

*MINUTES OF  
Budget and  
Control Board  
Meeting  
March 26, 1985*

023620

FILE

State of South Carolina  
State Budget and Control Board

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



Box 12444  
Columbia  
29211

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

March 26, 1985

MEMORANDUM

TO: Budget and Control Board Division Directors

FROM: William A. McInnis, Deputy Executive Director *WAM*

SUBJECT: Summary of Board Actions at March 26, 1985 Meeting

The following is a summary of actions taken by the Budget and Control Board at its meeting on March 26, 1985:

1. Approved the minutes of meetings of the Budget and Control Board and the State Educational Facilities Authority for Private, Nonprofit Institutions of Higher Learning held on March 12, 1985;
2. Agreed to consider in regular session an item on the executive session agenda relating to the withholding of income taxes on the value of State vehicles used for commuting purposes;
3. Received as information the Local Government report on rural improvement funds expended during February, 1985 which includes 27 projects totalling \$417,609 in State grant funds and which indicates that 238 applications involving \$3,693,662 have been approved during the current fiscal year, that 35 applications totalling \$720,785 are pending, and that the grant funds balance available is \$585,553;
4. Accepted an easement to the Board for use of 1.557 acres of land on Fort Jackson Military Reservation for construction, operation and maintenance of a microwave tower with appurtenances, power line and access road;
5. Received as information a report that the Board regulations relating to the allocation of the state ceiling on the issuance of private activity bonds, designated as Regulation Document #445, have been approved;
6. Received as information a report that the following permanent improvement projects have been reviewed favorably by the Joint Bond Review Committee and were approved previously by the Budget and Control Board (new starts in Priority Group 6):

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On Summary 20-85:

Item 8, Parks, Recreation & Tourism, P28-8558, N. Augusta Welcome Center Renovations, establish project and source of funds, \$57,600 Capital Improvement Bond funds.

Item 9, Parks, Recreation & Tourism, P28-8560, Kings Mountain Camp Renovations, establish project and source of funds, \$40,000 Capital Improvement Bond funds.

Item 10, Parks, Recreation & Tourism, P28-8564, Cheraw Group Camp Renovations, establish project and source of funds, \$42,000 Capital Improvement Bond funds.

Item 11, Parks, Recreation & Tourism, P28-8565, Croft-Pave Parking Areas, establish project and source of funds, \$80,957 Capital Improvement Bond funds.

Item 12, Parks, Recreation & Tourism, P28-8567, Givhans Ferry Bathhouse Renovations, establish project and source of funds, \$55,000 Capital Improvement Bond funds.

Item 13, Parks, Recreation & Tourism, P28-8569, Oconee & Hamilton Branch Campground Renovations, establish project and source of funds, \$40,000 Capital Improvement Bond funds.

Item 14, Parks, Recreation & Tourism, P28-8570, Charles Towne Landing Tram Replacement, establish project and source of funds, \$120,000 Capital Improvement Bond funds.

7. Received as information a report that the following permanent improvement project has been reviewed favorably by the Joint Bond Review Committee and approved by staff:

On Summary 19-85:

Item 2, The Citadel, H09-8688, Jenkins Hall Chiller Repair, establish project and source of funds, \$2,466 Appropriated State funds, \$89,000 Other funds;

8. Received as information reports on the reimbursement of interviewee travel expenses by College of Charleston (22), Lander College (2), Office of State Auditor (1), and Tax Commission (1);
9. Officially recognized the necessity for a deficit of up to \$2.3 million by the Department of Mental Health, in accord with Section 128 of the 1984-85 Appropriations Act, after admonishing the Department to continue its efforts to resolve that deficit within its budget, and authorized the Budget Division to approve transfers of personal service funds if needed to help reduce that deficit;

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10. Adopted resolutions diverting the 0.3% employer contribution from the group life insurance program to the cost-of-living special fund for fiscal year 1985-86; under the S. C. Retirement System, reflecting the liability in the June 30, 1986 valuation for cost-of-living increases for retired members and those eligible to retire; and under the Police Retirement System, reflecting the liability in the June 30, 1984 valuation for cost-of-living increases for retired members and those eligible to retire;
11. Adopted a resolution approving the South Carolina State Family Farm Development Authority proposal to issue \$475,000 Agricultural Development Bonds on behalf of James T. Moore and allocated a portion of the State Ceiling to the project;
12. Approved conditionally local government proposals to issue revenue bonds (items a, c, and d), and allocated a portion of the state ceiling to all items;
  - (a) Richland County, \$1,000,000 Industrial Revenue Bonds on behalf of the Standard Corporation project, to provide employment for 10-20 persons at a warehouse facility;
  - (b) Spartanburg County, \$1,225,000 Industrial Revenue Note on behalf of the Tailored Baby East, Inc., project, to provide employment for 50 persons initially and approximately 200 when the plant is in operation at a facility to manufacture accessories for babies including car seat covers, bedding products and specialty clothing;
  - (c) Laurens County, \$9,000,000 Industrial Revenue Bonds on behalf of the J. J. Newberry Company project, to provide employment for 300 persons at a clothing distribution center;
  - (d) Lexington County, \$525,000 Industrial Revenue Note on behalf of the United Investments, Ltd., project, to provide employment for 20 to 30 persons at an existing tool and die and metal stamping industrial facility;
- (Note: A Greenville County proposal to issue \$700,000 Industrial Revenue Bonds for the William Richardson project was withdrawn.)
13. Received as information the March 12 status report on the State Ceiling which showed that \$200,000 have been allocated from the State Pool, leaving a balance of \$197,800,000, and that \$54,355,000 have been allocated from the Local Pool, leaving a balance of \$242,645,000;
14. Adopted a resolution granting approval to the issuance by the State Housing Authority of its Conduit Mortgage Loan Note in an amount not exceeding \$2,775,000 for the Breckenridge, Limited project subject to the approval by the State Treasurer of certain related matters;

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15. Adopted a resolution approving the State College Board of Trustees proposal to issue \$5,500,000 Student and Faculty Housing Revenue Bonds (Francis Marion College), Series 1985 and approving the pledge of other revenues (a campus development fee and plant fee) to their repayment;
16. Authorized Francis Marion College to continue on its semimonthly pay plan under which employees are paid on the fifteenth and the last working day of each month;
17. Approved an allocation of \$500 from the Civil Contingent Fund to the Commission on Aging to help finance the cost of printing a handbook for the elderly drafted and edited by the Young Lawyers Division of the South Carolina Bar;
18. Granted procurement recertification for Francis Marion College within the following limits for a period of two years: goods and services exclusive of printing equipment which must be approved by the Materials Management Office, \$10,000 per purchase commitment;
19. Approved the following interest rates on equipment acquisitions:
  - (a) Information Resource Management: string of 3380 type disk drives (one 7880-3 control unit, one 7380-AU disk storage unit, three 7380-B4 disk storage units) from the term contract awarded to National Advanced Systems; interest rate 7.9%, Maryland National Leasing; and
  - (b) University of South Carolina: IBM 3081 D computer, IBM 3275 teleprocessing controller and a Floating Point array processor, interest rate 7.9%, Maryland National Leasing;
20. Received as information a report that the Comptroller General's Office, in response to requirements in regulations of the Internal Revenue Service, will begin withholding income taxes from the individuals to whom State-owned vehicles are assigned for the value of the use of such vehicles for commuting purposes;
21. Approved the establishment of one state-funded FTE position above the number authorized for the Real Estate Commission;
22. Approved the following transfer requests as recommended by the Budget Division:
  - (a) Department of Insurance: \$15,000 appropriated general fund monies from personal service to other operating expenses (contractual service);
  - (b) Commission on Higher Education: \$55,000 appropriated general fund monies from surplus SREB contract funds to other operating expenses; and

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(c) State Library: \$3,821.04 appropriated permanent improvement funds to other operating expenses;

23. Approved the travel of College of Charleston staff member Rosemary Brana-Shute to Cuba (April 7-13, 1985), San Juan and Suriname (May 26 - June 30, 1985) at an estimated cost of \$3,921 to be paid from state-appropriated funds;
24. Agreed to hold a regular meeting at 9:30 a.m. on Tuesday, April 9, 1985, in the Governor's conference room in the State House, and changed the meeting scheduled for May 28 to May 30;
25. Adopted a resolution approving the financing by the Medical University and the Health Sciences Foundation of the Medical University for the acquisition of tangible real and tangible personal property;
26. Approved details involved in the transfer of the Child Support Enforcement Legal Services Program from the Attorney General's Office to the Department of Social Services, on the understanding that the transfer of 65 positions involved would be considered on March 27 by the Joint Committee on Personal Service Financing and Budgeting;
27. Received as information a status report on the Mt. Vernon Mill project;
28. Received as information a report by the Division of Human Resource Management on health maintenance organizations;
29. Received as information a Division of Human Resource Management staff briefing on Department of Mental Health personnel issues;
30. Granted a 90-day extension of leave without pay to a Department of Corrections employee;
31. Approved a recommended salary supplement for a Medical University employee;
32. Approved a recommended salary increase for a Clemson University employee;
33. Approved the continuation of employment for employees of the Auctioneers' Commission and the South Carolina Law Enforcement Division;
34. Carried over consideration of an organizational adjustment involving the the Division of Human Resource Management and the Retirement Division;
35. Authorized The Citadel to sell the former residence of General Mark Clark with proceeds from the sale to be deposited in the Daniel Fund and with first right to obtain the property to be granted to Mrs. Mary Clark;

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36. Carried over a request to execute a quit claim deed to convey any interest that the State of South Carolina and PRT may have in an unnumbered 7.1 acre tract located in the Caesar's Head/Mountain Bridge area to Thomas M. Marchant, III, as recommended by the Attorney General's Office and the State Surveyor;
37. Received as information a Division of Information Resource Management report on cost recovery problems for data processing services;
38. Affirmed the findings and recommendations of the Fire Marshal Appeal Panel in an appeal by Hicks' Day Care;
39. Ratified the actions taken in the February 22, 1985 conference call meeting at which time the resignation of Dr. Jack S. Mullins as the Director of the Division of Human Resource Management was accepted formally and Ms. Phyllis Mayes was named formally as his successor in that position;
40. Authorized staff to draft an amendment to the Freedom of Information Act to allow polls if the action agreed to is ratified at the next regular meeting;
41. Approved a compensation program for the Brussels Office Director of the State Development Board; and
42. Authorized the transfer of real property from the Division of Research and Statistical Services to the Law Enforcement Division subject to various conditions; and
43. Ratified actions taken during executive session.

WAM:dw

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# MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

MARCH 26, 1985

9:30 A. M.

The Budget and Control Board met at 9:30 a. m. on Tuesday, March 12, 1985, in the Governor's conference room in the State House with the following members in attendance:

Governor Richard W. Riley, Chairman;  
Mr. Grady L. Patterson, Jr., State Treasurer;  
Mr. Earle E. Morris, Jr., Comptroller General;  
Representative Tom G. Mangum, Chairman, House Ways and Means Committee.

Representing Senator Rembert C. Dennis, who was absent due to injuries sustained in an auto accident, was Senator James M. Waddell, Jr.

Also attending were Executive Director William T. Putnam; Board Secretary William A. McInnis; Governor's Executive Assistant Katherine Hepfer; Chief Deputy Assistant Attorney General Joseph A. Wilson, II; Deputy Executive Director Joseph A. Mack; and staff members of the various Board divisions.

## MINUTES OF PREVIOUS MEETINGS

Board members previously had been furnished with a draft version of the minutes of Budget and Control Board and the State Educational Facilities Authority for Private, Nonprofit Institutions of Higher Learning meetings held on March 12, 1985.

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

## SHIFT OF EXECUTIVE SESSION ITEM TO REGULAR SESSION

The Board without objection agreed with Mr. Morris' suggestion that it consider in regular session an item on the executive session agenda relating to the withholding of income taxes on the value of State vehicles used for commuting purposes. Mr. Putnam indicated that it is listed in executive session because legal advice was to have been given but he expressed no objection to making the shift.

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**BLUE AGENDA**

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved all items on the blue agenda.

Blue agenda items are identified as such in these minutes.

**LOCAL GOVERNMENT DIVISION: EXPENDITURES DURING FEBRUARY (BLUE AGENDA #1)**

The Board received as information the Local Government report on rural improvement funds expended during February, 1985 which includes 27 projects totalling \$417,609 in State grant funds and which indicates that 238 applications involving \$3,693,662 have been approved during the current fiscal year, that 35 applications totalling \$720,785 are pending, and that the grant funds balance available is \$585,553.

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

**GENERAL SERVICES: RIGHT-OF-WAY EASEMENT ACCEPTANCE (BLUE AGENDA #2)**

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board accepted an easement to the Board for use of 1.557 acres of land on Fort Jackson Military Reservation for construction, operation and maintenance of a microwave tower with appurtenances, power line and access road.

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

**EXECUTIVE DIRECTOR: STATE CEILING ALLOCATION REGULATIONS (BLUE AGENDA #3)**

The Board received as information a report that the Board regulations relating to the allocation of the state ceiling on the issuance of private activity bonds, designated as Regulation Document #445, have been approved. They became effective upon their publication in the State Register on March 22, 1985.

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

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EXECUTIVE DIRECTOR: PERMANENT IMPROVEMENT PROJECTS (BLUE AGENDA #4)

The Board received as information a report that the following permanent improvement projects have been reviewed favorably by the Joint Bond Review Committee and were approved previously by the Budget and Control Board (new starts in Priority Group 6):

On Summary 20-85:

Item 8, Parks, Recreation & Tourism, P28-8558, N. Augusta Welcome Center Renovations, establish project and source of funds, \$57,600 Capital Improvement Bond funds.

Item 9, Parks, Recreation & Tourism, P28-8560, Kings Mountain Camp Renovations, establish project and source of funds, \$40,000 Capital Improvement Bond funds.

Item 10, Parks, Recreation & Tourism, P28-8564, Cheraw Group Camp Renovations, establish project and source of funds, \$42,000 Capital Improvement Bond funds.

Item 11, Parks, Recreation & Tourism, P28-8565, Croft-Pave Parking Areas, establish project and source of funds, \$80,957 Capital Improvement Bond funds.

Item 12, Parks, Recreation & Tourism, P28-8567, Givhans Ferry Bathhouse Renovations, establish project and source of funds, \$55,000 Capital Improvement Bond funds.

Item 13, Parks, Recreation & Tourism, P28-8569, Oconee & Hamilton Branch Campground Renovations, establish project and source of funds, \$40,000 Capital Improvement Bond funds.

Item 14, Parks, Recreation & Tourism, P28-8570, Charles Towne Landing Tram Replacement, establish project and source of funds, \$120,000 Capital Improvement Bond funds.

The Board received as information a report that the following permanent improvement project has been reviewed favorably by the Joint Bond Review Committee and approved by staff:

On Summary 19-85:

Item 2, The Citadel, H09-8688, Jenkins Hall Chiller Repair, establish project and source of funds, \$2,466 Appropriated State funds, \$89,000 Other funds.

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

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**EXECUTIVE DIRECTOR: INTERVIEWEE EXPENSE REIMBURSEMENT (BLUE AGENDA #5)**

The Board received as information reports on the reimbursement of interviewee travel expenses by College of Charleston (22), Lander College (2), Office of State Auditor (1), and Tax Commission (1).

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

**MENTAL HEALTH: NOTIFICATION OF YEAR END DEFICIT**

Executive Director Putnam introduced this item by reminding the Board that the law requires that agencies report projected deficits to the Board and that, if the Board officially recognizes the need for the deficit, certain burdens are removed from the agency head reporting that possibility.

Deputy Commissioner Racine Brown of the Department of Mental Health appeared before the Board on this matter. He indicated that the agency has experienced a tremendous increase in involuntary admissions during the year. He indicated that a year end deficit for 1984-85 of as much as \$2.3 million is anticipated even if the Budget and Control Board grants the agency maximum flexibility in the management of its budget resources.

Dr. Brown further indicated that, unlike in past years when faced with situations like this, his agency presently is under Justice Department scrutiny and it can not reduce personnel readily to meet the budget problem. He cited as an illustration of the situation at the agency the children's facility with a capacity of 43 now running at 56 to 58 children. In addition, he noted that the admissions facility at the Williams Building now has about 40 over its capacity. Dr. Brown also pointed out that some \$500,000 more for overtime is being spent than was budgeted. He emphasized that the agency has restrained expenditures as much as it feels it can under the circumstances.

Governor Riley responded by indicating that he fully understands the pressures upon the agency and asked Dr. Brown if he could explain why the increase in involuntary admissions.

Dr. Brown stated that annual increases of 6% to 7% had been experienced in the past but he noted that the problem his agency is experiencing is like that being encountered by other psychiatric hospitals. He noted that all of the psychiatric hospitals in the area are running at over capacity.

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Dr. Brown also urged that a modification of the law is necessary to mandate screening of persons at the local level before admitting them to facilities in Columbia. He noted that South Carolina is the only state in the country to allow these sorts of admissions without screening at the local level. He did indicate that legislation to accomplish that presently is in process. He also indicated that there had been no change in the law which would have resulted in the increased involuntary admissions.

Following this discussion, upon a motion by Senator Waddell, seconded by Mr. Morris, the Board officially recognized the necessity for a deficit of up to \$2.3 million by the Department of Mental Health, in accord with Section 128 of the 1984-85 Appropriations Act, after admonishing the Department to continue its efforts to resolve that deficit within its budget.

Mr. Putnam indicated that this situation may call for the approval of transfers beyond that which the Budget Division can approve now pursuant to Board delegation. He suggested that it might be appropriate to authorize the Budget Division to approve transfers of personal service funds if needed.

Following a brief discussion, upon a motion by Senator Waddell, seconded by Mr. Patterson, the Board authorized the Budget Division to approve transfers of personal service funds if needed to help reduce the projected deficit of the Department of Mental Health.

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

**RETIREMENT SYSTEM: RESOLUTIONS RECOMMENDED BY ACTUARY**

Retirement System Director Purvis Collins appeared before the Board on these matters and reminded the Board that, during the February 14 report by actuary Thomas J. Cavanaugh, Mr. Cavanaugh indicated that he would forward several resolutions regarding the cost-of-living increases under the South Carolina Retirement System and the Police System.

Mr. Collins then indicated that the contribution to the group life insurance program of 0.3% should be diverted to the South Carolina Retirement System's special fund for fiscal year 1985-86. He indicated that this would provide sufficient funds to pay the cost-of-living increases through June 30, 1986 and would not jeopardize the group life insurance program.

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Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board adopted the resolution proposed to accomplish that recommendation.

Mr. Collins then pointed out that, effective with the South Carolina Retirement System evaluation of June 30, 1986, the liability for cost-of-living increases for all retired members and those eligible to retire would be reflected.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board adopted a resolution to accomplish that recommendation.

Mr. Collins assured Representative Mangum that the System could do that and remain sound. He did note that it would increase the unfunded liability by some fifteen years. He emphasized that this is designed to actuarially fund all retired and all eligible to retire.

Mr. Collins then pointed out that, effective with the Police Officer Retirement System evaluation of June 30, 1984, the liability for the cost-of-living increases for all retired members and those eligible to retire would be reflected upon the adoption of the third resolution.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board adopted a resolution to accomplish this recommendation.

Mr. Collins further advised that, upon the approval of these resolutions, the actuary recommends an amendment to the Retirement Act to abolish the cost-of-living special fund on June 30, 1986. He indicated that that fund would be depleted at that time and would no longer be necessary with the adoption of the first two resolutions. He further indicated that the proposed legislation to abolish that special fund would be forwarded to the Joint Legislative Committee on Retirement.

Mr. Collins also noted that the actuary does not anticipate any increase in the contribution rates with the adoption of these recommendations.

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

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**FAMILY FARM DEVELOPMENT AUTHORITY: REVENUE BONDS (JAMES T. MOORE, \$475,000)**

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board adopted a resolution approving the South Carolina State Family Farm Development Authority proposal to issue \$475,000 Agricultural Development Bonds on behalf of James T. Moore and allocated a portion of the State Ceiling to the project.

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

**EXECUTIVE DIRECTOR: REVENUE BONDS, CEILING ALLOCATION REQUESTS**

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved conditionally local government proposals to issue revenue bonds (items a, c, and d), and allocated a portion of the state ceiling to all items, as follows:

- (a) Richland County, \$1,000,000 Industrial Revenue Bonds on behalf of the Standard Corporation project, to provide employment for 10-20 persons at a warehouse facility;
- (b) Spartanburg County, \$1,255,000 Industrial Revenue Note on behalf of the Tailored Baby East, Inc., project, to provide employment for 50 persons initially and approximately 200 when the plant is in operation at a facility to manufacture accessories for babies including car seat covers, bedding products and specialty clothing;
- (c) Laurens County, \$9,000,000 Industrial Revenue Bonds on behalf of the J. J. Newberry Company project, to provide employment for 300 persons at a clothing distribution center; and
- (d) Lexington County, \$525,000 Industrial Revenue Note on behalf of the United Investments, Ltd., project, to provide employment for 20 to 30 persons at an existing tool and die and metal stamping industrial facility.

[Secretary's Note: A Greenville County proposal to issue \$700,000 Industrial Revenue Bonds for the William Richardson project was withdrawn.]

The Board received as information the March 12 status report on the State Ceiling which showed that \$200,000 have been allocated from the State Pool, leaving a balance of \$197,800,000, and that \$54,355,000 have been allocated from the Local Pool, leaving a balance of \$242,645,000.

Information relating to this matter has been retained in these files and is identified as Exhibits 9 through 12, respectively.

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**HOUSING AUTHORITY: \$2,775,000 CONDUIT MORTGAGE LOAN NOTES**

Appearing before the Board on this matter were Housing Authority Executive Director George Lusk and bond attorney Brenton Jeffcoat.

The Housing Authority had petitioned the Board for approval of the issuance and sale of a note in the principal amount not exceeding \$2,775,000 to defray the cost of constructing certain rental housing (Breckenridge Villas, North Augusta) and to pay other related costs and expenses. The Authority advised that the Georgia Railroad Bank and Trust Company has agreed to purchase the note and that the interest is to be payable at the rate of 9%. The project will include 120 units and the note has a twenty-year term.

Executive Director Putnam advised the Board that the lending institution accepts ultimate liability for this debt. He also pointed out that the notes are not insured by any federal agency or by any private institution.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board adopted a resolution granting approval to the issuance by the State Housing Authority of its Conduit Mortgage Loan Note in an amount not exceeding \$2,775,000 for the Breckenridge, Limited project, subject to the approval by the State Treasurer of certain related matters.

Housing Authority Executive Director Lusk noted that this would be his final appearance before the Board in his present capacity. He expressed appreciation to the Board and various staff members for the assistance given to him over the recent past.

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

**STATE COLLEGE BOARD OF TRUSTEES: \$5,500,000 HOUSING BONDS (FRANCIS MARION)**

Appearing before the Board on this matter were Francis Marion College Vice President Casey Frederick and bond counsel Daniel R. McLeod, Jr.

The State College Board of Trustees had requested Board approval of its proposal to issue \$5,500,000 student and faculty housing revenue bonds (Francis Marion College), Series 1985. The proceeds from those bonds will be use to pay the cost of constructing and equipping a dormitory to house 369 students, a cafeteria for student use and two apartment buildings to house 32 students each.

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The Board's attention was called to the fact that the resolution proposed for its adoption includes the approval of the issue of the referenced bonds and the pledge of certain other revenue sources to their repayment. These other revenue sources are other than revenues from the housing and its related auxiliary facilities. That pledge of other revenues is authorized in Act 447 of 1984 which requires Budget and Control Board and Joint Bond Review Committee approval of the pledge of these other revenues. The other revenues identified are a campus development fee and a plant fee.

Following a brief discussion, upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board adopted a resolution approving the State College Board of Trustees proposal to issue \$5,500,000 Student and Faculty Housing Revenue Bonds (Francis Marion College), Series 1985 and approving the pledge of other revenues (a campus development fee and plant fee) to their repayment.

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

**FRANCIS MARION COLLEGE: PAYROLL SCHEDULE**

Appearing before the Board on this matter was Francis Marion College Vice President Casey Frederick who, by letter, indicated that he recently had become aware that the pay dates used by Francis Marion are not in compliance with a provision of the Appropriations Act. Mr. Frederick advised that the College had implemented a semimonthly pay plan effective July 1, 1982 and that, before that date, the College had paid certain employees on a monthly basis and other biweekly. Before the July 1982 conversion, the College studied several pay plans already in place and modeled its plan after the one used by the University of South Carolina. Mr. Frederick also advised that, since July of 1982, pay dates for all employees have been the 15th and the last working day of each month.

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board authorized Francis Marion College to continue on its semimonthly pay plan under which employees are paid on the fifteenth and the last working day of each month.

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

**023635**

**COMMISSION ON AGING: CIVIL CONTINGENT FUND ALLOCATION REQUEST**

The Board was advised that the South Carolina Bar Young Lawyers Division has been drafting and editing a handbook for the elderly. The purpose of the book is to assist senior citizens by apprising them of their rights in various areas. The Young Lawyers Division also indicated that support for this project has been received from the American Bar Association (in the form of a \$1,000 grant) and the South Carolina Bar Foundation also has promised financial support. The group asked for \$500 to apply to the cost of printing the referenced handbook.

Following a brief discussion, upon a motion by Mr. Patterson, seconded by Senator Waddell, the Board approved an allocation of \$500 from the Civil Contingent Fund to the Commission on Aging to help finance the cost of printing a handbook for the elderly drafted and edited by the Young Lawyers Division of the South Carolina Bar.

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

**GENERAL SERVICES: PROCUREMENT RECERTIFICATION (FRANCIS MARION COLLEGE)**

In accord with Code Section 11-35-1210, the Division of General Services has audited the procurement system of Francis Marion College and now recommends its recertification within the parameters described in the audit report dated December 4, 1984 for the following limits for a period of two years: goods and services, exclusive of printing equipment which must be approved by the Materials Management Office, \$10,000 per purchase commitment.

Upon a motion by Mr. Patterson, seconded by Senator Waddell, the Board granted procurement recertification for Francis Marion College within the following limits for a period of two years: goods and services, exclusive of printing equipment which must be approved by the Materials Management Office, \$10,000 per purchase commitment.

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

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**GENERAL SERVICES: FINANCING INFORMATION TECHNOLOGY EQUIPMENT**

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved the following interest rates on equipment acquisitions:

- (a) Information Resource Management: string of 3380 type disk drives (one 7880-3 control unit, one 7380-AU disk storage unit, three 7380-B4 disk storage units) from the term contract awarded to National Advanced Systems; interest rate 7.9%, Maryland National Leasing; and
- (b) University of South Carolina: IBM 3081 D computer, IBM 3275 teleprocessing controller and a Floating Point array processor, interest rate 7.9%, Maryland National Leasing.

Information relating to this matter has been retained in these files and is identified as Exhibit 18.

**EXECUTIVE DIRECTOR: TAX ON VALUE OF VEHICLES USED FOR COMMUTING**

The Board previously had agreed to consider this item in open session although it had been scheduled originally for executive session because legal advice was to be presented.

Executive Director Putnam observed that what is being discussed today are regulations of the Internal Revenue Service developed in response to federal law. Mr. Putnam expressed the view that the regulations are completely illogical but that the State's response has to be in place before the end of the second quarter of the calendar year. He also noted that the regulations are effective for the entire calendar year which means that their application will have to be retroactive to January 1, 1985.

Mr. Morris observed that representatives from the Tax Commission, the Attorney General's Office and his payroll section have worked on this problem which he described as the latest federal abomination act. He noted that both public and private entities will be affected by this withholding procedure. He noted that Congress enacted the law at midnight and that most in the Congress did not know they had included this provision.

Mr. Morris also noted that he had contacted the State's Congressional delegation last week and that all had agreed to try to amend the law to remove this withholding requirement. Mr. Morris also pointed out that no other state has done anything in response to these regulations. He expressed an intention to begin to implement South Carolina's response next week. He noted that every law enforcement and Wildlife officer will be charged taxes on a flat

**023637**



Minutes of State Budget and Control Board Meeting  
Regular Session -- March 26, 1985 -- Page 12

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\$3.00 per day value for using State-owned vehicles for commuting purposes which will mean approximately a \$1,000 income increase for these persons although they will never see these funds.

Mr. Morris expressed his intention to write to each State employee affected by this requirement to advise them that these requirements stemmed from laws passed by the Congress and signed by President Reagan. He also indicated that he will advise those affected by this requirement to not blame him or his office, Governor Riley or the Budget and Control Board. He expressed a desire to stop assuming responsibility for what is done in Washington. He also pointed out that a resolution was adopted by the National Association of State Comptrollers urging the Congress to repeal these reporting requirements.

Mr. Putnam again indicated that there is no logic to the regulations to be followed in that no consideration is given to the mileage involved. He noted that a charge cannot be made for the number of miles but rather the taxes will be based on the value of the automobile and the degree of use for commuting.

Comptroller General's Office staff member Mike Wingard again indicated that law enforcement officers will be charged on a commuting percentage basis against a flat \$3.00 per day value for their vehicles and that others would be on the basis of a computed fair market value of the vehicles used. He also pointed out that these values last year were added to the W-2 forms for employees but this year's requirement is that deductions be made through the payroll process.

The Board received as information a report that the Comptroller General's Office, in response to requirements in regulations of the Internal Revenue Service, will begin withholding income taxes from the individuals to whom State-owned vehicles are assigned for the value of the use of such vehicles for commuting purposes.

Information relating to this matter has been retained in these files and is identified as Exhibit 19.

**BUDGET DIVISION: CHANGES TO FTE AUTHORIZED POSITION BASE**

The Budget Division recommended approval of the establishment of one State-funded FTE position above the number authorized for the Real Estate Commission and indicated that the Joint Legislative Committee on Personal Service Financing and Budgeting also had approved that addition. **023638**

**Minutes of State Budget and Control Board Meeting**  
**Regular Session -- March 26, 1985 -- Page 13**

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Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board approved the establishment of one state-funded FTE position above the number authorized for the Real Estate Commission.

Information relating to this matter has been retained in these files and is identified as Exhibit 20.

**BUDGET DIVISION: TRANSFER REQUESTS**

Budget Division staff member Curtis Holt appeared before the Board on this matter.

In the discussion of the three transfers requested, Mr. Patterson questioned the Commission on Higher Education request to transfer \$55,000 of appropriated general fund monies from surplus Southern Region Education Board contract funds to other operating expenses, especially the request to pay the principal and interest (totaling \$22,100) due on an installment purchase program loan. Mr. Patterson focused on whether or not the loan repayment was known and provided for in the budget. In response, Mr. Holt indicated that funds for this purpose were in the Commission's budget and suggested that further research on the question be conducted by staff.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved the following transfer requests as recommended by the Budget Division:

- (a) Department of Insurance: \$15,000 appropriated general fund monies from personal service to other operating expenses (contractual service);
- (b) Commission on Higher Education: \$55,000 appropriated general fund monies from surplus SREB contract funds to other operating expenses, on the condition that the transfers reflect what actually is taking place; and
- (c) State Library: \$3,821.04 appropriated permanent improvement funds to other operating expenses.

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

**023639**

**Minutes of State Budget and Control Board Meeting**  
**Regular Session — March 26, 1985 — Page 14**

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**COLLEGE OF CHARLESTON: FOREIGN TRAVEL**

Upon a motion by Mr. Patterson, seconded by Senator Waddell, the Board approved the travel of College of Charleston staff member Rosemary Brana-Shute to Cuba (April 7-13, 1985), San Juan and Suriname (May 26 - June 30, 1985) at an estimated cost of \$3,921 to be paid from state-appropriated funds.

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

**FUTURE MEETING**

The Board agreed to hold a regular meeting at 9:30 a.m. on Tuesday, April 9, 1985, in the Governor's conference room in the State House and shifted the regular meeting scheduled for May 28 to May 30 at 2:30 p.m.

**EXECUTIVE SESSION**

Mr. Putnam advised that the following items had been proposed for consideration in executive session: one contractual, one legal, four personnel and one property.

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

**RATIFICATION OF EXECUTIVE SESSION ACTIONS**

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

- (1) Adopted a resolution approving the financing by the Medical University and the Health Sciences Foundation of the Medical University for the acquisition of tangible real and tangible personal property;
- (2) Approved details involved in the transfer of the Child Support Enforcement Legal Services Program from the Attorney General's Office to the Department of Social Services, on the understanding that the transfer of 65 positions involved would be considered on March 27 by the Joint Committee on Personal Service Financing and Budgeting;
- (3) Received as information a status report on the Mt. Vernon Mill project;
- (4) Received as information a report by the Division of Human Resource Management on health maintenance organizations;

**023640**

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Regular Session — March 26, 1985 — Page 15

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- (5) Received as information a Division of Human Resource Management staff briefing on Department of Mental Health personnel issues;
- (6) Granted a 90-day extension of leave without pay to a Department of Corrections employee;
- (7) Approved a recommended salary supplement for a Medical University employee;
- (8) Approved a recommended salary increase for a Clemson University employee;
- (9) Approved the continuation of employment for employees of the Auctioneers' Commission and the South Carolina Law Enforcement Division;
- (10) Carried over consideration of an organizational adjustment involving the the Division of Human Resource Management and the Retirement Division;
- (11) Authorized The Citadel to sell the former residence of General Mark Clark with proceeds from the sale to be deposited in the Daniel Fund and with first right to obtain the property to be granted to Mrs. Mary Clark;
- (12) Carried over a request to execute a quit claim deed to convey any interest that the State of South Carolina and PRT may have in an unnumbered 7.1 acre tract located in the Caesar's Head/Mountain Bridge area to Thomas M. Marchant, III, as recommended by the Attorney General's Office and the State Surveyor;
- (13) Received as information a Division of Information Resource Management report on cost recovery problems for data processing services;
- (14) Affirmed the findings and recommendations of the Fire Marshal Appeal Panel in an appeal by Hicks' Day Care;
- (15) Ratified the actions taken in the February 22, 1985 conference call meeting at which time the resignation of Dr. Jack S. Mullins as the Director of the Division of Human Resource Management was accepted formally and Ms. Phyllis Mayes was named formally as his successor in that position;
- (16) Authorized staff to draft an amendment to the Freedom of Information Act to allow polls if the action agreed to is ratified at the next regular meeting;
- (17) Approved a compensation program for the Brussels Office Director of the State Development Board; and
- (18) Authorized the transfer of real property from the Division of Research and Statistical Services to the Law Enforcement Division subject to various conditions.

The meeting was adjourned at 12:30 p.m.

023641



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[Secretary's Note: In compliance with Section 9 of Act 593 of 1978 (the Freedom of Information Act), public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary in the State House, 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, March 22, 1985.]

**023642**

# EXHIBIT

MAR 26 1985

NO. 1

STATE BUDGET AND CONTROL BOARD

BLUE AGENDA

MEETING OF March 26, 1985

STATE BUDGET & CONTROL BOARD

ITEM NUMBER

1

AGENCY: Division of Local Government

SUBJECT: Rural Improvement Funds Expenditures during February, 1985

Projects included:	27
Total expenditure	
State grant funds:	\$417,609
Applications approved	
during current fiscal year:	238 involving \$3,693,662
Applications pending:	35 involving \$720,785
Grant fund balance available:	\$585,553

BOARD ACTION REQUESTED:

Receive as information the Local Government report on rural improvement funds expended during February, 1985 which includes 27 projects totalling \$417,609 in State grant funds and which indicates that 238 applications involving \$3,693,662 have been approved during the current fiscal year, that 35 applications totalling \$720,785 are pending, and that the grant funds balance available is \$585,553.

ATTACHMENTS:

Agenda item worksheet plus attachments.

023643

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

For meeting scheduled for:

March 26, 1985

☒ Blue Agenda  
☐ Regular Session Agenda  
☐ Executive Session Agenda

1. Submitted By:

(a) Agency: B&C BD--LOCAL GOVERNMENT

(b) Authorized Official Signature:

*Nancy P. White*

2. Subject: Expenditures for the period February 1 through February 28, 1985

3. Summary Background Information:

The referenced report includes 27 projects involving a total expenditure of \$417,609 in state grant funds. This report shows that 238 applications involving \$3,693,662 have been approved during the current fiscal year and that 35 applications totaling \$720,785 are pending. At this point there is a balance of \$585,553 available in grant funds.

EXHIBIT

MAR 26 1985 NO. 1

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Receive as information

5. What is recommendation of the Board Division involved?

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

Attached report

023644

BUDGET AND CONTROL BOARD  
DIVISION OF LOCAL GOVERNMENTS

RURAL INFRASTRUCTURE FUNDS

REPORT OF FEBRUARY 1985

APPLICANTS		TOTAL
Balance Available for Grants	585,553	
Approved To Date	238	\$3,693,662
Disapproved To Date		
Pending	35	720,785

(Above Figures Include Items In This Report)

Expenditures for the period February 1 through February 28

Name & Address of Applicant	Date Of Application	State Funds Requested	Other Funds		Date Approved Or Disapproved	Amount Approved	Brief Description of Project
			Federal	Local			
1. Town of Edgefield 402 Main Street Edgefield, SC 29824	12/18/84	2,500	----	---	2/1/85	2,500	Purchase of equipment for the fire department
2. City of Hartsville P.O. Box 2497 Hartsville, SC 29550	12/17/84	15,000	----	50,000	2/1/85	15,000	Extension of sewer lines to serve a residential area and a proposed industrial site
3. Sumter County Courthouse Sumter, SC 29150	5/22/84	5,000	----	7,500	2/1/85	5,000	Repair of courthouse roof
4. Berkeley County 223 N. Live Oak Drive Moncks Corner, SC 29461	1/15/85	2,500	----	---	2/1/85	2,500	Purchase of equipment for the Pineville-Russillville Fire Department
5. Marion County P.O. Box 183 Marion, SC 29571	12/18/84	10,000	----	54,000	2/1/85	10,000	Repair of a rail line that serves four industries
6. Town of Eastover P.O. Box 36 Eastover, SC 29044	1/17/85	17,000	----	---	2/1/85	10,000	Repairs to town hall
7. Town of Campobello P.O. Box 8 Campobello, SC 29322	1/22/85	2,500	----	---	2/11/85	2,500	Purchase of equipment for the fire department

EXHIBIT

MAR 26 1985 NO. 1

STATE BUDGET & CONTROL BOARD

023645



BUDGET AND CONTROL BOARD  
DIVISION OF LOCAL GOVERNMENTS

RURAL IMPROVEMENT FUNDS

REPORT OF February 1985

APPROVED	RECEIVED	DATE
Balance Available For Grants		
Approved To Date		
Disapproved To Date		
Pending		

(Above Figures Include Items In This Report)

2

Name & Address of Applicant	Date Of Application	State Funds Requested	Other Funds		Date Approved Or Disapproved	Amount Approved	Brief Description of Project
			Federal	Local			
8. Sumter County Courthouse Sumter, SC 29150	1/30/85	15,000	----	---	2/11/85	15,000	Renovations and security improvements to a county building
9. Lancaster County Water and Sewer District P.O. Box 1009 Lancaster, SC 29720	11/1/84	27,500	----	---	2/11/85	27,500	Water improvements to provide service to the Van Wych area
10. Union County Courthouse Union, SC 29379	2/6/85	30,000	----	---	2/11/85	30,000	Building improvements at a county nursing home
11. Bamberg County P.O. Box 149 Bamberg, SC 29003	1/30/85	1,000	----	---	2/11/85	1,000	Purchase of equipment for the Little Swamp Fire Department
12. Lee County Courthouse Bishopville, SC 29010	1/30/85	3,922	----	---	2/11/85	3,922	Repairs to a well serving a building providing county services
13. Town of Santee P.O. Box 424-A Santee, SC 29142	2/7/85	17,976	75,000 <sup>a</sup>	---	2/15/85	17,976	Wastewater treatment improvements to increase service capacity
14. Dorchester County P.O. Box 416 St. George, SC 29477	1/8/85	2,500	----	---	2/15/85	2,500	Purchase of equipment for the Upper Dorchester County Rescue Squad

EXHIBIT

MAR 26 1985 NO. 1

STATE BUDGET & CONTROL BOARD

023646

CDBG

BUDGET AND CONTROL BOARD  
DIVISION OF LOCAL GOVERNMENTS

RURAL IMPROVEMENT FUNDS

REPORT OF February 1985

APPLICATIONS	GR	GRS
Balance Available For Grants		
Approved To Date		
Disapproved To Date		
Pending		

3

(Above Figures Include Items In This Report)

Name & Address of Applicant	Date Of Application	State Funds Requested	Other Funds		Date Approved Or Disapproved	Amount Approved	Brief Description of Project
			Federal	Local			
15. Oconee County County Mailroom Walhalla, SC 29691	11/19/85	49,750	37,500 <sup>b</sup> 175,500 <sup>c</sup>	88,250 <sup>d</sup>	2/15/85	49,750	Extension of sewer lines to serve the Jacobs Manufacturing Company
16. Town of Due West P.O. Box 278 Due West, SC 29639	1/23/85	4,200	----	---	2/15/85	4,200	Codification of town ordinances
17. Oconee County County Mailroom Walhalla, SC 29691	1/16/85	11,250	----	11,250 <sup>e</sup>	2/15/85	11,250	Extension of sewer lines to serve the GTE-Valeron facility
18. Dillon County P.O. Box 449 Dillon, SC 29536	2/13/85	1,500	----	---	2/15/85	1,500	Completion of the Oak Grove Community Center
19. Chesnee Area Recreation Commission East Manning Street Chesnee, SC 29323	1/22/85	10,000	----	85,000	2/25/85	10,000	Construction of the Chesnee Outdoor Recreation Complex
20. Greenwood County Courthouse Greenwood, SC 29646	2/21/85	2,500	----	---	2/25/85	2,500	Purchase of equipment for the Callison Volunteer Fire Department
21. River Falls Fire District Route 1 Marietta, SC 29661	2/20/85	2,500	----	---	2/25/85	2,500	Land acquisition for the construction of a fire station

- b CDBG  
c ARC  
d Jacobs Manufacturing  
e GTE-Valeron

023647

EXHIBIT

MAR 26 1985

NO. 1

STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD  
DIVISION OF LOCAL GOVERNMENTS

RURAL IMPROVEMENT FUNDS

REPORT OF February 1985

Balance Available For Grants		
Approved To Date		
Disapproved To Date		
Pending		

4

(Above Figures Include Items In This Report)

Name & Address of Applicant	Date Of Application	State Funds Requested	Other Funds Federal	Funds Local	Date Approved Or Disapproved	Amount Approved	Brief Description of Project
22. Laurens County West Main Street Laurens, SC 29340	2/12/85	30,000	----	50,000	2/25/85	20,000	Improvements to the disposal system
23. Orangeburg County P.O. Box 1000 Orangeburg, SC 20116	2/12/85	600	----	---	2/25/85	600	Purchase of pipe in order to enclose an open ditch
24. Berkeley County 223 N. Live Oak Drive Moncks Corner, SC 29461	2/21/85	130,911	----	181,890	2/25/85	130,911	Construction of boat ramps at the following locations: 1. Duck Pond 2. Goose Creek Reservoir 3. Bushy Park Repairs to existing ramps on Lake Moultrie
25. Town of Harleyville P.O. Box 35 Harleyville, SC 29448	2/7/85	15,500	----	---	2/26/85	15,500	Cleaning, coating and painting of the elevated water storage tank
26. Richland County 1701 Main Street Columbia, SC 29201	2/11/85	2,500	----	---	2/26/85	2,500	Purchase of equipment for the Capital View Fire Department
27. York County P.O. Box 66 York, SC 29745	1/23/85	21,000	----	---	2/26/85	21,000	Purchase of equipment for fourteen rural volunteer fire departments

023648

EXHIBIT

MAR 26 1985

NO. 1

STATE BUDGET & CONTROL BOARD

# EXHIBIT

MAR 26 1985 NO. 2

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 26, 1985

STATE BUDGET & CONTROL BOARD  
ITEM NUMBER

2

AGENCY: General Services

SUBJECT: Right-of-way Easement

The Division of General Services requests acceptance of an easement to the Board for use of 1.557 acres of land on Fort Jackson Military Reservation for construction, operation and maintenance of a microwave tower with appurtenances, power line and access road.

