....	3
Background.....	4
Scope.....	5
Summary of Audit Findings.....	6
Results of Examination.....	7
Certification Recommendation.....	13
Follow-up Results.....	14

NOTE: The School's responses to issues noted in this report have been inserted immediately following the issues they refer to.

STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF GENERAL SERVICES



DAVID M. BEASLEY, CHAIRMAN
GOVERNOR

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WILLIAM E. GUNN
ASSISTANT DIRECTOR

April 18, 1995

Mr. R. Voight Shealy
Acting Materials Management Officer
Office of General Services
1201 Main Street, Suite 600
Columbia, South Carolina 29201

Dear Voight:

We have examined the procurement policies and procedures of South Carolina School for the Deaf and the Blind for the period January 1, 1992 through December 31, 1994. As part of our examination, we studied and evaluated the system of internal control over procurement transactions to the extent we considered necessary.

The evaluation was to establish a basis for reliance upon the system of internal control to assure adherence to the Consolidated Procurement Code and School procurement policy. Additionally, the evaluation was used in determining the nature, timing and extent of other auditing procedures necessary for developing an opinion on the adequacy, efficiency and effectiveness of the procurement system.

The administration of South Carolina School for the Deaf and the Blind is responsible for establishing and maintaining a system of internal control over procurement transactions. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance of the integrity of the

CC7460

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EXHIBIT

JUN 20 1995

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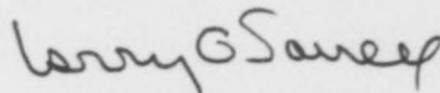
procurement process, that affected assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and are recorded properly.

Because of inherent limitations in any system of internal control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation of the system of internal control over procurement transactions, as well as our overall examination of procurement policies and procedures, were conducted with professional care. However, because of the nature of audit testing, they would not necessarily disclose all weaknesses in the system.

The examination did, however, disclose conditions enumerated in this report which we believe need correction or improvement.

Corrective action based on the recommendations described in these findings will in all material respects place the South Carolina School for the Deaf and the Blind in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.



Larry G. Sorrell, Manager
Audit and Certification

007461

INTRODUCTION

We conducted an examination of the internal procurement operating policies and procedures of the South Carolina School for the Deaf and the Blind. Our on-site review was conducted January 17 through February 3, 1995, and was made under Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code and Section 19-445.2020 of the accompanying regulations.

The examination was directed principally to determine whether, in all material respects, the procurement system's internal controls were adequate and the procurement procedures, as outlined in the Internal Procurement Operating Procedures Manual, were in compliance with the South Carolina Consolidated Procurement Code and its ensuing regulations.

Additionally, our work was directed toward assisting the School in promoting the underlying purposes and policies of the Code as outlined in Section 11-35-20, which include:

- (1) to ensure the fair and equitable treatment of all persons who deal with the procurement system of this State
- (2) to provide increased economy in state procurement activities and to maximize to the fullest extent practicable the purchasing values of funds of the State
- (3) to provide safeguards for the maintenance of a procurement system of quality and integrity with clearly defined rules for ethical behavior on the part of all persons engaged in the public procurement process

007462

BACKGROUND

Section 11-35-1210 of the South Carolina Consolidated Procurement Code states:

The (Budget and Control) Board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contract. The Office of General Services shall review the respective governmental body's internal procurement operation, shall verify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the Board those dollar limits for the respective governmental body's procurement not under term contract.

Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code states:

In procurement audits of governmental bodies thereafter, the auditors from the Office of General Services shall review the adequacy of the system's internal controls in order to ensure compliance with the requirements of this Code and the ensuing regulations.

On November 10, 1993, the Budget and Control Board granted the School procurement certification as follows.

<u>Category</u>	<u>Requested Limit</u>
1. Goods and Services	\$25,000 per commitment
2. Information Technology in accordance with the approved Information Plan	\$25,000 per commitment
3. Consultant Services	\$25,000 per commitment

Our audit was performed primarily to determine if recertification is warranted. The School requested to be recertified at the above current limits.

007463

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SCOPE

We conducted our examination in accordance with Generally Accepted Auditing Standards as they apply to compliance audits. Our examination encompassed a detailed analysis of the internal procurement operating procedures of the South Carolina School for the Deaf and the Blind and its related policies and procedures manual to the extent we deemed necessary to formulate an opinion on the adequacy of the system to properly handle procurement transactions.

We selected judgmental samples for the period July 1, 1992 through December 31, 1994 of procurement transactions for compliance testing and performed other audit procedures that we considered necessary to formulate this opinion. Specifically, the scope of our audit included, but was not limited to, review of the following:

- (1) All sole source, emergency and trade-in sale procurements for the period January 1, 1992 through December 31, 1994.
- (2) Procurement transactions for the period July 1, 1992 to December 31, 1994 as follows:
 - a) One hundred and seven judgmentally selected procurement transactions
 - b) An additional block sample of ten sealed bids and/or quotations
 - c) A block sample of five hundred numerical purchase orders from the audit period was reviewed for order splitting and favored vendors.
- (3) Two professional service contracts and three construction contracts within permanent improvement projects for compliance with the Manual for Planning and Execution of State Permanent Improvements
- (4) Minority Business Enterprise reports for the audit period
- (5) Information Technology Plans for Fiscal Years 92/93, 93/94 and 94/95
- (6) Internal procurement procedures manual review
- (7) Surplus Property disposition procedures
- (8) Real Property Management Office approval of leases
- (9) Blanket purchase order files
- (10) File documentation and evidence of competition

CC7464

SUMMARY OF AUDIT FINDINGS

STATE BUDGET & CONTROL BOARD

Our audit of the procurement system of the School for the Deaf and the Blind, hereinafter referred to as the School, produced findings and recommendations as follows:

	<u>PAGE</u>
I. <u>BIDDING PREFERENCES INCORRECTLY APPLIED</u>	7
The School has applied the 2% in state bidders preference, the 2% SC and 5% US made/grown preference incorrectly. The School has also applied a 2% minority preference that does not exist.	
II. <u>PURCHASES MADE WITHOUT COMPETITION</u>	8
We noted three procurements made without evidence of competition.	
III. <u>UNAUTHORIZED SERVICE CONTRACTS</u>	9
Two service contracts exceeded the Schools procurement authority when the contract's extension clauses were applied.	
IV. <u>BLANKET PURCHASE AGREEMENTS (BPA'S)</u>	9
Two BPAs which should be bid on an annual basis.	
V. <u>REJECTED BIDS NOT JUSTIFIED</u>	10
Bid files are not documented with reasons for rejection of low bids.	
VI. <u>EMERGENCY PROCUREMENT NOT APPROVED NOR REPORTED</u>	11
We noted one emergency procurement where the determination was not approved nor was it reported to Materials Management Office.	
VII. <u>INCREASED INVOICE AMOUNTS PAID WITHOUT THE PURCHASING OFFICE'S APPROVAL</u>	11
Accounts Payable has paid increased invoiced amounts without the Purchasing Office approval.	
VIII. <u>TIME AND DATE STAMPING OF BIDS AND QUOTATIONS</u>	12
Bids or Quotations are not time or date stamped at bid opening.	

007465

RESULTS OF EXAMINATION

I. BIDDING PREFERENCES INCORRECTLY APPLIED

The School has applied the 2% in-state bidder's preference requested by one in-state bidder against another in-state bidder incorrectly. The following examples were noted in our sample:

<u>IFB Number</u>	<u>Date</u>	<u>Description</u>
1786	07-20-93	Kitchen Supplies
7219	07-25-94	Paper Products
9359	10-11-94	Food

Section 11-35-1520 (9) of the South Carolina Consolidated Procurement Code states in part, "Preferences under this subsection do not apply against a resident vendor whether or not he made written claim for the preference at the time of bid."

The School also misapplied the South Carolina made/grown preference in the bids above. The School applied a 2% preference rather than the correct 5% preference. The United States made/grown preference is 2%.

The School applied a 2% minority preference against some non-minority bidders. The State does not have a minority preference. The Office of Small and Minority Business only requires agencies, as part of their MBE plan, to submit a goal that includes a reasonable percentage of each governmental body's total controllable dollars directed toward minority vendors. This is addressed in Section 11-35-5240 of the Code.

Our samples did not show any significant errors in awarding of bids based on the incorrectly applied preference, however, the potential is there. We recommend the School exercise more care when applying the above stated preferences. The School should discontinue the practice of applying a preference for minority bidders.

SCHOOL RESPONSE

When the S.C. Consolidated Procurement Code was enacted in 1976, it only gave a 2% preference for resident vendors. Several years later, additional preferences were added (i.e., disadvantage county, S.C. Grown/Manufactured, U.S. Grown/Manufactured) with the S.C. Grown/Manufactured receiving 5% preference. Having grown accustomed to applying a 2% preference in the past, a 2% preference was inadvertently applied to the S.C. Grown/Manufactured declaration. Corrective action has been taken for all future transactions.

007466

EXHIBIT

JUN 20 1995 3

II. PURCHASES WITHOUT COMPETITION

STATE BUDGET & CONTROL BOARD

The following procurements were not supported by evidence of competition or a sole source or emergency determination:

<u>ITEM</u>	<u>PURCHASE ORDER</u>	<u>DATE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
1	5330	07-08-93	Pharmaceuticals	\$9,945
2	7401	07-12-94	Consultant	2,000
3	5937	09-23-93	Printers	1,713

Item one was for a purchase of 120 vials of Hepatitis B vaccine. The purchase order referenced a previous IFB 321 dated 5-5-93 for 20 vials totaling \$1,659. The original bid did not have the option for additional vaccine to be purchased. When the two purchases are added together it totals \$11,613 which exceeded the School's procurement authority. The additional 120 vials should have been rebid and awarded separately.

Item two was a consulting fee for sign communication proficiency interview training in August 1994 for \$2,000. The service was not competed nor supported by a sole source or emergency determination.

Item three was for computer printers and cables in the amount of \$1,713. Only one quotation was documented. Section 11-35-1550 (2) (b) requires verbal or written solicitations from a minimum of three qualified source.

We recommend the School solicit the competition required by the Code or declare a sole source or emergency, when applicable, on future procurements.

SCHOOL RESPONSE

1. Pharmaceutical: The purchase of 20 vials of hepatitis B vaccine on May 5, 1993, was for the estimated amount of vaccine needed for the few remaining weeks of the school year. We learned late in the 92/93 school year of the "Blood Borne Pathogen" mandate and were not budgeted for the annual cost of providing employees the hepatitis vaccine so late in that current fiscal year. Consequently, the larger purchase was delayed until the new fiscal year at which time competitive pricing was sought and the previous vendor again offered the best price. There was no intent to exceed our authorization level or to ignore the code requirement. Similar situations in the future should not occur.
2. Consultant - This purchase was a sole source but there was failure to prepare the sole source documentation. Corrective action has been taken.
3. It is our standard routine practice to obtain competition and to attach documentation of competitive pricing. We believe competition was obtained but documentation was either lost, misplace, or filed incorrectly.

III. UNAUTHORIZED SERVICE CONTRACTS

The School exceeded its procurement certification limit of \$10,000 on the following two multi-term service contracts.

<u>IFB</u>	<u>DATE</u>	<u>DESCRIPTION</u>	<u>POSSIBLE EXTENSIONS</u>	<u>ANNUAL CONTRACT</u>	<u>TOTAL POTENTIAL VALUE</u>
3426	07-15-92	Pest Control	3	\$4,980	\$19,920
7278	03-06-92	Janitorial Service	4	3,360	16,800

The certification limit of the School applies to the total potential award of a contract whether awarded by individual lots or awarded to one bidder. Furthermore, the certification limit applies to the total commitment of a contract, whether single year or multi-term contract.

Regulation 19-445.2015 defines an unauthorized procurement as "an act obligating the State in a contract by any person without the requisite authority to do so by appointment or delegation". Since the School exceeded the authority delegated through certification, each contract is unauthorized.

We recommend the School consider the total potential value on multi years contracts in determining compliance with the Code and Regulations. Furthermore, the School must request ratification for each procurement from the Materials Management Officer in accordance with the above stated Regulation.

SCHOOL RESPONSE

We did not have a clear understanding of the code regarding "total potential value" over a multi-year period but rather focused on the annual amount. There was no intent to exceed our authorization level. Corrective action will be applied.

IV. BLANKET PURCHASE AGREEMENTS (BPAs)

We noted two BPAs with a total potential of \$6,000 each that should be supported by the bid process.

<u>PURCHASE ORDER</u>	<u>DATE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
7379	06-07-94	Janitorial products	\$6,000
7381	06-07-94	Snack foods	6,000

A blanket purchase agreement is a simplified method of filling anticipated repetitive needs for small quantities of supplies by establishing "charge accounts" with qualified sources of supply.

007468

EXHIBIT

JUN 20 1995

3

Since the items ordered off these blankets are fairly standard, it would be more advantageous for the School to establish a per item cost through bidding and then issue a blanket purchase order. The blanket purchase order would then be used as an ordering and payment vehicle. The blanket orders should be set up on an annual basis.

SCHOOL RESPONSE

Janitorial products are used by food service and routinely ordered as needed. We were of the belief a BPA for all kitchen cleaning supplies would be the more efficient method for food service staff as well as for purchasing and payables staff. We accepted the auditor's recommendation and have established a per item bidding process.

Snack foods - We were of the belief that snack food was included in the "exempted" category for food. We accept the auditor's recommendation to apply competitive bidding for snack food.

V. REJECTED BIDS NOT JUSTIFIED

The School was rejecting low bids without sufficient documentation explaining the reasons for rejection. The following are examples from our sample.

<u>IFB</u>	<u>DATE</u>	<u>DESCRIPTION</u>
1786	07-20-93	Kitchen supplies
739	03-04-93	Food items
8425	09-28-92	Paper products

The above awards all had lower bids that were rejected. The tabulation sheets noted items that had been rejected without explanation, i.e., could not meet delivery requirement, or could not furnish required quantity or packaging.

Section 11-35-210 of the Code states, "written determinations and findings required by the Code shall be retained in the official contract file of the governmental body administering the contract. Such determinations shall be documented in sufficient detail to satisfy the requirements of audit as provided for in Section 11-35-1230".

We recommend the School provide a more detailed explanation as to why low bids are rejected that will satisfy external audits.

SCHOOL RESPONSE

In all cases cited, we feel that sufficient documentation is available. In each case, the Invitation For Bid specified case count, serving size, delivery date, etc. so that when the bids were evaluated and the bidder took exception and offered a substitute that was not acceptable to our "end user," the item(s) was rejected as not meeting specifications. We will, however, be more specific in the future.

VI. EMERGENCY PROCUREMENT NOT APPROVED NOR REPORTED

The School issued purchase order 5011 dated 5-24-93 in the amount of \$4,428.90 for refrigerant. The purchase was supported by three verbal quotations. At the time of this transaction, sealed bids were required for procurements greater than \$2,500. The School indicated it was an emergency procurement on the face of the purchase order however, the purchase was not supported by an approved emergency determination as required by Section 11-35-1570 of the Code.

We recommend the School prepare a written determination on each emergency procurement. Each emergency procurement should be reported quarterly to the Material Management Office as required by Section 11-35-2440.

SCHOOL RESPONSE

It is our practice to observe the emergency procurement process. This particular example was an oversight. Corrective action will be applied.

VII. INCREASED INVOICE AMOUNTS PAID WITHOUT PURCHASING OFFICE APPROVAL

Accounts Payable is paying increases on invoices without approval of the Purchasing Office. These include payments on purchase orders that were originally bid with a firm price or freight FOB destination. The School has an internal change order policy that allows Accounts Payable to make payments that fall within a 10% tolerance of the purchase order. However, the policy does not take into account prices obtained competitively with freight charges of FOB destination.

A payment was made against purchase order 7976 dated 09-07-94 totaling \$2,087.40 for 100 folding chairs. This invoice increased the quoted unit cost from \$18.29 to \$19.88 per chair, thus resulting in an overpayment of \$159.00 not including taxes.

Additional freight was charged and paid on purchase order number 4186 dated 3-5-93 on IFB 349, and purchase order 2867 dated 09-02-92 on IFB 2867. The overpayments were \$47.40 and \$39.50 respectively on each of the solicitations. The shipping terms were FOB destination.

We recommend the School review and update its change order policy regarding discrepancies between the invoice and the purchase order. Increases should be approved by Purchasing prior to payment if the discrepancies involve a bid item, a State contract item, a State purchase order or an additional freight charge.

007470

SCHOOL RESPONSE

According to accounts payable personnel, there was some misinterpretation of the school's policy regarding payment of invoices that did not match pricing of the purchase order. Also, there was misinterpretation of school's policies regarding the payment of freight charges on FOB orders. The school's policy regarding discrepancies between the invoice and the purchase order has been revised. Also, in the future, the purchase order will contain statements regarding firm pricing and/or freight charges as well as state contract items.

VIII. TIME AND DATE STAMPING OF BIDS AND QUOTATIONS

While reviewing the sealed bid and quotation files, we noted that bids were not time or date stamped. The purchasing office date stamps the envelopes as they are received. The bids are then opened on the designated date and the envelopes are discarded. In the absence of the postmarked envelope, we could not verify the timeliness of receipt of the bids.

We recommend that either all the bid envelopes be retained in the bid files or the actual bids be time and date stamped at the bid opening. The latter is the preferred.

SCHOOL RESPONSE

Request has been made and approved for the purchase of a "tamper proof" time and date stamp. Implementation of this new stamp will eliminate future occurrences.

CONCLUSION STATEMENT

We, the South Carolina School for the Deaf and the Blind (SCSDB), are of the opinion this audit reflects improvement of our procurement activities over the prior procurement audit. While we do not discount the need for improvement and implementing corrective action, we believe the audit provides reasonable assurance of the integrity of the procurement process at SCSDB. All citations and recommendations are being addressed and/or corrective action is being implemented.

CC7471

CERTIFICATION RECOMMENDATIONS

STATE BUDGET & CONTROL BOARD

As enumerated in our transmittal letter, corrective action based on the recommendations described in this report, we believe, will in all material respects place the South Carolina School for the Deaf and the Blind in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

We will perform a follow up review by June 15, 1995, to ensure that the School has completed this corrective action.

Under the authority in Section II-35-1210 of the Procurement Code, subject to this corrective action, we recommend the School for the Deaf and the Blind be recertified to make direct agency procurements for three (3) years up to the following limits.

<u>Procurement Area</u>	<u>Recommended Certification Level</u>
1. Goods and Services	*\$25,000 per commitment
2. Information Technology in accordance with the approved Information Technology Plan	*\$25,000 per commitment
3. Consultant Services	*\$25,000 per commitment

*Total potential purchase commitment whether single year or multi-term contracts are used

James M. Stiles
James M Stiles, CPPB
Audit Manager

Larry G Sorrell
Larry G. Sorrell, Manager
Audit and Certification

CG7472

State Budget and Control Board STATE BUDGET & CONTROL BOARD
OFFICE OF GENERAL SERVICES

DAVID M. BEASLEY, CHAIRMAN
GOVERNOR

RICHARD A. ECKSTROM
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



HELEN T. ZEIGLER
DIRECTOR

MATERIALS MANAGEMENT OFFICE
1201 MAIN STREET, SUITE 600
COLUMBIA, SOUTH CAROLINA 29201
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Fax (803) 737-0639

WILLIAM E. GUNN
ASSISTANT DIRECTOR

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

HENRY E. BROWN, JR.
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

May 31, 1995

Mr. R. Voight Shealy
Acting Materials Management Officer
1201 Main Street, Suite 600
Columbia, South Carolina 29201

Dear Voight:

We have reviewed the South Carolina School for the Deaf and the Blind's response to our audit report for January 1, 1992 - December 31, 1994. Also, we have followed the School's corrective action during and subsequent to our field work. We are satisfied that the School has corrected the problem areas and the internal controls over the procurement system are adequate.

Therefore, we recommend that the Budget and Control Board grant the South Carolina School for the Deaf and the Blind the certification limits noted in our report for a period of three (3) years.

Sincerely,

Larry G. Sorrell
Larry G. Sorrell, Manager
Audit and Certification

LGS/tl

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CC7473

EXHIBIT

JUN 20 1995

4

STATE BUDGET AND CONTROL BOARD

STATE BUDGET & CONTROL BOARD
BLUE AGENDA

MEETING OF June 20, 1995

ITEM NUMBER 4

AGENCY: General Services

SUBJECT: Easement

General Services recommends approval of the following easement in accord with Code Sections 1-11-80, 1-11-90 and 1-11-100:

County Location: Richland
From: Budget and Control Board
To: City of Columbia
Description/Purpose: For an 8" sanitary sewer line for the Criminal Justice Academy on Geology Road
Consideration: \$1.00

BOARD ACTION REQUESTED:

In accord with Code Sections 1-11-80, 1-11-90, and 1-11-100, grant an easement to the City of Columbia for an 8" sanitary sewer line for the Criminal Justice Academy on Geology Road.

ATTACHMENTS:

007474

EXHIBIT

JUN 20 1995

4

STATE BUDGET AND CONTROL BOARD

STATE BUDGET & CONTROL BOARD
BLUE AGENDA

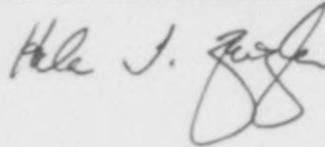
MEETING OF June 13, 1995

ITEM NUMBER _____

AUTHORIZED OFFICIAL SIGNATURE

AGENCY:

General Services



SUBJECT:

Easements

The Office of General Services recommends approval of the following easements in accord with Code Sections 1-11-80, 1-11-90, and 1-11-100:

County Location:	Richland
From:	B&CB
To:	City of Columbia
Consideration:	\$1.00
Description/purpose:	For an 8" sanitary sewer line for the Criminal Justice Academy on Geology Road

BOARD ACTION REQUESTED:

Approve the referenced easements as recommended by the Office of General Services.

ATTACHMENTS:

Code Sections

007475

6000-422

"Section 1-11-65. (A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board. Upon approval of the transaction by the Budget and Control Board, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the board's approval of the transaction. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The board may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution."

§ 1-11-80. Board authorized to grant easements for public utilities on vacant State lands.

The State Budget and Control Board is authorized to grant easements and rights of way to any person for construction and maintenance of power lines, pipe lines, water and sewer lines and railroad facilities over, on or under such vacant lands or marshland as are owned by the State, upon payment of the reasonable value thereof.

HISTORY: 1962 Code § 1-357.1; 1963 (53) 177.

Cross references—

As to sale or donation of, or rights of way over, public lands, see SC Const, Art 3, § 31.

§ 1-11-90. Board authorized to grant rights of way over State marshlands for roads or power or pipe lines to State agencies or political subdivisions.

The State Budget and Control Board may grant to agencies or political subdivisions of the State, without compensation, rights of way through and over such marshlands as are owned by the State for the construction and maintenance of roads, streets and highways or power or pipe lines, if, in the judgment of the Budget and Control Board, the interests of the State will not be adversely affected thereby.

HISTORY: 1962 Code § 1-357.2; 1963 (53) 177.

Cross references—

As to sale or donation of, or rights of way over, public lands, see SC Const, Art 3, § 31.

§ 1-11-100. Execution of instruments conveying rights of way or easements over marshlands or vacant lands.

Deeds or other instruments conveying such rights of way or easements over such marshlands or vacant lands as are owned by the State shall be executed by the Governor in the name of the State, when authorized by resolution of the Budget and Control Board, duly recorded in the minutes and records of such Board and when duly approved by the office of the Attorney General; deeds or other instruments conveying such easements over property in the name of or under the control of State agencies, institutions, commissions or other bodies shall be executed by the majority of the governing body thereof, shall name both the State of South Carolina and the institution, agency, commission or governing body as grantors, and shall show the written approval of the majority of the members of the State Budget and Control Board.

HISTORY: 1962 Code § 1-357.3; 1963 (53) 177.

Cross References—

As to authority of State institutions and agencies to grant easements and rights of way, see § 10-1-130.

Research and Practice References—

63A Am Jur 2d, Public Lands § 115.

73B CJS, Public Lands §§ 178, 180.

17 Am Jur Legal Forms 2d, States, Territories, and Dependencies § 239:21 (agricultural lease-provision-reservation of right to grant easements).

§ 10-1-130. State institutions and agencies may grant easements and rights of way on consent of Budget and Control Board.

The trustees or governing bodies of State institutions and agencies may grant easements and rights of way over any property under their control, upon the concurrence and acquiescence of the State Budget and Control Board, whenever it appears that such easements will not materially impair the utility of the property or damage it and, when a consideration is paid therefor, any such amounts shall be placed in the State Treasury to the credit of the institution or agency having control of the property involved.

HISTORY: 1962 Code § 1-49.3; 1963 (53) 177.

Cross references—

As to composition, powers and duties of State Budget and Control Board generally, see Chapter 11 of Title 1.

As to the State Budget and Control Board, generally, see §§ 1-11-10 et seq.

As to execution of conveyances of such easements, see § 1-11-100.

§ 25-1-1660. Transfer of surplus armories to political subdivisions.

The State Budget and Control Board may transfer to a political subdivision ownership of a national guard armory being replaced and declared surplus if the political subdivision has donated real property for use as a site for a replacement armory.

HISTORY: 1985 Act No. 201, Part II, § 12, eff June 20, 1985.

007476

STATE OF SOUTH CAROLINA) DEED TO SANITARY SEWER LINES FOR SOUTH
CAROLINA CRIMINAL JUSTICE ACADEMY ON GEOLOGY
ROAD, RICHLAND COUNTY TMS #6200-03-03
:
COUNTY OF RICHLAND)
STATE OF SOUTH CAROLINA
TO
THE CITY OF COLUMBIA

FOR VALUE RECEIVED, It, State of South Carolina, of
Columbia, South Carolina, does hereby bargain, sell, transfer and convey
unto The City of Columbia, its successors or assigns, all its right,
title and interest in and to the below described sanitary sewer lines :

All those certain sanitary sewer lines, the same being 8" in diameter
including manholes, manhole castings, service lines to easement boundaries
and all components to complete the system.

All metes, courses, bounds and measured distances described herein are
approximate. The precise metes, courses, bounds and measured distances are
more particularly described and shown on C.F. #178-08C, which is
incorporated herein by specific reference thereto.

An 8" sanitary sewer line beginning at an existing manhole, located on
an existing 8" City of Columbia sanitary sewer line, located north of
Geology Road, approximately ten (10) feet northeast of power pole #235767,
as depicted on the herein referenced drawings; thence extending in a
southeasterly direction, for a distance of sixty-four and one tenth (64.1)
feet to manhole #1, located forty-nine (49) feet southeast of power pole
#235765 and thirty-three (33) feet north of power pole #112; thence turning
and extending in an easterly direction for a distance of three hundred
twenty-six and five tenths (326.5) feet to manhole #2, located eighty and
five tenths (80.5) feet east of power pole #235766 and thirty-three and
three tenths (33.3) feet north of the centerline of Geology Road; thence
continuing in an easterly direction, for a distance of two hundred eighty-
seven (287) feet to manhole #3, located one hundred twenty-four (124) feet
southwest of the southwestern corner of a structure depicted as "South
Carolina Geodetic Survey Office" on the herein referenced drawings and
sixteen (16) feet northwest of power pole #361503; thence turning and
extending in a northerly direction, for a distance of one hundred forty-
seven and two tenths (147.2) feet to manhole #4, located seventy-five and
five tenths (75.5) feet northwest of the said southwestern corner of "South
Carolina Geodetic Survey Office" and seventy and seven tenths (70.7) feet
southwest of the northwestern corner of said structure; thence terminating.

The Grantor hereby agrees to be responsible for repairs of all damage
to water lines, sewer lines, curb cocks, meter boxes, all fittings and fire
hydrants hereby conveyed which arise out of the operation of any equipment
or vehicles under control of the Grantor in connection with the initial
installation of streets, paving, curbs and gutters, drainage, sewer,
utility lines, final grading or improvements in development of property
served by said lines, and the Grantor shall either effect necessary repairs
or reimburse the City for the cost of repairs at the option of the City.

This conveyance also includes a non-exclusive easement on all sanitary
sewer lines and appurtenances heretofore described for the purpose of
ingress, egress, operation and maintenance of said sanitary sewer line.
The grantor hereby agrees that no construction (including, but not limited
to, buildings, paving, pipe lines or other utilities) will be allowed
within the limits of this easement without prior approval of the City
Engineer, which approval will not be unreasonably withheld.

007477

EXHIBIT

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This conveyance also includes all easements shown on a set of record drawings prepared for South Carolina Criminal Justice Academy, in Richland County, near Columbia, South Carolina, dated August 24, 1994, last revised December 20, 1994, prepared for the State of South Carolina, by Landtech, Inc., James G. Cacavias, S.C.P.E. #10792, and being on file in the office of the City's Director of Utilities and Engineering, Columbia, South Carolina under file reference #178-08C.

These sanitary sewer lines are more clearly delineated on a set of record drawings for South Carolina Criminal Justice Academy, in Richland County, near Columbia, South Carolina, dated August 24, 1994, last revised December 20, 1994, prepared for the State of South Carolina, by Landtech, Inc., James G. Cacavias, S.C.P.E. #10792, and being on file in the office of the City's Director of Utilities and Engineering, Columbia, South Carolina under file reference #178-08C.

CG7478

LS:gg D-92

GBN

TO HAVE AND TO HOLD the said property unto the City of Columbia, its successors and assigns.

And the Grantor(s) agree(s) to warrant and forever defend the above grantee rights against himself or his heirs and against any other person lawfully claiming or to claim the same or any part thereof.

And It, State of South Carolina warrants that it is the lawful owner of said property and has the right to convey same; and that the property is free and clear of any and all liens and encumbrances of whatsoever kind or nature, except those set forth hereinabove.

WITNESS HIS hand and seal this 21st day of JUNE, 1995.

by:

David M. Beasley
Governor David M. Beasley

Title: Chairman, Budget and Control Board

WITNESSES

Nancy B. Whinn
Melba C. Willis

STATE OF SOUTH CAROLINA)

COUNTY OF RICHLAND)

PERSONALLY APPEARED before me Nancy B. Whinn and made oath that he saw the within named State of South Carolina sign, seal and as its act and deed deliver the written instrument for the uses and purposes therein mentioned and that he with Melba C. Willis witnessed the execution thereof.

Nancy B. Whinn

SWORN to before

me this 21st day of June, 1995.

Jina C. Martin (L.S.)
Notary Public for South Carolina

My Commission Expires April 4, 2000

007479

EXHIBIT

JUN 20 1995

4

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

STATE BUDGET & CONTROL BOARD
MORTGAGE RELEASE

Know all men by these presents that _____
_____ for certain valuable consideration do/does hereby
release from the lien and operation of a mortgage recorded in the office of
the Clerk of Court for _____ County in Mortgage Book _____
at Page _____ the sewer lines, water lines and storm drainage lines,
including valves, valve boxes, hydrants, manholes, catch basins, junction
boxes, head walls, service lines running from main lines to property lines
and all fittings, also including the easements and rights of way conveyed
by the within deed so that the said lines, appurtenances and rights-of-way
shall be free from and unaffected by said mortgage.

WITNESS _____ hand and seal this _____ day of
_____, 19____.

In the presence of

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PERSONALLY APPEARED before me _____ and made oath
that he saw the within named _____ sign, seal and as
_____ act and deed deliver the within written instrument for the
uses and purposes therein mentioned and that he with _____
_____ witnessed the execution thereof.

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

(L.S.)
Notary Public for South Carolina

My Commission Expires

Original Mortgagor

CC7480

24 = 000

EXHIBIT

JUN 20 1995

5

STATE BUDGET AND CONTROL BOARD

STATE BUDGET & CONTROL BOARD
BLUE AGENDA

MEETING OF June 20, 1995

ITEM NUMBER 5

AGENCY: Local Government

SUBJECT: Grant Requests

The Office of Local Government advises of the following grant requests:

- (a) Grantee: Town of Clio (Grant Agreement No. 726)
Grant request: \$160,000
Purpose/description: Water system improvements to include repainting of elevated water storage tank, water treatment plant repairs, and the interconnection of the Clio system with the Marlboro County Water System thereby providing a standby source for Clio.
Impact: n/a
Cost of project: \$175,000
LG recommendation: \$120,000
- (b) Grantee: Chester County (Grant Agreement No. 723)
Grant request: \$200,000
Purpose/description: Purchase of equipment to be used in the construction of a wastewater treatment facility to serve PPG Industries, Inc.
Impact: Capital investment, \$45,000,000; employment, 95 jobs
Cost of project: \$1,019,000 (CDBG, \$518,000; Chester County, \$301,000)
LG recommendation: \$200,000

The Office of Local Government received a supplemental appropriation of \$4.3 million for the "Infrastructure Grant Revolving Fund" to assist with infrastructure projects in economically distressed areas as provided for in Code Section 41-43-180. JEDA developed the listing designating 17 counties qualifying as economically distressed areas. The Town of Clio is located in Marlboro County, an area designated as economically distressed. Chester County is designated as economically distressed.

BOARD ACTION REQUESTED:

Approve the following grant requests as recommended by the Office of Local Government:

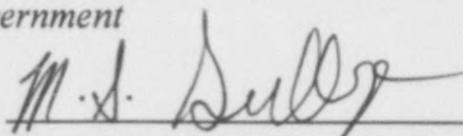
- (a) Town of Clio, \$120,000; and (b) Chester County, \$200,000.

ATTACHMENTS:

007481

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

Meeting Scheduled for: *June 13, 1995*Agenda: *Regular*

1. Submitted By:(a) Agency: *B&C Bd. - Local Government*(b) Authorized Official Signature: 

2. Subject:*Budget and Control Board Grant Program request by:**a.) The Town of Clio (Grant Agreement No. 726) and;**b.) Chester County (Grant Agreement No. 723)*

3. Summary and Background Information:*a.) Grantee: Town of Clio (Grant Agreement No. 726)**Grant Request: \$160,000**Purpose/Description: Water system improvements to include: repainting of elevated water storage tank, water treatment plant repairs, and the interconnection of the Clio system with the Marlboro County Water System thereby providing a standby source for Clio.**Impact: N/A**Cost of Project: \$175,000.**LG recommendation: \$120,000.**b.) Grantee: Chester County (Grant Agreement No. 723)**Grant Request: \$200,000**Purpose/Description: Purchase of equipment to be utilized in the construction of a wastewater treatment facility to serve PPG Industries, Inc.**Impact: Capital Investment \$45,000,000**Employment 95 Jobs**Cost of Project: \$1,019,000; CDBG to contribute \$518,000; Chester County contributing \$301,000.**LG recommendation: \$200,000*NOTE:*The Budget and Control Board Office of Local Government received a supplemental appropriation of \$4.3 million for the "Infrastructure Grant Revolving Fund" to assist with infrastructure projects in economically distressed areas as provided for in Section 41-43-180 of the 1976 Code. JEDA developed the listing designating 17 counties qualifying as economically distressed areas.*

007482

EXHIBIT

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STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

- a.) *Clio is located in Marlboro County, an area designated by JEDA as economically distressed. The Board is asked to approve this request in the amount of \$120,000 from the Infrastructure Grant Revolving Fund.*
- b.) *Chester County is an area designated by JEDA as economically distressed. The Board is asked to approve this request in the amount of \$200,000 from the Infrastructure Grant Revolving Fund.*

5. What is recommendation of Board Division involved?

Approve request in the following amounts:

<i>\$120,000</i>	<i>(Town of Clio)</i>
<i>\$200,000</i>	<i>(Chester County)</i>
<i>\$320,000</i>	<i>Total</i>

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

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

7. Supporting Documents

(a) List Those Attached:

- a.) *Clio -- Grant Agreement No. 726*
- b.) *Chester County -- Grant Agreement No. 723*
- c.) *Distressed County List*

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

007483

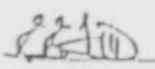
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SC JOBS-ECONOMIC DEVELOPMENT AUTHORITY
1201 MAIN STREET - SUITE 1750
COLUMBIA, SOUTH CAROLINA 29201



MEMORANDUM

TO : Mr. Olney England, Division of Economic Development
Mr. Douglas McKay, Office of Executive Policy and Programs
Mr. Victor Robertson, Department of Commerce
JEDA Staff

FROM : Elliott E. Franks, III 

DATE : August 29, 1994

SUBJECT : DESIGNATION OF ECONOMICALLY DISTRESSED COUNTIES

As a result of an action by the JEDA Board of Directors, Jasper County has been added to the listing of economically distressed areas as published on June 15, 1994.

The listing is now as follows:

Allendale	Georgetown
Bamberg	Hampton
Barnwell	Jasper
Chester	Lee
Clarendon	McCormick
Colleton	Marion
Darlington	Marlboro
Dillon	Williamsburg
Fairfield	

If there are questions with regard to this recent action, please contact me.

//ls

007484

STATE OF SOUTH CAROLINA
State Budget and Control Board EXHIBIT
DIVISION OF LOCAL GOVERNMENT

JUN 20 1995 5



STATE BUDGET & CONTROL BOARD
JUN 20 1995

GRANT AGREEMENT

This grant agreement is entered into this _____ day of _____ 19____, between the South Carolina State Budget and Control Board, through the Division of Local Government, an agency of the State of South Carolina (the "State") and Chester County, SC a _____ County of the State of South Carolina (the "Project Sponsor").

WHEREAS, the State is authorized to administer and manager certain State funds to be used for rural improvement, economic development and to improve the quality of life for the citizens of the State of South Carolina; and

WHEREAS, Project Sponsor may undertake projects and receive assistance in the financing of such projects by way of grants made from such State funds and to enter into grant agreements providing for the terms for using such grants and providing for the repayment of amounts received from the funds together with interest thereon in the event of violation of such terms by the Project Sponsor; and

WHEREAS, the Project Sponsor proposes to acquire and/or construct the goods and/or services for the project described in Appendix "A" hereto (the "Project");

NOW, THEREFORE, BE IT AGREED AS FOLLOWS:

ARTICLE 1

Section 1.1. Definitions: Except to the extent modified or supplemented by this Agreement, any term used herein shall have the following meaning:

- 1.1.1 Agreement means this Grant Agreement, as described above and any amendments or supplements thereto.
- 1.1.2 Grant Funds means the monies and any loans secured by loan guarantees provided under this Agreement.
- 1.1.3 Project means the construction or manufacturing program or other activities, including the administration thereof, with respect to which Grant Funds are being provided under this Agreement as more particularly described on Appendix "A" attached hereto and made a part hereof.
- 1.1.4 Project Budget means the line-item budget for the use of all grant funds as set forth on Appendix "B" attached hereto and made a part hereof.
- 1.1.5 Project Sponsor means each entity designated as a recipient for grant or loan guarantee assistance in the Grant Award and signing the acceptance provision of the Grant Award.
- 1.1.6 State means the State Budget and Control Board, Division of Local Government ("DLG").

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ARTICLE 2

GRANT CONDITIONS

Section 2.1. Grant made and accepted: In consideration of the mutual promises of this Agreement and upon and subject to its terms and conditions, the State agrees to make, and the Project Sponsor agrees to accept, the Grant herein provided for the purchase of equipment for a wastewater treatment facility which is being constructed to serve PPG Industries, Inc.

Section 2.2 Purpose Limited to Project: The Project Sponsor shall use the proceeds of the grant only to pay the actual costs of the project described in the Project Budget. Except to the extent otherwise approved in writing by the State, only the costs shown in the Project Budget shall be allowed and only in the amounts provided for each category.

Section 2.3. Ineligible costs: Funds obligated or expended prior to the grant award or for activities which have not received prior approval from the State shall be considered ineligible costs and shall not be eligible for payment with Grant Funds.

Section 2.4. Budget Changes: Any changes in the grant budget affecting more than ten percent (10%) of any line-item must be approved in writing by the State; provided, however, that no increase for the General Administration line-item shall be allowed without prior approval of the State, regardless of the amount of percentage of increase.

Section 2.5 Grant Award and Letter of Credit: Project Sponsor whose applications for grants are approved by the State, will receive a grant award and letter of credit for the amount of the Project Budget as approved by the Division of Local Government. The Project Sponsor may receive the grant funds following approval of a draw request on the credit established by the Grant Award. Draw requests will be made on forms approved by the State and such requests are subject to approval by the State.

Section 2.6. Disbursements: The State may make and the Project Sponsor shall accept full or partial disbursements from the State only against incurred, actual, eligible costs up to the grant amount as provided in this Agreement. In those cases when the Project Sponsor has paid the incurred project costs and is seeking reimbursement for payment of such costs theretofore paid by the Project Sponsor, any check for disbursement from the fund to pay such costs, at the option of the State, shall be drawn to the Project Sponsor alone or jointly to the Project Sponsor and the vendor supplying the goods and services for the project. Such check will be mailed to the Project Sponsor. Requests for disbursement shall be made on forms of the State, unless the State otherwise directs, and shall be accompanied by such invoices and other proofs as the State may reasonably require.

Section 2.7. Time Limitation and Extension of Time: Grant funds received by the Project Sponsor must be spent as described in Section 2.2 of this Agreement within six (6) months of the date of approval by the State. All unspent grant funds at the end of the above six-month period shall be returned to the State within thirty (30) days of the expiration of the six-month period with interest at the rate of _____% per annum added thereof. The State may grant an extension of time to the Project Sponsor for spending the grant funds if there are extreme hardship circumstances which prevent the Project Sponsor from complying with the time limitation. The Project Sponsor must, prior to the expiration of the six-month period, request, in writing, an extension of time detailing the hardship circumstances, indicating how the Project Sponsor intends to overcome the hardship and projection of when the funds would be spent. In any case, the extension will not exceed three (3) months. The State, in its sole discretion, may terminate its promise to grant all, or any portion of the Grant Funds which have not been advanced if:

- 2.7.1 the Project Sponsor has not entered into a contract with respect to acquisition of goods and services to begin the Project as described in Project Budget within six (6) months of the date hereof; or
- 2.7.2 a circumstance arises or becomes known which, in the State's sole discretion and opinion, (i) substantially impairs the ability of the Project Sponsor to complete the project, or (ii) substantially impairs the merit of the Project.

Section 2.8. Accounting for Project Transactions: The Project Sponsor must set up a separate bank account for each separate grant agreement and account for all grant fund transactions separately. The bank, the account and a Project Sponsor representative shall be designated by the Project Sponsor before it may request disbursements and such designations shall be subject to approval by the State. The bank account used for the grant funds by the Project Sponsor shall be an interest-bearing account.

Section 2.9. Program Income: The State may require as a condition of any funds distributed by the State under the provisions of this Agreement, that the Project Sponsor pay the State any such income as is earned from the Project during the six-month period following the execution of this Agreement. However, the State shall waive such condition to the extent such income is applied by the Project Sponsor to continue the activity from which such income was derived.

ARTICLE 3

Remedies

Section 3.1. Grant Repaid: If the Project Sponsor violates the terms of this Agreement, or any applicable law or regulations, the State may, by notice in writing to the Project Sponsor, demand the principal portion of the Grant Funds which have been disbursed to the Project Sponsor immediately due and payable to the State, together with interest calculated on it at the rate of _____% per annum. Interest above shall continue to accrue and compound until the date of payment.

Section 3.2. Collection Costs and Fees: In the event of a violation of this Agreement, the State may collect Grant Funds paid plus interest as described in Section 3.1. Costs and fees associated with the collection, including attorney's fees, are also to be collected from the Project Sponsor. The Project Sponsor agrees to pay the State all such costs and fees, including attorney's fees, incurred in collecting the grant funds and interest.

Section 3.3. Additional Remedy: Upon any failure of the Project Sponsor to make any payment to the State in accordance with the provisions of this Agreement, the State, without further action, may request and, the Project Sponsor by acceptance of the grant herein, hereby specifically authorizes the State Treasurer and Comptroller General of the State to pay the State the amount of state aid to which the Project Sponsor may become entitled to until all delinquent payments described in Sections 3.1 and 3.2 have been paid.

ARTICLE 4

General

Section 4.1. Reporting Requirements: The Project Sponsor agrees to complete and submit all reports, in such form and according to such schedule, as may be required by the State.

Section 4.2. Audit: The Project Sponsor agrees to have conducted an independent audit of grant funds and submit all audit findings to the Board upon completion of project.

Section 4.3. Maintenance of Records: Records and accounts for Grant Fund transactions must be maintained using generally-accepted accounting principals. Detailed records and source documents must be maintained in a neat, easily accessible manner. Records for all grant funds must be retained for five (5) years after receipt of the final disbursement by the Project Sponsor. However, if any litigation, claim, or audit is started before the expiration of the five-year period, then records must be retained for five (5) years after the litigation, claim, or audit is resolved.

Section 4.4. Access: All records with respect to all matters covered by this Agreement shall be made available for random audit and inspection by the State.

Section 4.5. Ownership: Title to property acquired in whole or in part with grant funds shall be vested in the Project Sponsor, subject to divestment by State, where its use for project or other approved activities is discontinued. Project Sponsor should exercise caution in the use, maintenance, protection, and preservation of such property during the period of project use. The Project Sponsor must file with the State a property inventory statement (in a form acceptable to the State) within thirty (30) days of receipt of the final disbursement by the Project Sponsor and must agree to be subject to audit by State or its duly authorized representatives for verification of the information contained in the property inventory form.

Section 4.6. Applicable Law: This Agreement is made under and shall be construed in accordance with the laws of the State of South Carolina. By accepting this grant, the Project Sponsor also agrees to submit to the jurisdiction of the courts of the State of South Carolina for all matters arising or to the arise hereunder, including but not limited to, performance of said grant and the payment of licenses and taxes of whatever kind of nature applicable hereto.

Section 4.7. Amendments: Any changes to this grant award affecting the scope of work of the project must be approved, in writing, by the State and shall be incorporated in written amendment(s) to this Agreement.

IN WITNESS WHEREOF, The Project Sponsor and the State have caused these presents to be signed, sealed and delivered all as of the date hereon.

(SEAL)

(Project Sponsor)
By R. Charles Riddle
Its Supervisor

Attest:

J. M. Bellamy 03-04-2001
Its _____

South Carolina State Budget and Control Board

By _____

In accordance with Proviso 14.91 of the 1990-1991 State Appropriations Act, I hereby attest to have reviewed this Grant Agreement for the herein named project.