BOARD ACTION REQUESTED:

Accept an easement to the Board for use of 1.557 acres of land on Fort Jackson Military Reservation for construction, operation and maintenance of a microwave tower with appurtenances, power line and access road.

ATTACHMENTS:

Agenda item worksheet and easement

023649



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

For meeting scheduled for:

March 26, 1985

☒ Blue Agenda

☐ Regular Session Agenda

☐ Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Tony R. Ellis, Director

*T. R. Ellis*

2. Subject: An easement for right of way for Fort Jackson microwave site

3. Summary Background Information:

An easement designed to grant the South Carolina Budget and Control Board use of 1.557 acres of land on Fort Jackson Military Reservation for construction, operation, and maintenance of a microwave tower with appurtenances, power line and access road. The terms and conditions of the easement are reciprocal and the Budget and Control Board's execution is necessary concerning same.

EXHIBIT

MAR 26 1985 NO. 2

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Approve the easement in triplicate

5. What is recommendation of the Board Division involved?

Approve the easement in triplicate

6. Recommendation of other office (as required)?

Information Resource Authorized

(a) Office Name Management (b) Signature \_\_\_\_\_

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

1. a 4-page easement (an original and 2 copies)
2. Exhibit A (drawing dated 2/28/85 3 copies)
3. Exhibit B (drawing 3 copies)

023650

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
DIVISION OF INFORMATION RESOURCE MANAGEMENT

1203 GERVAIS STREET  
COLUMBIA, S. C. 29201  
(803) 758-2771



RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

TED L. LIGHTLE  
DIVISION DIRECTOR

March 8, 1985

EXHIBIT

MAR 26 1985 NO. 2

STATE BUDGET & CONTROL BOARD

Mr. Malcolm E. Rentz  
Assistant Attorney General  
Division of General Services  
300 Gervais Street  
Columbia, S. C. 29201

Dear Mr. Rentz:

We have reviewed the Easement for Right of Way document for our Fort Jackson microwave site and determined that it does meet our technical requirements.

Please forward a copy of the executed document to our office at:

Microwave Operations  
1026 Sumter Street, Room 201  
Columbia, S. C. 29201

Sincerely,

Boykin M. Roseborough  
Information Resource Manager

BMR/d1

cc: Ted Lightle  
Mackey Goodwin  
Julian Moore

RECEIVED

MAR 03 1985

DIV. OF GEN. SERVICES  
LEGAL SECTION

DIVISION OF INFORMATION RESOURCE MANAGEMENT

Planning/Development  
(803) 758-2771

Program Coordinator  
Administration  
(803) 758-2771

Operations  
Support and Processing  
300 Gervais St.  
(803) 758-5381

Legislative Services  
1105 Pendleton St.  
(803) 758-0394

023651



DEPARTMENT OF THE ARMY  
SAVANNAH DISTRICT CORPS OF ENGINEERS  
P. O. BOX 889  
SAVANNAH, GEORGIA 31402

March 1, 1985

REPLY TO  
ATTENTION OF:

EXHIBIT

MAR 26 1985

NO. 2

STATE BUDGET & CONTROL BOARD

Real Estate Division

SUBJECT: Proposed Easement No. DACA21-2-85-0904, Fort Jackson,  
South Carolina

Mr. Ted L. Lightle  
Division Director  
State of South Carolina  
Budget and Control Board  
Columbia, South Carolina 29201

Dear Mr. Lightle:

I enclose three (3) copies of subject easement designed to grant South Carolina Budget and Control Board use of 1.557 acres of land on Fort Jackson Military Reservation.

If you agree with the terms and conditions of the easement, please have the appropriate official sign and date all three copies of the instrument and return them to this office. Upon receipt of the signed easement, the instrument will be executed on behalf of the Department of the Army and a copy will be furnished for your records.

You may contact me at Telephone No. (912) 944-5015, if you have any questions concerning this easement.

Sincerely,

Clyde E. Martin, Jr.  
Chief, Military Management Section  
Real Estate Division

Enclosures

Copy furnished:

Commander  
HQS, US Army Training Center, INF  
ATTN: ATZJ-ENSM  
Fort Jackson, South Carolina 29207-6860



023652

# EXHIBIT

MAR 26 1985

NO. 2

## DEPARTMENT OF THE ARMY

### EASEMENT FOR RIGHT OF WAY STATE BUDGET & CONTROL BOARD FOR ELECTRIC POWER TRANSMISSION OR COMMUNICATION FACILITIES

ON FORT JACKSON MILITARY RESERVATION, SOUTH CAROLINA

NO. DACA21-2-85-0904

The SECRETARY OF THE ARMY, under and by virtue of the authority vested in him by the act of Congress approved 27 May 1952 (66 Stat. 95; 43, United States Code, 961), ~~hereby grants to~~ Title 10, United States Code, Section 2668, hereby grants to THE STATE OF SOUTH CAROLINA BUDGET AND CONTROL BOARD

hereinafter designated as the grantee, for a period not exceeding twenty (20) years from the date hereof, an easement for a right-of-way for construction, operation, and maintenance of a microwave tower with appurtenances, power line and access road

hereinafter referred to as "said facilities," over, across, and upon land of the United States at the location shown in red on Exhibits "A" and "B" attached hereto and made a part hereof, ~~XXXXXX XXXXXX XXXXXX~~

THIS EASEMENT is granted subject to the following conditions:

1. That the grantee shall pay to the United States compensation in the amount of

(\$ )

~~in advance. Compensation shall be made payable to the Treasurer of the United States and forwarded by the~~

**DELETE IN ITS ENTIRETY**

2. That the construction and/or operation and maintenance of said facilities shall be accomplished without cost or expense to the United States under the general supervision and subject to the approval of the officer having immediate jurisdiction over the property, hereinafter designated as "said officer," and in such manner as not to endanger personnel or property of the United States on the said United States land or obstruct travel on any road thereon.

3. That the use and occupation of said land incident to the exercise of the privileges hereby granted shall be subject to such rules and regulations regarding ingress, egress, safety, sanitation, and security as the said officer may from time to time prescribe.

4. That the right-of-way hereby granted shall not occupy more land than is reasonably necessary for such purpose, as determined by the said officer, and in no event shall exceed ~~XXXXXX~~ of the width as shown on Exhibit "A" on each side of the center line thereof.



5. That the grantee shall supervise the said facilities and cause them to be inspected at reasonable intervals, and shall immediately repair any defects found therein as a result of such inspection, or when requested by said officer to repair any defects. Upon completion of the installation of said facilities and the making of any repairs thereto, the premises shall be restored immediately by the grantee, at the grantee's own expense, to the same condition as that in which they existed prior to the commencement of such work, to the satisfaction of the said officer. The grantee shall have the right of ingress and egress for such purposes.

6. That any property of the United States damaged or destroyed by the grantee incident to the use and occupation of the said premises shall be promptly repaired or replaced by the grantee to the satisfaction of the said officer, or in lieu of such repair or replacement the grantee shall, if so required by the said officer, pay to the United States money in an amount sufficient to compensate for the loss sustained by the United States by reason of damage to or destruction of Government property.

7. That the United States reserves to itself the right to construct, use, and maintain across, over, and/or under the right-of-way hereby granted, electric transmission, telephone, telegraph, water, gas, gasoline, oil, and sewer lines, and other facilities, in such manner as not to create any unreasonable interference with the use of the right-of-way herein granted.

8. That the United States shall not be responsible for any damages to property or injuries to persons which may arise from or be incident to the use and occupation of the said premises, or for damages to the property of the grantee, or for injuries to the person of the grantee (if an individual), or for damages to the property or injuries to the person of the grantee's officers, agents, servants, or employees, or others who may be on said premises at their invitation or the invitation of any one of them, arising from or incident to governmental activities; and the grantee shall hold the United States harmless from any and all such claims.

9. That the United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the construction, maintenance, and use of said facilities.

10. That the grantee shall furnish through said facilities such service as may be required from time to time for governmental purposes on said land, provided that payment for all such service will be made by the United States at rates which shall be mutually agreeable but which shall never exceed the most favorable rates granted by the grantee for similar service.

11. That, in the event all or any portion of said land occupied by said facilities shall be needed by the United States, or in the event the existence of said facilities shall be considered detrimental to governmental activities, the grantee shall, from time to time, upon notice so to do, and as often as so notified, remove said facilities to such other location or locations on said land as may be designated by said officer, ~~or the grantee shall reconstruct said facilities underground on said land~~ without expense to the United States, as may be directed by said officer, and in the event said property shall not be removed or relocated within ~~one (1) year~~ <sup>one (1) year</sup> after any aforesaid notice, the United States may cause the same to be done at the expense of the grantee, provided, however, that if directed to reconstruct its facilities underground the grantee may, at its option, in lieu of taking such action, wholly remove its facilities from lands of the United States as described herein, at which time the right granted herein shall cease but the restoration obligation set forth in Condition No. 13 hereof shall remain.

12. That this easement may be terminated by the Secretary of the Army upon reasonable notice to the grantee if the Secretary of the Army shall determine that the right-of-way hereby granted interferes with the use or disposal of the said land or any part thereof by the United States, or it may be forfeited and annulled by declaration of the Secretary of the Army for failure, neglect, or refusal by the grantee fully and promptly to comply with any and all of the conditions of this grant, or for nonuse for a period of two years, or for abandonment.

023654

14. That the provisions and conditions of this instrument shall extend to and be binding upon and shall inure to the benefit of the heirs, representatives, successors, and assigns of the grantee.

15. That it is understood that this instrument is effective only insofar as the rights of the United States in the said property are concerned; and that the grantee shall obtain such permission as may be necessary on account of any other existing rights.

THEY HAVE TO HAVE EVIDENCE OF THE OCCURRENCE OF THE ACTS AND BEING IN THE  
 76761444 40000000

See attached page for Condition Nos. 16, 17, 18, 19, 20, and 21

THAT PRIOR to execution of this easement the granting clause and Condition Nos. 4 and 11 were revised, Condition Nos. 1 and 10 were deleted and Condition Nos. 16, 17, 18, 19, 20, and 21 were added.

*This easement is not subject to Title 10, United States Code, Section 2662.*

IN WTTWJSSX NKORZOF I have taken into my hand this adv of , 19

053826

023655

Easement No. DACA21-2-85-0904  
FORT JACKSON, SC

16. Before initial or future construction work commences, final plans and specifications must be submitted to the Director of Engineering and Housing, Fort Jackson, for approval.

17. That all timber removal be coordinated through the Forestry Office, Director of Engineering and Housing, Fort Jackson.

18. That at no cost to the Government, the Grantee shall relocate the existing telephone cable shown on Exhibit "A" to the location and specifications approved by the Director of Communications-Electronics, Fort Jackson.

19. That the operation of the microwave tower must be accomplished without interference with current and future military communication systems.

20. That the Government reserves the right to install and operate non-tactical radio equipment on the Grantee's tower.

21. That the grantee shall comply with all applicable laws, ordinances and regulations of the Federal Government, State, County and Municipality, wherein the easement is located with regard to construction and operation of the microwave tower.

IN WITNESS WHEREOF I have hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_ 19\_\_

THIS Easement No. DACA21-2-85-0904, together with all the conditions thereof, is hereby accepted this 26 day of March 1985.

Witnesses:

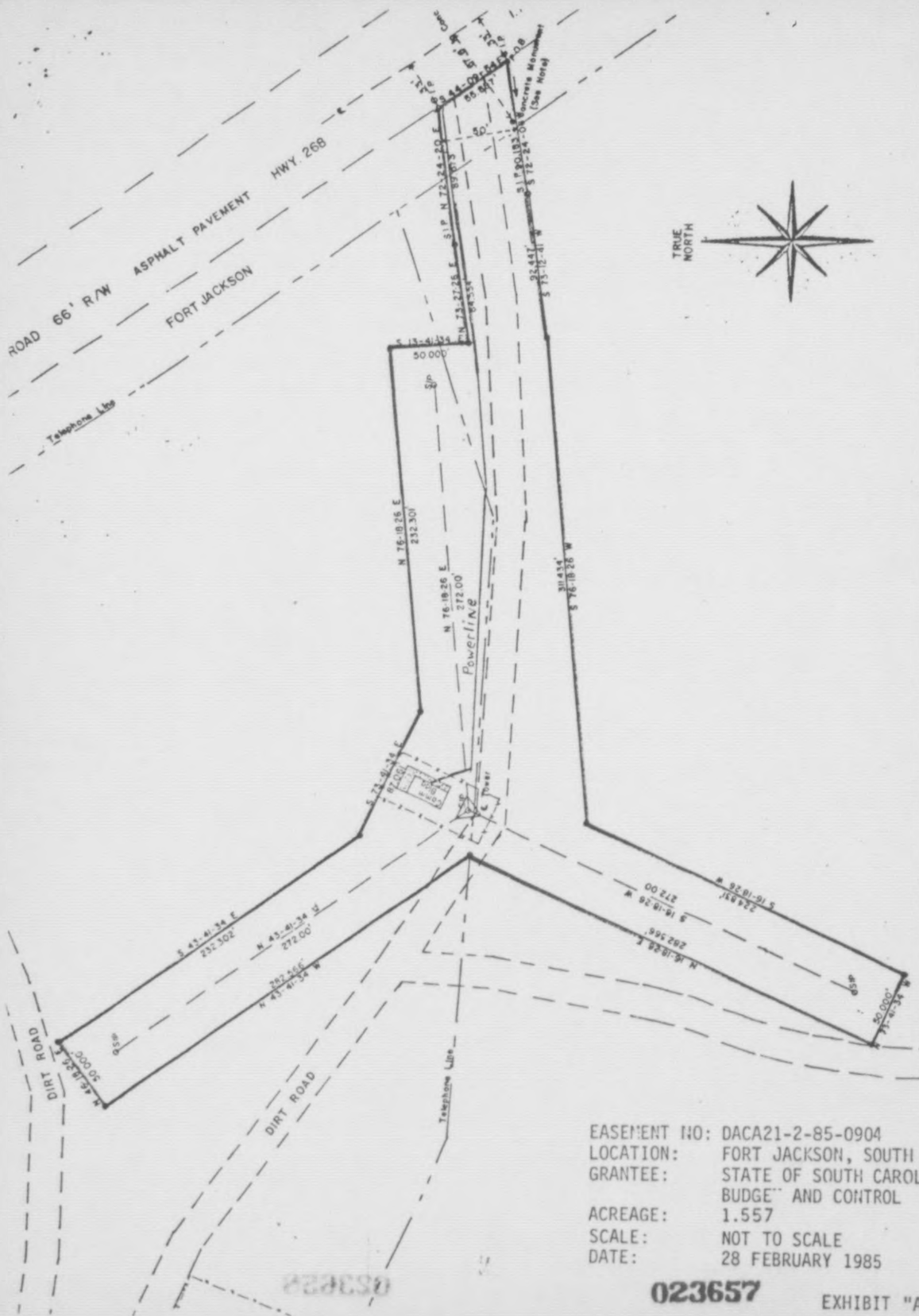
STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD

023656

William A. McInnis BY: Richard W. Riley

William A. McInnis

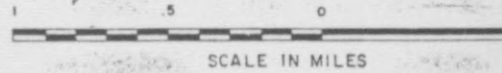
TITLE: Governor



EASEMENT NO: DACA21-2-85-0904  
 LOCATION: FORT JACKSON, SOUTH CAROLINA  
 GRANTEE: STATE OF SOUTH CAROLINA  
 BUDGET AND CONTROL  
 ACREAGE: 1.557  
 SCALE: NOT TO SCALE  
 DATE: 28 FEBRUARY 1985

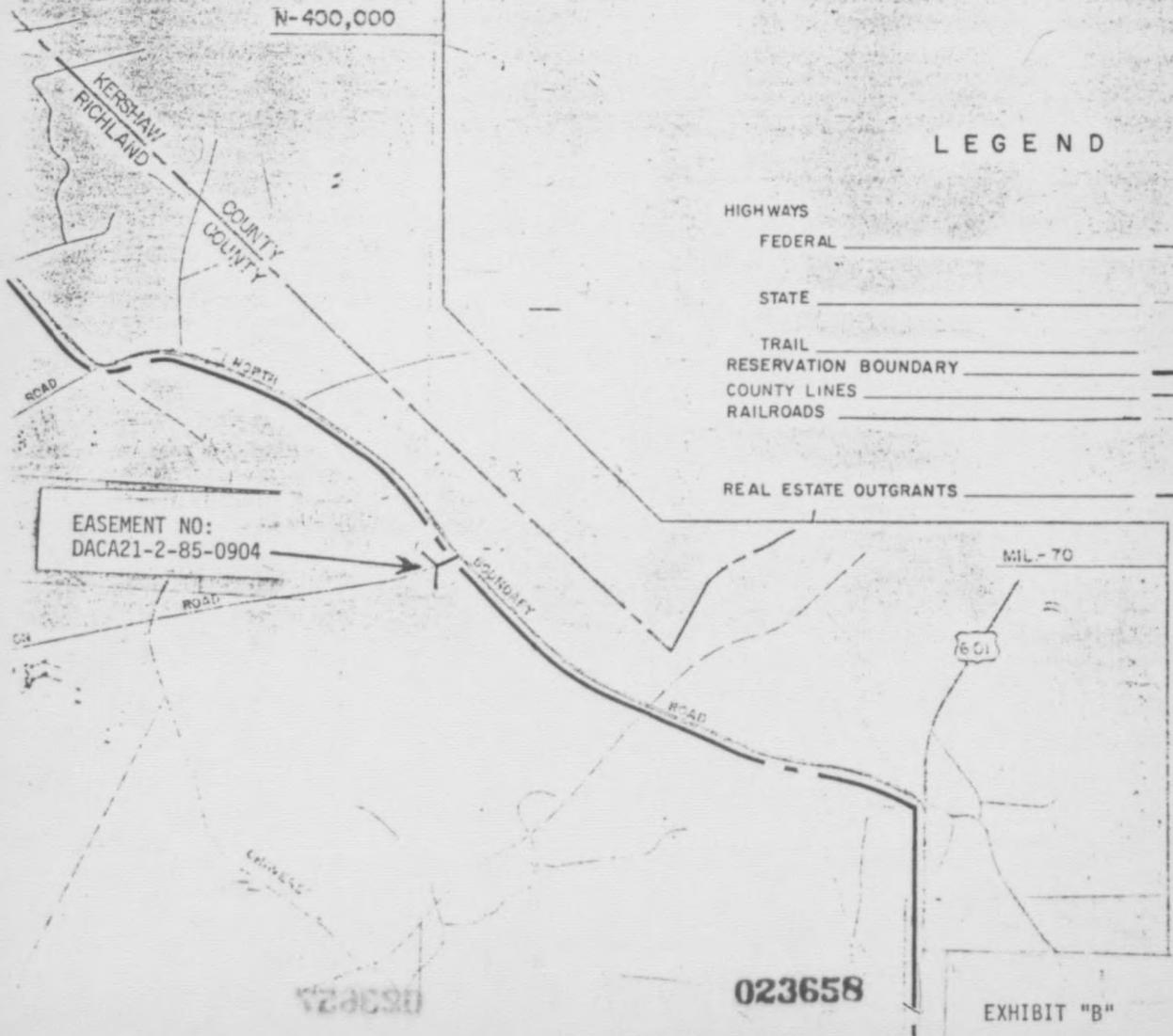


E-2,050,00



SCALE IN MILES

N-400,000



LEGEND

- HIGHWAYS
  - FEDERAL \_\_\_\_\_
  - STATE \_\_\_\_\_
- TRAIL \_\_\_\_\_
- RESERVATION BOUNDARY \_\_\_\_\_
- COUNTY LINES \_\_\_\_\_
- RAILROADS \_\_\_\_\_
- REAL ESTATE OUTGRANTS \_\_\_\_\_

EASEMENT NO:  
DACA21-2-85-0904

MIL-70

601

023658

EXHIBIT "B"

STATE OF SOUTH CAROLINA )

COUNTY OF RICHLAND )

PERSONALLY appeared before me William A. McInnis who, on oath, says that he saw the within named State of South Carolina, Budget and Control Board, by Richard W. Riley, Governor, sign, seal, and as its act and deed deliver the within written Easement, and that he, along with Katherine M. Hepfer, witnessed the execution thereof.

William A McInnis

SWORN to before me this  
27th day of March, 1985.

Donna K. Williams

Notary Public for South Carolina

My Commission expires May 3, 1989.

023659

State of South Carolina  
State Budget and Control Board

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



Box 12444  
Columbia  
29211

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

March 27, 1985

EXHIBIT

MAR 26 1985 NO. 2

STATE BUDGET & CONTROL BOARD

MEMORANDUM

TO: Tony Ellis, Director, General Services  
FROM: William A. McInnis, Deputy Executive Director *WAM*  
SUBJECT: Board Acceptance of Easement on Fort Jackson  
Approved at March 26, 1985 Meeting

Enclosed are the three executed copies of the easement granted to the Board for use of a 1.557 acre tract on Fort Jackson in connection with a microwave tower and related uses.

Katherine Hepfer and I have indicated that we witnessed Governor Riley's approval of the acceptance of this easement. We can have the probate prepared if that is necessary if this easement is to be recorded in any way.

WAM:dw  
Enclosures (3)

*We did it in the event it is needed. Discard if no needed.*

023660

2771

EXHIBIT

MAR 26 1985

NO. 2

STATE BUDGET & CONTROL BOARD

R/W 20 years (not perpetual)

Construction subject to "approval"

Antenna? Subject to Regs. regarding antennas etc.

5 Inspection at reasonable intervals

7 R/W not exclusive - Govt also can use, etc.

11 Removal of material <sup>from time to time</sup> at our expense

12. Cancellation for "convenience" of Govt.

16 approval of Plans.

18 - Relocation of telephone cable up to cost to Govt.

19 Govt can't interfere w/ future communication of Govt.

20 Govt can use tower for equipment.

Restatement - Architect & ETV should review & have notice of terms & conditions and responsibilities.

023661

3/8/85 talked w/ Doug Plowman Eng writing saying can live w/ terms and conditions of R/W & responsibilities will get by 3-12-85 *med*



# EXHIBIT

MAR 26 1985

NO. 3

STATE BUDGET AND CONTROL BOARD STATE BUDGET & CONTROL BOARD AGENDA  
MEETING OF March 26, 1985 ITEM NUMBER

3

AGENCY: Executive Director

SUBJECT: Approval of Regulations on Allocation of State Ceiling

The regulations of the Board relating to the allocation of the state ceiling on the issuance of private activity bonds, designated as Regulation Document #445, have been approved by Joint Resolution, ratified and approved by Governor Riley on March 1, 1985.

BOARD ACTION REQUESTED:

Receive as information a report that the Board regulations relating to the allocation of the state ceiling on the issuance of private activity bonds, designated as Regulation Document #445, have been approved.

ATTACHMENTS:

Joint Resolution plus referenced regulations

023662

# EXHIBIT

MAR 26 1985 NO. 3

## STATE BUDGET & CONTROL BOARD

(R5, S176)

A JOINT RESOLUTION TO APPROVE REGULATIONS OF THE BUDGET AND CONTROL BOARD, RELATING TO ALLOCATION OF STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS, DESIGNATED AS REGULATION DOCUMENT NUMBER 445, PURSUANT TO THE PROVISIONS OF ACT 176 OF 1977.

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

### Regulations approved

SECTION 1. The regulations of the Budget and Control Board, relating to Allocation of State Ceiling on Issuance of Private Activity Bonds, designated as Regulation Document Number 445, and submitted to the General Assembly pursuant to Act 176 of 1977, are approved.

### Time effective

SECTION 2. This act shall take effect upon approval by the Governor.

In the Senate House the 26th day of February  
In the Year of Our Lord One Thousand Nine Hundred  
and Eighty-Five.

Michael R. Daniel,  
*President of the Senate*

Ramon Schwartz, Jr.,  
*Speaker of the House of  
Representatives*

Approved the 1st day of March, 1985.

Richard W. Riley,  
*Governor*

-----XX-----

Printer's Date -- 3/4/85 -- S.

023663

# EXHIBIT

MAR 26 1985

NO. 3

## SYNOPSIS

STATE BUDGET & CONTROL BOARD

### Regulations on the Allocation of the State Ceiling on the Issuance of Private Activity Bonds

These regulations allocate the aggregate private activity bond limit amount established under the Deficit Reduction Act of 1984 to the State initially for further allocation within the limits provided by the regulations. Except as is provided in Section 5, all allocations by the Budget and Control Board are to be made on a first-come, first-served basis.

Two pools, namely a "State Agency and Exempt Facilities Pool" (which is to be forty percent of the State Ceiling) and a "Local Pool" (which is to be sixty percent of the State Ceiling) are established. The Board with review and comment by the Joint Bond Review Committee may reallocate unused amounts from one pool to the other when it determines that either basic pool has been exhausted.

Requests for allocations are presented to the Budget and Control Board in petitions by issuing authorities. Any allocation approved by the Board before October 1 is valid only for the calendar year in which it was approved and, unless specified to the contrary in the allocation certification of the Board's Secretary, each allocation expires automatically if the bonds are not issued within ninety days following Board approval.

Issuing authorities are required to file a bond issue amount certificate with the Board's Secretary not more than ten days before the bond issue date. The failure by any issuing authority to file the bond issue amount certificate will result in the cancellation of the allocation.

023664

# EXHIBIT

## REGULATIONS ON ALLOCATION OF STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

MAR 26 1985

NO. 3

STATE BUDGET & CONTROL BOARD

### SECTION 1: Calculation and Certification of State Ceiling

The State Ceiling, as established in the Deficit Reduction Act of 1984 (the Act), shall be calculated by the Secretary of the Budget and Control Board based upon the provisions of the Act and certified to by him as soon as practicable after the estimates of the population of the State of South Carolina are published by the Bureau of the Census and in no event later than February 1 of each calendar year; provided, that he shall calculate and certify the State Ceiling for the calendar year 1984 no later than fifteen (15) days following the issuance of these regulations.

### SECTION 2: Allocation of Bond Limit Amounts

(a) The private activity bond limit amounts for all issuing authorities will be allocated by the Budget and Control Board in response to Authorized Requests (as described in Section 4 below) by such issuing authorities.

(b) The aggregate private activity bond limit amount for all South Carolina State government agencies and for all other South Carolina general purpose governmental units is allocated initially to the State for further allocation within the limits prescribed herein.

(c) Except as is provided in Section 5 hereof, all allocations from the Local Pool or from the State Agency and Exempt Facilities Pool (described in Section 3 below) by the Budget and Control Board will be made on a first-come, first-served basis, to be determined by the date and time sequence in which complete Authorized Requests are received by the Board's Secretary.

### SECTION 3: Private Activity Bond Limits

(a) The private activity bond limit for all agencies of the State of South Carolina now or hereafter authorized to issue private activity bonds as defined in the Act and for issuing authorities other than State Government agencies for issues of such bonds for "exempt facilities" (which term, as used herein, shall mean facilities described in Section 103(b)(4) of the Internal Revenue Code of 1954, as amended, including, in particular, pollution control

023665



# EXHIBIT

MAR 26 1985 NO. 3

Page 2

STATE BUDGET & CONTROL BOARD

facilities) to be known as the "State Agency and Exempt Facilities Pool," shall be forty per cent (40%) of the State Ceiling (1) less any amount reallocated by the Budget and Control Board to the local pool (described in the succeeding paragraph); or (2) plus any amount reallocated by the Board from the local pool.

(b) The private activity bond limit for all issuing authorities within the State of South Carolina other than State Government agencies described in the preceding paragraph now or hereafter authorized to issue private activity bonds as defined in the Act, excluding issues of such bonds for "exempt facilities" by such issuing authorities, to be known as the "Local Pool," shall be sixty per cent (60%) of the State Ceiling (1) plus any amount reallocated by the Budget and Control Board from the State Agency and Exempt Facilities Pool; or (2) less any amount reallocated by the Board to the State Agency and Exempt Facilities Pool.

(c) The Budget and Control Board with review and comment by the Joint Bond Review Committee may at any time it determines that either the basic Local Pool or the basic State Agency and Exempt Facilities Pool is exhausted reallocate any unused amounts from one pool to the other.

## SECTION 4: Authorized Requests for an Allocation

(a) For purposes of Section 2, an Authorized Request shall mean, for any bonds issued by issuing authorities other than State Agencies, a request contained in a petition to the Budget and Control Board that a portion of the State Ceiling be allocated to the bonds for which the petition has been filed, accompanied by a copy of the Inducement Contract, Inducement Resolution, or comparable preliminary approval on such bonds entered into by such issuing authority. A copy of such Authorized Request shall be forwarded promptly by the Budget and Control Board to the Joint Bond Review Committee for information.

(b) For private activity bonds proposed for issuance by any State Agency, an Authorized Request shall mean a petition filed with the Budget and Control Board not sooner than the adoption of a bond ordinance or bond

023666

# EXHIBIT

MAR 26 1985 NO. 3

Page 3

## STATE BUDGET & CONTROL BOARD

resolution authorizing the issuance of such bonds. A copy of such Authorized Request shall be forwarded promptly by the Budget and Control Board to the Joint Bond Review Committee for information.

(c) Each Authorized Request must demonstrate that the allocation amount requested constitutes all of the private activity bond financing contemplated at the time for the project and any other facilities located at or used as a part of an integrated operation with the project.

### SECTION 5: Limitation on Board Allocations in Response to Authorized Requests

The Budget and Control Board with review and comment by the Joint Bond Review Committee may disapprove, reduce or defer any Authorized Request. In the event it becomes necessary to exercise this authority due to lack of funds in either Pool, the Board and the Committee shall take into account the public interest in promoting economic growth and job creation.

### SECTION 6: Filing of Certificate

(a) Prior to the issuance of any private activity Bond for which a portion of the State Ceiling has been allocated by the Budget and Control Board pursuant to Sections 2, 3, 4, and 5 hereof, the chairman or other official of the issuing authority shall certify to the Secretary of the Budget and Control Board the exact amount of Bonds being issued. A copy of the Internal Revenue Service Form 8038 on the Bond issue being certified filed or to be filed with the Internal Revenue Service may be used to meet this certification requirement.

(b) In response, the Secretary of the Budget and Control Board shall determine that such Bonds when issued and combined with the total amount of such Bonds certified to the Board Secretary by issuing authorities as having been issued or to be issued previously in the calendar year will not exceed the State Ceiling and, if so, the Secretary shall certify in writing to that effect to such officer. Except under extraordinary circumstances, the Secretary will make such determination and execute such certificate within two

023667

# EXHIBIT

MAR 26 1985

NO. 3

Page 4

STATE BUDGET & CONTROL BOARD

(2) business days following the date he received the bond issue amount certificate of the issuing authority.

(c) The failure by any issuing authority to file the bond issue amount certificate shall cancel the allocation.

## SECTION 7: Lapse of Filing

Whenever any filing as provided in Section 6 hereof precedes the date of issue of the Bonds by more than ten (10) business days, such filing shall be void and a new filing shall be required prior to the issuance of the bonds.

## SECTION 8: Time Limits on Allocations

(a) Any allocation of the State Ceiling approved by the Budget and Control Board before October 1 shall be valid only for the calendar year in which it was approved, unless specified to the contrary in the Board Secretary's allocation certification required by Section 6 hereof.

(b) Board approval of allocations on and after October 1 must specify the calendar year in which the allocation is valid and this information must be indicated in the certificate of the Board's Secretary.

(c) Unless specified to the contrary, each allocation shall expire automatically if the bonds for which such allocation has been approved are not issued within ninety (90) days following the approval by the Budget and Control Board; provided that the entity which filed the Authorized Request must advise the Board's Secretary of the status of the issuance within sixty (60) days and again within seventy-five (75) days from the Board's approval if the Internal Revenue Service Form 8038 has not been filed before those points in time.

## SECTION 9: Termination of This Regulation

These Regulations shall be of no force and effect upon the earlier of the rescission by Congress or declaration of unconstitutionality of Section 621 of the Act, or any portion thereof, by the U.S. Supreme Court.

023668

# EXHIBIT

MAR 26 1985 NO. 3

Page 5

STATE BUDGET & CONTROL BOARD

## SECTION 10: Future Changes and Evaluation of Regulations

~~(a) Effective January 1, 1986, the provisions of Section 3(a) and Section 5 herein for "review and comment" by the Joint Bond Review Committee are to be revised to read "review and concur."~~

(b) Prior to January 1, 1986, the Joint Bond Review Committee will conduct a review and evaluation of these Regulations.

023669



# EXHIBIT

MAR 26 1985

NO. 4

STATE BUDGET AND CONTROL BOARD

BLUE AGENDA

MEETING OF March 26, 1985

STATE BUDGET & CONTROL BOARD

ITEM NUMBER

4

AGENCY: Executive Director

SUBJECT: Permanent Improvement Projects

- A. The following permanent improvement projects have been reviewed favorably by the Joint Bond Review Committee and were approved previously by the Budget and Control Board (new starts in Priority Group 6):

(1) On Summary 20-85:

Item 8, Parks, Recreation & Tourism, P28-8558, N Augusta Welcome Center Renovations, establish project and source of funds, \$57,600 Capital Improvement Bond funds.

Item 9, Parks, Recreation & Tourism, P28-8560, Kings Mountain Camp Renovations, establish project and source of funds, \$40,000 Capital Improvement Bond funds.

Item 10, Parks, Recreation & Tourism, P28-8564, Cheraw Group Camp Renovations, establish project and source of funds, \$42,000 Capital Improvement Bond funds.

Item 11, Parks, Recreation & Tourism, P28-8565, Croft-Pave Parking Areas, establish project and source of funds, \$80,957 Capital Improvement Bond funds.

Item 12, Parks, Recreation & Tourism, P28-8567, Givhans Ferry Bathhouse Renovations, establish project and source of funds, \$55,000 Capital Improvement Bond funds.

Item 13, Parks, Recreation & Tourism, P28-8569, Oconee & Hamilton Branch Campground Renovations, establish project and source of funds, \$40,000 Capital Improvement Bond funds.

Item 14, Parks, Recreation & Tourism, P28-8570, Charles Towne Landing Tram Replacement, establish project and source of funds, \$120,000 Capital Improvement Bond funds.

- B. The following permanent improvement projects have been reviewed favorably by the Joint Bond Review Committee and approved by staff:

(1) On Summary 19-85:

Item 2, The Citadel, H09-8688, Jenkins Hall Chiller Repair, establish project and source of funds, \$2,466 Appropriated State funds \$89,000 Other funds.

BOARD ACTION REQUESTED:

Receive as information.

ATTACHMENTS:

Referenced Summaries.

023670

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
02/16/85 Through 02/28/85

SUMMARY 19-85 Page 1 of 3  
Forwarded to JBRC 03/04/85

Item Agency: F12 B&C Bd-General Services Project: 8238, Governor's Mansion Complex Master Plan

Committee Review Date: \*  
B&C Board Approval Date: \*

1. Action  
Proposed: Increase Budget From \$ 21,000.00 to \$ 71,000.00

(Add \$ 50,000.00 [6] Appropriated State)

Purpose: To carry the master plan phase through the preliminary design phase.

Ref: Supporting document pages 1-4.

Budget After Action Proposed  
Source Amount  
Appropriated State 71,000.00

TOTAL FUNDS 71,000.00

Item Agency: H09 The Citadel Project: 8688, Jenkins Hall Chiller Repair

Committee Review Date: MAR 7 1985

B&C Board Approval Date: MAR 7 1985

2. Action  
Proposed: Establish Project

Total Budget.....\$ 91,466.00  
[6] Appropriated State.....\$ 2,466.00  
[9] Other, Student Fees-Renovation Reserve..\$ 89,000.00

Purpose: Repair inoperative Carrier water chiller serving Military Science Building.  
Emergency situation. Funds come from closed projects H09-8479; H09-8480; and H09-8481.

Ref: Supporting document pages 5-7.

Budget After Action Proposed  
Source Amount  
Appropriated State 2,466.00  
Other 89,000.00

TOTAL FUNDS 91,466.00

Item Agency: H34 USC-Spartanburg Project: 8017, Humanities & Science Building

Committee Review Date: \*  
B&C Board Approval Date: \*

3. Action  
Proposed: Increase Budget From \$ 6,026,000.00 to \$ 6,051,000.00

(Add \$ 25,000.00 [4] Excess Debt Service)

Purpose: Additional funds are to be used for cabinet work, moveable equipment,  
furniture and landscaping.

Ref: Supporting document pages 8-9.

Budget After Action Proposed  
Source Amount  
Capital Improvement Bonds 5,476,000.00  
Excess Debt Service 575,000.00

TOTAL FUNDS 6,051,000.00

Item Agency: H39 USC-Sumter Project: 7946, Campus Development

Committee Review Date: \*  
B&C Board Approval Date: \*

4. Action  
Proposed: Increase Budget From \$ 105,300.00 to \$ 253,800.00

(Add \$ 41,500.00 [4] Excess Debt Service)  
(Add \$ 107,000.00 [9] Other, Renovation Reserve)

Purpose: To cover additional campus development items related to utilities  
and drainage/sewer lines.

Ref: Supporting document pages 10-11.

Budget After Action Proposed  
Source Amount  
Excess Debt Service 41,500.00  
Other 212,300.00

TOTAL FUNDS 253,800.00

STATE BUDGET & CONTROL BOARD  
MAR 26 1985  
EXHIBIT  
NO. 4

023671

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
March 1, 1985 Through March 15, 1985

SUMMARY 20-85 Page 3 of 4  
Forwarded to JBRC 03/19/85

Item 8. Agency: P28 Parks, Rec, & Tourism Project: 8558, N Augusta Welcome Center Renovations

Action  
Proposed: Establish Project

Total Budget.....\$ 57,600.00  
[0] Capital Improvement Bonds..\$ 57,600.00

Purpose: Interior renovation including painting, replacing wallpaper, replace carpet, providing new blinds, visitor displays and upgrading electrical system. Approved in 84 APIP-Group 6 release, new starts.