Linda W. Short (Senator)

J. M. Bellamy (House Member)

007488

EXHIBIT

APPENDIX "A"

JUN 20 1995

5

PROJECT SPONSOR: Chester County

STATE BUDGET & CONTROL BOARD

GRANT NUMBER: 723

SCOPE OF WORK

	<u>Description</u>	<u>Budget</u>	<u>Grant Funds Requested</u>
1.	<u>Three aboveground Carbon Steel Tanks</u>	<u>\$ 80,000</u>	<u>\$ 80,000</u>
2.	<u>Influent Lift Station</u>	<u>25,000</u>	<u></u>
3.	<u>Equalization Basin</u>	<u>49,000</u>	<u></u>
4.	<u>Waste Feed Pumps</u>	<u>20,000</u>	<u></u>
5.	<u>Lime Mix Tank</u>	<u>30,000</u>	<u></u>
6.	<u>Ferric Chloride Mix Tank</u>	<u>30,000</u>	<u></u>
7.	<u>Primary Clarifier</u>	<u>98,000</u>	<u></u>
8.	<u>Effluent Monitoring Station</u>	<u>25,000</u>	<u></u>
9.	<u>Waste Sludge Pumps</u>	<u>20,000</u>	<u></u>
10.	<u>Sludge Blend Tank</u>	<u>38,000</u>	<u></u>
11.	<u>Press Feed Pumps</u>	<u>30,000</u>	<u></u>
12.	<u>Belt Filter Press</u>	<u>120,000</u>	<u>120,000</u>
13.	<u>Polymer Feed Systems Nox. 1 & 2</u>	<u>20,000</u>	<u></u>
14.	<u>Lime Feed System</u>	<u>50,000</u>	<u></u>
15.	<u>Ferric Chloride Feed System</u>	<u>25,000</u>	<u></u>
16.	<u>Contingency (10%)</u>	<u>66,000</u>	<u></u>
17.	<u>Administration</u>	<u>18,000</u>	<u></u>
18.	<u>Building & Miscellaneous Construc-</u>	<u>275,000</u>	<u></u>
19.	<u>tion (Electrical, Controls, Etc)</u>	<u></u>	<u></u>
20.	<u>including 10% contingency</u>	<u></u>	<u></u>
	<u>TOTAL</u>	<u>\$1,019,000</u>	<u>\$200,000</u>

EXHIBIT

APPENDIX "B"

The Project shall consist of the following:

Construction of a wastewater pretreatment plant to serve PPG

Industries, Inc. Grant funds will be used to purchase the equipment for the pretreatment plant.

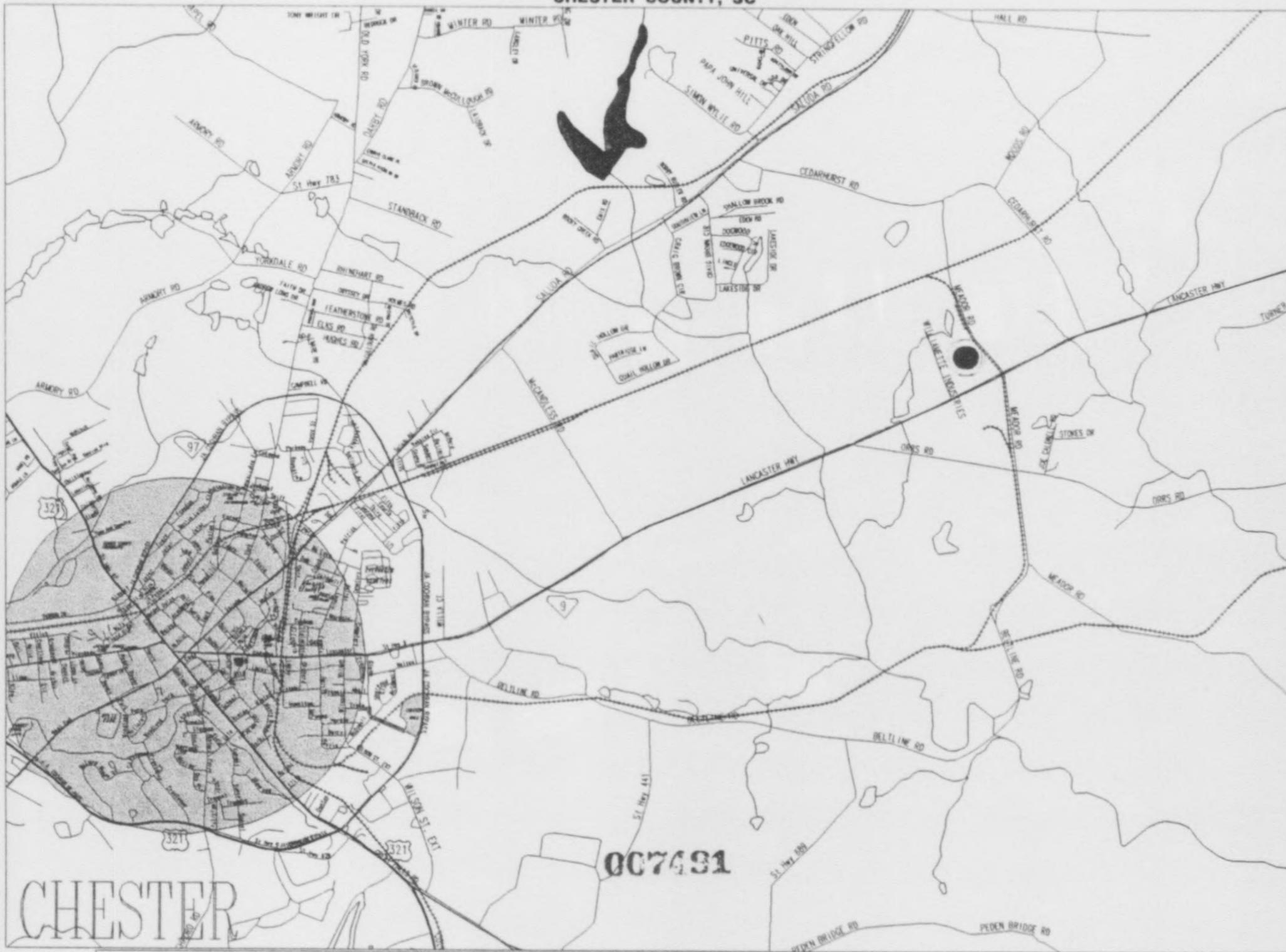
Source of Funding of Project:

Federal Funds (CDB)	518,000
State Funds	
Local Funds	301,000
Other Funds	
Budget and Control Board Funds	200,000
Total Project Funds	\$1,019,000

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44-04-04

PPG INDUSTRIAL LOCATION MAP CHESTER COUNTY, SC



CHESTER

007491



April 26, 1995

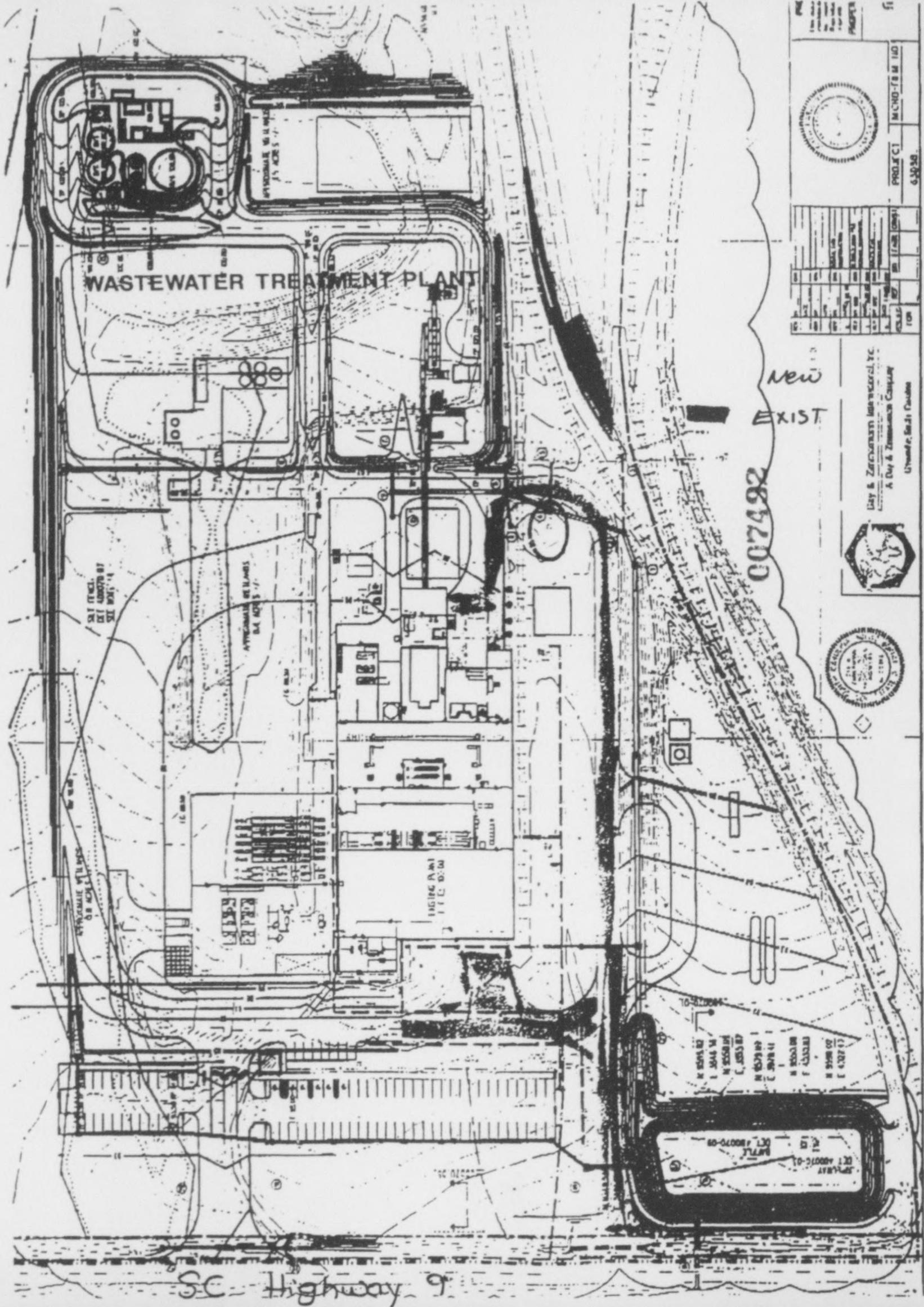
DISCLAIMER
Catawba Regional Planning Council
disclaims responsibility for
damages or liability that may arise
from the use of this map. All
reasonable efforts have been made
to ensure accuracy.

- TOWN, CITY
- LAKES, RIVERS
- INTERSTATE HWY
- US HWY
- SC PRIMARY HWY
- CITY, COUNTY LINE
- PROJECT LOCATION

PROJECT LOCATION MAP

EXHIBIT C

CHESTER COUNTY - PPG INDUSTRIES SEWER PROJECT



NO.	DESCRIPTION	DATE	BY	CHKD.
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Day & Zimmerman International, Inc.
A Day & Zimmerman Company
Upholder of the Best Practices



New
EXIST
007492

SC Highway 9

CERTIFIED
No 726

STATE OF SOUTH CAROLINA
State Budget and Control Board
DIVISION OF LOCAL GOVERNMENT



RECEIVED

MAY 10 1995

BUDGET & CONTROL BOARD
OF THE STATE OF SOUTH CAROLINA

GRANT AGREEMENT

This grant agreement is entered into this 1st day of May 1995, between the South Carolina State Budget and Control Board, through the Division of Local Government, an agency of the State of South Carolina (the "State") and the Town of Clio a municipality of the State of South Carolina (the "Project Sponsor").

WHEREAS, the State is authorized to administer and manager certain State funds to be used for rural improvement, economic development and to improve the quality of life for the citizens of the State of South Carolina; and

WHEREAS, Project Sponsor may undertake projects and receive assistance in the financing of such projects by way of grants made from such State funds and to enter into grant agreements providing for the terms for using such grants and providing for the repayment of amounts received from the funds together with interest thereon in the event of violation of such terms by the Project Sponsor; and

WHEREAS, the Project Sponsor proposes to acquire and/or construct the goods and/or services for the project described in Appendix "A" hereto (the "Project");

NOW, THEREFORE, BE IT AGREED AS FOLLOWS:

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- 1.1.6 State means the State Budget and Control Board, Division of Local Government ("DLG").

007493

ARTICLE 2

GRANT CONDITIONS

Section 2.1. Grant made and accepted: In consideration of the mutual promises of this Agreement and upon and subject to its terms and conditions, the State agrees to make, and the Project Sponsor agrees to accept, the Grant herein provided for water system improvements for the Town of Clio drinking water system. Please see attached project outline for a more detailed explanation of project.

Section 2.2 Purpose Limited to Project: The Project Sponsor shall use the proceeds of the grant only to pay the actual costs of the project described in the Project Budget. Except to the extent otherwise approved in writing by the State, only the costs shown in the Project Budget shall be allowed and only in the amounts provided for each category.

Section 2.3. Ineligible costs: Funds obligated or expended prior to the grant award or for activities which have not received prior approval from the State shall be considered ineligible costs and shall not be eligible for payment with Grant Funds.

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Section 2.5 Grant Award and Letter of Credit: Project Sponsor whose applications for grants are approved by the State, will receive a grant award and letter of credit for the amount of the Project Budget as approved by the Division of Local Government. The Project Sponsor may receive the grant funds following approval of a draw request on the credit established by the Grant Award. Draw requests will be made on forms approved by the State and such requests are subject to approval by the State.

Section 2.6. Disbursements: The State may make and the Project Sponsor shall accept full or partial disbursements from the State only against incurred, actual, eligible costs up to the grant amount as provided in this Agreement. In those cases when the Project Sponsor has paid the incurred project costs and is seeking reimbursement for payment of such costs theretofore paid by the Project Sponsor, any check for disbursement from the fund to pay such costs, at the option of the State, shall be drawn to the Project Sponsor alone or jointly to the Project Sponsor and the vendor supplying the goods and services for the project. Such check will be mailed to the Project Sponsor. Requests for disbursement shall be made on forms of the State, unless the State otherwise directs, and shall be accompanied by such invoices and other proofs as the State may reasonably require.

Section 2.7. Time Limitation and Extension of Time: Grant funds received by the Project Sponsor must be spent as described in Section 2.2 of this Agreement within six (6) months of the date of approval by the State. All unspent grant funds at the end of the above six-month period shall be returned to the State within thirty (30) days of the expiration of the six-month period with interest at the rate of _____% per annum added thereof. The State may grant an extension of time to the Project Sponsor for spending the grant funds if there are extreme hardship circumstances which prevent the Project Sponsor from complying with the time limitation. The Project Sponsor must, prior to the expiration of the six-month period, request, in writing, an extension of time detailing the hardship circumstances, indicating how the Project Sponsor intends to overcome the hardship and projection of when the funds would be spent. In any case, the extension will not exceed three (3) months. The State, in its sole discretion, may terminate its promise to grant all, or any portion of the Grant Funds which have not been advanced if:

- 2.7.1 the Project Sponsor has not entered into a contract with respect to acquisition of goods and services to begin the Project as described in Project Budget within six (6) months of the date hereof; or
- 2.7.2 a circumstance arises or becomes known which, in the State's sole discretion and opinion, (i) substantially impairs the ability of the Project Sponsor to complete the project, or (ii) substantially impairs the merit of the Project.

Section 2.8. Accounting for Project Transactions: The Project Sponsor must set up a separate bank account for each separate grant agreement and account for all grant fund transactions separately. The bank, the account and a Project Sponsor representative shall be designated by the Project Sponsor before it may request disbursements and such designations shall be subject to approval by the State. The bank account used for the grant funds by the Project Sponsor shall be an interest-bearing account.

Section 2.9. Program Income: The State may require as a condition of any funds distributed by the State under the provisions of this Agreement, that the Project Sponsor pay the State any such income as is earned from the Project during the six-month period following the execution of this Agreement. However, the State shall waive such condition to the extent such income is applied by the Project Sponsor to continue the activity from which such income was derived.

ARTICLE 3

Remedies

Section 3.1. Grant Repaid: If the Project Sponsor violates the terms of this Agreement, or any applicable law or regulations, the State may, by notice in writing to the Project Sponsor, demand the principal portion of the Grant Funds which have been disbursed to the Project Sponsor immediately due and payable to the State, together with interest calculated on it at the rate of _____% per annum. Interest above shall continue to accrue and compound until the date of payment.

Section 3.2. Collection Costs and Fees: In the event of a violation of this Agreement, the State may collect Grant Funds paid plus interest as described in Section 3.1. Costs and fees associated with the collection, including attorney's fees, are also to be collected from the Project Sponsor. The Project Sponsor agrees to pay the State all such costs and fees, including attorney's fees, incurred in collecting the grant funds and interest.

Section 3.3. Additional Remedy: Upon any failure of the Project Sponsor to make any payment to the State in accordance with the provisions of this Agreement, the State, without further action, may request and, the Project Sponsor by acceptance of the grant herein, hereby specifically authorizes the State Treasurer and Comptroller General of the State to pay the State the amount of state aid to which the Project Sponsor may become entitled to until all delinquent payments described in Sections 3.1 and 3.2 have been paid.

ARTICLE 4

General

Section 4.1. Reporting Requirements: The Project Sponsor agrees to complete and submit all reports, in such form and according to such schedule, as may be required by the State.

Section 4.2. Audit: The Project Sponsor agrees to have conducted an independent audit of grant funds and submit all audit findings to the Board upon completion of project.

Section 4.3. Maintenance of Records: Records and accounts for Grant Fund transactions must be maintained using generally-accepted accounting principals. Detailed records and source documents must be maintained in a neat, easily accessible manner. Records for all grant funds must be retained for five (5) years after receipt of the final disbursement by the Project Sponsor. However, if any litigation, claim, or audit is started before the expiration of the five-year period, then records must be retained for five (5) years after the litigation, claim, or audit is resolved.

Section 4.4. Access: All records with respect to all matters covered by this Agreement shall be made available for random audit and inspection by the State.

Section 4.5. Ownership: Title to property acquired in whole or in part with grant funds shall be vested in the Project Sponsor, subject to divestment by State, where its use for project or other approved activities is discontinued. Project Sponsor should exercise caution in the use, maintenance, protection, and preservation of such property during the period of project use. The Project Sponsor must file with the State a property inventory statement (in a form acceptable to the State) within thirty (30) days of receipt of the final disbursement by the Project Sponsor and must agree to be subject to audit by State or its dully authorized representatives for verification of the information contained in the property inventory form.

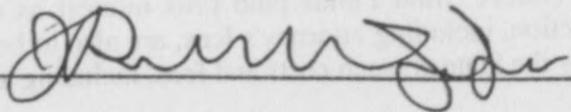
Section 4.6. Applicable Law: This Agreement is made under and shall be construed in accordance with the laws of the State of South Carolina. By accepting this grant, the Project Sponsor also agrees to submit to the jurisdiction of the courts of the State of South Carolina for all matters arising or to the arise hereunder, including but not limited to, performance of said grant and the payment of licenses and taxes of whatever kind of nature applicable hereto.

Section 4.7. Amendments: Any changes to this grant award affecting the scope of work of the project must be approved, in writing, by the State and shall be incorporated in written amendment(s) to this Agreement.

IN WITNESS WHEREOF, The Project Sponsor and the State have caused these presents to be signed, sealed and delivered all as of the date hereon.

(SEAL)

(Project Sponsor)

By 

Its Town Administrator

Attest:

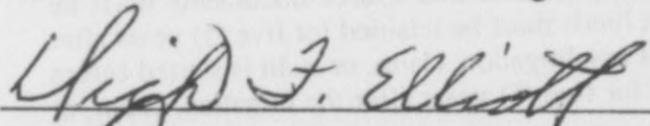
x 

Its Town Attorney

South Carolina State Budget and Control Board

By _____

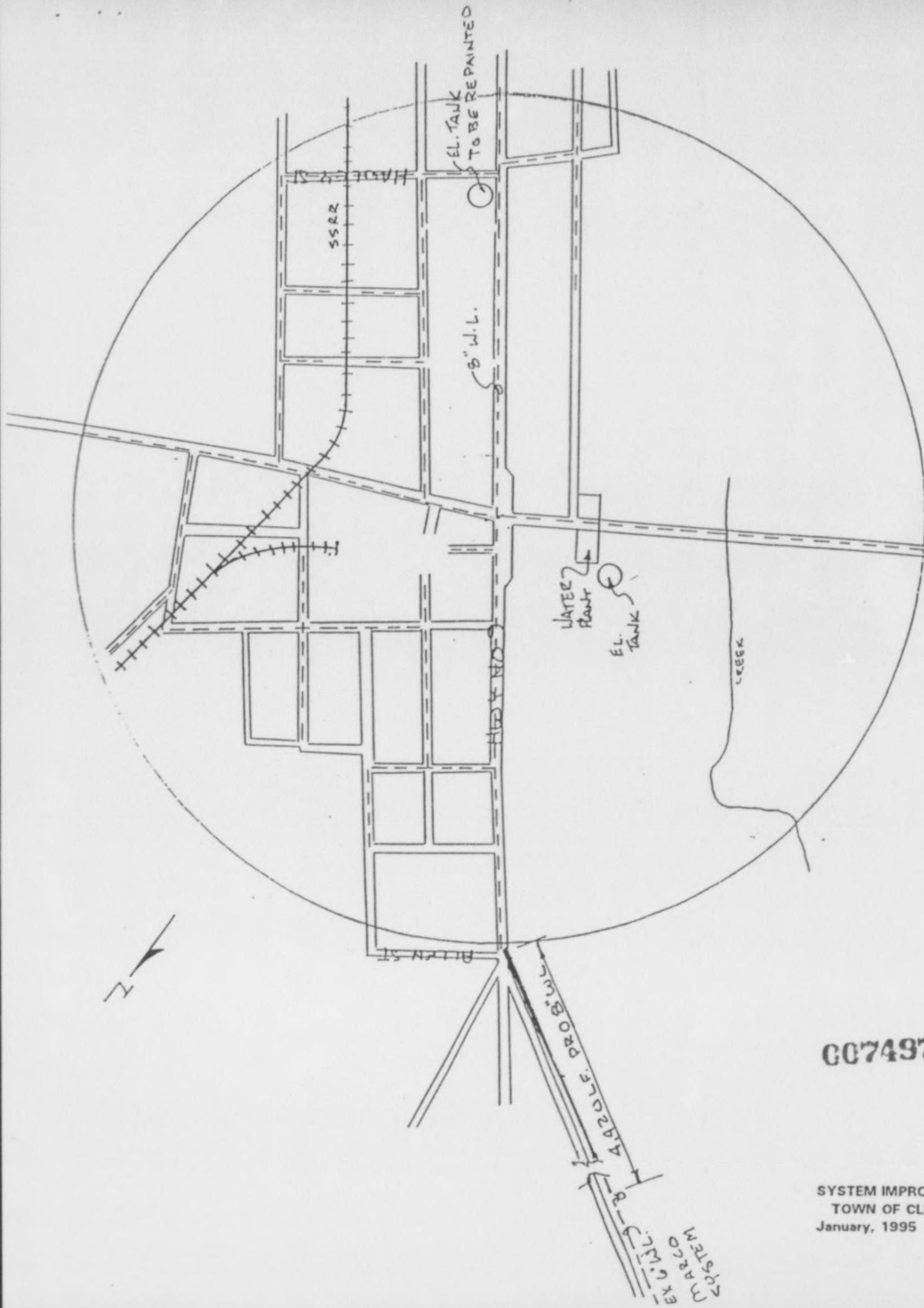
In accordance with Proviso 14.91 of the 1990-1991 State Appropriations Act, I hereby attest to have reviewed this Grant Agreement for the herein named project.

 (Senator)

 (House Member)

007496

007496



007497

SYSTEM IMPROVEMENTS
TOWN OF CLIO
January, 1995 BPB

24 = 64

EXHIBIT

APPENDIX "A"

JUN 20 1995

5

PROJECT SPONSOR: Town of Clio STATE BUDGET & CONTROL BOARD

GRANT NUMBER: 726

SCOPE OF WORK

	<u>Description</u>	<u>Budget</u>	<u>Grant Funds Requested</u>
1.	<u>(see Appendix A attached)</u>	<u></u>	<u></u>
2.	<u>Repaint water tower</u>	<u>\$70,000</u>	<u>\$70,000</u>
3.	<u>Abandon coke tray</u>	<u>5,000</u>	<u>5,000</u>
4.	<u>Replace hatch, vent</u>	<u>3,000</u>	<u>3,000</u>
5.	<u>Clean & seal tank</u>	<u>12,000</u>	<u>12,000</u>
6.	<u>4,420 lf 8"-water line</u>	<u>44,200</u>	<u>44,200</u>
7.	<u>Tie to backup system(2ea)</u>	<u>1,000</u>	<u>1,000</u>
8.	<u>Meter vault</u>	<u>8,000</u>	<u>8,000</u>
9.	<u>Bore under highway</u>	<u>2,500</u>	<u>2,500</u>
10.	<u>Engineering</u>	<u>15,000</u>	<u>-0-</u>
11.	<u>Contingency</u>	<u>14,300</u>	<u>14,300</u>
12.	<u></u>	<u></u>	<u></u>
13.	<u></u>	<u></u>	<u></u>
14.	<u></u>	<u></u>	<u></u>
15.	<u></u>	<u></u>	<u></u>
16.	<u></u>	<u></u>	<u></u>
17.	<u></u>	<u></u>	<u></u>
18.	<u></u>	<u></u>	<u></u>
19.	<u></u>	<u></u>	<u></u>
20.	<u></u>	<u></u>	<u></u>

007498

007498

EXHIBIT

APPENDIX "B"

The Project shall consist of the following:

(please see attached engineering proposal)

Source of Funding of Project:

Federal Funds	-0-
State Funds	-0-
Local Funds	15,000+
Other Funds	-0-
Budget and Control Board Funds	\$160,700
 Total Project Funds	 175,000

607499

607499

Cost Estimate

The estimated cost for the improvements is estimated to cost \$175,000.00 in accordance with the enclosed tabulation.

TOWN OF CLIO
ESTIMATE OF COST

Item

1)	Repaint Existing Elevated Tank		LS	\$ 70,000.00
2)	Plant Work			
	a)	Abandon Coke Tray	LS	5,000.00
	b)	Replace Hatch & Vent	LS	3,000.00
	c)	Clean & Seal Tank	LS	12,000.00
3)	System Interconnect			
	a)	8" Water Line	4,420 LF \$ 10.00	44,200.00
	b)	Tie to Existing System	2 EA \$500.00	1,000.00
	c)	Meter Vault	1 EA LS	8,000.00
	d)	Bore Under Highway	50 LF \$ 50.00	<u>2,500.00</u>
		Total Construction		\$145,700.00

Other

Engineering		\$ 15,000.00
Contingency	007500	<u>14,300.00</u>
Total Project Cost		\$175,000.00

EXHIBIT

APPENDIX B-

Grant No. 726

JUN 20 1995

5

STATE BUDGET & CONTROL BOARD

WATER SYSTEM IMPROVEMENTS

TOWN OF CLIO, SC

Project No. 94636

January, 1995

**B.P. Barber & Associates, Inc.
PO Box 12518
Florence, SC 29504**

007501

EXHIBIT

JUN 20 1995

5

Introduction

STATE BUDGET & CONTROL BOARD

The Town of Clio has been issued a Consent Order by the South Carolina Department of Health and Environmental Control. The order requires three construction items be undertaken as follows:

- Item 1 - Provide maintenance and repainting of the 100,000 gallon elevated tank located on Hawley Street.
- Item 2 - Repair and maintain, or replace, the existing coke tray aeration tower.
- Item 3 - Provide the necessary improvements to the standby well in accordance with DHEC regulations, or obtain an auxiliary water supply from the Marlboro Water Company.

Existing Facilities

The original water facilities serving the Town consists of two wells with a combined pumping capacity of approximately 200 gpm. As the raw water pH was low, a coke tray aerator was installed to reduce the carbon dioxide and increase the pH. After aeration, the water was stored in a 250,000 gallon clearwell from which a high service pump provided water to the distribution system.

The wells declined in production over the years and Well No. 1 reported an unacceptable level of lead in periodic analysis.

In 1984, improvements were proposed to the facilities including the rehabilitation of Well No. 1 and Well No. 2, construction of a new 200 gpm well with chlorination facilities,

007502

EXHIBIT

JUN 20 1995

6

STATE BUDGET AND CONTROL BOARD

STATE BUDGET & CONTROL BOARD
BLUE AGENDA

MEETING OF June 20, 1995

ITEM NUMBER 6

AGENCY: Executive Director

SUBJECT: Revenue Bonds

The required reviews on the following proposals to issue revenue bonds have been completed with satisfactory results. The projects require approval under State law. Ceiling allocation requests are included in a separate agenda item.

- (a) Issuing Authority: State Housing Finance and Development Authority
Amount of Issue: \$3,266,300 Multifamily Housing Mortgage Revenue bonds
Allocation Amount: \$3,266,300 -- granted previously
Name of Project: United Dominion - Hunting Ridge Apartments
Employment Impact: n/a
Project Description: acquisition and rehabilitation of a 152-unit multifamily residential rental property
- (b) Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: not exceeding \$6,000,000 Economic Development Revenue Bonds (private placement)
Allocation Amount: \$6,000,000 (request included in a separate agenda item)
Name of Project: Orders Realty Co., Inc.
Location: Greenville County
Employment Impact: approximately 20 within 12 months and 30 within 24 months
Project Description: manufacture of mattresses, box springs, foundations, sofas, loveseats, sofa sleepers, ottomans, chairs, and various other upholstered furniture products
- (c) Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: not exceeding \$4,000,000 Economic Development Revenue Bonds (private placement)
Allocation Amount: \$4,000,000 (request included in a separate agenda item)
Name of Project: Foundry & Steel, Inc. & Champion Tooling & Machining Co. Inc.
Location: Anderson County
Employment Impact: approximately 6 within 12 months and 10 within 24 months
Project Description: manufacture industrial equipment for the man-made fiber industry and production of additional tooling and metal stamping of industrial and consumer parts

007503

AGENCY: Executive Director

SUBJECT: Revenue Bonds -- Continued

- (d) Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: not exceeding \$20,000,000 Variable Rate Hospital Revenue Bonds
(private sale for public distribution thereafter)
Allocation Amount: -0-
Name of Project: Baptist Healthcare System of South Carolina, Inc.
Location: City of Columbia
Employment Impact: maintain existing employment for 2,529 people
Project Description: building improvements, renovations to surgical and psychiatric
areas, reimbursing Institution for certain prior capital expenditures
- (e) Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: not exceeding \$60,000,000 Hospital Revenue Bonds (private sale
for public distribution thereafter)
Allocation Amount: -0-
Name of Project: Tuomey Regional Medical Center
Location: Sumter County
Employment Impact: maintaining 1212 and adding 25 within 24 months
Project Description: acquisition and construction of certain improvements and
renovations, including necessary equipment and furnishings

BOARD ACTION REQUESTED:

Adopt resolutions approving the referenced proposals to issue revenue bonds.

ATTACHMENTS:

Resolutions

007504

A RESOLUTION

GRANTING APPROVAL TO THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS OF THE AUTHORITY (UNITED DOMINION - HUNTING RIDGE APARTMENTS PROJECT) SERIES 1995, SUBJECT TO THE APPROVAL BY THE STATE TREASURER AS TO CERTAIN MATTERS RELATING TO SUCH BONDS.

WHEREAS, it is provided by Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977, as amended (the "Act"), that, upon the approval of the State Budget and Control Board (the "Board"), the South Carolina State Housing Finance and Development Authority (the "Authority") may issue from time to time notes or bonds for the purpose of obtaining funds with which to make (1) construction and/or rehabilitation loans secured by mortgages of housing sponsors; and (2) permanent mortgage loans to housing sponsors who agree to and shall be required to provide construction and/or rehabilitation of residential housing for rental by persons or families of either beneficiary class as defined in the Act, provided, there is in effect such security and limitations upon liability as the Authority determines to be sufficient under the circumstances; and

WHEREAS, United Dominion Realty Trust, Inc., a Virginia corporation (the "Housing Sponsor"), a housing sponsor as defined in the Act, seeks the assistance of the Authority in an undertaking to provide certain multi-family residential property, as defined in the Act, consisting of approximately 152 units of residential rental property located in Greenville County, South Carolina, referred to as Hunting Ridge Apartments (the "Project") which are to be acquired and rehabilitated through the proceeds of Multifamily Housing Mortgage Revenue Bonds issued by the Authority, in a principal amount not exceeding \$3,266,300 (the "Series 1995 Bonds"); and

WHEREAS, Wheat First Butcher Singer and A.G. Edwards & Sons, Inc., as co-managers (together, the "Underwriter") have agreed to make arrangements for a limited institutional offering of certain bonds of the Authority as permitted by Section 31-13-200(1)(b)(ii)(b), Code of Laws, South Carolina, 1976, as amended by Act No. 538 of the 1988 Acts of the South Carolina General Assembly, under circumstances that limit the right of the bondholders to seek enforcement against the Authority to an assignment of certain collateral and that provide indemnification satisfactory to the Authority; and

WHEREAS, the Authority proposes to issue its bonds to be known as: South Carolina State Housing Finance and Development Authority Multifamily Housing Mortgage Revenue Bonds (United Dominion - Hunting Ridge Apartments Project), Series 1995, in a principal amount not exceeding \$3,266,300 (the "Bonds") pursuant to a Loan Agreement between the Authority and the Housing Sponsor; and

EXHIBIT

JUN 20 1995

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WHEREAS, the Authority has presented to the Board its Petition dated June 1, 1995 (the "Petition"), which sets forth certain information with respect to the Bonds.

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

Section 1. Approval is granted to the undertaking of the Authority as outlined in the Petition.

Section 2. Subject to the conditions set forth in Section 4, approval is hereby granted by the Board to the execution and delivery by the Authority of its South Carolina State Housing Finance and Development Authority Multifamily Housing Mortgage Revenue Bonds (United Dominion - Hunting Ridge Apartments Project) Series 1995, in a principal amount not exceeding \$3,266,300.

The Bonds shall bear interest as provided in and be issued under and secured by the Indenture of Trust and Loan Agreement and shall be subject to the terms and conditions set forth in the Indenture of Trust and Loan Agreement with the interest rate thereon to be approved by the State Treasurer.

Section 3. The approval of the Board is hereby conditioned on the following:

(a) The documents pursuant to which the Bonds are being issued shall provide that the Authority shall avoid any default with respect to the Bonds by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the Bonds.

(b) The documents pursuant to which the Bonds are being issued shall provide that all expenses, costs and fees of the Authority in connection with the issuance of the Bonds, including legal fees, printing and all disbursements shall be paid by the Housing Sponsor.

Section 4. The Board hereby finds it in the best interests of the Authority and the Board to delegate to the State Treasurer on behalf of the Board the final approval as the elected official of the State of South Carolina for purposes of the Internal Revenue Code of 1986, as amended.

Section 5. This Resolution shall take effect immediately upon its adoption.

007506

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$6,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (ORDERS REALTY CO., INC. PROJECT) SERIES 1995, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "Act"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (Orders Realty Co., Inc. Project) Series 1995, in the aggregate principal amount of not exceeding \$6,000,000 (the "Bonds"); and

WHEREAS, the Issuer proposes to issue the Bonds for the purpose of defraying the cost of acquiring, by construction and purchase, a building or buildings, other improvements, and certain machinery, apparatus, equipment, office facilities and furnishings (the "Project") to be used for the purpose of manufacturing mattresses, box springs, foundations, sofas, loveseats, sofa sleepers, ottomans, chairs, and various other upholstered furniture products; and

WHEREAS, the Project is to be made available to Orders Realty Co., Inc., a South Carolina corporation (the "Borrower"), upon terms which require the Borrower to make payments to or for the account of the Issuer in amounts sufficient to pay the principal and interest on the Bonds and which secure the obligation of the Borrower by a mortgage and security interest in the Project; and

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that: the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to defray the cost of acquiring the Project, to make the Project available to the Borrower, to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Bonds, secured by an assignment of the revenues to be derived from the Loan Agreement, and a mortgage and security interest in the Project, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the Issuer so long

EXHIBIT

JUN 20 1995

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STATE BUDGET & CONTROL BOARD
as such changes do not impose a pecuniary liability upon the Issuer or its general credit or taxing power, are approved by the Board of Directors of the Issuer and the Borrower, and do not make inaccurate, except as to dates and amounts, the summaries of the Loan Agreement and the Indenture of Trust and the description of the Project.

Section 3. This Resolution shall take effect immediately.

007508

GRVL:37998

NY - 0000

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$4,000,000 ECONOMIC DEVELOPMENT REVENUE BONDS (FOUNDRY AND STEEL, INC. AND CHAMPION TOOLING AND MACHINING CO., INC. PROJECT), PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "Act"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (Foundry and Steel, Inc. and Champion Tooling and Machining Co., Inc. Project), in the aggregate principal amount of not exceeding \$4,000,000 (the "Bonds"); and

WHEREAS, the Issuer proposes to issue the Bonds for the purpose of defraying the cost of acquiring, by construction and purchase, a building or buildings, other improvements, and certain machinery, apparatus, equipment, office facilities and furnishings (the "Project") to be used for the manufacture of industrial equipment for the man-made fiber industry and production of additional tooling and metal stamping of industrial and consumer parts; and

WHEREAS, the Project is to be made available to Foundry and Steel, Inc. and Champion Tooling and Machining Co., Inc. (collectively, the "Borrower") upon terms which require the Borrower to make payments to or for the account of the Issuer in amounts sufficient to pay the principal and interest on the Bonds; and

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that: the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to defray the cost of acquiring the Project, to make the Project available to the Borrower, to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Bonds, secured by an assignment of the revenues to be derived from the Loan Agreement, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the Issuer so long as such changes do not impose a pecuniary liability upon the Issuer or its general credit or taxing power, are approved by the Board of Directors of the Authority and the Borrower, and do not make inaccurate, except as to dates and amounts, the summaries of the Loan Agreement and the Indenture and the description of the Project.

007509

Section 3. This Resolution shall take effect immediately.

007510

GRVL:38002

007510

A RESOLUTION APPROVING THE ISSUANCE BY ~~STATE~~ THE BUDGET & CONTROL BOARD SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$20,000,000 AGGREGATE PRINCIPAL AMOUNT VARIABLE RATE HOSPITAL REVENUE BONDS (BAPTIST HEALTHCARE SYSTEM OF SOUTH CAROLINA, INC.) SERIES 1995, PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore, under and pursuant to the provisions of Title 41, Chapter 43, Code of Laws of South Carolina, 1976, as amended, particularly Section 41-43-110 (the "Act"), requested approval by the State Budget and Control Board (the "Board") of the issuance by the Authority pursuant to the Act of its Variable Rate Hospital Revenue Bonds (Baptist Healthcare System of South Carolina, Inc.) Series 1995, in the aggregate principal amount of not exceeding \$20,000,000 (the "Bonds"); and

WHEREAS, the Authority represents to the Board that the Bonds will be secured under the provisions of an Indenture of Trust between the Authority and a financial institution, as trustee, and a Loan Agreement by and between Baptist Healthcare System of South Carolina, Inc. (the "Institution") and the Authority, and are payable solely from the revenues of the Institution received by the Authority, and that the Authority finds such security for payment of the Bonds to be acceptable;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through private sale to The Robinson-Humphrey Company, Inc., as Underwriter, for public distribution thereafter, be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

007511

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$60,000,000 AGGREGATE PRINCIPAL AMOUNT HOSPITAL REVENUE BONDS (TUOMEY REGIONAL MEDICAL CENTER) SERIES 1995, PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore, under and pursuant to the provisions of Title 41, Chapter 43, Code of Laws of South Carolina, 1976, as amended, particularly Section 41-43-110 (the "Act"), requested approval by the State Budget and Control Board (the "Board") of the issuance by the Authority pursuant to the Act of its Hospital Revenue Bonds (Tuomey Regional Medical Center) Series 1995, in the aggregate principal amount of not exceeding \$60,000,000 (the "Bonds"); and

WHEREAS, the Authority represents to the Board that the Bonds will be secured under the provisions of an Indenture of Trust between the Authority and a financial institution, as trustee, and a Loan Agreement by and between Tuomey Regional Medical Center (the "Institution") and the Authority, and are payable solely from the revenues of the Institution received by the Authority, and that the Authority finds such security for payment of the Bonds to be acceptable;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through private sale to PaineWebber Incorporated, as Underwriter, for public distribution thereafter, be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

007512

EXHIBIT

MAY 24 1995

JUN 20 1995

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10:16 a.m.

TRANSMITTAL FORM, REVENUE BONDS

STATE BUDGET & CONTROL BOARD
DATE: May 23, 1995

TO: Donna Kaminer Williams, Board Secretary
State Budget and Control Board
601 Wade Hampton Building
Columbia, SC 29201

OR P. O. Box 12444, Columbia, SC 29211

Submitted for BCB Meeting on:

June 13, 1995

FROM:

McNair & Sanford, P.A.

Name of Law Firm

140 East Bay Street, P.O. Box 1431

Street Address/ Box Number

Charleston, SC 29402

City, State, Zip Code

803-723-7831

Area Code/Telephone Number

RE:

\$3,266,300

Amount of Issue

S.C. State Housing Finance and
Development Authority

Name of Issuing Authority

Multifamily Housing Mortgage
Revenue Bonds

Type of Bonds or Notes

June 22, 1995

Projected Issue Date

Project Name: United Dominion - Hunting Ridge Apartments Project

Project Description: Acquisition and rehabilitation of a 152-unit multifamily
residential rental property referred to as Hunting Ridge Apartments

Employment as a result of the project: N/A

Ceiling Allocation Required	Refunding Involved	Project Approved Previously
<input checked="" type="checkbox"/> Yes (\$ <u>3,266,300</u>) <input type="checkbox"/> No	<input type="checkbox"/> Yes (\$ _____) <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes (\$ _____) <input checked="" type="checkbox"/> No
<small>Amount Previously Approved</small>	<small>Amount</small>	<small>Amount</small>

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

- A. Petition
- B. Resolution or Ordinance
- C. Inducement Resolution or comparable preliminary approval
- D. Department of Health and Environmental Control Certificate *if required*
- E. Budget and Control Board Resolution and Public Notice (*original*)
Plus 8 copies for certification and return to bond counsel
- F. Draft bond counsel opinion letter
- G. Processing Fee
Amount: \$ _____ Check No: _____
Payor: _____

Bond Counsel: M. William Youngblood
Typed Name of Bond Counsel

By: M. Wm. Youngblood
Signature

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

Hunting Ridge Apartments Project

I, DONNA KAMINER WILLIAMS, SECRETARY to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

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

His Excellency, David M. Beasley, Governor and Chairman of the Board;
The Honorable Richard A. Eckstrom, State Treasurer;
The Honorable Earle E. Morris, Jr., Comptroller General;
The Honorable John Drummond, Chairman of the Senate Finance Committee; and
The Honorable Henry E. Brown, Jr., Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 a.m. on Tuesday, June 20, 1995, was given to all members in writing at least four days prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, in the lobby of the Wade Hampton Office Building, and near the Board Secretary's Office on the Sixth Floor of the Wade Hampton Office Building at 4:00 p.m. on Friday, June 16, 1995.

That all members of the Board were present at the meeting.

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

FOR MOTION

5

AGAINST MOTION

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

June 20, 1995

Donna Kaminer Williams

007514

A RESOLUTION

GRANTING APPROVAL TO THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY OF MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS OF THE AUTHORITY (UNITED DOMINION - HUNTING RIDGE APARTMENTS PROJECT) SERIES 1995, SUBJECT TO THE APPROVAL BY THE STATE TREASURER AS TO CERTAIN MATTERS RELATING TO SUCH BONDS.

WHEREAS, it is provided by Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977, as amended (the "Act"), that, upon the approval of the State Budget and Control Board (the "Board"), the South Carolina State Housing Finance and Development Authority (the "Authority") may issue from time to time notes or bonds for the purpose of obtaining funds with which to make (1) construction and/or rehabilitation loans secured by mortgages of housing sponsors; and (2) permanent mortgage loans to housing sponsors who agree to and shall be required to provide construction and/or rehabilitation of residential housing for rental by persons or families of either beneficiary class as defined in the Act, provided, there is in effect such security and limitations upon liability as the Authority determines to be sufficient under the circumstances; and

WHEREAS, United Dominion Realty Trust, Inc., a Virginia corporation (the "Housing Sponsor"), a housing sponsor as defined in the Act, seeks the assistance of the Authority in an undertaking to provide certain multi-family residential property, as defined in the Act, consisting of approximately 152 units of residential rental property located in Greenville County, South Carolina, referred to as Hunting Ridge Apartments (the "Project") which are to be acquired and rehabilitated through the proceeds of Multifamily Housing Mortgage Revenue Bonds issued by the Authority, in a principal amount not exceeding \$3,266,300 (the "Series 1995 Bonds"); and

WHEREAS, Wheat First Butcher Singer and A.G. Edwards & Sons, Inc., as co-managers (together, the "Underwriter") have agreed to make arrangements for a limited institutional offering of certain bonds of the Authority as permitted by Section 31-13-200(1)(b)(ii)(b), Code of Laws, South Carolina, 1976, as amended by Act No. 538 of the 1988 Acts of the South Carolina General Assembly, under circumstances that limit the right of the bondholders to seek enforcement against the Authority to an assignment of certain collateral and that provide indemnification satisfactory to the Authority; and

WHEREAS, the Authority proposes to issue its bonds to be known as: South Carolina State Housing Finance and Development Authority Multifamily Housing Mortgage Revenue Bonds (United Dominion - Hunting Ridge Apartments Project), Series 1995, in a principal amount not exceeding \$3,266,300 (the "Bonds") pursuant to a Loan Agreement between the Authority and the Housing Sponsor; and

WHEREAS, the Authority has presented to the Board its Petition dated as of June 6, 1995 (the "Petition"), which sets forth certain information with respect to the Bonds.

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

Section 1. Approval is granted to the undertaking of the Authority as outlined in the Petition.

Section 2. Subject to the conditions set forth in Section 4, approval is hereby granted by the Board to the execution and delivery by the Authority of its South Carolina State Housing Finance and Development Authority Multifamily Housing Mortgage Revenue Bonds (United Dominion - Hunting Ridge Apartments Project) Series 1995, in a principal amount not exceeding \$3,266,300.

The Bonds shall bear interest as provided in and be issued under and secured by the Indenture of Trust and Loan Agreement and shall be subject to the terms and conditions set forth in the Indenture of Trust and Loan Agreement with the interest rate thereon to be approved by the State Treasurer.

Section 3. The approval of the Board is hereby conditioned on the following:

(a) The documents pursuant to which the Bonds are being issued shall provide that the Authority shall avoid any default with respect to the Bonds by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the Bonds.

(b) The documents pursuant to which the Bonds are being issued shall provide that all expenses, costs and fees of the Authority in connection with the issuance of the Bonds, including legal fees, printing and all disbursements shall be paid by the Housing Sponsor.

Section 4. The Board hereby finds it in the best interests of the Authority and the Board to delegate to the State Treasurer on behalf of the Board the final approval as the elected official of the State of South Carolina for purposes of the Internal Revenue Code of 1986, as amended.

Section 5. This Resolution shall take effect immediately upon its adoption.

STATE OF SOUTH CAROLINA

JUN 20 1995

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State Budget and Control Board BUDGET & CONTROL BOARD
OFFICE OF GENERAL SERVICES



DAVID M. BEASLEY, CHAIRMAN
GOVERNOR

RICHARD A. ECKSTROM
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

HENRY E. BROWN, JR.
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

HELEN T. ZEIGLER
DIRECTOR

PROPERTY MANAGEMENT
1201 MAIN STREET, SUITE 410
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-0790
FAX 737-0689

ALTON T. LOFTIS, Ph.D.
ASSISTANT DIRECTOR

June 5, 1995

The Honorable Donna K. Williams, Secretary
S.C. Budget and Control Board
601 Wade Hampton Office Building
Columbia, South Carolina 29201

RE: State House Finance and Development Authority
\$3,266,300 Multifamily Housing Mortgage Revenue Bonds
United Dominion - Hunting Ridge Apartment Project

Dear Mrs. Williams:

We have received the Revenue Bonds Transmittal form and other items regarding the referenced proposed bonds.

These documents have been submitted by Bond Counsel, McNair and Sanford, P.A. and upon review of the Petition to the Budget and Control Board, the proposed Resolution of the Budget and Control Board and the draft of the Opinion of Bond Counsel appear to be in good order. Of course, we express no opinion as to the merits of the bond issue or the validity of the information recited in these documents as we have not acted in a capacity which would enable us to have knowledge adequate to form such an opinion. We have merely reviewed the documents form and they appear to meet the conditions imposed by State law that certain matters be addressed in the documentation.

Sincerely,

007517

Wayne F. Rush
General Counsel

WFR:rwk



The State of South Carolina
OFFICE OF THE ATTORNEY GENERAL

CHARLES MOLONY CONDON
ATTORNEY GENERAL

June 6, 1995

Ms. Donna K. Williams
Assistant Executive Director
State Budget and Control Board
612 Wade Hampton Office Building
Post Office Box 12444
Columbia, South Carolina 29211

Re: State Housing Finance and Development Authority
Not Exceeding \$3,266,300
Multifamily Housing Mortgage Revenue Bonds
United Dominion - Hunting Ridge Apartment Project

Dear Ms. Williams:

Regarding the above-referenced obligation, we have reviewed the Petition and other documents forwarded to us by the State Budget and Control Board. These represent a portion of the documents that have been submitted to the Board for its approval pursuant to Title 31, Chapter 13, Code of Laws of South Carolina 1976, as amended. The documents appear to comply with the requirements of the referenced Code section that certain specific information be addressed in these documents.

This opinion addresses only the fact that the documents appear to meet the conditions imposed by State law that certain specific matters be included in the documentation. No opinion is expressed as to any other matters, including whether the Petition should be approved as a matter of policy.

Office of the Attorney General

By: _____

CHJjr:ypj

007518

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A RESOLUTION **STATE BUDGET & CONTROL BOARD**
**PROVIDING THAT THE SOUTH CAROLINA STATE HOUSING FINANCE AND
DEVELOPMENT AUTHORITY WILL ISSUE, UNDER CERTAIN CIRCUMSTANCES, ITS
NOTES OR BONDS TO FINANCE A MORTGAGE LOAN OF NOT EXCEEDING \$3,266,300.00
FOR UNITED DOMINION REALTY TRUST, INC.
HUNTING RIDGE APARTMENTS**

WHEREAS, the South Carolina State Housing Finance and Development Authority (the "Authority") is authorized and empowered under and pursuant to the provisions of Act Number 76 of 1977, known as the South Carolina State Housing Finance and Development Authority Act of 1977, as amended (the "Act"), to make mortgage loans in such amounts and on such terms and conditions as the Authority shall approve to housing sponsors for residential housing and housing development and to make loans to or purchase securities from mortgage lenders upon such terms and conditions as the Authority shall approve including a requirement that the proceeds thereof be used by such mortgage lenders for the making of mortgage loans for residential housing all for the purpose of providing decent, safe and sanitary residential housing to persons in the beneficiary classes (as defined by the Act); and

WHEREAS, the Authority is authorized and empowered by the Act to make commitments for any programs over which the Authority has jurisdiction; and

WHEREAS, heretofore United Dominion Realty Trust, Inc., (the "Applicant"), a housing sponsor as defined in the Act, sought the assistance of the Authority in an undertaking to provide certain residential property, as defined in the Act, consisting of 152 units of rental residential property located at 300 Sulfer Springs Road, in Greenville County, South Carolina, referred to as Hunting Ridge Apartments (the "Project"), which will be acquired by construction or purchase, through proceeds of assistance offered by the Authority; and

WHEREAS, the Applicant now requests the assistance of the Authority to refinance its outstanding mortgage loan; and

WHEREAS, the Authority desires to formally indicate its present intent to provide such assistance to the Applicant through the proceeds of its notes or bonds pursuant to the Act, subject to the terms and conditions hereof;

NOW, THEREFORE, BE IT RESOLVED by the Authority as follows:

Section 1. Undertakings of Authority. In the event the Applicant meets the requirements set forth herein, the Authority will undertake to issue its notes or bonds under the provisions of the Act in an amount necessary to fund a mortgage loan to the Applicant, either directly, by purchase, or through a mortgage lender, in an amount not exceeding \$3,266,300. Any obligation of the Authority hereunder is subject to (a) the requirement that (i) the Project received such local approval, if any, as is required under the Act, and (ii) the Authority approves the items which may be included in any required charges (rent plus any other mandatory payments by the occupants of the project, and (iii) the notes or bonds of the Authority be approved by the State Budget and Control Board of South Carolina and (b) the right of the Authority, in its sole discretion, to rescind this Resolution and elect not to issue such notes or bonds or fund such mortgage loan at some future date.

Section 2. Obligation of Applicant. If the plan proceeds as contemplated, the Applicant agrees as follows:

(a) to make the Project available for occupancy by persons in the beneficiary classes, as defined in the Act, for such periods and subject to such conditions as the Authority may determine;

(b) to provide such security for any of its obligations or mortgages to the Authority, or of the obligations of any other person to the Authority, as the Authority may, in its sole discretion request, which such security may include federal mortgage insurance of federal agreements to make payments adequate to pay amounts due by the Applicant or such other person;

(c) to enter into a mortgage loan agreement with respect to the Project on such terms and conditions as the Authority may deem necessary or desirable;

(d) to pay all costs and expenses incurred by the Authority, including its reasonable counsel fees, in furtherance of the undertakings of the Authority hereunder, regardless of whether any bonds or notes are issued with respect to the Project;

(e) to provide the Authority with such information and material with respect to the Project, including financial statements and information, reports, tests, surveys, appraisals, plans, specifications, drawings, occupancy rates or rent rolls, studies or feasibility studies, legal opinions, descriptions, and access for inspection of the Project or any other such items as may be required by the Authority; and

(f) to enter into such agreements, execute such documents and provide such proofs or evidence as the Authority may, in its sole discretion, request in connection with its undertakings hereunder.

Section 3. Termination. The Authority or the Applicant may elect not to proceed with the Project or any issue of notes of bonds hereunder. The Authority shall not be obligated hereby to the Applicant or any other person by virtue of the adoption of this Resolution. Neither the Applicant nor any other person shall have any right hereunder and the Authority shall not be liable in any way to the Applicant or such other person for any decision it makes not to proceed hereunder regardless of any action taken by the Applicant or such other person whether known or unknown to the Authority.

Section 4. Extension. This Resolution will expire six (6) months from the date hereof. Prior to its expiration, this Resolution may be extended for a period of six (6) months only upon the request of the Applicant and upon payment to the Authority of a \$500 renewal fee. This Resolution will be extended for only one six (6) month period.

Section 5. Miscellaneous. All orders, and resolutions or any parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This Resolution shall take effect and be of full force and effect from and upon its adoption by the Authority.

Section 6. Official Action. It is the intention of the Authority that this Resolution shall constitute an official action by the Authority evidencing its present intent within the meaning of the applicable regulations of the United States Department of the Treasury relating to the issuance of tax exempt bonds under the Internal Revenue Code of 1986, as amended.

Section 7. Non-Transferable. This Resolution may not be transferred by the Applicant. No attempted assignment or other transfer of this Resolution shall be valid or bonding upon the Authority.

Done in meeting duly assembled this 19th day of July, 1994.

007520

EXHIBIT

JUN 20 1995

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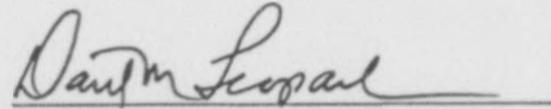
STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

I, the undersigned Secretary of the South Carolina State Housing Finance and Development Authority (the "Authority") **DO HEREBY CERTIFY** that the foregoing is a true, correct, and verbatim copy or a Resolution duly adopted by the Authority at a duly called meeting held on July 19, 1994 at which meeting a quorum was present and acting throughout, which resolution has been compared by me with the original thereof as recorded in the minute book of the Authority, and that said resolution has not been modified, amended or repealed and is in full force and effect on the date hereof in the form attached hereto.

WITNESS MY HAND this 19th day of July, 1994.



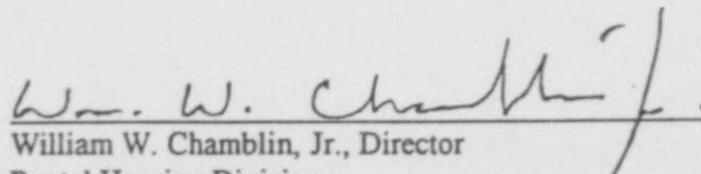
David M. Leopard, Secretary
South Carolina State Housing Finance and
Development Authority

007521

HUNTING RIDGE APARTMENTS

Extension of Inducement Resolution

Extension fee paid as of January 19, 1995. Inducement Resolution extended through July 19, 1995


William W. Chamblin, Jr., Director
Rental Housing Division

007522

General Assembly, under circumstances that limit the right of the bondholders to seek enforcement against the Authority to an assignment of certain collateral and provide indemnification to the Authority. In view of this undertaking, the Authority has determined that it, its credit and its other programs are protected.

4. The Project to be financed by the Bonds will be privately owned by the Housing Sponsor. The Project is subject to full ad valorem taxes.

5. The Authority proposes to issue the Bonds to be known as: South Carolina State Housing Finance and Development Authority Multifamily Housing Mortgage Revenue Bonds (United Dominion - Hunting Ridge Apartments Project), Series 1995, in a principal amount not exceeding \$3,266,300 pursuant to a Loan Agreement between the Authority and the Housing Sponsor.

6. The Authority has found and determined that:

(a) Sufficient persons or families within the Beneficiary Class are unable to pay rent in the amounts at which private enterprise is providing decent, safe and sanitary housing and that though the exercise of powers conferred upon the Authority, decent, safe and sanitary housing will remain available to members of the Beneficiary Class in need therefor.

(b) In order to provide the moneys necessary to acquire the Project, the Bonds must be issued as provided in the Agreement.

(c) The Board has heretofore granted a tentative allocation of the 1995 Private Activity Bond Cap for the Project.

7. The Authority will adopt a final resolution or resolutions authorizing the issuance and sale of a specific principal amount of Bonds and establishing the definitive terms thereof, including those revenues and assets to be pledged to the payment of the Bonds. The Authority will take all steps necessary to comply with the requirements of Section 103 and 141-150 of the Internal Revenue Code of 1986, as amended, relating to the issuance of the Bonds.

8. Interest on the Bonds shall be determined as set forth in the Agreement at rates not to exceed 8% per annum.

9. The bonds shall be special obligations of the Authority secured by and payable solely from the moneys, income and receipts of the Authority pledged under the Agreement with respect thereto.

10. Attached to this Petition is a schedule showing the annual debt service requirements on all outstanding bonds and notes of the Authority and the amount and source of revenues available for the payment of such debt service requirements.

EXHIBIT

JUN 20 1995

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11. The Authority shall appoint a Trustee, Registrar and Paying Agent in connection with the issuance of the Bonds with the approval of the State Treasurer. STATE BUDGET & CONTROL BOARD

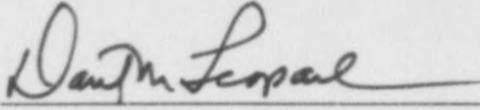
The Agreement and the Bonds are coordinated so that so long as the Bonds are outstanding, the Authority is assured that its revenues and receipts under the Agreement will be sufficient to pay the debt service of the Bonds and is further assured that it shall avoid any default with respect to the Bonds by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the Bonds.

The Authority will produce any further information with respect to the Bonds required by the Board.

WHEREFORE, on the basis of the foregoing the Authority prays approval by the Board as outlined herein to the issuance and sale of the Bonds in a principal amount not exceeding \$3,266,300 to defray the cost of the Project and the cost and expenses of the Authority in issuing the Bonds for the purposes any upon the terms and conditions herein described.

Respectfully submitted,

THE SOUTH CAROLINA STATE HOUSING
FINANCE AND DEVELOPMENT AUTHORITY

By: 
Executive Director

007525

S. C. STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY
Consolidated Statement for all Multifamily Bonds
Summary of Estimated Revenue and Debt Service

Calendar Year Beginning	Estimated Revenue	Total Debt Service Due
Jan. 1, 1995	\$3,640,555	\$2,835,251
Jan. 1, 1996	3,640,555	2,839,527
Jan. 1, 1997	3,640,555	2,579,710
Jan. 1, 1998	3,640,555	2,312,905
Jan. 1, 1999	3,640,555	2,317,801
Jan. 1, 2000	3,640,555	2,325,323
Jan. 1, 2001	3,640,555	2,324,137
Jan. 1, 2002	3,640,555	2,319,167
Jan. 1, 2003	3,640,555	2,317,063
Jan. 1, 2004	3,640,555	2,321,884
Jan. 1, 2005	3,640,555	2,323,803
Jan. 1, 2006	3,640,555	2,321,923
Jan. 1, 2007	3,640,555	2,331,543
Jan. 1, 2008	3,640,555	2,331,768
Jan. 1, 2009	3,640,555	2,332,898
Jan. 1, 2010	3,640,555	2,324,499
Jan. 1, 2011	3,640,555	2,331,876
Jan. 1, 2012	3,640,555	2,338,194
Jan. 1, 2013	3,640,555	2,338,092
Jan. 1, 2014	3,640,555	2,341,620
Jan. 1, 2015	3,640,555	2,343,692
Jan. 1, 2016	3,547,710	2,178,235
Jan. 1, 2017	3,254,864	1,977,453
Jan. 1, 2018	3,254,864	1,984,919
Jan. 1, 2019	3,254,864	1,985,010
Jan. 1, 2020	3,254,864	1,987,722
Jan. 1, 2021	3,254,864	1,982,116
Jan. 1, 2022	3,138,524	1,986,544
Jan. 1, 2023	2,774,762	1,985,004
Jan. 1, 2024	1,493,535	1,988,104
Jan. 1, 2025	1,493,535	391,650
	-----	-----
	\$105,174,032	\$68,599,433
	=====	=====

Note: Any revenue remaining in the Authority's 1992A&B series after paying debt service each year must be shared equally by the Authority and the U. S. Department of Housing and Urban Development. The excess portion received by the Authority must be used for housing programs for low income citizens of the state. Expenditures from the excess made by the Authority must be pre-approved by HUD.

007526

SOUTH CAROLINA STATE HOUSING FINANCE & DEVELOPMENT AUTHORITY
 Consolidated Statement for all Single Family Mortgage Purchase Bonds
Summary of Estimated Revenue and Debt Service

Calendar Year Beginning	Estimated Revenue	Total Debt Service Due
JAN. 1, 1995	\$42,798,735	\$41,121,272
JAN. 1, 1996	43,166,058	42,302,359
JAN. 1, 1997	43,970,253	42,375,380
JAN. 1, 1998	44,881,213	42,121,449
JAN. 1, 1999	45,786,017	42,794,088
JAN. 1, 2000	45,744,544	44,519,278
JAN. 1, 2001	43,690,618	43,867,667
JAN. 1, 2002	43,631,668	42,975,596
JAN. 1, 2003	43,535,864	42,095,215
JAN. 1, 2004	43,364,901	41,113,622
JAN. 1, 2005	43,119,365	40,112,856
JAN. 1, 2006	42,743,538	39,057,532
JAN. 1, 2007	42,374,153	38,004,466
JAN. 1, 2008	43,053,876	39,524,671
JAN. 1, 2009	41,456,584	43,394,867
JAN. 1, 2010	35,654,164	40,032,073
JAN. 1, 2011	33,823,599	34,411,468
JAN. 1, 2012	27,712,131	24,801,278
JAN. 1, 2013	27,462,446	24,906,261
JAN. 1, 2014	26,007,549	24,977,041
JAN. 1, 2015	26,095,943	25,489,621
JAN. 1, 2016	22,872,924	24,388,778
JAN. 1, 2017	20,794,928	19,973,244
JAN. 1, 2018	20,243,711	20,776,750
JAN. 1, 2019	18,487,730	18,996,026
JAN. 1, 2020	15,372,043	15,123,263
JAN. 1, 2021	10,972,676	15,207,026
JAN. 1, 2022	7,770,185	13,016,257
JAN. 1, 2023	5,569,631	5,765,360
JAN. 1, 2024	5,401,550	5,009,003
JAN. 1, 2025	5,410,759	5,008,758
JAN. 1, 2026	4,999,050	5,011,442
JAN. 1, 2027	2,897,733	2,730,535
JAN. 1, 2028	2,897,733	2,733,865
JAN. 1, 2029	2,897,733	2,731,135
JAN. 1, 2030	2,897,733	2,731,950
JAN. 1, 2031	2,897,733	2,730,125
JAN. 1, 2032	2,897,733	2,729,870
JAN. 1, 2033	1,897,733	2,629,935
	<u>\$987,252,537</u>	<u>\$967,291,380</u>
	=====	=====

Note: Revenue assumes that the mortgages are held for the full thirty years. Industry experience indicates an average life of seven to twelve years. As mortgages are paid off early, their funds may be recycled into new mortgages or used to redeem bonds.

007527

A RESOLUTION MAKING PROVISION FOR THE ISSUANCE OF NOT EXCEEDING \$3,266,300 AGGREGATE PRINCIPAL AMOUNT OF MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS (UNITED DOMINION - HUNTING RIDGE APARTMENTS PROJECT) SERIES 1995, OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY AND OTHER MATTERS RELATED THERETO.

WHEREAS, the South Carolina State Housing Finance and Development Authority Act of 1977, Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977, as amended, (the "Act"), provides that the South Carolina State Housing Finance and Development Authority (the "Authority"), upon making a determination that sufficient persons or families of either beneficiary class (as defined by the Act) (the "Beneficiary Classes") are unable to pay the amounts at which private enterprise is providing decent, safe and sanitary housing, that through the exercise of one or more of the programs authorized by the Act, decent, safe and sanitary housing would become available to members of the Beneficiary Classes in need therefor, and that a series of bonds or notes must be sold in order to alleviate the lack of decent, safe and sanitary housing available to members of the Beneficiary Classes; and

WHEREAS, upon making such determination and upon the approval of the State Budget and Control Board (the "Board"), the Authority may issue from time to time notes and bonds for the purpose of obtaining funds with which to make (1) construction and/or rehabilitation loans secured by mortgages of housing sponsors; and (2) permanent mortgage loans to housing sponsors who agree to and shall be required to provide construction and/or rehabilitation of residential housing for rental by persons or families of either beneficiary class as defined by the Act, provided, however, with respect to any particular issue of notes or bonds one of the following conditions must be met: (a) if there is a public distribution of the notes or bonds, the issue must be rated by one or more of the national rating agencies and one or more of the following conditions must be met: (i) that there is in effect a federal program providing assistance in the payment of such loans made by the Authority; (ii) the proceeds must be used to acquire either federally insured mortgages or a mortgage insured by a private mortgage insurance company authorized to do business in the State of South Carolina; (iii) the payment of the notes or bonds to the purchasers of them must be assured by the maintenance of adequate reserves or insurance or a guaranty from a responsible entity which has been determined to be sufficient by the Authority; or (b) if the notes or bonds are sold or placed either as "mortgage bonds sold as a unit" or in "transactions with banks, institutional buyers, etc." as provided in Section 35-1-320(5) and (8) of the Code of Laws of South Carolina, 1976, as amended, the documents pursuant to which the notes or bonds are issued must permit the Authority to avoid any default by it by completing an assignment of, or foregoing its rights with respect to, any collateral or security pledged to secure the notes or bonds; and

EXHIBIT

JUN 20 1995

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WHEREAS, United Dominion Realty Trust, Inc. (the "Sponsor") has requested the Authority to assist it in an undertaking to provide certain residential property as defined in the Act consisting of 152 units of residential property located in Greenville County, South Carolina (the "Project") through the issuance of its bonds to be known as South Carolina State Housing Finance and Development Authority Multifamily Housing Mortgage Revenue Bonds (United Dominion - Hunting Ridge Apartments Project) in an aggregate principal amount not exceeding \$3,266,300;

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY IN MEETING DULY ASSEMBLED:

Section 1. Adoption of Premises. Each statement of fact set forth in the preamble hereto has been carefully examined and found to be in all respects true and correct.

Section 2. Undertakings of Authority. In the event the Sponsor meets the requirements set forth herein and in order to provide the monies required to finance the mortgage loan, to establish the necessary reserve funds and to pay the costs and expenses of the Authority in connection therewith, the Authority will undertake to issue a series of bonds to be designated as "South Carolina State Housing Finance and Development Authority Multifamily Housing Mortgage Revenue Bonds (United Dominion - Hunting Ridge Apartments Project) Series 1995 in an aggregate principal amount not exceeding \$3,266,300."

Any obligation of the Authority hereunder is subject to (a) the requirements that (i) the Project shall have received such local approval, if any, as is required under the Act, and (ii) the Authority approve the items which may be included in any required charges (rent plus any other mandatory payments) to occupants of the Project, and (iii) the Bonds be approved by the South Carolina State Budget and Control Board and (b) the right of the Authority in its sole discretion, to rescind this resolution and to elect not to issue such Bonds at some future date.

Section 3. Obligation of Sponsor. If the plan proceeds as contemplated, the Sponsor agrees as follows:

(a) to make its Project available for occupancy by persons in the Beneficiary Classes for such period and subject to such conditions as the Authority may determine;

(b) to provide such security for any of its obligations or mortgages to the Authority, or of the obligations of any other person to the Authority, as the Authority may, in its sole discretion request which such security may include federal mortgage insurance or federal agreements to make payments adequate to pay amounts due by such Sponsor or such other person;

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(c) to enter into a mortgage loan agreement with respect to its Project or amendments to its existing mortgage loan documents with respect to its Project on such terms and conditions as the Authority may deem necessary or desirable;

(d) to pay all costs and expenses incurred by the Authority, including its reasonable counsel fees, in furtherance of the undertakings of the Authority hereunder, regardless of whether any bonds or notes are issued with respect to its Project;

(e) to provide the Authority with such information and material with respect to its Project, including financial statements and information, reports, tests, surveys, appraisals, plans, specifications, drawings, occupancy rates or rent rolls, studies or feasibility studies, legal opinions, descriptions, and access for inspection of its Project or any other such items as may be requested by the Authority; and

(f) to enter into such agreements, execute such documents and provide such proofs or evidence as the Authority may, in its sole discretion, request in connection with its undertakings hereunder.

Section 4. Termination. The Authority or the Sponsor may elect not to proceed with the financing. The Authority shall not be obligated hereby to the Sponsor or any other person by virtue of the adoption of this resolution. Neither the Sponsor nor any other person shall have any rights hereunder and the Authority shall not be liable in any way to the Sponsor or any other person for any decision it makes not to proceed hereunder regardless of any action taken by the Sponsor or such other person whether known or unknown to the Authority.

Section 5. Sale of Bonds; Purchase Contract. The Chairman and the Executive Director of the Authority are hereby authorized to sell any or all series of the Bonds to Wheat First Butcher Singer and A.G. Edwards & Sons, Inc., as co-managers (together, the "Underwriter") pursuant to the terms and conditions of a Purchase Contract in substantially the form heretofore employed by the Authority in connection with the sale of its bonds. The authority hereby conferred may be exercised as long as the interest rate of the Bonds does not exceed eight percent (8%) per annum and the Bonds are either (i) rated in one of the three highest rating categories (without regard to subcategories) by either Moody's Investors Services, Inc. or Standard & Poor's Ratings Group, or (ii) sold in a limited institutional offering under the terms of Section 31-13-200(1)(b)(ii)(b) of the Act. The purchase price of the Bonds shall be determined by the Chairman and the Executive Director but in no event shall be less than 97.5% of par plus accrued interest on the Bonds from their date to the date of delivery thereof. The Chairman and the Executive Director shall ensure that the arrangements for the sale of the Bonds comply with the Authority's general policy regarding distribution of bonds and availability to residents of South Carolina and with the terms and conditions stated herein.

Section 6. Mortgage Loans; No Waiver of Existing Rights of Authority. The Chairman and the Executive Director of the Authority are hereby authorized to execute a Loan Agreement, An Indenture of Trust, an Agreement as to Restrictive Covenants and any other necessary

agreements in substantially the forms employed previously for the purchase of mortgage loans or such as may be appropriate at such time as they deem desirable at or before the delivery of the Bonds. The Executive Director is hereby authorized to alter any terms in such agreements to the extent necessary or desirable so long as such modification does not significantly alter the obligations of the Authority thereunder.

Notwithstanding anything herein to the contrary, nothing in this resolution shall be construed as a waiver of any default under any existing mortgage loan or a modification of any rights of the Authority, and no such waiver or modification shall be effected except by the express written agreement of the Authority delivered subsequent to the date hereof.

Section 7. Preliminary and Final Official Statements. There is hereby authorized the distribution of preliminary and final official statements in connection with the sale of the Bonds. Said official statements shall be in substantially the form heretofore used in connection with the distribution of the Authority's multifamily housing revenue bonds and such changes, additions, deletions or modifications as are consistent with the details of the Bonds or as are recommended by the Underwriter and accepted by bond counsel and the staff of the Authority. The Chairman and the Executive Director of the Authority are hereby authorized and directed to take such action as they deem appropriate or as is required of either of them in connection with the distribution of preliminary or final official statements.

Section 8. Petition to State Budget and Control Board. The Chairman and the Executive Director of the Authority are authorized and directed to prepare and present to the State Budget and Control Board the request prescribed by Section 6 of the Act which shall, among other things, set forth the pertinent terms and provisions relating to the Bonds, determined as provided in this Resolution, and the outstanding bonds and notes of the Authority.

Section 9. Designation of Fiduciaries. The Chairman and the Executive Director are hereby authorized and directed to designate the Trustee and any paying agent and registrar under the Indenture of Trust to be entered into with respect to the Bonds.

Section 10. General Authority. The Commissioners of the Authority and its appropriate officers, attorneys, agents and employees are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all the terms, covenants and purposes contained in the Bonds and this Resolution, and each such Commissioner, officer, attorney and employee is hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated thereby.

Section 11. Miscellaneous. All orders and resolutions or any parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This resolution shall take effect and be in full force from and upon its adoption by the Authority.

Section 12. Non-Transferable. This resolution may not be transferred by the Sponsor. No attempted sale or other transfer of this resolution shall be valid or binding upon the Authority.

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STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

I, the undersigned Secretary of the South Carolina State Housing Finance and Development Authority (the "Authority") do hereby certify that I am the duly qualified and acting Secretary to the Authority and as such further certify that attached hereto is a true and correct copy of the Resolution adopted by the Board of Commissioners of the Authority at a meeting duly called and held on the 6th day of June, 1995, at which meeting a quorum was present and acting throughout, and that said Resolution has not been modified, amended or repealed and is in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Authority this 6 day of June, 1995.

SOUTH CAROLINA STATE HOUSING FINANCE
AND DEVELOPMENT AUTHORITY

By: *Dan M. Lepaul*
Secretary

007533

June 22, 1995

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DRAFT

South Carolina State Housing
Finance and Development Authority
919 Bluff Road
Columbia, South Carolina 29201

Re: \$3,266,300 South Carolina State Housing Finance and Development Authority
Multifamily Housing Mortgage Revenue Bonds (United Dominion - Hunting Ridge
Apartments Project) Series 1995

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the authorization, issuance and sale by the South Carolina State Housing Finance and Development Authority (the "Issuer") of its Multifamily Housing Mortgage Revenue Bonds (United Dominion - Hunting Ridge Apartments Project) Series 1995 (the "Bonds"), in the aggregate principal amount of \$3,266,300, originally dated June 1, 1995. The Bonds are being issued to provide a portion of the funds necessary to permit United Dominion Realty Trust, Inc., a Virginia Corporation (the "Trust") to acquire and rehabilitate a multifamily residential rental project in Greenville County, South Carolina (the "Project") pursuant to a Loan Agreement dated as of June 1, 1995 between the Issuer and the Trust (the "Loan Agreement"). Capitalized terms not otherwise defined herein are used with the meanings ascribed thereto in an Indenture of Trust (the "Indenture") dated as of June 1, 1995 between the Issuer and Crestar Bank, as Trustee and in its other capacities thereunder (the "Trustee").

Certain agreements between the Issuer and the Trust (or its successors) include covenants (the "Tax Covenants") with respect to operating the Project as a "qualified residential rental project" within the meaning of Section 142 (d) of the Internal Revenue Code of 1986, as amended (the "Code"). Failure by the Issuer or the Trust to comply with such covenants could cause interest on the Bonds to be included in gross income for Federal income tax purposes retroactively to

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EXHIBIT

JUN 20 1995

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South Carolina State Housing Finance
and Development Authority
June 22, 1995
Page 2

STATE BUDGET & CONTROL BOARD

their date of issuance. We assume no responsibility for and will not monitor compliance with such covenants.

The Bonds are subject to redemption prior to maturity at the time, in the manner and upon the terms provided in the Bonds and in the Indenture.

The Bonds constitute a limited obligation of the Issuer, and the principal of and interest on the Bonds are payable solely from revenues of the Issuer derived and to be derived from the Project and pursuant to the Indenture. The Bonds do not now and shall never constitute an indebtedness of the State of South Carolina or any political subdivision thereof, including the Issuer, within the meaning of any State of South Carolina constitutional provision or statutory limitation and shall not constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing power.

The Bonds shall mature and bear interest as provided in the Indenture.

In connection with the issuance of the Bonds, we have examined (a) a copy of the Bond Resolution providing for the issuance of the Bonds, adopted by the Board of Commissioners of the Issuer on June 6, 1995 (the "Resolution") pursuant to and under the provisions of Act No. 76 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1977, as amended (the "Act"); (b) the form of the Bonds; (c) copies of the Indenture, the Loan Agreement and the Restrictive Covenants; and (d) other opinions, documents, certificates and letters we consider necessary in rendering this opinion.

From such examination, assuming the authenticity of the documents we have examined, the genuineness of the signatures thereon and the accuracy of the facts stated therein, on the basis of laws, regulations, rulings and decisions enacted, promulgated or rendered and in effect on the date hereof, it is our opinion that:

1. The Issuer is a public body corporate and politic and an agency of the State of South Carolina. Pursuant to the Act, the Issuer is empowered to issue the Bonds for the purpose of financing the cost of the Project, and to pledge the payments to be received pursuant to, and certain of its interests in, the Loan Agreement as security for the payment of the principal of, premium, if any, and interest on the Bonds.

2. The Issuer has complied with all applicable provisions of the Constitution and laws of the State of South Carolina now in force, including the Act, and has full power and authority to execute and deliver the Bond Purchase Agreement dated June 15, 1995 (the "Bond Purchase

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Agreement") between the Issuer and Wheat First Butcher Singer on behalf of itself and A.G. Edwards & Sons, Inc. (the "Underwriters"), the Bonds, the Loan Agreement, the Indenture, and the Restrictive Covenants (the "Issuer Documents") and to carry out the terms thereof.

3. The Issuer Documents have been duly executed and delivered by the Issuer, are in full force and effect and are valid and binding upon the Issuer and enforceable in accordance with their respective terms, except to the extent that the enforceability (but not the validity) thereof may be limited by any applicable bankruptcy, insolvency or other law or enactment now or hereafter enacted by the State or Federal government affecting the enforcement of creditors' rights and except that equitable remedies lie in the discretion of a court and may not be available.

4. The Bonds have been duly and validly authorized, executed and delivered by the Issuer and are valid and binding special obligations of the Issuer in accordance with their terms and the terms of the Indenture, equally and ratably secured by and entitled to the benefits provided by the Indenture, and are not a general obligation or indebtedness of the Issuer within the meaning of any constitutional or statutory limitation, and do not constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit, but are payable solely from revenues pledged and assigned to the payment thereof, secured by the provisions of the Indenture and the Loan Agreement and provided that the enforceability (but not the validity) of the Bonds may be limited by any applicable bankruptcy, insolvency or other law or enactment now or hereafter enacted by the State or Federal government affecting the enforcement of creditors' rights and provided further that equitable remedies lie in the discretion of a court and may not be available.

5. The interests of the Issuer in the Loan Agreement, including amounts payable thereunder to the Issuer by the Trust (except for rights to indemnification and to certain payments of costs, expenses and other amounts as set forth in the Indenture), have been duly pledged and assigned to the Trustee and a security interest therein granted by the Indenture.

6. Subject to the qualifications stated below, under the law existing as of the date of delivery of the Bonds and assuming continuous compliance by the Trust with the provisions of the Restrictive Covenants (disregarding, however, general covenants to take all action necessary, or to amend the Restrictive Covenants as may be necessary, in order to maintain the exemption of interest on the Bonds from Federal income taxation), the interest on the Bonds is exempt from inclusion in gross income for Federal income tax purposes; provided, however, that such Federal exemption shall not apply with respect to any Bond for any period during which it may be held by a "substantial user" of the Project or a "related person" thereto (as those terms are defined

EXHIBIT

JUN 20 1995

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STATE BUDGET & CONTROL BOARD

South Carolina State Housing Finance
and Development Authority
June 22, 1995
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in Section 147(a) of the Code); further provided that pursuant to the Code, interest on the Bonds will be an item of tax preference for purposes of the Federal alternative minimum income tax imposed on individuals and corporations. We express no other opinion regarding the tax consequences of the ownership of or the receipt or accrual of interest on the Bonds.

7. Under existing law, the interest on the Bonds is exempt from South Carolina income taxes. It should be noted, however, that Section 12-11-20, Code of Laws of South Carolina, 1976, as amended, imposes upon every bank engaged in business in the State a fee or franchise tax computed on the entire net income of such bank which includes interest paid on the Bonds.

8. The Bonds are exempt from registration under the Securities Act of 1933 and the Indenture is not required to be qualified under the Trust Indenture Act of 1939.

In rendering this opinion, we have relied upon representations made by the Trust as to the application of the proceeds of the Bonds and other matters relating to the exemption of the interest on the Bonds from Federal income taxation. This opinion is not to be construed as an opinion as to the business or financial resources of the Trust or its ability to provide for payment of the Bonds.

Very truly yours,

McNAIR & SANFORD, P.A.

By: _____
M. William Youngblood

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EXHIBIT

STATE OF SOUTH CAROLINA
State Budget and Control Board STATE BUDGET & CONTROL BOARD
OFFICE OF THE EXECUTIVE DIRECTOR

JUN 20 1995

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DAVID M. BEASLEY, CHAIRMAN
GOVERNOR

RICHARD A. ECKSTROM
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



P.O. BOX 12444
COLUMBIA, SOUTH CAROLINA 29211
(803) 734-2320

May 24, 1995

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

HENRY E. BROWN, JR.
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

MEMORANDUM

TO: C. H. Jones, Jr.; Wayne Rush
FROM: Donna Kaminer Williams *DKW*
SUBJECT: Review of Revenue Bond Proposal

Enclosed is the following proposal for the issuance of bonds which has been submitted for the June 13, 1995, Budget and Control Board agenda:

State Housing Finance and Development Authority
\$3,266,300 Multifamily Housing Mortgage Revenue Bonds
United Dominion - Hunting Ridge Apartment project

For this proposal to be included on the June 13 agenda, I must have the written results of your review before 9:30 a.m. on Tuesday, June 6, 1995.

DKW/laf
Enclosure

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EXHIBIT

MAY 26 1995

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7 2 of 5

TRANSMITTAL FORM, REVENUE BONDS

STATE BUDGET & CONTROL BOARD
DATE: May 26, 1995

TO: Donna Kaminer Williams, Board Secretary
State Budget and Control Board
601 Wade Hampton Building
Columbia, SC 29201

Submitted for BCB Meeting on:
June 13, 1995

OR P.O. Box 12444, Columbia, SC 29211

FROM:

RE:

McNAIR & SANFORD, P.A.

N/E \$6,000,000

Name of Law Firm

Amount of Issue

Suite 601, NationsBank Plaza

S.C. Jobs-Economic Development

Street Address/Box Number

Name of Issuing Authority

Greenville, SC 29601

Economic Development Revenue

City, State, Zip Code

Type of Bonds or Notes

(803) 271-4940

October 1995

Area Code/Telephone Number

Projected Issue Date

Project Name: Orders Realty Co., Inc. Project

Project Description: manufacture of mattresses, box springs, foundations, sofas, loveseats, sofa sleepers, ottomans, chairs, and various other upholstered furniture products

Employment as a result of the project: app. 20 within 12 mos. & 30 within 24 mos.

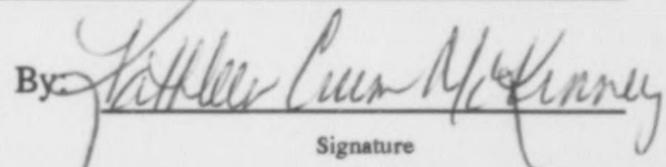
Ceiling Allocation Required	Refunding Involved	Project Approved Previously
X Yes (\$ 6,000,000) No	Yes (\$) X No	Yes (\$) X No
Amount	Amount	Amount

Documents enclosed (executed original and two copies of each):
(ALL documents required for state law approval; A and C only for ceiling allocation only.)

- A. Petition
- B. Resolution or Ordinance
- C. Inducement Resolution or comparable preliminary approval
- D. Department of Health and Environmental Control Certificate if required
- E. Budget and Control Board Resolution and Public Notice (original)
Plus 5 copies for certification and return to bond counsel
- F. Draft bond counsel opinion letter 007539
- G. Processing Fee N/A

Amount: \$ _____ Check No: _____
Payor: _____

Bond Counsel: Kathleen Crum McKinney, Esq.

By: 

Typed Name of Bond Counsel

Signature

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EXHIBIT

JUN 20 1995

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STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

STATE BUDGET & CONTROL BOARD
Orders Realty Co., Inc.

I, DONNA KAMINER WILLIAMS, SECRETARY to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

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

His Excellency, David M. Beasley, Governor and Chairman of the Board;
The Honorable Richard A. Eckstrom, State Treasurer;
The Honorable Earle E. Morris, Jr., Comptroller General;
The Honorable John Drummond, Chairman of the Senate Finance Committee; and
The Honorable Henry E. Brown, Jr., Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 a.m. on Tuesday, June 20, 1995, was given to all members in writing at least four days prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, in the lobby of the Wade Hampton Office Building, and near the Board Secretary's Office on the Sixth Floor of the Wade Hampton Office Building at 4:00 p.m. on Friday, June 16, 1995.

That all members of the Board were present at the meeting.

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

FOR MOTION

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AGAINST MOTION

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

June 20, 1995

Donna Kaminer Williams

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A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$6,000,000 AGGREGATE PRINCIPAL AMOUNT ECONOMIC DEVELOPMENT REVENUE BONDS (ORDERS REALTY CO., INC. PROJECT) SERIES 1995, PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "Act"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (Orders Realty Co., Inc. Project) Series 1995, in the aggregate principal amount of not exceeding \$6,000,000 (the "Bonds"); and

WHEREAS, the Issuer proposes to issue the Bonds for the purpose of defraying the cost of acquiring, by construction and purchase, a building or buildings, other improvements, and certain machinery, apparatus, equipment, office facilities and furnishings (the "Project") to be used for the purpose of manufacturing mattresses, box springs, foundations, sofas, loveseats, sofa sleepers, ottomans, chairs, and various other upholstered furniture products; and

WHEREAS, the Project is to be made available to Orders Realty Co., Inc., a South Carolina corporation (the "Borrower"), upon terms which require the Borrower to make payments to or for the account of the Issuer in amounts sufficient to pay the principal and interest on the Bonds and which secure the obligation of the Borrower by a mortgage and security interest in the Project; and

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that: the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to defray the cost of acquiring the Project, to make the Project available to the Borrower, to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Bonds, secured by an assignment of the revenues to be derived from the Loan Agreement, and a mortgage and security interest in the Project, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the Issuer so long

as such changes do not impose a pecuniary liability upon the Issuer or its general credit or taxing power, are approved by the Board of Directors of the Issuer and the Borrower, and do not make inaccurate, except as to dates and amounts, the summaries of the Loan Agreement and the Indenture of Trust and the description of the Project.

Section 3. This Resolution shall take effect immediately.

GRVL:37998

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STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF GENERAL SERVICES



DAVID M. BEASLEY, CHAIRMAN
GOVERNOR

RICHARD A. ECKSTROM
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

HENRY E. BROWN, JR.
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

HELEN T. ZEIGLER
DIRECTOR

PROPERTY MANAGEMENT
1201 MAIN STREET, SUITE 410
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-0790
FAX 737-0689

ALTON T. LOFTIS, Ph.D.
ASSISTANT DIRECTOR

June 5, 1995

The Honorable Donna K. Williams, Secretary
S.C. Budget and Control Board
601 Wade Hampton Office Building
Columbia, South Carolina 29201

RE: Jobs-Economic Development Authority
N/E \$6,000,000 Economic Development Revenue Bonds
Orders Realty Co., Inc. Project

Dear Mrs. Williams:

We have received the Revenue Bonds Transmittal form and other items regarding the referenced proposed bonds.

These documents have been submitted by Bond Counsel, McNair and Sanford, P.A. and upon review of the Petition to the Budget and Control Board, the proposed Resolution of the Budget and Control Board and the draft of the Opinion of Bond Counsel appear to be in good order. Of course, we express no opinion as to the merits of the bond issue or the validity of the information recited in these documents as we have not acted in a capacity which would enable us to have knowledge adequate to form such an opinion. We have merely reviewed the documents form and they appear to meet the conditions imposed by State law that certain matters be addressed in the documentation.

Sincerely,

A handwritten signature in cursive script that reads "Wayne F. Rush".

Wayne F. Rush
General Counsel

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WFR:rwk



The State of South Carolina
OFFICE OF THE ATTORNEY GENERAL

CHARLES MOLONY CONDON
ATTORNEY GENERAL

May 31, 1995

Donna Williams
Secretary to the Board
State Budget and Control Board
612 Wade Hampton Office Building
Post Office Box 12444
Columbia, South Carolina 29211

Re: Jobs-Economic Development Authority
Not Exceeding \$6,000,000 Economic Development Revenue Bonds
Orders Realty Co., Inc. project

Dear Ms. Williams:

This Office has received the letter you have forwarded to us regarding the Orders Realty Co., Inc. project.

Please be advised that to the knowledge of this Office there is no known litigation of any nature, now pending or threatened, that would restrain or enjoin the issuance and delivery of the Bonds, nor in any manner question the proceedings and authority under which the same is made or affect the validity of the Bonds thereunder.

No opinion is expressed as to any matters other than as set forth herein. Specifically no opinion is expressed as to any business judgment decisions in relation to this transaction.

Office of the Attorney General

By: _____

CHJjr:ypj

F:\DEPTS\CIVIL\AGENLIT\CORRESP\JEDA.BON

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EXHIBIT

JUN 20 1995

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5. The Bonds will be placed by a financial institution acceptable to the Authority through a private placement, which arrangement the Authority has determined to be most advantageous.

6. Pursuant to Section 41-43-150 of the Act, the Authority has made the requisite findings that:

(a) The Borrower is engaged in the business of manufacturing mattresses, box springs, foundations, sofas, loveseats, sofa sleepers, ottomans, chairs and various other upholstered furniture products for resale to retail furniture customers and hotels, motels and other contract users, and the Project is located in Greenville County, South Carolina.

(b) The Project constitutes a "business enterprise" as said term is referred to in Section 41-43-160 of the Act, and the issuance of the Bonds in the aggregate principal amount of not exceeding \$6,000,000 to finance the Project will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(c) It is anticipated that the Project will benefit the general public welfare of the State of South Carolina, and Greenville County in particular, by maintaining employment for 170 people and by providing additional employment for approximately 20 people within 12 months and 30 people within 24 months from Greenville County and adjacent areas, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally, and the number of jobs resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(d) The size and scope of the Project is such that a definite benefit to the economy of the State of South Carolina, and Greenville County in particular, is reasonably expected to result therefrom.

Prior to issuance of the Bonds, the Authority will, as part of its proceedings:

(a) Require a resolution from the governing body of Greenville County containing the following findings: (1) that the Project will subserve the purposes of the Act; (2) that the Project is anticipated to benefit the general public welfare of Greenville County by providing services, employment, or other public benefits not otherwise provided locally; (3) that the Project will give rise to no pecuniary liability of Greenville County or a charge against its general credit or taxing power; and (4) the amount of bonds required to finance the Project;

(b) Hold a public hearing in Greenville County in connection with such resolution;

(c) Make findings that the terms of the agreements to be entered into in connection with the Project are reasonable and proper as to the adequacy of protection for the public interest provided by such terms;

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(d) Negotiate the terms of such agreements to the extent necessary to conclude that neither the Project, the Bonds proposed to be issued by the Authority to defray the cost of financing the Project, nor any documents or agreements entered into by the Authority in connection therewith will constitute or give rise to a pecuniary liability of the Authority or the State of South Carolina or a charge against the general credit or taxing power of either, and only program funds (as defined in the Act) will be made available to finance the cost of the Project;

(e) Undertake such investigation as is necessary to conclude that the Borrower is a corporation with established credit and is a responsible party; and

(f) Undertake such investigation as is necessary to conclude that the issuance of the Bonds by the Authority in the final principal amount requested by the Borrower will be required to defray the cost of financing the Project, and such principal amount bears a reasonable relationship to the amount of private funds also committed to the Project.

Upon the basis of the foregoing, the Authority respectfully prays that the State Budget and Control Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such investigation as it deems advisable, and (iii) allocate to the Bonds such portion of the state ceiling for 1995 as established by the Tax Reform Act of 1986 and the Internal Revenue Code of 1986, as amended, as is necessary for the issuance of the Bonds.

Respectfully submitted,

SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY

By: Charz Applegate
Chairman, Board of Directors

ATTEST:

Elliott E. Franks, III
Elliott E. Franks, III,
Executive Director

Dated: May 18, 1994.

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EXHIBIT

JUN 20 1995

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A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT BY AND BETWEEN THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY AND ORDERS REALTY CO., INC., WHEREBY UNDER CERTAIN CONDITIONS THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY WILL ISSUE APPROXIMATELY \$6,000,000 OF ITS ECONOMIC DEVELOPMENT REVENUE BONDS OR NOTES PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED, AND AUTHORIZING THE APPLICATION UPON CERTAIN CONDITIONS TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE OF SUCH BONDS.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority"), acting by and through its Board of Directors is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43, of the Code of Laws of South Carolina 1976, as amended (the "Act"), to utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to business enterprises which meet the eligibility requirements of Section 41-43-150 of the Act and for other purposes described in Section 41-43-160 of the Act and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State of South Carolina and in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State of South Carolina; and

WHEREAS, the Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds, as defined in the Act to include notes, payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues in order to provide funds for any program authorized by the Act; and

WHEREAS, Orders Realty Co., Inc., a South Carolina corporation (the "Borrower"), has applied to the Authority to issue approximately \$6,000,000 of its economic development revenue bonds or notes in order to defray the cost of acquiring by construction or purchase certain land, a building or buildings and other improvements thereon, and certain machinery, apparatus, equipment, office facilities and furnishings to be installed therein for the manufacture of mattresses, box springs, foundations, sofas, loveseats, sofa sleepers, ottomans, chairs, and various other upholstered furniture products (the "Project") to be located in Greenville County, South Carolina, and the Authority wishes to induce the Borrower to acquire and construct the Project within the State of South Carolina; and

WHEREAS, it is in the public interest, for the public benefit and in furtherance of the public purposes of the Authority that its Board of Directors provide preliminary approval of the issuance of economic development revenue bonds for the aforesaid purposes; and

WHEREAS, it is deemed advisable by the Authority to file with the State Budget and Control Board of South Carolina, in compliance with Section 41-43-110 of the Act, the Petition of the Authority requesting approval by the State Budget and Control Board for the issuance of the notes or bonds at public or private sale upon receipt by the Authority from the Borrower of evidence satisfactory to the Authority of the economic feasibility of the Project;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

Section 1. It is hereby found, determined, and declared as follows:

(a) The Borrower is a responsible party engaged in the manufacture of mattresses, box springs, foundations, sofas, loveseats, sofa sleepers, ottomans, chairs, and various other upholstered furniture products for resale to retail furniture customers and hotels, motels and other contract users. The Project is to be located in Greenville County, South Carolina.