Ref: Supporting document pages 22-23.

Committee Review Date: 02/14/85  
B&C Board Approval Date: 02/14/85

Budget After Action Proposed	
Source	Amount
Capital Improvement Bonds	57,600.00

TOTAL FUNDS 57,600.00

Item 9. Agency: P28 Parks, Rec, & Tourism Project: 8560, Kings Mountain Camp Renovations

Action  
Proposed: Establish Project

Total Budget.....\$ 40,000.00  
[0] Capital Improvement Bonds..\$ 40,000.00

Purpose: Upgrade electrical and mechanical systems; improve water and sewage system; general renovation and repairs. Approved in 84 APIP-Group 6 release, new starts.

Ref: Supporting document pages 24-25.

Committee Review Date: 02/14/85  
B&C Board Approval Date: 02/14/85

Budget After Action Proposed	
Source	Amount
Capital Improvement Bonds	40,000.00

TOTAL FUNDS 40,000.00

Item 10. Agency: P28 Parks, Rec, & Tourism Project: 8564, Cheraw Group Camp Renovations

Action  
Proposed: Establish Project

Total Budget.....\$ 42,000.00  
[0] Capital Improvement Bonds..\$ 42,000.00

Purpose: Upgrade electrical and mechanical systems; improve water system; general renovations and repairs. Approved in 84 APIP-Group 6 release, new starts.

Ref: Supporting document pages 26-27.

Committee Review Date: 02/14/85  
B&C Board Approval Date: 02/14/85

Budget After Action Proposed	
Source	Amount
Capital Improvement Bonds	42,000.00

TOTAL FUNDS 42,000.00

EXHIBIT

MAR 26 1985 NO. 4

STATE BUDGET & CONTROL BOARD

023672

STATE BUDGET AND CONTROL BOARD, OFFICE OF EXECUTIVE DIRECTOR  
SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY AGENCIES  
March 1, 1985 Through March 15, 1985

SUMMARY 20-85 Page 4 of 4  
Forwarded to JBRC 03/19/85

Item 11.	Agency: P28 Parks, Rec, & Tourism	Project: 8565, Croft-Pave Parking Areas	Committee Review Date: 02/14/85 B&C Board Approval Date: 02/14/85
	Action Proposed: Establish Project		Budget After Action Proposed
	Total Budget.....\$ 80,957.00		Source Amount
	[0] Capital Improvement Bonds..\$ 80,957.00		Capital Improvement Bonds 80,957.00
	Purpose: Paving the parking area at the pool complex and resurface entrance road. Approved in 84 APIP-Group 6 release, new starts.		
	Ref: Supporting document pages 28-29.		TOTAL FUNDS 80,957.00
Item 12.	Agency: P28 Parks, Rec, & Tourism	Project: 8567, Givhans Ferry Bathhouse Renovations	Committee Review Date: 02/14/85 B&C Board Approval Date: 02/14/85
	Action Proposed: Establish Project		Budget After Action Proposed
	Total Budget.....\$ 55,000.00		Source Amount
	[0] Capital Improvement Bonds..\$ 55,000.00		Capital Improvement Bonds 55,000.00
	Purpose: Move the bathhouse some 60 feet from the edge of the Edisto River and renovate. Approved in 84 APIP-Group 6 release, new starts.		
	Ref: Supporting document pages 30-31.		TOTAL FUNDS 55,000.00
Item 13.	Agency: P28 Parks, Rec, & Tourism	Project: 8569, Oconee & Hamilton Branch Campground Renovations	Committee Review Date: 02/14/85 B&C Board Approval Date: 02/14/85
	Action Proposed: Establish Project		Budget After Action Proposed
	Total Budget.....\$ 40,000.00		Source Amount
	[0] Capital Improvement Bonds..\$ 40,000.00		Capital Improvement Bonds 40,000.00
	Purpose: Paving a portion of the campground at Oconee and the second phase of rewiring of the campground at Hamilton Branch. Approved in 84 APIP-Group 6 release, new starts.		
	Ref: Supporting document pages 32-33.		TOTAL FUNDS 40,000.00
Item 14.	Agency: P28 Parks, Rec, & Tourism	Project: 8570, Charles Towne Landing Tram Replacement	Committee Review Date: 02/14/85 B&C Board Approval Date: 02/14/85
	Action Proposed: Establish Project		Budget After Action Proposed
	Total Budget.....\$ 120,000.00		Source Amount
	[0] Capital Improvement Bonds..\$ 120,000.00		Capital Improvement Bonds 120,000.00
	Purpose: To replace the motorized tram and trailer units with new, more modern units. Approved in 84 APIP-Group 6 release, new starts.		
	Ref: Supporting document pages 34-35.		TOTAL FUNDS 120,000.00

EXHIBIT  
MAR 26 1985  
STATE BUDGET & CONTROL BOARD  
NO. 4

023673

EXHIBIT  
MAR 26 1985  
STATE BUDGET & CONTROL BOARD  
NO. 4

023673



# EXHIBIT

MAR 26 1985

NO. 5

STATE BUDGET AND CONTROL BOARD

BLUE AGENDA

MEETING OF March 26, 1985

STATE BUDGET & CONTROL BOARD

ITEM NUMBER

5

AGENCY: Executive Director

SUBJECT: Interviewee Travel Expense Reimbursement

The following agencies have reported on payments of interviewee travel expenses:

(a) College of Charleston	22
(b) Lander College	2
(c) Office of State Auditor	1
(d) Tax Commission	1

BOARD ACTION REQUESTED:

Receive as information reports on the reimbursement of interviewee travel expenses by College of Charleston (22), Lander College (2), Office of State Auditor (1), and Tax Commission (1).

ATTACHMENTS:

023674



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29407

## EXHIBIT

MAR 26 1985

NO. 5

STATE BUDGET & CONTROL BOARD

Office of the President

### EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: Pamela Leacco  
City Address: Pittsburgh, PA  
Position to be Filled: Faculty Languages  
Travel Dates: From Feb. 20 To Feb. 22, 1985  
Total Travel Reimbursement: \_\_\_\_\_

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Grand Marion Hotel \$ 87.98  
Buzame Room \$ 10.00  
Gale Excursion \$ 10.00

Approved By: Edward M. Collins, Jr.  
Edward M. Collins, Jr.  
President

Original: Account Payable  
Copy: Budget and Control Board

023675

FOUNDED 1770



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit:

*Max Spraker*

City Address:

*Spartanburg SC*

Position to be Filled:

*Recruiting - Business Adm. / Econ*

Travel Dates: From

*Feb 18*

To

*Feb 19, 1985*

Total Travel Reimbursement:

*Spaia Marion Hotel \$42.15*

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By:

*Edward M. Collins, Jr.*

Edward M. Collins, Jr.  
President

Original: Account Payable

Copy: Budget and Control Board

023676

FOUNDED 1770



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: Michael Fitzsimmons  
City Address: Houston, Texas  
Position to be Filled: Faculty - History Dept.  
Travel Dates: From Jan. 23 To Jan. 25, 1985  
Total Travel Reimbursement: Wage Jordan \$14.50

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By: Edward M. Collins, Jr.  
Edward M. Collins, Jr.  
President

Original: Account Payable  
Copy: Budget and Control Board

FOUNDED 1770

023677





# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: Cynthia Branton  
City Address: Blackburg, Va.  
Position to be Filled: Secretary - History Dept.  
Travel Dates: From Jan. 30 To Feb. 1, 1985  
Total Travel Reimbursement: Wayne Jordan \$14.50

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By: Edward M. Collins, Jr.  
Edward M. Collins, Jr.  
President

Original: Account Payable  
Copy: Budget and Control Board

FOUNDED 1770

023678



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: Sadik Cokley  
City Address: Normal Illinois  
Position to be Filled: Faculty - Business Adm./Econ  
Travel Dates: From Feb 19 To Feb 20, 1985  
Total Travel Reimbursement: Marion Hotel \$49.07

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By: Edward M. Collins, Jr.  
Edward M. Collins, Jr.  
President

Original: Account Payable  
Copy: Budget and Control Board

023679

FOUNDED 1770



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: Lawrence McNett  
City Address: Hillsdale, Michigan  
Position to be Filled: Faculty Business Admin / Econ  
Travel Dates: From Feb 24 To Feb 25, 1985  
Total Travel Reimbursement: Grand Innor Hotel # 4212

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By: Edward M. Collins, Jr.  
Edward M. Collins, Jr.  
President

Original: Account Payable  
Copy: Budget and Control Board

023680

FOUNDED 1770



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: Lawrence McNeill  
City Address: Hillsdale, Michigan  
Position to be Filled: Faculty Business Admin / Econ  
Travel Dates: From Feb 24 To Feb 25, 1985  
Total Travel Reimbursement: Traveler Hotel # 4212

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By: Edward M. Collins, Jr.  
Edward M. Collins, Jr.  
President

Original: Account Payable  
Copy: Budget and Control Board

023680

FOUNDED 1770





# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: Tom White  
City Address: Salina, Ca.  
Position to be Filled: Faculty - Business  
Travel Dates: From Feb 23 To Feb 26, 1985  
Total Travel Reimbursement: Francis Xavier Hotel \$82.73

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By: Edward M. Collins, Jr.  
Edward M. Collins, Jr.  
President

Original: Account Payable  
Copy: Budget and Control Board

023681

FOUNDED 1770



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit:

*Paul Nelson*

City Address:

*Austin, Texas*

Position to be Filled:

*Faculty Business Admin.*

Travel Dates: From

*Feb. 14*

To

Total Travel Reimbursement:

*Richard Hainwood \$12.50*

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By:

*Edward M. Collins, Jr.*

Edward M. Collins, Jr.  
President

Original: Account Payable

Copy: Budget and Control Board

MAR 14 1985



THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401  
**EXHIBIT**

MAR 26 1985 NO. 5

STATE BUDGET & CONTROL BOARD

Office of the President

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: Ken Iatouaka  
City Address: Madison, WI  
Position to be Filled: Faculty Mathematics  
Travel Dates: From Feb 28 To March 1, 1985  
Total Travel Reimbursement: \$555.40

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Francis Xavier Hotel \$49.90  
Grand Expense \$491.00  
William Delightly \$4.50  
Beverly Diamond \$10.00

Approved By: Edward M. Collins, Jr.  
Edward M. Collins, Jr.  
President

Original: Account Payable  
Copy: Budget and Control Board

FOUNDED 1770

023683

MAR 14 1985



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: Amela Isacco  
City Address: Pittsburg, PA  
Position to be Filled: Faculty - Language  
Travel Dates: From Feb 20 To Feb 22, 1985  
Total Travel Reimbursement: \$411.00

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By: Edward M. Collins, Jr.  
Edward M. Collins, Jr.  
President

Original: Account Payable  
Copy: Budget and Control Board

023684

FOUNDED 1770



MAR 14 1985



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: Laurance Carpenter  
City Address: Indianapolis, Ind.  
Position to be Filled: Faculty - Language  
Travel Dates: From Feb 26 To Feb 28, 1985  
Total Travel Reimbursement: Gas Expense \$4.50

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By: Edward M. Collins, Jr.  
Edward M. Collins, Jr.  
President

Original: Account Payable  
Copy: Budget and Control Board

FOUNDED 1770

023685

MAR 21 1985



THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29407

EXHIBIT

MAR 26 1985

NO. 5

STATE BUDGET & CONTROL BOARD

Office of the President

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit:

*Paul Brandy*

City Address:

*Philadelphia, Pa.*

Position to be Filled:

*Frontier - Philosophy Dept.*

Travel Dates: From

*Dec 7*

To

*Dec 8, 1985*

Total Travel Reimbursement:

*Master's Reimbursement \$ 8.00*

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By:

*Edward M. Collins, Jr.*

Edward M. Collins, Jr.  
President

Original: Account Payable

Copy: Budget and Control Board

FOUNDED 1770

023686

MAR 21 1985



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: Jane McManara  
City Address: Stockton, CA  
Position to be Filled: Recruiting - Business Admin.  
Travel Dates: From March 3 To March 4, 1985  
Total Travel Reimbursement: \$866.63

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Travel Expenses \$21.35  
Travel Union Hotel \$15.28

Approved By: Edward M. Collins, Jr.  
Edward M. Collins, Jr.  
President

Original: Account Payable  
Copy: Budget and Control Board

023687

FOUNDED 1770

MAR 21 1985



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: Stephen Harris  
City Address: Wilder-Besse, PA  
Position to be Filled: Faculty - Philosophy Dept.  
Travel Dates: From Feb 6 To Feb 7, 1985  
Total Travel Reimbursement: \$8.00

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Martin Perlman \$3.50  
Richard Kusan \$4.50

Approved By: Edward M. Collins, Jr.  
Edward M. Collins, Jr.  
President

Original: Account Payable  
Copy: Budget and Control Board

FOUNDED 1770

023688



MAR 21 1985



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: Eleanor Alexander  
City Address: Columbus Ohio  
Position to be Filled: Secretary - Library  
Travel Dates: From March 24 To March 25, 1985  
Total Travel Reimbursement: Per diem \$438.00

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By: Edward M. Collins, Jr.  
Edward M. Collins, Jr.  
President

Original: Account Payable  
Copy: Budget and Control Board

FOUNDED 1770

023689

MAR 21 1985



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit:

*Paul T. Helton*

City Address:

*Aurora, IL*

Position to be Filled:

*Recruiting - Business Admin.*

Travel Dates: From

*Feb. 24*

To

*Feb. 25, 1985*

Total Travel Reimbursement:

*\$ 600.00*

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By:

*Edward M. Collins, Jr.*

Edward M. Collins, Jr.  
President

Original: Account Payable

Copy: Budget and Control Board

FOUNDED 1770

023690

MAR 21 1985



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit:

*Rami Puthikanda*

City Address:

*Erie, Pa*

Position to be Filled:

*Security - Business Admin.*

Travel Dates: From

*March 5*

To *March 6, 1985*

Total Travel Reimbursement:

*Travel March Hotel \$89.34*

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By:

*Edward M. Collins, Jr.*

Edward M. Collins, Jr.  
President

Original: Account Payable

Copy: Budget and Control Board

FOUNDED 1770

023691

MAR 21 1985



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: John Linder  
City Address: Apartments, SC.  
Position to be Filled: Faculty - Business Admin.  
Travel Dates: From March 3. To March 4, 1985  
Total Travel Reimbursement: Green Harbor Hotel \$4.34

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By: Edward M. Collins, Jr.  
Edward M. Collins, Jr.  
President

Original: Account Payable  
Copy: Budget and Control Board

FOUNDED 1770

023692



MAR 21 1985



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit:

*Margie Klorer*

City Address:

*Boston Ma.*

Position to be Filled:

*Director Army Institute*

Travel Dates: From

*Feb 8*

To

*Feb. 16, 1985*

Total Travel Reimbursement:

*Falmouth June \$ 516.00*

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By:

*Edward M. Collins, Jr.*

Edward M. Collins, Jr.

President

Original: Account Payable

Copy: Budget and Control Board

023693

FOUNDED 1770

MAR 21 1985



# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

## EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit:

*Don Maurer*

City Address:

*Long Beach Ca.*

Position to be Filled:

*Faculty - Biology Dept.*

Travel Dates: From

*March 2*

To

*March 5, 1985*

Total Travel Reimbursement:

*Maurer Hotel \$157.79*

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By:

*Edward M. Collins, Jr.*

Edward M. Collins, Jr.

President

Original: Account Payable

Copy: Budget and Control Board

FOUNDED 1770

023694

MAR 21 1985



THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

Office of the President

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

Name of Recruit: Robert Gore  
City Address: Aples, Fla  
Position to be Filled: Faculty - Biology Dept.  
Travel Dates: From Feb. 27 To March 1, 1985  
Total Travel Reimbursement: Marion Manor Hotel \$254.49

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town.

Approved By: Edward M. Collins, Jr.  
Edward M. Collins, Jr.  
President

Original: Account Payable  
Copy: Budget and Control Board

FOUNDED 1770

023695

MAR 14 1985

# Lander

COLLEGE

Greenwood, South Carolina 29646

Telephone (803)229-8320

Office of Academic Affairs

DATE: Mar. 4, 1985

TO: Larry A. Jackson, President

FROM: Oscar C. Page

Your approval is requested to invite Leona Martens to campus for an interview for the position of Instructor of Mathe. and to pay his (her) travel expenses. The significance of this position is such that it warrants the costs of an interview. The participation of a number of Lander College persons is vital to this particular interview; therefore, the costs of bringing the candidate to the campus would be far less than would be the expense of conducting the interview at his (her) home area or elsewhere. Qualified candidates residing within South Carolina were considered before candidates from other states were sought.

Travel-----	\$ 480.00	(roundtrip) St. Louis, MO
Food-----	\$ 10.00	
Lodging-----	\$ 18.00	
TOTAL	\$ 508.00	

Initial Approval: L.A.J.  
Larry A. Jackson

Date: 3-11-85

## Actual Costs:

Travel----	\$ 480.00	(roundtrip) St. Louis, MO
Food-----	\$	
Lodging---	\$ 25.68	
TOTAL	\$ 505.68	

APPROVAL RECOMMENDED O.C. Page / JB  
Oscar C. Page

APPROVED L.A.J. / csu  
Larry A. Jackson

Date: 3-7-85

Date: 3-11-85

023696



# Lander

COLLEGE

Greenwood, South Carolina 29646

Telephone (803)229-8320

Office of Academic Affairs

MAR 20 1985

## EXHIBIT

MAR 26 1985

NO. 5

STATE BUDGET & CONTROL BOARD

DATE: February 26, 1985

TO: Larry A. Jackson, President

FROM: Oscar C. Page

Your approval is requested to invite Mr. J. Michael Alford to campus for an interview for the position of Management and to pay his (her) travel expenses. The significance of this position is such that it warrants the costs of an interview. The participation of a number of Lander College persons is vital to this particular interview; therefore, the costs of bringing the candidate to the campus would be far less than would be the expense of conducting the interview at his (her) home area or elsewhere. Qualified candidates residing within South Carolina were considered before candidates from other states were sought.

Travel-----	\$ 36.00
Food-----	\$ 25.00
Lodging-----	\$
TOTAL	\$ 61.00

Initial Approval: Lag  
Larry A. Jackson

Date: 2-27-85

Actual Costs:

Travel----	\$36.00
Food-----	\$ 9.01
Lodging---	\$
TOTAL	\$45.01

APPROVAL RECOMMENDED Oscar C. Page

Date: 3-15-85

APPROVED Lag  
Larry A. Jackson

Date: 3-15-85

023697

State of South Carolina



State Budget and Control Board

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

EXHIBIT

MAR 26 1985 NO. 5

STATE BUDGET & CONTROL BOARD

EDGAR A. VAUGHN, JR., CPA  
STATE AUDITOR

MARGARET C. STILWELL, CPA  
DEPUTY STATE AUDITOR

March 14, 1985

Mr. William McInnis  
State Budget & Control Board  
Columbia, SC 29201

In accordance with the Directives of the Budget and Control Board, please find attached a report of findings, RE: interview for an out of state candidate which we recently interviewed.

If you have any questions please don't hesitate to call.

Yours truly,

A handwritten signature in dark ink, appearing to read "G. N. Dorn, Jr.", written over a horizontal line.

George N. Dorn, Jr.  
Director of Administration

023698

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

STATE BUDGET & CONTROL BOARD

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL  
REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

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

State of South Carolina



EXHIBIT

MAR 26 1985 NO. 5

STATE BUDGET & CONTROL BOARD

State Budget and Control Board

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

EDGAR A. VAUGHN, JR., CPA  
STATE AUDITOR

MARGARET C. STILWELL, CPA  
DEPUTY STATE AUDITOR

March 14, 1985

FINDINGS AND DETERMINATIONS

Interviewer Travel

RE: Kay T. Pohlmann, C.P.A.  
1714 Blue Licks Road  
Lexington, Kentucky 40504

1. The position involved in this interview is that of a Public Accounts Audit Manager. The significance of this position warrants incurring the referenced interview costs.
2. The costs involved do not exceed, what conducting this interview in Ms. Pohlmann's home location would have cost. We estimate \$400-500 to send a qualified individual to Kentucky plus time.
3. This position has been listed and advertised. All qualified candidates showing an interest in this position have been considered; however, none of these demonstrate the talents that Ms. Polhmann would bring to the particular needs of this office and this position.

Respectfully submitted,

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

Edgar A. Vaughn, Jr., C.P.A.  
State Auditor

023699

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

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

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

## TRAVEL SUPPORT DOCUMENT

F-27

DATE 3-8-85

OFFICIAL HEADQUARTERS

TOTAL TO  
0232 per  
J.C. 12-85  
03-12-85

	0504	0501	0502	0503	0505	0506	0507	0233*	TOTAL 1	
1	x . x 205 19516		8000	16464					43980	
2	0514	0504	0511	0512	0513	0515	0516	0517	0233*	TOTAL 2
	x _____									

Kay T. P. H. Moore

437.80



MAR 18 1985

State of South Carolina

# South Carolina Tax Commission

P. O. BOX 125  
COLUMBIA, S. C. 29214

JOHN T. WEEKS  
CHAIRMAN



S. HUNTER HOWARD, JR.  
JOHN M. RUCKER  
JOHN T. WEEKS  
COMMISSIONERS

RECEIVED

MAR 15 1985

BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

March 5, 1985

## MEMORANDUM

TO: E. Gregorie Frampton  
Executive Director

FROM: I. A. Nooe, Director  
IRM Division

A handwritten signature in dark ink, appearing to read "I. A. Nooe", is written over the "FROM:" line.

I request approval to reimburse the expenses incurred, resulting from the interview process, for the Data Management Section (Grade 43). This position is a high enough level, both grade and technical expertise, to justify the broader recruiting area than normally utilized. The cost for bringing the interviewees to Columbia is a breakeven cost as opposed to going to their location. However, the opportunity loss to the Director who would be away from the office is in excess of what is deemed necessary. This request is made in conformance with S. C. disbursement rules.

Thank you for your assistance.

IAN:cm

A handwritten signature in dark ink, appearing to read "E. Gregorie Frampton", is written over the word "Approved".  
Approved Date 3/5/85

cc: Mary H. Kelly  
Budget & Control Board

All qualified applicants from South Carolina have been interviewed.

023701

# EXHIBIT

MAR 26 1985

NO. 6

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF March 26, 1985

STATE BUDGET & CONTROL BOARD

ITEM NUMBER

2

AGENCY: Mental Health

SUBJECT: Notification of Year End Deficit

Commissioner Hall has advised Governor Riley as Chairman of the Board that the Department of Mental Health may incur a year end deficit for 1984-85 of as much as \$2.3 million.

Dr. Hall cites increased admissions to South Carolina State Hospital and to Crafts Farrow as the primary reason for this anticipated deficit. He notes that the two facilities combined have experienced a 31% increase in admissions through January of 1985 as compared with the same period in fiscal year 1983-84.

Dr. Hall advises that the Department has undertaken cost-saving measures internally through the implementation of a restraint on filling vacant positions as well as a freeze on equipment purchases. He indicates that the amount of the deficiency is predicated on the ability of the agency to transfer certain surplus funds within the agency.

Budget Division staff have been working with the Department of Mental Health on this problem. Details of their results will be presented at the meeting.

---

BOARD ACTION REQUESTED:

Officially recognize the necessity for a deficit of up to \$2.3 million by the Department of Mental Health, in accord with Section 128 of the 1984-85 Appropriations Act.

---

ATTACHMENTS:

Hall March 14 letter to Governor Riley

023702

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

For meeting scheduled for:

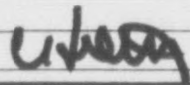
March 26, 1985

Blue Agenda

☒ Regular Session Agenda☐ Executive Session Agenda

## 1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: 

## 2. Subject: Department of Mental Health's Projected Deficit and the Agency's Plan for Dealing with the Problem.

## 3. Summary Background Information:

On March 14, 1985, the Department of Mental Health notified the Budget and Control Board of a potential year-end deficit for FY 1984-85. The Budget Division analysis shows that their deficit could approach 2.5 to 3 million dollars. The agency has implemented various cost saving measures such as equipment purchase freeze and restraint on filling positions. The agency also plans to transfer surplus funds within the agency. The deficit is due to many varied reasons such as increased admissions, efforts to meet the new higher Medicaid and Medicare and program improvements at State Hospitals as they relate to the Justice Department report.

## EXHIBIT

MAR 26 1985

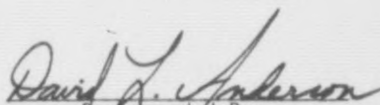
NO. 6

## 4. What is Board asked to do?

STATE BUDGET &amp; CONTROL BOARD

Hear the agency's plan for dealing with the deficit.

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

  
 Recommended By:

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

 (a) Office Name \_\_\_\_\_ Authorized  
 (b) Signature \_\_\_\_\_

## 7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

1. Agency Letter, dtd March 14, 1985

023703

MAR 1 8 1985



## South Carolina Department of Mental Health

An Equal Opportunity Employer

P.O. Box 485 / 2414 Bull Street / Columbia, South Carolina 29202

William S. Hall, M.D. / State Commissioner of Mental Health

Racine D. Brown, Ph.D. / Assistant State Commissioner of Mental Health

### EXHIBIT

MAR 26 1985

NO. 6

March 14, 1985

STATE BUDGET & CONTROL BOARD

RECEIVED

MAR 15 1985

BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

Governor Richard W. Riley  
Chairman, S.C. Budget & Control Board  
The State House  
Columbia, South Carolina 29201

Dear Governor Riley,

In accordance with Section 128 of the FY 1984-85 Appropriations Act, I am writing to officially notify you and the other members of the Budget & Control Board that the S.C. Department of Mental Health may incur a year-end deficit for FY 1984-85 as high as \$2.3 million.

The primary reason for this deficit is increased admissions to S.C. State Hospital and Crafts-Farrow State Hospital. These two facilities combined have experienced a 31% increase in admissions through January, 1985 as compared with the same period in FY 1983-84.

The Department has previously addressed the problems associated with current admission policies and the Governor's Legislative Committee on Mental Health & Mental Retardation is currently studying these issues. It is imperative that changes to the existing statutes be effected in order to avoid future overcrowding and hence understaffing.

As you are aware, the Department instituted an Emergency Stabilization Program in FY 84 designed to reduce the number of emergency admissions by 20%, and this program was successful in obtaining a reduction of admissions during FY 84. However, in spite of the initial impact of this program, admissions to our hospitals have steadily increased.

Also contributing to the deficit are necessary efforts the Department has had to make in order to meet higher certification requirements imposed by DHEC related to Medicaid and Medicare, and program improvements at S.C. State Hospital as they relate to the Justice Department report.

023704



Governor Richard W. Riley  
March 14, 1985  
Page Two (2)

## EXHIBIT

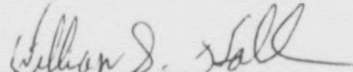
MAR 26 1985 NO. 6

### STATE BUDGET & CONTROL BOARD

In view of the pending deficit, the Department has taken cost saving measures internally through the implementation of a restraint on filling vacant positions as well as a freeze on equipment purchases. The projected amount of deficiency is predicated on our ability to transfer surplus funds within the agency (except for Community Mental Health Centers which are restricted through proviso) including approximately \$500,000 of new funds which were earmarked for Harris Hospital. Due to construction delays and recruitment difficulty, Harris Hospital is not expected to open until after July 1, 1985.

With warm personal regards, I remain

Sincerely,



William S. Hall, M.D.

State Commissioner of Mental Health

WSH:csh

cc: ✓ Members, S.C. Budget & Control Board  
William T. Putnam  
Rep. Pat Harris  
Sarah Shuptrine  
Julie Cox  
David L. Anderson

023705

# EXHIBIT

MAR 26 1985

NO. 7

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 26, 1985

STATE BUDGET & CONTROL BOARD  
ITEM NUMBER

REGULAR SESSION

3

AGENCY: Retirement Systems

SUBJECT: Resolutions Recommended by Actuary

Director Collins reminds the Board that, during the report by Actuary Thomas J. Cavanaugh on February 14, 1985, Mr. Cavanaugh indicated he would forward several resolutions regarding the cost-of-living increases under the South Carolina Retirement System and the Police System.

Three proposed resolutions are presented for adoption by the Board. They cover the following items:

- (a) The contribution to the group life insurance program (0.3%) should be diverted to the South Carolina Retirement Systems special fund for fiscal year 1985-86. Mr. Collins indicates that this would provide sufficient funds to pay the cost-of-living increases through June 30, 1986 and would not jeopardize the group life insurance program.
- (b) Effective with the South Carolina Retirement System evaluation of June 30, 1986, the liability for the cost-of-living increases for all retired members and those eligible to retire would be reflected.
- (c) Effective with the Police Officer Retirement System evaluation of June 30, 1984, the liability for the cost-of-living increases for all retired members and those eligible to retire would be reflected.

Mr. Collins further advises that, upon the approval of these resolutions by the Board, the actuary recommends an amendment to the Retirement Act to abolish the cost-of-living special fund on June 30, 1986. Mr. Collins indicates that this fund will be depleted at that time and will no longer be necessary with the adoption of resolutions one and two above. He advises that the proposed legislation to abolish that special fund will be forwarded to the Joint Legislative Committee on Retirement.

Mr. Collins also points out that the actuary does not anticipate any increase in the contribution rates with the adoption of these recommendations.

BOARD ACTION REQUESTED:

Adopt resolutions diverting the 0.3% employer contribution from the group life insurance program to the cost-of-living special fund for fiscal year 1984-85; under the S. C. Retirement System, reflecting the liability in the June 30, 1986 valuation for cost-of-living increases for retired members and those eligible to retire; and under the Police Retirement System, reflecting the liability in the June 30, 1984 valuation for cost-of-living increases for retired members and those eligible to retire.

ATTACHMENTS:

Collins March 18, 1985 letter plus attachments

023706

MAR 18 1985

## South Carolina Retirement Systems



P. O. BOX 11960 - CAPITOL STATION  
COLUMBIA, S. C. 29211

March 18, 1985

PURVIS W. COLLINS  
DIRECTOR

# EXHIBIT

MAR 26 1985

NO. 7

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis, Deputy Director  
State Budget and Control Board  
618 Wade Hampton Office Building  
Columbia, South Carolina 29201

Dear Bill:

During his report to the Board on February 14, 1985, Mr. Thomas J. Cavanaugh, Systems Actuary, stated he would forward several resolutions relative to the cost-of-living increases under the S. C. Retirement System and the Police System. Three resolutions are enclosed which are briefly explained as follows:

1. The contribution to the Group Life Insurance Program (.3%) should be diverted to the S. C. Retirement System Special Fund for the fiscal year 1985-86. This would provide sufficient funds to pay the cost-of-living increases through June 30, 1986 and would not jeopardize the Group Life Insurance Program.
2. Effective with the S. C. Retirement System evaluation of June 30, 1986, the liability for the cost-of-living increases for all retired members and those eligible to retire would be reflected.
3. Effective with the Police Officer Retirement System evaluation of June 30, 1984, the liability for the cost-of-living increases for all retired members and those eligible to retire would be reflected.

Upon approval of the above resolutions by the Board, the Actuary recommends an amendment to the Retirement Act to abolish the Cost-of-Living Special Fund on June 30, 1986. This fund will be depleted at this time and will no longer be necessary with the adoption of resolutions 1 and 2 above. The proposed legislation to abolish the Special Fund will be forwarded to the Joint Legislative Committee on Retirement.

The Actuary does not anticipate any increase in the contribution rates with the adoption of these recommendations.

I enclose copies of the resolutions and a letter from the Actuary explaining the changes.

With appreciation for your assistance and kindest personal regards, I am

Sincerely yours,

*Purvis*  
Purvis W. Collins

PWC:bb  
Enclosures

023707

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

For meeting scheduled for:

March 26, 1985

Blue Agenda

☒ Regular Session Agenda

Executive Session Agenda

1. Submitted By:

(a) Agency: Retirement System

(b) Authorized Official Signature:

*Pyrris W. Collins*

2. Subject:

Cost-of-Living Recommendations from Actuary

3. Summary Background Information:

The Actuary has forwarded the recommendations referred to in his report to the Board of February 14, 1985. The three resolutions accomplish the following:

1. Diverts the .3% employer contribution from the Group Life Insurance Program to the Cost-of-Living Special Fund for fiscal year 1985-86.
2. Under the S. C. Retirement System reflects the liability in the June 30, 1986 valuation for cost-of-living increases for all retired members and those eligible to retire.
3. Under the Police Retirement System reflects the liability in the June 30, 1984 valuation for cost-of-living increases for all retired members and those eligible to retire.

EXHIBIT

MAR 26 1985

NO. 7

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Adopt three (3) resolutions.

5. What is recommendation of the Board Division involved?

Approval

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

1. Resolutions (3)
2. Cover letter from Actuary

023708



George B. Buck Consulting Actuaries, Inc.  
Two Pennsylvania Plaza, New York, New York 10121  
Telephone 212 1279 4400

# EXHIBIT

MAR 26 1985 NO. 7

February 20, 1985

STATE BUDGET & CONTROL BOARD

BUCK  
CONSULTANTS

Mr. Purvis Collins  
Director  
South Carolina Retirement System  
P.O. Box 11960 - Capitol Station  
Columbia, South Carolina 29211

Dear Mr. Collins:

As discussed with the Budget and Control Board on February 14, we are writing with certain recommendations regarding the funding of cost-of-living adjustments (COLAs) under both SCRS and PORS.

As you know, COLAs are currently financed through the Employer Cost-of-Living Fund under SCRS. Contributions equal to .50% of payroll are made to the Fund and all COLAs granted since June 30, 1981 are paid from the Fund. Although the Fund had a balance of \$11,602,115 as of June 30, 1984, it is projected to be depleted sometime during the 1985 - 1986 fiscal year. For PORS, the liability for 5 COLAs beyond the valuation date is estimated and included in the annual valuation of the System.

Based on the results of the June 30, 1984 valuations of SCRS and PORS, we analyzed the impact of using actuarial reserve funding for COLAs for different groups of System members. Based on that analysis, we would recommend that the full liability for COLAs for all retired members and all active members currently eligible for service retirement be included in System valuation results when the current unfunded accrued liability is liquidated. This would require reflecting this liability in the June 30, 1984 valuation for PORS. We would anticipate inclusion of this liability in the June 30, 1986 valuation for SCRS. Based on the June 30, 1984 results, the increase in liability to reflect this group's future COLAs is \$25,947,018 under PORS and \$527,609,834 under SCRS.

If this recommendation is adopted by the Board, current contribution rates in both Systems for employers and employees would remain unchanged. The liquidation period for the resultant unfunded accrued liability would be 5 years from June 30, 1984 for PORS and an estimated 15 years from June 30, 1986 for SCRS.

Since the Employer Cost-of-Living Fund is projected to be exhausted before June 30, 1986, it is further recommended that the contributions that would normally be made to the Employer Group Life Insurance Fund for Fiscal Year 1985 - 1986 be diverted to the Cost-of-Living Fund. Such a diversion would provide sufficient monies to pay COLAs through June 30, 1986 and would not jeopardize the actuarial soundness of the Group Life Insurance Fund which had a Fund balance of \$28,803,234 as of June 30, 1984 and anticipated life insurance payments of less than \$5,000,000 for fiscal year 1985 - 1986.

# EXHIBIT

MAR 26 1985

NO. 7

STATE BUDGET & CONTROL BOARD

Mr. Purvis Collins  
February 20, 1985  
Page 2

If we can provide any further information regarding this issue or if you would like to discuss our analysis in more detail, please do not hesitate to call us.

Very truly yours,

GEORGE B. BUCK CONSULTING ACTUARIES, INC.

*Thomas J. Cavanaugh*  
Thomas J. Cavanaugh, F.S.A.  
Consulting Actuary

TJC:EAK

023710

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

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



Box 12444  
Columbia  
29211

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

March 27, 1985

EXHIBIT

MAR 26 1985

NO. 7

STATE BUDGET & CONTROL BOARD

Mr. Purvis W. Collins, Director  
South Carolina Retirement Systems  
Blatt Building  
Columbia, SC 29201

Dear Mr. Collins:

This will confirm that the Budget and Control Board, at its meeting on March 26, 1985, adopted the three resolutions recommended by the Systems Actuary which were forwarded to me in your March 18, 1985 letter.

The originals of those resolutions, signed by Governor Riley and me, are enclosed.

Sincerely,

*William A. McInnis*

William A. McInnis  
Deputy Executive Director

WAM:dw  
Enclosures (3)

023711

# EXHIBIT

MAR 26 1985 NO. 7

## STATE BUDGET & CONTROL BOARD

### SOUTH CAROLINA POLICE OFFICERS RETIREMENT SYSTEM

WHEREAS, The State Budget and Control Board has the responsibility under Section 9-11-30 of the laws governing the South Carolina Police Officers Retirement System, for the proper operation of the System, and

WHEREAS, The unfunded accrued liability of the System has been fully liquidated as of June 30, 1984, and

WHEREAS, The Actuary recommends that an appropriate recognition be made in the System's annual valuation for the liabilities incurred by the System on account of past and future cost-of-living increases in retirement allowances, and

WHEREAS, such recognition can be made in accordance with Section 9-11-310 without requiring an increase in the total employer contribution rate to the System,

NOW THEREFORE BE IT

RESOLVED, That, commencing with the June 30, 1984 valuation of the System and annually thereafter, the full actuarial liabilities for all current and future cost-of-living increases in retirement allowances for current retirees and beneficiaries, and all active members eligible for service retirement as of the valuation date, be included in the valuation results.

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023712



The State Budget and Control Board passed on the above resolution on  
March 26, 1985.

STATE BUDGET AND CONTROL BOARD

By Richard W. Riley  
Chairman

ATTEST:

William A. Theunis  
Secretary

EXHIBIT

MAR 26 1985 NO. 7

STATE BUDGET & CONTROL BOARD

023713

# EXHIBIT

MAR 26 1985 NO. 7

## SOUTH CAROLINA RETIREMENT SYSTEM

## STATE BUDGET & CONTROL BOARD

WHEREAS, The State Budget and Control Board has the responsibility under Section 9-1-210 of the laws governing the South Carolina Retirement System, for the proper operation of the System, and

WHEREAS, The assets of the post-retirement increase special fund are projected to be exhausted by June 30, 1986, and

WHEREAS, The assets of the employer group life insurance fund are sufficient to meet projected benefit payments for fiscal year 1985-1986 without the contribution that would normally be made for that year, and

WHEREAS, The projected contribution to the employer group life insurance fund for fiscal year 1985 - 1986 would be sufficient, together with projected assets of the post-retirement increase special fund, to meet the projected cost-of-living increases to be paid during fiscal year 1985-1986 thus assuring payment of those benefits,

NOW THEREFORE BE IT

RESOLVED, That the contribution which would have been made to the employer group life insurance fund for fiscal year 1985-1986 shall be diverted and paid to the post-retirement increase special fund.

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023714

The State Budget and Control Board passed on the above resolution on  
March 26, 1985.

STATE BUDGET AND CONTROL BOARD

By Richard W. Riley  
Chairman

ATTEST:

William A. McFinnis  
Secretary

EXHIBIT

MAR 26 1985 NO. 7

STATE BUDGET & CONTROL BOARD

023715

# EXHIBIT

MAR 26 1995 NO. 7

SOUTH CAROLINA RETIREMENT SYSTEM

STATE BUDGET & CONTROL BOARD

WHEREAS, The State Budget and Control Board has the responsibility under Section 9-1-210 of the laws governing the South Carolina Retirement System, for the proper operation of the System, and

WHEREAS, The unfunded accrued liability of the System is projected to be fully liquidated by June 30, 1986, and

WHEREAS, The Actuary recommends that at such time an appropriate recognition be made in the System's annual valuation for the liabilities incurred by the System on account of past and future cost-of-living increases in retirement allowances, and

WHEREAS, the currently payable cost-of-living increases are being satisfied by the assets of the post-retirement increase special fund,

NOW THEREFORE BE IT

RESOLVED, That, commencing with the June 30, 1986 valuation of the System and annually thereafter, the full actuarial liabilities for all current and future cost-of-living increases in retirement allowances for current retirees and beneficiaries, and all active members eligible for service retirement as of the valuation date, be included in the valuation results, and be it further

023716



RESOLVED, That the assets of the post-retirement increase special fund be transferred to the employer annuity accumulation fund as of June 30, 1986 provided legislation has been passed prior to that date eliminating the post-retirement increase special fund as of June 30, 1986.

The State Budget and Control Board passed on the above resolution on March 26, 1985.

STATE BUDGET AND CONTROL BOARD

By

Richard W. Riley  
Chairman

ATTEST:

William A. McInnis  
Secretary

EXHIBIT

MAR 26 1985 NO. 7

STATE BUDGET & CONTROL BOARD

023717

# EXHIBIT

MAR 26 1985

NO. 8

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 26, 1985

STATE BUDGET & CONTROL BOARD  
REGULAR SESSION  
ITEM NUMBER

4

AGENCY: Family Farm Development Authority

SUBJECT: Agricultural Development Revenue Bonds

The Family Farm Development Authority has forwarded a petition indicating that it has authorized the issuance of \$475,000 Agricultural Development Bonds on behalf of James T. Moore.

The Authority seeks Board approval under Code Section 46-47-140, and requests that the Board allocate a portion of the State Ceiling for these bonds.

BOARD ACTION REQUESTED:

Adopt resolutions approving the South Carolina State Family Farm Development Authority proposals to issue \$475,000 Agricultural Development Bonds on behalf of James T. Moore.

ATTACHMENTS:

McLeod March 19 letters to McInnis and attachments

023718

# EXHIBIT

MAR 26 1985

NO. 8

STATE OF SOUTH CAROLINA )  
COUNTY OF RICHLAND )

STATE BUDGET & CONTROL BOARD  
State Family Farm Development Authority  
(James T. Moore Project)

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

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 a.m., on Tuesday, March 26, 1985, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of: Senator Dennis, who was represented by Senate Finance Committee Vice Chairman James M. Waddell, Jr.

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

FOR MOTION

5

AGAINST MOTION

0

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

March 29, 1985

William A. McInnis

023719

# EXHIBIT

CERTIFICATE OF SECRETARY

MAR 26 1985

NO. 8

OF THE

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD

I, the undersigned, the duly qualified and acting Secretary of the State Budget and Control Board of the State of South Carolina (the "Board"), do hereby certify, that attached hereto is a copy of a resolution adopted by the Board at meeting duly called and held on March 26, 1985, 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 Board and that said copy is a true, complete and correct copy thereof and that said resolution has been duly adopted and has not been modified, amended or repealed and is in full force and effect on and as of the date hereof in the form attached hereto.

In witness whereof, I have hereunto set my hand this 26th day of March, 1985.

*William F. McInnis*

Secretary, State Budget and  
Control Board

023720



# EXHIBIT

MAR 26 1985 NO. 8

## A RESOLUTION

STATE BUDGET & CONTROL BOARD  
OF THE STATE BUDGET AND CONTROL BOARD APPROVING  
THE ISSUANCE BY THE SOUTH CAROLINA STATE FAMILY  
FARM DEVELOPMENT AUTHORITY OF A \$475,000 AGRICUL-  
TURAL DEVELOPMENT BOND (JAMES T. MOORE PROJECT)  
1985.

WHEREAS, it is provided by the South Carolina State Family Farm Development Act, Section 15 of Act No. 179 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1981, now codified as Chapter 47, Title 46 of the Code of Laws of South Carolina, 1976, as amended, (the "Act"), that upon approval by the State Budget and Control Board (the "Board"), the South Carolina State Family Farm Development Authority (the "Authority") may borrow money through the issuance of its negotiable bonds in order to finance its programs; and

WHEREAS, the Authority has established a direct loan program (the "Direct Loan Program") as provided in Section 15 of the Act (now codified as section 46-47-90); and

WHEREAS, the Authority has submitted its petition (the "Petition") to the Board requesting approval by the Board of the issuance by the Authority pursuant to the Act of its \$475,000 Agricultural Development Bond (James T. Moore Project), 1985, (the "Bond"); which Bond has been authorized to be issued pursuant to Resolution No. 85-0003 adopted on March 14, 1985, by the Authority.

WHEREAS, the Bond shall be dated, shall mature, and shall bear interest at such rates payable at such times and shall otherwise contain such terms and conditions as shall be authorized by the Resolution of the Authority and shall be sold to Bankers Trust of South Carolina, in Newberry, South Carolina; and

WHEREAS, the Authority has presented to the Board the Petition which, together with exhibits thereto attached, sets forth certain information with respect to the Direct Loan Program and the Bond.

WHEREAS, the Board has determined, based upon such information, that the funds estimated to thereafter be available for the repayment of the Bond will be sufficient to provide for the payment of the principal and interest on the Bond as they become due;

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD, AS FOLLOWS:

Section 1. It is found and determined that the facts set forth in the preambles to this Resolution and in the Petition are in all respects true and correct.

Section 2. The Petition filed by the Authority contain all matters required by the Act and the rules of the Board to be set forth therein.

Section 3. Approval is hereby granted by the Board to the issuance and sale by the Authority of its \$475,000 Agricultural Development Bond (James T. Moore Project), 1985, in order to make a mortgage loan or secured loan to James T. Moore (the "Farmer") to facilitate the acquisition of agricultural land, agricultural improvements and/or depreciable agricultural property by the Farmer.

The Bond shall be issued and secured as provided in the Resolution of the Authority.

Section 4. This Resolution shall take effect immediately upon its adoption.

## EXHIBIT

MAR 26 1985 NO. 8

STATE BUDGET & CONTROL BOARD

# EXHIBIT

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF RICHLAND )

MAR 26 1985 NO. 8

STATE BUDGET & CONTROL BOARD

TO: THE STATE BUDGET AND )  
CONTROL BOARD OF SOUTH )  
CAROLINA )

PETITION

This Petition of the South Carolina State Family Farm Development Authority (the "Authority") is submitted to the State Budget and Control Board of South Carolina (the "Board") pursuant to the South Carolina State Family Farm Development Authority Act, Section 15 of Act No. 179 of the Acts and Joint Resolutions of the General Assembly of 1981, now codified as Chapter 47 of Title 46 of the Code of Laws of South Carolina, 1976, as amended (the "Act") and respectfully shows:

1. The Act, among other things, provides that following a determination made by the Authority that it is necessary to sell bonds to develop and implement one of the programs authorized by the Act and a finding that the revenues or other moneys estimated to thereafter be available therefor will provide moneys required for the payment of the principal and interest on the bond then proposed to be issued, upon obtaining the approval of the Board pursuant to the Act, the Authority is authorized to issue bonds for such purposes.

2. The Authority has developed its Direct Loan Program for farmers of the beneficiary class.

3. Pursuant to the provisions of Act No. 512 of the Acts and Joint Resolutions for the General Assembly of the State of South Carolina for the year 1984, the State Budget and Control Board and the Joint Bond Review Committee have been assigned certain responsibilities with respect to allocation of the private activity bond ceiling (the "State Ceiling") applicable to the State of South Carolina under Section 103(n) of the Internal Revenue Code of 1954, as amended.

4. By resolution duly adopted by the Authority on March 14, 1985 (certified copy of which is attached hereto as Exhibit A), the Authority has authorized the issuance of its \$300,000 Agricultural Development Bond (James T. Moore Project), 1985 (the "Bond"), being described on Exhibit B attached hereto.

5. The Bond shall be a special obligation of the Authority secured by and payable solely from the moneys, income and receipts of the Authority to be pledged under a Loan Agreement between the Authority and the Farmer.

6. As of the date hereof there are no outstanding bonds of the Authority.

7. The information contained in this Petition provides the Board with all the information required by Section 15 of Act No. 179 (1981 Acts) (now codified as Section 46-47-140 of the 1976 Code of Laws of South Carolina, as amended) to be presented by the Authority in connection with the Bond.

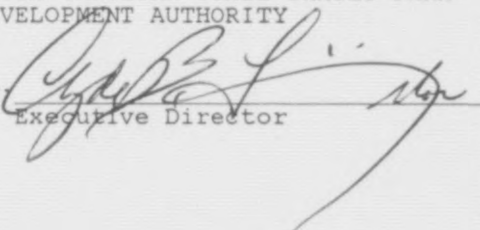
8. The Authority stands ready to produce any further information with respect to the Bond of the Direct Loan Program required by the Board.

WHEREFORE, on the basis of the foregoing the Authority prays approval of the Board of the issuance and sale of the Authority's Bond in the principal amount and on the terms and conditions prescribed in the Resolution No. 85-0003 as described in this Petition and allocate \$300,000 of the State Ceiling for the Bond.

To the best of my knowledge the approval of the James T. Moore Project is not made in consideration of any bribe, gift, gratuity, or direct or indirect contributions to any political campaign.

Respectfully submitted,

SOUTH CAROLINA STATE FAMILY FARM  
DEVELOPMENT AUTHORITY

By   
Executive Director

(SEAL)

March 14, 1985

Copy of Petition also forwarded to Joint Bond Review  
Committee.

EXHIBIT

MAR 26 1985 NO. 8

STATE BUDGET & CONTROL BOARD

023724



EXHIBIT B

<u>Resolution No.</u>	<u>Principal Amount</u>	<u>Name of Borrower</u>	<u>Purpose</u>	<u>Maturity Schedule</u>
85-0003	\$300,000	James T. Moore	Poultry Laying Facilities	120 equal monthly payments at 10%

Method of Sale

Negotiation

Purchaser

Bankers Trust of South Carolina, in  
Newberry, South Carolina

EXHIBIT

MAR 26 1985 NO. 8

STATE BUDGET & CONTROL BOARD

MAR 20 1985

10:00 A.M.  
JH

MCNAIR GLENN KONDUROS CORLEY SINGLETARY PORTER & DIBBLE, P.A.

ATTORNEYS AND COUNSELORS AT LAW

EIGHTEENTH FLOOR

BANKERS TRUST TOWER

POST OFFICE BOX 11390

COLUMBIA, SOUTH CAROLINA 29211

803 799-9800

ROBERT E. MCNAIR  
TERRELL L. GLENN  
JAMES S. KONDUROS  
O. WAYNE CORLEY  
E. MCLEOD SINGLETARY  
CHARLES PORTER  
ROBERT W. DIBBLE, JR.  
RICHARD S. WOODS  
RICHARD L. C. SULLIVAN  
M. JOHN BOWEN, JR.  
DENNIS C. THELEN  
JOHN H. LUMPKIN, JR.  
JOHN W. CURRIE  
SCOTT Y. BARNES  
M. ELIZABETH CRUM  
THEODORE J. HOPKINS, JR.  
DANIEL R. MCLEOD, JR.  
WILLIAM S. ROSE, JR.  
BERNARD J. WUNDER, JR.  
M. CRAIG GARNER, JR.  
BRENTON D. JEFFCOAT  
ROBERT T. BOCKMAN  
PETER L. MURPHY  
C. ALAN RUNYAN  
JOHN W. FOSTER  
ELIZABETH VAN DOREN GRAY  
\*D.C. AND NEW YORK BARS ONLY  
\*D.C. AND OHIO BARS ONLY  
\*D.C. BAR ONLY  
MISSOURI BAR ONLY

WILMOT B. IRVIN  
APRIL C. LUCAS  
ROBERT E. STEPP  
KATHLEEN E. CRUM  
FRANKLIN G. POLK  
JOHN W. HUNTER  
HUEL D. ADAMS, JR.  
JAMES P. FIELDS, JR.  
LAWRENCE P. HIGGINS  
W. STEPHEN CANNON  
BARBARA GEORGE BARTON  
J. SIMON FRASER  
E. RUSSELL JETER, JR.  
DOROTHY M. HELMS  
PAUL B. NIX, JR.  
NANCY PAGE  
SANDRA L. RANDLEMAN  
JANE W. TRINKLEY  
J. LYLES GLENN, IV  
CELESTE TILLER JONES  
JOSEPH D. WALKER  
NANCY R. JEFFERIS  
ALISON RENEE LEE  
MARTHA P. McMILLIN  
GREGORY D. ONLOACH

March 19, 1985

EXHIBIT

MAR 26 1985 NO. 8

STATE BUDGET & CONTROL BOARD

JAMES E. CARR  
JOHN H. LUMPKIN, SR.  
OF COUNSEL

GREENVILLE OFFICE  
SUITE 401  
BANKERS TRUST PLAZA  
7 NORTH LAURENS STREET  
GREENVILLE, S.C. 29601  
803-271-4940

HILTON HEAD ISLAND OFFICE  
BANKERS TRUST BUILDING  
FIFTY-NINE POPE AVENUE  
HILTON HEAD ISLAND, S.C. 29928  
803-785-5169

WASHINGTON OFFICE  
SUITE 710  
MADISON OFFICE BUILDING  
1155 15TH STREET, N.W.  
WASHINGTON, D.C. 20005  
202-658-3900

Mr. William A. McInnis  
Deputy Executive Director  
State Budget and Control Board  
Post Office Box 12444  
Columbia, South Carolina 29211

HAND DELIVERED

RE: South Carolina State Family Farm Development  
Authority (James T. Moore) Agricultural  
Development Revenue Bond, \$475,000  
File No. 5464/00226

Dear Mr. McInnis:

Enclosed are the original and two copies of a petition of the Family Farm Development Authority relating to the above referenced bond. I request that this matter be placed on the agenda for the meeting of the Budget and Control Board to be held on March 26.

Also enclosed are the original and three copies of a resolution of the Board approving the issuance of the bond. Upon adoption of the resolution, I request that the certificate which is attached to the three copies be completed and returned to me. I also request that an extract of the minutes of the meeting be forwarded to me.

Thank you for your cooperation. If there should be any questions please contact me. With kind regards, I am

Yours very truly,

MCNAIR GLENN KONDUROS CORLEY  
SINGLETARY PORTER & DIBBLE, P.A.

*Daniel R. McLeod, Jr.*

By: Daniel R. McLeod, Jr.

cc: Clyde Livingston  
Honorable Horace C. Smith

023726

# EXHIBIT

State of South Carolina

## State Budget and Control Board

MAR 26 1985

NO. 8

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



Box 12444  
Columbia  
29211

STATE BUDGET & CONTROL BOARD  
REMBERT C. DENNIS  
CHAIRMAN, SENATE FINANCE COMMITTEE  
TOM G. MANGUM  
CHAIRMAN, WAYS AND MEANS COMMITTEE  
WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

April 30, 1985

### C E R T I F I C A T E

[Required by Section 103(n)(12)(A) of the Tax Reform Act of 1984  
(which is Part A of the Deficit Reduction Act of 1984)]

Re: \$300,000 State Family Farm Development Authority Corrected  
Agricultural Development Revenue Bonds  
(James T. Moore Project)

This will confirm that an allocation of the State Ceiling established in the Deficit Reduction Act of 1984 has been made by the Budget and Control Board in the amount indicated for the referenced project. This allocation is valid for calendar year 1985 only and shall expire ninety (90) days from March 26, 1985 (the date the allocation was approved by the Board) if the bonds for which the allocation has been approved have not been issued.

This Certificate replaces the one dated March 26, 1985DATE which advised that an allocation of \$475,000 had been made by the Budget and Control Board for this project. The effect of this certificate is to reduce the \$475,000 allocation to \$300,000.

Section 19-103.08 of the Board's regulations on the allocation of the State Ceiling on private activity bonds requires the entity receiving an allocation to advise the Board's Secretary of the status of the issuance within 60 days and again within 75 days of the Board's approval date if the Internal Revenue Service Form 8038 has not been filed previously on this project.

I certify that, to the best of my knowledge, this allocation was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

Grady L. Patterson, Jr.

Attest:

William A. McInnis, Secretary

023727

State of South Carolina  
State Budget and Control Board

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



Box 12444  
Columbia  
29211

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

March 26, 1985

EXHIBIT

MAR 26 1985 NO. - 8

C E R T I F I C A T E

STATE BUDGET & CONTROL BOARD

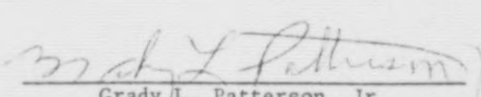
[Required by Section 103(n)(12)(A) of the Tax Reform Act of 1984  
(which is Part A of the Deficit Reduction Act of 1984)]

Re: \$475,000 State Family Farm Development Authority  
Agricultural Development Revenue Bonds  
(James T. Moore Project)

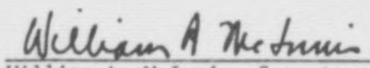
This will confirm that an allocation of the State Ceiling established in the Deficit Reduction Act of 1984 has been made by the Budget and Control Board in the amount indicated for the referenced project. This allocation is valid for calendar year 1985 only and shall expire ninety (90) days from March 26, 1985 (the date the allocation was approved by the Board) if the bonds for which the allocation has been approved have not been issued.

Section 8(c) of the Board's regulations on the allocation of the State Ceiling on private activity bonds requires the entity receiving an allocation to advise the Board's Secretary of the status of the issuance within 60 days and again within 75 days of the Board's approval date if the Internal Revenue Service Form 8038 has not been filed previously on this project.

I certify that, to the best of my knowledge, this allocation was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

  
Grady L. Patterson, Jr.

Attest:

  
William A. McInnis, Secretary

023728



MAY 13 1985

# EXHIBIT

McNAIR GLENN KONDUROS CORLEY SINGLETARY PORTER & DIBBLE, P.A. NO. 8

ATTORNEYS AND COUNSELORS AT LAW

EIGHTEENTH FLOOR

BANKERS TRUST TOWER

POST OFFICE BOX 11390

COLUMBIA, SOUTH CAROLINA 29211

803-799-9800

STATE BUDGET & CONTROL BOARD

ROBERT L. McNAIR  
TERRELL L. GLENN  
JAMES S. KONDUROS  
D. WAYNE CORLEY  
E. McLEOD SINGLETARY  
CHARLES PORTER  
ROBERT W. DIBBLE, JR.  
RICHARD S. WOODS  
RICHARD L. C. SULLIVAN  
M. JOHN BOWEN, JR.  
DENNIS C. THELEN  
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M. ELIZABETH CRUM  
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JOSEPH D. WALKER  
NANCY R. JEFFERS  
ALISON RENEE LEE  
MARTHA P. McMILLIN  
GREGORY D. McLOACH

May 6, 1985

JAMES E. CARR  
JOHN H. LUMPKIN, SR.  
OF COUNSEL  
GREENVILLE OFFICE  
SUITE 401  
BANKERS TRUST PLAZA  
7 NORTH LAURENS STREET  
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1155 15TH STREET, N.W.  
WASHINGTON, D.C. 20005  
202-659-3900

Mr. William A. McInnis  
Deputy Executive Director  
South Carolina State Budget  
and Control Board  
Post Office Box 12444  
Columbia, South Carolina 29211

RE: South Carolina State Family Farm Development  
Authority, Agricultural Development Revenue  
Bond (James T. Moore Project), 1985, \$300,000  
File No. 5464/226

Dear Mr. McInnis:

This letter is submitted to advise you that the  
above referenced bond of the South Carolina State Family Farm  
Development Authority was issued on May 3, 1985. The principal  
amount of the bond is \$300,000. I appreciate your cooperation  
and assistance on this issue. With kind regards, I am

Yours very truly,

McNAIR GLENN KONDUROS CORLEY  
SINGLETARY PORTER & DIBBLE, P.A.

*Daniel R. McLeod, Jr.*

By: Daniel R. McLeod, Jr.

DRM/sa

cc: Mr. Clyde B. Livingston

023729

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

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



Box 12444  
Columbia  
29211

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

April 30, 1985

**EXHIBIT**

MAR 26 1985 NO. 8

STATE BUDGET & CONTROL BOARD

Family Farm Development Authority  
c/o Daniel R. McLeod, Jr.  
McNair Law Office  
Box 11390  
Columbia, SC 29211

Dear Mr. McLeod:

Re: Issue of \$300,000 State Family Farm Development Authority  
Agricultural Development Revenue Bonds  
(James T. Moore Project)

This will confirm that the referenced issue when issued and combined with the total amount of private activity bonds and notes certified to me previously by South Carolina issuing authorities as having been issued or which are to be issued in 1985 will not exceed the 1985 State Ceiling for South Carolina.

For your information, our records as of this date indicate the following:

<b>Certified State Ceiling:</b>	<b>\$495,000,000</b>
<b>A. State Agency and Exempt Facilities Pool Amount</b>	<b>198,000,000</b>
1. Allocations Approved Through 04/23/85	1,125,000
2. Balance of Pool Available	196,875,000
3. Certified for Issue 4/30/85 (including referenced issue)	300,000
<b>B. Local Pool Amount</b>	<b>297,000,000</b>
1. Allocations Approved Through 04/23/85	73,420,000
2. Balance of Pool Available	223,580,000
3. Certified for Issue	26,580,000

Sincerely,

*William A. McInnis*  
William A. McInnis  
Secretary

WAM:dw

**023730**

## EXHIBIT

State of South Carolina

## State Budget and Control Board

MAR 26 1985

NO. 8

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



Box 12444  
Columbia  
29211

## STATE BUDGET &amp; CONTROL BOARD

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

April 30, 1985

## C E R T I F I C A T E

[Required by Section 103(n)(12)(A) of the Tax Reform Act of 1984  
(which is Part A of the Deficit Reduction Act of 1984)]


Re: \$300,000 State Family Farm Development Authority  
Agricultural Development Revenue bonds  
(James T. Moore Project)

This will confirm that an allocation of the State Ceiling established in the Deficit Reduction Act of 1984 has been made by the Budget and Control Board in the amount indicated for the referenced project. This allocation is valid for calendar year 1983 only and shall expire ninety (90) days from March 26, 1986 (the date the allocation was approved by the Board) if the bonds for which the allocation has been approved have not been issued.

This Certificate replaces the one dated March 26, 1985 which advised that an allocation of \$475,000 had been made by the Budget and Control Board for this project. The effect of this certificate is to reduce the \$475,000 allocation to \$300,000.

Section 8(c) of the Board's regulations on the allocation of the State Ceiling on private activity bonds requires the entity receiving an allocation to advise the Board's Secretary of the status of the issuance within 60 days and again within 75 days of the Board's approval date if the Internal Revenue Service Form 8038 has not been filed previously on this project.

I certify that, to the best of my knowledge, this allocation was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

  
Grady L. Patterson, Jr.

Attest:

  
William A. McInnis, Secretary

023731

APR 29 1985  
2:05 p.m. *LL*

McNAIR GLENN KONDUROS CORLEY SINGLETARY PORTER & DIBBLE, P.A.

ATTORNEYS AND COUNSELORS AT LAW

EIGHTEENTH FLOOR

BANKERS TRUST TOWER

POST OFFICE BOX 11390

COLUMBIA, SOUTH CAROLINA 29211

803-799-9600

EXHIBIT

MAR 26 1985

NO. 8

JAMES E. CARR  
JOHN H. LUMPKIN, SR.  
OF COUNSEL

STATE BUDGET & CONTROL BOARD

ENVIFFICE OFFICE

SUITE 401

BANKERS TRUST PLAZA  
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GREENVILLE, S.C. 29601  
803-271-4940

HILTON HEAD ISLAND OFFICE  
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ALISON RENEE LEE  
MARTHA P. McMILLIN  
GREGORY D. McLOACH

April 26, 1985

Mr. William A. McInnis  
Deputy Executive Director  
State Budget and Control Board  
Post Office Box 12444  
Columbia, South Carolina 29211

HAND DELIVERED

RE: South Carolina State Family Farm Development  
Authority, Agricultural Development Revenue  
Bond (James T. Moore Project), 1985, \$300,000  
File No. 5464/226

Dear Mr. McInnis:

Enclosed is a copy of Internal Revenue Service Form 8038 which has been executed by Clyde Livingston, Executive Director, of the Family Farm Development Authority relating to the above referenced bond of the Authority. The closing on this issue is scheduled for May 3. I request that you provide to me an allocation certificate relating to the State Ceiling for this bond issue. Please contact my office when the certificate is available; we will arrange for it to be picked up. Please note that the principal amount of the bond issue is \$300,000. The resolution of the Budget and Control Board approved an issue of \$475,000.

Thank you for your cooperation. With kind regards,  
I am

Yours very truly,

McNAIR GLENN KONDUROS CORLEY  
SINGLETARY PORTER & DIBBLE, P.A.

*Daniel R. McLeod, Jr.*

By: Daniel R. McLeod, Jr.

Enclosure  
cc: Mr. Clyde B. Livingston

023732





**Part V** Description of Property Financed by Non-refunding Proceeds  
(Do not complete for student loan bonds or mortgage bonds)

<b>22</b> Type of Property Financed (or portion thereof financed by non-refunding proceeds)					
a	3-yr. ACRS property				
b	5-yr. ACRS property				
c	10-yr. ACRS property				
d	15-yr. ACRS property				296,500
e	18-yr. ACRS property				
f	Cost of land				
g	Cost of other property (see instructions)				
<b>23</b> Other use of non-refunding proceeds (subtract lines 22a-g from Part IV, line 21) (see instructions)					
<b>24</b> Standard industrial classification (SIC) of non-refunding proceeds for the financed project					
	SIC Code	Amount of non-refunding proceeds \$		SIC Code	Non-refunding proceeds \$
a	0400	\$296,500	d		
b			e		
c			f		Not less than
<b>25</b> Average weighted economic life of the project (complete only for IDBs) See Schedule A					10 years

**Part VI** Description of Initial Principal Users  
(Do not complete for student loan bonds or mortgage bonds)

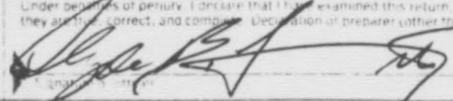
<b>26</b> Initial Principal Users:			
(A) User	(B) Name	(C) Address	(D) Employer identification number
(i)	James T. Moore	Route 4, Box 256 Newberry, South Carolina 29108	249-12-3251
(ii)			
(iii)			
(iv)			
(v)			
<b>27</b> Common parents (if any) of initial principal users listed above			
(A) User (from above)	(B) Name	(C) Address	(D) Employer identification number
None			

**Part VII** Approval of Issue (Complete only for IDBs)

<b>28</b> Name of Governmental units approving issue	South Carolina State Family Farm Development Authority; South Carolina State Budget and Control Board - See Schedule B
<b>29</b> Names and positions of applicable elected representatives or date of referendum approving issue	See Schedule C

**Part VIII** Volume Limitations for Qualified Mortgage or Veterans' Bonds

<b>1</b> Issuer's volume limitation	
<b>2</b> Amount of volume limitation surrendered to other issues (e.g., under section 103A(g)(3)(B) or 25(c)(2)(A)(ii))	
<b>3</b> Amount of bonds previously issued	
<b>4</b> Unused volume limitation (subtract lines 2 and 3 from line 1)	

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than agent) based on all information of which preparer has any knowledge.		
	 April 1985 Executive Director		
Paid Preparer's Use Only	Preparer's signature	See Schedule B, Daniel R. McNair, Jr.	Preparer's social security no.
	Firm's name (or yours, if self-employed) and address	McNair Glenn Konduros Corley Singletary Porter & Dibble, P.A.	250-80-5675
		Check if self-employed <input type="checkbox"/>	E.I. No.
			57-0703244
		ZIP code	29211

U.S. Government Printing Office: 1985-461-495/10055

P.O. Box 11390  
Columbia, SC

023734

\_\_\_\_\_, 1985

# EXHIBIT

South Carolina State Family Farm  
Development Authority  
915 South Main Street  
Columbia, South Carolina 29201

MAR 26 1985 NO. 8

STATE BUDGET & CONTROL BOARD

McNair Glenn Konduros Corley  
Singletary Porter & Dibble, P.A.  
Post Office Box 11390  
Columbia, South Carolina 29211

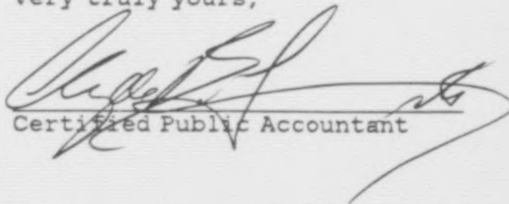
Re: South Carolina State Family Farm Development  
Authority, Agricultural Development Revenue  
Bonds (James T. Moore Project), 1985,  
\$300,000

This letter is being given to you with regard to the \$300,000 South Carolina State Family Farm Development Authority, Agricultural Development Bond (James T. Moore Project), 1985 (the "Bond"). I have reviewed the description of the property to be financed with the proceeds of the Bond provided me by James T. Moore which is set forth as Exhibit A hereto, and based upon that description I have made the following determination:

The average maturity of the Bond does not exceed 120% of the average reasonably expected economic life of the buildings, machinery, equipment, apparatus, office furnishings and any other items to be financed in whole or in part with the proceeds of the Bond as shown on Exhibit A attached hereto.

The economic useful life of each item has been derived in accordance with administrative guidelines established for the useful lives used for depreciation prior to the ACRS System.

Very truly yours,

  
Certified Public Accountant

023735

DESCRIPTION OF PROJECT:

Constructing and equipping a poultry confinement facility to house approximately 100,000 laying hens to be located in Newberry County and to be owned and operated by James T. Moore.



EXHIBIT

MAR 26 1985 NO. 8

STATE BUDGET & CONTROL BOARD

023736



Schedule B

SOUTH CAROLINA STATE FAMILY FARM DEVELOPMENT AUTHORITY

Joe W. King, Chairman  
Steven P. Nivens  
John E. Brown  
Roy L. Graham, Jr.  
Melvin L. Crum  
Stanley E. Waskiewicz  
James Foody

SOUTH CAROLINA STATE BUDGET AND CONTROL BOARD

Governor Richard W. Riley, Chairman  
Grady L. Patterson, Jr., State Treasurer  
Earle E. Morris, Jr., Comptroller General  
James M. Waddell, Jr., Vice-Chairman, Senate Finance Committee  
Tom G. Mangum, Chairman, Ways and Means Committee

023737

Schedule C

The Honorable Richard W. Riley  
Governor, State of South Carolina  
Box 11450  
Columbia, South Carolina 29211

023738

Schedule D

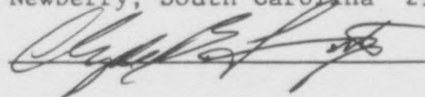
Prepared by:

McNair Glenn Konduros Corley  
Singletary Porter & Dibble, P.A.  
Post Office Box 11390  
Columbia, South Carolina 29211

With assistance from:

South Carolina State Family Farm  
Development Authority  
915 South Main Street  
Columbia, South Carolina 29201

James T. Moore  
Route 4, Box 256  
Newberry, South Carolina 29108

 , CPA

EXHIBIT

MAR 26 1985 NO. 8

STATE BUDGET & CONTROL BOARD

023739

# EXHIBIT

MAR 26 1985

NO. 9

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 26, 1985

REGULAR SESSION

ITEM NUMBER

5

AGENCY: Executive Director

SUBJECT: Proposals to Issue Revenue Bonds; Ceiling Allocation Requests

The requires reviews have not yet been completed on the local government proposals to issue revenue bonds (items a, c, d and e; item b requires an allocation only). Staff will advise the Board on the results of these reviews at the meeting.

All items require an allocation of a portion of the State Ceiling.

- (a) Richland County, \$1,000,000 Industrial Revenue Bonds on behalf of the Standard Corporation project, to provide employment for 10-20 persons at a warehouse facility (requires state law approval and allocation);
- (b) Spartanburg County, \$1,255,000 Industrial Revenue Note on behalf of the Tailored Baby East, Inc., project, to provide employment for 50 persons initially and approximately 200 when the plant is in operation at a facility to manufacture accessories for babies including car seat covers, bedding products and specialty clothing (requires allocation only);
- (c) Greenville County, \$700,000 Industrial Revenue Bond on behalf of the William H. Richardson, Jr., project, to provide employment for 8 persons at a facility for manufacturing and distributing textile machinery (requires state law approval and allocation).
- (d) Laurens County, \$9,000,000 Industrial Revenue Bonds on behalf of the J. J. Newberry Company project, to provide employment for 300 persons at a clothing distribution center (requires state law approval and allocation);
- (e) Lexington County, \$525,000 Industrial Revenue Note on behalf of the United Investments, Ltd., project, to provide employment for 20 to 30 persons at an existing tool and die and metal stamping industrial facility (requires state law approval and allocation).

The March 12 status report on the State Ceiling is attached. It shows the following:

	<u>Allocated</u>	<u>Balance</u>
State Pool	200,000	197,800,000
Local Pool	54,355,000	242,645,000
Total	54,555,000	440,445,000

BOARD ACTION REQUESTED:

Approve local government proposals to issue revenue bonds (items a, c, d and e), and allocate a portion of the state ceiling to all items.

023740



STATE CEILING AMOUNT AVAILABLE FOR ALLOCATION

Certified State Ceiling (01/08/85):	\$495,000,000
A. State Agency and Exempt Facilities Pool (40%)	<u>198,000,000</u>
State Agency & Exempt Facilities Pool (40%) at 01/08/85	<u>198,000,000</u>
B. Local Pool (60%)	<u>297,000,000</u>
Local Pool (60%) at 01/08/85	<u>297,000,000</u>

EXHIBIT

MAR 26 1985 NO. 9

STATE BUDGET & CONTROL BOARD

023741

1985 STATE CEILING AMOUNT AVAILABLE FOR ALLOCATION  
As of February 14, 1985 Budget and Control Board Meeting

Date of B&C Board Allocation	Governmental Unit	Name of Project	Pool Total	Amount of Pool Allocated	Balance of Pool Available	Amount Certified for Issue
01/08/85	STATE AGENCY AND EXEMPT FACILITIES POOL		\$198,000,000			
02/14/85	Family Farm Develop.	Plantation Sea Farms, Inc.		-200,000		
	Total Allocated Through 03/12/85			-200,000		0
	Total, State Agency and Exempt Facilities Pool		\$198,000,000	-200,000	\$197,800,000	0

Date of B&C Board Allocation	Governmental Unit	Name of Project	Pool Total	Amount of Pool Allocated	Balance of Pool Available	Amount Certified for Issue
01/08/85	LOCAL POOL		\$297,000,000			
01/08/85	Sumter County	Associated Textile Converters		-650,000		650,000
01/08/85	Bamberg, City of	Carl L. Kilgus		-550,000		550,000
01/11/85	York County	INA Bearing Company		-10,000,000		
01/11/85	Columbia, City of	Heritage Associates		-15,000,000		
01/22/85	Sumter County	Southern Coatings, Inc.		-1,400,000		1,400,000
01/22/85	Newberry County	Thomas & Howard of Newberry, SC		-1,600,000		
01/22/85	Charleston, City of	Sea Coast Partnership		-335,000		
01/22/85	Aiken County	Builders Transport, Inc.		-1,700,000		1,700,000
01/22/85	Kershaw County	McLaughlin Gormley King Co.		-2,000,000		
02/14/85	Anderson County	Piedmont-Anderson-Warehouse		-1,000,000		
02/14/85	Pickens County	Hasbro Bradley, Inc.		-1,300,000		1,300,000
02/14/85	Richland County	Robert M. Pachak and Grey Pachak		-500,000		
02/14/85	Berkeley County	The Ceva Partnership		-540,000		
02/14/85	Charleston County	Charles Towne Internatl. Sales		-580,000		
02/28/85	Pickens County	Imperial Die Casting		-600,000		600,000
02/28/85	Anderson County	Nordson		-1,000,000		650,000
03/12/85	York County	International Aluminum Corporation		-5,000,000		
03/12/85	Greenville County	Cole		-3,600,000		
03/12/85	Richland County	Wheel Trueing Tool Company		-3,000,000		
03/12/85	Lexington County	Wellington Synthetic		-1,500,000		
03/12/85	Oconee County	Nacan		-500,000		
03/12/85	Anderson County	Craft Bonded Warehouse		-1,000,000		
03/12/85	Clarendon County	Aircap Realty Associates		-1,000,000		
	Total Allocated Through 03/12/85			-54,355,000		6,850,000
	Total, Local Pool		\$297,000,000	-54,355,000	\$242,645,000	6,850,000

EXHIBIT  
MAR 26 1985  
NO. 9  
STATE BUDGET & CONTROL BOARD

023742

<u>Date of B&amp;C Board Allocation</u>	<u>Governmental Unit</u>	<u>Name of Project</u>	<u>Pool Total</u>	<u>Amount of Pool Allocated</u>	<u>Balance of Pool Available</u>	<u>Amount Certified for Issue</u>
	Total, State Agency and Exempt Facilities Pool		\$198,000,000	-200,000	\$197,800,000	0
	Total, Local Pool		297,000,000	-54,355,000	242,645,000	6,850,000
	GRAND TOTAL		\$495,000,000	-54,555,000	\$440,445,000	6,850,000

# EXHIBIT

MAR 26 1985

NO. 9

STATE BUDGET & CONTROL BOARD

Page 3

03/15/85  
OED/dw

023743

**REGISTER OF REVENUE BONDS APPROVED BY BUDGET AND CONTROL BOARD  
CALENDAR YEAR 1985**

DATE BCB APPROVED	LOCAL GOVERNMENT	TYPE OF BOND	PROJECT NAME	AMOUNT APPROVED				FEE PAID	IRS 8038	
				STATE LAW THIS MEETING	R CUMULATIVE	CEILING ALLOCATION THIS MEETING	CUMULATIVE		ISSUE DATE	ISSUE AMOUNT
01/08/85	Sumter County	Ind. Assoc. Textile Converters		0		650,000		0	02/19/85	650,000
01/08/85	Bamberg, City of	Ind. Carl L. Kilgus		0		550,000		0	01/31/85	550,000
Total, January 8, 1985, BCB Meeting				0	0	1,200,000	1,200,000	0		1,200,000
01/11/85	York County	Ind. INA Bearing Company		0		10,000,000		0		
01/11/85	Columbia, City	Ind. Heritage Associates		0		15,000,000		0		
Total, January 11, 1985, BCB Meeting				0	0	25,000,000	25,000,000	0		0
Cumulative Approvals/Allocations Through 1/11/85							26,200,000			
01/22/85	Sumter County	Ind. Southern Coatings, Inc.		1,400,000		1,400,000		3,000	03/01/85	1,400,000
01/22/85	Newberry County	Ind. Thomas & Howard/Nberry		0		1,600,000		0		
01/22/85	Charleston, City	Ind. Sea Coast Partnership		335,000		335,000		2,000		
01/22/85	Aiken County	Ind. Builders Transport		0		1,700,000		0	01/22/85	1,700,000
01/22/85	Lexington County	Hos. Presbyterian Home of SC		3,000,000		0		3,000		
01/22/85	Kershaw County	Ind. McLaughlin Gormley King		0		2,000,000		0		
Total, January 22, 1985, BCB Meeting				4,735,000	4,735,000	7,035,000	7,035,000	8,000		3,100,000
Cumulative Approvals/Allocations Through 1/22/85					4,735,000		33,235,000			
02/14/85	Anderson County	Ind. Piedmont-Anderson-Whse.		0		1,000,000		0		
02/14/85	Pickens County	Ind. Hasbro Bradley, Inc.		1,300,000		1,300,000		3,000	03/06/85	1,300,000
02/14/85	Richland County	Ind. Robert M/Grey Pachak		500,000		500,000		2,000		
02/14/85	Orangeburg County	Hos. Methodist Home		1,200,000		0		3,000		
02/14/85	Berkeley County	Ind. Ceva Partnership		540,000		540,000		2,000		
02/14/85	Charleston County	Ind. Charles Towne Internatl.		580,000		580,000		2,000		
02/14/85	Newberry County	Ind. Thomas & Howard		1,600,000		0		3,000		
02/14/85	Family Farm Dev.	ooo Plantation Sea Farms		0		200,000		0		
Total, February 14, 1985, BCB Meeting				5,720,000	5,720,000	4,120,000	4,120,000	15,000		1,300,000
Cumulative Approvals/Allocations Through 02/14/85					10,455,000		37,355,000			

**EXHIBIT**

MAR 26 1985 NO. 9

STATE BUDGET & CONTROL BOARD

R=Refunding  
03/15/85

023744



DATE BCB APPROVED	LOCAL GOVERNMENT	TYPE OF BOND	PROJECT NAME	AMOUNT APPROVED				FEE PAID	IRS 8038	
				STATE LAW		CEILING ALLOCATION			ISSUE DATE	ISSUE AMOUNT
				THIS MEETING	R CUMULATIVE	THIS MEETING	CUMULATIVE			
02/28/85	Pickens County	Ind. Imperial Die Casting		600,000		600,000		2,000	03/07/85	600,000
02/28/85	Anderson County	Ind. Nordson		1,000,000		1,000,000		2,000		650,000
02/28/85	Spartanburg County	Hos. Skylyn Hall		16,000,000		0		3,000		
Total, February 28, 1985, BCB Meeting				17,600,000	17,600,000	1,600,000	1,600,000	7,000		1,250,000
Cumulative Approvals/Allocations Through 02/28/85					28,055,000		38,955,000			
03/12/85	York County	Ind. Internatl Aluminum Corp		5,000,000		5,000,000		3,000		
03/12/85	Greenville County	Ind. Cole		3,600,000		3,600,000		3,000		
03/12/85	Richland County	Ind. Wheel Trueing Tool Co.		3,000,000		3,000,000		3,000		
03/12/85	Lexington County	Ind. Wellington Synthetic		0		1,500,000		0		
03/12/85	Oconee County	Ind. Nacan		500,000		500,000		2,000		
03/12/85	Anderson County	Ind. Craft Bonded Warehouse		1,000,000		1,000,000		2,000		
03/12/85	Clarendon County	Ind. Aircap Realty Assoc.		0		1,000,000		0		
Total, March 12, 1985, BCB Meeting				13,100,000	13,100,000	15,600,000	15,600,000	13,000		0
Cumulative Approvals/Allocations Through 03/12/85					41,155,000		54,555,000			
TOTAL, CALENDAR YEAR THROUGH MARCH 12, 1985				41,155,000	41,155,000	54,555,000	54,555,000	43,000		6,850,000

EXHIBIT  
MAR 26 1985 NO. 9  
STATE BUDGET & CONTROL BOARD

023745

R=Refunding  
03/15/85

The State of South Carolina

EXHIBIT



MAR 26 1985 NO. 9

STATE BUDGET & CONTROL BOARD

Office of the Attorney General

T. TRAVIS MEDLOCK  
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING  
POST OFFICE BOX 11549  
COLUMBIA, S.C. 29211  
TELEPHONE 803-758-2072

March 14, 1985

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

Re: \$1,000,000 Richland County, South  
Carolina, Industrial Revenue Bonds,  
(Standard Corporation Project)

Dear Mr. McInnis:

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

Sincerely yours,

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

David C. Eckstrom  
Assistant Attorney General

DCE/cs

Enclosures

023746

# EXHIBIT

MAR 26 1985 NO. 9

STATE OF SOUTH CAROLINA  
STATE BUDGET AND CONTROL BOARD  
Standard Form Investment Letter

STATE BUDGET & CONTROL BOARD

TO: Secretary, State Budget and Control Board  
P. O. Box 12444  
Columbia, SC 29211

RE: Sale by Richland County, South Carolina (the "Issuer")  
Of its \$1,000,000 Industrial Revenue Bonds (the "Bonds")  
On behalf of Standard Corporation (the "Company")  
Series 1985 (the "Project")  
To C & S National Bank of South Carolina (the "Purchaser")

DATE: 3-12-85

In connection with the referenced sale of Bonds by the Issuer, the Purchaser makes the following representations and certifications:

1. The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Bonds;
2. The Purchaser is financially able to bear the economic risk of its proposed investment in the Bonds for an indefinite period;
3. The Purchaser is familiar with the business affairs of the Company and has obtained and examined all financial and other information with respect to the Bonds, the Company and the officers and shareholders of the Company which it deems necessary in order to enable it to evaluate the merits and risks of its investment in the Bonds and to make an informed investment judgment in connection with the purchase of the Bonds;
4. The Purchaser has had the opportunity to ask questions of, and receive answers from, the Issuer and the Company concerning the terms and conditions of the offering and any other information which it has deemed relevant to the Bonds and its investment in the Bonds; and
5. The Bonds are being purchased for the account of the Purchaser and for the purpose of investment and not presently for resale, and the Purchaser has no present intention of offering the Bonds or any portion thereof for resale either currently or after the passage of a fixed period of time, or upon the occurrence or nonoccurrence of any predetermined event or circumstances.