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of its economic development revenue bonds or notes will result in the creation or maintenance of employment for those engaged in construction of the Project, by maintaining existing employment for approximately 170 people and providing additional employment for approximately 20 people within 12 months and 30 people within 24 months when the Project is placed in full operation, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally, and the number of jobs resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds (as described below).

(c) The principal amount of the Bonds bears a reasonable relationship to the amount of private funds committed to the Project.

(d) The size and scope of the Project is such that a definite benefit to the economy of the State of South Carolina, and Greenville County in particular, is reasonably expected to result therefrom.

Section 2. Subject to such approval by the State Budget and Control Board and the governing board of Greenville County, South Carolina, as required by law, the Board of Directors of the Authority preliminarily approves the issuance and sale of economic development revenue bonds or notes of the Authority pursuant to Section 41-43-110 of the Act in a principal amount of not exceeding \$6,000,000 (the "Bonds") for the purpose of providing financing to the Borrower for the acquisition and construction of the Project.

Section 3. The issuance and sale of the Bonds shall be upon such terms and conditions as may be mutually agreed upon by the Authority, the Borrower, and the purchaser of the Bonds, and shall be subject to completion of proceedings for issuance, sale, and delivery of the Bonds satisfactory to the Authority. The provisions, terms, and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity, and redemption provisions, if any, of the Bonds, other details of any loan agreement relating to the Bonds, and findings required by the Act shall be prescribed by subsequent resolution of the Authority and shall be reasonable and proper, taking into account such factors as the type of program involved, the principal amount of the Bonds, and the number and type of program involved, the principal amount of the Bonds, and the number and type of jobs involved; the public interest shall be adequately protected by the terms thereof.

Section 4. The Chairman of the Board of Directors of the Authority is hereby authorized and directed to execute the Inducement Agreement attached hereto in the name and on behalf of the Authority, and the Executive Director of the Authority is hereby authorized and directed to affix thereto the seal of the Authority and to attest the same, and the Executive Director of the Authority is hereby further authorized and directed to deliver said executed Inducement Agreement to the Borrower.

Section 5. It is the intention of the Authority that this resolution shall constitute official intent on the part of the Authority within the meaning of the applicable regulations of the Treasury Department relating to the issuance of tax-exempt revenue bonds.

Section 6. The Bonds shall never constitute an indebtedness of the Authority or the State of South Carolina (the "State") within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Authority or the State or a charge against the general credit of the Authority or the State or the taxing powers of the State.

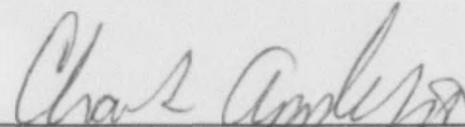
Section 7. Upon receipt by the Authority from the Borrower of evidence, which shall be satisfactory to the Authority, of the economic feasibility of the Project, there shall be and is hereby authorized and directed the submission on behalf of the Authority, of a Petition requesting approval by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 41-43-110 of the Act of the issuance of the Bonds through public or private sale, said Petition, which constitutes and is hereby made a part of this authorizing resolution, to be in form acceptable to the State Budget and Control Board.

Section 8. The Chairman of the Board of Directors of the Authority shall be and is hereby authorized and directed to execute said Petition in the name and on behalf of the Authority, and the Executive Director of the Authority shall be and is hereby authorized and directed to affix the seal of the Authority to said Petition and to attest the same and thereafter, upon the conditions set forth hereinabove, to submit an executed copy of this resolution to the State Budget and Control Board of South Carolina.

Section 9. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved May 18, 1995.

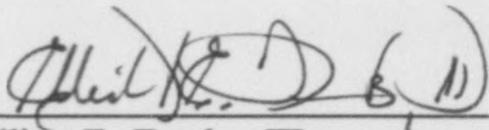
SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY



Charles L. Appleby, III, Chairman
Board of Directors

(SEAL)

ATTEST:



Elliott E. Franks, III,
Executive Director

2025-01-14

EXHIBIT

JUN 20 1995

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INDUCEMENT AGREEMENT

STATE BUDGET & CONTROL BOARD

THIS AGREEMENT made and entered into by and between the SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and an agency of the State of South Carolina (the "Authority"), and ORDERS REALTY CO., INC., a South Carolina corporation (the "Borrower").

WITNESSETH:

ARTICLE I

RECITATION OF FACTS

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

Section 1.01. The Authority, acting by and through its Board of Directors, is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended (the "Act"), to utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to business enterprises which meet the eligibility requirements of Section 41-43-150 of the Act and for other purposes described in Section 41-43-160 of the Act and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State of South Carolina and in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State of South Carolina.

Section 1.02. The Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds, as defined in the Act to include notes, payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues in order to provide funds for any program authorized by the Act.

Section 1.03. The Borrower has applied to the Authority to issue approximately \$6,000,000 of its economic development revenue bonds or notes in order to defray the cost of acquiring by construction or purchase certain land, a building or buildings and other improvements thereon, and certain machinery, apparatus, equipment, office facilities, and furnishings to be installed therein for the manufacture of mattresses, box springs, foundations, sofas, loveseats, sofa sleepers, ottomans, chairs and various other upholstered furniture products (the "Project") to be located in Greenville County, South Carolina, and the Authority wishes to induce the Borrower to acquire and construct the Project within the State of South Carolina.

Section 1.04. (a) The Borrower is a responsible party engaged in the manufacture of mattresses, box springs, foundations, sofas, loveseats, sofa sleepers, ottomans, chairs and

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various other upholstered furniture products for resale to retail furniture customers and hotels, motels and other contract users. The Project is located in Greenville County, South Carolina.

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of its economic development revenue bonds or notes will result in the creation or maintenance of employment for those engaged in construction of the Project, by maintaining existing employment for approximately 170 people and providing additional employment for approximately 20 people within 12 months and 30 people within 24 months from Greenville County and adjacent areas when the Project is placed in full operation, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally, and the number of jobs resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds (as described below).

(c) The principal amount of the Bonds bears a reasonable relationship to the amount of private funds committed to the Project.

(d) The size and scope of the Project is such that a definite benefit to the economy of the State of South Carolina, and Greenville County in particular, is reasonably expected to result therefrom.

Section 1.05. The Authority has given due consideration to all the proposals and requests of the Borrower and has agreed to endeavor to effect the issuance of the bonds or notes at the time and on the terms and conditions hereafter set forth.

ARTICLE II

UNDERTAKING ON THE PART OF THE AUTHORITY

The Authority agrees as follows:

Section 2.01. The Authority will, subject to such approval by the State Budget and Control Board and the governing body of Greenville County, South Carolina, as may be required by law and subject to the limitations set forth herein, authorize the issuance of not exceeding \$6,000,000 Economic Development Revenue Bonds (or Notes) (Orders Realty Co., Inc. Project) (the "Bonds"), at such time as the Borrower may request the Authority to do so.

Section 2.01. The Authority will permit the Borrower to arrange for the sale of the Bonds to defray certain costs of the Project as aforesaid and if successful marketing arrangements can be made, it will adopt such proceedings and enter into such agreements as are necessary for the issuance and securing of the Bonds.

Section 2.03. The proceeds of any sale of the Bonds may be applied to the payment of the costs of the Project as determined under the Act including, without limitations, the expenses incurred in connection with the issuance and sale of the Bonds, the acquisitions of the Project including land, buildings, necessary machinery and equipment, and other items permitted by the Act, and the repayment of any funds, advances, or loans incurred by the Borrower for such purposes.

Section 2.04. Prior to issuing the Bonds, the Authority may enter into a loan agreement with the Borrower and a security agreement with the trustee (to be requested by the Borrower and approved by the Authority and the State Treasurer) or with the purchasers of the Bond, pursuant to which the Bonds will be secured and issued. Such documents shall be substantially in the form used in connection with the issuance of other South Carolina industrial development revenue bonds and shall constitute a lien on the revenues derived from the Borrower with respect to the Project to secure the payment of the Bonds. Provisions, terms, and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity, redemption provisions, if any, of the Bonds, and other details of any loan agreement relating to the Bonds, shall be prescribed by subsequent resolution of the Authority and shall be reasonable and proper, taking into account such facts as type of program involved, the principal amount of the bonds, and the number and type of jobs involved; the public interest shall be adequately protected by the terms thereof.

Section 2.05. The Authority will perform such other acts and adopt such further proceedings as may be required faithfully to implement its undertaking and to consummate the proposed financing.

Section 2.06. The undertakings of the Authority hereunder are contingent upon the Authority continuing to evaluate the Project as beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware and upon the Borrower providing the Authority with such further evidence as may be satisfactory to the Authority as to compliance with all applicable statutes and regulations.

ARTICLE III

UNDERTAKINGS ON THE PART OF THE BORROWER

Section 3.01. The Borrower agrees that the Authority will have no obligation to find a purchaser of the Bonds and acknowledges that the Authority's approval of this Agreement is preliminary and is conditioned upon the Authority continuing to evaluate the Project as beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware.

Section 3.02. The Borrower further agrees, if the plan proceeds as contemplated, as follows:

- (a) to acquire the Project;
- (b) to enter into a loan agreement with the Authority, under the terms of which the Borrower will obligate itself to pay to the Authority sums sufficient to pay the principal, interest and premium, if any, on the Bonds, as and when the same become due and payable;
- (c) to hold the Authority harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement;
- (d) to perform such further acts and adopt such further proceedings as may be required faithfully to implement its undertakings and to consummate the proposed financing; and
- (e) to covenant and agree in the loan agreement referred to above to install in the buildings which are to become a part of the Project all necessary equipment and machinery and initially to operate the Project in the manner described in Section 1.03 hereof.

ARTICLE IV

GENERAL PROVISION

Section 4.01. All commitments of the Authority under Article II hereof are subject to all of the provisions of the Act and regulations of the Authority pursuant thereto and the conditions that nothing contained in this Agreement shall constitute nor give rise to a pecuniary liability of the Authority or a charge against its general credit.

Section 4.02. The parties hereto agree that the Borrower may proceed with the Project including the acquisition of land, the construction of a building or buildings, and the acquisition and installation of the equipment and machinery, prior to the issuance of Bonds.

Section 4.03. All commitments of the Authority and the Borrower hereunder are subject to the condition that the Authority and the Borrower do agree on mutually acceptable terms and conditions of all documents, the execution and delivery of which are contemplated by the provisions hereof.

Section 4.04. The parties understand that the Borrower or the Authority may choose not to finance the Project as herein provided, in which event this Agreement shall become void.

Section 4.05. This Agreement may be assigned by the Borrower to any of its corporate affiliates, any subsidiary corporation organized under the laws of any state of the United States to be formed, any partner or shareholder in the Borrower, or to any company in which the

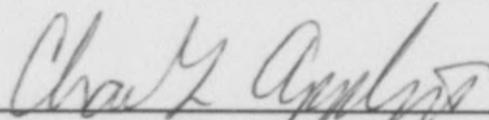
Borrower or one or more of its partners or shareholders has an interest (any of the foregoing being referred to hereinafter as a "Related Company"), or any person or company which is willing to lease the Project to the Borrower or any Related Company.

Section 4.06. It is the intention of the parties hereto that this Agreement shall constitute official intent on the part of the Authority within the meaning of the applicable regulations of the Treasury Department relating to the issuance of tax-exempt bonds.

Section 4.07. The Borrower reserves the right to issue taxable bonds under the authority of this Agreement.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Agreement on the respective dates indicated below.

SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY



Charles L. Appleby, III, Chairman
Board of Directors

(SEAL)

ATTEST:



Elliott E. Franks, III,
Executive Director

Dated: May 18, 1995

MAY-24-95 WED 15:25
- SENT BY:803-239-2237

PARK PLACE CORP.
; 5-24-95 ; 2:23PM ;McNAIR & SANFORD, PA-

FAX NO. 8032339815
P.01
8032339815:# 7/ 7

ORDERS REALTY CO., INC., a wholly
owned subsidiary of Park Place Corporation

By: *[Signature]*
Its: PRESIDENT

(SEAL)
ATTEST:

By: *Carmen Campbell*
Its: *Assistant*

Dated: May 18, 1995

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EXHIBIT

JUN 20 1995

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STATE BUDGET & CONTROL BOARD

[Draft Form of Opinion of Bond Counsel]

_____, 1995

South Carolina Jobs-Economic
Development Authority
Columbia, South Carolina

Re: \$6,000,000 South Carolina Jobs-Economic Development Authority Economic
Development Revenue Bonds, Series 1995 (Orders Realty Co., Inc. Project)

Gentlemen:

We have served as Bond Counsel in connection with the issuance by the South Carolina Jobs-Economic Development Authority (the "Issuer") of its \$6,000,000 Economic Development Revenue Bonds, Series 1995 (Orders Realty Co., Inc. Project) (the "Bonds"). The Bonds have been issued pursuant to the terms of an Indenture of Trust dated as of _____ 1, 1995 (the "Indenture"), between the Issuer and _____, as trustee (the "Trustee"). The proceeds of the Bonds will be used to defray the cost of a certain project pursuant to a Loan Agreement dated as of _____ 1, 1995 (the "Loan Agreement"), by and between the Issuer and Orders Realty Co., Inc. (the "Borrower"). Pursuant to the Loan Agreement, the Borrower is obligated to make payments to or on behalf of the Issuer sufficient to pay the principal and purchase price of, premium, if any, and interest on the Bonds. Unless otherwise indicated, all capitalized terms as used in this opinion shall have the meanings set forth in Article I of the Indenture.

In connection with our opinion, we have examined the Constitution and laws of the State, particularly Title 41, Chapter 43, Code of Laws of South Carolina, 1976, as amended (the "Act"), the transcript of the proceedings with respect to the Bonds, certified copies of documents relating to the organization of the Issuer, and certified copies of proceedings and other papers relating to the issuance and sale by the Issuer of the Bonds, including the resolution adopted by the Issuer on _____, 1995, authorizing the issuance of the Bonds.

The Bonds will be issued as fully registered bonds and will bear a dated date of _____, 1995. The Bonds are payable by the Issuer solely from the funds provided pursuant to the Indenture. Under the terms of the Indenture and the Loan Agreement, the Borrower will provide initially a Letter of Credit to secure payment of the principal and purchase price of and interest on the Bonds, issued on behalf of the Borrower. _____ (the "Bank"),

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EXHIBIT

JUN 20 1995

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STATE BUDGET & CONTROL BOARD

South Carolina Jobs-Economic
Development Authority

_____, 1995

Page 2

has, subject to the termination dates specified therein, issued its irrevocable direct-pay Letter of Credit with respect to the Bonds. The Borrower has also granted to the Bank a security interest in certain real and personal property pursuant to a Mortgage and Security Agreement and a Security Agreement, each dated as of _____, 1995 (collectively, the "Mortgage"), made by the Borrower, as Mortgagor, to the Bank, as Mortgagee. We refer you to the Bonds, the Loan Agreement, and the Indenture for a further description of the Bonds, the purposes for which the Bonds are issued and the security therefor.

Reference is made to an opinion of even date of _____, Esquire, counsel to the Borrower, with respect, among other matters, to the power of the Borrower to enter into and perform the Loan Agreement and the authorization, execution and delivery of the Loan Agreement by the Borrower and with respect to the Loan Agreement being binding and enforceable upon the Borrower.

With respect to the due authorization, execution and delivery of the Letter of Credit by the Bank, the validity thereof and enforceability thereof against the Bank, we refer you to the opinion of _____ of even date herewith addressed to you.

As to questions of fact material to our opinion, we have relied upon representations of and compliance with covenants by the Borrower and the Issuer contained in the Loan Agreement, the Indenture, certificates of public officials furnished to us, and certificates of representatives of the Borrower, the Trustee, the Issuer, the Bank, and other parties, including, without limitation, representations, covenants and certifications as to certain prior tax-exempt bond issues, the use of the proceeds of the Bonds, certain capital expenditures of the Borrower and others, compliance with the arbitrage reporting and rebate requirements, the average reasonably expected economic life of the property being financed with the proceeds of the Bonds, and other factual matters which are relevant to the opinion expressed in paragraph 7, in each case without undertaking any independent verification. We have assumed that all signatures on documents, certificates and instruments examined by us are genuine, all documents, certificates and instruments submitted to us as originals are authentic and all documents, certificates and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates and instruments relating to this financing have been duly authorized, executed and delivered by all parties thereto other than the Issuer, and we have further assumed the due organization, existence and powers of such other parties other than the Issuer and the Borrower.

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Based upon the foregoing, we are of the opinion that, under existing law:

1. The Issuer is a validly existing public body corporate and politic and an agency of the State of South Carolina, duly created by the Act, and is vested with the rights and powers conferred by the Act.

2. The Issuer has all requisite authority and power under the Act, particularly Section 41-43-110 thereof, to issue the Bonds and to enter into and perform its obligations under the Indenture, the Loan Agreement and the Placement Agreement and to apply the proceeds from the issuance of the Bonds as contemplated by the Loan Agreement.

3. The Bonds have been duly authorized, executed and issued in accordance with the Act and the Indenture and, subject to paragraph 6 below, constitute valid, binding and enforceable limited obligations of the Issuer, payable by the Issuer solely from the revenues and receipts pledged to such purpose under the Indenture, including amounts drawn under the Letter of Credit. The Bonds do not create or constitute a pledge of the faith and credit or the taxing power of the Issuer or the State. Neither the Issuer nor the State is obligated to make any payment with respect to the Bonds except from the special funds provided therefor and the property pledged thereto under the Indenture.

4. The Indenture, the Loan Agreement and the Placement Agreement have been duly authorized, executed and delivered by the Issuer, and, subject to paragraph 6 below, constitute valid and binding agreements of the Issuer enforceable against the Issuer in accordance with their respective terms.

5. The Issuer's right, title and interest in the Loan Agreement (except the Issuer's right to indemnity, notices and payment of its expenses) have been assigned to the Trustee, and, subject to paragraph 6 below, such assignment constitutes a valid and binding assignment of the Issuer, enforceable against the Issuer in accordance with its terms.

6. It is to be understood that the rights of the Bondholders and the obligations of the parties under the Bonds, the Indenture, the Loan Agreement and the Placement Agreement are subject to the exercise of judicial discretion in accordance with general principles of equity, and to the provisions of applicable bankruptcy, insolvency, reorganization, moratorium and similar laws, now or hereafter in effect, relating to or affecting the enforcement of creditors' rights. Certain indemnity provisions may be unenforceable pursuant to court decisions invalidating such indemnity agreements on grounds of public policy.

7. Under existing law, the interest on the Bonds is excludable from gross income for federal income tax purposes, except that under Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), such federal exclusion from gross income shall not apply with respect to any particular Bond for any period during which held by a "substantial user" of the Project or a "related person" within the meaning of such Section. Also, such exclusion from gross income of interest for federal income tax purposes may become inapplicable with respect to all or part of the Bonds, in certain cases retroactive to the date of issuance, (i) in the event of the occurrence of certain contingencies relating to prior issues and capital expenditures by the Borrower or any principal user of the Project or any persons related to the Borrower or any principal user of the Project provided for in Section 144(a) of the Code, or (ii) in the event the Borrower or the Issuer fails to comply with certain covenants in the Indenture and Loan Agreement with respect to maintenance of the exclusion from gross income for federal income tax purposes for the interest on the Bonds, including use, investment and expenditure of Bond proceeds and use of the facilities financed with Bond proceeds. Interest on the Bonds must be included as an item of tax preference in the computation of the alternative minimum tax on corporations and on individuals imposed by Section 55 of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations.

7. Under present law, interest on the Bonds is exempt from all income taxation by the State, except estate and certain transfer fees. Certain taxes, however, specifically including the tax imposed on banks by Section 12-11-20, Code of Laws of South Carolina, 1976, as amended, are enforced as franchise taxes on some measure of assets or income, which may include the Bonds or income therefrom.

8. The Bonds constitute exempt securities under Section 3(a)(2) of the Securities Act of 1933, as amended to this date (the "Securities Act"), and under Section 3(a) of the Securities Exchange Act of 1934, as amended to this date, and the offer, sale and delivery of the Bonds do not require registration of the Bonds under the Securities Act, nor is qualification of the Indenture required by the Trust Indenture Act of 1939, as amended to this date.

South Carolina Jobs-Economic
Development Authority

_____, 1995

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As Bond Counsel, we have been retained solely for the purpose of examining into the validity and legality of the Bonds and of rendering certain specific opinions hereinbefore stated and for no other purpose. We have not verified the accuracy, completeness or fairness of any representations or information concerning the business or financial condition of the Borrower or any other party made, prepared or issued by any party, or on behalf of any party, in connection with the sale of the Bonds. Accordingly, we express no opinion on the completeness, fairness or adequacy of any such representations or information.

Very truly yours,

McNAIR & SANFORD, P.A.

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EXHIBIT

STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF THE EXECUTIVE DIRECTOR

JUN 20 1995

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STATE BUDGET & CONTROL BOARD

DAVID M. BEASLEY, CHAIRMAN
GOVERNOR

RICHARD A. ECKSTROM
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



P.O. BOX 12444
COLUMBIA, SOUTH CAROLINA 29211

(803) 734-2320
May 26, 1995

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

HENRY E. BROWN, JR.
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

MEMORANDUM

TO: C. H. Jones, Jr.; Wayne Rush
FROM: Donna Kaminer Williams *DKW*
SUBJECT: Review of Revenue Bond Proposal

Enclosed is the following proposal for the issuance of bonds which has been submitted for the June 13, 1995, Budget and Control Board agenda:

Jobs-Economic Development Authority
N/E \$6,000,000 Economic Development Revenue Bonds
Orders Realty Co., Inc. project

For this proposal to be included on the June 13 agenda, I must have the written results of your review before 9:30 a.m. on Tuesday, June 6, 1995.

DKW/laf
Enclosure

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EXHIBIT

JUN 20 1995

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3 of 5

TRANSMITTAL FORM, REVENUE BONDS STATE BUDGET & CONTROL BOARD

TO: Donna Kaminer Williams, Board Secretary
State Budget and Control Board
601 Wade Hampton Building
Columbia, SC 29201

DATE: May 26, 1995

Submitted for BCB Meeting on:
June 13, 1995

OR P.O. Box 12444, Columbia, SC 29211

FROM:

RE:

McNAIR & SANFORD, P.A.

N/E \$4,000,000

Name of Law Firm

Amount of Issue

Suite 601, NationsBank Plaza

S.C. Jobs-Economic Development

Street Address/Box Number

Name of Issuing Authority

Greenville, SC 29601

Economic Development Revenue

City, State, Zip Code

Type of Bonds or Notes

(803) 271-4940

3rd Quarter 1995

Area Code/Telephone Number

Projected Issue Date

Project Name: Foundry & Steel, Inc. & Champion Tooling & Machining Co., Inc. Project

Project Description: manufacture of industrial equipment for the man-made fiber industry
and production of additional tooling and metal stamping of industrial and consumer parts

Employment as a result of the project: app. 6 within 12 mos. & 10 within 24 mos.

Ceiling Allocation Required	Refunding Involved	Project Approved Previously
X Yes (\$ <u>4,000,000</u>) No	Yes (\$ _____) X No	Yes (\$ _____) X No
<small>Amount</small>	<small>Amount</small>	<small>Amount</small>

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

- A. Petition
- B. Resolution or Ordinance
- C. Inducement Resolution or comparable preliminary approval
- D. Department of Health and Environmental Control Certificate *if required*
- E. Budget and Control Board Resolution and Public Notice *(original)*
Plus 5 copies for certification and return to bond counsel
- F. Draft bond counsel opinion letter **007564**
- G. Processing Fee N/A

Amount: \$ _____ Check No: _____
Payor: _____

Bond Counsel: Kathleen Crum McKinney, Esq.

By: *Kathleen Crum McKinney*

Typed Name of Bond Counsel

Signature

274 - 004

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

Foundry & Steel, Inc. and
Champton Tooling & Machining Co.

I, DONNA KAMINER WILLIAMS, SECRETARY to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

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

His Excellency, David M. Beasley, Governor and Chairman of the Board;
The Honorable Richard A. Eckstrom, State Treasurer;
The Honorable Earle E. Morris, Jr., Comptroller General;
The Honorable John Drummond, Chairman of the Senate Finance Committee; and
The Honorable Henry E. Brown, Jr., Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 a.m. on Tuesday, June 20, 1995, was given to all members in writing at least four days prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, in the lobby of the Wade Hampton Office Building, and near the Board Secretary's Office on the Sixth Floor of the Wade Hampton Office Building at 4:00 p.m. on Friday, June 16, 1995.

That all members of the Board were present at the meeting.

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

FOR MOTION

5

AGAINST MOTION

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

June 20, 1995

Donna Kaminer Williams

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JUN 20 1995

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A RESOLUTION APPROVING THE ISSUANCE BY ~~THE~~ STATE BUDGET & CONTROL BOARD SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY THROUGH PRIVATE SALE OF NOT EXCEEDING \$4,000,000 ECONOMIC DEVELOPMENT REVENUE BONDS (FOUNDRY AND STEEL, INC. AND CHAMPION TOOLING AND MACHINING CO., INC. PROJECT), PURSUANT TO THE PROVISIONS OF SECTION 41-43-110 OF SOUTH CAROLINA CODE ANNOTATED, TITLE 41, CHAPTER 43 (1976), AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore under and pursuant to the provisions of Section 41-43-110 of South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "Act"), requested approval by the State Budget and Control Board of the issuance by the Authority pursuant to the Act of its Economic Development Revenue Bonds (Foundry and Steel, Inc. and Champion Tooling and Machining Co., Inc. Project), in the aggregate principal amount of not exceeding \$4,000,000 (the "Bonds"); and

WHEREAS, the Issuer proposes to issue the Bonds for the purpose of defraying the cost of acquiring, by construction and purchase, a building or buildings, other improvements, and certain machinery, apparatus, equipment, office facilities and furnishings (the "Project") to be used for the manufacture of industrial equipment for the man-made fiber industry and production of additional tooling and metal stamping of industrial and consumer parts; and

WHEREAS, the Project is to be made available to Foundry and Steel, Inc. and Champion Tooling and Machining Co., Inc. (collectively, the "Borrower") upon terms which require the Borrower to make payments to or for the account of the Issuer in amounts sufficient to pay the principal and interest on the Bonds; and

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that: the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to defray the cost of acquiring the Project, to make the Project available to the Borrower, to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Bonds, secured by an assignment of the revenues to be derived from the Loan Agreement, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the Issuer so long as such changes do not impose a pecuniary liability upon the Issuer or its general credit or taxing power, are approved by the Board of Directors of the Authority and the Borrower, and do not make inaccurate, except as to dates and amounts, the summaries of the Loan Agreement and the Indenture and the description of the Project.

Section 3. This Resolution shall take effect immediately.

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STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF GENERAL SERVICES



DAVID M. BEASLEY, CHAIRMAN
GOVERNOR

RICHARD A. ECKSTROM
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

HELEN T. ZEIGLER
DIRECTOR

PROPERTY MANAGEMENT
1201 MAIN STREET, SUITE 410
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-0790
FAX 737-0689

ALTON T. LOFTIS, Ph.D.
ASSISTANT DIRECTOR

June 5, 1995

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

HENRY E. BROWN, JR.
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

The Honorable Donna K. Williams, Secretary
S.C. Budget and Control Board
601 Wade Hampton Office Building
Columbia, South Carolina 29201

RE: Jobs-Economic Development Authority
N/E \$4,000,000 Economic Development Revenue Bonds
Foundry & Steel, Inc. & Champion Tooling & Machinery Co., Inc. Project

Dear Mrs. Williams:

We have received the Revenue Bonds Transmittal form and other items regarding the referenced proposed bonds.

These documents have been submitted by Bond Counsel, McNair and Sanford, P.A. and upon review of the Petition to the Budget and Control Board, the proposed Resolution of the Budget and Control Board and the draft of the Opinion of Bond Counsel appear to be in good order. Of course, we express no opinion as to the merits of the bond issue or the validity of the information recited in these documents as we have not acted in a capacity which would enable us to have knowledge adequate to form such an opinion. We have merely reviewed the documents form and they appear to meet the conditions imposed by State law that certain matters be addressed in the documentation.

Sincerely,

A handwritten signature in cursive script that reads "Wayne F. Rush".

Wayne F. Rush
General Counsel

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WFR:rwk



EXHIBIT

JUN 20 1995

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STATE BUDGET & CONTROL BOARD

The State of South Carolina
OFFICE OF THE ATTORNEY GENERAL

CHARLES MOLONY CONDON
ATTORNEY GENERAL

May 31, 1995

Donna Williams
Secretary to the Board
State Budget and Control Board
612 Wade Hampton Office Building
Post Office Box 12444
Columbia, South Carolina 29211

Re: Jobs-Economic Development Authority
Not Exceeding \$4,000,000 Economic Development Revenue Bonds
Foundry & Steel, Inc. & Champion Tooling & Machinery
Co., Inc. project

Dear Ms. Williams:

This Office has received the letter you have forwarded to us regarding the Foundry & Steel, Inc. & Champion Tooling & Machinery Co., Inc. project.

Please be advised that to the knowledge of this Office there is no known litigation of any nature, now pending or threatened, that would restrain or enjoin the issuance and delivery of the Bonds, nor in any manner question the proceedings and authority under which the same is made or affect the validity of the Bonds thereunder.

No opinion is expressed as to any matters other than as set forth herein. Specifically no opinion is expressed as to any business judgment decisions in relation to this transaction.

Office of the Attorney General

By: _____

A handwritten signature in dark ink, appearing to be "J. Dennis", written over a horizontal line.

F:\DEPTS\CIVIL\AGENLIT\CORRESP\JEDA.BON

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EXHIBIT

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

JUN 20 1995 8
STATE BUDGET & CONTROL BOARD

TO THE STATE BUDGET AND CONTROL)
BOARD OF SOUTH CAROLINA)
_____) PETITION OF SOUTH
) CAROLINA JOBS-ECONOMIC
) DEVELOPMENT AUTHORITY

This Petition of the South Carolina Jobs-Economic Development Authority (the "Authority"), pursuant to South Carolina Code Annotated, Title 41, Chapter 43 (1976), as amended (the "Act"), and specifically Section 41-43-110 thereof, respectfully shows:

1. The Act, among other things, empowers the Authority: (i) to acquire and, in connection with such acquisition, to enlarge, improve and expand, whether by construction, purchase, gift or lease, one or more business enterprises (as referred to in Section 41-43-160 of the Act) which shall be located within the jurisdiction of the State of South Carolina; (ii) to make available to any business enterprise located in South Carolina such projects for such payments and upon such terms and conditions as the Authority may deem advisable and as shall not conflict with the provisions of the Act; and (iii) subject to the approval of the State Budget and Control Board of the issuance of its bonds through public or private sale pursuant to Section 41-43-110 of the Act, to issue revenue bonds, as defined in the Act to include notes, for the purpose of defraying the cost of acquiring, by construction and purchase, and in connection with any such acquisition, to enlarge, improve and expand any project and to secure the payment of such bonds, all as in the Act provided.

2. The Authority has agreed to assist Foundry and Steel, Inc., a South Carolina corporation, and Champion Tooling and Machining Co., Inc., a South Carolina corporation and a wholly owned subsidiary of Foundry and Steel, Inc. (collectively, the "Borrower"), by issuing its revenue bonds for the purpose of financing the acquisition and construction of certain facilities for the manufacture of industrial equipment for the man-made fiber industry and production of additional tooling and metal stamping of industrial and consumer parts, constituting an industrial facility (the "Project") located in Anderson County, South Carolina.

3. The undersigned Executive Director of the Authority certifies that approval of this Project was not made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

4. The Authority has been advised by the Borrower that the estimated cost of financing the Project will be not exceeding \$4,000,000, and the Borrower has requested the Authority to execute and deliver its Economic Development Revenue Bonds (Foundry and Steel, Inc. and Champion Tooling and Machining Co., Inc. Project) (the "Bonds") in the aggregate principal amount of not exceeding \$4,000,000.

5. The Bonds will be placed by a financial institution acceptable to the Authority through a private placement, which arrangement the Authority has determined to be most advantageous.

6. Pursuant to Section 41-43-150 of the Act, the Authority has made the requisite findings that:

(a) The Borrower is engaged in the business of manufacturing industrial equipment for the man-made fiber industry and production of additional tooling and metal stamping of industrial and consumer parts and the Project is located in Anderson County, South Carolina.

(b) The Project constitutes a "business enterprise" as said term is referred to in Section 41-43-160 of the Act, and the issuance of the Bonds in the aggregate principal amount of not exceeding \$4,000,000 to finance the Project will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(c) It is anticipated that the Project will benefit the general public welfare of the State of South Carolina, and Anderson County in particular, by maintaining existing employment for 224 people and providing additional employment for approximately 6 people within 12 months and an additional 10 people within 24 months from Anderson County and adjacent areas, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally, and the number of jobs resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(d) The size and scope of the Project is such that a definite benefit to the economy of the State of South Carolina, and Anderson County in particular, is reasonably expected to result therefrom.

Prior to issuance of the Bonds, the Authority will, as part of its proceedings:

(a) Require a resolution from the governing body of Anderson County containing the following findings: (1) that the Project will subserve the purposes of the Act; (2) that the Project is anticipated to benefit the general public welfare of Anderson County by providing services, employment, or other public benefits not otherwise provided locally; (3) that the Project will give rise to no pecuniary liability of Anderson County or a charge against its general credit or taxing power; and (4) the amount of bonds required to finance the Project;

(b) Hold a public hearing in Anderson County in connection with such resolution;

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(c) Make findings that the terms of the agreements to be entered into in connection with the Project are reasonable and proper as to the adequacy of protection for the public interest provided by such terms;

(d) Negotiate the terms of such agreements to the extent necessary to conclude that neither the Project, the Bonds proposed to be issued by the Authority to defray the cost of financing the Project, nor any documents or agreements entered into by the Authority in connection therewith will constitute or give rise to a pecuniary liability of the Authority or the State of South Carolina or a charge against the general credit or taxing power of either, and only program funds (as defined in the Act) will be made available to finance the cost of the Project;

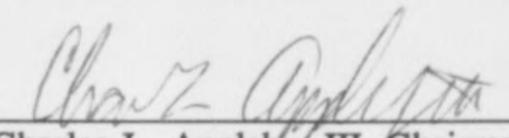
(e) Undertake such investigation as is necessary to conclude that the Borrower is a corporation with established credit and is a responsible party; and

(f) Undertake such investigation as is necessary to conclude that the issuance of the Bonds by the Authority in the final principal amount requested by the Borrower will be required to defray the cost of financing the Project, and such principal amount bears a reasonable relationship to the amount of private funds also committed to the Project.

Upon the basis of the foregoing, the Authority respectfully prays that the State Budget and Control Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such investigation as it deems advisable, (iii) approve the issuance of the Bonds by the Authority through private sale pursuant to the Act to defray the cost of financing the Project (including changes in any details of the said financing as finally consummated which do not materially affect the undertaking of the Authority), and (iv) allocate to the Bonds such portion of the state ceiling as established by the Tax Reform Act of 1986 and the Internal Revenue code of 1986, as amended, as is necessary for the issuance of the Bonds.

Respectfully submitted,

SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY

By: 
Charles L. Appleby, III, Chairman,
Board of Directors

ATTEST:

By: 
Elliott E. Franks, III,
Executive Director

Dated: May 18, 1995.

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INDUCEMENT AGREEMENT

THIS AGREEMENT made and entered into by and between the SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and an agency of the State of South Carolina (the "Authority"), and FOUNDRY AND STEEL, INC., a South Carolina corporation ("Foundry"), and CHAMPION TOOLING AND MACHINING CO., INC., a South Carolina corporation and a wholly owned subsidiary of Foundry ("Champion") (Foundry and Champion are hereinafter collectively referred to as the "Borrower").

W I T N E S S E T H :

ARTICLE I

RECITATION OF FACTS

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

Section 1.01. The Authority, acting by and through its Board of Directors, is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43 of the Code of Laws of South Carolina 1976, as amended (the "Act"), to utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to business enterprises which meet the eligibility requirements of Section 41-43-150 of the Act and for other purposes described in Section 41-43-160 of the Act and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State of South Carolina and in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State of South Carolina.

Section 1.02. The Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds, as defined in the Act to include notes, payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues in order to provide funds for any program authorized by the Act.

Section 1.03. The Borrower has applied to the Authority to issue approximately \$4,000,000 of its economic development revenue bonds or notes in order to defray the cost of acquiring by construction or purchase certain land, a building or buildings and other improvements thereon, and certain machinery, apparatus, equipment, office facilities, and furnishings to be installed therein for the manufacture of industrial equipment for the man-made fiber industry and production of additional tooling and metal stamping of industrial and consumer parts (the "Project") to be located in Anderson County, South Carolina, and the Authority wishes to induce the Borrower to acquire and construct the Project within the State of South Carolina.

Section 1.04. (a) Foundry is a responsible party engaged in the manufacture of industrial equipment for the man-made fiber industry and Champion is a responsible party engaged in the production of additional tooling and metal stamping of industrial and consumer parts. The Project is located in Anderson County, South Carolina.

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of its economic development revenue bonds or notes will result in the creation or maintenance of employment for those engaged in construction of the Project, by maintaining existing employment for 224 people and providing additional full-time employment for approximately 6 people within 12 months and an additional 10 people within 24 months from Anderson County and adjacent areas when the Project is placed in full operation, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally, and the number of jobs resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds (as described below).

(c) The principal amount of the Bonds bears a reasonable relationship to the amount of private funds committed to the Project.

(d) The size and scope of the Project is such that a definite benefit to the economy of the State of South Carolina, and Anderson County in particular, is reasonably expected to result therefrom.

Section 1.05. The Authority has given due consideration to all the proposals and requests of the Borrower and has agreed to endeavor to effect the issuance of the bonds or notes at the time and on the terms and conditions hereafter set forth.

ARTICLE II

UNDERTAKING ON THE PART OF THE AUTHORITY

The Authority agrees as follows:

Section 2.01. The Authority will, subject to such approval by the State Budget and Control Board and the governing body of Anderson County, South Carolina, as may be required by law and subject to the limitations set forth herein, authorize the issuance of not exceeding \$4,000,000 Economic Development Revenue Bonds (or Notes) (Foundry and Steel, Inc. and Champion Tooling and Machining Co., Inc. Project) (the "Bonds"), at such time as the Borrower may request the Authority to do so.

Section 2.01. The Authority will permit the Borrower to arrange for the sale of the Bonds to defray certain costs of the Project as aforesaid and if successful marketing



arrangements can be made, it will adopt such proceedings and enter into such agreements as are necessary for the issuance and securing of the Bonds.

Section 2.03. The proceeds of any sale of the Bonds may be applied to the payment of the costs of the Project as determined under the Act including, without limitations, the expenses incurred in connection with the issuance and sale of the Bonds, the acquisitions of the Project including land, buildings, necessary machinery and equipment, and other items permitted by the Act, and the repayment of any funds, advances, or loans incurred by the Borrower for such purposes.

Section 2.04. Prior to issuing the Bonds, the Authority may enter into a loan agreement with the Borrower and a security agreement with the trustee (to be requested by the Borrower and approved by the Authority and the State Treasurer) or with the purchasers of the Bond, pursuant to which the Bonds will be secured and issued. Such documents shall be substantially in the form used in connection with the issuance of other South Carolina industrial development revenue bonds and shall constitute a lien on the revenues derived from the Borrower with respect to the Project to secure the payment of the Bonds. Provisions, terms, and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity, redemption provisions, if any, of the Bonds, and other details of any loan agreement relating to the Bonds, shall be prescribed by subsequent resolution of the Authority and shall be reasonable and proper, taking into account such facts as type of program involved, the principal amount of the bonds, and the number and type of jobs involved; the public interest shall be adequately protected by the terms thereof.

Section 2.05. The Authority will perform such other acts and adopt such further proceedings as may be required faithfully to implement its undertaking and to consummate the proposed financing.

Section 2.06. The undertakings of the Authority hereunder are contingent upon the Authority continuing to evaluate the Project as beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware and upon the Borrower providing the Authority with such further evidence as may be satisfactory to the Authority as to compliance with all applicable statutes and regulations.

ARTICLE III

UNDERTAKINGS ON THE PART OF THE BORROWER

Section 3.01. The Borrower agrees that the Authority will have no obligation to find a purchaser of the Bonds and acknowledges that the Authority's approval of this Agreement is preliminary and is conditioned upon the Authority continuing to evaluate the Project as beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware.

Section 3.02. The Borrower further agrees, if the plan proceeds as contemplated, as follows:

- (a) to acquire the Project;
- (b) to enter into a loan agreement with the Authority, under the terms of which the Borrower will obligate itself to pay to the Authority sums sufficient to pay the principal, interest and premium, if any, on the Bonds, as and when the same become due and payable;
- (c) to hold the Authority harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement;
- (d) to perform such further acts and adopt such further proceedings as may be required faithfully to implement its undertakings and to consummate the proposed financing; and
- (e) to covenant and agree in the loan agreement referred to above to install in the buildings which are to become a part of the Project all necessary equipment and machinery and initially to operate the Project in the manner described in Section 1.03 hereof.

ARTICLE IV

GENERAL PROVISION

Section 4.01. All commitments of the Authority under Article II hereof are subject to all of the provisions of the Act and regulations of the Authority pursuant thereto and the conditions that nothing contained in this Agreement shall constitute nor give rise to a pecuniary liability of the Authority or a charge against its general credit.

Section 4.02. The parties hereto agree that the Borrower may proceed with the Project including the acquisition of land, the construction of a building or buildings, and the acquisition and installation of the equipment and machinery, prior to the issuance of Bonds.

Section 4.03. All commitments of the Authority and the Borrower hereunder are subject to the condition that the Authority and the Borrower do agree on mutually acceptable terms and conditions of all documents, the execution and delivery of which are contemplated by the provisions hereof.

Section 4.04. The parties understand that the Borrower or the Authority may choose not to finance the Project as herein provided, in which event this Agreement shall become void.

Section 4.05. This Agreement may be assigned by the Borrower to any of its corporate affiliates, any subsidiary corporation organized under the laws of any state of the United States to be formed, any partner or shareholder in the Borrower, or to any company in which the

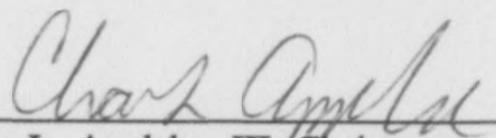
Borrower or one or more of its partners or shareholders has an interest (any of the foregoing being referred to hereinafter as a "Related Company"), or any person or company which is willing to lease the Project to the Borrower or any Related Company.

Section 4.06. It is the intention of the parties hereto that this Agreement shall constitute official intent on the part of the Authority within the meaning of the applicable regulations of the Treasury Department relating to the issuance of tax-exempt bonds.

Section 4.07. The Borrower reserves the right to issue taxable bonds under the authority of this Agreement.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Agreement on the respective dates indicated below.

SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY



Charles L. Appleby, III, Chairman,
Board of Directors

(SEAL)

ATTEST:



Elliott E. Franks, III,
Executive Director

Dated: May 18, 1995

007577

EXHIBIT

JUN 20 1995

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A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT BY AND BETWEEN THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY AND FOUNDRY AND STEEL, INC. AND CHAMPION TOOLING AND MACHINING CO., INC., WHEREBY UNDER CERTAIN CONDITIONS THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY WILL ISSUE APPROXIMATELY \$4,000,000 OF ITS ECONOMIC DEVELOPMENT REVENUE BONDS OR NOTES PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED, AND AUTHORIZING THE APPLICATION UPON CERTAIN CONDITIONS TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE OF SUCH BONDS.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority"), acting by and through its Board of Directors is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43, of the Code of Laws of South Carolina 1976, as amended (the "Act"), to utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to business enterprises which meet the eligibility requirements of Section 41-43-150 of the Act and for other purposes described in Section 41-43-160 of the Act and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State of South Carolina and in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State of South Carolina; and

WHEREAS, the Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds, as defined in the Act to include notes, payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues in order to provide funds for any program authorized by the Act; and

WHEREAS, Foundry and Steel, Inc., a South Carolina corporation ("Foundry"), and Champion Tooling and Machining Co., Inc., a South Carolina corporation and a wholly owned subsidiary of Foundry ("Champion") (Foundry and Champion are hereinafter collectively referred to as the "Borrower"), have applied to the Authority to issue approximately \$4,000,000 of its economic development revenue bonds or notes in order to defray the cost of acquiring by construction or purchase certain land, a building or buildings and other improvements thereon, and certain machinery, apparatus, equipment, office facilities and furnishings to be installed therein for the manufacture of industrial equipment for the man-made fiber industry and production of additional tooling and metal stamping of industrial and consumer parts, constituting an industrial facility (the "Project") to be located in Anderson County, South Carolina, and the

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007579

Authority wishes to induce the Borrower to acquire and construct the Project within the State of South Carolina; and

WHEREAS, it is in the public interest, for the public benefit and in furtherance of the public purposes of the Authority that its Board of Directors provide preliminary approval of the issuance of economic development revenue bonds for the aforesaid purposes; and

WHEREAS, it is deemed advisable by the Authority to file with the State Budget and Control Board of South Carolina, in compliance with Section 41-43-110 of the Act, the Petition of the Authority requesting approval by the State Budget and Control Board for the issuance of the notes or bonds at public or private sale upon receipt by the Authority from the Borrower of evidence satisfactory to the Authority of the economic feasibility of the Project;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

Section 1. It is hereby found, determined, and declared as follows:

(a) Foundry is a responsible party engaged in the manufacture of industrial equipment for the man-made fiber industry, and Champion is a responsible party engaged in the production of tooling and metal stamping of industrial and consumer parts. The Project is to be located in Anderson County, South Carolina.

(b) The Borrower has demonstrated to the Authority that the assistance of the Authority by the issuance of its economic development revenue bonds or notes will result in the creation or maintenance of employment for those engaged in construction of the Project, by maintaining existing employment for 224 people and providing additional full-time employment for approximately 6 people within 12 months and an additional 10 people within 24 months when the Project is placed in full operation, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally, and the number of jobs resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds (as described below).

(c) The principal amount of the Bonds bears a reasonable relationship to the amount of private funds committed to the Project.

(d) The size and scope of the Project is such that a definite benefit to the economy of the State of South Carolina, and Anderson County in particular, is reasonably expected to result therefrom.

Section 2. Subject to such approval by the State Budget and Control Board and the governing board of Anderson County, South Carolina, as required by law, the Board of Directors of the Authority preliminarily approves the issuance and sale of economic development

revenue bonds or notes of the Authority pursuant to Section 41-43-110 of the Act in a principal amount of not exceeding \$4,000,000 (the "Bonds") for the purpose of providing financing to the Borrower for the acquisition and construction of the Project.

Section 3. The issuance and sale of the Bonds shall be upon such terms and conditions as may be mutually agreed upon by the Authority, the Borrower, and the purchaser of the Bonds, and shall be subject to completion of proceedings for issuance, sale, and delivery of the Bonds satisfactory to the Authority. The provisions, terms, and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity, and redemption provisions, if any, of the Bonds, other details of any loan agreement relating to the Bonds, and findings required by the Act shall be prescribed by subsequent resolution of the Authority and shall be reasonable and proper, taking into account such factors as the type of program involved, the principal amount of the Bonds, and the number and type of program involved, the principal amount of the Bonds, and the number and type of jobs involved; the public interest shall be adequately protected by the terms thereof.

Section 4. The Chairman of the Board of Directors of the Authority is hereby authorized and directed to execute the Inducement Agreement attached hereto in the name and on behalf of the Authority, and the Executive Director of the Authority is hereby authorized and directed to affix thereto the seal of the Authority and to attest the same, and the Executive Director of the Authority is hereby further authorized and directed to deliver said executed Inducement Agreement to the Borrower.

Section 5. It is the intention of the Authority that this resolution shall constitute an official action on the part of the Authority within the meaning of the applicable regulations of the Treasury Department relating to the issuance of tax-exempt revenue bonds.

Section 6. The Bonds shall never constitute an indebtedness of the Authority or the State of South Carolina (the "State") within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Authority or the State or a charge against the general credit of the Authority or the State or the taxing powers of the State.

Section 7. Upon receipt by the Authority from the Borrower of evidence, which shall be satisfactory to the Authority, of the economic feasibility of the Project, there shall be and is hereby authorized and directed the submission on behalf of the Authority, of a Petition requesting approval by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 41-43-110 of the Act of the issuance of the Bonds through public or private sale, said Petition, which constitutes and is hereby made a part of this authorizing resolution, to be in form acceptable to the State Budget and Control Board.

Section 8. The Chairman of the Board of Directors of the Authority shall be and is hereby authorized and directed to execute said Petition in the name and on behalf of the

EXHIBIT

JUN 20 1995

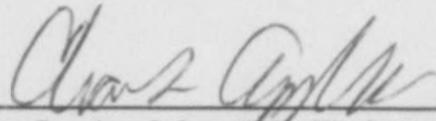
8

Authority, and the Executive Director of the Authority shall be and is hereby authorized and directed to affix the seal of the Authority to said Petition and to attest the same and thereafter, upon the conditions set forth hereinabove, to submit an executed copy of this resolution to the State Budget and Control Board of South Carolina.

Section 9. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved May 18, 1995.

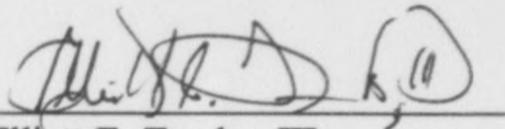
SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY



Charles L. Appleby, III, Chairman,
Board of Directors

(SEAL)

ATTEST:



Elliott E. Franks, III,
Executive Director

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EXHIBIT

JUN 20 1995

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STATE BUDGET & CONTROL BOARD

[Draft Form of Opinion of Bond Counsel]

_____, 1995

South Carolina Jobs-Economic
Development Authority
Columbia, South Carolina

Re: \$4,000,000 South Carolina Jobs-Economic Development Authority Economic Development Revenue Bonds, Series 1995 (Foundry and Steel, Inc. and Champion Tooling and Machining Co., Inc. Project)

Gentlemen:

We have served as Bond Counsel in connection with the issuance by the South Carolina Jobs-Economic Development Authority (the "Issuer") of its \$4,000,000 Economic Development Revenue Bonds, Series 1995 (Foundry and Steel, Inc. and Champion Tooling and Machining Co., Inc. Project) (the "Bonds"). The Bonds have been issued pursuant to the terms of an Indenture of Trust dated as of _____ 1, 1995 (the "Indenture"), between the Issuer and _____, as trustee (the "Trustee"). The proceeds of the Bonds will be used to defray the cost of a certain project pursuant to a Loan Agreement dated as of _____ 1, 1995 (the "Loan Agreement"), by and among the Issuer, Foundry and Steel, Inc. and Champion Tooling and Machining Co., Inc. (collectively, the "Borrower"). Pursuant to the Loan Agreement, the Borrower is obligated to make payments to or on behalf of the Issuer sufficient to pay the principal and purchase price of, premium, if any, and interest on the Bonds. Unless otherwise indicated, all capitalized terms as used in this opinion shall have the meanings set forth in Article I of the Indenture.

In connection with our opinion, we have examined the Constitution and laws of the State, particularly Title 41, Chapter 43, Code of Laws of South Carolina, 1976, as amended (the "Act"), the transcript of the proceedings with respect to the Bonds, certified copies of documents relating to the organization of the Issuer, and certified copies of proceedings and other papers relating to the issuance and sale by the Issuer of the Bonds, including the resolution adopted by the Issuer on _____, 1995, authorizing the issuance of the Bonds.

The Bonds will be issued as fully registered bonds and will bear a dated date of _____, 1995. The Bonds are payable by the Issuer solely from the funds provided pursuant to the Indenture. Under the terms of the Indenture and the Loan Agreement, the Borrower will

GRVL:38003

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provide initially a Letter of Credit to secure payment of the principal and purchase price of and interest on the Bonds, issued on behalf of the Borrower. _____ (the "Bank"), has, subject to the termination dates specified therein, issued its irrevocable direct-pay Letter of Credit with respect to the Bonds. The Borrower has also granted to the Bank a security interest in certain real and personal property pursuant to a Mortgage and Security Agreement and a Security Agreement, each dated as of _____ 1, 1995 (collectively, the "Mortgage"), made by the Borrower, as Mortgagor, to the Bank, as Mortgagee. We refer you to the Bonds, the Loan Agreement, and the Indenture for a further description of the Bonds, the purposes for which the Bonds are issued and the security therefor.

Reference is made to an opinion of even date of _____, counsel to the Borrower, with respect, among other matters, to the power of the Borrower to enter into and perform the Loan Agreement and the authorization, execution and delivery of the Loan Agreement by the Borrower and with respect to the Loan Agreement being binding and enforceable upon the Borrower.

With respect to the due authorization, execution and delivery of the Letter of Credit by the Bank, the validity thereof and enforceability thereof against the Bank, we refer you to the opinion of _____ of even date herewith addressed to you.

As to questions of fact material to our opinion, we have relied upon representations of and compliance with covenants by the Borrower and the Issuer contained in the Loan Agreement, the Indenture, certificates of public officials furnished to us, and certificates of representatives of the Borrower, the Trustee, the Issuer, the Bank, and other parties, including, without limitation, representations, covenants and certifications as to certain prior tax-exempt bond issues, the use of the proceeds of the Bonds, certain capital expenditures of the Borrower and others, compliance with the arbitrage reporting and rebate requirements, the average reasonably expected economic life of the property being financed with the proceeds of the Bonds, and other factual matters which are relevant to the opinion expressed in paragraph 7, in each case without undertaking any independent verification. We have assumed that all signatures on documents, certificates and instruments examined by us are genuine, all documents, certificates and instruments submitted to us as originals are authentic and all documents, certificates and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates and instruments relating to this financing have been duly authorized, executed and delivered by all parties thereto other than the Issuer, and we have further assumed the due organization, existence and powers of such other parties other than the Issuer and the Borrower.

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EXHIBIT

JUN 20 1995

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STATE BUDGET & CONTROL BOARD

South Carolina Jobs-Economic
Development Authority
_____, 1995

Page 3

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Issuer is a validly existing public body corporate and politic and an agency of the State of South Carolina, duly created by the Act, and is vested with the rights and powers conferred by the Act.

2. The Issuer has all requisite authority and power under the Act, particularly Section 41-43-110 thereof, to issue the Bonds and to enter into and perform its obligations under the Indenture, the Loan Agreement and the Placement Agreement and to apply the proceeds from the issuance of the Bonds as contemplated by the Loan Agreement.

3. The Bonds have been duly authorized, executed and issued in accordance with the Act and the Indenture and, subject to paragraph 6 below, constitute valid, binding and enforceable limited obligations of the Issuer, payable by the Issuer solely from the revenues and receipts pledged to such purpose under the Indenture, including amounts drawn under the Letter of Credit. The Bonds do not create or constitute a pledge of the faith and credit or the taxing power of the Issuer or the State. Neither the Issuer nor the State is obligated to make any payment with respect to the Bonds except from the special funds provided therefor and the property pledged thereto under the Indenture.

4. The Indenture, the Loan Agreement and the Placement Agreement have been duly authorized, executed and delivered by the Issuer, and, subject to paragraph 6 below, constitute valid and binding agreements of the Issuer enforceable against the Issuer in accordance with their respective terms.

5. The Issuer's right, title and interest in the Loan Agreement (except the Issuer's right to indemnity, notices and payment of its expenses) have been assigned to the Trustee, and, subject to paragraph 6 below, such assignment constitutes a valid and binding assignment of the Issuer, enforceable against the Issuer in accordance with its terms.

6. It is to be understood that the rights of the Bondholders and the obligations of the parties under the Bonds, the Indenture, the Loan Agreement and the Bond Placement Agreement are subject to the exercise of judicial discretion in accordance with general principles of equity, and to the provisions of applicable bankruptcy, insolvency, reorganization, moratorium and similar laws, now or hereafter in effect, relating to or affecting the enforcement of creditors' rights. Certain indemnity provisions may be unenforceable pursuant to court decisions invalidating such indemnity agreements on grounds of public policy.

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7. Under existing law, the interest on the Bonds is excludable from gross income for federal income tax purposes, except that under Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), such federal exclusion from gross income shall not apply with respect to any particular Bond for any period during which held by a "substantial user" of the Project or a "related person" within the meaning of such Section. Also, such exclusion from gross income of interest for federal income tax purposes may become inapplicable with respect to all or part of the Bonds, in certain cases retroactive to the date of issuance, (i) in the event of the occurrence of certain contingencies relating to prior issues and capital expenditures by the Borrower or any principal user of the Project or any persons related to the Borrower or any principal user of the Project provided for in Section 144(a) of the Code, or (ii) in the event the Borrower or the Issuer fails to comply with certain covenants in the Indenture and Loan Agreement with respect to maintenance of the exclusion from gross income for federal income tax purposes for the interest on the Bonds, including use, investment and expenditure of Bond proceeds and use of the facilities financed with Bond proceeds. Interest on the Bonds must be included as an item of tax preference in the computation of the alternative minimum tax on corporations and on individuals imposed by Section 55 of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations.

7. Under present law, interest on the Bonds is exempt from all income taxation by the State, except estate and certain transfer fees. Certain taxes, however, specifically including the tax imposed on banks by Section 12-11-20, Code of Laws of South Carolina, 1976, as amended, are enforced as franchise taxes on some measure of assets or income, which may include the Bonds or income therefrom.

8. The Bonds constitute exempt securities under Section 3(a)(2) of the Securities Act of 1933, as amended to this date (the "Securities Act"), and under Section 3(a) of the Securities Exchange Act of 1934, as amended to this date, and the offer, sale and delivery of the Bonds do not require registration of the Bonds under the Securities Act, nor is qualification of the Indenture required by the Trust Indenture Act of 1939, as amended to this date.

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South Carolina Jobs-Economic
Development Authority
_____, 1995

Page 5

As Bond Counsel, we have been retained solely for the purpose of examining into the validity and legality of the Bonds and of rendering certain specific opinions hereinbefore stated and for no other purpose. We have not verified the accuracy, completeness or fairness of any representations or information concerning the business or financial condition of the Borrower or any other party made, prepared or issued by any party, or on behalf of any party, in connection with the sale of the Bonds. Accordingly, we express no opinion on the completeness, fairness or adequacy of any such representations or information.

Very truly yours,

McNAIR & SANFORD, P.A.

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GRVL:38003

McNAIR & SANFORD

EXHIBIT

STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF THE EXECUTIVE DIRECTOR

JUN 20 1995 8
STATE BUDGET & CONTROL BOARD

DAVID M. BEASLEY, CHAIRMAN
GOVERNOR

RICHARD A. ECKSTROM
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



P.O. BOX 12444
COLUMBIA, SOUTH CAROLINA 29211

May 26, 1995

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

HENRY E. BROWN, JR.
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

MEMORANDUM

TO: C. H. Jones, Jr.; Wayne Rush
FROM: Donna Kaminer Williams *DKW*
SUBJECT: Review of Revenue Bond Proposal

Enclosed is the following proposal for the issuance of bonds which has been submitted for the June 13, 1995, Budget and Control Board agenda:

Jobs-Economic Development Authority
N/E \$4,000,000 Economic Development Revenue Bonds
Foundry & Steel, Inc. & Champion Tooling & Machinery Co., Inc. project

For this proposal to be included on the June 13 agenda, I must have the written results of your review before 9:30 a.m. on Tuesday, June 6, 1995.

DKW/laf
Enclosure

007588

EXHIBIT

MAY 26 1995
9:20 a
4 of 5

JUN 20 1995 9
TRANSMITTAL FORM, REVENUE BONDS

STATE BUDGET & CONTROL BOARD

TO: Donna Kaminer Williams, Board Secretary
State Budget and Control Board
601 Wade Hampton Building
Columbia, SC 29201

DATE: May 25, 1995

Submitted for BCB Meeting on:
June 13, 1995

OR P.O. Box 12444, Columbia, SC 29211

FROM:

RE:

McNAIR & SANFORD, P.A.

N/E \$20,000,000

Name of Law Firm

Amount of Issue

Suite 601, NationsBank Plaza

S.C. Jobs-Economic Development

Street Address/Box Number

Name of Issuing Authority

Greenville, SC 29601

Variable Rate Hospital Rev. Bonds

City, State, Zip Code

Type of Bonds or Notes

(803) 271-4940

July 1995

Area Code/Telephone Number

Projected Issue Date

Project Name: Baptist Healthcare System of South Carolina, Inc.

Project Description: building improvements, renovations to surgical & psychiatric areas
and reimbursing the Institution for certain prior capital expenditures

Employment as a result of the project: maintaining existing employment for 2,529 people

Ceiling Allocation Required

Refunding Involved

Project Approved Previously

Yes (\$ _____) No

Yes (\$ _____) No

Yes (\$ _____) No

Amount

Amount

Amount

Documents enclosed (executed original and two copies of each):

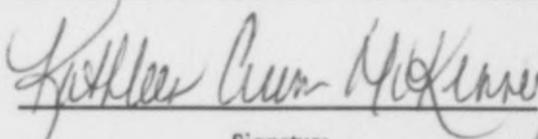
(ALL documents required for state law approval; A and C only for ceiling allocation only.)

- A. Petition
- B. Resolution or Ordinance
- C. Inducement Resolution or comparable preliminary approval
- D. Department of Health and Environmental Control Certificate *if required*
- E. Budget and Control Board Resolution and Public Notice (*original*)
Plus 5 copies for certification and return to bond counsel
- F. Draft bond counsel opinion letter
- G. Processing Fee N/A

Amount: \$ _____ Check No: _____

Payor: _____

Bond Counsel: Kathleen Crum McKinney, Esq.

By: 

Typed Name of Bond Counsel

Signature

EXHIBIT

JUN 20 1995 9

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

STATE BUDGET & CONTROL BOARD
Baptist Healthcare System of SC, Inc.

I, DONNA KAMINER WILLIAMS, SECRETARY to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

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

His Excellency, David M. Beasley, Governor and Chairman of the Board;
The Honorable Richard A. Eckstrom, State Treasurer;
The Honorable Earle E. Morris, Jr., Comptroller General;
The Honorable John Drummond, Chairman of the Senate Finance Committee; and
The Honorable Henry E. Brown, Jr., Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 a.m. on Tuesday, June 20, 1995, was given to all members in writing at least four days prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, in the lobby of the Wade Hampton Office Building, and near the Board Secretary's Office on the Sixth Floor of the Wade Hampton Office Building at 4:00 p.m. on Friday, June 16, 1995.

That all members of the Board were present at the meeting.

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

FOR MOTION

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AGAINST MOTION

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

June 20, 1995

Donna Kaminer Williams

007590

007590

EXHIBIT

JUN 20 1995

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A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$20,000,000 AGGREGATE PRINCIPAL AMOUNT VARIABLE RATE HOSPITAL REVENUE BONDS (BAPTIST HEALTHCARE SYSTEM OF SOUTH CAROLINA, INC.) SERIES 1995, PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore, under and pursuant to the provisions of Title 41, Chapter 43, Code of Laws of South Carolina, 1976, as amended, particularly Section 41-43-110 (the "Act"), requested approval by the State Budget and Control Board (the "Board") of the issuance by the Authority pursuant to the Act of its Variable Rate Hospital Revenue Bonds (Baptist Healthcare System of South Carolina, Inc.) Series 1995, in the aggregate principal amount of not exceeding \$20,000,000 (the "Bonds"); and

WHEREAS, the Authority represents to the Board that the Bonds will be secured under the provisions of an Indenture of Trust between the Authority and a financial institution, as trustee, and a Loan Agreement by and between Baptist Healthcare System of South Carolina, Inc. (the "Institution") and the Authority, and are payable solely from the revenues of the Institution received by the Authority, and that the Authority finds such security for payment of the Bonds to be acceptable;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through private sale to The Robinson-Humphrey Company, Inc., as Underwriter, for public distribution thereafter, be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

JUN 20 1995

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STATE OF SOUTH CAROLINA
State Budget and Control Board STATE BUDGET & CONTROL BOARD
 OFFICE OF GENERAL SERVICES

DAVID M. BEASLEY, CHAIRMAN
 GOVERNOR

RICHARD A. ECKSTROM
 STATE TREASURER

EARLE E. MORRIS, JR.
 COMPTROLLER GENERAL



HELEN T. ZEGLER
 DIRECTOR

PROPERTY MANAGEMENT
 1201 MAIN STREET, SUITE 410
 COLUMBIA, SOUTH CAROLINA 29201
 (803) 737-0790
 FAX 737-0689

ALTON T. LOFTIS, Ph.D.
 ASSISTANT DIRECTOR

June 5, 1995

JOHN DRUMMOND
 CHAIRMAN, SENATE FINANCE COMMITTEE

HENRY E. BROWN, JR.
 CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
 EXECUTIVE DIRECTOR

The Honorable Donna K. Williams, Secretary
 S.C. Budget and Control Board
 601 Wade Hampton Office Building
 Columbia, South Carolina 29201

RE: Jobs-Economic Development Authority
 N/E \$20,000,000 Hospital Revenue Bonds
 Baptist Healthcare System of South Carolina, Inc. Project

Dear Mrs. Williams:

We have received the Revenue Bonds Transmittal form and other items regarding the referenced proposed bonds.

These documents have been submitted by Bond Counsel, McNair and Sanford, P.A. and upon review of the Petition to the Budget and Control Board, the proposed Resolution of the Budget and Control Board and the draft of the Opinion of Bond Counsel appear to be in good order. Of course, we express no opinion as to the merits of the bond issue or the validity of the information recited in these documents as we have not acted in a capacity which would enable us to have knowledge adequate to form such an opinion. We have merely reviewed the documents form and they appear to meet the conditions imposed by State law that certain matters be addressed in the documentation.

Sincerely,

Wayne F. Rush
 General Counsel

007592

WFR:rwk



The State of South Carolina
OFFICE OF THE ATTORNEY GENERAL

CHARLES MOLONY CONDON
ATTORNEY GENERAL

May 31, 1995

Donna Williams
Secretary to the Board
State Budget and Control Board
612 Wade Hampton Office Building
Post Office Box 12444
Columbia, South Carolina 29211

Re: Jobs-Economic Development Authority
Not Exceeding \$20,000,000 Hospital Revenue Bonds
Baptist Healthcare System of South Carolina, Inc. project

Dear Ms. Williams:

This Office has received the letter you have forwarded to us regarding the Baptist Healthcare System of South Carolina, Inc. project.

Please be advised that to the knowledge of this Office there is no known litigation of any nature, now pending or threatened, that would restrain or enjoin the issuance and delivery of the Bonds, nor in any manner question the proceedings and authority under which the same is made or affect the validity of the Bonds thereunder.

No opinion is expressed as to any matters other than as set forth herein. Specifically no opinion is expressed as to any business judgment decisions in relation to this transaction.

Office of the Attorney General

By: _____

A handwritten signature in black ink, appearing to be "CHJ", written over a horizontal line.

CHJjr:ypj

F:\DEPTS\CIVIL\AGENLIT\CORRESP\JEDA.BON

007593

EXHIBIT

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

JUN 20 1995 9

STATE BUDGET & CONTROL BOARD

)
TO THE STATE BUDGET AND CONTROL)
)
BOARD OF SOUTH CAROLINA)
_____)

PETITION OF SOUTH
CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY

This Petition of the South Carolina Jobs-Economic Development Authority (the "Authority"), pursuant to Title 41, Chapter 43, Code of Laws of South Carolina (1976), as amended (the "Act"), and specifically Section 41-43-110 thereof, respectfully shows:

1. The Act, among other things, empowers the Authority: (i) to utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to business enterprises which meet the eligibility requirements of Section 41-43-150 of the Act and for other purposes described in Section 41-43-160 of the Act and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State and act in conjunction with other persons and organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in this State; and (ii) subject to the approval of the State Budget and Control Board of the issuance of its bonds through public or private sale pursuant to Section 41-43-110 of the Act, to issue revenue bonds in order to provide funds for any program authorized by the Act, and to secure the payment of such bonds all as in the Act provided.

2. The Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds, payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues, to defray the cost of medical facilities where such assistance will help relieve a shortage of doctors, specialists or medical services in the area where the project is located.

3. The Authority has agreed to assist Baptist Healthcare System of South Carolina, Inc., a South Carolina nonprofit corporation (the "Institution"), by issuing its revenue bonds for the purpose of defraying the cost of: (i) certain building improvements, renovations and additional equipment for the Institution's facilities located in the City of Columbia, South Carolina (the "Project"); and (ii) to defray the costs of issuance of the Bonds.

4. The Authority has been advised by the Institution that the estimated cost of the borrowing for the Project will be not exceeding \$20,000,000, and the Institution has requested the Authority to execute and deliver its Variable Rate Hospital Revenue Bonds (Baptist

GRVL:36585

007594

Healthcare System of South Carolina, Inc.) Series 1995 (the "Bonds"), in the aggregate principal amount of not exceeding \$20,000,000 to defray such costs. The Bonds will be revenue bonds, payable from the revenues of the Institution.

5. The Authority hereby finds that:

(a) The Institution is engaged in the business of providing medical facilities and the Project is located in Richland County, South Carolina.

(b) It is anticipated that the Project will benefit the general public welfare of the State of South Carolina, and Richland County in particular, by providing employment for those engaged in construction of the Project, and by maintaining employment for approximately 50 people from Richland County and adjacent areas when the Project is placed in full operation, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally, and the number of jobs resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(c) The size and scope of the Project is such that a definite benefit to the economy of the State of South Carolina, and Richland County in particular, is reasonably expected to result therefrom.

(d) The Bonds are revenue bonds to be repaid from the revenues of the Institution. The obligation of the Institution to repay the principal amount outstanding with respect to the Bonds will be guaranteed by a Bond Indenture between the Authority and a financial institution, as bond trustee. Such security for payment of the Bonds is acceptable.

(e) The proposed arrangement for sale of the Bonds to an investment banking institution or placement to a financial institution for reoffering is the most advantageous method of sale for the Bonds.

Upon the basis of the foregoing, the Authority respectfully prays that the State Budget and Control Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such investigation as it deems advisable, and (iii) approve the issuance of the Bonds

EXHIBIT

JUN 20 1995

9

by the Authority through a negotiated private placement with a financial institution, as placement agent, or the sale of the Bonds to an investment banking firm, as underwriter, for subsequent offering of the Bonds to the public.

Respectfully submitted,

SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY

By: Charles L. Appleby, III
Charles L. Appleby, III, Chairman,
Board of Directors

(SEAL)

ATTEST:

Elliott E. Franks, III
Elliott E. Franks, III,
Executive Director

Dated: May 17, 1995

007596

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT BY AND BETWEEN SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY AND BAPTIST HEALTHCARE SYSTEM OF SOUTH CAROLINA, INC., WHEREBY UNDER CERTAIN CONDITIONS THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY WILL ISSUE NOT EXCEEDING \$20,000,000 OF ITS VARIABLE RATE HOSPITAL REVENUE BONDS PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED, AND AUTHORIZING APPLICATION UPON CERTAIN CONDITIONS TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE OF SUCH BONDS.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority"), acting by and through its Board of Directors, is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43, Code of Laws of South Carolina, 1976, as amended (the "Act"), to utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to business enterprises which meet the eligibility requirements of Section 41-43-150 of the Act and for other purposes described in Section 41-43-160 of the Act and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State of South Carolina and in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State of South Carolina; and

WHEREAS, the Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds, payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues, to defray the cost of medical facilities where such assistance will help relieve a shortage of doctors, specialists or medical services in the area where the project is located; and

WHEREAS, Baptist Healthcare System of South Carolina, Inc. (the "Institution"), a South Carolina nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, has applied to the Authority to issue not exceeding \$20,000,000 of its variable rate hospital revenue bonds (the "Bonds") in order to defray the cost of acquiring by construction or purchase certain building improvements and renovations, machinery, apparatus and equipment to provide healthcare services at the Institution's facilities in Columbia, South Carolina (the "Project"), and the Authority wishes to induce the Institution to acquire and construct the Project within the State of South Carolina; and

WHEREAS, it is in the public interest, for the public benefit and in furtherance of the public purposes of the Authority that its Board of Directors provide preliminary approval of the issuance of the Bonds for the aforesaid purposes; and

WHEREAS, it is deemed advisable by the Authority to file with the State Budget and Control Board of South Carolina, in compliance with Section 41-43-110 of the Act, the Petition of the Authority requesting approval by the State Budget and Control Board for the issuance of the Bonds at public or private sale upon receipt by the Authority from the Institution of evidence satisfactory to the Authority of the economic feasibility of the Project;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Authority as follows:

Section 1. It is hereby found, determined, and declared as follows:

(a) The Institution is a responsible party engaged in the business of owning and operating general acute care hospital facilities located in Columbia and Easley, South Carolina.

(b) The Institution has demonstrated to the Authority that the assistance of the Authority by the issuance of the Bonds will result in the creation or maintenance of employment for those engaged in construction of the Project, and by maintaining employment for approximately 50 people from the City of Columbia and adjacent areas when the Project is placed in full operation, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally, and the number of jobs resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(c) The principal amount of the Bonds bears a reasonable relationship to the amount of private funds committed to the Project.

(d) The size and scope of the Project is such that a definite benefit to the economy of the State of South Carolina, and Richland County in particular, is reasonably expected to result therefrom.

Section 2. Subject to such approval by the State Budget and Control Board and the governing board of the City of Columbia, South Carolina, as may be required by law, the Board of Directors of the Authority preliminarily approves the issuance and sale of the Bonds pursuant to Section 41-43-110 of the Act in a principal amount of not exceeding \$20,000,000 for the purpose of providing financing to the Institution for the acquisition and construction of the Project.

Section 3. The issuance and sale of the Bonds shall be upon such terms and conditions as may be mutually agreed upon by the Authority, the Institution, and the purchaser of the Bonds, and shall be subject to completion of proceedings for issuance, sale, and delivery of the

Bonds satisfactory to the Authority. The provisions, terms, and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity, and redemption provisions, if any, of the Bonds, and findings required by the Act shall be reasonable and proper, taking into account such factors as the type of program involved, the principal amount of the Bonds, and the number and type of program involved; the public interest shall be adequately protected by the terms thereof.

STATE BUDGET & CONTROL BOARD

Section 4. The Chairman of the Board of the Authority is hereby authorized and directed to execute the Inducement Agreement attached hereto in the name and on behalf of the Authority, and the Director of the Authority is hereby authorized and directed to affix thereto the seal of the Authority and to attest the same, and the Director of the Authority is hereby further authorized and directed to delivery said executed Inducement Agreement to the Institution.

Section 5. It is the intention of the Authority that this resolution shall constitute an official action and intent on the part of the Authority within the meaning of the applicable regulations of the Treasury Department relating to the issuance of tax-exempt revenue bonds.

Section 6. The Bonds shall never constitute an indebtedness of the Authority or the State of South Carolina (the "State") within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Authority or the State or a charge against the general credit of the Authority or the State or the taxing powers of the State.

Section 7. Upon receipt by the Authority from the Institution of evidence, which shall be satisfactory to the Authority, of the economic feasibility of the Project, there shall be and is hereby authorized and directed the submission on behalf of the Authority, of a Petition requesting approval by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 41-43-110 of the Act of the issuance of the Bonds through public or private sale, said Petition, which constitutes and is hereby made a part of this authorizing resolution, to be in form acceptable to the State Budget and Control Board.

Section 8. The Chairman of the Board of Directors of the Authority shall be and is hereby authorized and directed to execute said Petition in the name and on behalf of the Authority, and the Director of the Authority shall be and is hereby authorized and directed to affix the seal of the Authority to said Petition and to attest the same and thereafter, upon the conditions set forth hereinabove, to submit an executed copy of this resolution to the State Budget and Control Board of South Carolina.

Section 9. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

EXHIBIT

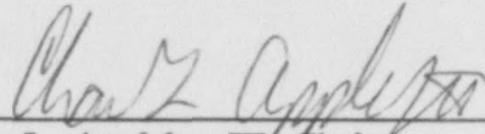
JUN 20 1995

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Passed and approved May 17, 1995.

STATE BUDGET & CONTROL BOARD

**SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY**



Charles L. Appleby, III, Chairman,
Board of Directors

(SEAL)

ATTEST:



Elliott E. Franks, III,
Executive Director

EXHIBIT

JUN 20 1995

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INDUCEMENT AGREEMENT

STATE BUDGET & CONTROL BOARD

THIS AGREEMENT made and entered into by and between South Carolina Jobs-Economic Development Authority, a public body corporate and politic and an agency and duly constituted authority of the State of South Carolina (the "Authority"), and Baptist Healthcare System of South Carolina, Inc., a South Carolina nonprofit corporation (the "Institution").

WITNESSETH

ARTICLE I

RECITATION OF FACTS

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

Section 1.01. The Authority, acting by and through its Board of Directors, is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43 of the Code of Laws of South Carolina, 1976, as amended (the "Act"), to utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to business enterprises which meet the eligibility requirements of Section 41-43-150 of the Act and for other purposes described in Section 41-43-160 of the Act and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State of South Carolina and in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State of South Carolina.

Section 1.02. The Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds, payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues, to defray the cost of medical facilities where such assistance will help relieve a shortage of doctors, specialists or medical services in the area where the project is located.

Section 1.03. The Institution has applied to the Authority to issue not exceeding \$20,000,000 of its variable rate hospital revenue bonds in order to defray the cost of acquiring by construction or purchase certain building improvements and renovations, machinery, apparatus and equipment to provide healthcare services at the Institution's facilities in Columbia, South Carolina (the "Project"), and the Authority wishes to induce the Institution to acquire and construct the Project within the State of South Carolina.

Section 1.04. (a) The Institution is a responsible party engaged in the business of owning and operating general acute care hospital facilities located in Columbia and Easley, South Carolina.

(b) The Institution has demonstrated to the Authority that the assistance of the Authority by the issuance of its variable rate hospital revenue bonds will result in the creation or maintenance of employment for those engaged in construction of the Project, and by maintaining employment for approximately 50 people from Richland County and adjacent areas when the Project is placed in full operation, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally, and the number of jobs resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds (as defined below).

(c) The principal amount of the Bonds bears a reasonable relationship to the amount of private funds committed to the Project.

(d) The size and scope of the Project is such that a definite benefit to the economy of the State of South Carolina, and Richland County in particular, is reasonably expected to result therefrom.

Section 1.05. The Authority has given due consideration to all the proposals and requests of the Institution and has agreed to endeavor to effect the issuance of the bonds or notes at the time and on the terms and conditions hereafter set forth.

ARTICLE II

UNDERTAKING ON THE PART OF THE AUTHORITY

The Authority agrees as follows:

Section 2.01. The Authority will, subject to such approval by the State Budget and Control Board and the governing body of the City of Columbia, South Carolina, as may be required by law and subject to the limitations set forth herein, authorize the issuance of not exceeding \$20,000,000 Variable Rate Hospital Revenue Bonds (Baptist Healthcare System of South Carolina, Inc.) Series 1995 (the "Bonds"), at such time as the Institution may request the Authority to do so.

Section 2.02. The Authority will permit the Institution to arrange for the sale of the Bonds to defray certain costs of the Project as aforesaid and if successful marketing arrangements can be made, it will adopt such proceedings and enter into such agreements as are necessary for the issuance and securing of the Bonds.

Section 2.03. The proceeds of any sale of the Bonds may be applied to the payment of the costs of the Project as determined under the Act including, without limitations, the expenses incurred in connection with the issuance and sale of the Bonds, the acquisition of the Project including building improvements and renovations, machinery, apparatus and equipment, and other items permitted by the Act, and the repayment of any funds, advances, or loans incurred by the Institution for such purposes.

Section 2.04. Prior to issuing the Bonds, the Authority may enter into a loan agreement with the Institution and a security agreement with the trustee (to be requested by the Institution and approved by the Authority and the State Treasurer) or with the purchasers of the Bond, pursuant to which the Bonds will be secured and issued. Such documents shall be substantially in the form used in connection with the issuance of other South Carolina hospital revenue bonds and shall constitute a lien on the revenues derived from the Institution with respect to the Project to secure the payment of the Bonds. Provisions, terms, and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity, redemption provisions, if any, of the Bonds, and other details of any loan agreement relating to the Bonds, shall be prescribed by subsequent resolution of the Authority and shall be reasonable and proper, taking into account such facts as type of program involved, the principal amount of the Bonds, and the number and type of jobs involved; the public interest shall be adequately protected by the terms thereof.

Section 2.05. The Authority will perform such other acts and adopt such further proceedings as may be required faithfully to implement its undertaking and to consummate the proposed financing.

Section 2.06. The undertakings of the Authority hereunder are contingent upon the Authority continuing to evaluate the Project as beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware and upon the Institution providing the Authority with such further evidence as may be satisfactory to the Authority as to compliance with all applicable statutes and regulations.

ARTICLE III

UNDERTAKINGS ON THE PART OF THE INSTITUTION

Section 3.01. The Institution agrees that the Authority will have no obligation to find a purchaser of the Bonds and acknowledges that the Authority's approval of this Agreement is preliminary and is conditioned upon the Authority continuing to evaluate the Project as beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware.

Section 3.02. The Institution further agrees, if the plan proceeds as contemplated, as follows:

EXHIBIT

JUN 20 1995

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STATE BUDGET & CONTROL BOARD

- (a) to acquire the Project;
- (b) to enter into a loan agreement with the Authority, under the terms of which the Institution will obligate itself to pay to the Authority sums sufficient to pay the principal, interest and premium, if any, on the Bonds, as and when the same become due and payable;
- (c) to hold the Authority harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement;
- (d) to perform such further acts and adopt such further proceedings as may be required faithfully to implement its undertakings and to consummate the proposed financing; and
- (e) to covenant and agree in the loan agreement referred to above to install in the buildings which are to become a part of the Project all necessary equipment and machinery and initially to operate the Project.

ARTICLE IV

GENERAL PROVISIONS

Section 4.01. All commitments of the Authority under Article II hereof are subject to all of the provisions of the Act and regulations of the Authority pursuant thereto and the condition that nothing contained in this Agreement shall constitute nor give rise to a pecuniary liability of the Authority or a charge against its general credit.

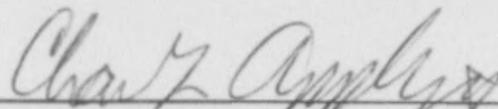
Section 4.02. The parties hereto agree that the Institution may proceed with the Project, including building improvements and renovations and the acquisition and installation of the equipment and machinery, prior to the issuance of Bonds.

Section 4.03. All commitments of the Authority and the Institution hereunder are subject to the condition that the Authority and the Institution do agree on mutually acceptable terms and conditions of all documents, the execution and delivery of which are contemplated by the provisions hereof.

Section 4.04. The parties understand that the Institution or the Authority may choose not to finance the Project as herein provided, in which event this Agreement shall become void.

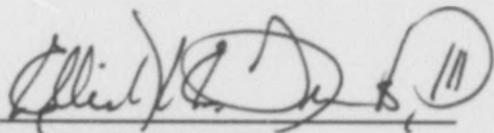
IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Agreement on the respective dates indicated below.

SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY



Charles L. Appleby, III, Chairman,
Board of Directors

ATTEST:



Elliott E. Franks, III,
Executive Director

Dated: May 17, 1995

EXHIBIT

JUN 20 1995 9

STATE BUDGET & CONTROL BOARD
BAPTIST HEALTHCARE SYSTEM
OF SOUTH CAROLINA, INC.

By: Jane M. Burt
Its: CFO

ATTEST:

By: Mary E. Clarkson
Its: Secretary

Dated: May 17, 1995

EXHIBIT

JUN 20 1995

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South Carolina
DHEC
Department of Health and Environmental Control
2800 Bull Street, Columbia, SC 29201

Commissioner: Douglas E. Bryant

Boards: Richard E. Jabbour, DDS, Chairman
Robert J. Stripling, Jr., Vice Chairman
Sandra J. Molander, Secretary

Promoting Health, Protecting the Environment

STATE BUDGET & CONTROL BOARD

John M. Smith
William M. Hull, Jr., MD
Roger Leaks, Jr.
Burnet R. Maybank, III

CERTIFIED MAIL

November 21, 1994

Re: SC-94-62

Construction and renovation to expand the surgical department to include three include three (3) new laminar flow operating rooms for orthopedic surgery.
Baptist Medical Center-Columbia
Columbia, South Carolina

Ms. Pamela L. Roberts
Corporate Strategic Planner
Baptist Medical Center-Columbia
Taylor at Marion Street
Columbia, SC 29220

Dear Ms. Roberts:

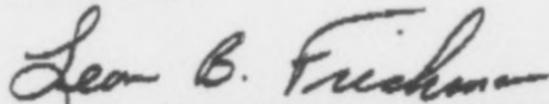
Enclosed is the Certificate of Need granting approval of the above named project. This Certificate is valid for a period of twelve months.

Pursuant to Regulation No. 61-15, you must submit monthly progress reports from the date of issuance of this Certificate of Need documenting compliance with the timetable which you submitted in your application for this project.

In addition, enclosed is an invoice for the required Certificate of Need issuance fee of \$7,500.00. The Certificate of Need issuance fee must be paid by valid check made payable to the S.C. Department of Health and Environmental Control. Payment must be received by the Department within 15 days from your receipt of the Certificate and invoice for the Certificate of Need to remain valid.

If this office can be of further service to you or if you have any questions concerning the above, feel free to contact us at (803) 737-7200.

Sincerely,



Leon B. Frishman, Director
Bureau of Health Facilities and Services Development

LBF/MWF/vmm

Enclosure

007507

South Carolina Department of Health
and Environmental Control



CERTIFICATE OF NEED

This Certificate of Need is issued to: South Carolina Baptist Hospitals, Inc., Licensee, Baptist Medical Center-Columbia, Columbia, South Carolina, Ms. Pamela L. Roberts, Agent; Construction and renovation to expand the surgical department to include three (3) new laminar flow operating rooms for orthopedic surgery.

For Certificate No. SC-94-62 in accordance with the Code of Laws of South Carolina.

In determining the need for this project, the South Carolina Department of Health and Environmental Control has taken into consideration the "Criteria for Project Review" and the State Medical Facilities Plan.

This Certificate of Need is valid for a period of ~~1000~~ twelve months from the date of issuance unless the applicant receives an extension of this Certificate from the Department in accordance with regulations of the Department.

In Witness Whereof we have hereunto set our hands and the seal of the Department of Health and Environmental Control this the 21st day of November, 1994



Albert N. White

Director, Division of Planning and Certification of Need

Leo B. Fishman

Director, Bureau of Health Facilities and Services Development

John M. Gentry

Deputy Commissioner, Health Regulation

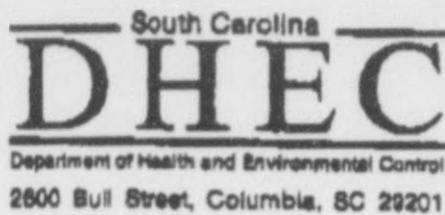
DHEC-225 (Rev. 6/90)

007608

EXHIBIT

JUN 20 1995

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Commissioner: Douglas E. Bryant

Board: Richard E. Jabbour, DDS, Chairman
Robert J. Striping, Jr., Vice Chairman
Sandra J. Molander, Secretary

Promoting Health. Protecting the Environment

STATE BUDGET & CONTROL BOARD

John H. Burris
William M. Hull, Jr., MD
Roger Leeks, Jr.
Burnet R. Maybank, III

CERTIFIED MAIL

October 31, 1994

Re: Baptist Medical Center - Columbia
Columbia, South Carolina

Ms. Pamela L. Roberts
Corporate Strategic Planner
Baptist Medical Center - Columbia
Taylor at Marion Street
Columbia, South Carolina 29220

Dear Ms. Roberts:

It is the decision of this Department that a Certificate of Need be issued to South Carolina Baptist Hospitals, Inc., Columbia, South Carolina, for construction and renovation to expand the surgical department to include three (3) new laminar flow operating rooms for orthopedic surgery.

This decision is based on the following:

1. The project is not inconsistent with the criteria in the 1993 S.C. Health Plan;
2. The need for the proposed project has been demonstrated by the applicant; and
3. The proposed project appears to be financially feasible.

The Department makes the following findings pursuant to Section 501, Regulation No. 61-15, Certification of Need for Health Facilities and Services:

1. The capital and operating costs of the proposal and their potential impact on patient charges are reasonable;
2. Superior alternatives to such services in terms of cost, efficiency, or appropriateness do not exist and that the development of such alternatives is not practicable;
3. In the case of new construction, alternatives to new construction (e.g. modernization or sharing arrangements) have been considered; and

007609

Ms. Pamela Roberts
October 31, 1994
Page 2

4. Patients will experience serious problems in terms of costs, availability or accessibility, or such other problems as may be identified by the Department, in obtaining care of the type proposed in the absence of the project.

The additional finding required by Section 501 of Regulation No. 61-15 is not applicable to this project.

This proposed decision becomes the final agency decision ten (10) days after the receipt of this notice unless one of the following occurs:

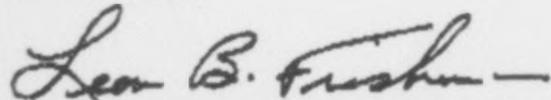
1. Pursuant to Section 44-7-210(D)(1) of the amended Code of Laws of South Carolina, 1976, any persons showing "good cause" as defined in Regulation No. 61-15 may request reconsideration of this Department's decision. Such request must be made in writing to this office within ten (10) days from the date of receipt of this notice and must state the specific reasons for such request.
2. Pursuant to Section 44-7-210(D)(2) of the amended Code of Laws of South Carolina, 1976, an appeal may be submitted by any affected person or the applicant, within a ten (10) day period, which gives notice in writing that the person is desirous of a hearing before the S. C. Board of Health and Environmental Control. Should this be the case, the affected person and/or applicant should submit the original request to the following:

The Board of Health and Environmental Control
Attention: Clerk of the Board
Office of the Commissioner
2600 Bull Street
Columbia, South Carolina 29201

A copy of the correspondence must also be forwarded to the Director of the Bureau of Health Facilities and Services Development.

Should there be no response within the ten (10) day period, this decision will be final. If you have any questions, please feel free to contact us at (803) 737-7200.

Sincerely,



Leon B. Frishman, Director
Bureau of Health Facilities
and Services Development

007610

EXHIBIT

JUN 20 1995

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STATE BUDGET & CONTROL BOARD

[Form of Opinion of Bond Counsel]

June __, 1995

South Carolina Jobs-Economic
Development Authority
Columbia, South Carolina

Re: \$20,000,000 South Carolina Jobs-Economic Development Authority, Variable Rate Hospital Revenue Bonds (Baptist Healthcare System of South Carolina, Inc.) Series 1995

Gentlemen:

At your request we have examined into the validity of \$20,000,000 principal amount of Variable Rate Hospital Revenue Bonds (Baptist Healthcare System of South Carolina, Inc.) Series 1995 (the "Bonds"), of the South Carolina Jobs-Economic Development Authority, a body politic and corporate of the State of South Carolina (the "Issuer").

The Bonds recite that they are issued under and equally secured by a Bond Indenture dated as of June 1, 1995 (the "Bond Indenture"), by and between the Issuer and _____, as bond trustee (the "Bond Trustee"), and are entitled to the benefit of the Master Trust Indenture dated as of November 1, 1986 (the "Master Trust Indenture"), between South Carolina Baptist Hospital, a South Carolina nonprofit corporation, of which Baptist Healthcare System of South Carolina, Inc. is successor (the "Institution"), and NationsBank of South Carolina, National Association, successor to The Citizens and Southern National Bank of South Carolina, as master trustee (the "Master Trustee"), and are issued under the authority of and pursuant to and in full compliance with the Constitution and statutes of the State of South Carolina, among others, Title 41, Chapter 43, of the Code of Laws of South Carolina, 1976, as amended (being the "South Carolina Jobs-Economic Development Fund Act"), which empowers the Issuer to issue hospital revenue bonds. The Bonds further recite that they are payable solely from the Pledged Revenues, as defined in the Bond Indenture, and the Institution's Series 6 Note has been issued to the Issuer to evidence and secure the obligations of the Institution to the Issuer arising from the Issuer's loaning to the Institution the proceeds of the Bonds under a Loan Agreement dated as of June 1, 1995 (the "Loan Agreement"), between the Issuer and the Institution. Such Series 6 Note has been issued under the Master Trust Indenture and a Supplemental Master Trust Indenture No. 6 dated as of June 1, 1995 (the "Series 6 Note Indenture"), between the Master Trustee and the

GRVL:37995

007511

South Carolina Jobs-Economic
Development Authority

June __, 1995

Page 2

Institution. By the Bond Indenture the Issuer has assigned and pledged to the Bond Trustee, for the ratable benefit of the holders of the Bonds, the Issuer's interest in the Loan Agreement and the Series 6 Note.

We have examined (i) the Constitution and laws of the State of South Carolina; (ii) a duplicate executed copy of the Master Trust Indenture, the Series 6 Note Indenture, the Bond Indenture, and the Loan Agreement; (iii) certified or duplicate executed copies of proceedings of the State Budget and Control Board with respect to the issuance of the Bonds; (iv) certified or duplicate executed copies of proceedings of the Board of the Issuer authorizing the issuance of the Bonds and the execution and delivery by the Issuer of the Bond Indenture and the Loan Agreement; and (v) such other papers, instruments and documents in this matter as we have deemed necessary or advisable. We have also examined a specimen Bond.

Based on the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized and issued in accordance with the Constitution and laws of the State of South Carolina and constitute valid and legally binding limited obligations of the Issuer, the principal of and interest on which are payable solely out of the Pledged Revenues, as defined in the Bond Indenture, payable to the Issuer under the Loan Agreement, and are secured by a pledge of the revenues and receipts payable to the Issuer under the Loan Agreement.

2. The Bond Indenture and the Loan Agreement have been duly authorized, executed and delivered by the Issuer and constitute valid and binding agreements of the Issuer enforceable in accordance with their terms.