SWORN to and subscribed  
before me this 11 day  
of March, 1985  
Paul Shrest  
Notary Public

My Commission expires  
2-21-94

PURCHASER: **023747**  
Name: C&S National Bank of S.C.  
Address: Post Office Box 22779  
Columbia, S.C. 29222

BY: Culver P. Choate  
Signature of Authorized Official  
Culver P. Choate, Vice President

# EXHIBIT

MAR 26 1985

NO. 9

STATE OF SOUTH CAROLINA )

Standard Corporation

COUNTY OF RICHLAND )

STATE BUDGET & CONTROL BOARD

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

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 A. M., on Tuesday, March 26, 1985, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of: Senator Dennis, who was represented by Senate Finance Committee Vice Chairman James M. Waddell, Jr.

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

FOR MOTION

5

AGAINST MOTION

0

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

That any and all conditions attached to the referenced Board action except that relating to the submission of IRS Form 8038 have been satisfied as of the date of this certificate.

March 28, 1985

William A. McInnis

023748



EXHIBIT

MAR 26 1985 NO. 9

STATE BUDGET & CONTROL BOARD

A RESOLUTION APPROVING THE ISSUANCE BY RICHLAND COUNTY, SOUTH CAROLINA, OF NOT EXCEEDING \$1,000,000 PRINCIPAL AMOUNT INDUSTRIAL DEVELOPMENT REVENUE BONDS (STANDARD CORPORATION PROJECT) SERIES 1985, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED.

WHEREAS, the County Council of Richland County, South Carolina (the "County Council") has heretofore, by submitting a petition (the "Petition"), under and pursuant to the provisions of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended, (the "Act") requested the approval by the State Budget and Control Board of the issuance by Richland County, South Carolina (the "County") pursuant to the Act of its industrial development revenue Bonds in the aggregate principal amount of not exceeding \$1,000,000; and

WHEREAS, the County proposes to issue the Bonds for the purpose of defraying the cost of acquiring, by construction and purchase, certain land and a building or buildings and other improvements thereon, and certain machinery, apparatus, equipment, office facilities and furnishings to be used as a warehouse facility (the "Project"); and

WHEREAS, the Project is to be made available to Standard Corporation (the "Company") upon terms which require the Company to make payments to or for the account of the County in amounts sufficient to pay the principal, premium, if any, and interest on the Bonds and which secure the obligation of the Company by a mortgage and security interest in the Project; and

WHEREAS, the County has submitted with the Petition (i) drafts of the documents to be entered into by the County in connection with the issuance of the Bonds, for review by the State Budget and Control Board, (ii) an Inducement Agreement by and between the County and the Company executed by the County on February 5, 1985, and (iii) a copy of a resolution and petition adopted by the County on February 19, 1985, and this Board has reviewed and considered each of said documents in its consideration of said Petition by the County;

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

Section 1. The Board has made an independent investigation of the matters set forth in the Petition, and

on the basis of such investigation it is hereby found, determined and declared:

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 4-29-140 of the Act; and

(c) The Project subject to the Petition of the Governing Board is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

Section 2. In consequence of the foregoing, the proposal of the County to defray the cost of acquiring the Project, to make the Project available to the Partnership, to finance the cost thereof and expenses incidental thereto by the issuance and sale of the Bonds, in substantially the form set forth in the Loan Agreement, 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 County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the County Council and the Company, and do not make inaccurate, except as to dates and amounts, the summaries of the Loan Agreement and the description of the Project.

Section 3. Notice of the action taken by this Board in approving the above-described undertaking of the County shall be published in The State, which is a newspaper having general circulation in Richland County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. Approval of this undertaking is granted on the condition that a copy of Internal Revenue Service Form 8038 relating to any bonds issued pursuant to this approval be filed with the Board's Secretary at the same time such Form is submitted to the Internal Revenue Service.

EXHIBIT

MAR 26 1985 NO. 9

STATE BUDGET & CONTROL BOARD

023750

Section 6. The Board hereby allocates up to \$1,000,000 of the volume limitation set forth in Section 103 (n) of the Internal Revenue Code and certifies that allocation for the Project under the volume limitation was not made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Section 7. This Resolution shall take effect immediately.

## EXHIBIT

MAR 26 1985 NO. 9

STATE BUDGET & CONTROL BOARD

EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS  
OF SOUTH CAROLINA CODE ANNOTATED,  
TITLE 4, CHAPTER 29  
(1976), AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended, (the "Act") that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Richland County, South Carolina, has given its approval to the following undertaking by Richland County, South Carolina:

The issuance by Richland County of its Industrial Development Revenue Bonds (Standard Corporation Project) Series 1985, in the aggregate principal amount of not exceeding \$1,000,000 (the "Bonds"), to defray the costs of acquiring, by construction and purchase, certain land and a building or buildings and improvements thereon, and certain machinery, apparatus, equipment, office facilities and furnishings by Standard Corporation, a South Carolina corporation to be used as a warehouse facility, to be located in Richland County. Standard Corporation will unconditionally covenant to make payments sufficient to pay the principal, premium, if any, and interest on the Bonds. The Bonds will be payable solely and exclusively out of payments to be made by Standard Corporation for the use of the Project, and to be additionally secured by a mortgage and security interest in the Project.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Project and the issuance of the Bonds by Richland County to defray the cost thereof, by action de novo instituted in the Circuit Court for Richland County, South Carolina.

STATE BUDGET AND CONTROL BOARD

By: WILLIAM A. McINNIS,  
Secretary

Dated:

EXHIBIT

MAR 26 1985 NO. 9

STATE BUDGET & CONTROL BOARD



# EXHIBIT

RESOLUTION

MAR 26 1985

NO. 9

## STATE BUDGET & CONTROL BOARD

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY RICHLAND COUNTY, SOUTH CAROLINA, OF ITS INDUSTRIAL DEVELOPMENT REVENUE BONDS (STANDARD CORPORATION PROJECT) SERIES 1985, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976) AS AMENDED IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$2,000,000.

WHEREAS, Richland County, South Carolina (the "County"), acting by and through its County Council is authorized and empowered under and pursuant to the provisions of South Carolina Code Annotated, Title 4, Chapter 29 (1976) as amended, (the "Act") to acquire and cause to be acquired properties that are projects under the Act through which the industrial development of the State of South Carolina will be promoted and trade developed by inducing industrial enterprises to locate in and remain in the State of South Carolina and thus utilize and employ the manpower, agricultural products and natural resources of the State; and

WHEREAS, the County is further authorized by the Act to issue revenue bonds payable solely from revenues and receipts from any financing agreement with respect to such projects and secured by a pledge of said revenues and receipts and by an assignment of such financing agreement; and

WHEREAS, the County and Standard Corporation, a South Carolina corporation (the "Corporation") entered into an Assistance Agreement executed by the County on February 5, 1985, and thereafter by the Corporation, pursuant to which and in order to implement the public purposes enumerated in the Act and in furtherance thereof to comply with the undertakings of the County pursuant to the Assistance Agreement, the County proposes to issue not exceeding \$2,000,000 aggregate principal amount of its Industrial Development Revenue Bonds (Standard Corporation Project) Series 1985 (the "Bonds") under and pursuant to the Act to defray the costs of acquiring by construction and purchase certain land, a building or buildings and other improvements thereon, and machinery, apparatus, equipment, office facilities and furnishings to be used as a warehouse facility (the "Project") to be located in the jurisdiction of the County and, subject to the approval of the State Budget and Control Board of South Carolina, to make the Project available to the Corporation under and pursuant to the terms of a Loan Agreement (the "Agreement") to be entered into among the County, the Corporation and a commercial bank, as lender (the "Lender"); and

WHEREAS, it is now deemed advisable by the County Council to file with the State Budget and Control Board of South Carolina, in compliance with Section 4-29-140 of the Act, the Petition of the County requesting approval of the proposed financing by the State Budget and Control Board;

NOW, THEREFORE, BE IT RESOLVED by the County Council of Richland County, South Carolina, as follows:

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

(a) The Project will constitute a "project" as said term is referred to and defined in Section 4-29-10 of the Act, and the issuance of the Bonds in the principal amount of not exceeding \$2,000,000 to defray the cost of the Project will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(b) It is anticipated that the Project will benefit the general public welfare of the County by providing employment for those engaged in construction of the Project and by providing additional permanent employment for approximately 10-20 people from the County and adjacent areas when the Project is placed in full operation with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of industrial operations not otherwise provided in the County.

(c) Neither the Project, the Bonds proposed to be issued by the County to defray the cost of the Project, nor any documents or agreements entered into by the County in connection therewith will constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

(d) The issuance of the Bonds by the County in the principal amount of not exceeding \$2,000,000 will be required to defray the cost of the Project.

(e) Inasmuch as the Corporation is a corporation with established credit, the establishment of reserve funds in connection with the retirement of the Bonds and the maintenance of the Project is deemed unnecessary.

(f) The Project will be made available by the County to the Corporation upon terms which will require the Corporation, at its own expense, to maintain the Project in good repair and to carry all proper insurance with respect thereto.

(g) The Project will consist of the items described in Exhibits A and B to the Agreement, such document to be submitted with the Petition.

(h) A reasonable estimate of the cost of the Project including necessary expenses incident thereto is not exceeding \$2,000,000.

Section 2. There be and is hereby authorized and directed the submission on behalf of the County, of a Petition requesting the approval of the proposal of the County to issue the Bonds by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 4-29-140 of the Act, said Petition, which constitutes and is hereby made a part of this authorizing resolution, to be in substantially the form attached hereto.

Section 3. The Chairman of the County Council be and is hereby authorized and directed to execute said Petition in the name and on behalf of the County; and the Clerk of the County Council be and is hereby authorized and directed to affix the seal of the County to said Petition and to attest the same and thereafter to submit an executed copy of this resolution, to the State Budget and Control Board, in Columbia, South Carolina.

Section 4. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved February 19, 1985.

RICHLAND COUNTY, SOUTH CAROLINA

By Leone S. Castles  
Leone Castles, Chairman of  
County Council, Richland  
County, South Carolina

(SEAL)

ATTEST:

Brenda Fuller  
Brenda Fuller, Clerk of  
County Council,  
Richland County, South Carolina

STATE OF SOUTH CAROLINA     )  
  )  
RICHLAND COUNTY                )

TO THE STATE BUDGET AND CONTROL     )  
  )  
BOARD OF SOUTH CAROLINA            )  
\_\_\_\_\_  
  )

PETITION

This Petition of Richland County, South Carolina (the "County"), pursuant to South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended, (the "Act") and specifically Section 4-29-140 thereof, respectfully shows:

1. The County Council of Richland County (the "County Council"), is the governing body of the County and as such is the "governing board" of the County referred to in the Act.

2. The Act, among other things, empowers the County, subject to obtaining the approval of the State Budget and Control Board, pursuant to Section 4-29-140 of the Act: (i) to acquire, and, in connection with such acquisition, to enlarge, improve and expand, whether by construction, purchase, gift or lease, one or more projects (as defined in the Act) which shall be located within the jurisdiction of the County; (ii) to make any or all of its projects available to any industry or industries for such payments and upon such terms and conditions as the governing board may deem advisable and as shall not conflict with the provisions of the Act; and (iii) to issue revenue bonds for the purpose of defraying the cost of acquiring, by construction and purchase, and in connection with any such acquisition, to enlarge, improve and expand any project and to secure the payment of such bonds all as in the Act provided.

3. The County has agreed to assist Standard Corporation (the "Corporation"), by issuing its revenue bonds for the purpose of defraying the cost of acquiring certain facilities located in the County (the "Project") more fully described in Exhibits A and B to the Loan Agreement, a copy of which is attached hereto.

4. The County has been advised by the Corporation that the estimated cost of the Project will be not exceeding \$2,000,000 and it has requested the County to issue and sell its Industrial Development Revenue Bonds (Standard Corporation Project) Series 1985 (the "Bonds") in the aggregate principal amount of not exceeding \$2,000,000 to defray such costs.



5. Pursuant to Section 4-29-60 of the Act, the County Council has made the requisite findings that: (i) the Project will subserve the purposes of the Act; (ii) it is anticipated that the Project will benefit the general public welfare of the County by providing employment and other public benefits not otherwise provided in the County; (iii) the Project will give rise to no pecuniary liability of the County or a charge against its general credit or taxing power; (iv) the principal amount of the Bonds required to finance the Project is expected to be not exceeding \$2,000,000; (v) the County does not deem it necessary to establish any reserve funds in connection with the retirement of the proposed Bonds and the maintenance of the Project; and (vi) the terms under which the Project is to be made available to the Corporation provide that the Corporation shall maintain the Project and carry all proper insurance with respect thereto, and as a part of the proceedings of the County, the County Council will make the requisite finding as to the amount necessary in each year to pay the principal, premium, if any, and the interest on the Bonds proposed to be issued to defray the cost of the Project.

6. Pursuant to Section 4-29-140 of the Act, the County sets forth the following information:

(a) The Project, described in detail on Exhibits A and B to the Loan Agreement submitted herewith, consists of land, a building or buildings and other improvements thereon and certain machinery, apparatus, equipment, office facilities and furnishings to be used for the purpose of constructing a warehouse facility. It is anticipated that, upon completion, the Project will provide directly 10-20 additional full time jobs in the County and neighboring areas and that the Project will provide stimulation to the economy of the County and neighboring areas thereto by increased payrolls, capital investment and tax revenues.

(b) It is estimated that the cost of the Project, including the items of cost authorized in the Act, will be not exceeding \$2,000,000.

(c) A copy of the Loan Agreement is being submitted herewith. The following summary of terms is in no way intended to affect or alter the actual terms of the document itself;

(i) The proposed Loan Agreement between the Corporation, the County and a commercial bank, as lender (the "Lender") provides in general:

(A) Proceeds derived from the sale of the Bonds, except accrued interest paid by

the original purchasers, will be used and applied by the County upon request of the Corporation solely for the payment of the costs (as that term is defined in the Act) incident to the acquisition, by construction and purchase, of the Project.

(B) The Corporation obligates itself: to effect the completion of the Project if the proceeds derived from the sale of the Bonds prove insufficient therefor without diminution of any payments to the County required by the Loan Agreement; to meet the payments of principal, premium, if any, and interest on the Bonds as the same become due; and to pay the cost of maintaining and insuring the Project to the extent and in the manner provided in the Loan Agreement.

(C) The County does not incur any pecuniary liability or charge upon its general credit or taxing powers.

(D) An irrevocable pledge and assignment for the benefit of the holders of the Bonds of the County's right, title and interest in and to the Loan Agreement and all payments, receipts and revenues which the County has a right to receive under the Loan Agreement or with respect to any security afforded thereunder or any other financing agreement with respect to the Project in favor of the County (except payments and rights to indemnification payments and administration expenses), and all the moneys and securities in funds.

Upon the basis of the foregoing, the County respectfully prays that the State Budget and Control Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such investigation as it deems advisable, (iii) if it finds that the Project is intended to promote the purposes of the Act and may be reasonably anticipated to effect such result, that it approve the Project and the issuance and sale of the Bonds by the County pursuant to the Act to defray the cost of the Project (including changes in any details of the said financing as finally consummated which do not materially affect the undertaking of the County), (iv) allocate \$2,000,000 of the volume limitation set forth in Section 103(n) of the Internal Revenue Code for the issuance of the Bonds; and (v) give published notice of its approval in the manner set forth in Section 4-29-140 of the Act.

To the best of my knowledge the approval of this Project is not made in consideration of any bribe, gift, gratuity, or direct or indirect contributions to any political campaign.

Respectfully submitted,

RICHLAND COUNTY, SOUTH CAROLINA

By Leone S Castles  
Leone Castles, Chairman,  
County Council, Richland County  
South Carolina

Dated: March 26, 1985

(SEAL)

ATTEST:

Brenda Fuller  
Brenda Fuller, Clerk,  
County Council,  
Richland County, South Carolina

EXHIBIT

MAR 26 1985 NO. 9

STATE BUDGET & CONTROL BOARD

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN ASSISTANCE AGREEMENT BY AND BETWEEN RICHLAND COUNTY, SOUTH CAROLINA AND STANDARD CORPORATION, WHEREBY, UNDER CERTAIN CONDITIONS, RICHLAND COUNTY WILL ISSUE NOT EXCEEDING TWO MILLION DOLLARS (\$2,000,000) INDUSTRIAL DEVELOPMENT REVENUE BONDS OR NOTES.

WHEREAS, Richland County, South Carolina (the "County") acting by and through its County Council (the "County Council"), is authorized and empowered under and pursuant to the provisions of Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended, (the "Act"), to acquire, or cause to be acquired, properties (which such properties constitute "projects" as defined in the Act) and to enter into agreements with any industry to construct, operate, maintain and improve such projects; to enter into financing agreements with respect to such projects; to issue revenue bonds to defray the costs of such projects; and to accept any grants for such projects through which powers the industrial development of the State of South Carolina will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State of South Carolina and thus utilize and employ the manpower, agricultural products and natural resources of the State; and

WHEREAS, the County is authorized by the Act to issue revenue bonds, as defined in the Act to include notes, payable solely out of the revenues derived from a financing agreement with respect to such project and may further be secured by a pledge of said revenues, a trust indenture or indenture covering all or any part of such project, and a pledge of any financing agreement with respect to such project; and

WHEREAS, Standard Corporation, a South Carolina corporation (the "Corporation"), has requested the County to issue not exceeding \$2,000,000 of its Industrial Development Revenue Bonds or Notes (Standard Corporation Project) Series 1985 pursuant to the Act for the purpose of defraying the cost of acquiring by construction and purchase certain land, a building or buildings or other improvements thereon, and all machinery, apparatus, equipment, office facilities and furnishings to be installed therein to be used as a warehouse facility, constituting an industrial facility (the "Project"), all as more fully set forth in the Assistance Agreement attached hereto; and

WHEREAS, the County has determined on the basis of the information supplied to it by the Corporation that the Project would be a "project" as that term is defined in the Act and that the Project would subserve the purposes of the Act.



NOW, THEREFORE, BE IT RESOLVED, by the County Council as follows:

Section 1. Pursuant to the authority of the Act and subject to the approval by the State Budget and Control Board, and for the purpose of defraying a portion of the cost (as defined in the Act) of acquiring the Project there is hereby authorized to be issued revenue bonds or notes of the County in the principal amount of not exceeding Two Million Dollars (\$2,000,000) to be designated "Richland County, South Carolina, Industrial Development Revenue Bonds or Notes (Standard Corporation Project)" Series 1985 (the "Bonds").

Section 2. The provisions, terms and conditions of the financing agreement by and between the County and the Corporation, the provisions, terms and conditions of the trust indenture or indenture by and between the County and the Trustee or Bondholder, yet to be named, and the form, details, rate or rates of interest, maturity and redemption provisions, if any, of the Bonds shall be prescribed by subsequent resolution or ordinance of the County Council.

Section 3. The Chairman of the County Council is hereby authorized and directed to execute the Assistance Agreement attached hereto in the name and on behalf of the County, and the Clerk of the County Council is hereby authorized and directed to affix thereto the seal of the County and to attest the same; and the Chairman of the County Council is hereby further authorized and directed to deliver said executed Assistance Agreement to the Corporation.

Section 4. Prior to the issuance of any Bonds, the County Council will comply with the provisions of the Home Rule Act regarding the procedural requirements for adopting ordinances and resolutions.

Section 5. All orders, resolutions, and parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This resolution shall take effect and be in full force from and after its passage by the County Council.

Section 6. It is the intention of the County Council that this resolution shall constitute an official action on the part of the County within the meaning of the applicable regulations of the United States Treasury Department relating to the issuance of industrial revenue bonds.

Done in meeting duly assembled this 5th day of February, 1985.

RICHLAND COUNTY, SOUTH CAROLINA

By: Leone Castles  
Leone Castles, Chairman, County  
Council of Richland County, South  
Carolina

(SEAL)

ATTEST:

By: Richard L. Black  
Brenda Fuller, Clerk Acting Clerk  
County Council of  
Richland County, South Carolina

## ASSISTANCE AGREEMENT

THIS AGREEMENT made and entered into by and between Richland County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (the "County"), and Standard Corporation, a South Carolina corporation (the "Corporation").

W I T N E S S E T H:

### ARTICLE I

#### RECITATION OF FACTS

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

Section 1.01. The County is a body politic and corporate, and a political subdivision of the State of South Carolina, and is authorized and empowered by the provisions of Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended, (the "Act"), to acquire, or cause to be acquired, and to enlarge, improve, expand, equip, furnish, own, lease and dispose of properties through which the industrial development of the State will be promoted and trade developed by inducing new industries to locate in South Carolina and by encouraging industries now located in South Carolina to expand their investments and thus utilize and employ manpower and other resources of South Carolina.

Section 1.02. The Corporation desires to acquire certain land located within the jurisdiction of the County, and a building or buildings and other improvements thereon and all machinery, apparatus, equipment, office facilities and furnishings to be used as a warehouse facility (the "Project"). The Project when completed and in operation will provide additional permanent employment in the County for approximately 10 to 20 people.

Section 1.03. The Corporation has requested the County to assist it with its contemplated program through the sale of Industrial Development Revenue Bonds (or Notes) pursuant to the Act, whereby the County would defray a portion of the cost of the Project.

Section 1.04. The County has given due consideration to all the proposals and requests of the Corporation and has agreed to endeavor to effect the issuance of the bonds at the time and on the terms and conditions hereafter set forth.

## ARTICLE II

### UNDERTAKINGS ON THE PART OF THE COUNTY

The County agrees as follows:

Section 2.01. The County will, subject to the approval by the State Budget and Control Board required by the Act, authorize the issuance of not exceeding Two Million Dollars (\$2,000,000) Richland County, South Carolina, Industrial Development Revenue Bonds (or Notes) (Standard Corporation Project) Series 1985 (the "Bonds"), at such time as the Corporation may request the County to do so.

Section 2.02. The County will permit the Corporation to arrange for the sale of the Bonds to defray the cost of the Project as aforesaid and if successful marketing arrangements can be made, it will adopt such proceedings and enter into such agreements as are necessary for the issuance and securing of the Bonds.

Section 2.03. The proceeds of any sale of the Bonds shall be applied to the payment of the costs of the Project as determined under the Act including, without limitation, the expenses incurred in connection with the issuance and sale of the Bonds, the acquisition by construction and purchase of the Project including land, buildings, necessary machinery and equipment and other items permitted by the Act, and the repayment of any funds advanced or loans incurred by the Corporation for such purposes.

Section 2.04. Prior to issuing any Bonds, the County may enter into a trust indenture with a trustee bank to be selected by the Corporation or an indenture with the purchasers of the Bonds pursuant to which the Bonds will be issued. Such trust indenture or indenture shall be substantially in the form used in connection with the issuance of other South Carolina industrial revenue bonds and may constitute a lien on the Project and the revenues derived from the financing agreement with respect to the Project to secure the payment of the Bonds.

Section 2.05. If requested by the Corporation and in order to provide interim financing pending the issuance of the Bonds, the County will adopt the necessary proceedings and provide for the issuance of bond anticipation notes pursuant to Title 11, Chapter 17, Code of Laws of South Carolina, 1976, in anticipation of the issuance of the Bonds.

Section 2.06. The County will perform such other acts and adopt such further proceedings as may be required



to faithfully implement its undertakings and to consummate the proposed financing.

### ARTICLE III

#### UNDERTAKINGS ON THE PART OF THE CORPORATION

Section 3.01. The Corporation agrees that the County will have no obligation to find a purchaser of the Bonds.

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

(a) to acquire by construction and purchase the land, buildings, equipment and machinery constituting the Project;

(b) to enter into a financing agreement with the County under the terms of which the Corporation will obligate itself to pay to the County sums sufficient to pay the principal, interest and premium, if any, on the Bonds, as and when the same become due and payable, said financing agreement shall be in such form and contain such provisions as shall be satisfactory to the County and to the Corporation;

(c) to obligate itself to make the additional payments required by the Act, including, but not limited to, payments in lieu of taxes if necessary;

(d) to hold the County harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement in the implementation of its terms and provisions;

(e) to perform such further acts and adopt such further proceedings as may be required to faithfully implement its undertakings and consummate the proposed financing; and

(f) to covenant and agree in the financing agreement referred to hereinbefore to install in the buildings which are to become a part of the Project all necessary equipment and machinery and thereafter to operate the Project as a warehouse or for such other purposes as may hereafter be deemed appropriate.

## ARTICLE IV

### GENERAL PROVISIONS

Section 4.01. All commitments of the County under Article II hereof are subject to all of the provisions of the Act and the condition that nothing contained in this Agreement shall constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

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

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

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

Section 4.05. It is the intention of the parties hereto that this Agreement shall constitute an official action on the part of the County within the meaning of the applicable regulations of the United States Treasury Department relating to the issuance of industrial revenue bonds.

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

RICHLAND COUNTY, SOUTH CAROLINA

By: Leone Castles  
Leone Castles, Chairman, County  
Council of Richland County, South  
Carolina

(SEAL)

# EXHIBIT

MAR 26 1985

NO. 9

ATTEST:

By:

*Richard L. Black*  
Brenda Fuller, Clerk  
County Council of  
Richland County, South Carolina

STATE BUDGET & CONTROL BOARD

Dated: February 5, 1985.

STANDARD CORPORATION

By:

Its

*Joseph W. Wink*  
*President*

(SEAL)

ATTEST:

*Charles H. G. G. G.*  
Its

Dated: February 5, 1985.

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

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



Box 12444  
Columbia  
29211

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

March 26, 1985

**EXHIBIT**

MAR 26 1985 NO. 9

C E R T I F I C A T E STATE BUDGET & CONTROL BOARD

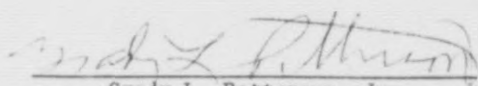
[Required by Section 103(n)(12)(A) of the Tax Reform Act of 1984  
(which is Part A of the Deficit Reduction Act of 1984)]

Re: \$1,000,000 Richland County, South Carolina  
Industrial Revenue Bonds  
(Standard Corporation Project)

This will confirm that an allocation of the State Ceiling established in the Deficit Reduction Act of 1984 has been made by the Budget and Control Board in the amount indicated for the referenced project. This allocation is valid for calendar year 1985 only and shall expire ninety (90) days from March 26, 1985 (the date the allocation was approved by the Board) if the bonds for which the allocation has been approved have not been issued.

Section 8(c) of the Board's regulations on the allocation of the State Ceiling on private activity bonds requires the entity receiving an allocation to advise the Board's Secretary of the status of the issuance within 60 days and again within 75 days of the Board's approval date if the Internal Revenue Service Form 8038 has not been filed previously on this project.

I certify that, to the best of my knowledge, this allocation was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

  
Grady L. Patterson, Jr.

Attest:

  
William A. McInnis, Secretary

023768



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

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



Box 12444  
Columbia  
29211

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

May 10, 1985

**EXHIBIT**

MAR 26 1985 NO. 9

STATE BUDGET & CONTROL BOARD

Richland County  
c/o Mr. William M. Musser  
McNair Law Office  
Box 11390  
Columbia, SC 29211

Dear Mr. Musser:

Re: Issue of \$800,000 Richland County, South Carolina  
Industrial Revenue Bond  
(Standard Corporation Project)

This will confirm that the referenced issue when issued and combined with the total amount of private activity bonds and notes certified to me previously by South Carolina issuing authorities as having been issued or which are to be issued in 1985 will not exceed the 1985 State Ceiling for South Carolina.

For your information, our records as of this date indicate the following:

<b>Certified State Ceiling:</b>	<b>\$495,000,000</b>
<b>A. State Agency and Exempt Facilities Pool Amount</b>	<b>198,000,000</b>
1. Allocations Approved Through 04/23/85	1,125,000
2. Balance of Pool Available	196,875,000
3. Certified for Issue 5/10/85	300,000
<b>B. Local Pool Amount</b>	<b>297,000,000</b>
1. Allocations Approved Through 04/23/85	72,420,000
2. Balance of Pool Available	224,580,000
3. Certified for Issue 5/10/85 (including referenced issue)	39,160,000

Sincerely,

*William A. McInnis*

William A. McInnis  
Secretary

WAM:dw

023769

# EXHIBIT

MAR 26 1985

NO. 9

MCNAIR GLENN KONDUROS CORLEY SINGLETARY PORTER & DIBBLE, P.A.

ATTORNEYS AND COUNSELORS AT LAW

EIGHTEENTH FLOOR

BANKERS TRUST TOWER

POST OFFICE BOX 11390

COLUMBIA, SOUTH CAROLINA 29211

803-799-9800

STATE BUDGET & CONTROL BOARD

ROBERT E. MCNAIR  
TERRELL L. GLENN  
JAMES S. KONDUROS  
O. WAYNE CORLEY  
E. MULEOD SINGLETARY  
CHARLES PORTER  
ROBERT W. DIBBLE, JR.  
RICHARD S. WOODS  
RICHARD L. C. SULLIVAN  
M. JOHN BOWEN, JR.  
DENNIS C. THELEN  
JOHN H. LUMPKIN, JR.  
JOHN W. CURRIE  
SCOTT Y. BARNES  
M. ELIZABETH CRUM  
THEODORE J. HOPKINS, JR.  
DANIEL R. MULEOD, JR.  
WILLIAM S. ROSE, JR.  
BERNARD J. WUNDER, JR.  
M. CRAIG GARNER, JR.  
BRENTON D. JEFFCOAT  
ROBERT T. BOCKMAN  
PETER L. MURPHY  
C. ALAN RUNYAN  
JOHN W. FOSTER  
ELIZABETH VAN DOREN GRAY

WILMOT B. IRVIN  
APRIL C. LUCAS  
ROBERT E. STEPP  
KATHLEEN E. CRUM  
FRANKLIN G. POLK  
JOHN W. HUNTER\*\*  
HUEL D. ADAMS, JR.  
JAMES P. FIELDS, JR.  
LAWRENCE P. HIGGINST  
W. STEPHEN CANNON  
BARBARA GEORGE BARTON  
J. SIMON FRASER  
E. RUSSELL JETER, JR.  
DOROTHY M. HELMS  
PAUL B. NIX, JR.  
NANCY PAGE  
SANDRA L. RANDLEMAN  
JANE W. TRINKLEY  
J. LYLES GLENN, IV  
CELESTE TILLER JONES  
JOSEPH D. WALKER  
NANCY R. JEFFERIS  
ALISON RENEE LEE  
MARTHA P. McMILLIN  
GREGORY D. DILOACH

\*D.C. AND NEW YORK BARS ONLY  
\*\*D.C. AND OHIO BARS ONLY  
\*\*\*D.C. BAR ONLY  
MISSOURI BAR ONLY

May 10, 1985

JAMES E. CARR  
JOHN H. LUMPKIN, SR.  
OF COUNSEL

GREENVILLE OFFICE  
SUITE 401  
BANKERS TRUST PLAZA  
7 NORTH LAURENS STREET  
GREENVILLE, S.C. 29601  
803-271-4940

HILTON HEAD ISLAND OFFICE  
BANKERS TRUST BUILDING  
FIFTY-NINE POPE AVENUE  
HILTON HEAD ISLAND, S.C. 29928  
803-785-5159

WASHINGTON OFFICE  
SUITE 710  
MADISON OFFICE BUILDING  
1155 15TH STREET, N.W.  
WASHINGTON, D.C. 20005  
202-659-3900

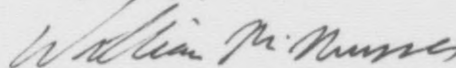
Mr. William A. McInnis  
State Budget and Control Board  
Room 600 - Wade Hampton Office Building  
Columbia, South Carolina

Re: Richland County, South Carolina  
Industrial Revenue Bonds  
(Standard Corporation Project) 1985

Dear Mr. McInnis:

Please find enclosed a copy of an Internal Revenue Service  
Form 8038 with regard to the above-referenced bond issue.

Very truly yours,



William M. Musser

WMM/lb  
Enclosure  
VIA HAND DELIVERY

023770

# EXHIBIT

MAR 26 1985 NO. 9

ARTHUR ANDERSEN & Co.

STATE BUDGET & CONTROL BOARD

SUITE 900  
1301 GERVAIS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 254-8102

May 9, 1985

Richland County Council  
Post Office Box 192  
Columbia, South Carolina 29202

Attention: County Attorney

McNair Glenn Konduros Corley  
Singletary Porter & Dibble, P.A.  
Post Office Box 11390  
Columbia, South Carolina 29211

Re: \$1,000,000 Richland County, South Carolina  
Industrial Development Bonds (Standard  
Corporation Warehouse Project) 1985

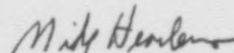
Gentlemen:

This letter is provided you with regard to the \$1,000,000 Richland County, South Carolina Industrial Development Bonds (Standard Corporation Warehouse Project) 1985 ("1985 Bond"). We have reviewed Standard Corporation's description of the property to be financed with the proceeds of the 1985 Bond which is set forth as Exhibit A hereto, and based upon that description have made the following determination:

The average maturity of the 1985 Bond does not exceed 120% of the average reasonable expected economic life of the building and any other items to be financed in whole or in part with the proceeds of the 1985 Bond as shown by Exhibit A attached hereto.

The economic useful life of each item has been derived in accordance with established principles and procedures for Federal income tax purposes.

Very truly yours,



T. Michael Henderson

/cph

Enclosure

023771

Check box if Amended Return ► ☐

2 Issuer's employer identification number  
51-0014090

4 Issue number *N/A*

6 Date of issue  
5/10/85

## Face Amount

Face Amount

- Face Amount

## Face Amount

- Face Amount

EXHIBIT  
MAR 26 1985 NO. 9  
STATE BUDGET & CONTROL BOARD

EXHIBIT  
MAR 26 1985 NO. 9  
STATE BUDGET & CONTROL BOARD

EXHIBIT  
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EXHIBIT  
MAR 26 1985 NO. 9  
STATE BUDGET & CONTROL BOARD

EXHIBIT  
MAR 26 1985 NO. 9  
STATE BUDGET & CONTROL BOARD



**Part V Description of Property Financed by Non-refunding Proceeds**  
(Do not complete for student loan bonds or mortgage bonds)

22 Type of Property Financed (or portion thereof financed by non-refunding proceeds)		
a	3-yr. ACRS property	
b	5-yr. ACRS property	
c	10-yr. ACRS property	
d	15-yr. ACRS property	
e	18-yr. ACRS property	787,000
f	Cost of land	167,500
g	Cost of other property (see instructions)	
23 Other use of non-refunding proceeds (subtract lines 22a-g from Part IV, line 21)(see instructions)		21,000 *
24 Standard industrial classification (SIC) of non-refunding proceeds for the financed project.		
	SIC Code	Non-refunding proceeds \$
a	6511	\$773,500
b		
c		
	SIC Code	Non-refunding proceeds \$
d		
e		
f		
25 Average weighted economic life of the project (complete only for IDBs)		35 years.

**Part VI Description of Initial Principal Users**  
(Do not complete for student loan bonds or mortgage bonds)

26 Initial Principal Users:			
(A) User	(B) Name	(C) Address	(D) Employer identification number
(i)	STANDARD CORPORATION	P.O. BOX 5263	57-6009692
(ii)		COLUMBIA, S.C. 29205	
(iii)			
(iv)			
(v)			
27 Common parents (if any) of initial principal users listed above:			
(A) User (from above)	(B) Name	(C) Address	(D) Employer identification number

EXHIBIT  
MAR 26 1985 NO. 9  
STATE BUDGET & CONTROL BOARD

**Part VII Approval of Issue (Complete only for IDBs)**

28 Name of Governmental units approving issue	Richland County Council
29 Names and positions of applicable elected representatives or date of referenda approving issue	Leanne S. Castles Chairwoman

**Part VIII Volume Limitations for Qualified Mortgage or Veterans' Bonds**

1 Issuer's volume limitation	
2 Amount of volume limitation surrendered to other issues (e.g., under section 103A(g)(3)(B) or 25(c)(2)(A)(ii))	
3 Amount of bonds previously issued	
4 Unused volume limitation (subtract lines 2 and 3 from line 1)	

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
	Signature of officer	Date	Title
Paid Preparer's Use Only	Preparer's signature	Check if self-employed <input type="checkbox"/>	Preparer's social security no.
	Firm's name (or yours, if self-employed) and address	E.I. No.	ZIP code

U.S. Government Printing Office: 1985-461-495/10095

\* Interest Expense

023773

STANDARD CORPORATION  
COLONIAL DISTRIBUTION CENTER PURCHASE & REHABILITATION COST BUDGET  
MAY 9, 1985

EXHIBIT A

	1	2	3	4
		BUDGET	TOTAL	
			<b>EXHIBIT</b>	
1			MAR 26 1985	NO. 9
2	I. PURCHASE			
3			STATE BUDGET & CONTROL BOARD	
4	• Sale Price - Land	169,500.00		
5	- Building	580,500.00		
6				
7	• Survey & Engineering Services	300.00		
8				
9	• Title Insurance Premium	1,200.00		
10			751,500.00	
11				
12	II. REHABILITATION COSTS			
13				
14	• Roofing Contractor/S.E. Roofing	132,800.00		
15				
16	• Electrical Contractor/Std. Electric	11,000.00		
17				
18	• Misc. Refurbish Contractors	57,200.00		
19			201,000.00	
20				
21	III. ISSUANCE COSTS			
22				
23	• Bank Lender's Fee	5,000.00		
24	• Bond Counsel	10,000.00		
25	• Corporate Attorney's Fee	3,500.00		
26	• State Budget & Control Board Fee	2,000.00		
27	• Richland County Attorney's Fee	4,000.00		
28	• Bank Bond Counsel	1,500.00		
29	• Tax Service Fee/A. Anderson	500.00		
30			26,500.00	
31				
32	IV. INTEREST EXPENSE			
33				
34	Total Interest Expense			
35	3 months 2/13/85-5/9/85 @ 10.5%	21,000.00		
36			21,000.00	
37				
38				
39				
40	TOTAL		1,000,000.00	
41		023774		
42				

McNAIR GLENN KONDUROS CORLEY SINGLETARY PORTER & DIBBLE, P.A.