3. Assuming the accuracy of the certifications of the Institution and its continuing compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and the rules and regulations thereunder, the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on corporations and taxpayers under laws, regulations, rulings and judicial decisions existing on this date. Such interest is, however, includable in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect thereto. Interest on the Bonds held by a foreign corporation may be subject to the federal branch profits tax. Under the laws of the State of South Carolina, the Bonds and the income therefrom are presently exempt from all taxation in such State, except for estate or transfer taxes. It should be noted, however, that Section 12-11-20, Code of Laws of South Carolina, 1976,

EXHIBIT

JUN 20 1995

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South Carolina Jobs-Economic
Development Authority

June __, 1995

Page 3

STATE BUDGET & CONTROL BOARD

as amended, imposes upon every bank engaged in business in the State a fee or franchise tax computed on the entire net income of such bank, which includes interest paid on the Bonds.

It is to be understood that the rights of the holders of the Bonds and the parties under the Master Trust Indenture, the Series 6 Note Indenture, the Bond Indenture and the Loan Agreement and the enforceability of the Master Trust Indenture, the Series 6 Note Indenture, the Bond Indenture, the Loan Agreement or the Bonds, as the case may be, are subject to general principles of equity which may permit the exercise of judicial discretion, the exercise of the sovereign police powers of the State of South Carolina and the constitutional powers of the United States of America and to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally.

Very truly yours,

McNAIR & SANFORD, P.A.

007513

EXHIBIT

STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF THE EXECUTIVE DIRECTOR

JUN 20 1995 9
STATE BUDGET & CONTROL BOARD

DAVID M. BEASLEY, CHAIRMAN
GOVERNOR

RICHARD A. ECKSTROM
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



P.O. BOX 12444
COLUMBIA, SOUTH CAROLINA 29211

May 26, 1995

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

HENRY E. BROWN, JR.
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

MEMORANDUM

TO: C. H. Jones, Jr.; Wayne Rush
FROM: Donna Kaminer Williams *DKW*
SUBJECT: Review of Revenue Bond Proposal

Enclosed is the following proposal for the issuance of bonds which has been submitted for the June 13, 1995, Budget and Control Board agenda:

Jobs-Economic Development Authority
N/E \$20,000,000 Hospital Revenue Bonds
Baptist Healthcare System of South Carolina, Inc. project

For this proposal to be included on the June 13 agenda, I must have the written results of your review before 9:30 a.m. on Tuesday, June 6, 1995.

DKW/laf
Enclosure

007614

EXHIBIT

MAY 26 1995

JUN 20 1995

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5 of 5

TRANSMITTAL FORM, REVENUE BONDS

STATE BUDGET & CONTROL BOARD

TO: Donna Kaminer Williams, Board Secretary
State Budget and Control Board
601 Wade Hampton Building
Columbia, SC 29201

DATE: May 25, 1995

Submitted for BCB Meeting on:
June 13, 1995

OR P.O. Box 12444, Columbia, SC 29211

FROM:

RE:

McNAIR & SANFORD, P.A.

N/E \$60,000,000

Name of Law Firm

Amount of Issue

Suite 601, NationsBank Plaza

S.C. Jobs-Economic Development

Street Address/Box Number

Name of Issuing Authority

Greenville, SC 29601

Hospital Revenue Bonds

City, State, Zip Code

Type of Bonds or Notes

(803) 271-4940

July 1995

Area Code/Telephone Number

Projected Issue Date

Project Name: Tuomey Regional Medical Center

Project Description: acquisition and construction of certain improvements and renovations to the Hospital's facilities, including necessary equipment and furnishings (see attached)

Employment as a result of the project: maintaining 1212 and adding 25 within 24 months

Ceiling Allocation Required

Refunding Involved

Project Approved Previously

Yes (\$ _____) No

Yes (\$ _____) No

Yes (\$ _____) No

Amount

Amount

Amount

Documents enclosed (executed original and two copies of each):

(ALL documents required for state law approval; A and C only for ceiling allocation only.)

- A. Petition
- B. Resolution or Ordinance
- C. Inducement Resolution or comparable preliminary approval
- D. Department of Health and Environmental Control Certificate *if required*
- E. Budget and Control Board Resolution and Public Notice (*original*)
Plus 5 copies for certification and return to bond counsel
- F. Draft bond counsel opinion letter
- G. Processing Fee N/A

Amount: \$ _____ Check No: _____

Payor: _____

Bond Counsel: Kathleen Crum McKinney, Esq.

By: *Kathleen Crum McKinney*

Typed Name of Bond Counsel

Signature

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

Tuomey Regional Medical Center

I, DONNA KAMINER WILLIAMS, SECRETARY to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

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

His Excellency, David M. Beasley, Governor and Chairman of the Board;
The Honorable Richard A. Eckstrom, State Treasurer;
The Honorable Earle E. Morris, Jr., Comptroller General;
The Honorable John Drummond, Chairman of the Senate Finance Committee; and
The Honorable Henry E. Brown, Jr., Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 a.m. on Tuesday, June 20, 1995, was given to all members in writing at least four days prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, in the lobby of the Wade Hampton Office Building, and near the Board Secretary's Office on the Sixth Floor of the Wade Hampton Office Building at 4:00 p.m. on Friday, June 16, 1995.

That all members of the Board were present at the meeting.

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

FOR MOTION

5

AGAINST MOTION

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

June 20, 1995

Donna Kaminer Williams

007516

A RESOLUTION APPROVING THE ISSUANCE BY THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY OF NOT EXCEEDING \$60,000,000 AGGREGATE PRINCIPAL AMOUNT HOSPITAL REVENUE BONDS (TUOMEY REGIONAL MEDICAL CENTER) SERIES 1995, PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority") has heretofore, under and pursuant to the provisions of Title 41, Chapter 43, Code of Laws of South Carolina, 1976, as amended, particularly Section 41-43-110 (the "Act"), requested approval by the State Budget and Control Board (the "Board") of the issuance by the Authority pursuant to the Act of its Hospital Revenue Bonds (Tuomey Regional Medical Center) Series 1995, in the aggregate principal amount of not exceeding \$60,000,000 (the "Bonds"); and

WHEREAS, the Authority represents to the Board that the Bonds will be secured under the provisions of an Indenture of Trust between the Authority and a financial institution, as trustee, and a Loan Agreement by and between Tuomey Regional Medical Center (the "Institution") and the Authority, and are payable solely from the revenues of the Institution received by the Authority, and that the Authority finds such security for payment of the Bonds to be acceptable;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of South Carolina, as follows:

Section 1. It is hereby found, determined and declared by the Board that the Petition filed by the Authority contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 41-43-110 of the Act.

Section 2. In consequence of the foregoing, the proposal of the Authority to issue the Bonds through private sale to PaineWebber Incorporated, as Underwriter, for public distribution thereafter, be and the same is hereby in all respects approved.

Section 3. This Resolution shall take effect immediately.

State Budget and Control Board
OFFICE OF GENERAL SERVICES

STATE BUDGET & CONTROL BOARD



DAVID M. BEASLEY, CHAIRMAN
GOVERNOR

RICHARD A. ECKSTROM
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

HENRY E. BROWN, JR.
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

HELEN T. ZEIGLER
DIRECTOR

PROPERTY MANAGEMENT
1201 MAIN STREET, SUITE 410
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-0790
FAX 737-0689

ALTON T. LOFTIS, Ph.D.
ASSISTANT DIRECTOR

June 5, 1995

The Honorable Donna K. Williams, Secretary
S.C. Budget and Control Board
601 Wade Hampton Office Building
Columbia, South Carolina 29201

RE: Jobs-Economic Development Authority
N/E \$60,000,000 Hospital Revenue Bonds
Tuomey Regional Medical Center Project

Dear Mrs. Williams:

We have received the Revenue Bonds Transmittal form and other items regarding the referenced proposed bonds.

These documents have been submitted by Bond Counsel, McNair and Sanford, P.A. and upon review of the Petition to the Budget and Control Board, the proposed Resolution of the Budget and Control Board and the draft of the Opinion of Bond Counsel appear to be in good order. Of course, we express no opinion as to the merits of the bond issue or the validity of the information recited in these documents as we have not acted in a capacity which would enable us to have knowledge adequate to form such an opinion. We have merely reviewed the documents form and they appear to meet the conditions imposed by State law that certain matters be addressed in the documentation.

Sincerely,

Wayne F. Rush
General Counsel

007618

WFR:rwk



EXHIBIT

JUN 20 1995 10

STATE BUDGET & CONTROL BOARD

The State of South Carolina
OFFICE OF THE ATTORNEY GENERAL

CHARLES MOLONY CONDON
ATTORNEY GENERAL

May 31, 1995

Donna Williams
Secretary to the Board
State Budget and Control Board
612 Wade Hampton Office Building
Post Office Box 12444
Columbia, South Carolina 29211

Re: Jobs-Economic Development Authority
Not Exceeding \$60,000,000 Hospital Revenue Bonds
Tuomey Regional Medical Center project

Dear Ms. Williams:

This Office has received the letter you have forwarded to us regarding the Tuomey Regional Medical Center project.

Please be advised that to the knowledge of this Office there is no known litigation of any nature, now pending or threatened, that would restrain or enjoin the issuance and delivery of the Bonds, nor in any manner question the proceedings and authority under which the same is made or affect the validity of the Bonds thereunder.

No opinion is expressed as to any matters other than as set forth herein. Specifically no opinion is expressed as to any business judgment decisions in relation to this transaction.

Office of the Attorney General

By: _____

A handwritten signature in black ink, appearing to be "C. J. ...", written over a horizontal line.

CHJjr:ypj

F:\DEPTS\CIVIL\AGENLIT\CORRESP\JEDA.BON

007519

07/11/95

DESCRIPTION OF PROJECT

Tuomey Regional Medical Center (the "Institution")

The Project consists of:

- (i) construction on three sides of the existing facility to build suitable parking with appropriate ingress and egress and landscaping;
- (ii) renovation of approximately 54,846 square feet of the existing hospital building containing the Department of Surgery, Cardiac Catheterization Lab, dialysis, Nursery, Radiology, Cardio-Vascular and other ancillary support services;
- (iii) miscellaneous machinery, apparatus and equipment which do not require a certificate of need; and
- (iv) costs of issuance of the Bonds.

A portion of the proceeds of the Bonds will be used to reimburse the Institution for certain prior capital expenditures.

007520

EXHIBIT

JUN 20 1995 10

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

TO THE STATE BUDGET AND CONTROL)
)
BOARD OF SOUTH CAROLINA)

PETITION OF SOUTH
CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY

This Petition of the South Carolina Jobs-Economic Development Authority (the "Authority"), pursuant to Title 41, Chapter 43, Code of Laws of South Carolina (1976), as amended (the "Act"), and specifically Section 41-43-110 thereof, respectfully shows:

1. The Act, among other things, empowers the Authority: (i) to utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to business enterprises which meet the eligibility requirements of Section 41-43-150 of the Act and for other purposes described in Section 41-43-160 of the Act and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State and act in conjunction with other persons and organizations, public or private, in the promotion and advancement of industrial, commercial, agricultural, and recreational development in this State; and (ii) subject to the approval of the State Budget and Control Board of the issuance of its bonds through public or private sale pursuant to Section 41-43-110 of the Act, to issue revenue bonds in order to provide funds for any program authorized by the Act, and to secure the payment of such bonds all as in the Act provided.

2. The Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds, payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues, to defray the cost of medical facilities where such assistance will help relieve a shortage of doctors, specialists or medical services in the area where the project is located.

3. The Authority has agreed to assist Tuomey Regional Medical Center, a South Carolina nonprofit corporation (the "Institution"), by issuing its revenue bonds for the purpose of defraying the cost of construction and renovation of existing hospital building containing the Department of Surgery, Cardiac Catheterization Lab, Dialysis, Nursery, Radiology, Cardio-Vascular and other ancillary support services (the "Project"); and to defray the costs of issuance of the Bonds.

4. The Authority has been advised by the Institution that the estimated cost of the borrowing for the Project will be not exceeding \$60,000,000, and the Institution has requested the Authority to execute and deliver its Hospital Revenue Bonds (Tuomey Regional Medical

Center) (the "Bonds"), in the aggregate principal amount of not exceeding \$60,000,000 to defray such costs. The Bonds will be revenue bonds, payable from the revenues of the Institution.

5. Revenue bonds issued on behalf of hospitals are typically sold to an underwriter through a negotiated private sale for subsequent reoffering. In this instance, the Institution has proposed that the Bonds be sold to PaineWebber Incorporated, as sole underwriter or as the lead underwriter for a syndicate to be formed by PaineWebber Incorporated.

6. The Authority hereby finds that:

(a) The Institution is engaged in the business of providing medical facilities and the Project is located in Sumter County, South Carolina.

(b) It is anticipated that the Project will benefit the general public welfare of the State of South Carolina, and Sumter County in particular, by providing employment for those engaged in construction of the Project, and by maintaining employment for approximately 1,212 people and providing additional employment for approximately 10 people with 12 months and 15 people within 24 months from Sumter County and adjacent areas when the Project is placed in full operation, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally, and the number of jobs resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(c) The size and scope of the Project is such that a definite benefit to the economy of the State of South Carolina, and Sumter in particular, is reasonably expected to result therefrom.

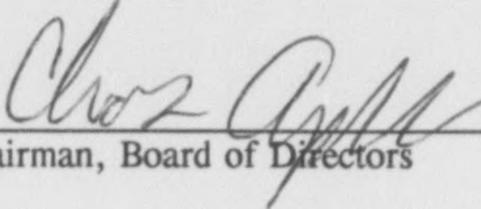
(d) The Bonds are revenue bonds to be repaid from the revenues of the Institution. The obligation of the Institution to repay the principal amount outstanding with respect to the Bonds will be guaranteed by a Bond Indenture between the Authority and a financial institution, as bond trustee. Such security for payment of the Bonds is acceptable.

(e) The proposed arrangement for sale of the Bonds to PaineWebber Incorporated for reoffering is the most advantageous method of sale for the Bonds.

Upon the basis of the foregoing, the Authority respectfully prays that the State Budget and Control Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such investigation as it deems advisable, and (iii) approve the issuance of the Bonds by the Authority through a negotiated private sale to PaineWebber Incorporated on behalf of itself and a group of underwriters and subsequent offering of the Bonds to the public.

Respectfully submitted,

SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY

By: 
Chairman, Board of Directors

(SEAL)

ATTEST:


Elliott E. Franks, III, Director

Dated: May 26, 1995

007623

EXHIBIT

JUN 20 1995

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STATE BUDGET & CONTROL BOARD

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT BY AND BETWEEN THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY AND TUOMEY REGIONAL MEDICAL CENTER, WHEREBY UNDER CERTAIN CONDITIONS THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY WILL ISSUE NOT EXCEEDING \$40,000,000 OF ITS HOSPITAL REVENUE BONDS PURSUANT TO THE PROVISIONS OF TITLE 41, CHAPTER 43, OF THE CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED, AND AUTHORIZING APPLICATION UPON CERTAIN CONDITIONS TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE OF SUCH BONDS.

WHEREAS, the South Carolina Jobs-Economic Development Authority (the "Authority"), acting by and through its Board of Directors, is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43, of the Code of Laws of South Carolina, 1976, as amended (the "Act"), to utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to business enterprises which meet the eligibility requirements of Section 41-43-150 of the Act and for other purposes described in Section 41-43-160 of the Act and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State of South Carolina and in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State of South Carolina; and

WHEREAS, the Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds, payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues, to defray the cost of medical facilities where such assistance will help relieve a shortage of doctors, specialists or medical services in the area where the project is located; and

WHEREAS, Tuomey Regional Medical Center (the "Institution"), a South Carolina nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, has applied to the Authority to issue not exceeding \$40,000,000 of its hospital revenue bonds (the "Bonds") in order to defray the cost of acquiring by construction or purchase certain building improvements and renovations, machinery, apparatus and equipment to provide healthcare services at the Institution's facilities in Sumter, South Carolina (the "Project"), and the Authority wishes to induce the Institution to acquire and construct the Project within the State of South Carolina; and

EXHIBIT

JUN 20 1995

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WHEREAS, it is in the public interest, for the public benefit and in furtherance of the public purposes of the Authority that its Board of Directors provide preliminary approval of the issuance of the Bonds for the aforesaid purposes; and

WHEREAS, it is deemed advisable by the Authority to file with the State Budget and Control Board of South Carolina, in compliance with Section 41-43-110 of the Act, the Petition of the Authority requesting approval by the State Budget and Control Board for the issuance of the Bonds at public or private sale upon receipt by the Authority from the Institution of evidence satisfactory to the Authority of the economic feasibility of the Project;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Authority as follows:

Section 1. It is hereby found, determined, and declared as follows:

(a) The Institution is a responsible party engaged in the business of owning and operating general acute care hospital facilities located in Sumter, South Carolina.

(b) The Institution has demonstrated to the Authority that the assistance of the Authority by the issuance of the Bonds will result in the creation or maintenance of employment for those engaged in construction of the Project, by maintaining employment for approximately 1,212 people, and by providing additional employment for approximately 10 people within 12 months and 15 people within 24 months from Sumter County and adjacent areas when the Project is placed in full operation, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally, and the number of jobs resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds.

(c) The principal amount of the Bonds bears a reasonable relationship to the amount of private funds committed to the Project.

(d) The size and scope of the Project is such that a definite benefit to the economy of the State of South Carolina, and Sumter County in particular, is reasonably expected to result therefrom.

Section 2. Subject to such approval by the State Budget and Control Board and the governing board of Sumter County, South Carolina, as may be required by law, the Board of Directors of the Authority preliminarily approves the issuance and sale of the Bonds pursuant to Section 41-43-110 of the Act in a principal amount of not exceeding \$40,000,000 for the purpose of providing financing to the Institution for the acquisition and construction of the Project.

Section 3. The issuance and sale of the Bonds shall be upon such terms and conditions as may be mutually agreed upon by the Authority, the Institution, and the purchaser of the

Bonds, and shall be subject to completion of proceedings for issuance, sale, and delivery of the Bonds satisfactory to the Authority. The provisions, terms, and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity, and redemption provisions, if any, of the Bonds, and findings required by the Act shall be reasonable and proper, taking into account such factors as the type of program involved, the principal amount of the Bonds, and the number and type of program involved; the public interest shall be adequately protected by the terms thereof.

Section 4. The Chairman of the Board of the Authority is hereby authorized and directed to execute the Inducement Agreement attached hereto in the name and on behalf of the Authority, and the Director of the Authority is hereby authorized and directed to affix thereto the seal of the Authority and to attest the same, and the Director of the Authority is hereby further authorized and directed to delivery said executed Inducement Agreement to the Institution.

Section 5. It is the intention of the Authority that this resolution shall constitute an official action on the part of the Authority within the meaning of the applicable regulations of the Treasury Department relating to the issuance of tax-exempt revenue bonds.

Section 6. The Bonds shall never constitute an indebtedness of the Authority or the State of South Carolina (the "State") within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Authority or the State or a charge against the general credit of the Authority or the State or the taxing powers of the State.

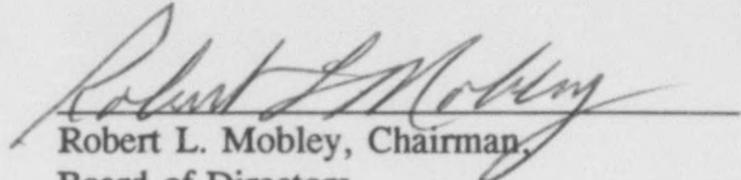
Section 7. Upon receipt by the Authority from the Institution of evidence, which shall be satisfactory to the Authority, of the economic feasibility of the Project, there shall be and is hereby authorized and directed the submission on behalf of the Authority, of a Petition requesting approval by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 41-43-110 of the Act of the issuance of the Bonds through public or private sale, said Petition, which constitutes and is hereby made a part of this authorizing resolution, to be in form acceptable to the State Budget and Control Board.

Section 8. The Chairman of the Board of Directors of the Authority shall be and is hereby authorized and directed to execute said Petition in the name and on behalf of the Authority, and the Director of the Authority shall be and is hereby authorized and directed to affix the seal of the Authority to said Petition and to attest the same and thereafter, upon the conditions set forth hereinabove, to submit an executed copy of this resolution to the State Budget and Control Board of South Carolina.

Section 9. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

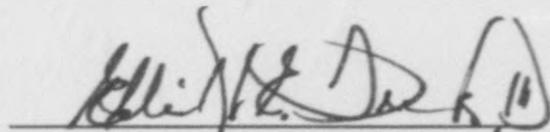
Passed and approved December 14, 1994.

SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY


Robert L. Mobley, Chairman,
Board of Directors

(SEAL)

ATTEST:


Elliott E. Franks, III, Director

A RESOLUTION AMENDING A RESOLUTION ADOPTED DECEMBER 14, 1994, AUTHORIZING AN INDUCEMENT AGREEMENT BETWEEN THE SOUTH CAROLINA JOBS-ECONOMIC DEVELOPMENT AUTHORITY AND TUOMEY REGIONAL MEDICAL CENTER, WHEREBY THE MAXIMUM PRINCIPAL AMOUNT OF BONDS TO BE ISSUED SHALL BE INCREASED FROM \$40,000,000 TO \$60,000,000.

WHEREAS, the Board of Directors (the "Board") of the South Carolina Jobs-Economic Development Authority adopted a resolution on December 14, 1994 authorizing the issuance of not exceeding \$40,000,000 Healthcare Facilities Revenue Bonds; and

WHEREAS, the Tuomey Regional Medical Center has informed the Board that it desires to refund certain hospital revenue bonds heretofore issued by Sumter County, South Carolina; and

WHEREAS, the Tuomey Regional Medical Center has further determined to finance certain additional equipment to be used by Tuomey Regional Medical Center;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the South Carolina Jobs-Economic Development Authority as follows:

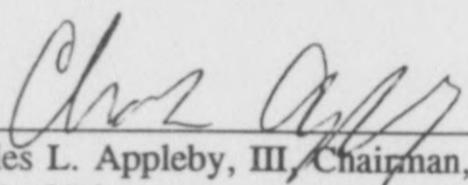
Section 1. The maximum principal amount of healthcare facilities revenue bonds that may be issued by the South Carolina Jobs-Economic Development Authority is authorized to be increased to not exceeding \$60,000,000 (the "Bonds").

Section 2. The Bonds may be issued for

- (i) the project described in the Resolution dated December 14, 1994;
- (ii) the refunding of certain bonds heretofore issued by Sumter County, South Carolina;
- (iii) additional equipment to be owned and operated by Tuomey Regional Medical Center;
- (iv) funding a debt service reserve fund;
- (v) capitalized interest; and
- (vi) costs of issuance.

Section 3. All other terms and conditions of the Resolution dated December 14, 1994 shall remain in full force and effect and are incorporated herein.

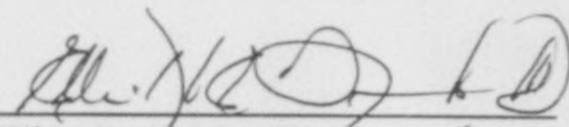
SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY



Charles L. Appleby, III, Chairman,
Board of Directors

(SEAL)

ATTEST:



Elliott E. Franks, III,
Executive Director

Dated: January 25, 1995

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EXHIBIT

INDUCEMENT AGREEMENT

JUN 20 1995 10

STATE BUDGET & CONTROL BOARD

THIS AGREEMENT made and entered into by and between South Carolina Jobs-Economic Development Authority, a public body corporate and politic and an agency of the State of South Carolina (the "Authority"), and Tuomey Regional Medical Center, a South Carolina nonprofit corporation (the "Institution").

WITNESSETH

ARTICLE I

RECITATION OF FACTS

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

Section 1.01. The Authority, acting by and through its Board of Directors, is authorized and empowered under and pursuant to the provisions of Title 41, Chapter 43 of the Code of Laws of South Carolina, 1976, as amended (the "Act"), to utilize any of its program funds to establish loan programs for the purpose of reducing the cost of capital to business enterprises which meet the eligibility requirements of Section 41-43-150 of the Act and for other purposes described in Section 41-43-160 of the Act and thus provide maximum opportunities for the creation and retention of jobs and improvement of the standard of living of the citizens of the State of South Carolina and in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State of South Carolina.

Section 1.02. The Authority is further authorized by Section 41-43-110 of the Act to issue revenue bonds, payable by the Authority solely from a revenue producing source and secured by a pledge of said revenues, to defray the cost of medical facilities where such assistance will help relieve a shortage of doctors, specialists or medical services in the area where the project is located.

Section 1.03. The Institution has applied to the Authority to issue not exceeding \$40,000,000 of its hospital revenue bonds in order to defray the cost of acquiring by construction or purchase certain building improvements and renovations, machinery, apparatus and equipment to provide healthcare services at the Institution's facilities in Sumter, South Carolina (the "Project"), and the Authority wishes to induce the Institution to acquire and construct the Project within the State of South Carolina.

Section 1.04. (a) The Institution is a responsible party engaged in the business of owning and operating general acute care hospital facilities located in Sumter, South Carolina.

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(b) The Institution has demonstrated to the Authority that the assistance of the Authority by the issuance of its hospital revenue bonds will result in the creation or maintenance of employment for those engaged in construction of the Project, by maintaining employment for approximately 1,212 people, and by providing additional employment for approximately 10 people within 12 months and 15 people within 24 months from Sumter County and adjacent areas when the Project is placed in full operation, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of such businesses not otherwise provided locally, and the number of jobs resulting from the assistance authorized herein bears a reasonable relationship to the principal amount of the Bonds (as defined below).

(c) The principal amount of the Bonds bears a reasonable relationship to the amount of private funds committed to the Project.

(d) The size and scope of the Project is such that a definite benefit to the economy of the State of South Carolina, and Sumter County in particular, is reasonably expected to result therefrom.

Section 1.05. The Authority has given due consideration to all the proposals and requests of the Institution and has agreed to endeavor to effect the issuance of the bonds or notes at the time and on the terms and conditions hereafter set forth.

ARTICLE II

UNDERTAKING ON THE PART OF THE AUTHORITY

The Authority agrees as follows:

Section 2.01. The Authority will, subject to such approval by the State Budget and Control Board and the governing body of Sumter County, South Carolina, as may be required by law and subject to the limitations set forth herein, authorize the issuance of not exceeding \$40,000,000 Hospital Revenue Bonds (Tuomey Regional Medical Center) (the "Bonds"), at such time as the Institution may request the Authority to do so.

Section 2.02. The Authority will permit the Institution to arrange for the sale of the Bonds to defray certain costs of the Project as aforesaid and if successful marketing arrangements can be made, it will adopt such proceedings and enter into such agreements as are necessary for the issuance and securing of the Bonds.

Section 2.03. The proceeds of any sale of the Bonds may be applied to the payment of the costs of the Project as determined under the Act including, without limitations, the expenses incurred in connection with the issuance and sale of the Bonds, the acquisition of the Project including building improvements and renovations, machinery, apparatus and equipment, and

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other items permitted by the Act, and the repayment of any funds, advances, or loans incurred by the Institution for such purposes.

Section 2.04. Prior to issuing the Bonds, the Authority may enter into a loan agreement with the Institution and a security agreement with the trustee (to be requested by the Institution and approved by the Authority and the State Treasurer) or with the purchasers of the Bond, pursuant to which the Bonds will be secured and issued. Such documents shall be substantially in the form used in connection with the issuance of other South Carolina hospital revenue bonds and shall constitute a lien on the revenues derived from the Institution with respect to the Project to secure the payment of the Bonds. Provisions, terms, and conditions of the agreements to be entered into in connection with the issuance of the Bonds by the Authority, and the form, details, rate or rates of interest, maturity, redemption provisions, if any, of the Bonds, and other details of any loan agreement relating to the Bonds, shall be prescribed by subsequent resolution of the Authority and shall be reasonable and proper, taking into account such facts as type of program involved, the principal amount of the Bonds, and the number and type of jobs involved; the public interest shall be adequately protected by the terms thereof.

Section 2.05. The Authority will perform such other acts and adopt such further proceedings as may be required faithfully to implement its undertaking and to consummate the proposed financing.

Section 2.06. The undertakings of the Authority hereunder are contingent upon the Authority continuing to evaluate the Project as beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware and upon the Institution providing the Authority with such further evidence as may be satisfactory to the Authority as to compliance with all applicable statutes and regulations.

ARTICLE III

UNDERTAKINGS ON THE PART OF THE INSTITUTION

Section 3.01. The Institution agrees that the Authority will have no obligation to find a purchaser of the Bonds and acknowledges that the Authority's approval of this Agreement is preliminary and is conditioned upon the Authority continuing to evaluate the Project as beneficial to the public interest after considering all additional circumstances of which the Authority may hereafter become aware.

Section 3.02. The Institution further agrees, if the plan proceeds as contemplated, as follows:

- (a) to acquire the Project;

(b) to enter into a loan agreement with the Authority, under the terms of which the Institution will obligate itself to pay to the Authority sums sufficient to pay the principal, interest and premium, if any, on the Bonds, as and when the same become due and payable;

(c) to hold the Authority harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement;

(d) to perform such further acts and adopt such further proceedings as may be required faithfully to implement its undertakings and to consummate the proposed financing; and

(e) to covenant and agree in the loan agreement referred to above to install in the buildings which are to become a part of the Project, all necessary equipment and machinery and initially to operate the Project.

ARTICLE IV

GENERAL PROVISIONS

Section 4.01. All commitments of the Authority under Article II hereof are subject to all of the provisions of the Act and regulations of the Authority pursuant thereto and the condition that nothing contained in this Agreement shall constitute nor give rise to a pecuniary liability of the Authority or a charge against its general credit.

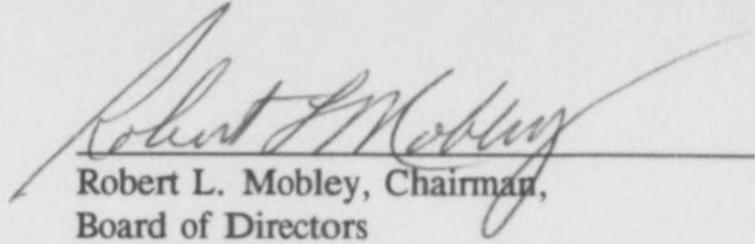
Section 4.02. The parties hereto agree that the Institution may proceed with the Project, including building improvements and renovations and the acquisition and installation of the equipment and machinery, prior to the issuance of Bonds.

Section 4.03. All commitments of the Authority and the Institution hereunder are subject to the condition that the Authority and the Institution do agree on mutually acceptable terms and conditions of all documents, the execution and delivery of which are contemplated by the provisions hereof.

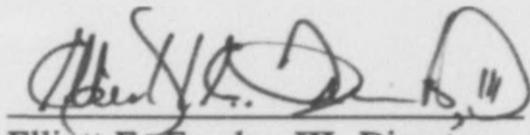
Section 4.04. The parties understand that the Institution or the Authority may choose not to finance the Project as herein provided, in which event this Agreement shall become void.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Agreement on the respective dates indicated below.

SOUTH CAROLINA JOBS-ECONOMIC
DEVELOPMENT AUTHORITY


Robert L. Mobley, Chairman,
Board of Directors

ATTEST:


Elliott E. Franks, III, Director

Dated: December 14, 1994

TUOMEY REGIONAL MEDICAL CENTER

By: Jay Cox
Its: PRESIDENT / CEO

ATTEST:

By: [Signature]
Its: CEO

Dated: December 14, 1994

South Carolina
DHEC
 Department of Health and Environmental Control
 2600 Bull Street, Columbia, SC 29201

Commissioner: Douglas E. Bryant

Board: Richard E. Jabbour, DDS, Chairman
 Robert J. Stripling, Jr., Vice Chairman
 Sandra J. Molander, Secretary

John H. Burris
 William M. Hull, Jr., MD
 Roger Leaks, Jr.
 Burnet R. Maybank, III

Promoting Health, Protecting the Environment

EXHIBIT

JUN 20 1995 1 0

STATE BUDGET & CONTROL BOARD

August 17, 1994

Re: SC-94-40

Major renovation and construction to include two (2) new OR's for a total of 10 OR's; the replacement of the mobile Magnetic Resonance Imaging unit to an inhouse unit; and the replacement of a mobile cardiac catheterization unit to one (1) inhouse diagnostic cardiac catheterization unit.

Tuomey Regional Medical Center
 Sumter, South Carolina

Ms. Gray Whittington, Adm. Resident
 Tuomey Regional Medical Center
 129 North Washington Street
 Sumter, SC 29150

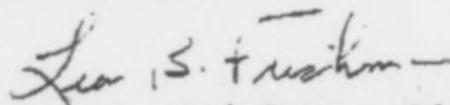
Dear Ms. Gray:

Enclosed is the Certificate of Need granting approval of the above named project. This Certificate is valid for a period of twelve months.

Pursuant to Regulation No. 61-15, you must submit monthly progress reports from the date of issuance of this Certificate of Need documenting compliance with the timetable which you submitted in your application for this project.

If this office can be of further service to you or if you have any questions concerning the above, feel free to contact us at (803) 737-7200.

Sincerely,



Leon B. Frishman, Director
 Bureau of Health Facilities and Services Development

LBF/MWF/vmm

Enclosure

007536

and Environmental Control



CERTIFICATE OF NEED

This Certificate of Need is issued to: Tuomey Regional Medical Center, Licensee; Tuomey Regional Medical Center, Sumter, South Carolina; Ms. Gray Whittington, Agent: major renovation and construction to include two (2) new OR's for a total of 10 OR's; the replacement of the mobile Magnetic Resonance Imaging unit to an inhouse unit; and the replacement of a mobile cardiac catheterization unit to one (1) inhouse diagnostic cardiac catheterization unit.

For Certificate No. SC-94-40 in accordance with the Code of Laws of South Carolina.

In determining the need for this project, the South Carolina Department of Health and Environmental Control has taken into consideration the "Criteria for Project Review" and the State Medical Facilities Plan.

This Certificate of Need is valid for a period of ~~six~~ ^{twelve} months from the date of issuance unless the applicant receives an extension of this Certificate from the Department in accordance with regulations of the Department.

In Witness Whereof we have hereunto set our hands and the seal of the Department of Health and Environmental Control this the 15th day of August, 1994



Albert H. Whitehead

Director, Division of Planning and Certification of Need

Sam B. Fishner

Director, Bureau of Health Facilities and Services Development

John J. Muehl

Deputy Commissioner, Health Regulation

South Carolina
DHEC
Department of Health and Environmental Control
2600 Bull Street, Columbia, SC 29201

Commissioner: Douglas E. Bryant

Board: Richard E. Jabbour, DDS, Chairman
Robert J. Stripling, Jr., Vice Chairman
Sandra J. Molander, Secretary

Promoting Health, Protecting the Environment

William E. Applegate, III,
John H. Burris
Tony Graham, Jr., MD
John B. Pale, MD

CERTIFIED MAIL

August 1, 1994

Re: Tuomey Regional Medical Center
Sumter, South Carolina

Ms. Gray Whittington
Facilities and Services Planner
Tuomey Regional Medical Center
129 North Washington Street
Sumter, South Carolina 29150

Dear Ms. Whittington:

It is the decision of this Department that a Certificate of Need be issued to Tuomey Regional Medical Center, Sumter, South Carolina, for major renovation and construction to include two (2) new OR's for a total of 10 OR's; the replacement of the mobile Magnetic Resonance Imaging unit to an inhouse unit; and the replacement of the mobile cardiac catheterization unit to one (1) inhouse diagnostic cardiac catheterization unit.

This decision is based on the following:

1. The project is consistent with the criteria in the 1993 S.C. State Health Plan as it relates to fixed units for magnetic resonance imaging and diagnostic cardiac catheterization;
2. The need for the proposed project has been demonstrated by the applicant; and
3. The proposed project appears to be financially feasible.

The Department makes the following findings pursuant to Section 501, Regulation No. 61-15, Certification of Need for Health Facilities and Services:

1. The capital and operating costs of the proposal and their potential impact on patient charges are reasonable;

007638

Ms. Gray Whittington
August 1, 1994
Page 2

2. Superior alternatives to such services in terms of cost, efficiency, or appropriateness do not exist and that the development of such alternatives is not practicable;
3. In the case of new construction, alternatives⁴ to new construction (e.g. modernization or sharing arrangements) have been considered; and
4. Patients will experience serious problems in terms of costs, availability or accessibility, or such other problems as may be identified by the Department, in obtaining care of the type proposed in the absence of the project.

The additional finding required by Section 501 of Regulation No. 61-15 is not applicable to this project.

This proposed decision becomes the final agency decision ten (10) days after the receipt of this notice unless one of the following occurs:

1. Pursuant to Section 44-7-210(D)(1) of the amended Code of Laws of South Carolina, 1976, any persons showing "good cause" as defined in Regulation No. 61-15 may request reconsideration of this Department's decision. Such request must be made in writing to this office within ten (10) days from the date of receipt of this notice and must state the specific reasons for such request.
2. Pursuant to Section 44-7-210(D)(2) of the amended Code of Laws of South Carolina, 1976, an appeal may be submitted by any affected person or the applicant, within a ten (10) day period, which gives notice in writing that the person is desirous of a hearing before the S. C. Board of Health and Environmental Control. Should this be the case, the affected person and/or applicant should submit the original request to the following:

The Board of Health and Environmental Control
Attention: Clerk of the Board
Office of the Commissioner
2600 Bull Street
Columbia, South Carolina 29201

A copy of the correspondence must also be forwarded to the Director of the Bureau of Health Facilities and Services Development.

007639

EXHIBIT

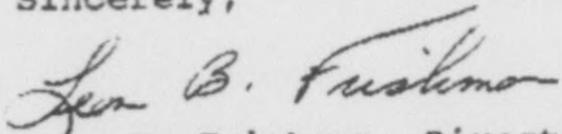
Ms. Gray Whittington
August 1, 1994
Page 3

JUN 20 1995 10

STATE BUDGET & CONTROL BOARD

Should there be no response within the ten (10) day period, this decision will be final. If you have any questions, please feel free to contact us at (803) 737-7200.

Sincerely,



Leon B. Frishman, Director
Bureau of Health Facilities
and Services Development

LBF:mwf

007540

EXHIBIT

JUN 20 1995

10

STATE BUDGET & CONTROL BOARD

[Form of Opinion of Bond Counsel]

June __, 1995

South Carolina Jobs-Economic
Development Authority
Columbia, South Carolina

Re: \$ _____ South Carolina Jobs-Economic Development Authority, Hospital
Revenue Bonds (Tuomey Regional Medical Center) Series 1995A

Gentlemen:

At your request we have examined into the validity of \$ _____ principal amount of Hospital Revenue Bonds (Tuomey Regional Medical Center) Series 1995A (the "Series 1995A Bonds"), of the South Carolina Jobs-Economic Development Authority, a body politic and corporate of the State of South Carolina (the "Issuer").

The Series 1995A Bonds recite that they are issued under and equally secured by a Series A Bond Indenture dated as of June 1, 1995 (the "Series A Bond Indenture"), by and between the Issuer and _____, as bond trustee (the "Bond Trustee"), and are entitled to the benefit of the Master Trust Indenture dated as of June 1, 1991 (the "Master Trust Indenture"), between Tuomey Regional Medical Center, a South Carolina nonprofit corporation (the "Institution"), and The National Bank of South Carolina, as master trustee (the "Master Trustee"), and are issued under the authority of and pursuant to and in full compliance with the Constitution and statutes of the State of South Carolina, among others, Title 41, Chapter 43, of the Code of Laws of South Carolina, 1976, as amended (being the "South Carolina Jobs-Economic Development Fund Act"), which empowers the Issuer to issue hospital revenue bonds. The Series 1995A Bonds further recite that they are payable solely from the Pledged Revenues, as defined in the Series A Bond Indenture, and the Institution's Series 2 Note has been issued to the Issuer to evidence and secure the obligations of the Institution to the Issuer arising from the Issuer's loaning to the Institution the proceeds of the Series 1995A Bonds under a Series A Loan Agreement dated as of June 1, 1995 (the "Series A Loan Agreement"), between the Issuer and the Institution. Such Series 2 Note has been issued under the Master Trust Indenture and a Supplemental Master Trust Indenture No. 2 dated as of June 1, 1995 (the "Series 2 Note Indenture"), between the Master Trustee and the Institution. By the Series A Bond Indenture the Issuer has assigned and pledged to the Bond Trustee, for the ratable

GRVL:37759

007541

South Carolina Jobs-Economic
Development Authority

June __, 1995

Page 2

benefit of the holders of the Series 1995A Bonds, the Issuer's interest in the Series A Loan Agreement and the Series 2 Note.

We have examined (i) the Constitution and laws of the State of South Carolina; (ii) a duplicate executed copy of the Master Trust Indenture, the Series 2 Note Indenture, the Series A Bond Indenture, and the Series A Loan Agreement; (iii) certified or duplicate executed copies of proceedings of the State Budget and Control Board with respect to the issuance of the Series 1995A Bonds; (iv) certified or duplicate executed copies of proceedings of the Board of the Issuer authorizing the issuance of the Series 1995A Bonds and the execution and delivery by the Issuer of the Series A Bond Indenture and the Series A Loan Agreement; and (v) such other papers, instruments and documents in this matter as we have deemed necessary or advisable. We have also examined a specimen Series 1995A Bond.

Based on the foregoing, we are of the opinion that:

1. The Series 1995A Bonds have been duly authorized and issued in accordance with the Constitution and laws of the State of South Carolina and constitute valid and legally binding limited obligations of the Issuer, the principal of and interest on which are payable solely out of the Pledged Revenues, as defined in the Series A Bond Indenture, payable to the Issuer under the Series A Loan Agreement, and are secured by a pledge of the revenues and receipts payable to the Issuer under the Series A Loan Agreement.

2. The Series A Bond Indenture and the Series A Loan Agreement have been duly authorized, executed and delivered by the Issuer and constitute valid and binding agreements of the Issuer enforceable in accordance with their terms.

3. Assuming the accuracy of the certifications of the Institution and its continuing compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and the rules and regulations thereunder, the interest on the Series 1995A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on corporations and taxpayers under laws, regulations, rulings and judicial decisions existing on this date. Such interest is, however, includable in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect thereto. Interest on the Series 1995A Bonds held by a foreign corporation may be subject to the federal branch profits tax. Under the laws of the State of South Carolina, the Series 1995A Bonds and the income therefrom are presently exempt from all taxation

GRVL:37759

007642

007642

EXHIBIT

JUN 20 1995

10

STATE BUDGET & CONTROL BOARD

South Carolina Jobs-Economic
Development Authority

June __, 1995

Page 3

in such State, except for estate or transfer taxes. It should be noted, however, that Section 12-11-20, Code of Laws of South Carolina, 1976, as amended, imposes upon every bank engaged in business in the State a fee or franchise tax computed on the entire net income of such bank, which includes interest paid on the Series 1995A Bonds.

It is to be understood that the rights of the holders of the Series 1995A Bonds and the parties under the Master Trust Indenture, the Series 2 Note Indenture, the Series A Bond Indenture and the Series A Loan Agreement and the enforceability of the Master Trust Indenture, the Series 2 Note Indenture, the Series A Bond Indenture, the Series A Loan Agreement or the Series 1995A Bonds, as the case may be, are subject to general principles of equity which may permit the exercise of judicial discretion, the exercise of the sovereign police powers of the State of South Carolina and the constitutional powers of the United States of America and to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally.

Very truly yours,

McNAIR & SANFORD, P.A.

GRVL:37759

007543

[Form of Opinion of Bond Counsel]

June ____, 1995

South Carolina Jobs-Economic
Development Authority
Columbia, South Carolina

Re: \$ _____ South Carolina Jobs-Economic Development Authority, Hospital
Revenue Bonds (Tuomey Regional Medical Center) Series 1995B

Gentlemen:

At your request we have examined into the validity of \$ _____ principal amount of Hospital Revenue Bonds (Tuomey Regional Medical Center) Series 1995B (the "Series 1995B Bonds"), of the South Carolina Jobs-Economic Development Authority, a body politic and corporate of the State of South Carolina (the "Issuer").

The Series 1995B Bonds recite that they are issued under and equally secured by a Series B Bond Indenture dated as of June 1, 1995 (the "Series B Bond Indenture"), by and between the Issuer and _____, as bond trustee (the "Bond Trustee"), and are entitled to the benefit of the Master Trust Indenture dated as of June 1, 1991 (the "Master Trust Indenture"), between Tuomey Regional Medical Center, a South Carolina nonprofit corporation (the "Institution"), and The National Bank of South Carolina, as master trustee (the "Master Trustee"), and are issued under the authority of and pursuant to and in full compliance with the Constitution and statutes of the State of South Carolina, among others, Title 41, Chapter 43, of the Code of Laws of South Carolina, 1976, as amended (being the "South Carolina Jobs-Economic Development Fund Act"), which empowers the Issuer to issue hospital revenue bonds. The Series 1995B Bonds further recite that they are payable solely from the Pledged Revenues, as defined in the Series B Bond Indenture, and the Institution's Series 3 Note has been issued to the Issuer to evidence and secure the obligations of the Institution to the Issuer arising from the Issuer's loaning to the Institution the proceeds of the Series 1995B Bonds under a Series B Loan Agreement dated as of June 1, 1995 (the "Series B Loan Agreement"), between the Issuer and the Institution. Such Series 3 Note has been issued under the Master Trust Indenture and a Supplemental Master Trust Indenture No. 3 dated as of June 1, 1995 (the "Series 3 Note Indenture"), between the Master Trustee and the Institution. By the Series B Bond Indenture the Issuer has assigned and pledged to the Bond Trustee, for the ratable

GRVL:37759

007544

EXHIBIT

JUN 20 1995

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STATE BUDGET & CONTROL BOARD

South Carolina Jobs-Economic
Development Authority

June __, 1995

Page 2

benefit of the holders of the Series 1995B Bonds, the Issuer's interest in the Series B Loan Agreement and the Series 3 Note.

We have examined (i) the Constitution and laws of the State of South Carolina; (ii) a duplicate executed copy of the Master Trust Indenture, the Series 3 Note Indenture, the Series B Bond Indenture, and the Series B Loan Agreement; (iii) certified or duplicate executed copies of proceedings of the State Budget and Control Board with respect to the issuance of the Series 1995B Bonds; (iv) certified or duplicate executed copies of proceedings of the Board of the Issuer authorizing the issuance of the Series 1995B Bonds and the execution and delivery by the Issuer of the Series B Bond Indenture and the Series B Loan Agreement; and (v) such other papers, instruments and documents in this matter as we have deemed necessary or advisable. We have also examined a specimen Series 1995B Bond.

Based on the foregoing, we are of the opinion that:

1. The Series 1995B Bonds have been duly authorized and issued in accordance with the Constitution and laws of the State of South Carolina and constitute valid and legally binding limited obligations of the Issuer, the principal of and interest on which are payable solely out of the Pledged Revenues, as defined in the Series B Bond Indenture, payable to the Issuer under the Series B Loan Agreement, and are secured by a pledge of the revenues and receipts payable to the Issuer under the Series B Loan Agreement.

2. The Series B Bond Indenture and the Series B Loan Agreement have been duly authorized, executed and delivered by the Issuer and constitute valid and binding agreements of the Issuer enforceable in accordance with their terms.

3. Assuming the accuracy of the certifications of the Institution and its continuing compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and the rules and regulations thereunder, the interest on the Series 1995B Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on corporations and taxpayers under laws, regulations, rulings and judicial decisions existing on this date. Such interest is, however, includable in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect thereto. Interest on the Series 1995B Bonds held by a foreign corporation may be subject to the federal branch profits tax. Under the laws of the State of South Carolina, the Series 1995B Bonds and the income therefrom are presently exempt from all taxation

GRVL:37759

007545

EXHIBIT

JUN 20 1995

10

STATE BUDGET & CONTROL BOARD

South Carolina Jobs-Economic
Development Authority

June __, 1995

Page 3

in such State, except for estate or transfer taxes. It should be noted, however, that Section 12-11-20, Code of Laws of South Carolina, 1976, as amended, imposes upon every bank engaged in business in the State a fee or franchise tax computed on the entire net income of such bank, which includes interest paid on the Series 1995B Bonds.

It is to be understood that the rights of the holders of the Series 1995B Bonds and the parties under the Master Trust Indenture, the Series 3 Note Indenture, the Series B Bond Indenture and the Series B Loan Agreement and the enforceability of the Master Trust Indenture, the Series 3 Note Indenture, the Series B Bond Indenture, the Series B Loan Agreement or the Series 1995B Bonds, as the case may be, are subject to general principles of equity which may permit the exercise of judicial discretion, the exercise of the sovereign police powers of the State of South Carolina and the constitutional powers of the United States of America and to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally.

Very truly yours,

McNAIR & SANFORD, P.A.

GRVL:37759

007646

007646

EXHIBIT

STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF THE EXECUTIVE DIRECTOR

JUN 20 1995 10
STATE BUDGET & CONTROL BOARD

DAVID M. BEASLEY, CHAIRMAN
GOVERNOR

RICHARD A. ECKSTROM
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



P.O. BOX 12444
COLUMBIA, SOUTH CAROLINA 29211
(803) 734-2330

May 26, 1995

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

HENRY E. BROWN, JR.
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

MEMORANDUM

TO: C. H. Jones, Jr.; Wayne Rush
FROM: Donna Kaminer Williams *DKW*
SUBJECT: Review of Revenue Bond Proposal

Enclosed is the following proposal for the issuance of bonds which has been submitted for the June 13, 1995, Budget and Control Board agenda:

Jobs-Economic Development Authority
N/E \$60,000,000 Hospital Revenue Bonds
Tuomey Regional Medical Center project

For this proposal to be included on the June 13 agenda, I must have the written results of your review before 9:30 a.m. on Tuesday, June 6, 1995.

DKW/laf
Enclosure

007647

EXHIBIT

JUN 20 1995

11

STATE BUDGET AND CONTROL BOARD
MEETING OF June 20, 1995

STATE BUDGET & CONTROL BOARD
REGULAR SESSION
ITEM NUMBER 1

AGENCY: Human Resources

SUBJECT: 1995-96 Salary Increases, Proposed Guidelines for Unclassified Employees

In the past, appropriations acts have provided that unclassified employees receive pay increases without uniformity based upon guidelines approved by the Budget and Control Board.

Contingent upon passage of the 1995-96 Appropriations Act, variable annual salary increases may be awarded to all unclassified employees effective on the first pay day which occurs on or after July 1, 1995. Funds for increases are projected on an annual average 3.5% increase. The Act further states that guidelines must be established by the Budget and Control Board and that Office of Human Resources approval must be obtained before any unclassified employee may be granted an annual pay increase in excess of the guidelines.

BOARD ACTION REQUESTED:

Approve guidelines for awarding unclassified salary increases for 1995-96.

ATTACHMENTS:

Agenda item worksheet; Fact Sheet

007648

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 9/91)

For meeting scheduled for:

June 20, 1995

Blue Agenda
 Regular Session
 Executive Session

1. Submitted by:

(a) Agency: Budget and Control Board - Office of Human Resources

(b) Authorized Official Signature: Stephen C. Osborne

2. Subject: FY 1995-96 Salary Increases - Proposed Guidelines for Unclassified Employees

3. Summary Background Information:

Appropriation acts in the past provided that unclassified employees receive pay increases without uniformity based upon guidelines approved by the Budget and Control Board. Contingent upon passage of the 1995-96 Appropriation Act, variable annual salary increases may be awarded to all unclassified employees effective on the first pay day which occurs on or after July 1, 1995. Funds for increases are projected on an annual average 3.5% increase. The Act further states that guidelines must be established by the Budget and Control Board and that Office of Human Resources approval must be obtained before any unclassified employee may be granted an annual pay increase in excess of the guidelines.

4. What is Board asked to do?

Approve the attached guidelines for awarding salary increases to unclassified employees.

5. What is recommendation of the Board division involved?

Approve the proposed guidelines for awarding unclassified salary increases for 1995-96.

6. Recommendation of other office (as required)?

Office Name _____ Authorized Signature _____

7. Supporting Documents:

List those attached:

Fact Sheet

List those not attached
but available:

007649

Proposed FY 1995-96 Guidelines Governing Unclassified Employee Pay Increases
STATE BUDGET & CONTROL BOARD

1. Executive Compensation and other Non-academic Unclassified Employees:

Authorize agencies to award annual pay increases to Executive Compensation System and other non-academic unclassified employees from 0% to 7% effective on the first pay day which occurs on or after July 1, 1995.

2. Unclassified Faculty Employees:

Authorize agencies to award annual pay increases to faculty employees from 0% to 7% and increases which would not place a faculty member's salary above \$55,000 effective on the first pay day which occurs on or after July 1, 1995. In addition, authorize the Office of Human Resources to approve increases greater than 7% when the new salary is above \$55,000. For exceptional increases, agencies must submit to the Office of Human Resources a list of faculty members who would receive exceptional increases, the amount of the increase and the reason for awarding the increase.

1995-96 Unclassified Faculty Employee Increase Considerations:

- a. The southern region average faculty salary published by Oklahoma State University in the spring of 1995 is \$54,247; the national average is \$55,638.
- b. Factors OHR will consider in approving exceptions are salary inequities, faculty retention, and salary competitiveness by rank and academic discipline.

Historical Background

1. Executive Compensation and other Non-academic Unclassified Employees:

The Board authorized agencies to award up to an 8% increase to unclassified employees for Fiscal Year 1994-95, a 2% across-the-board increase for Fiscal Year 1992-93, up to a 9% increase for Fiscal Year 1990-91, and up to an 8% increase for Fiscal Years 1989-90 and 1988-89. The Appropriation Acts for Fiscal Years 1991-92 and 1993-94 did not include provisions for increases.

2. Unclassified Faculty Employees:

The Budget and Control Board authorized agencies and the Office of Human Resources to approve faculty pay increases per guidelines during Fiscal Years 1994-95, 1992-93, 1990-91, 1989-90, and 1988-89. The Appropriation Acts of 1991-92 and 1993-94 did not include provisions for faculty pay increases. Below is a summary of each year's guidelines.

<u>Fiscal Year</u>	<u>Agency Approval Level</u>	<u>OHR Approval Level*</u>
1994-95	0 - 10%, or up to \$52,000	Over 10%, over \$52,000
1993-94	No Provisions for Increases	
1992-93	0 - 11%, or up to \$50,000	Over 11%, over \$50,000
1991-92	No Provisions for Increases	
1990-91	0 - 9%	9% - 15%, or up to \$46,000
1989-90	0 - 8%	8% - 15%, or up to \$43,000
1988-89	0 - 8%	8% - 15%, or up to \$40,000

EXHIBIT

FACT SHEET
(continued)

JUN 20 1995

11

STATE BUDGET & CONTROL BOARD

*OHR salary level approval was based on the southern region faculty salary average as published in the Oklahoma State University Faculty Salary Survey each year. The yearly average included all faculty ranks and disciplines. However, individual approvals were based on comparisons within specific faculty rank and academic discipline.

Exceptions previously approved were primarily based on salary inequities within departments, exceptional performance, and efforts to retain valued faculty with significant research grants.

Prepared by: Budget and Control Board - Office of Human Resources, June 1995

007651

EXHIBIT

JUN 20 1995

1 2

STATE BUDGET AND CONTROL BOARD
MEETING OF June 20, 1995

STATE BUDGET & CONTROL BOARD
REGULAR SESSION

ITEM NUMBER 2

AGENCY: Office of Budget

SUBJECT: John de la Howe School Transfer

John de la Howe School requests authorization to transfer \$31,100 from personal services to other operating expenses in order to pay for May and June food purchases, water and sewer, electricity, contractual services for garbage pickup, and other related costs. This transfer requires Board approval under the conditions of Proviso 129.12 of the 1994-95 Appropriations Act.

BOARD ACTION REQUESTED:

In accordance with Proviso 129.12, authorize John de la Howe School to transfer \$31,100 from personal services to other operating expenses.

ATTACHMENTS:

Agenda item worksheet; Transfer form and documentation; Young May 19 letter; Proviso 129.12

007552

EXHIBIT

JUN 20 1995

1 2

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET
STATE BUDGET & CONTROL BOARD

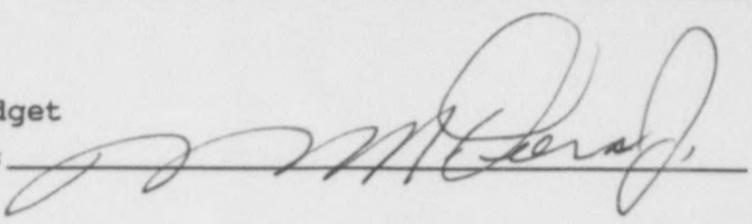
95-19

Meeting Scheduled for: June 13, 1995

Regular Agenda

1. Submitted By:

(a) Agency: Office of State Budget

(b) Authorized Official Signature: 

2. Subject:

John de la Howe School request to transfer \$31,100 from personal service to other operating expenses

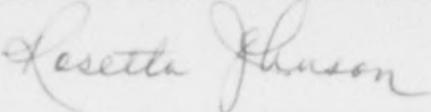
3. Summary Background Information:

The John de la Howe School requests authorization to transfer \$31,100 from personal service to other operating expenses in order to pay for May and June food purchases, water and sewer, electricity, contractual services for garbage pickup and other related costs. The amount requires Board approval under the conditions of Proviso 129.12 of the 1994-95 Appropriation Act.

4. What is the Board asked to do?

To authorize the transfer of \$31,100 from personal service to other operating expenses.

5. What is recommendation of Board Division involved?

Recommend approval. 

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

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

007653

AGENCY NUMBER L12	AGENCY BATCH NUMBER 129	OBJECT CODE HASH TOTAL 1517	TOTAL BATCH AMOUNT 62,200.62	BATCH DATE	BATCH NUMBER	DOCUMENT 3
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AGENCY VOUCHER NUMBER: 32

STATE OF SOUTH CAROLINA

C G WARRANT NUMBER: _____

AGENCY TRANSFERRED TO (CR): _____

AGENCY TRANSFERRED FROM (DR): _____

NAME: John de la Howe School

ADDRESS: Rt. 1, Box 154

McCormick, SC 29835

APPROPRIATION/CASH TRANSFER

NAME: John de la Howe School

ADDRESS: Rt. 1, Box 154

McCormick, SC 29835

REASON FOR TRANSFER: Provide Funds for Goods and Services Needed in May and June

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	P H A S E	AGENCY REFERENCE NUMBER	OBJECT CODE	D E T A I L	TRANSACTION AMOUNT	MULTI PURPOSE CODE	C G R
11	350	L12	4547	1001						32	0158		27,264.74		
11	350	L12	0650	1001						32	0158		3,835.57		
TOTAL											316	31,100.31			

TO

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	P H A S E	AGENCY REFERENCE NUMBER	OBJECT CODE	D E T A I L	TRANSACTION AMOUNT	MULTI PURPOSE CODE	C G R
11	300	L12	0650	1001						32	1201		31,100.31	P.M.	
TOTAL											1201	31,100.31			

RECEIVED

MAY 22 1985

Budget & Control Board
OFFICE OF STATE BUDGET

AGENCIES MUST COMPLETE THIS SECTION

A. TRANSFER FROM PERSONAL SERVICES TO OTHER BUDGET CATEGORIES YES* NO

B. TRANSFER FROM OTHER BUDGET CATEGORIES TO PERSONAL SERVICES YES* NO

C. TRANSFER NECESSITATED BY THE APPROPRIATION ACT AND/OR ACTIONS BY THE BUDGET AND CONTROL BOARD YES* NO

* APPROVAL REQUIRED BY THE STATE BUDGET DIVISION

007654

REQUESTED BY: Henry H. Young 5/19/85 STATE BUDGET ANALYST DATE: _____

STATE BUDGET OFFICER _____

EXHIBIT

JUN 20 1995

1 2

TRANSFER DOCUMENTATION

STATE BUDGET & CONTROL BOARD

1. Describe briefly all goods and/or services to be purchased with the funds reflected in the "TO" column.

Not applicable

Cite specific authority if provided by section in annual Appropriation Act or statute.

These funds will be used to pay for garbage pickup, water and sewer, electricity, and food purchases in May and June.

If equipment is involved, is it replacement of existing equipment? Yes No

2. Does this transfer involve Personal Service funds (0100)? Yes Not Applicable

If yes:

Yes No

Yes No

A. Will a RIF be necessary?

C. Is it for reclassification/reallocation?

B. Is it to fill vacant positions?

D. Is it to balance (at year-end)?

3. What created the need for this transfer? We have had more children on campus this year. The winter created power bills higher than last winter. With more meals to prepare and higher food prices, the total cost of food is higher.

4. Will this transfer impact future year(s) budget or request for new funds? Yes No

If yes, to what extent and how will it be handled?

5. This transfer is in compliance with our approval or revised Information Technology Plan.

Yes Not applicable

6. What circumstances and/or events created the funds available reflected in the "FROM" column?

Personnel vacancies and postponing hiring of some positions until next year.

7. Explain what the consequences will be and/or the action you will take if this transfer is not approved.

Agency Name & No. John de la Howe School L12 Submitted by Leary, R. Young Date 5/19/95

For State Budget Analyst use only:

Net transfer from Personal Service to Other Operating Expenses within Budget and Control Board guidelines.

Yes No

Transfer does not exceed 20% of program budget.

Yes No

007655

047-1110

EXHIBIT



John C. Shiflet, Jr.
Superintendent

State of South Carolina JUN 20 1995 1 2
John de la Howe School BUDGET & CONTROL BOARD
Route 1, Box 154
McCormick, South Carolina 29835-9721



Phone: 803-391-2131
FAX: 803-391-2135

May 19, 1995

Ms. Rosetta Johnson
State Budget Division
Office of State Budget
1122 Lady Street, 12th Floor
Columbia, SC 29201

Dear Ms. Johnson:

The attached transfer of \$31,100.31 is requesting the moving of personal service funds into other operating funds in the General Fund accounts. We need these funds to purchase supplies and services to end the fiscal year. Coming into the last quarter of this fiscal year, we knew funds would be limited and we held off replacing some positions until next fiscal year. We have had more children on campus all year which increases our costs which are directly related to child care. We had additional services like garbage pickup that we did not have last year which we had to accommodate.

The funds in this transfer will help pay for May and June food purchases, water and sewer, electricity, contractual services for garbage pickup and other related cost.

As in the past, we continue to watch all cost and still provide quality care to our children.

Sincerely,

George H. Young, Jr.
Director of Business
and Support Services

:lh

RECEIVED

MAY 22 1995

Budget & Control Board
STATE BUDGET

007656

State Government agencies include requirements relating to printing

150.13. (Op: Bank Procedures - State Treasury A Bank) In any
members of the Budget and Control Board

Budget and Control Board upon formal approval by a majority of the
members may be required to any established standard level set by the
operating agencies or from other operating agencies at financial review
Transfer of appropriations from personal service accounts to other
to members of the General Assembly on to agency for agency from
program budget. Expenditures shall be such that they may be provided
Comptroller General. No such transfer may exceed twenty percent of the
the agency with notification to the Division of Budget and Analysis and
shall be authorized to transfer appropriations within programs and within
150.15. (Op: Transfer of Appropriations) Agencies and institutions
are authorized hereby
following all applicable laws and regulations, but no capital expenditures
and other agencies and departments to establishing similar programs
utilization management system for state facilities under its control and to

The Division of Operations may contract to develop an energy
General

shall be subject to approval as to form and execution by the Attorney
who, in the opinion of the Board, should be provided. Such boards shall
requirements by law for personnel officials and employees and any other
instructions of the state Government, which boards shall include coverage
agency boards from the each of the several departments, agencies and
units. The State Budget and Control Board shall have the authority to
transfer of any amount needed to fund to expenditures by any other
institution shall be required to the end board for approval before in the
Department (Institutions of any nature by any State department in
Budget and Control Board may require itself that and development in
direction or disposal of records of no value to the State. The State
and regulations for the education of the provision and to require the
State and from and to require all necessary, financial, and equipment rules
based on determination, and to conserve its use for state purposes, and to
property of the State, and what may be necessary to protect it against fire
theft, damage and neglect, and determine the use conditions of all
are deemed necessary to accomplish these purposes; and to survey,
and agencies, and to require and enforce the adoption of such policies as
accounting is maintained in each department, institution, community,
well as its personnel, so as to determine whether a proper system of

well as its programs, so as to determine whether a proper system of accounting is maintained in such departments, institutions, commissions, and agencies, and to require and enforce the adoption of such policies as are deemed necessary to accomplish these purposes; and to survey, appraise, examine and inspect, and determine the true conditions of all property of the State, and what may be necessary to protect it against fire hazard or deterioration, and to conserve its use for State purposes, and to make and issue and to enforce all necessary, needful, and convenient rules and regulations for the enforcement of this provision and to approve the destruction or disposal of records of no value to the State. The State Budget and Control Board may require that all plans and specifications for permanent improvements of any nature by any State department or institution shall be submitted to the said Board for approval prior to the awarding of any contract therefor, or prior to construction by any other means. The State Budget and Control Board shall have the authority to approve blanket bonds for each of the several departments, agencies and institutions of the state government, which bonds shall include coverage requirements by law for particular officials and employees and any others who, in the opinion of the Board, should be bonded. Such blanket bonds shall be subject to approval as to form and execution by the Attorney General.

The Division of Operations may contract to develop an energy utilization management system for state facilities under its control and to assist other agencies and departments in establishing similar programs following all applicable laws and regulations, but no capital expenditures are authorized hereby.

129.12. (GP: Transfers of Appropriations) Agencies and institutions shall be authorized to transfer appropriations within programs and within the agency with notification to the Division of Budget and Analyses and Comptroller General. No such transfer may exceed twenty percent of the program budget. Upon request, details of such transfers may be provided to members of the General Assembly on an agency by agency basis. Transfers of appropriations from personal service accounts to other operating accounts or from other operating accounts to personal service accounts may be restricted to any established standard level set by the Budget and Control Board upon formal approval by a majority of the members of the Budget and Control Board.

129.13. (GP: Bank Procedures - State Treasury A Bank) In any instances where Federal laws or regulations, relating to funds allotted to State Government agencies, include requirements relating to banking

007657

EXHIBIT

JUN 20 1995

13

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION CONTROL BOARD

MEETING OF June 20, 1995

ITEM NUMBER 3

AGENCY: General Services

SUBJECT: Property Acquisitions

General Services recommends approval of the following property acquisitions in accord with Code Section 1-11-65:

- a. Agency: Department of Natural Resources
 Acreage: 192± acres
 Location: Adjoining the Waccamaw River Preserve, Horry County
 Purpose: For the river frontage and protection of the four rare plant species located on the property and for public outdoor recreational activities
- Appraised Value: \$547,000
 Sale Price/Seller: \$400,000/Emily Schultz
 Source of Funds: Heritage Land Trust Fund
 Project Number: P24-9687
 Environmental Study: Approved
 Annual Op Cost/SOF: Construction costs \$6,000 (Heritage Land Trust Fund); additional annual operating costs \$1,000 (federal funds)
- Approved by: JBRC 3/21/95; County Delegation 5/18/95
- b. Agency: Department of Natural Resources
 Acreage: 327± acres
 Location: Adjacent to the Samworth Wildlife Management area, Georgetown County
 Purpose: To increase wetland related wildlife management activities and public recreation
- Appraised Value: \$278,600
 Sale Price/Seller: \$278,600/Larry Young
 Source of Funds: Duck Stamp Revenue
 Project Number: P24-9697
 Environmental Study: Approved
 Annual Op Cost/SOF: Construction costs \$105,875 (federal and other funds); additional annual operating costs \$20,000 (federal and agency revenue funds)
- Approved by: JBRC 5/16/95

007658

AGENCY: General Services

SUBJECT: Property Acquisitions -- continued

- c. Agency: Department of Public Safety
- Acreage: 2.6 acres and a 31,267 ft² office building
- Location: Near Goose Creek in Charleston County
- Purpose: To establish a central location of Highway Patrol District and County Headquarters, Regional State Transportation Police, and other DPS functions. The Transportation Police currently has no office space; Criminal Justice Academy students are being trained at the TEC Center; Highway Patrol is occupying DOT space needed by DOT.
- Appraised Value: \$1,058,000
- Sale Price/Seller: \$950,000/George D. Saffo
- Source of Funds: Court fines and gas tax revenues
- Project Number: K05-9530
- Environmental Study: Level I; no hazardous conditions on site
- Annual Op Cost/SOF: Annual operating, \$117,156/state appropriated funds. Approximately \$450,000 needed to bring the building into compliance with current fire and ADA codes (court fines and gas tax revenues). Proposed renovations will not increase operating costs. DPS will install energy conservation measures at a later date using sources of revenue in conjunction with State Energy Office and State Energy Act.
- Approved by: JBRC 5/16/95

BOARD ACTION REQUESTED:

Approve the referenced property acquisitions.

ATTACHMENTS:

007659

EXHIBIT

STATE BUDGET AND CONTROL BOARD

REGULAR AGENDA

JUN 20 1995

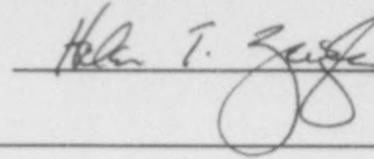
13

MEETING OF June 13, 1995

ITEM NUMBER

STATE BUDGET & CONTROL BOARD

AUTHORIZED OFFICIAL SIGNATURE



AGENCY: GENERAL SERVICES

SUBJECT: REAL PROPERTY ACQUISITIONS

The Office of General Services recommends approval of the following property transfers in accord with Code Section 1-11-65:

(a) **Agency:** Dept. of Natural Resources
Acreage: 192± Acres
Location: Adjoining the Waccamaw River Preserve
County: Horry County
Purpose: For the river frontage and protection of the four rare plant species located on the property, and for public outdoor recreational activities.
Appraised Value: \$547,000
Price/Seller: \$400,000/Emily Schultz
Source of Funds: Heritage Land Trust Fund
Project Number: P24-9687
Environmental Study: Approved
Annual Op Cost/SOF: Construction Costs \$6,000 (Heritage Land Trust Fund); additional annual operating costs \$1,000 (Federal Funds)
Approved by: JBRC on 3/21/95 and County Delegation on 5/18/95

(b) **Agency:** Dept. of Natural Resources
Acreage: 327± Acres
Location: Adjacent to the Samworth Wildlife Management area.
County: Georgetown County
Purpose: To increase wetland related wildlife management activities and public recreation.
Appraised Value: \$278,600
Price/Seller: \$278,600/Larry Young
Source of Funds: Duck Stamp Revenue
Project Number: P24-9697
Environmental Study: Approved
Annual Op Cost/SOF: Construction Costs \$105,875 (Federal and Other funds); additional annual operating costs \$20,000 (Federal and Agency Revenue Funds)
Approved by: JBRC on 5/16/95

BOARD ACTION REQUESTED:

Approval

LIST OF SUPPORTING DOCUMENTS:

Separate attachments are provided for each transaction.

007660

DEPT. OF NATURAL RESOURCES - HORRY COUNTY

LIST OF SUPPORTING DOCUMENTS

1. Letter from Natural Resources
2. Appraisal Transmittal Letter
3. Map
4. Environmental Study Results
5. Cost Implications
6. Delegation Approval Document

007661

South Carolina Department of
Natural Resources



James A. Timmerman, Jr., Ph.D.
Director

John B. Reeves
Deputy Director for
Administrative Services

January 20, 1994

Mr. Bruce Taylor
Property Management
1201 Main Street
AT&T Building, Suite 410
Columbia, South Carolina 29201

Re: P24-9687 - Horry-Waccamaw River-Shultz Addition
Land Acquisition



Dear Bruce:

The Department of Natural Resources is interested in acquiring the above referenced property. The appraisal and environmental assessment is enclosed for your review.

After receipt and review of these reports, and if all is in order, it would be appreciated if you would seek approval from the Budget and Control Board so that the Department may proceed with the acquisition of this land.

I am also requesting that you return this correspondence with the Property Management's approval or disapproval (See below). By returning this approval or disapproval, my office will be able to notify the interested parties as to whether the appraisal and/or environmental assessment is acceptable, thereby, improving the efficiency of the process. Should you have any questions, please advise.

Sincerely,

John B. Reeves, Director
Administrative Services

PLEASE RETURN BY Tuesday, February 6, 1995

BT

APPROVED

DISAPPROVED

007662

007662



ADAMS APPRAISAL ASSOCIATES

JUN 20 1995

13

Real Estate Appraisers and Consultants — Commercial — Industrial — Rural

STATE BUDGET & CONTROL BOARD

1228 BULL STREET • POST OFFICE BOX 11492 • COLUMBIA, SOUTH CAROLINA 29211
(803) 799-9418 FAX (803) 252-1425PHILIP W. ADAMS
S.C. Certified Appraiser
Reg. Forester (SC & NC)
PHILIP W. ADAMS, MAIJASON W. ADAMS, Appraiser
DAVE B. FULLER, Appraiser
KATHLEEN GILLION, Secretary

November 7, 1994

Mr. Ken Prosser
Non-game and Heritage Trust Section
S. C. Department of Natural Resources
P. O. Box 167
1000 Assembly Street
Columbia, SC 29202

Dear Mr. Prosser:

At your request, we have appraised the market value in fee simple of that property known as 192.0 acres located on the Waccamaw River one and one-half miles northwest of the Town of Brooksville, Horry County, South Carolina, owned by Emily Schultz

Enclosed are three (3) copies of the appraisal report containing fifty-six (56) pages which include fourteen (14) preface pages and four (4) exhibits which describe the methods and procedures used in making the appraisal.

In our opinion, the market value of the subject property in fee simple as of October 20, 1994, was:

FIVE HUNDRED FORTY-SEVEN THOUSAND DOLLARS

(\$547,000.00)

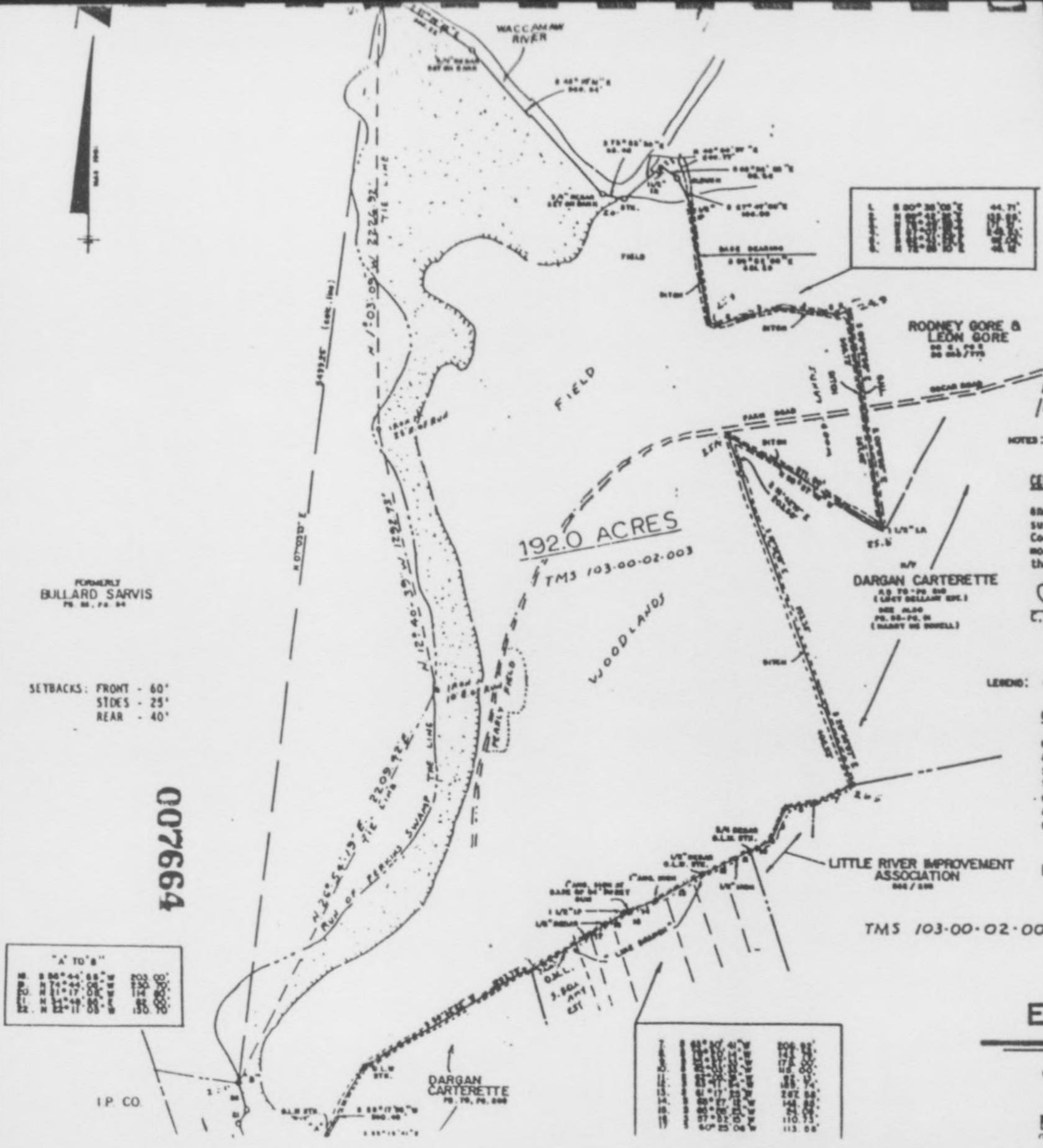
Respectfully submitted,

Jason W. Adams, RF
State Transitionally Licensed
Real Estate Appraiser
S. C. Certificate No. T 1863

007663

Philip W. Adams, MAI, RF
State Certified General Real
Estate Appraiser
S. C. Certificate No. CG 559

007664



FORMERLY
BULLARD SARVIS
PG. 88, PG. 89

SETBACKS: FRONT - 60'
SIDES - 25'
REAR - 40'

007664

"A" TO "B"	
1	110.00
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3	110.00
4	110.00
5	110.00
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I.P. CO.

DARGAN CARTERETTE
PG. 78, PG. 808

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100	110.00

NOTES: 1. TDX MAP NO. 103, PARCEL NO. 3
2. LINE A TO B FROM PG. 70, PG. 808

CERTIFICATE OF ACCURACY:
I hereby certify that the plan shown and described hereon is a true and correct survey to the accuracy required by the Horry County Planning Commission and that the monuments have been placed as shown hereon, to the specifications of the subdivision regulations.

[Signature]
C. B. Berry, S.L.S., S.C. No. 1075
Date 4-15-92

LEGEND: ● 1/2" IP (Unless Otherwise Noted)

CERTIFICATE OF OWNERSHIP & DEDICATION:
I hereby certify that I am the owner of the property shown and described hereon and that I hereby adopt this plan of subdivision with my free consent, establish the minimum building restriction lines, and dedicate all streets, alleys, walks, parks, and other open space to public or private use as noted.

[Signature]
Emily Scholtz
Date 3-10-92

TMS 103-00-02-003

SURVEY FOR:
EMILY SCHULTZ
LMS REGISTERED IN REGISTRATION 400 / 100

LITTLE RIVER TWP. Horry CO., SC
SCALE 1" = 400'

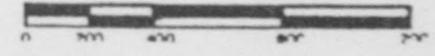


EXHIBIT B

40

The SCDHEC has reviewed their current records pertaining to the same listing of problems and existing wells. As stated by letter, SCDHEC could not locate any files on the subject tract (Appendix B). However, no warranty or guarantee, either stated or implied, is given concerning the completeness of the SCDHEC records or search.

V. FINDINGS AND RECOMMENDATIONS

The objective of this Level I Environmental Assessment was to determine the presence or the potential for the presence of environmental problems, either on the subject tract or on adjacent properties which would impact or contribute to future on-site liability.

To meet this objective, criteria as set forth by the South Carolina Budget and Control Board Policy for Obtaining Studies For Land Acquisitions with respect to a visual inspection and records review was utilized.

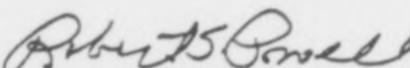
The results of the findings for the subject tract or on adjacent tracts include no obvious evidence of environmentally undesirable surface conditions to exist that would contribute to on-site problems. As with any investigation of this level, the confidence and degree of certainty are comparable to the efforts and degree of precision expected for this level of environmental assessment.

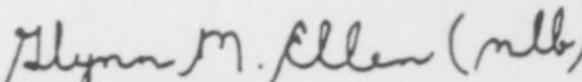
In view of the findings as noted above, no Level II Environmental Assessment is recommended. However, any wells located on the tract should be decommissioned in accordance with SCDHEC regulations if not to be utilized.

If there are any questions concerning our Level I Environmental Assessment and report, or if we can be of any further assistance on this project, please do not hesitate to contact us. We appreciate the opportunity to have provided this service.

Sincerely yours,

F&ME CONSULTANTS


Robert S. Powell, P.G.
Chief Geologist


Glynn M. Ellen
Staff Field Scientist

RSP/GME/nlb

007665

EXHIBIT

JUN 20 1995

13

South Carolina Department of Natural Resources

STATE BUDGET & CONTROL BOARD



James A. Timmerman, Jr., Ph.D.
Director

W. Brock Conrad, Jr.
Deputy Director for
Wildlife and
Freshwater Fisheries

March 9, 1995

Mr. Bruce Taylor
SC Budget & Control Board
1201 Main Street, Suite 430
Columbia, SC 29201

Re: Project Numbers 9696, 9688, 9687

Dear Bruce:

Following our telephone conversation today, it is my understanding that you need to know the associated construction costs, operating costs, and source of funds for the above mentioned projects. I hope that the following information will suffice:

York County Blackjacks, Project #9696 - This project involves a free gift of land from the City of Rock Hill to the SC Department of Natural Resources. We plan to place an informational sign on the property and construct a parking area and hiking trail for public access. These capital improvements are expected to cost \$20,000 and, where practical, the work will be accomplished by volunteers. This property will require periodic controlled burns to maintain the habitat for rare plant species. Average operating costs for this project will not exceed \$1,500 per year. Money to pay for the above mentioned items will come from the Heritage Land Trust Fund.

Aiken County Gopher Tortoise, Project #9688 - We plan to place an informational sign on this property and construct a parking area and hiking trail for public access. The total cost for these capital improvements is expected to be \$8,000. Periodic controlled burns will be carried out on this property to maintain the habitat for the gopher tortoise and rare plant species. Average annual operating costs are expected to be \$1,500 per year. Monies to cover the above mentioned cost will come from the Heritage Land Trust Fund.

Waccamaw River Heritage Preserve Addition (Schultz), Project #9687 - Capital improvements on this property will include a sign, parking area, and hiking trail. The total estimated cost for these capital improvements is \$6,000. Money to pay for these capital improvements will come from the Heritage Land Trust Fund. The 45 acre agricultural field on this property may be

007666

EXHIBIT

JUN 20 1995

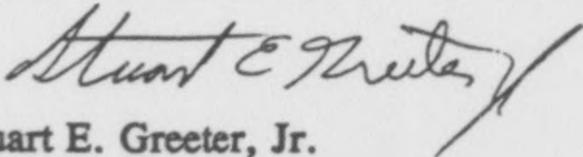
13

STATE BUDGET & CONTROL BOARD

planted with wildlife foods to create a dove field for public hunting. The average annual operating cost to provide this public service is expected to be \$1,000 per year. The funds to pay for the public dove field will come from the Federal Pittman-Robertson Act, which provides public hunting opportunities. It should be noted that we may thin some pine timber on this property at some point in the near future. Doing so would provide revenues far in excess of any operating expenditures envisioned for this property.

I hope this information is satisfactory. If you have any questions feel free to call me or Ken Prosser at 734-3893. Thank you for your consideration.

Respectfully,



Stuart E. Greeter, Jr.
Land Protection Coordinator
SC Heritage Trust Program

/k

c: Ken Prosser

007667

EXHIBIT

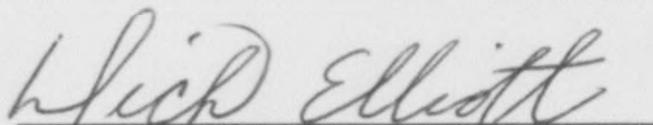
JUN 20 1995

13

STATE BUDGET & CONTROL BOARD

To whom it may concern:

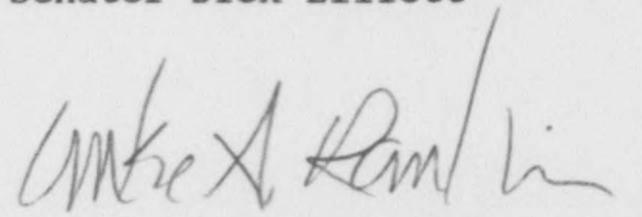
We, a majority of the members of the Horry County Legislative Delegation, pursuant to §51-17-140 of the South Carolina Code of Laws, do hereby approve the purchase of a 192 acre parcel of property in Horry County by the South Carolina Department of Natural Resources to be dedicated for permanent protection as a South Carolina Heritage Preserve and for the visitation and enjoyment of the citizens of South Carolina.



Senator Dick Elliott

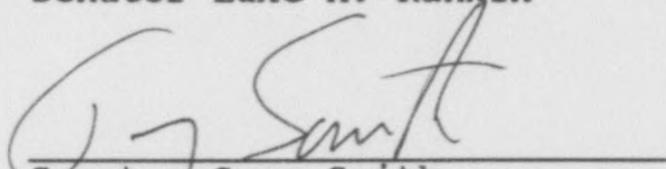


Rep. Mark S. Kelley
Chairman

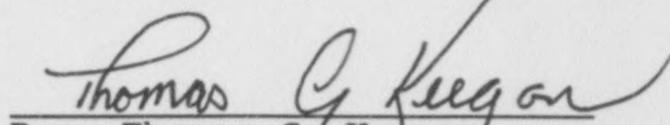


Senator Luke A. Rankin

Rep. Theodore A. Brown



Senator Greg Smith

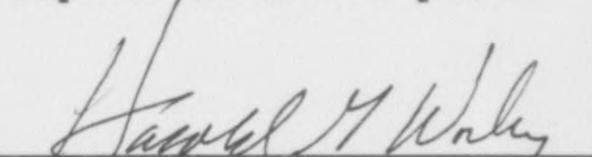


Rep. Thomas G. Keegan

Rep. L. Morgan Martin

Rep. Paula H. Thomas

Rep. W. D. Witherspoon



Rep. Harold Gene Worley

007668

DEPT. OF NATURAL RESOURCES - GEORGETOWN COUNTY

LIST OF SUPPORTING DOCUMENTS

1. Letter from Natural Resources
2. Appraisal Transmittal Letter
3. Map
4. Environmental Study Results
5. Cost Implications

007669

South Carolina Department of
Natural Resources

EXHIBIT



James A. Timmerman, Jr., Ph.D.
Director
John B. Reeves
Deputy Director for
Administrative Services

February 27, 1995

Bruce Taylor
Property Management
1201 Main Street
AT&T Building, Suite 430
Columbia, South Carolina 29201

RE: P24-9697-MJ -Georgetown -Samworth Wildlife management Area Acquisition

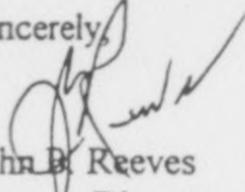
Dear Bruce:

The Department of Natural Resources is interested in acquiring the above referenced property. We have enclosed the appraisal and environmental assessment for your review.

Please review the appraisal and environmental assessment. If all is in order, please take the necessary action to secure approval from the Budget and Control Board.

I am also requesting that you initial approval or disapproval on the bottom of this correspondence. Return a copy of the initialed correspondence to our office. The department will notify the interested parties about whether the appraisal and/or environmental assessment is acceptable. Should you have any questions, please advise.

Sincerely,


John B. Reeves
Deputy Director of Administration

PLEASE RETURN BY March 16, 1995

BT APPROVED
_____ DISAPPROVED

007670

Enclosure
llf/jbr

EXHIBIT

JUN 20 1995

13

CHARLESTON APPRAISAL SERVICE, INC.
Real Estate Appraisers - Consultants

STATE BUDGET & CONTROL BOARD

25 Cumberland Street, Suite 100
Charleston, SC 29401
(803) 723-6256

Michael C. Robinson, MAI, SRA
President
Edward M. Wright, AICP
Joseph G. Lolli, CCIM

February 3, 1995

South Carolina Department
of Natural Resources
Samworth WMA
HCR 1, Box 226
Georgetown, S.C. 29440-8904

Attn: Mr. Robert Perry

Re: 327.16 Acres Marsh/Rice Fields
Part Weymouth Plantation
Georgetown County, S.C.

Dear Mr. Perry:

In compliance with your request, I have completed an appraisal of the above referenced tract. In conjunction with this appraisal, inspections have been made of the subject tract and the sales used for comparison to the subject. A description of the subject property is included later in this report along with a discussion of each of the sales.

The subject of this report actually consists of four separate tracts. Three of the tracts are controlled wetlands and one is intertidal wetlands. For purposes of this report, I have analyzed the controlled wetlands as a single entity and the intertidal wetlands as another entity. For reporting purposes, I have grouped the tracts and discussed them as a single entity. The value estimate indicated below is actually a sum of the value estimates of the controlled wetlands and the intertidal wetlands.

Your attention is invited to the following report which exhibits the factual data and reasoning used in forming my opinion of value. As a result of my investigation and analysis, it is my opinion that the fee simple market value of the subject tract as of January 25, 1995 was:

TWO HUNDRED SEVENTY-EIGHT THOUSAND SIX HUNDRED DOLLARS . . \$278,600

I have not been provided with an environmental audit on the subject property. My value estimate assumes the soil is undisturbed and free of contaminants, groundwater contamination and hazardous materials. Neither have I been provided with a soil study on the

007671

subject tract. I assume the tract consists entirely of wetlands other than surrounding dikes, and that no part of the subject tract is suitable for substantial construction. Should professional studies differ with the above assumptions, my value estimate could be affected.

I certify that to the best of my knowledge and belief, the statements and opinions contained in this report are full, true, and correct. I certify that I have no interest in the subject property, and that neither the employment to make this appraisal nor the compensation is contingent upon the value estimate.

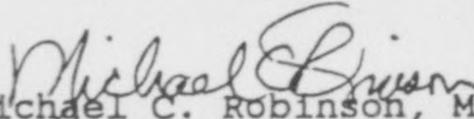
I further certify that this appraisal was made in conformity with the Code of Professional Ethics and the Uniform Standards of Professional Appraisal Practice of the Appraisal Institute.

This appraisal assignment was not made nor was the appraisal rendered on the basis of a requested minimum valuation, specific valuation or an amount which would result in approval of a loan.

This appraisal is intended to meet the requirements of Title XI of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA) of 1989, Public Law.

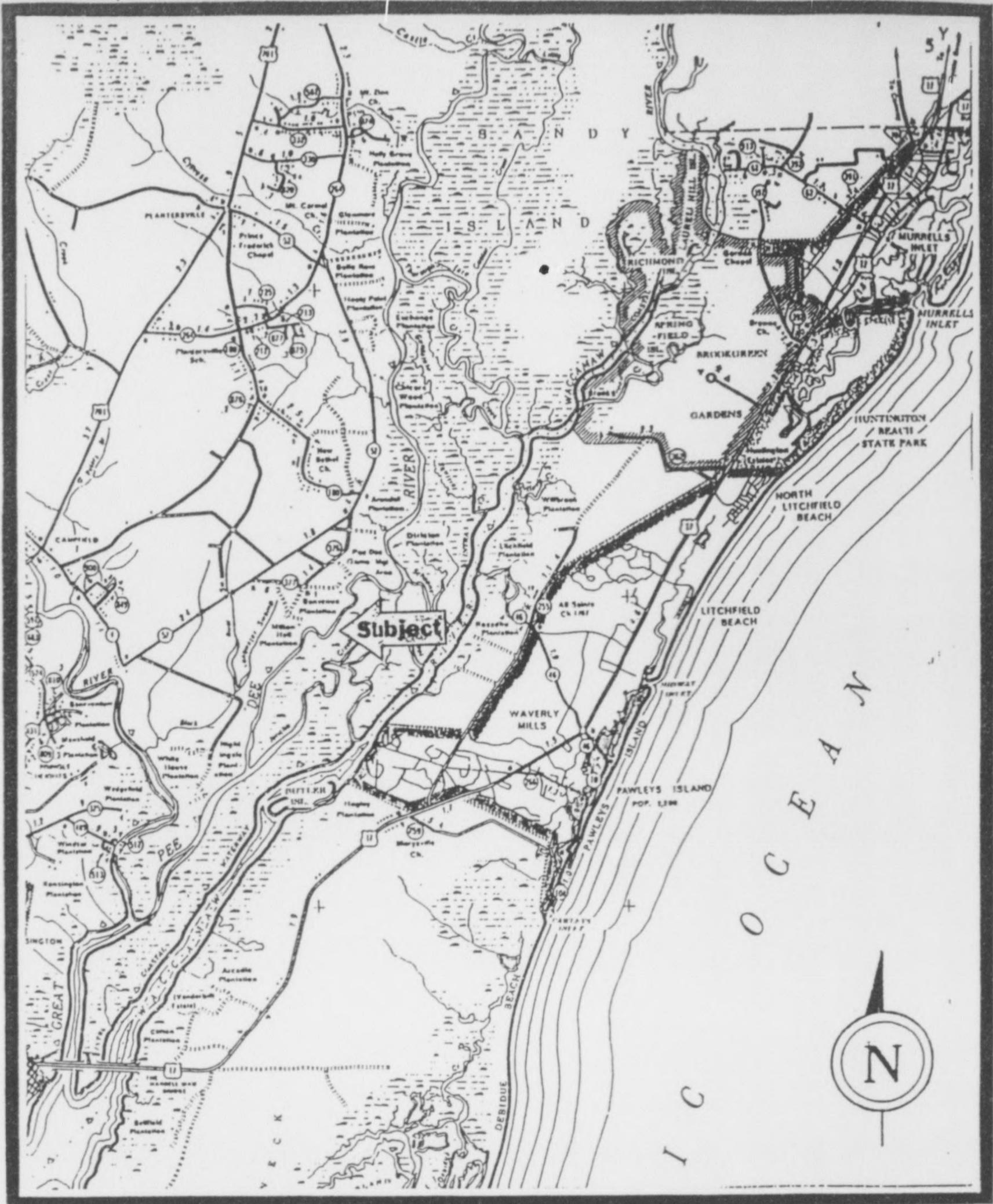
Respectfully submitted,

CHARLESTON APPRAISAL SERVICE, INC.