ATTORNEYS AND COUNSELORS AT LAW  
EIGHTEENTH FLOOR  
BANKERS TRUST TOWER  
POST OFFICE BOX 11390  
COLUMBIA, SOUTH CAROLINA 29211  
803-799-9800

ROBERT E. McNAIR  
TERRELL L. GLENN  
JAMES S. KONDUROS  
O. WAYNE CORLEY  
E. McLEOD SINGLETARY  
CHARLES PORTER  
ROBERT W. DIBBLE, JR.  
RICHARD S. WOODS  
RICHARD L. C. SULLIVAN  
M. JOHN BOWEN, JR.  
DENNIS C. THELEN  
JOHN H. LUMPKIN, JR.  
JOHN W. CURRIE  
SCOTT Y. BARNES  
M. ELIZABETH CRUM  
THEODORE J. HOPKINS, JR.  
DANIEL R. McLEOD, JR.  
WILLIAM S. ROSE, JR.  
BERNARD J. WUNDER, JR.  
M. CRAIG GARNER, JR.  
BRENTON D. JEFFCOAT  
ROBERT T. BOCKMAN  
PETER L. MURPHY  
C. ALAN RUNYAN  
JOHN W. FOSTER  
ELIZABETH VAN DOREN GRAY  
\*D.C. AND NEW YORK BARS ONLY  
\*D.C. AND OHIO BARS ONLY  
\*D.C. BAR ONLY  
MISSOURI BAR ONLY

WILMOT B. IRVIN  
APRIL C. LUCAS  
ROBERT E. STEFF  
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JOHN W. HUNTER  
HUEL D. ADAMS, JR.  
JAMES P. FIELDS, JR.  
LAWRENCE P. HIGGINS  
W. STEPHEN CANNON  
BARBARA GEORGE BARTON  
J. SIMON FRASER  
E. RUSSELL JETER, JR.  
DOROTHY M. HELMS  
PAUL B. NIX, JR.  
NANCY PAGE  
SANDRA L. RANDLEMAN  
JANE W. TRINKLEY  
J. LYLES GLENN, IV  
CELESTE TILLER JONES  
JOSEPH D. WALKER  
NANCY R. JEFFERIS  
ALISON RENEE LEE  
MARTHA P. McMILLIN  
GREGORY D. DeLOACH

May 10, 1985

JAMES E. CARR  
JOHN H. LUMPKIN, SR.  
OF COUNSEL

GREENVILLE OFFICE  
SUITE 401  
BANKERS TRUST PLAZA  
7 NORTH LAURENS STREET  
GREENVILLE, S.C. 29601  
803-271-4840

HILTON HEAD ISLAND OFFICE  
BANKERS TRUST BUILDING  
FIFTY-NINE POPE AVENUE  
HILTON HEAD ISLAND, S.C. 29928  
803-785-5189

WASHINGTON OFFICE  
SUITE 710  
MADISON OFFICE BUILDING  
1155 15TH STREET, N.W.  
WASHINGTON, D.C. 20005  
202-459-3900

EXHIBIT

MAR 26 1985

NO. 9

STATE BUDGET & CONTROL BOARD

Internal Revenue Service Center  
Philadelphia  
Pennsylvania 19255

Re: Richland County, South Carolina  
Industrial Revenue Bonds  
(Standard Corporation Project) 1985

Gentlemen:

Please find enclosed an original and a copy of an Internal Revenue Service Form 8038. I would appreciate your stamping one as having been received and returning it to me at your earliest possible convenience.

Thank you for your kind attention to this matter.

Very truly yours,

McNAIR GLENN KONDUROS CORLEY  
SINGLETARY PORTER & DIBBLE, P. A.

John W. Foster

Enclosures  
cc: William A. McInnis

023775

# EXHIBIT

MAR 26 1985

NO. 9

## TRANSMITTAL FORM, REVENUE BONDS

STATE BUDGET & CONTROL BOARD

William A. McInnis, Secretary  
State Budget and Control Board  
600 Wade Hampton Office Building  
Columbia, SC 29201  
OR P. O. Box 12444, Columbia, SC 29211

Date: March 12, 1985

FROM: McNair Law Firm  
Name of Law Firm  
1301 Gervais Street, 18th Floor  
Street  
Columbia, S.C. 29202  
City, State, Zip Code

Telephone Area Code 803  
Number: 799-9800

Submitted for BCB Meeting of:  
March 26, 1985

RE: \$1,000,000 Richland County  
Amount of Issue, Local Government Issuer  
Industrial Revenue Bonds  
Type of Bonds/Notes  
Standard Corporation Project (Series 1985)  
Name of Project

Private Activity Bonds:  
X YES      NO

Projected Issue Date:  
April 1, 1985

### Project Description:

Warehouse facility, located in old Colonial Stores warehouse building on  
Shop Road

Number of persons to be employed: 10-20

### Documents Enclosed:

(All required for State law approval; A and C only for ceiling allocation only.)

- A. X Petition (executed original and two copies)
- B. X Resolution or ordinance (executed copy)
- C. X Inducement Resolution or comparable preliminary approval (executed copy)
- D. X Standard Form Investment Letter from purchaser of bonds (executed original)  
OR  
     Audited financial statements for three most recent years
- E.      Department of Health and Environmental Control certificate  
     Required X Not Required
- F. X Budget and Control Board Resolution and Public Notice  
Original (and 10 copies for certification and return)
- G. X Processing fee  
Amount \$ 2000.00 Check No. 132  
Payor Standard Corporation

Bond Counsel: McNair Law Firm  
Typed Name

By: [Signature]  
Signature

John W. Foster

023776



MAR 12 1985

11:03 a.m.  
H

MCNAIR GLENN KONDUROS CORLEY SINGLETARY PORTER & DIBBLE, P.A.

ATTORNEYS AND COUNSELORS AT LAW

EIGHTEENTH FLOOR

BANKERS TRUST TOWER

POST OFFICE BOX 11390

COLUMBIA, SOUTH CAROLINA 29211

803-799-9800

EXHIBIT

MAR 26 1985

NO.

9

STATE BUDGET & CONTROL BOARD

JAMES E. CARR  
JOHN H. LUMPKIN, SR.  
OF COUNSEL

GREENVILLE OFFICE  
SUITE 401  
BANKERS TRUST PLAZA  
NORTH LAURENS STREET  
GREENVILLE, S.C. 29601  
803-271-4940

HILTON HEAD ISLAND OFFICE  
BANKERS TRUST BUILDING  
FIFTY-NINE POPE AVENUE  
HILTON HEAD ISLAND, S.C. 29928  
803-785-5189

WASHINGTON OFFICE  
SUITE 710  
MADISON OFFICE BUILDING  
1150 15TH STREET, N.W.  
WASHINGTON, D.C. 20005  
202-658-3900

HAND DELIVERED

March 12, 1985

ROBERT E. MCNAIR  
TERRELL L. GLENN  
JAMES S. KONDUROS  
O. WAYNE CORLEY  
E. MCLEOD SINGLETARY  
CHARLES PORTER  
ROBERT W. DIBBLE, JR.  
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JOSEPH D. WALKER  
NANCY R. JEFFERS  
ALISON RENEE LEE  
MARTHA P. McMILLIN  
GREGORY D. DULOACH

Mr. William A. McInnis  
State Budget and Control Board  
Wade Hampton Office Building  
6th Floor  
Columbia, South Carolina 29202

Re: Richland County, South Carolina  
Industrial Revenue Bonds (Standard  
Corporation Project) Series 1985

Dear Mr. McInnis:

Please schedule the above referenced industrial revenue bond issue for consideration by the Budget and Control Board at its March 26, 1985 meeting. In connection therewith, I have enclosed the following documents:

1. Executed Resolution and Petition to State Budget and Control Board;
2. Executed Inducement Resolution;
3. Executed original Investment Letter from C & S National Bank;
4. Ten copies of a Resolution and Notice to be executed by the Budget and Control Board, if approved; and
5. A check made payable to the State Budget and Control Board in the amount of \$2,000 for processing fee.

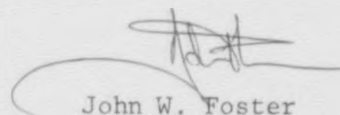
023777

Mr. William A. McInnis  
March 12, 1985  
Page 2

The amount of the issue as shown in the enclosed documents is up to \$2,000,000. However, the company has determined that it will borrow only \$1,000,000 at this time. Therefore, our request is that the Budget and Control Board approve this issue in the amount of \$1,000,000.

If you have any questions regarding this issue, please do not hesitate to call.

Sincerely,



John W. Foster

JWF/po

023778

# EXHIBIT

State of South Carolina

## State Budget and Control Board

MAR 26 1985

NO. 10

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



Box 12444  
Columbia  
29211

### STATE BUDGET & CONTROL BOARD

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

March 26, 1985

### C E R T I F I C A T E

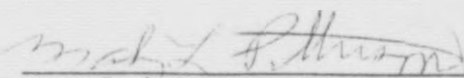
[Required by Section 103(n)(12)(A) of the Tax Reform Act of 1984  
(which is Part A of the Deficit Reduction Act of 1984)]

Re: \$1,225,000 Spartanburg County, South Carolina  
Industrial Revenue Note  
(Tailored Baby East, Inc., Project)

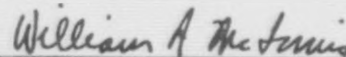
This will confirm that an allocation of the State Ceiling established in the Deficit Reduction Act of 1984 has been made by the Budget and Control Board in the amount indicated for the referenced project. This allocation is valid for calendar year 1985 only and shall expire ninety (90) days from March 26, 1985 (the date the allocation was approved by the Board) if the bonds for which the allocation has been approved have not been issued.

Section 8(c) of the Board's regulations on the allocation of the State Ceiling on private activity bonds requires the entity receiving an allocation to advise the Board's Secretary of the status of the issuance within 60 days and again within 75 days of the Board's approval date if the Internal Revenue Service Form 8038 has not been filed previously on this project.

I certify that, to the best of my knowledge, this allocation was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

  
Grady L. Patterson, Jr.

Attest:

  
William A. McInnis, Secretary

023779

## EXHIBIT

MAR 26 1985

NO. 10

STATE BUDGET &amp; CONTROL BOARD

## TRANSMITTAL FORM, REVENUE BONDS

*Received*  
 3/20/85  
 10:44  
 SKW

TO: William A. McInnis, Secretary  
 State Budget and Control Board  
 600 Wade Hampton Office Building  
 Columbia, SC 29201  
 OR P. O. Box 12444, Columbia, SC 29211

Date: March 19, 1985

FROM: Sinkler Gibbs & Simons  
 Name of Law Firm  
 160 East Bay Street (P.O. Box 340, 29402)  
 Street  
 Charleston, South Carolina 29401  
 City, State, Zip Code

Telephone Area Code 803  
 Number: 722-3366

Submitted for BCB Meeting of:  
 March 26, 1985

RE: \$1,255,000 Spartanburg County  
 Amount of Issue, Local Government Issuer  
 Industrial Revenue Note  
 Type of Bonds/Notes  
 Tailored Baby East, Inc.  
 Name of Project

Private Activity Bonds:  
☒ YES ☐ NO

Projected Issue Date:  
 May 1, 1985

## Project Description:

To manufacture accessories for babies including car seat covers,  
 bedding products and specialty clothing

Number of persons to be employed: 50 persons initially, expected 200

## Documents Enclosed:

(All required for State law approval; A and C only for ceiling allocation only.)

- A. ☒ Petition (executed original and two copies) *Copies - not included*
- B. ☐ Resolution or ordinance (executed copy)
- C. ☒ Inducement Resolution or comparable preliminary approval (executed copy)
- D. ☐ Standard Form Investment Letter from purchaser of bonds (executed original)  
 OR  
☐ Audited financial statements for three most recent years
- E. ☐ Department of Health and Environmental Control certificate  
☐ Required ☐ Not Required
- F. ☐ Budget and Control Board Resolution and Public Notice  
 Original (and ☐ copies for certification and return)
- G. ☐ Processing fee  
 Amount \$  Check No.   
 Payor

Bond Counsel: M. William Youngblood, Jr.  
 Typed Name

*M. Wm. Youngblood, Jr.*  
 Signature

023780



# EXHIBIT

MAR 26 1985

NO. 10

## SINKLER GIBBS & SIMONS

PROFESSIONAL ASSOCIATION

160 EAST BAY STREET

CHARLESTON, SOUTH CAROLINA

TELEPHONE AND TELECOPIER

(803) 722-3366

## STATE BUDGET & CONTROL BOARD

COLUMBIA OFFICE

SUITE 1160

1401 MAIN STREET

POST OFFICE BOX 11456

COLUMBIA, S. C. 29211

TELEPHONE AND TELECOPIER

(803) 765-1885

MAILING ADDRESS:  
CHARLESTON OFFICE  
POST OFFICE BOX 340  
CHARLESTON, S. C. 29402

April 30, 1985

Mr. William A. McInnis  
Secretary  
South Carolina State Budget and  
Control Board  
P.O. Box 12444  
Columbia, South Carolina 29211-2444

Re: \$1,255,000 Spartanburg County, South Carolina,  
Industrial Revenue Note, Series 1985 (The Amigo  
Corporation Project)

Dear Bill:

This letter is written in connection with an allocation awarded by the Budget and Control Board for \$1,255,000 Spartanburg County, South Carolina, Industrial Revenue Notes to be issued for The Amigo Corporation, a subsidiary of Tailored Baby Inc. At the time the allocation request was first made, the company officials had not settled on a name for their South Carolina operation. It was originally thought to name the company Tailored Baby East, Inc. However, the final name chosen was The Amigo Corporation. Our transmittal form dated March 29, 1985, a copy of which is enclosed, reflects the correct final name as The Amigo Corporation. I do not believe it will be necessary to prepare another allocation certificate, but I wanted you to have this letter in your file and I will include a copy of it in the transcript of proceedings for the issue.

You will note that the resolution, as submitted to and approved by the Budget and Control Board correctly reflects an authorization for The Amigo Corporation, a subsidiary of Tailored Baby Inc.

With warm personal regards,

*Bill Youngblood*

M. William Youngblood, Jr.

MWY/bs  
Enclosure

023781

# EXHIBIT

State of South Carolina

MAR 26 1985

NO. 10

## State Budget and Control Board

STATE BUDGET & CONTROL BOARD

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



Box 12444  
Columbia  
29211

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

April 9, 1985

### C E R T I F I C A T E

[Required by Section 103(n)(12)(A) of the Tax Reform Act of 1984  
(which is Part A of the Deficit Reduction Act of 1984)]

Re: \$1,255,000 Spartanburg County, South Carolina  
Industrial Revenue Bonds  
(Tailored Baby East, Inc., Project)

Corrected

This will confirm that an allocation of the State Ceiling established in the Deficit Reduction Act of 1984 has been made by the Budget and Control Board in the amount indicated for the referenced project. This allocation is valid for calendar year 1985 only and shall expire ninety (90) days from March 26, 1985 (the date the allocation was approved by the Board) if the bonds for which the allocation has been approved have not been issued.

Section 8(c) of the Board's regulations on the allocation of the State Ceiling on private activity bonds requires the entity receiving an allocation to advise the Board's Secretary of the status of the issuance within 60 days and again within 75 days of the Board's approval date if the Internal Revenue Service Form 8038 has not been filed previously on this project.

I certify that, to the best of my knowledge, this allocation was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

Grady L. Patterson, Jr.

Attest:

William A. McInnis, Secretary

023782

# EXHIBIT

MAR 26 1985

NO. 10

## TRANSMITTAL FORM, REVENUE BONDS

STATE BUDGET & CONTROL BOARD

TO: William A. McInnis, Secretary  
State Budget and Control Board  
600 Wade Hampton Office Building  
Columbia, SC 29201  
OR P. O. Box 12444, Columbia, SC 29211

Date: March 29, 1985

FROM: Sinkler Gibbs & Simons  
Name of Law Firm  
160 East Bay Street (P.O. Box 340, 29402)  
Street  
Charleston, SC 29401  
City, State, Zip Code

Telephone Area Code 803  
Number: 722-3366

Submitted for BCB Meeting of:  
April 9, 1985

RE: \$1,255,000 Spartanburg County  
Amount of Issue, Local Government Issuer  
Industrial Revenue Note  
Type of Bonds/Notes  
The Amigo Corporation  
Name of Project

Private Activity Bonds:  
☒ YES ☐ NO

Projected Issue Date:  
May 1, 1985

### Project Description:

To manufacture accessories for babies including car seat covers,  
bedding products and specialty clothing

Number of persons to be employed: 50 persons initially, expected 200

### Documents Enclosed:

(All required for State law approval; A and C only for ceiling allocation only.)

- A. ☒ Petition (executed original and two copies)
- B. ☒ Resolution or ordinance (executed copy)
- C. ☒ Inducement Resolution or comparable preliminary approval (executed copy).
- D. ☒ Standard Form Investment Letter from purchaser of bonds (executed original)  
OR  
Audited financial statements for three most recent years
- E. ☐ Department of Health and Environmental Control certificate  
Required ☒ Not Required
- F. ☒ Budget and Control Board Resolution and Public Notice  
Original (and 9 copies for certification and return)
- G. ☒ Processing fee  
Amount \$ 3,000.00 Check No. 8654  
Payor Tailored Baby, Inc.

Bond Counsel: M. William Youngblood, Jr.  
Typed Name

*M. William Youngblood*  
Signature  
023783

Department of the Treasury  
Internal Revenue Service

## Information Return for Private Activity Bond Issues

Under Section 103(l)

(Section references are to the Internal Revenue Code.)

MAY - 6 1985  
9:15 a.m. LL

OMB No. 1545-0720  
Expires 1-31-85

1 Issuer's name

Spartanburg County, South Carolina, c/o Spartanburg

2 Present address (including city, town or post office, State and ZIP code)

County Council, P.O. Box 5666

Spartanburg, South Carolina 29304

3 Issuer's employer  
identification number

57-6000401

4 Date of issue

May 3, 1985

Type of Issue (Check box(es) that apply)

Private Activity Bonds other than Industrial Development Bonds (IDBs):

5 ☐ Student loan bond . . . . .6 ☐ Private exempt entity bond . . . . .

### Industrial Development Bonds:

7 ☐ Industrial park bond . . . . .

8 ☐ a ☐ \$1 million small issue IDB

b XX \$10 million small issue iDB	* * * * *
-----------------------------------	-----------

9 Exempt Activity Bond (check type(s) below):

a ☐ Residential rental projects (section 103(b)(4)(A)) .

**b** ☐ Sports facilities (section 103(b)(4)(B)) . . . . .

c ☐ Convention facilities (section 103(b)(4)(C)) . . . .

d ☐ Airports, docks, etc., (section 103(b)(4)(D)) . . . .

e ☐ Sewage or waste disposal facilities (section 103(b)(4))

f ☐ Pollution control facilities (section 103(b)(4)(F)) . . .

g ☐ Water furnishing facilities (section 103(b)(4)(G)) .

h ☐ Hydroelectric generating facilities (section 103(b)(4))

☐ Mass commuting vehicles (section 103(b)(4)(I)). . .☐ Local district heating or cooling facilities (section 103)

k ☐ Facilities for the local furnishing of electric energy or power

SIC code	Amount \$	SIC code	Amount \$
2392	1,255.000		

EXHIBIT

MAR 26 1985 NO. 1 0

STATE BUDGET &amp; CONTROL BOARD

### **Part III** Description of Obligations (See instructions)

[illegible]

11 Weighted average maturity of the issue (in years) (complete only for IDBs) (see instructions) . . . . . 4.31

For Paperwork Reduction Act Notice, see page 1 of the instructions.

023784

Form 8038 (1/83)



**Part III** Proceeds of Issue

12 Total purchase price (regs. section 1.103-13(d)(2)) . . . . .	\$ 1,288,00.00
13 Face amount of issue . . . . .	\$ 1,255,000.00
14 Bond issuance costs . . . . .	\$ 35,000.00
15 Amounts allocated to reasonably required reserve or replacement fund (regs. section 1.103-14(d)) . . . . .	-0-
16 Lendable proceeds of the issue (see instructions) . . . . .	\$ 1,255,000.00

**Part IV** Description of Financed Property (Do not complete for student loan bonds)

17 a Cost of 3-yr. ACRS property (or portion thereof financed by issue) . . . . .	-0-
b Cost of 5-yr. ACRS property (or portion thereof financed by issue) . . . . .	\$ 456,000.00
c Cost of 10-yr. ACRS property (or portion thereof financed by issue) . . . . .	
d Cost of 15-yr. ACRS property (or portion thereof financed by issue) . . . . .	\$ 658,000.00
e Cost of land (or portion thereof financed by issue) . . . . .	\$ 139,000.00
f Cost of other property financed by the issue . . . . .	---
18 a Proceeds used to refund prior issue . . . . .	---
b If issue is an advance refunding, enter the earliest call date . . . . .	16.5 years
19 Average weighted economic life of the project (complete only for IDBs) . . . . .	16.5 years

**Part V** Description of Initial Principal Users (Do not complete for student loan bonds)

## 20 Initial Principal Users:

(A) User	(B) Name	(C) Address	(D) Employer identification number
(i) (ii) (iii) (iv) (v) (vi) (vii)	The Amigo Corporation	P.O. Box 399 Woodruff, South Carolina 29388	Applied For

## 21 Common parents (if any) of initial principal users listed above:

(A) User (from above)	(B) Name	(C) Address	(D) Employer identification number
	Tailored Baby Inc.	520 Library Street San Fernando, California 91340	95-2246642

**Part VI** Approval of Issue (Complete only for IDBs)22 Name of Governmental units approving issue ▶ Spartanburg County, South Carolina23 Names and positions of applicable elected representatives or date of referendum approving issue ▶ County Council

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
	<div style="display: flex; justify-content: space-between;"> <div> <i>P. L. Westmoreland</i>  Signature of officer </div> <div> 5/3/85  Date </div> <div> County Administrator  Title </div> </div>		
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours, if self-employed) and address Sinkler Gibbs & Simons, P.O. Box 340 Charleston, South Carolina		Zip code 29402

PART II - Description of Obligations

<u>Maturity Date</u>	<u>Face Amount</u>	<u>Stated Interest Rate</u>	<u>Term</u>
August 1, 1986	\$28,522.73	70% of Prime	1.25
November 1, 1986	28,522.73	70% of Prime	1.50
February 1, 1987	28,522.73	70% of Prime	1.75
May 1, 1987	28,522.73	70% of Prime	2.00
August 1, 1987	28,522.73	70% of Prime	2.25
November 1, 1987	28,522.73	70% of Prime	2.50
February 1, 1988	28,522.73	70% of Prime	2.75
May 1, 1988	28,522.73	70% of Prime	3.00
August 1, 1988	28,522.73	70% of Prime	3.25
November 1, 1988	28,522.73	70% of Prime	3.50
February 1, 1989	28,522.73	70% of Prime	3.75
May 1, 1989	28,522.73	70% of Prime	4.00
August 1, 1989	28,522.73	70% of Prime	4.25
November 1, 1989	28,522.73	70% of Prime	4.50
February 1, 1990	28,522.73	70% of Prime	4.75
May 1, 1990	28,522.73	70% of Prime	5.00
August 1, 1990	28,522.73	70% of Prime	5.25
November 1, 1990	28,522.73	70% of Prime	5.50
February 1, 1991	28,522.73	70% of Prime	5.75
May 1, 1991	28,522.73	70% of Prime	6.00
August 1, 1991	28,522.73	70% of Prime	6.25
November 1, 1991	28,522.73	70% of Prime	6.50
February 1, 1992	28,522.73	70% of Prime	6.75
May 1, 1992	28,522.73	70% of Prime	7.00
August 1, 1992	28,522.73	70% of Prime	7.25
November 1, 1992	28,522.73	70% of Prime	7.50
February 1, 1993	28,522.73	70% of Prime	7.75
May 1, 1993	28,522.73	70% of Prime	8.00
August 1, 1993	28,522.73	70% of Prime	8.25
November 1, 1993	28,522.73	70% of Prime	8.50
February 1, 1994	28,522.73	70% of Prime	8.75
May 1, 1994	28,522.73	70% of Prime	9.00
August 1, 1994	28,522.73	70% of Prime	9.25
November 1, 1994	28,522.73	70% of Prime	9.50
February 1, 1995	28,522.73	70% of Prime	9.75
May 1, 1995	28,522.73	70% of Prime	10.00
August 1, 1995	28,522.73	70% of Prime	10.25
November 1, 1995	28,522.73	70% of Prime	10.50
February 1, 1996	28,522.73	70% of Prime	10.75
May 1, 1996	28,522.73	70% of Prime	11.00
August 1, 1996	28,522.73	70% of Prime	11.25
November 1, 1996	28,522.73	70% of Prime	11.50
February 1, 1997	28,522.73	70% of Prime	11.75
May 1, 1997	28,522.61	70% of Prime	12.00

023786

STATE OF SOUTH CAROLINA

COUNTY OF SPARTANBURG

# EXHIBIT

MAR 26 1985

NO. 10

TO THE STATE BUDGET AND CONTROL

BOARD OF SOUTH CAROLINA

) STATE BUDGET & CONTROL BOARD

) P E T I T I O N

The Petition of Spartanburg County, South Carolina (the "County") respectfully shows:

1. The County is an "issuing authority" as such term is used in the Regulations on Allocation of State Ceiling on Issuance of Private Activity Bonds (the "Regulations") promulgated by the State Budget and Control Board of South Carolina (the "State Board").

2. The County has agreed with Tailored Baby, Inc. (the "Company"), a corporation organized and existing under the laws of the State of California, that the County will undertake to finance the acquisition and installation of land, buildings, fixtures, machinery and equipment (the "Project") to manufacture accessories for babies including car seat covers, bedding products and specialty clothing in the County through the issuance and delivery of Industrial Revenue Bonds or Notes pursuant to Title 4, Chapter 29, Code of Laws of South Carolina 1976, as amended (the "Act"). In this connection, the County has agreed to issue its \$1,500,000 Spartanburg County, South Carolina, Industrial Revenue Bonds or Notes (the "Note") pursuant to the Act and to an ordinance to be adopted by Spartanburg County Council.

3. The County is advised by the Company that the Project will provide employment for fifty (50) persons upon the start of operations with employment expected to be approximately two hundred (200) persons when the plant is operating at full capacity.

4. The Regulations authorize the County to submit its request to the State Board that a portion of the State Ceiling established by the Deficit Reduction Act of 1984 (the "State Ceiling") be allocated to the Note.

5. This Petition constitutes an "Authorized Request" within the meaning of the Regulations and, as required by the Regulations, is accompanied by a copy of the Inducement Contract executed by the County and the Company.

Upon the basis of the foregoing, the County respectfully prays:

023787

That the State Board accept the filing of the Petition presented herewith, that it determine that the allocation amount requested is not disproportionately large in comparison with the State Ceiling not yet allocated or with the public benefits to be derived from the Project and that it approve an allocation for the Project in an amount not to exceed \$1,500,000.

February 13, 1985.

Respectfully Submitted,

By Kenneth L. Westmoreland  
County Administrator of  
Spartanburg County

Attest:

By C. P. Parris  
Clerk, Spartanburg County  
Council

EXHIBIT

MAR 26 1985 NO. 10

STATE BUDGET & CONTROL BOARD

023788



# EXHIBIT

MAR 26 1985 NO. 10

## A RESOLUTION STATE BUDGET & CONTROL BOARD

AUTHORIZING AN INDUCEMENT CONTRACT BETWEEN SPARTANBURG COUNTY, SOUTH CAROLINA (THE "COUNTY") AND TAILORED BABY, INC. RELATING TO THE ISSUANCE AND DELIVERY BY THE COUNTY OF INDUSTRIAL REVENUE BONDS OR NOTES (THE "NOTE") PURSUANT TO TITLE 4, CHAPTER 29, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED; AND AUTHORIZING A PETITION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA REQUESTING THAT A PORTION OF THE STATE CEILING ESTABLISHED BY THE DEFICIT REDUCTION ACT OF 1984 BE ALLOCATED TO THE NOTE.

WHEREAS, Tailored Baby, Inc. (the "Company"), a corporation organized and existing under the laws of the State of California, has requested that Spartanburg County Council ("County Council") exercise the powers vested in it by Title 4, Chapter 29, Code of Laws of South Carolina 1976, as amended (the "Act") and make provision for the issuance and delivery of Spartanburg County, South Carolina, Industrial Revenue Bonds or Notes (the "Note") the proceeds of which would be made available to the Company for the payment of costs and expenses relating to the acquisition and installation of land, buildings, fixtures, machinery and equipment (the "Project") to manufacture accessories for babies including car seat covers, bedding products and specialty clothing in Spartanburg County, South Carolina (the "County") including the filing of a Petition with the State Budget and Control Board of South Carolina (the "State Board") requesting that a portion of the State Ceiling established by the Deficit Reduction Act of 1984 (the "State Ceiling") be allocated to the Note; and

WHEREAS, County Council is informed by the Company that the Project will provide employment for fifty (50) persons upon the start of operations with employment expected to be approximately two hundred (200) persons when the plant is operating at full capacity; and

WHEREAS, after due consideration, County Council has determined to grant such assistance and to that end has agreed to enter into a contract with the Company making provision for the issuance and delivery of bonds or notes pursuant to the Act and to petition the State Board for allocation of a portion of the State Ceiling.

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

1. That the County shall issue the Note in the amount not exceeding One Million Five Hundred Thousand Dollars

023789

(\$1,500,000) to finance the cost of the proposed undertaking of the Company.

2. That an agreement to implement the action to be taken pursuant to paragraph 1 above in substantially the form presented to this meeting and attached hereto (but with such changes, if any, as the officers herein authorized to execute the same shall approve, their approval to be evidenced by the execution thereof) shall be executed on behalf of the County by the County Administrator and the same shall be attested by the Clerk of County Council.

3. That a Petition in form substantially as attached hereto as Exhibit "A" shall be presented to the State Board to request that a portion of the State Ceiling be allocated to the Note.

4. County Council and its duly elected officers, shall take any and all further action as may become necessary to effectuate the action herewith taken and the agreement herein authorized.

5. This Resolution shall take effect immediately.

INDUCEMENT CONTRACT

THIS CONTRACT made and entered into between SPARTANBURG COUNTY, SOUTH CAROLINA (the "County"), a body politic and corporate and a political subdivision of the State of South Carolina (the "State"), and TAILORED BABY, INC. (the "Company"), a corporation organized and existing under the laws of the State of California,

WITNESSETH:

EXHIBIT

ARTICLE I

MAR 26 1985

NO. 1 0

RECITATION OF FACTS

STATE BUDGET & CONTROL BOARD

Section 1.01

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

1. The County is a body politic and corporate and a political subdivision of the State and is authorized and empowered by the provisions of Title 4, Chapter 29, Code of Laws of South Carolina 1976, as amended (the "Act") to acquire, enlarge, improve, expand, equip, furnish, own, lease and dispose of properties through which the industrial development of the State will be promoted and trade developed by inducing new industries to locate in the State and by encouraging industries now located in the State to expand their investments and thus utilize and employ manpower and other resources of the State.

2. The Company proposes to acquire, construct and install land, buildings, fixtures, machinery and equipment (the "Project") to manufacture accessories for babies including car seat covers, bedding products and specialty clothing in the County. The cost of this undertaking is estimated to be approximately One Million Five Hundred Thousand Dollars (\$1,500,000). The Project will provide employment for fifty (50) persons upon the start of operations with employment expected to be approximately two hundred (200) persons when the plant is operating at full capacity.

3. The Company has advised the County that its contemplated program would be aided by the availability of the assistance which the County might render through the sale of Spartanburg County, South Carolina, Industrial Revenue Bonds or Notes (the "Note") pursuant to the Act whereby the County would finance the acquisition and installation of the Project.

4. The County has given due consideration to all of the proposals and requests of the Company and has agreed to endeavor to effect the issuance and delivery pursuant to the Act of the Note at the time and on the terms and conditions hereafter set forth.

## ARTICLE II

### UNDERTAKINGS ON THE PART OF THE COUNTY

The County agrees as follows:

#### Section 2.01

That it will authorize the issuance of the Note in an amount not exceeding One Million Five Hundred Thousand Dollars (\$1,500,000) at such time as the Company may request the County to do so.

#### Section 2.02

That it will enter into a financing agreement (the "Agreement") with the Company or such related corporate entity as the Company may request upon such terms and conditions as shall be mutually agreed upon between the County and the Company pursuant to which the proceeds of the Note will be made available to the Company to be applied to the cost of acquiring and installing the Project and to the expenses incident thereto including the costs of the financing.

#### Section 2.03

That it will permit the Company to arrange for the sale of the Note and if successful marketing arrangements can be made, it will adopt such proceedings as are necessary for the making of the Agreement and the issuance and delivery of the Note.

#### Section 2.04

That if the Note shall be sold, the Agreement will provide that the proceeds thereof shall be applied to the payment of the costs theretofore and thereafter to be incurred in connection with the issuance and delivery of the Note and the acquisition and installation of the Project including the repayment of any funds advanced or loans incurred by the Company or any related entity for such purposes.

#### Section 2.05

That if requested by the Company prior to the issuance and delivery of the Note, it will enter into a trust



indenture (the "Indenture") with a trustee bank to be selected by the Company pursuant to which the Note will be issued. The Indenture, if entered into, will be substantially in the form used in connection with the issuance of Industrial Revenue Bonds or Notes in the State and may constitute a lien on the Project to secure the payment of the Note.

Section 2.06

That it will perform such other acts and adopt such further proceedings as may be required to faithfully implement its undertakings and to consummate the proposed financing.

ARTICLE III

UNDERTAKINGS ON THE PART OF THE COMPANY

The Company agrees as follows:

Section 3.01

That the County will have no obligation to find a purchaser of the Note, and the Company will endeavor to market the Note on behalf of the County to the extent required to finance the cost of issuing and delivering the Note and the cost of the acquisition and installation of the Project.

Section 3.02

If the plan proceeds as contemplated, the Company further agrees as follows:

(a) to enter into the Agreement with the County, under the terms of which it will obligate itself to pay to the County sums sufficient to pay the principal of, prepayment penalty or premium, if any, and interest on the Note, as and when the same become due and payable, the Agreement to be in form and to contain such provisions as shall be satisfactory to the County and to the Company;

(b) to obligate itself to make the additional payments required by the Act including, but not limited to, payments in lieu of taxes;

(c) to hold the County harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Contract and in the implementation of its terms and provisions; and

(d) to perform such further acts and adopt such further proceedings as may be required to faithfully implement its undertakings and consummate the proposed financing.

#### ARTICLE IV

#### GENERAL PROVISIONS

##### Section 4.01

All commitments of the County under Article II hereof are subject to all of the provisions of the Act and the condition that nothing contained in this Contract shall constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

##### Section 4.02

The parties agree that the Company may proceed with the acquisition and installation of the Project prior to the issuance and delivery of the Note.

##### Section 4.03

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

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Contract as of the 13th day of February, 1985.

SPARTANBURG COUNTY, SOUTH CAROLINA

By K. L. Westmaceland  
County Administrator of  
Spartanburg County

Attest:

By C. P. Parris  
Clerk, Spartanburg County  
Council

EXHIBIT

MAR 26 1985 NO. 1 0

STATE BUDGET & CONTROL BOARD

TAILORED BABY, INC.

By *AT Thomas Jr*  
Its *Pres*

Attest: *Wm L R*  
By *Wm L R*  
Its *Vice President*

EXHIBIT

MAR 26 1985 NO. 10

STATE BUDGET & CONTROL BOARD

# EXHIBIT

MAR 26 1985

NO. 10

EXHIBIT "A"

STATE OF SOUTH CAROLINA

COUNTY OF SPARTANBURG

STATE BUDGET & CONTROL BOARD

TO THE STATE BUDGET AND CONTROL

BOARD OF SOUTH CAROLINA

P E T I T I O N

The Petition of Spartanburg County, South Carolina (the "County") respectfully shows:

1. The County is an "issuing authority" as such term is used in the Regulations on Allocation of State Ceiling on Issuance of Private Activity Bonds (the "Regulations") promulgated by the State Budget and Control Board of South Carolina (the "State Board").

2. The County has agreed with Tailored Baby, Inc. (the "Company"), a corporation organized and existing under the laws of the State of California, that the County will undertake to finance the acquisition and installation of land, buildings, fixtures, machinery and equipment (the "Project") to manufacture accessories for babies including car seat covers, bedding products and specialty clothing in the County through the issuance and delivery of Industrial Revenue Bonds or Notes pursuant to Title 4, Chapter 29, Code of Laws of South Carolina 1976, as amended (the "Act"). In this connection, the County has agreed to issue its \$1,500,000 Spartanburg County, South Carolina, Industrial Revenue Bonds or Notes (the "Note") pursuant to the Act and to an ordinance to be adopted by Spartanburg County Council.

3. The County is advised by the Company that the Project will provide employment for fifty (50) persons upon the start of operations with employment expected to be approximately two hundred (200) persons when the plant is operating at full capacity.

4. The Regulations authorize the County to submit its request to the State Board that a portion of the State Ceiling established by the Deficit Reduction Act of 1984 (the "State Ceiling") be allocated to the Note.

5. This Petition constitutes an "Authorized Request" within the meaning of the Regulations and, as required by the Regulations, is accompanied by a copy of the Inducement Contract executed by the County and the Company.

Upon the basis of the foregoing, the County respectfully prays:



That the State Board accept the filing of the Petition presented herewith, that it determine that the allocation amount requested is not disproportionately large in comparison with the State Ceiling not yet allocated or with the public benefits to be derived from the Project and that it approve an allocation for the Project in an amount not to exceed \$1,500,000.

February 13, 1985.

Respectfully Submitted,

By (Exhibit)  
County Administrator of  
Spartanburg County

Attest:

By (Exhibit)  
Clerk, Spartanburg County  
Council

STATE OF SOUTH CAROLINA

COUNTY OF SPARTANBURG

I, the undersigned, Clerk of Spartanburg County Council  
DO HEREBY CERTIFY:

That the foregoing constitutes a true, correct and  
verbatim copy of a resolution adopted by Spartanburg County  
Council at a duly called and regularly held meeting on  
February 13, 1985, at which all/a majority of the members of  
said County Council were present, and voted unanimously in  
favor of the adoption of said resolution.

That the original of said resolution is duly entered in  
the permanent records of minutes of meetings of County  
Council in my custody as Clerk.

IN WITNESS WHEREOF, I have hereunto set my Hand this  
13th day of February, 1985.

C. P. Parnell  
Clerk, Spartanburg County  
Council

023798

MAR 26 1985

The State of South Carolina



Office of the Attorney General

EXHIBIT

MAR 26 1985

NO. 11

STATE BUDGET & CONTROL BOARD

T. TRAVIS MEDLOCK  
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING  
POST OFFICE BOX 11549  
COLUMBIA, S.C. 29211  
TELEPHONE 803-758-2072

March 25, 1985

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

Re: \$9,000,000 Laurens County, South  
Carolina, Industrial Revenue Bonds,  
(J. J. Newberry Co.)

Dear Mr. McInnis:

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

Sincerely yours,

A handwritten signature in dark ink, appearing to read "D. Eckstrom".

David C. Eckstrom  
Assistant Attorney General

DCE/cs

Enclosures

023799

APR - 1 1985

State of South Carolina



EXHIBIT

MAR 26 1985

NO. 11

State Budget and Control Board

STATE BUDGET & CONTROL BOARD

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

EDGAR A. VAUGHN, JR., CPA  
STATE AUDITOR

MARGARET C. STILWELL, CPA  
DEPUTY STATE AUDITOR

April 1, 1985

Mr. William A. McInnis  
Deputy Executive Director  
State Budget and Control Board

Re: Industrial Revenue Bond Issue - Laurens County \$9,000,000

1. In connection with the revenue bond issue cited above we have reviewed the following:
  - a. Consolidated balance sheets as of January 31, 1984 and 1983 for J. J. Newberry and Co. and consolidated statements of income, stockholder's equity, and changes in financial position for the years ended January 31, 1984, 1983 and 1982.
  - b. Trust Indenture
  - c. Letter of Credit and Reimbursement Agreement with Citibank, N. A.
2. Independent auditors (Deloitte, Haskins and Sells, New York, N. Y.) issued unqualified opinions on the financial statements noted in 1.a. above.
3. J. J. Newberry and Co. is a wholly-owned subsidiary of McCrory Corporation and McCrory in turn is a subsidiary of Rapid - American Corporation. However, based upon review of the trust indenture and the letter of credit cited in 1.b. and 1.c. above, the bond issue will not be guaranteed by either McCrory Corporation or Rapid - American Corporation.
4. We were informed by F. Mitchell Johnson of Sinkler, Gibbs and Simons, bond counsel for the project, that this Laurens County proposed issue supercedes the prior proposed Greenville County issue in the amount of \$9,800,000 (McCrory Corporation project) conditionally approved by the Board at its meeting of November 26, 1984 and approved by our memorandum to the Board dated November 15, 1984.