Michael C. Robinson, MAI, SRA
President
State Certified General Real
Estate Appraiser # CG 76

MCR/tew

007672



Real Estate Graphics, Inc. ©COPYRIGHT 1978

Neighborhood Map

007673

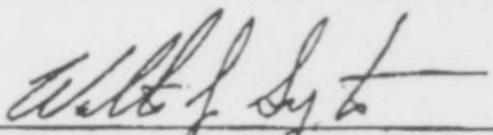
Environmental Control (SC DHEC) information, title records, aerial photographs, site reconnaissance, and interviews with local authorities performed by Glenn W. Christensen of Athena Technologies, Inc., there is no visual or documented evidence to suggest that significant levels of environmental contamination are present on the subject properties. The subject properties were never developed and were utilized for rice cultivation. The surrounding property bordering the subject properties were also never developed, mainly utilized for rice cultivation, and are believed to pose no environmental threat to the subject properties.

5.0 Recommendations

It is not recommended that any further environmental assessment be performed at these sites at this time.

6.0 Qualifications

Athena Technologies, Inc. extends no warranties or guarantees regarding the prior, existing, or future conditions at the subject site. Athena has based this environmental assessment on the records and observations specifically mentioned herein. Athena shall not be liable for failure to disclose any information which inspection of these records would not reveal. Further, Athena shall not be liable for failure to disclose any defects or problems not readily ascertainable by the means employed in this assessment (as discussed herein). Athena also disclaims any liability for use or reliance on this assessment by any party other than the parties to this document: Athena Technologies, Inc. and the SC Department of Natural Resources.


Walter J. Sexton, Ph.D., P.G.

3 Apr. '95
Date

007674

EXHIBIT

JUN 20 1995

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STATE BUDGET & CONTROL BOARD

4. SPECIFIC SITE SELECTION: This site was selected because it identified protection, conservation and enhancement of significantly important wetland wildlife habitat that provided resource benefits and public use opportunities.

5. ESTIMATED COST AND FUNDING SOURCES:

Acquisition	\$278,600
Appraisal, Environmental Assessment and Surveys	13,425
Outside Counsel	2,100
Enhancement	<u>105,875</u>
Grand Total	\$400,000
North American Wetland Conservation Act Funds	\$200,000
SCDNR Match (Duck Stamp Revenue)	75,000
The Nature Conservancy (Mitigation Funds)	75,000
The Nature Conservancy (Land Grant)	25,000
Ducks Unlimited	20,000
Historic Ricefields Association	<u>5,000</u>
Grand Total	\$400,000

6. ADDITIONAL OPERATING COST ESTIMATES: Approximately \$20,000 per year. Sources of funds will include Federal Aid in Wildlife Restoration Funds and matching DNR funds from agency revenue.

7. N/A

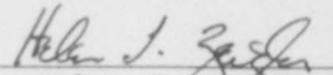
007675

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 20, 1995

Regular Agenda

1. **Submitted by:**
(a) Agency: Office of General Services
(b) Authorized Official Signature


Helen T. Zeigler

2. **Subject:**

The Department of Public Safety acquisition of real property in Charleston County.

3. **Summary Background Information**

The Department of Public Safety requests approval to purchase 2.6 acres of land and a 31,267 square foot office building near Goose Creek in Charleston County. The property will be used to establish a central location for Highway Patrol District and County Headquarters, Regional State Transportation Police, and as a training facility for the Criminal Justice Academy and other Department of Public Safety functions. Currently the Transportation Police has no office space. Criminal Justice Academy students are being trained at the TEC Center and the Highway Patrol is currently occupying DOT space which is needed by DOT. The property has been appraised at \$1,058,000 and the seller, George D. Saffo, has agreed to sell for \$950,000. The source of funds for the acquisition is court fines and gas tax revenues. The level I environmental study indicates no hazardous conditions on site. Property Management has reviewed these reports and approves of their use in granting this request. Public Safety estimated the additional annual operating cost associated with this acquisition to be \$117,156. The source of funds for these costs are State Appropriated funds. The Department estimates that approximately \$450,000 will be needed to bring the building into compliance with current Fire and ADA Codes. The source of funds for the required renovations is court fines and gas tax revenues. The proposed renovations will not increase the operating costs. The Department plans to install energy conservation measures at a later date using sources of revenue in conjunction with the State Energy Office and the State Energy Act. An example of this type of revenue source is a shared energy savings. This project, KO5-9530, was approved by JBRC on May 16, 1995.

4. **What is Board asked to do?**

Approve the purchase of 2.6 acres with improvements in Charleston County by the Department of Public Safety.

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

Approve

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

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

7. **List of Supporting Documents:**

1. Letter from Public Safety
2. Appraisal Transmittal Letter
3. Map
4. Environmental Study Result
5. Cost Implications
6. SC Code Section 1-11-65

007676

074 - 1012

84/26/1995 89:01

883-896-8819

DPS BLDG SVCS



S.C. DEPARTMENT OF PUBLIC SAFETY

5410 Broad River Road
Columbia, SC 29210 - 4038

MEMORANDUM

TO: Bruce Taylor
FROM: Russell Long *RL*
RE: Charleston Acquisition
DATE: April 25, 1995

It is our understanding that all the required information for the Charleston acquisition has been furnished to you. Please request JBRC approval and Budget & Control Board approval.

Please call if you need additional information.

ROL/BT/cas

007677

EXHIBIT

JUN 20 1995

13

APPRAISAL CONSULTANTS, INC.

The Carroll Building, Suite 208
24 North Market Street
Charleston, South Carolina 29401

STATE BUDGET & CONTROL BOARD

A. Palmer Owings, MAI, SRA
Bernard R. Jackson, SRA
Gary W. Schwab
Francis B. Kerr, Jr., SRA
Harold O. Mathisen, III
A. Palmer Owings, Jr.
Thad C. Goodson

Telephone
(803) 577-0540
Facsimile
(803) 577-0730

March 27, 1995

Mr. Russell Long
South Carolina Dept. of Public Safety
Facilities Management
5410 Broad River Road
Columbia, South Carolina 29210

Re: An appraisal of the Otranto Professional Office Building, 8740
North Park Boulevard, North Charleston, South Carolina
TMS 485-00-00-018

Dear Mr. Long:

In compliance with your request, we have personally inspected the above referenced property. The property consists of a 2.607 acre site which has been improved with a three story, masonry and steel framed office building that contains approximately 27,634 square feet of net rentable area. Your instructions directed us to prepare an estimate indicating our opinion of the market value of the above referenced property.

The reader's attention is directed to the Limiting Conditions section of this report for disclaimers relative to environmental pollution, the Americans with Disabilities Act, and other important items.

We have estimated the cost to cure deferred maintenance items to be approximately \$45,000. We have also estimated the rent-up loss to be \$29,000. These two figures have been deducted from the final fee simple market value indication. The value reported in this letter of transmittal is our opinion of the "as is" fee simple market value of the subject property after deducting for deferred maintenance and rent-up.

All approaches to value were considered and our findings are included in the attached appraisal report.

007678

Mr. Russell Long
March 29, 1995
Page Two (2)

After due consideration of all the factors involved, it is our opinion that the "as is" fee simple market value, after deducting for rent-up, as of March 23, 1995, was:

ONE MILLION FIFTY-EIGHT THOUSAND DOLLARS

(\$1,058,000)

The reader should note that A. Palmer Owings has inspected the property and is the review appraiser for this report.

It is our intention that this appraisal meets or exceeds the requirements of Title XI of the Financial Institution Reform Recovery and Enforcement Act (FIRREA) of 1989, Public Law 101-73, 103 STAT as amended on July 1, 1994. This appraisal has also been made in conformity with the Code of Ethics of the Uniform Standards of Professional Practice of the Appraisal Institute.

We further certify that to the best of our knowledge and belief, the statements and opinions contained herein are full, true and correct and that this appraisal is subject to the attached Certificate of Appraisal and Statement of Limiting Conditions.

Respectfully submitted,

Appraisal Consultants, Inc.



By: *Alfred P. Owings*
A. Palmer Owings, MAI, SRA
President
State Certified General Real Estate Appraiser No. CG62

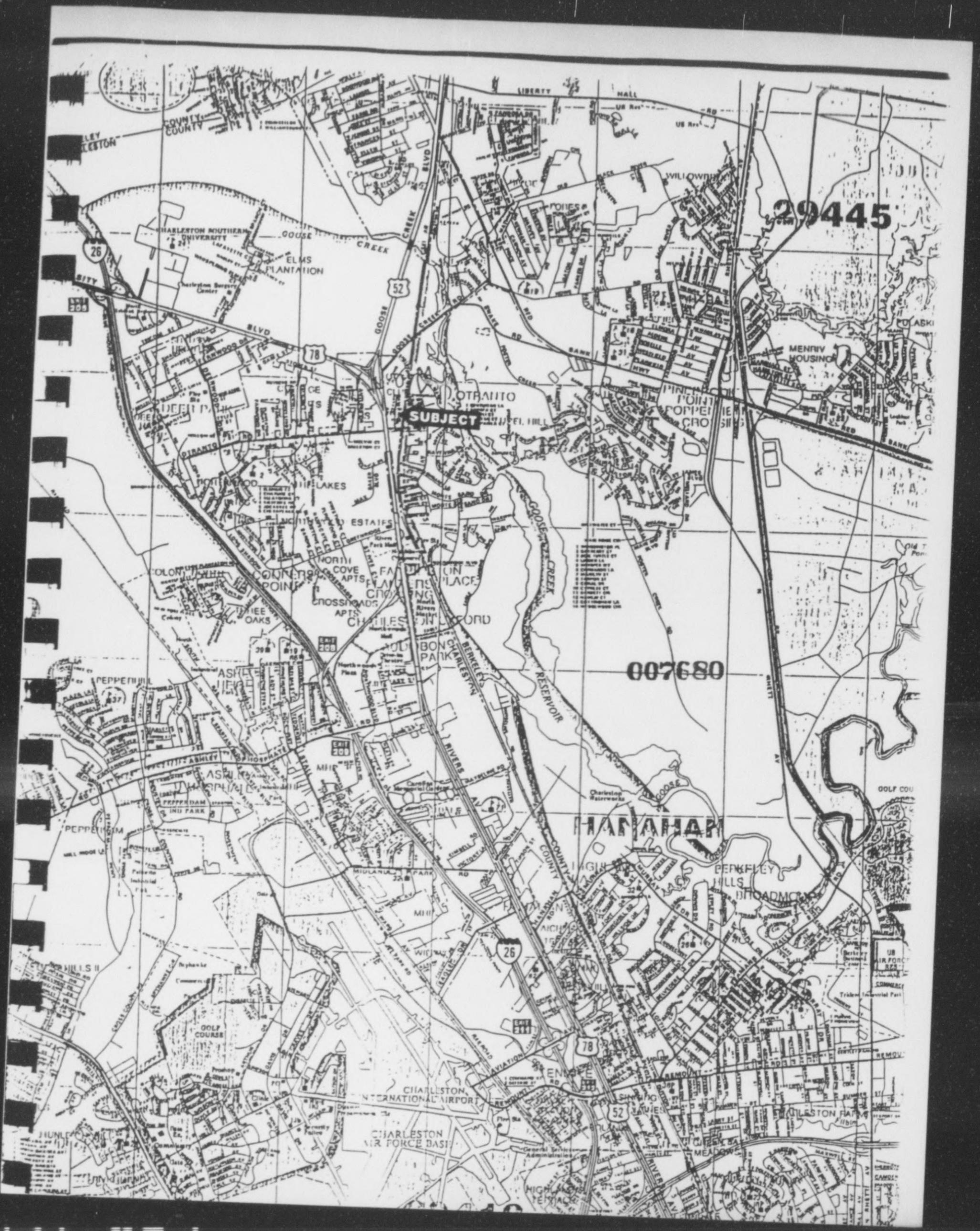
By: *Gary W. Schwab*
Gary W. Schwab
State Certified General Real Estate Appraiser No. CG392

APO:GWS/kst

Enclosures

42528903

007679



29445

SUBJECT

007680

HANA HANA

NAV-004

JUN 20 1995

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Environmental Site Assessment
 The Otranto Building, North Charleston, South Carolina (scps00195)

March 30, 1995
 STATE BUDGET & CONTROL BOARD
 Page 9

Results of Soils Analysis

Sample	Lead	Cadmium	Chromium	Total Petroleum
SB-1	<2.94	<2.94	<2.94	<5.88
SB-2	<2.47	<2.47	<2.47	<4.94

Notes: All concentrations are in micrograms per kilogram.

Based on the analytical data shown in the above table, there is no evidence of petroleum impact to the subject site.

5.0 Conclusions and Recommendations

This ESA of Otranto Building located in North Charleston, South Carolina detected off-site potential sources of petroleum impact; however, based on the findings of our subsurface soils assessment, no impact was identified at the subject site. To address ACMs that were identified in the Otranto Building, we recommend that an O&M plan be implemented for the ACM. We will send an O&M plan to you under separate cover next week. No additional environmental assessment is recommended at this site.

007681

ADDENDUM TO FORM A-1, A-13, A-23

Form-Addendum A-49

ADDITIONAL ANNUAL OPERATING COSTS RELATED TO PERMANENT IMPROVEMENT PROJECT

(Copy this form as needed; submit completed, typed original as attachment to original A-1, or A-13, or A-23.)

AGENCY NUMBER: K-05 AGENCY NAME: S.C. Dept of Public Safety

NAME OF PROJECT: Charleston Highway Patrol Office Acquisition Priority of .

Complete the left side (below) for all additional annual operating costs attributable to the project. The dollar number entered for each year should be the amount of increase in operating costs over the year prior to the completion of this project. (Example: Assume that operating costs the year prior to the project completion were \$100; after project completion, the operating cost will be \$115; the FY 1 line then will show a \$15 increase in the total column and by financing source. Assume FY 2 costs will be \$120; line 2 then will show a \$20 increase in the total column and by financing source.)

Complete the right side (below) for additional annual personal service costs and number of positions attributable to the project. The dollar number and the position number entered for each year should be the amount of increase in number of positions and personal service costs over the year prior to the completion of the project. (For example, see paragraph above.) Note that the additional costs for personal services are included in the total additional operating costs entered in the left side of the form.

ADDITIONAL ANNUAL OPERATING COSTS RELATED TO PROJECT

FISCAL YEAR <small>(Start with FY project is to be completed.)</small>	TOTAL ADDITIONAL OPERATING COSTS Projected Financing Sources				PERSONAL SERVICE COSTS ONLY# Projected Financing Sources				
	Gen. Funds	Federal	Other*	Total	Gen. Funds	Federal	Other*	Total	
								Amount	Positions
(1) FY96	117,156 x.75FY 87,867			87,867	\$ ()	\$ ()	\$ ()	\$	
(2) FY97	121,257			121,257	\$ ()	\$ ()	\$ ()	\$	
(3) FY98	125,500		007682	125,500	\$ ()	\$ ()	\$ ()	\$	
(4) FY99	129,893			129,893	\$ ()	\$ ()	\$ ()	\$	
(5) FY00	134,439			134,439	\$ ()	\$ ()	\$ ()	\$	

STATE BUDGET & CONTROL BOARD

JUN 20 1995 13

EXHIBIT

42

*Specify what "Other" sources are.

Show additional positions in parenthesis where appropriate.

The location of this facility is centrally and strategically suitable. Public accessibility and the ability for the public to identify this site are acceptable.

Parking is adequate. This site is located in a well lighted area near other office buildings adjacent to highly traveled areas.

The roof is relatively new, (post Hugo). The exterior envelope of the building is primarily stucco. Both have been relatively well maintained. Other building infrastructures such as mechanical and electrical will require some upgrading. The plumbing and the elevators appear to be in excellent overall condition. The elevators have been fully licensed and maintained under a service contract with an elevator company.

A major consideration was the cost of compliance with mandates. This facility will be fairly easy to retrofit for ADA and is constructed in such a manner that additional space next to existing restrooms can be easily facilitated. The HVAC equipment/chillers use R-22 refrigerant which is not scheduled to be phased-out until the year 2015. The facility will be upgraded with the mechanical retrofit to comply with the Indoor Air Quality regulations.

The building has minimal asbestos, and none of this is friable. For instance, the mastic retaining the vinyl tiles on some floors, approximately 100 square feet, contains nonfriable asbestos. The Department plans to execute an asbestos O&M program for this minimal amount of asbestos. Abatement for such a small amount is not recommended.

5. WHAT IS THE ESTIMATED COST OF ANY CONSTRUCTION OR RENOVATIONS TO BE DONE ON THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS FOR SUCH WORK?

The estimated cost of the renovation is \$400,000.00. The source of funds is included in this proposed acquisition for the renovations. The proposed renovations are described in item #3.

6. WHAT ARE THE ESTIMATED ADDITIONAL ANNUAL OPERATING COSTS WHICH WILL RESULT FROM ACQUISITION OF THE PROPERTY AND THE ANTICIPATED SOURCE OF FUNDS? IF NO COSTS, EXPLAIN WHY NOT.

This information is defined in Form A-49 and an attachment which contains the backup information for the Form A-49. We are anticipating installing energy conservation practices that will allow a further reduction in operating cost. For instance, we project that an energy management system could save approximately thirty cents per square foot or \$9,380.00 per year. Additionally, other energy conservation practices such as retrofitting light fixtures to T-8 bulbs and electronic ballasts

§ 1-11-65. Approval and recordation of real property transactions involving governmental bodies.

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board. Upon approval of the transaction by the Budget and Control Board, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the board's approval of the transaction. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The board may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution.

HISTORY: 1989 Act No. 26, § 1, eff 30 days after approval (approved April 1, 1989.).

Editor's Note—

1988 Act No. 638, § 8, provides as follows:

"The State Budget and Control Board and the Joint Bond Review Committee or their designees shall devise procedures for authorizations of leases or lease purchases, or both, and make recommendations to the General Assembly on the procedures by February 1, 1989."

Effect of Amendment—

The 1989 amendment designated the existing paragraph as subsection (A), deleted "unless a governmental body is expressly exempted by the Budget and Control Board" from the end of that paragraph, added the last three sentences to subsection (A), and added subsection (B).

007684

EXHIBIT

JUN 20 1995

14

STATE BUDGET AND CONTROL BOARD

STATE BUDGET & CONTROL BOARD
REGULAR SESSION

MEETING OF June 20, 1995

ITEM NUMBER 4

AGENCY: General Services

SUBJECT: Forestry Commission Quit Claim Deed

The Office of General Services advises that the Forestry Commission received approximately 10 acres in 1939 from W. C. White to be used for forest protection. In the event this use ceased for a period of two years, the property was to revert to the granter.

The Commission is in the process of closing fire tower sites around the State and replacing them with a radio tower system. The radio towers will require approximately one acre each and will be constructed at existing fire tower locations. The Commission is, therefore, seeking approval to issue a quit-claim deed acknowledging reversion rights on 8.19 acres to Marion Lathan (who now owns the reversion rights) in exchange for a transfer of the reversionary interest in the remaining 1.82 acres from Marion Lathan.

BOARD ACTION REQUESTED:

In accord with Code Section 1-11-65, authorize the Forestry Commission to issue a quit-claim deed acknowledging reversion rights on 8.19 acres in Chester County to Marion Lathan in exchange for a transfer of the reversionary interest in the remaining 1.82 acres from Marion Lathan.

ATTACHMENTS:

Agenda item worksheet; Forte 5/23/95 memo; map; Code Section 1-11-65

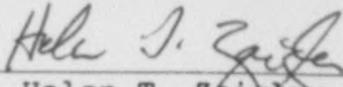
007685

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

Meeting Scheduled for: June 13, 1995

Regular Agenda

1. Submitted by:
(a) Agency: Office of General Services
(b) Authorized Official Signature


Helen T. Zeigler

2. Subject: Forestry Commission Quit Claim of interest in former fire tower in Chester County

3. Summary Background Information

The Forestry Commission received approximately 10 acres in 1939 from W. C. White to be used for forest protection. In the event this use ceased for a period of 2 years, the property was to revert to the grantor. The Commission is in the process of closing fire tower sites around the state and replacing them with a radio tower system which will require approximately one acre each. The radio towers will be constructed at existing tower locations. The Commission is, therefore, seeking approval to issue a quit-claim deed acknowledging reversion rights on 8.19 acres to Marion Lathan (who now owns the reversion rights) in exchange for a transfer of the reversionary interest in the remaining 1.82 acres from Marion Lathan.

4. What is Board asked to do?

Approve the exchange of deeds between the Forestry Commission and Marion Lathan in order to clear up title to real property in Chester County.

5. What is the recommendation of Board Division involved?

Approve

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

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

7. List of Supporting Documents:

1. Letter from Forestry Commission
2. Map
3. Code Section 1-11-65

007686

SOUTH CAROLINA
STATE FORESTRY COMMISSION

EXHIBIT

JUN 20 1995

14

STATE BUDGET & CONTROL BOARD

J. HUGH RYAN
STATE FORESTER



1945 - 1995
FIFTY YEARS OF
STATEWIDE
FIRE PROTECTION

P. O. Box 21707
Columbia, SC 29221
Phone (803) 896-8800 FAX (803) 798-8097

MEMORANDUM TO: Bruce Taylor
Property Management Section
Budget & Control Board

FROM: Tom Forte
S. C. Forestry Commission

DATE: May 23, 1995

REFERENCE: PROPERTY TRANSFER - CHESTER FIRE TOWER SITE

The Forestry Commission request approval of the Budget and Control Board to transfer eight and nineteen one-hundredths (8.19) acres of the Chester Fire Tower Site in Chester County to Mr. Marion Lathan.

This transfer is in accordance with a deed restriction which requires the entire property revert to the grantor if it is not used for reforestation or fire protection for a period of two years.

The Forestry Commission and Mr. Lathan reached the agreement outlined below regarding the reversion:

- 1 - The Forestry Commission will relinquish all claims to eight and nineteen one-hundredths (8.19) acres of the ten (10) acre tract.
- 2 - Mr. Lathan will relinquish any and all reversion rights and claims to one and eighty two one hundredths (1.82) acre of the ten (10) acre site.
- 3 - These transfers will be made final as soon as possible following Budget and Control Board approval.

The following documents are enclosed to support the above agreement and transfer.

- 1 - Original deed and plat conveying ten (10) acres to the S. C. Forestry Commission.

007687

EXHIBIT

JUN 20 1995

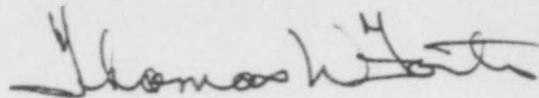
14

STATE BUDGET & CONTROL BOARD

- 2- An agreement between the Forestry Commission and Mr. Lathan which explains how the transfer will be made.
- 3 - A Release of Reverter giving the Forestry Commission a Fee Simple title to the entire tract.
- 4 - A deed from the Forestry Commission to Mr. Lathan which conveys 8.19 acres to with a fee simple title.
- 5- Plats show the division of the tract.
- 6- Other supporting documents which establish or support title and rights to the property.

If additional information or documentation is needed please contact me.

Sincerely,



Thomas W. Forte
Engineering Associate

TWF/ef

007688

EXHIBIT

JUN 20 1995

14

STATE BUDGET & CONTROL BOARD

TAX MAP # 107-00-00-004

COMBS, INC.

D.B. 627, PG. 64

P.B. "B", PG. 39

P.B. "G", PG. 243

N 76°15'03"E 2911.97' →
To Intersection of
Peden Bridge Road
S-12-44

To be Conveyed to:

MARION LATHAM

D.B. 272, PG. 583

8.191 Ac.

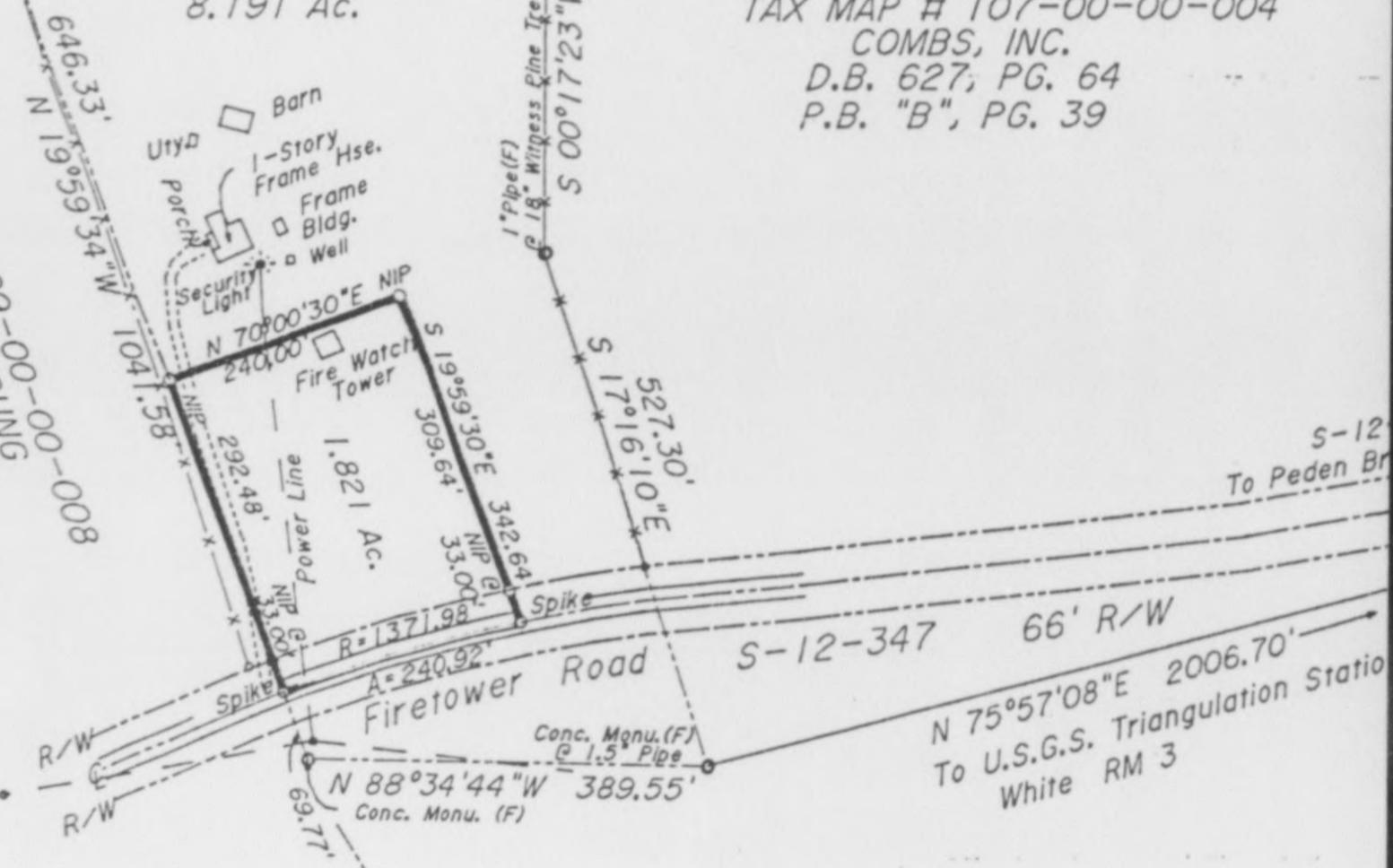
TAX MAP # 107-00-00-004

COMBS, INC.

D.B. 627, PG. 64

P.B. "B", PG. 39

TAX MAP # 109-00-00-008
ROBERT R. YOUNG
D.B. 107, PG. 722



TAX MAP # 109-00-00-008

ROBERT R. YOUNG

D.B. 107, PG. 722

TAX MAP # 107-00-00-004

COMBS, INC.

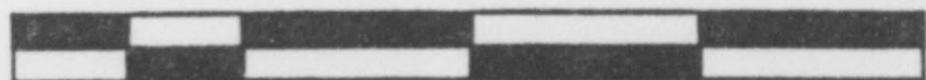
D.B. 627, PG. 64

P.B. "B", PG. 39

007689

SCALE: 1" = 200'

0' 100' 200' 400' 600' 800'



NOTE:
Deed Restrictions
"Not Shown"

THE INFORMATION SHOWN HEREON IS THE
PERFORMED UNDER THE SUPERVISION OF
COMPLETED ON THE DATE SHOWN ABOVE.

EXHIBIT

JUN 20 1995 1 4

STATE BUDGET & CONTROL BOARD

"Section 1-11-65. (A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board. Upon approval of the transaction by the Budget and Control Board, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the board's approval of the transaction. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The board may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution."

007690

EXHIBIT

JUN 20 1995

15

STATE BUDGET AND CONTROL BOARD

STATE BUDGET & CONTROL BOARD
REGULAR SESSION

MEETING OF June 20, 1995

ITEM NUMBER 5

AGENCY: General Services

SUBJECT: Property Sale, Department of Commerce

The Department of Commerce requests authorization to sell approximately 1,094 acres and to issue a Request for Proposals (RFP) to develop, design, construct, finance, and operate a golf course, inn/overnight accommodations, retail space, and restaurant at Lake Russell, Calhoun Falls.

This project, generally referred to as "The Lake Russell Project", is an effort by the Department of Commerce to stimulate development in the Lake Russell area. The goal of the RFP is to select a proposer who will develop, design, construct, finance, and operate an 18-hole golf course with pro shop, snack bar, and support facilities; an 80-unit short-term rentable housing project; a restaurant with seating capacity of at least 60 persons; and a retail store. The project may include additional rental properties, lot development and resales, and additional amenities. Up to approximately 1,094 acres will be made available for sale to the developer at a cost to be determined.

BOARD ACTION REQUESTED:

Authorize the Department of Commerce to issue an RFP, in a format acceptable to the Office of General Services, for the development, design, construction, financing, and operation of a golf course, inn/overnight accommodations, retail space, and restaurant at Lake Russell, Calhoun Falls, with up to approximately 1,094 acres to be made available for sale to the developer at a cost to be determined, and approve all transfers of real estate resulting from an award of a contract.

ATTACHMENTS:

Agenda item worksheet; Code Section 1-11-65

007691

EXHIBIT

JUN 20 1995

15

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

STATE BUDGET & CONTROL BOARD

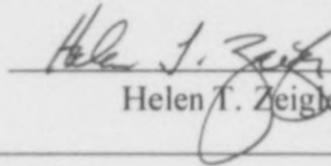
Meeting Scheduled for: June 20, 1995

Agenda: Regular

1. Submitted By:

(a) Agency: Office of General Services

(b) Authorized Official Signature:



Helen T. Zeigler, Director

2. Subject:

Sale of approximately 1,094 acres owned by the South Carolina Department of Commerce through a Request for Proposals to develop, design, construct, finance and operate a golf course, inn/overnight accommodations, retail space and restaurant at Lake Russell, Calhoun Falls, South Carolina.

3. Summary Background Information:

This current project, generally referred to as "The Lake Russell Project," is an effort by the South Carolina Department of Commerce to stimulate development in the Lake Russell area of South Carolina. The goal of the Request for Proposals is to select a proposer who will develop, design, construct, finance and operate an 18 hole golf course with pro shop, snack bar and support facilities, an eighty-unit short-term rentable housing project, a restaurant with seating capacity of at least 60 people, and a retail store. The project may include additional rental properties, lot development and resales, and additional amenities. Up to approximately 1,094 acres will be made available for sale to the developer.

4. What is the Board asked to do?

To authorize SCDOC to proceed with an RFP, in a format acceptable to the Office of General Services, and approve all transfers of real estate resulting from an award of a contract.

5. What is the recommendation of General Services?

Same as number 4.

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

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. List of Supporting Documents:

(a) List those attached:

1. S. C. Code Section 1-11-65

007692

§ 1-11-65. Approval and recordation of real property transactions involving governmental bodies.

(A) All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board. Upon approval of the transaction by the Budget and Control Board, there must be recorded simultaneously with the deed, a certificate of acceptance, which acknowledges the board's approval of the transaction. The county recording authority cannot accept for recording any deed not accompanied by a certificate of acceptance. The board may exempt a governmental body from the provisions of this subsection.

(B) All state agencies, departments, and institutions authorized by law to accept gifts of tangible personal property shall have executed by its governing body an acknowledgment of acceptance prior to transfer of the tangible personal property to the agency, department, or institution.

HISTORY: 1989 Act No. 26, § 1, eff 30 days after approval (approved April 1, 1989.).

Editor's Note—

1988 Act No. 638, § 8, provides as follows:

"The State Budget and Control Board and the Joint Bond Review Committee or their designees shall devise procedures for authorizations of leases or lease purchases, or both, and make recommendations to the General Assembly on the procedures by February 1, 1989."

Effect of Amendment—

The 1989 amendment designated the existing paragraph as subsection (A), deleted "unless a governmental body is expressly exempted by the Budget and Control Board" from the end of that paragraph, added the last three sentences to subsection (A), and added subsection (B).

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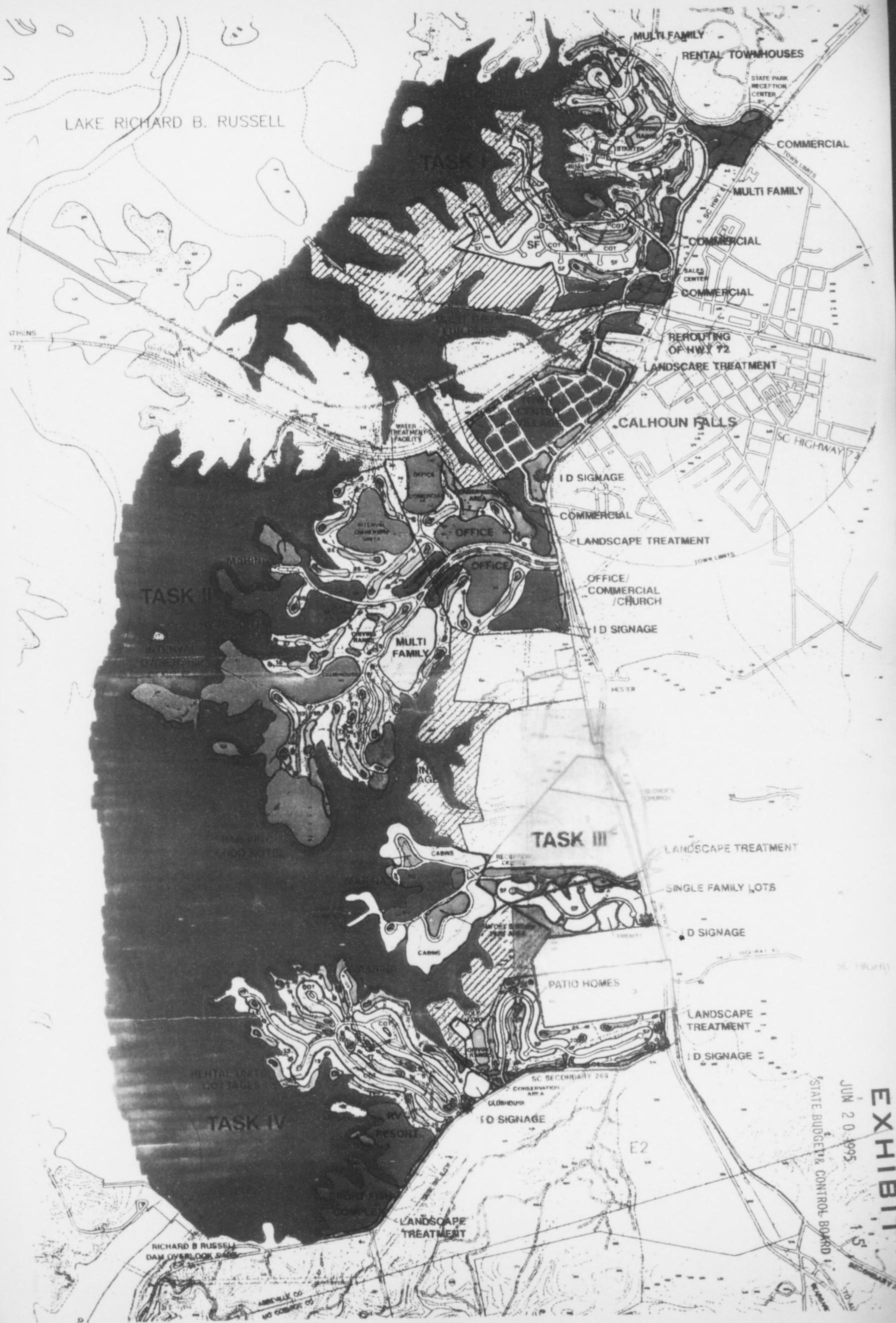


EXHIBIT
 JUN 20 1995
 STATE BUDGET & CONTROL BOARD

007694

EXHIBIT

JUN 20 1995

16

STATE BUDGET AND CONTROL BOARD

STATE BUDGET & CONTROL BOARD
REGULAR SESSION

MEETING OF June 20, 1995

ITEM NUMBER 6

AGENCY: State Treasurer

SUBJECT: Bond Counsel Selection

The State Treasurer's Office recommends approval of the following bond counsel:

- (a) University of Charleston, \$1,150,300 (15-year commercial notes) to purchase facilities located at 298-300 Meeting Street and 65 Coming Street for continued use as residence halls: Nexsen Pruet Jacobs & Pollard; and
- (b) University of South Carolina, \$14,000,000 Student and Faculty Housing Revenue Bonds to fund the construction of new student housing on the current soccer field/Booker T. Washington area of campus and the refunding or defeasement of a portion or all of the outstanding \$6,900,000 Student and Faculty Housing Revenue Bonds: Nexsen Pruet Jacobs & Pollard.

BOARD ACTION REQUESTED:

Approve the following bond counsel selection as recommended by the State Treasurer's Office:

- (a) University of Charleston, \$1,150,300 (15-year commercial notes) to purchase facilities located at 298-300 Meeting Street and 65 Coming Street for continued use as residence halls: Nexsen Pruet Jacobs & Pollard; and
- (b) University of South Carolina, \$14,000,000 Student and Faculty Housing Revenue Bonds to fund the construction of new student housing on the current soccer field/Booker T. Washington area of campus and the refunding or defeasement of a portion or all of the outstanding \$6,900,000 Student and Faculty Housing Revenue Bonds: Nexsen Pruet Jacobs & Pollard.

ATTACHMENTS:

Requests for Assignment of Bond Counsel for Non-general Obligation Borrowing

007695

JUN 20 1995

16

REQUEST FOR ASSIGNMENT OF BOND COUNSEL STATE BUDGET & CONTROL BOARD FOR NON-GENERAL OBLIGATION BORROWING

TO: Richard Eckstrom, State Treasurer

FROM: Agency # H-15 Name: University of Charleston

SUBMITTED BY: Gary M. McCombs Signature Title Senior Vice President for Business Affairs Phone 803/953-5575

Estimated Amount to be Borrowed/Issued \$ 1,150,300. ; 08/31/95 Anticipated Date Funds Required

Type of Bonds/Notes to be Issued 15-year commercial notes

Purpose of Borrowing/Issue To purchase facilities located at 298-300 Meeting St. and 65 Coming St. These facilities are currently being used as residence halls with plans to continue to do so.

Bond Counsel (Firm) Tentatively Identified by the State Treasurer's Office from Rotation: Nexsen Pruet Jacobs & Pollard Date 6-7-95

FOR STATE TREASURER'S OFFICE USE ONLY:

Request Received by State Treasurer's Office on: 6-5-95 Date
Bond Counsel Notified of Tentative Selection on: 6-7-95 Date
Forwarded to The Secretary of the Budget & Control Board on: 6-8-95 Date
For Approval by the Budget & Control Board at its Meeting on: 6-20-95 Date
Notification of Budget & Control Board action given to Requesting Agency on: Date
Notification of Budget & Control Board action given to Selected Bond Counsel on: Date

FOR BUDGET & CONTROL BOARD USE ONLY:

Name of Bond Counsel (Firm) Approved: Nexsen Pruet Jacobs & Pollard
Donna Louise Williams Budget & Control Board Authorized Signature Date 6/20/95

REQUEST FOR ASSIGNMENT OF BOND COUNSEL
FOR NON-GENERAL OBLIGATION BORROWING

JUN 20 1995

16

STATE BUDGET & CONTROL BOARD

TO: Richard Eckstrom, State Treasurer

FROM: Agency # H27 Name: University of South Carolina

SUBMITTED BY: Earle Holley

Signature

Interim Vice President for Business and Finance 803-777-7478

Title

Phone

Estimated Amount to be Borrowed/Issued \$ 14,000,000 ; June 1996
+ 6,900,000 Anticipated Date Funds Required

Type of Bonds/Notes to be Issued Student Faculty/Housing Revenue Bonds (\$14 Million)
and the refunding or defeasment of a portion or all of the outstanding Student
Faculty/Housing Revenue Bonds (\$6.9 Million)
Purpose of Borrowing/Issue fund the construction of new Student Housing on the current
soccer field/Booker T. Washington Area of campus.

Bond Counsel (Firm) Tentatively Identified by the State Treasurer's Office from Rotation:

Nexsen Pruet Jacobs & Pollard

5-3-95

Date

FOR STATE TREASURER'S OFFICE USE ONLY:

Request Received by State Treasurer's Office on:

6-6-95

Date

Bond Counsel Notified of Tentative Selection on:

6-7-95

Date

Forwarded to The Secretary of the Budget & Control Board on:

6-8-95

Date

For Approval by the Budget & Control Board at its Meeting on:

6-20-95

Date

Notification of Budget & Control Board action given to
Requesting Agency on:

Date

Notification of Budget & Control Board action given to
Selected Bond Counsel on:

Date

FOR BUDGET & CONTROL BOARD USE ONLY:

Name of Bond Counsel (Firm) Approved: Nexsen, Pruet, Jacobs + Pollard

Anna Kammer Williams

Budget & Control Board Authorized Signature

6/20/95

Date

007697

EXHIBIT

JUN 20 1995

17

STATE BUDGET AND CONTROL BOARD
MEETING OF June 20, 1995

STATE BUDGET & CONTROL BOARD
REGULAR SESSION
ITEM NUMBER 7

AGENCY: State Housing Finance and Development Authority

SUBJECT: Ceiling Allocation Extension

On March 28, the Board granted a tentative allocation of \$6,681,332 to the State Housing Finance and Development Authority for the Hampton Forest & Hunting Ridge Apartments projects, with that tentative allocation to expire June 27, 1995. When the developer decided to proceed with only the Hunting Ridge Apartments project, the Housing Authority relinquished \$3,415,032 of its original allocation in order that other projects requiring allocation could proceed as expeditiously as possible.

The Authority's plan of finance had provided for marketing the bonds on June 14, the day following the then-scheduled Budget and Control Board meeting. With the postponement of the Board meeting to June 20, it is necessary for the Authority to adjust its financing calendar by one week.

Pursuant to Code Section 1-11-560(C), the Authority requests a 31-day extension for the tentative allocation of \$3,266,300 for the Hunting Ridge Apartments project.

BOARD ACTION REQUESTED:

Pursuant to Code Section 1-11-560(C), grant a 31-day extension to the tentative allocation of \$3,266,300 for the State Housing Finance and Development Authority Hunting Ridge Apartments project.

ATTACHMENTS:

Youngblood June 8 letter

007698

007698 - 007698

McNAIR & SANFORD, P.A.
ATTORNEYS AND COUNSELORS AT LAW

140 EAST BAY STREET
CHARLESTON, SOUTH CAROLINA 29401

MAILING ADDRESS:
POST OFFICE BOX 1431
CHARLESTON, SOUTH CAROLINA 29402
TELEPHONE 803/723-7831
FACSIMILE 803/722-3227

COLUMBIA OFFICE
NATIONSBANK TOWER
1301 GERMAIS STREET
POST OFFICE BOX 11390
COLUMBIA, SC 29211
TELEPHONE 803/799-9800
FACSIMILE 803/799-9804

GEORGETOWN OFFICE
121 SCREVEN STREET
POST OFFICE DRAWER 418
GEORGETOWN, SC 29442
TELEPHONE 803/546-6102
FACSIMILE 803/546-0096

GREENVILLE OFFICE
NATIONSBANK PLAZA
SUITE 601
7 NORTH LAURENS STREET
GREENVILLE, SC 29601
TELEPHONE 803/271-4940
FACSIMILE 803/271-4015

RALEIGH OFFICE
234 FAYETTEVILLE STREET MALL
SUITE 100
POST OFFICE BOX 2447
RALEIGH, NC 27602
TELEPHONE 919/755-1800
FACSIMILE 919/890-4180

SPARTANBURG OFFICE
SPARTAN CENTRE/SUITE 306
101 WEST ST. JOHN STREET
POST OFFICE BOX 5137
SPARTANBURG, SC 29304
TELEPHONE 803/542-1300
FACSIMILE 803/542-0705

WASHINGTON OFFICE
MADISON OFFICE BUILDING
SUITE 400
1155 FIFTEENTH STREET, NORTHWEST
WASHINGTON, DC 20005
TELEPHONE 202/659-3900
FACSIMILE 202/659-5763

June 8, 1995

Ms. Donna K. Williams
Secretary
S.C. State Budget and Control Board
P.O. Box 12444
Columbia, South Carolina 29211

Re: Cap Allocation for South Carolina State Housing Finance and
Development Authority Multifamily Housing Mortgage Revenue
Bonds (Hunting Ridge Apartments Project) Series 1995

Dear Donna:

As bond counsel to the South Carolina State Housing Finance and Development Authority in connection with the captioned bonds, I am writing pursuant to South Carolina Code Section 1-11-560(C) to request a 31 consecutive calendar day extension for the tentative cap allocation granted for the captioned project. Our plan of finance had us marketing the bonds on June 14, 1995, the day following the then-scheduled June meeting of the Budget and Control Board. With the postponement of the Board Meeting to June 20, it will be necessary to back up our financing calendar by one week. We still believe that we can deliver the bonds on June 27, 1995, the day when our allocation would expire. In an abundance of caution, it did seem prudent to request the 31-day extension.

If I may provide further information, please give me a call.

With warm personal regards,

McNAIR & SANFORD, P.A.

Bill Youngblood

M. William Youngblood

MWY/ebs

cc: Lewis Levy, Esquire

CHAR:71650

007699

JUN 20 1995 17

STATE OF SOUTH CAROLINA
State Budget and Control Board STATE BUDGET & CONTROL BOARD
OFFICE OF THE EXECUTIVE DIRECTOR



DAVID M. BEASLEY, CHAIRMAN
GOVERNOR

RICHARD A. ECKSTROM
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

HENRY E. BROWN, JR.
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

P.O. BOX 12444
COLUMBIA, SOUTH CAROLINA 29211
(803) 734-2320

June 20, 1995

M. William Youngblood, Esq.
McNair & Sanford, P.A.
P. O. Box 1431
Charleston, SC 29402

Dear Mr. Youngblood:

Re: \$3,266,300 State Housing Finance and Development Authority Revenue Bonds
Hunting Ridge Apartments Project

By means of a letter dated March 28, 1995, you were advised that a tentative allocation of the State Ceiling established in the Tax Reform Act of 1986 had been made by the Budget and Control Board for the referenced project.

In response to your request of June 8, 1995, in which you acted in your capacity as agent for the State Housing Finance and Development Authority and in accordance with the provision of Code Section 1-11-560(C), the Budget and Control Board, at its meeting on June 20, 1995, extended for 31 days the period in which the \$3,266,300 allocation is valid. As a result of the Board action, the tentative allocation will expire July 28, 1995, if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

Sincerely,

Donna Kaminer Williams
Secretary to the Board

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