023800

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

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

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



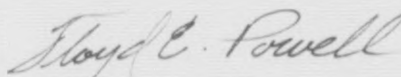
# EXHIBIT

Mr. William A. McInnis  
April 1, 1985  
Page Two

MAR 26 1985 NO. 1 1

STATE BUDGET & CONTROL BOARD

5. Based upon our review of the J. J. Newberry and Co. consolidated audited financial statements and also relying upon the terms of the irrevocable letter of credit to be issued by Citibank, N. A., which will provide funds for payment of principal and interest should company pledged revenues prove insufficient, there is no reason to disapprove this bond issue.



Floyd E. Powell, CPA  
Director of Auditing Services  
Office of the State Auditor

023801

# EXHIBIT

MAR 26 1985

NO. 11

STATE OF SOUTH CAROLINA )

J. J. Newberry Co. Project

STATE BUDGET & CONTROL BOARD

COUNTY OF RICHLAND )

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

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 A. M., on Tuesday, March 26, 1985, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of: Senator Dennis, who was represented by Senate Finance Committee Vice Chairman James M. Waddell, Jr.

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

FOR MOTION

5

AGAINST MOTION

0

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

That any and all conditions attached to the referenced Board action except that relating to the submission of IRS Form 8038 have been satisfied as of the date of this certificate.

April 8, 1985

William A. McInnis

023802

# EXHIBIT

MAR 26 1985 NO. 1 1

STATE BUDGET & CONTROL BOARD<sup>B</sup>

## A RESOLUTION

AUTHORIZING AN INDUCEMENT CONTRACT BETWEEN LAURENS COUNTY, SOUTH CAROLINA (THE "COUNTY") AND MCCRORY CORPORATION RELATING TO THE ISSUANCE AND DELIVERY BY THE COUNTY OF INDUSTRIAL REVENUE BONDS OR NOTES (THE "BONDS") PURSUANT TO TITLE 4, CHAPTER 29, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED; AND AUTHORIZING A PETITION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA REQUESTING THAT A PORTION OF THE STATE CEILING ESTABLISHED BY THE DEFICIT REDUCTION ACT OF 1984 BE ALLOCATED TO THE BONDS.

WHEREAS, McCrory Corporation (the "Company"), a corporation organized and existing under the laws of the State of Delaware, has requested that Laurens County Council ("County Council") exercise the powers vested in it by Title 4, Chapter 29, Code of Laws of South Carolina 1976, as amended (the "Act") and make provision for the issuance and delivery of Laurens County, South Carolina, Industrial Revenue Bonds or Notes (the "Bonds") the proceeds of which would be made available to the Company for the payment of costs and expenses relating to the acquisition, construction and installation of land, buildings, fixtures, machinery and equipment (the "Project") to constitute a facility for the distribution of clothing in Laurens County, South Carolina (the "County") including the filing of a Petition with the State Budget and Control Board of South Carolina (the "State Board") requesting that a portion of the State Ceiling established by the Deficit Reduction Act of 1984 (the "State Ceiling") be allocated to the Bonds; and

WHEREAS, County Council is informed by the Company that upon completion the Project will provide employment for approximately three hundred (300) persons; and

WHEREAS, after due consideration, County Council has determined to grant such assistance and to that end has agreed to enter into a contract with the Company making provision for the issuance and delivery of bonds or notes pursuant to the Act and to petition the State Board for allocation of a portion of the State Ceiling.

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

1. That the County shall issue the Bonds in the amount not exceeding Nine Million Eight Hundred Thousand Dollars (\$9,800,000) to finance the cost of the proposed undertaking of the Company.
2. That an agreement to implement the action to be taken pursuant to paragraph 1 above in substantially the

023803

form presented to this meeting and attached hereto (but with such changes, if any, as the officers herein authorized to execute the same shall approve, their approval to be evidenced by the execution thereof) shall be executed on behalf of the County by the Chairman of County Council and the same shall be attested by the Clerk of County Council.

3. That a Petition in form substantially as attached hereto as Exhibit "A" shall be presented to the State Board to request that a portion of the State Ceiling be allocated to the Bonds.

4. County Council and its duly elected officers, shall take any and all further action as may become necessary to effectuate the action herewith taken and the agreement herein authorized.

5. This Resolution shall take effect immediately.

## EXHIBIT

MAR 26 1985 NO. 11

STATE BUDGET & CONTROL BOARD



INDUCEMENT CONTRACT

THIS CONTRACT made and entered into between LAURENS COUNTY, SOUTH CAROLINA (the "County"), a body politic and corporate and a political subdivision of the State of South Carolina (the "State"), and MCCRORY CORPORATION (the "Company"), a corporation organized and existing under the laws of the State of Delaware,

WITNESSETH:

EXHIBIT

ARTICLE I

MAR 26 1985 NO. 11

RECITATION OF FACTS

STATE BUDGET & CONTROL BOARD

Section 1.01

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

1. The County is a body politic and corporate and a political subdivision of the State and is authorized and empowered by the provisions of Title 4, Chapter 29, Code of Laws of South Carolina 1976, as amended (the "Act") to acquire, enlarge, improve, expand, equip, furnish, own, lease and dispose of properties through which the industrial development of the State will be promoted and trade developed by inducing new industries to locate in the State and by encouraging industries now located in the State to expand their investments and thus utilize and employ manpower and other resources of the State.

2. The Company proposes to acquire, construct and install land, buildings, fixtures, machinery and equipment (the "Project") to constitute a facility for the distribution of clothing in the County. The cost of this undertaking is estimated to be approximately Nine Million Eight Hundred Thousand Dollars (\$9,800,000). Upon completion, the Project will provide employment for approximately three hundred (300) persons.

3. The Company has advised the County that its contemplated program would be aided by the availability of the assistance which the County might render through the sale of Laurens County, South Carolina, Industrial Revenue Bonds or Notes (the "Bonds") pursuant to the Act whereby the County would finance the acquisition, construction and installation of the Project.

4. The County has given due consideration to all of the proposals and requests of the Company and has agreed to endeavor to effect the issuance and delivery pursuant to the

Act of the Bonds at the time and on the terms and conditions hereafter set forth.

## ARTICLE II

### UNDERTAKINGS ON THE PART OF THE COUNTY

The County agrees as follows:

#### Section 2.01

That it will authorize the issuance of the Bonds in an amount not exceeding Nine Million Eight Hundred Thousand Dollars (\$9,800,000) at such time as the Company may request the County to do so.

#### Section 2.02

That it will enter into a financing agreement (the "Agreement") with the Company upon such terms and conditions as shall be mutually agreed upon between the County and the Company pursuant to which the proceeds of the Bonds will be made available to the Company to be applied to the cost of acquiring, constructing and installing the Project and to the expenses incident thereto including the costs of the financing.

#### Section 2.03

That it will permit the Company to arrange for the sale of the Bonds and if successful marketing arrangements can be made, it will adopt such proceedings as are necessary for the making of the Agreement and the issuance and delivery of the Bonds.

#### Section 2.04

That if the Bonds shall be sold, the Agreement will provide that the proceeds thereof shall be applied to the payment of the costs theretofore and thereafter to be incurred in connection with the issuance and delivery of the Bonds and the acquisition, construction and installation of the Project including the repayment of any funds advanced or loans incurred by the Company or any related entity for such purposes.

#### Section 2.05

That if requested by the Company prior to the issuance and delivery of the Bonds, it will enter into a trust indenture (the "Indenture") with a trustee bank to be selected by the Company pursuant to which the Bonds will be issued. The Indenture, if entered into, will be substantially in the form used in connection with the

issuance of Industrial Revenue Bonds or Notes in the State and may constitute a lien on the Project to secure the payment of the Bonds.

Section 2.06

That it will perform such other acts and adopt such further proceedings as may be required to faithfully implement its undertakings and to consummate the proposed financing.

ARTICLE III

UNDERTAKINGS ON THE PART OF THE COMPANY

The Company agrees as follows:

Section 3.01

That the County will have no obligation to find a purchaser of the Bonds, and the Company will endeavor to market the Bonds on behalf of the County to the extent required to finance the cost of issuing and delivering the Bonds and the cost of the acquisition, construction and installation of the Project.

Section 3.02

If the plan proceeds as contemplated, the Company further agrees as follows:

(a) to enter into the Agreement with the County, under the terms of which it will obligate itself to pay to the County sums sufficient to pay the principal of, prepayment penalty or premium, if any, and interest on the Bonds, as and when the same become due and payable, the Agreement to be in form and to contain such provisions as shall be satisfactory to the County and to the Company;

(b) to obligate itself to make the additional payments required by the Act including, but not limited to, payments in lieu of taxes;

(c) to hold the County harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Contract and in the implementation of its terms and provisions; and

(d) to perform such further acts and adopt such further proceedings as may be required to faithfully implement its undertakings and consummate the proposed financing.

## ARTICLE IV

### GENERAL PROVISIONS

#### Section 4.01

All commitments of the County under Article II hereof are subject to all of the provisions of the Act and the condition that nothing contained in this Contract shall constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

#### Section 4.02

The parties agree that the Company may proceed with the acquisition, construction and installation of the Project prior to the issuance and delivery of the Bonds.

#### Section 4.03

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



IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Contract as of the 26th day of November, 1984.

LAURENS COUNTY, SOUTH CAROLINA

By *Alvin M. Mott*  
Chairman, Laurens County  
Council

Attest:

By *Dorothy B. Wiles*  
Clerk, Laurens County Council

MCCRORY CORPORATION

By *B. J. Blaney*  
Its Vice President - Finance

Attest:

By *Deanna Greene*  
Its Secretary

023869

STATE OF SOUTH CAROLINA

COUNTY OF LAURENS

TO THE STATE BUDGET AND CONTROL

BOARD OF SOUTH CAROLINA

P E T I T I O N

The Petition of Laurens County, South Carolina (the "County") respectfully shows:

1. The County is an "issuing authority" as such term is used in the Regulations on Allocation of State Ceiling on Issuance of Private Activity Bonds (the "Regulations") promulgated by the State Budget and Control Board of South Carolina (the "State Board").

2. The County has agreed with McCrory Corporation (the "Company"), a corporation organized and existing under the laws of the State of Delaware, that the County will undertake to finance the acquisition, construction and installation of land, buildings, fixtures, machinery and equipment (the "Project") to constitute a facility for the distribution of clothing in the County through the issuance and delivery of Industrial Revenue Bonds or Notes pursuant to Title 4, Chapter 29, Code of Laws of South Carolina 1976, as amended (the "Act"). In this connection, the County has agreed to issue its \$9,800,000 Laurens County, South Carolina, Industrial Revenue Bonds or Notes (the "Bonds") pursuant to the Act and to an ordinance to be adopted by Laurens County Council.

3. The County is advised by the Company that the Project will provide employment for approximately three hundred (300) persons.

4. The Regulations authorize the County to submit its request to the State Board that a portion of the State Ceiling established by the Deficit Reduction Act of 1984 (the "State Ceiling") be allocated to the Bonds.

5. This Petition constitutes an "Authorized Request" within the meaning of the Regulations and, as required by the Regulations, is accompanied by a copy of the Inducement Contract executed by the County and the Company.

Upon the basis of the foregoing, the County respectfully prays:

That the State Board accept the filing of the Petition presented herewith, that it determine that the allocation

amount requested is not disproportionately large in comparison with the State Ceiling not yet allocated or with the public benefits to be derived from the Project and that it approve an allocation for the Project in an amount not to exceed \$9,800,000.

November 26, 1984.

Respectfully Submitted,

By s/ A. Eugene Madden  
Chairman, Laurens County  
Council

Attest:

By s/ Dorothy B. Wilson  
Clerk, Laurens County  
Council

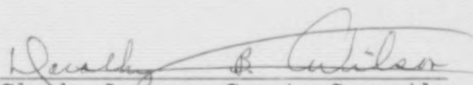
STATE OF SOUTH CAROLINA  
COUNTY OF LAURENS

I, the undersigned, Clerk of Laurens County Council  
DO HEREBY CERTIFY:

That the foregoing constitutes a true, correct and  
verbatim copy of a resolution adopted by Laurens County  
Council at a duly called and regularly held meeting on  
November 26, 1984, at which all/a majority of the members of  
said County Council were present, and voted unanimously in  
favor of the adoption of said resolution.

That the original of said resolution is duly entered in  
the permanent records of minutes of meetings of County  
Council in my custody as Clerk.

IN WITNESS WHEREOF, I have hereunto set my Hand this  
26th day of November, 1984.

  
Clerk, Laurens County Council

023812



# EXHIBIT

STATE OF SOUTH CAROLINA

MAR 26 1985 NO. 11

COUNTY OF LAURENS

STATE BUDGET & CONTROL BOARD

TO THE STATE BUDGET AND CONTROL

BOARD OF SOUTH CAROLINA

## P E T I T I O N

The Petition of Laurens County Council ("County Council") respectfully shows:

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

2. The Act authorizes and empowers the County, if it shall comply with the provisions set forth in the Act, to acquire or cause to be acquired land, buildings, equipment, machinery and other improvements deemed necessary, suitable and useful by any industrial enterprise and to finance the acquisition and installation of the same through the issuance of bonds or notes payable from and secured by a pledge of the revenues to be derived from a financing agreement relating to such land, buildings, equipment and machinery and other improvements.

3. County Council has agreed with J. J. Newberry Co. (the "Company"), a corporation organized and existing under the laws of the State of Delaware, that the County will undertake to finance the acquisition, construction and installation of land, buildings, fixtures, machinery and equipment (the "Project") to constitute a facility for the distribution of general merchandise in the County through the issuance and delivery of Industrial Revenue Bonds pursuant to the Act. In this connection, County Council has agreed to issue Nine Million Dollars (\$9,000,000) Laurens County, South Carolina, Industrial Revenue Bonds, Series 1985 (J. J. Newberry Co. Project) (the "Bonds") pursuant to the Act, to an ordinance (the "Bond Ordinance") to be adopted by County Council and to a proposed Trust Indenture (the "Indenture") between the County and Bankers Trust Company, as Trustee (the "Trustee").

4. County Council is advised by the Company that the cost of the Project will be approximately Nine Million Dollars (\$9,000,000) and that, therefore, in order to finance the acquisition, construction and installation of the Project (the "Undertaking"), including the costs and

charges incident to the issuance and delivery of the Bonds, it is necessary that County Council issue and deliver the Bonds in that amount.

5. When completed, the Project will provide employment for approximately three hundred (300) persons.

6. For the reasons above set forth and hereinafter disclosed, County Council has found that:

(a) the Undertaking will subserve the purposes of the Act;

(b) the Undertaking will have a beneficial effect upon the general public welfare of the County and the areas adjacent thereto by providing employment not otherwise provided in the County;

(c) by reason of the Undertaking, no pecuniary liability will result to the County nor will there be a charge against its general credit or taxing powers;

(d) the amount required to finance the acquisition, construction and installation of the Project is approximately \$9,000,000;

(e) the proposed Loan Agreement (the "Loan Agreement") between the County and the Company unconditionally obligates the Company to pay an amount adequate to provide for the payments of the principal of and interest on the Bonds which will be dated and will mature in the amounts and bear interest at the rates set forth in the Indenture;

(f) in view of the well established credit of the Company and the successful arrangements to effect the issuance and delivery of the Bonds without the establishment of a reserve fund for the payment of the principal of and interest on the Bonds, no such reserve fund will be established; and

(g) the terms of the Loan Agreement require the Company to maintain the Project in good repair and to carry all proper insurance with respect thereto.

7. The Loan Agreement will provide, among other things, the following:

(a) to finance the cost of the acquisition, construction and installation of the Project the County will issue and deliver the Bonds. The Bonds will be secured by a pledge of substantially all of the amounts to be paid to the County by the Company, as authorized by the Act;

(b) the proceeds derived from the issuance and delivery of the Bonds will be used to pay the costs incident to the acquisition, construction and installation of the Project and the issuance of the Bonds; and

(c) the Loan Agreement contains no provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing powers.

8. Pursuant to the Indenture, the County will pledge to the Trustee, as security for the payment of the Bonds, substantially all of the right, title and interest of the County in and to the Loan Agreement except tax payments and certain payments to be made by way of indemnification. The Indenture is in conventional form and prescribes the terms and conditions upon which the Bonds will be issued. The Indenture contains no provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing power.

9. As security for the payment of the principal of, premium, if any, and interest on the Bonds, Citibank, N.A. will issue its Irrevocable Letter of Credit (the "Letter of Credit") in favor of the Trustee.

10. The Bonds will be issued by the County pursuant to the proposed ordinance (the "Bond Ordinance") which imposes upon the Company the obligation to pay, in addition to the moneys required for the payment of the principal of, premium, if any, and interest on the Bonds, all other costs and expenses resulting from the Bond Ordinance and the issuance of the Bonds pursuant thereto and the transactions contemplated to take place in connection therewith.

11. The Loan Agreement, the Indenture, the Letter of Credit, the Bond Ordinance and the Bonds (draft copies of which are enclosed herewith) will be substantially in the form heretofore used in the issuance of Industrial Revenue Bonds or Notes pursuant to the Act. While changes may be made in the enclosed forms, it is not expected that there will be any changes which will substantially affect the undertaking as now outlined therein.

12. The undersigned certify, under penalty of perjury, that the County's petition to the State Board for an allocation of the State Ceiling was not made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Upon the basis of the foregoing, County Council respectfully prays:

That the State Budget and Control Board of South Carolina (the "State Board") accept the filing of the Petition presented herewith; and that, thereafter and as soon as practicable, it make such independent investigation of the Undertaking and the terms and provisions of the Loan Agreement, the Indenture, the Letter of Credit, the Bond Ordinance and the Bonds as it deems advisable; that the State Board find that the proposed Undertaking is intended to promote the purposes of the Act and is reasonably anticipated to effect such result; and on the basis of such finding, that it approve the Undertaking, including changes in any details of the said financing as finally consummated which do not materially affect the Undertaking and give published notice of its approval in the manner set forth in the Act.

March 18, 1985.

Respectfully Submitted,

LAURENS COUNTY, SOUTH  
CAROLINA

By

*Hugh S. Jacobs*  
Chairman, Laurens County  
Council

Attest:

By

*Dorothy B. Culshaw*  
Clerk, Laurens County  
Council

EXHIBIT

MAR 26 1985 NO. 11

STATE BUDGET & CONTROL BOARD



# EXHIBIT

MAR 26 1985

NO. 11

## A RESOLUTION STATE BUDGET & CONTROL BOARD<sup>C</sup>

APPROVING THE FINANCING OF THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF LAND, BUILDINGS, FIXTURES, MACHINERY AND EQUIPMENT AT INDUSTRIAL FACILITIES IN LAURENS COUNTY, SOUTH CAROLINA ("THE COUNTY") TO BE OWNED AND OPERATED BY J. J. NEWBERRY CO. THROUGH THE ISSUANCE AND DELIVERY OF \$9,000,000 LAURENS COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE BONDS, SERIES 1985 (J. J. NEWBERRY CO. PROJECT) (THE "BONDS"); AUTHORIZING A PETITION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA REQUESTING THAT A PORTION OF THE STATE CEILING ESTABLISHED BY THE DEFICIT REDUCTION ACT OF 1984 BE ALLOCATED TO THE BONDS AND REQUESTING ITS APPROVAL OF THE UNDERTAKING OF THE COUNTY PURSUANT TO TITLE 4, CHAPTER 29, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED; PROVIDING FOR A PUBLIC HEARING TO BE HELD IN CONNECTION WITH THE ISSUANCE AND DELIVERY OF THE BONDS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY LAURENS COUNTY COUNCIL IN MEETING DULY ASSEMBLED:

### ARTICLE I

#### FINDINGS OF FACT

##### SECTION 1.01

Incident to the adoption of this resolution, Laurens County Council ("County Council"), the governing body of Laurens County, South Carolina (the "County"), has made the following findings:

1. J. J. Newberry Co. (the "Company"), a corporation organized and existing under the laws of the State of Delaware, has proposed that the County assist in financing the acquisition, construction and installation of certain land, buildings, fixtures, machinery and equipment (the "Project") to constitute a facility for the distribution of general merchandise in the County at an estimated cost of \$9,000,000 through the issuance and delivery of Industrial Revenue Bonds pursuant to the authorization of Title 4, Chapter 29, Code of Laws of South Carolina 1976, as amended (the "Act").

2. The Company has advised County Council that its proposed industrial project would be aided by the assistance which the County might render through the issuance and delivery of Industrial Revenue Bonds in the principal amount of \$9,000,000 (the "Bonds") pursuant to the Act, to a proposed ordinance (the "Bond Ordinance") to be adopted by County Council and to a proposed Trust Indenture (the

023817

"Indenture") between the County and Bankers Trust Company, as Trustee (the "Trustee").

3. County Council has heretofor agreed with McCrory Corporation, the parent corporation of the Company, to finance the acquisition, construction and installation of the Project and adopts this Resolution to evidence its approval of the issuance and delivery of the Bonds as aforesaid, to authorize a Petition to the State Budget and Control Board of South Carolina (the "State Board") requesting that a portion of the State Ceiling established by the Deficit Reduction Act of 1984 (the "State Ceiling") be allocated to the Bonds and setting forth the facts required by the Act and to provide for a public hearing to be held in connection with the issuance and delivery of the Bonds.

4. County Council has determined that the financing of the acquisition, construction and installation of the Project (the "Undertaking") will subserve the purposes of the Act and that neither the Undertaking nor the Bonds will give rise to any pecuniary liability of the County or a charge against its general credit or taxing powers.

5. When completed, the Project will provide employment for approximately three hundred (300) persons. It is therefore believed that the Undertaking will have a beneficial effect upon the economy of the County and areas adjacent thereto by providing employment not otherwise provided in the County.

6. The amount necessary to finance the acquisition, construction and installation of the Project is Nine Million Dollars (\$9,000,000).

7. The Company has submitted to County Council a draft of a proposed Loan Agreement (the "Loan Agreement") pursuant to which the County will lend Nine Million Dollars (\$9,000,000) to the Company and under which the Company will unconditionally agree:

(a) to pay the amounts necessary to provide the payments of principal of and interest on the Bonds which will be dated and will mature in the amounts and bear interest at the rates set forth in the Indenture,

(b) to maintain the Project in good repair, and

(c) to carry all proper insurance with respect to the Project.

8. The Indenture, a draft of which the Company has also submitted to County Council, will prescribe the terms and conditions of the Bonds and the security therefor and

will be in substantially the same form as presented at this meeting.

9. The Company has also submitted to County Council a draft of a proposed Irrevocable Letter of Credit (the "Letter of Credit") issued by Citibank, N.A. (the "Bank") in favor of the Trustee.

10. The Company has also submitted to County Council a draft of a proposed Letter of Credit and Reimbursement Agreement between the Company and the Bank pursuant to which the Company agrees to reimburse the Bank for any drawings made under the Letter of Credit.

11. The Company has arranged for the issuance and delivery of the Bonds to the Underwriter.

12. In view of the well established credit of the Company and the successful arrangements to effect the issuance and delivery of the Bonds without the establishment of a reserve fund for the payment of the principal of, premium, if any, and interest on the Bonds, no such reserve fund will be established.

## ARTICLE II

### SUBMISSION OF PETITION

#### SECTION 2.01

The Petition in form substantially as attached hereto as Exhibit "A" shall be presented to the State Board to request that a portion of the State Ceiling be allocated to the Bonds and to seek the approval required by the Act; said Petition shall be duly executed by the Chairman of County Council (the "Chairman") and the same shall be attested by the Clerk of County Council.

## ARTICLE III

### PUBLIC HEARING AND NOTICE

#### SECTION 3.01

Pursuant to Section 103(k) of the Internal Revenue Code of 1954, as amended, a public hearing shall be held in connection with the issuance and delivery of the Bonds by the County. Such public hearing shall be held before final action by County Council authorizing the issuance and delivery of the Bonds.

SECTION 3.02

Not less than fourteen (14) days prior to the hearing provided for in Section 3.01 hereof, the Chairman shall cause notice of such hearing to be published in THE LAURENS COUNTY ADVERTISER and THE CLINTON CHRONICLE, newspapers of general circulation in the County. Such notices shall be in substantially the form attached hereto as Exhibit "B".



# EXHIBIT

STATE OF SOUTH CAROLINA    MAR 26 1985    NO. 11    EXHIBIT "A"  
COUNTY OF LAURENS    STATE BUDGET & CONTROL BOARD

TO THE STATE BUDGET AND CONTROL  
BOARD OF SOUTH CAROLINA

## P E T I T I O N

The Petition of Laurens County Council ("County Council") respectfully shows:

1. Laurens County, South Carolina (the "County") is an "issuing authority" as such term is used in the Regulations on Allocation of State Ceiling on Issuance of Private Activity Bonds (the "Regulations") promulgated by the State Budget and Control Board of South Carolina (the "State Board").

2. County Council is the governing body of the County as established by law, and, as such, is the Governing Board referred to in Title 4, Chapter 29, Code of Laws of South Carolina 1976, as amended (the "Act").

3. The Regulations authorize the County to submit its request to the State Board that a portion of the State Ceiling established by the Deficit Reduction Act of 1984 (the "State Ceiling") be allocated to the Bonds.

4. This Petition constitutes an "Authorized Request" within the meaning of the Regulations and, as required by the Regulations, is accompanied by a copy of the Inducement Contract executed by the County and the Company.

5. The Act authorizes and empowers the County, if it shall comply with the provisions set forth in the Act, to acquire or cause to be acquired land, buildings, equipment, machinery and other improvements deemed necessary, suitable and useful by any industrial enterprise and to finance the acquisition and installation of the same through the issuance of bonds or notes payable from and secured by a pledge of the revenues to be derived from a financing agreement relating to such land, buildings, equipment and machinery and other improvements.

6. County Council has agreed with J. J. Newberry Co. (the "Company"), a corporation organized and existing under the laws of the State of Delaware, that the County will undertake to finance the acquisition, construction and installation of land, buildings, fixtures, machinery and equipment (the "Project") to constitute a facility for the distribution of general merchandise in the County through

the issuance and delivery of Industrial Revenue Bonds pursuant to the Act. In this connection, County Council has agreed to issue Nine Million Dollars (\$9,000,000) Laurens County, South Carolina, Industrial Revenue Bonds, Series 1985 (J. J. Newberry Co. Project) (the "Bonds") pursuant to the Act, to an ordinance (the "Bond Ordinance") to be adopted by County Council and to a proposed Trust Indenture (the "Indenture") between the County and Bankers Trust Company, as Trustee (the "Trustee").

7. County Council is advised by the Company that the cost of the Project will be approximately Nine Million Dollars (\$9,000,000) and that, therefore, in order to finance the acquisition, construction and installation of the Project (the "Undertaking"), including the costs and charges incident to the issuance and delivery of the Bonds, it is necessary that County Council issue and deliver the Bonds in that amount.

8. When completed, the Project will provide employment for approximately three hundred (300) persons.

9. For the reasons above set forth and hereinafter disclosed, County Council has found that:

(a) the Undertaking will subserve the purposes of the Act;

(b) the Undertaking will have a beneficial effect upon the general public welfare of the County and the areas adjacent thereto by providing employment not otherwise provided in the County;

(c) by reason of the Undertaking, no pecuniary liability will result to the County nor will there be a charge against its general credit or taxing powers;

(d) the amount required to finance the acquisition, construction and installation of the Project is approximately \$9,000,000;

(e) the proposed Loan Agreement (the "Loan Agreement") between the County and the Company unconditionally obligates the Company to pay an amount adequate to provide for the payments of the principal of and interest on the Bonds which will be dated and will mature in the amounts and bear interest at the rates set forth in the Indenture;

(f) in view of the well established credit of the Company and the successful arrangements to effect the issuance and delivery of the Bonds without the establishment of a reserve fund for the payment of the principal of and interest on the Bonds, no such reserve fund will be established; and

(g) the terms of the Loan Agreement require the Company to maintain the Project in good repair and to carry all proper insurance with respect thereto.

10. The Loan Agreement will provide, among other things, the following:

(a) to finance the cost of the acquisition, construction and installation of the Project the County will issue and deliver the Bonds. The Bonds will be secured by a pledge of substantially all of the amounts to be paid to the County by the Company, as authorized by the Act;

(b) the proceeds derived from the issuance and delivery of the Bonds will be used to pay the costs incident to the acquisition, construction and installation of the Project and the issuance of the Bonds; and

(c) the Loan Agreement contains no provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing powers.

11. Pursuant to the Indenture, the County will pledge to the Trustee, as security for the payment of the Bonds, substantially all of the right, title and interest of the County in and to the Loan Agreement except tax payments and certain payments to be made by way of indemnification. The Indenture is in conventional form and prescribes the terms and conditions upon which the Bonds will be issued. The Indenture contains no provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing power.

12. As security for the payment of the principal of, premium, if any, and interest on the Bonds, Citibank, N.A. will issue its Irrevocable Letter of Credit (the "Letter of Credit") in favor of the Trustee.

13. The Bonds will be issued by the County pursuant to the proposed ordinance (the "Bond Ordinance") which imposes upon the Company the obligation to pay, in addition to the moneys required for the payment of the principal of, premium, if any, and interest on the Bonds, all other costs and expenses resulting from the Bond Ordinance and the issuance of the Bonds pursuant thereto and the transactions contemplated to take place in connection therewith.

14. The Loan Agreement, the Indenture, the Letter of Credit, the Bond Ordinance and the Bonds (draft copies of which are enclosed herewith) will be substantially in the form heretofore used in the issuance of Industrial Revenue Bonds or Notes pursuant to the Act. While changes may be

made in the enclosed forms, it is not expected that there will be any changes which will substantially affect the undertaking as now outlined therein.

15. The undersigned certify, under penalty of perjury, that the County's petition to the State Board for an allocation of the State Ceiling was not made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Upon the basis of the foregoing, County Council respectfully prays:

That the State Board accept the filing of the Petition presented herewith; that it determine that the allocation amount requested is not disproportionately large in comparison with the State Ceiling not yet allocated or with the public benefits to be derived from the Project; that it make such independent investigation of the Undertaking and the terms and provisions of the Loan Agreement, the Indenture, the Letter of Credit, the Bond Ordinance and the Bonds as it deems advisable; that it find that the proposed Undertaking is intended to promote the purposes of the Act and is reasonably anticipated to effect such result; and on the basis of such finding, that it approve an allocation for the Project in an amount not to exceed \$9,000,000 and approve the Undertaking, including changes in any details of the said financing as finally consummated which do not materially affect the Undertaking and give published notice of its approval in the manner set forth in the Act.

March 18, 1985.

Respectfully Submitted,

LAURENS COUNTY, SOUTH  
CAROLINA

By s/ Hugh S. Jacobs  
Chairman, Laurens County  
Council

Attest:

By s/ Dorothy E. Wilson  
Clerk, Laurens County  
Council



PUBLIC NOTICE

Notice is hereby given by Laurens County Council (the "County Board") that a public hearing relating to the proposed issuance and delivery by Laurens County, South Carolina (the "County") of the \$9,000,000 Laurens County, South Carolina, Industrial Revenue Bonds, Series 1985 (J. J. Newberry Co. Project) (the "Bonds") pursuant to Title 4, Chapter 29, Code of Laws of South Carolina 1976, as amended which Bonds are to be issued to finance the acquisition, construction and installation of certain land, buildings, fixtures, machinery and equipment (the "Project") to constitute a facility for the distribution of general merchandise located \_\_\_\_\_ in the County and to be owned and operated by J. J. Newberry Co.

The hearing will be held at the Council Hearing Room of Laurens County Council, Laurens County Courthouse Annex, West Main Street, Laurens, South Carolina, at 5:30 P.M., on April 22, 1985.

STATE OF SOUTH CAROLINA

COUNTY OF LAURENS

I, the undersigned Clerk of Laurens County Council, do hereby certify that the foregoing is a true, correct and verbatim copy of a Resolution duly adopted by Laurens County Council having been read at a duly called meeting of County Council on March 18, 1985.

WITNESS MY HAND, this 18th day of March, 1985.

\_\_\_\_\_  
Clerk, Laurens County Council

023826

# EXHIBIT

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

MAR 26 1985

NO. 11

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



Box 12444  
Columbia  
29211

## STATE BUDGET & CONTROL BOARD

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

March 26, 1985

### C E R T I F I C A T E


[Required by Section 103(n)(12)(A) of the Tax Reform Act of 1984  
(which is Part A of the Deficit Reduction Act of 1984)]

Re: \$9,000,000 Laurens County, South Carolina  
Industrial Revenue Bonds  
(J. J. Newberry Co. Project)

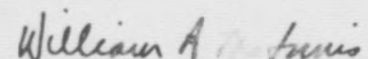
This will confirm that an allocation of the State Ceiling established in the Deficit Reduction Act of 1984 has been made by the Budget and Control Board in the amount indicated for the referenced project. This allocation is valid for calendar year 1985 only and shall expire ninety (90) days from March 26, 1985 (the date the allocation was approved by the Board) if the bonds for which the allocation has been approved have not been issued.

Section 8(c) of the Board's regulations on the allocation of the State Ceiling on private activity bonds requires the entity receiving an allocation to advise the Board's Secretary of the status of the issuance within 60 days and again within 75 days of the Board's approval date if the Internal Revenue Service Form 8038 has not been filed previously on this project.

I certify that, to the best of my knowledge, this allocation was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

  
Grady L. Patterson, Jr.

Attest:

  
William A. McInnis, Secretary

023827

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

# EXHIBIT

Date March 19, 1985

Rec'd 3/20/85  
10:44 a.m.  
DKW

MAR 26 1985

NO. 11

## STATE BUDGET & CONTROL BOARD

From: Sinkler Gibbs & Simons Telephone Area Code: 803  
Name of Law Firm  
160 East Bay Street Number: 722-3366  
Street  
Charleston, S.C. 29401 Submitted for BCB Meeting of:  
City, State Zip Code March 26, 1985

Re: \$9,000,000 Laurens County,  
South Carolina  
Amount of Issue, Issuer  
Industrial Revenue Private Activity Bonds:  
Type of Bonds/Notes x Yes No

J.J. Newberry Co. Projected Issue Date:  
Name of Project April 26, 1985

Project Description: A clothing distribution center of approximately  
500,000 square feet located on a 44 acre site on the southwest side of  
US Hwy. 76 near the City of Clinton, South Carolina.

Number of persons to be employed: 300

### Documents Enclosed:

(All required for State law approval; A and C only for ceiling  
allocation only.)

- A. x Petition (two copies)
- B. x Resolution or ordinance (copy)
- C. x Inducement Resolution or comparable preliminary approval.  
(executed copy)
- D. Standard Form Investment Letter from purchase of bonds  
(executed copy) OR  
x Audited financial statements for three most recent years
- E. Department of Health and Environmental Control certificate  
Required x Not Required
- F. x Budget and Control Board Resolution and Public Notice  
Original (and 10 copies for certification and return)
- G. x Processing fee  
Amount \$3,000 Check No. A 085624  
Payor McCrory Corporation

### Bond

Counsel: Sinkler Gibbs & Simons  
Typed Name

By: J. Mitchell Simon, Jr.  
Signature

023828



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

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



Box 12444  
Columbia  
29211

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

April 30, 1985

EXHIBIT

MAR 26 1985 NO. 11

STATE BUDGET & CONTROL BOARD

Laurens County  
c/o Mr. F. Mitchell Johnson  
Sinkler Gibbs & Simons  
Box 340  
Charleston, SC 29402

Dear Mr. Johnson:

Re: Issue of \$9,000,000 Laurens County, South Carolina  
Industrial Revenue Bonds  
(J. J. Newberry Company Project)

This will confirm that the referenced issue when issued and combined with the total amount of private activity bonds and notes certified to me previously by South Carolina issuing authorities as having been issued or which are to be issued in 1985 will not exceed the 1985 State Ceiling for South Carolina.

For your information, our records as of this date indicate the following:

<b>Certified State Ceiling:</b>	<b>\$495,000,000</b>
<b>A. State Agency and Exempt Facilities Pool Amount</b>	<b>198,000,000</b>
1. Allocations Approved Through 04/23/85	1,125,000
2. Balance of Pool Available	196,875,000
3. Certified for Issue 4/30/85	300,000
<b>B. Local Pool Amount</b>	<b>297,000,000</b>
1. Allocations Approved Through 04/23/85	73,420,000
2. Balance of Pool Available	223,580,000
3. Certified for Issue 4/30/85 (including referenced issue)	36,105,000

Sincerely,

*William A. McInnis*

William A. McInnis  
Secretary

WAM:dw

023829

APR 30 1985

# EXHIBIT

MAR 26 1985 NO. 11

STATE BUDGET & CONTROL BOARD

April 29, 1985

South Carolina State Budget  
and Control Board  
Post Office Box 12444  
Columbia, South Carolina 29211

Attention: Mr. William A. McInnis, Secretary

Re: \$9,000,000 Laurens County, South Carolina,  
Industrial Revenue Bonds, Series 1985 (J.J.  
Newberry Co. Project)

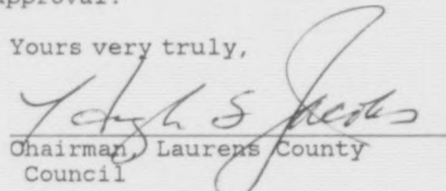
Dear Mr. McInnis:

In connection with the above-captioned Bonds, enclosed  
herewith please find the following:

(1) copy of Form 8038 filed with the United  
States Treasury, Internal Revenue Service and

(2) publisher's affidavit with newspaper clipping  
attached evidencing publication of notice of State  
Budget and Control Board approval.

Yours very truly,

  
Chairman, Laurens County  
Council

022830



**Part III** Proceeds of Issue

12 Total purchase price (regs. section 1.103-13(d)(2)) . . . . .	\$ 8,910,000
13 Face amount of issue . . . . .	\$ 9,000,000
14 Bond issuance costs (including underwriter discount of \$180,000) . . . . .	\$ 300,500
15 Amounts allocated to reasonably required reserve or replacement fund (regs. section 1.103-14(d)) . . . . .	\$ 0
16 Lendable proceeds of the issue (see instructions) . . . . .	\$ 8,609,500

**Part IV** Description of Financed Property (Do not complete for student loan bonds)

17 a Cost of 3-yr. ACRS property (or portion thereof financed by issue) . . . . .	\$ 0
b Cost of 5-yr. ACRS property (or portion thereof financed by issue) . . . . .	\$ 0
c Cost of 10-yr. ACRS property (or portion thereof financed by issue) . . . . .	\$ 0
d Cost of 15-yr. ACRS property (or portion thereof financed by issue) . . . . .	\$ 8,352,000
e Cost of land (or portion thereof financed by issue) . . . . .	\$ 257,500
f Cost of other property financed by the issue . . . . .	\$ 0
18 a Proceeds used to refund prior issue . . . . .	
b If issue is an advance refunding, enter the earliest call date . . . . .	
19 Average weighted economic life of the project (complete only for IDBs) . . . . .	25.00 years.

**Part V** Description of Initial Principal Users (Do not complete for student loan bonds)

## 20 Initial Principal Users:

(A) User	(B) Name	(C) Address	(D) Employer identification number
(i)	J.J. Newberry Co.	888 Seventh Avenue, New York, New York 10106	13-5582913
(ii)			
(iii)			
(iv)			
(v)			
(vi)			
(vii)			

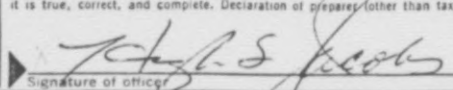
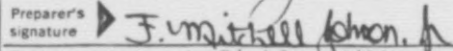
## 21 Common parents (if any) of initial principal users listed above:

(A) User (from above)	(B) Name	(C) Address	(D) Employer identification number

**Part VI** Approval of Issue (Complete only for IDBs)

22 Name of Governmental units approving issue ▶ Laurens County Council, State Budget and Control Board of South Carolina

23 Names and positions of applicable elected representatives or date of referenda approving issue ▶ Hugh S. Jacobs, Chairman, Laurens County Council

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
	<div style="display: flex; justify-content: space-between;"> <div>             Signature of officer         </div> <div>           04/29/85            Date         </div> <div>           Chairman, Laurens            County Council            Title         </div> </div>		
Paid Preparer's Use Only	<div style="display: flex; justify-content: space-between;"> <div>             Preparer's signature         </div> <div>           04/29/85            Date         </div> <div> <input type="checkbox"/>            Check if self-employed         </div> </div>		
	<div style="display: flex; justify-content: space-between;"> <div>           Firm's name (or yours, if self-employed) and address  <u>Sinkler Gibbs &amp; Simons, P.A.</u>  <u>Post Office Box 340, Charleston, SC</u> </div> <div>           Zip code  <u>29402</u> </div> </div>		

023832



PART II DESCRIPTION OF OBLIGATIONS

10 (C)  
Stated Interest Rate

From the date of issuance to April 1, 1992, the Bonds will bear interest at the rate of eight and one-eighth per centum (8-1/8%) per annum. From and after the April 1, 1992, the interest rate on the Bonds will be adjusted every two or five years, at the option of J.J. Newberry Co. to a fixed annual rate to be determined on the basis of the then prevailing market rate for debt instruments of like quality.

023833

NOTICE PURSUANT TO  
TITLE 4, CHAPTER 29,  
CODE OF LAWS OF  
SOUTH CAROLINA 1976,  
AS AMENDED

Notice is hereby given following the filing of a petition by Laurens County Council (the "County") to the State Budget Control Board of South Carolina (the "State Board") approval has been given by the State Board to the following undertaking (the "Undertaking") (involving changes in any details of the said financing as consummated which will not materially affect the Undertaking), viz.: the acquisition, construction and installation of land, buildings, fixtures, machinery and equipment (the "Project") to construct a facility for the distribution of general merchandise to be owned and operated by J.J. Newberry (the "Company"), a corporation organized and existing under the laws of the State of Delaware, and to be located on a 44 acre site on the southwest side of US Highway 76 near the City of Marion, South Carolina in Laurens County, "South Carolina (the "County"). To finance the acquisition, construction and installation of the project, the County will issue the \$200,000 Laurens County, South Carolina, Industrial Revenue Bonds, Series 1985 (J. J. Newberry Co. Project) (the "Bonds") pursuant to Title 4, Chapter 29, Code of Laws of South Caro-

lina 1976, as amended. The Bonds will be payable by the County solely from the amounts to be paid to the County by the Company pursuant to a Loan Agreement (the "Loan Agreement") between the County and the Company.

The Company will irrevocably covenant and agree to pay when due all sums required to pay the principal of and interest on the Bonds, and the Bonds will be secured by a Trust Indenture (the "Indenture") under which the County will pledge to Bankers Trust Company, as Trustee (the "Trustee") substantially all of its rights under the Loan Agreement and by an Irrevocable Letter of Credit issued by Citibank, N.A. in favor of the Trustee. The Bonds will be issued pursuant to the Act, to an ordinance (the "Bond Ordinance") to be adopted by the County Board and to the Indenture.

The Project will provide employment for approximately three hundred (300) persons.

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

THE STATE BUDGET  
AND CONTROL BOARD OF  
SOUTH CAROLINA

By: William A. McInnis  
Mar. 27c

## Affidavit of Publication

The Laurens Advertiser

State of South Carolina

County of Laurens

Personally appeared before me, a Notary Public for the state above, Nancy P. Lismore who being duly sworn

deposes and says that (he) (she) is the Banker of

The Laurens Advertiser, a newspaper published in the state and

county aforesaid, and that an advertisement for \_\_\_\_\_

Notice

appeared in the said newspaper 1 times on the following

dates: March 27, 1985

a copy of which is herewith attached.

Nancy P. Lismore

Sworn to before me this 28th day

of March 1985  
John C. Costa  
Notary Public for South Carolina.

MY COMMISSION EXPIRES  
OCTOBER 19, 1989

022834

MAR 26 1985

The State of South Carolina



Office of the Attorney General

EXHIBIT

MAR 26 1985 NO. 12

STATE BUDGET & CONTROL BOARD

T. TRAVIS MEDLOCK  
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING  
POST OFFICE BOX 11549  
COLUMBIA, S.C. 29211  
TELEPHONE 803-758-2072

March 25, 1985

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

Re: \$525,000 Lexington County, South  
Carolina, Industrial Revenue Bonds,  
(United Investments, Ltd.)

Dear Mr. McInnis:

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

Sincerely yours,

A handwritten signature in dark ink, appearing to read "D. Eckstrom".

David C. Eckstrom  
Assistant Attorney General

DCE/cs

Enclosures

023835

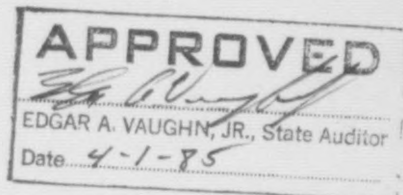
# EXHIBIT

MAR 26 1985

NO. 12

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA  
STATE BUDGET AND CONTROL BOARD  
Standard Form Investment Letter



TO: Secretary, State Budget and Control Board  
P. O. Box 12444  
Columbia, SC 29211

RE: Sale by Lexington County, South Carolina (the "Issuer")  
Of its \$525,000 (the "Bonds")  
On behalf of United Investments, Ltd. (the "~~Company~~") Obligor  
United Investments, Ltd. (the "Project")  
To Bankers Trust of South Carolina (the "Purchaser")

DATE: March 20, 1985

In connection with the referenced sale of Bonds by the Issuer, the Purchaser makes the following representations and certifications:

1. The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Bonds;
2. The Purchaser is financially able to bear the economic risk of its proposed investment in the Bonds for an indefinite period;
3. The Purchaser is familiar with the business affairs of the Company and has obtained and examined all financial and other information with respect to the Bonds, the Company and the officers and shareholders of the Company which it deems necessary in order to enable it to evaluate the merits and risks of its investment in the Bonds and to make an informed investment judgment in connection with the purchase of the Bonds;
4. The Purchaser has had the opportunity to ask questions of, and receive answers from, the Issuer and the Company concerning the terms and conditions of the offering and any other information which it has deemed relevant to the Bonds and its investment in the Bonds; and
5. The Bonds are being purchased for the account of the Purchaser and for the purpose of investment and not presently for resale, and the Purchaser has no present intention of offering the Bonds or any portion thereof for resale either currently or after the passage of a fixed period of time, or upon the occurrence or nonoccurrence of any predetermined event or circumstances.

SWORN to and subscribed  
before me this 20 day  
of March, 19 85

John Richardson  
Notary Public

My Commission expires  
My Commission Expires February 10, 1986

PURCHASER:

Name: Bankers Trust of South Carolina

Address: P.O. Box 448

Columbia, SC 29202

BY: [Signature]  
023836 Signature of Authorized Official



# EXHIBIT

STATE OF SOUTH CAROLINA )

United Investments, Ltd. MAR 26 1985

NO. 12

COUNTY OF RICHLAND )

STATE BUDGET & CONTROL BOARD

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

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 A. M., on Tuesday, March 26, 1985, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of: Senator Dennis, who was represented by Senate Finance Committee Vice Chairman James M. Waddell, Jr.

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

## FOR MOTION

5

## AGAINST MOTION

0

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

That any and all conditions attached to the referenced Board action except that relating to the submission of IRS Form 8038 have been satisfied as of the date of this certificate.

April 8, 1985

William A. McInnis

023837

# EXHIBIT

MAR 26 1985 NO. 12

STATE BUDGET & CONTROL BOARD

A RESOLUTION APPROVING THE ISSUANCE BY LEXINGTON COUNTY, SOUTH CAROLINA, OF A NOT EXCEEDING \$525,000 PRINCIPAL AMOUNT INDUSTRIAL DEVELOPMENT REVENUE NOTE (UNITED INVESTMENTS, LTD. PROJECT) 1985, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED.

WHEREAS, the County Council of Lexington County, South Carolina (the "Governing Board") has heretofore, by submitting a petition (the "Petition"), under and pursuant to the provisions of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended, (the "Act") requested the approval by the State Budget and Control Board of the issuance by Lexington County (the "County") pursuant to the Act of its Industrial Development Revenue Note (United Investments, Ltd. Project) 1985, in the aggregate principal amount of not exceeding \$525,000 (the "Note"); and

WHEREAS, the County proposes to issue the Note for the purpose of defraying the cost of acquiring, by construction and purchase, a certain building or buildings and other improvements, and certain machinery, apparatus, equipment, office facilities and furnishings (the "Project") to be used for the purpose of expanding an existing tool and die and metal stamping industrial facility; and

WHEREAS, the Project is to be made available to United Investments, Ltd., a South Carolina limited partnership, (the "Obligor") upon terms which require the Obligor to make payments to or for the account of the County in amounts sufficient to pay the principal and interest on the Note and which secure the obligation of the Obligor by a mortgage and security interest in the Project and certain other property; and

WHEREAS, the Obligor will lease the Project to United Tool and Die Incorporated, a corporation organized and existing under the laws of the State of Indiana of which the Obligor, Wally E. Whitecotton and Graydon D. Whitecotton, limited partners of the Obligor, are collectively the majority shareholders, (the "Corporation"); and

WHEREAS, the Note will be payable from and secured by an assignment of the obligations of the Obligor and the mortgage and security interest in the Project and certain other property; and

WHEREAS, the County has submitted with the Petition (i) drafts of the documents to be entered into by

the County in connection with the issuance of the Note, for review by the State Budget and Control Board, (ii) an Assistance Agreement by and between the Obligor and the County executed by the Wally E. Whitecotton and Graydon D. Whitecotton on February 19, 1985, and thereafter assigned to the Obligor in accordance with the provisions thereof and executed by the Governing Board, on February 12, 1985, and (iii) a copy of a resolution and petition adopted by the County on March 19, 1985, and this Board has reviewed and considered each of said documents in its consideration of said Petition by the County;

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

Section 1. The Board has made an independent investigation of the matters set forth in the Petition, and on the basis of such investigation it is hereby found, determined and declared:

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 4-29-140 of the Act; and

(c) The Project subject of the Petition of the Governing Board is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

Section 2. In consequence of the foregoing, the proposal of the County to defray the cost of acquiring the Project, to make the Project available to the Obligor, to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Note, in substantially the form set forth in the Indenture, secured by an assignment of the revenues to be derived from the Mortgage and Financing Agreement, and a mortgage and security interest in the Project and certain other property, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the County Council and the Obligor, and do not make inaccurate, except as to dates and amounts, the summaries of the Mortgage and Financing Agreement and the Indenture and the description of the Project.

## EXHIBIT

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in THE STATE, which is a newspaper having general circulation in Lexington County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. Approval of this undertaking is granted on the condition that a copy of Internal Revenue Service (IRS) form 8038 relating to any notes issued pursuant to this approval be filed with the Board's Secretary at the same time such Form is submitted to the IRS.

Section 6. The Board certifies that allocation for the Project under the volume cap established by the Deficit Reduction Act of 1984 was not made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Section 7. This Resolution shall take effect immediately.

## EXHIBIT

MAR 26 1985 NO. 12

STATE BUDGET & CONTROL BOARD



EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS  
OF SOUTH CAROLINA CODE ANNOTATED,  
TITLE 4, CHAPTER 29 (1976), AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended, (the "Act") that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Lexington County, South Carolina, has given its approval to the following undertaking by Lexington County, South Carolina:

The issuance by Lexington County of its Industrial Development Revenue Note (United Investments, Ltd. Project) 1985 in the original principal amount of not exceeding \$525,000 (the "Note"), to defray the costs of acquiring, by construction and purchase, a certain building or buildings and improvements, and certain machinery, apparatus, equipment, office facilities and furnishings by United Investments, Ltd., a South Carolina limited partnership, (the "Obligor") and to be leased to United Tool and Die Incorporated, a corporation organized and existing under the laws of the State of Indiana of which the Obligor and Wally E. Whitecotton and Graydon D. Whitecotton, limited partners of the Obligor, (the "Guarantors") are collectively the majority shareholders, (the "Corporation") for the purpose of expanding an existing tool and die and metal stamping industrial facility (the "Project") to be located in Lexington County. The Project will be made available to the Obligor which will unconditionally covenant to make payments sufficient to pay the principal and interest on the Note. The Note will be payable solely and exclusively out of payments to be made by the Obligor for the use of the Project, and is to be additionally secured by a mortgage and security interest in the Project and certain other property.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Project and the issuance of the Note by Lexington County to finance the same, by action de novo instituted in the Circuit Court for Lexington County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, Secretary

Dated: March 26, 1985.

# EXHIBIT

MAR 26 1985

NO. 12

State of South Carolina

## State Budget and Control Board

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



Box 12444  
Columbia  
29211

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

March 26, 1985

### C E R T I F I C A T E

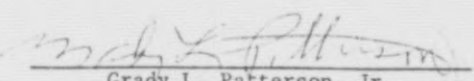
[Required by Section 103(n)(12)(A) of the Tax Reform Act of 1984  
(which is Part A of the Deficit Reduction Act of 1984)]

Re: \$525,000 Lexington County, South Carolina  
Industrial Revenue Note  
(United Investments, Ltd., Project)

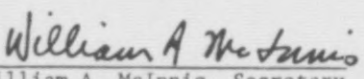
This will confirm that an allocation of the State Ceiling established in the Deficit Reduction Act of 1984 has been made by the Budget and Control Board in the amount indicated for the referenced project. This allocation is valid for calendar year 1985 only and shall expire ninety (90) days from March 26, 1985 (the date the allocation was approved by the Board) if the bonds for which the allocation has been approved have not been issued.

Section 8(c) of the Board's regulations on the allocation of the State Ceiling on private activity bonds requires the entity receiving an allocation to advise the Board's Secretary of the status of the issuance within 60 days and again within 75 days of the Board's approval date if the Internal Revenue Service Form 8038 has not been filed previously on this project.

I certify that, to the best of my knowledge, this allocation was not made in consideration of any bribe, gift, gratuity or direct or indirect contribution to any political campaign.

  
Grady L. Patterson, Jr.

Attest:

  
William A. McInnis, Secretary

023842

# EXHIBIT

MAR 26 1985

NO. 12

*Recd 3/20  
3:51 p.m.  
Sul*

## TRANSMITTAL FORM, REVENUE BONDS

STATE BUDGET & CONTROL BOARD

TO: William A. McInnis, Secretary  
State Budget and Control Board  
600 Wade Hampton Office Building  
Columbia, SC 29201  
OR P. O. Box 12444, Columbia, SC 29211

Date: March 20, 1985

FROM: McNair Law Firm  
Name of Law Firm  
1301 Gervias/P.O. Box 11390  
Street  
Columbia, SC 29211  
City, State, Zip Code

Telephone Area Code 803  
Number: 799-9800

Submitted for BCB Meeting of:  
March, 26, 1985

RE: \$525,000, Lexington County, South Carolina  
Amount of Issue, Local Government Issuer  
Note  
Type of Bonds/Notes  
United Investments, Ltd.  
Name of Project

Private Activity Bonds:  
X YES        NO

Projected Issue Date:  
April, 1985

### Project Description:

expanding an existing tool and die and metal stamping industrial facility

Number of persons to be employed: 20 to 30

### Documents Enclosed:

(All required for State law approval; A and C only for ceiling allocation only.)

- A. X Petition (executed original and two copies)
- B. X Resolution or ordinance (executed copy)
- C. X Inducement Resolution or comparable preliminary approval (executed copy)
- D. X Standard Form Investment Letter from purchaser of bonds (executed original)  
OR  
       Audited financial statements for three most recent years
- E.        Department of Health and Environmental Control certificate  
       Required X Not Required
- F. X Budget and Control Board Resolution and Public Notice  
Original (and 10 copies for certification and return)
- G. X Processing fee  
Amount \$2,000.00 Check No. 8097  
Payor United Tool and Die Incorporated

Bond Counsel: April C. Lucas, Esq.  
Typed Name

By:

*April Lucas*  
Signature

023843

# EXHIBIT

State of South Carolina

MAR 26 1985

NO. 12

## State Budget and Control Board

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



Box 12444

Columbia  
29211

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

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

April 30, 1985

Lexington County  
c/o Ms. April Lucas  
McNair Law Office  
Box 11390  
Columbia, SC 29211

Dear Ms. Lucas:

Re: Issue of \$525,000 Lexington County, South Carolina  
Industrial Revenue Note  
(United Investments, Ltd. Project)

This will confirm that the referenced issue when issued and combined with the total amount of private activity bonds and notes certified to me previously by South Carolina issuing authorities as having been issued or which are to be issued in 1985 will not exceed the 1985 State Ceiling for South Carolina.

For your information, our records as of this date indicate the following:

<b>Certified State Ceiling:</b>	<b>\$495,000,000</b>
<b>A. State Agency and Exempt Facilities Pool Amount</b>	<b>198,000,000</b>
1. Allocations Approved Through 04/23/85	1,125,000
2. Balance of Pool Available	196,875,000
3. Certified for Issue 4/30/85	300,000
<b>B. Local Pool Amount</b>	<b>297,000,000</b>
1. Allocations Approved Through 04/23/85	73,420,000
2. Balance of Pool Available	223,580,000
3. Certified for Issue 4/30/85 (including referenced issue)	36,105,000

Sincerely,

*William A. McInnis*

William A. McInnis  
Secretary

WAM:dw

023844



Form **8038** (Rev. 12-84)

**Part V Description of Property Financed by Non-refunding Proceeds**  
(Do not complete for student loan bonds or mortgage bonds)

<b>22 Type of Property Financed (or portion thereof financed by non-refunding proceeds)</b>		
a	3-yr. ACRS property	-0-
b	5-yr. ACRS property	221,000
c	10-yr. ACRS property	-0-
d	15-yr. ACRS property	-0-
e	18-yr. ACRS property	274,000
f	Cost of land	-0-
g	Cost of other property (see instructions)	-0-
<b>23</b>	Other use of non-refunding proceeds (subtract lines 22a-g from Part IV, line 21)(see instructions)	5,000
<b>24 Standard industrial classification (SIC) of non-refunding proceeds for the financed project.</b>		
	SIC Code	Non-refunding proceeds \$
a	3544	525,000
b	3469	
c		
	SIC Code	Non-refunding proceeds \$
d		
e		
f		
<b>25</b>	Average weighted economic life of the project (complete only for IDBs)	16 years.

**Part VI Description of Initial Principal Users**  
(Do not complete for student loan bonds or mortgage bonds)

(See attached Schedule B)

**26 Initial Principal Users:**

(A) User	(B) Name	(C) Address	(D) Employer identification number
(i)	United Investments, Ltd	3792 Platt Springs Rd. P.O. Box 5227 West Columbia, SC 29171	57-0714621
(ii)	United Tool and Die Incorporated	Same	35-0922504
(iii)	United Products Corp.	Same	Applied For
(iv)			
(v)			

**27 Common parents (if any) of initial principal users listed above:**

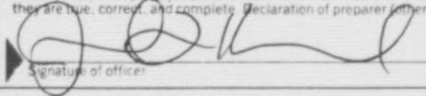
(A) User (from above)	(B) Name	(C) Address	(D) Employer identification number

**Part VII Approval of Issue (Complete only for IDBs)****28** Name of Governmental units approving issue ▶ Lexington County, South Carolina and the South Carolina State Budget and Control Board**29** Names and positions of applicable elected representatives or date of referendum approving issue ▶ (See attached Schedule C)**Part VIII Volume Limitations for Qualified Mortgage or Veterans' Bonds**

<b>1</b>	Issuer's volume limitation	n/a
<b>2</b>	Amount of volume limitation surrendered to other issues (e.g., under section 103A(g)(3)(B) or 25(c)(2)(A)(ii))	n/a
<b>3</b>	Amount of bonds previously issued	n/a
<b>4</b>	Unused volume limitation (subtract lines 2 and 3 from line 1)	n/a

**Please Sign Here**

Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

 4/30/85 Chairman

Signature of officer Date Title

**Paid Preparer's Use Only**

Preparer's signature Check if self-employed ☐ Preparer's social security no.

Firm's name (or yours, if self-employed) and address (See attached Schedule D) E.I. No. ZIP code

## SCHEDULE A

"Interest Rate" means (i) prior to an Event of Taxability (as defined in the Indenture), which leads to a Determination of Taxability (as defined in the Indenture) (a) the rate of interest per annum equal to nine and three-quarters percent (9.75%); provided that, in the event of a reduction or reductions in the maximum rate of tax applied to banks under Section 11 (the "Bank Tax Rate") of the Internal Revenue Code of 1954, as amended, (the "IRC") the percentage of interest per annum applicable hereto shall be changed on the effective date of such change in the Bank Tax Rate to a percentage of interest per annum equal to a number arrived at by dividing 75 by 54 and multiplying the result by the difference between 100 and the new maximum tax rate (disregarding the statement of said rate as a percentage); and (b) as of the effective date of any change in law other than a change in the Bank Tax Rate which results, in the opinion of counsel to any registered owner hereof, in the imposition of any tax (including, but not limited to, any preference tax imposed by Sections 55-58 of the IRC, an excess profits tax, a minimum tax or any other tax which increases the basis of taxation of the payments of interest on or principal of this note to the registered owner or owners hereof) or which, in the opinion of counsel to any registered owner hereof, adversely affects the deductibility of any amount attributable, directly or indirectly to the purchase and carrying of this note, the rate or rates of interest per annum which will result in each holder of this note realizing a net return on the principal amount of this note outstanding while held by such holder, net of all taxes, charges, or disallowances of deductibility imposed with respect to the interest paid or to be paid on this note or the principal amount hereof as a result of such change in law equal to a tax exempt yield to such holder at the rate per annum of nine and three-quarters percent (9.75%); (ii) after an Event of Taxability which leads to a Determination of Taxability, the rate or rates of interest per annum equal to the Prime Rate (hereinafter defined) plus one percent (1%); and (iii) for the initial holder of this note only, a single installment of additional interest in an amount equal to one percent per annum of the face amount hereof payable on the date of delivery hereof. All payments of interest hereon shall be calculated on the basis of a 360-day year and on the number of days actually elapsed. "Prime Rate" means the prime rate of interest announced as such from time to time by Bankers Trust of South Carolina, including changes therein, and such rate may or may not be the rate charged by Bankers Trust of South Carolina to its preferred customers.

023847

SCHEDULE B

D. Accountant's Certificate as to Average Economic Life

Lexington County Council  
212 South Lake Drive  
Lexington, South Carolina 29072

McNair Glenn Konduros Corley  
Singletary Porter & Dibble, P.A.  
Post Office Box 11390  
Columbia, South Carolina 29211

RE: Lexington County, South Carolina Industrial Development Revenue  
Note (Wally E. Whitecotton and Graydon D. Whitecotton Project)  
1985

Gentlemen:

This letter is being given to you with regard to the Lexington County, South Carolina Industrial Development Revenue Note (Wally E. Whitecotton and Graydon D. Whitecotton Project) 1985 (the "Note"). I have reviewed the description of the property to be financed with the proceeds of the Note provided me by Wally E. Whitecotton and Graydon D. Whitecotton which is set forth as Exhibit A hereto, and based upon that description have made the following determination:

The average maturity of the Note does not exceed 120% of the average reasonably expected economic life of the buildings, machinery, equipment, apparatus, office furnishings and any other items to be financed in whole or in part with the proceeds of the Note as shown by Exhibit A attached hereto.

The economic useful life of each item has been derived in accordance with the administrative guidelines established for the useful lives used for depreciation prior to the ACRS system (i.e. the midpoint lives under the ADR system where applicable and the guideline lives under Rev. Proc. 62-21, 1962 C.B.418, in case of structures).

Very truly yours

*Carey W Reef CPA*

027848



Exhibit A

AVERAGE REASONABLY EXPECTED  
ECONOMIC LIFE

Wally E. Whitecotton and Graydon D. Whitecotton Project, 1985

<u>ASSETS</u>	<u>AMOUNT</u>	<u>ECONOMIC LIFE</u>
Building	\$274,000	45 Years
Tooling & Fixtures	70,000	6 Years
Hand Drills, Riveters,		
Hydraulic Tables	20,000	12 Years
Welding Equipment	21,000	12 Years
Paint Line	110,000	12 Years

EXHIBIT

MAR 26 1985 NO. 12

STATE BUDGET & CONTROL BOARD

023849

SCHEDULE C

South Carolina State Budget and Control Board

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

Present Lexington County Council

Jerrold F. Howard, Chairman  
J. Wade Kleckley  
Roy J. Frick  
Russell B. Shealy  
Alvin J. Neal  
Robert O. Sox  
Art Guerri  
Bruce L. Merchant, Jr.  
Lowell C. Spires, Jr.

023850

SCHEDULE D

Prepared by:

McNair Glenn Konduros Corley  
Singletary Porter & Dibble, P.A.  
Post Office Box 11390  
Columbia, South Carolina 29211

Carey W. Roof, CPA, PA  
Post Office Box 4674  
West Columbia, South Carolina 29171

022851

# EXHIBIT

MAR 26 1985

NO. 12

## RESOLUTION

STATE BUDGET & CONTROL BOARD

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY LEXINGTON COUNTY, SOUTH CAROLINA, OF ITS INDUSTRIAL DEVELOPMENT REVENUE NOTE (UNITED INVESTMENTS, LTD. PROJECT) 1985, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976) AS AMENDED IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$525,000.

WHEREAS, Lexington County, South Carolina (the "County"), acting by and through its County Council is authorized and empowered under and pursuant to the provisions of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended, (the "Act") to acquire and cause to be acquired properties that are projects under the Act through which the industrial development of the State of South Carolina will be promoted and trade developed by inducing industrial enterprises to locate in and remain in the State of South Carolina and thus utilize and employ the manpower, agricultural products and natural resources of the State; and

WHEREAS, the County is further authorized by the Act to issue revenue bonds, as defined in the Act to include notes, payable solely from revenues and receipts from any financing agreement with respect to such project and secured by a pledge of said revenues and receipts and by an assignment of such financing agreement; and

WHEREAS, United Investments, Ltd., a South Carolina limited partnership (the "Obligor"), and the County entered into an Assistance Agreement (the "Assistance Agreement") executed by Wally E. Whitecotton and Graydon D. Whitecotton, limited partners of the Obligor, (the "Guarantors") on February 19, 1985, and executed by the County on February 12, 1985, pursuant to which and in order to implement the public purposes enumerated in the Act and in furtherance thereof to comply with the under takings of the County pursuant to the Assistance Agreement, the County proposes to issue its Industrial Development Revenue Note (United Investments, Ltd. Project) in the principal amount of not exceeding \$525,000 (the "Note") under and pursuant to the Act to defray the costs of acquiring by construction and purchase a certain building or buildings and other improvements, and machinery, apparatus, equipment, office facilities and furnishings (the "Project") to be located in the jurisdiction of the County and to be leased to United Tool and Die Incorporated, a corporation organized and



existing under the laws of the State of Indiana of which the Obligor and the Guarantors are collectively the majority shareholders (the "Corporation") and, subject to the approval of the State Budget and Control Board of South Carolina, to make the Project available to the Obligor under and pursuant to the terms of a Mortgage and Financing Agreement (the "Agreement") to be entered into between the County and the Obligor; and

WHEREAS, the Guarantors have assigned their rights and interests under the Assistance Agreement to the Obligor in accordance with the terms thereof; and

WHEREAS, it is now deemed advisable by the County Council to file with the State Budget and Control Board of South Carolina, in compliance with Section 4-29-140 of the Act, the Petition of the County requesting approval of the proposed financing by the State Budget and Control Board;

NOW, THEREFORE, BE IT RESOLVED by the County Council of Lexington County, South Carolina, as follows:

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

(a) The Project will constitute a "project" as said term is referred to and defined in Section 4-29-10 of the Act, and the issuance of the Note in the principal amount of not exceeding \$525,000 to defray the cost of the Project will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(b) It is anticipated that the Project will benefit the general public welfare of the County by providing employment for those engaged in construction of the Project, and by providing additional permanent employment for approximately 20 to 30 people from the County and adjacent areas when the Project is placed in full operation with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of industrial operations not otherwise provided locally.

(c) Neither the Project, the Note proposed to be issued by the County to defray the cost of the Project, nor any documents or agreements entered into by the County in connection therewith will constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

(d) The issuance of the Note by the County in the principal amount of not exceeding \$525,000 will be required to defray the cost of the Project.

(e) Inasmuch as the Obligor has established credit, the establishment of reserve funds in connection with the retirement of the Note and the maintenance of the Project is deemed unnecessary.

(f) The Project will be made available by the County to the Obligor upon terms which will require the Obligor, at its own expense, to maintain the Project in good repair and to carry all proper insurance with respect thereto.

(g) The Project will consist of the items described in Exhibits A and B to the Agreement and the Indenture to be entered into between the County and Bankers Trust of South Carolina, as lender (the "Lender"), all such documents to be submitted with the Petition.

(h) A reasonable estimate of the cost of the Project including necessary expenses incident thereto is \$525,000.

Section 2. There be and is hereby authorized and directed the submission on behalf of the County, of a Petition requesting the approval of the proposal of the County to issue the Note by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 4-29-140 of the Act, said Petition, which constitutes and is hereby made a part of this authorizing resolution, to be in substantially the form attached hereto.

Section 3. The Chairman of the County Council be and is hereby authorized and directed to execute said Petition in the name and on behalf of the County; and the Clerk of the County Council be and is hereby authorized and directed to affix the seal of the County to said Petition and to attest the same and thereafter to submit an executed copy of this resolution, to the State Budget and Control Board, in Columbia, South Carolina.

Section 4. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved March 19, 1985.

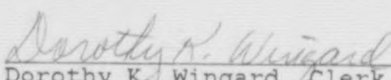
LEXINGTON COUNTY, SOUTH CAROLINA

By 

Jeffrod F. Howard, Chairman of  
County Council, Lexington County,  
South Carolina

(SEAL)

ATTEST:

  
Dorothy K. Wingard, Clerk  
of County Council,  
Lexington County,  
South Carolina

# EXHIBIT

STATE OF SOUTH CAROLINA )  
 )  
LEXINGTON COUNTY )

MAR 26 1985 NO. 1 2

STATE BUDGET & CONTROL BOARD

TO THE STATE BUDGET AND CONTROL )  
 )  
BOARD OF SOUTH CAROLINA )  
 )

## P E T I T I O N

This Petition of Lexington County, South Carolina (the "County"), pursuant to South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended, (the "Act") and specifically Section 4-29-140 thereof, respectfully shows:

1. The County Council of Lexington County (the "County Council"), is the governing body of the County and as such is the "governing board" of the County referred to in the Act.

2. The Act, among other things, empowers the County, subject to obtaining the approval of the State Budget and Control Board, pursuant to Section 4-29-140 of the Act: (i) to acquire, and, in connection with such acquisition, to enlarge, improve and expand, whether by construction, purchase, gift or lease, one or more projects (as defined in the Act) which shall be located within the jurisdiction of the County; (ii) to make available to any industry or industries any or all of its projects for such payments and upon such terms and conditions as the governing board may deem advisable and as shall not conflict with the provisions of the Act; and (iii) to issue revenue bonds, as defined in the Act to include notes, for the purpose of defraying the cost of acquiring, by construction and purchase, and in connection with any such acquisition, to enlarge, improve and expand any project and to secure the payment of such bonds all as in the Act provided.

3. Pursuant to the provisions of Act No. 512 of the Acts and Joint Resolutions for the General Assembly of the State of South Carolina for the year 1984 and regulations approved thereunder, the State Budget and Control Board and the Joint Bond Review Committee have been assigned certain responsibilities with respect to allocation of the private activity bond ceiling applicable to the State of South Carolina under Section 103(n) of the Internal Revenue Code of 1954, as amended (the "Volume Cap")

4. The County has agreed to assist United Investments, Ltd., a South Carolina limited partnership (the "Obligor"), by issuing its revenue note for the purpose of defraying the cost of acquiring certain facilities located



in the County (the "Project") more fully described in Exhibits A and B to the Mortgage and Financing Agreement and Indenture, copies of which are attached hereto.

5. The County 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.

6. The County has been advised by the Obligors that the estimated cost of the Project will be \$525,000 and it has requested the County to execute and deliver its Industrial Development Revenue Note (United Investments, Ltd. Project) (the "Note") in the principal amount of not exceeding \$525,000 to defray such costs.

7. Pursuant to Section 4-29-60 of the Act, the County Council has made the requisite findings that: (i) the Project will subserve the purposes of the Act; (ii) it is anticipated that the Project will benefit the general public welfare of the County by providing employment and other public benefits not otherwise provided locally; (iii) the Project will give rise to no pecuniary liability of the County or a charge against its general credit or taxing power; (iv) the principal amount of the Note required to finance the Project is expected to be not exceeding \$525,000; (v) the County does not deem it necessary to establish any reserve funds in connection with the retirement of the proposed Note and the maintenance of the Project; and (vi) the terms under which the Project is to be made available to the Obligor provide that the Obligor shall maintain the Project and carry all proper insurance with respect thereto, and, as a part of the proceedings of the County, the County Council will make the requisite finding as to the amount necessary in each year to pay the principal and the interest on the Note proposed to be issued to defray the cost of the Project.

8. Pursuant to Section 4-29-140 of the Act, the County sets forth the following information:

(a) The Project, described in detail on Exhibits A and B to the Mortgage and Financing Agreement and the Indenture submitted herewith, consists of a building or buildings and other improvements and certain machinery, apparatus, equipment, office facilities and furnishings to be used for the purpose of expanding an existing tool and die and metal stamping industrial facility; it is anticipated that, upon completion, the Project will provide directly 20 to 30 additional full time jobs in the County and neighboring areas and that the Project will provide stimulation to the economy of the County and neighboring areas thereto by increased payrolls, capital investment and tax revenues.

(b) It is estimated that the cost of the Project, including the items of cost authorized in the Act, will be \$525,000.

(c) Copies of the Mortgage and Financing Agreement and the Indenture are being submitted herewith. The following summary of terms is in no wise intended to affect or alter the actual terms of the documents themselves:

(i) The proposed Mortgage and Financing Agreement between the Obligor and the County provides in general:

(A) Proceeds derived from the placement of the Note will be used and applied by the County upon request of the Obligor solely for the payment of the costs (as that term is defined in the Act) incident to the acquisition, by construction and purchase, of the Project.

(B) The Obligor obligates itself: to effect completion of the Project if the proceeds derived from the placement of the Note prove insufficient therefor without diminution of any payments to the County required by the Mortgage and Financing Agreement; to meet the payments of principal and interest on the Note as the same become due; and to pay the cost of maintaining and insuring the Project to the extent and in the manner provided in the Mortgage and Financing Agreement.

(C) The County does not incur any pecuniary liability or charge upon its general credit or taxing powers.

(D) The County acquires a mortgage and security interest in the Project and certain other property as security for the obligations of the Obligor under the Mortgage and Financing Agreement.

(ii) The proposed Indenture between the County and Bankers Trust of South Carolina, as Lender (the "Lender"), provides in general:

(A) An irrevocable pledge and assignment for the benefit of the Lender or its assigns as holder of the Note of the County's right, title and interest in and to the Mortgage and Financing Agreement and all

payments, receipts and revenues which the County has a right to receive under the Mortgage and Financing Agreement or with respect to any security afforded thereunder or any other financing agreement with respect to the Project in favor of the County (except payments and rights to indemnification payments and administration expenses), and all the moneys and securities in funds created under the Indenture.

(B) The terms of the Note, the provisions for exchange and transfer of the Note, the prepayment provisions, the means of disbursement and investment of the proceeds thereof, default provisions and remedies therefor and various other matters relating to the Note.

(C) The execution of the Indenture imposes no pecuniary liability on the County and does not create a charge upon the general credit or taxing power of the County.

(iii) The Mortgage and Financing Agreement specifies that the Obligor shall make payments to the taxing authorities of the County and any school district or districts and other political units wherein the Project is located.

Upon the basis of the foregoing, the County respectfully prays that the State Budget and Control Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such investigation as it deems advisable, (iii) if it finds that the Project is intended to promote the purposes of the Act and may be reasonably anticipated to effect such result, that it approve the Project and the execution and delivery of the Note by the County pursuant to the Act to defray the cost of the Project (including changes in any details of the said financing as finally consummated which do not materially affect the

undertaking of the County), (iv) allocate \$525,000 of the Volume Cap for the Note, and (v) give published notice of its approval in the manner set forth in Section 4-29-140 of the Act.

Respectfully submitted,

LEXINGTON COUNTY, SOUTH CAROLINA

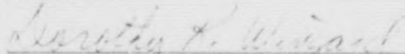
By 

Jerrod F. Howard, Chairman,  
County Council, Lexington County,  
South Carolina

Dated: March 19, 1985.

(SEAL)

ATTEST:



Dorothy K. Wingard, Clerk,  
County Council,  
Lexington County, South Carolina



# EXHIBIT

MAR 26 1985 NO. 12

STATE BUDGET & CONTROL BOARD

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN ASSISTANCE AGREEMENT BY AND AMONG LEXINGTON COUNTY, SOUTH CAROLINA, WALLY E. WHITECOTTON AND GRAYDON D. WHITECOTTON, WHEREBY, UNDER CERTAIN CONDITIONS, LEXINGTON COUNTY WILL ISSUE NOT EXCEEDING ONE MILLION DOLLARS (\$1,000,000) INDUSTRIAL DEVELOPMENT REVENUE BONDS OR NOTES.

WHEREAS, Lexington County, South Carolina (the "County ") acting by and through its County Council (the "County Council"), is authorized and empowered under and pursuant to the provisions of Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended, (the "Act") to acquire, or cause to be acquired, properties (which such properties constitute "projects" as defined in the Act) and to enter into agreements with any industry to construct, operate, maintain and improve such projects; to enter into financing agreements with respect to such projects; to issue revenue bonds to defray the costs of such projects; and to accept any grants for such projects through which powers the industrial development of the State of South Carolina will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State of South Carolina and thus utilize and employ the manpower, agricultural products and natural resources of the State; and

WHEREAS, the County is authorized by the Act to issue revenue bonds, as defined in the Act to include notes, payable solely out of the revenues derived from a financing agreement with respect to such project and may further be secured by a pledge of said revenues, a trust indenture or indenture covering all or any part of such project, and a pledge of any financing agreement with respect to such project; and

WHEREAS, Wally E. Whitecotton and Graydon D. Whitecotton in their personal capacities, (the "Obligors") have requested the County to issue not exceeding \$1,000,000 of its Industrial Development Revenue Bonds or Notes (Wally E. Whitecotton and Graydon D. Whitecotton Project) pursuant to the Act for the purpose of defraying the cost of acquiring by construction and purchase certain land, a building or buildings or other improvements thereon, and all machinery, apparatus, equipment, office facilities and furnishings to be installed therein for the purpose of expanding an existing tool and die and metal stamping industrial facility (the "Project") to be leased to United Tool and Die Incorporated, an Indiana corporation, (the "Corporation") all as more fully set forth in the Assistance Agreement attached hereto; and

023861

WHEREAS, the County has determined on the basis of the information supplied to it by the Obligors that the Project would be a "project" as that term is defined in the Act and that the Project would subserve the purposes of the Act.

NOW, THEREFORE, BE IT RESOLVED, by the County Council as follows:

Section 1. Pursuant to the authority of the Act and subject to the approval by the State Budget and Control Board, and for the purpose of defraying a portion of the cost (as defined in the Act) of acquiring the Project there is hereby authorized to be issued revenue bonds or notes of the County in the principal amount of not exceeding One Million Dollars (\$1,000,000) to be designated "Lexington County, South Carolina, Industrial Development Revenue Bonds or Notes (Wally E. Whitecotton and Graydon D. Whitecotton Project)" (the "Bonds").

Section 2. The provisions, terms and conditions of the financing agreement by and between the County and the Obligors, the provisions, terms and conditions of the trust indenture or indenture by and between the County and the Trustee or Bondholder, yet to be named, and the form, details, rate or rates of interest, maturity and redemption provisions, if any, of the Bonds shall be prescribed by subsequent resolution or ordinance of the County Council.

Section 3. The Chairman of the County Council is hereby authorized and directed to execute the Assistance Agreement attached hereto in the name and on behalf of the County, and the Clerk of the County Council is hereby authorized and directed to affix thereto the seal of the County and to attest the same; and the Chairman of the County Council is hereby further authorized and directed to deliver said executed Assistance Agreement to the Corporation.

Section 4. Prior to the issuance of any Bonds, the County Council will comply with the provisions of the Home Rule Act regarding the procedural requirements for adopting ordinances and resolutions.

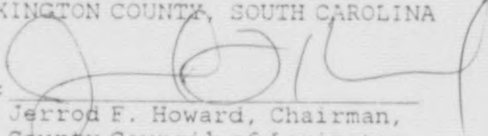
Section 5. All orders, resolutions, and parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This resolution shall take effect and be in full force from and after its passage by the County Council.

Section 6. It is the intention of the County Council that this resolution shall constitute an official action on the part of the County within the meaning of the applicable regulations of the United States Treasury

Department relating to the issuance of industrial revenue bonds.

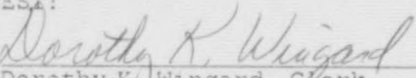
Done in meeting duly assembled this 12th day of February, 1985.

LEXINGTON COUNTY, SOUTH CAROLINA

By:   
Jerrod F. Howard, Chairman,  
County Council of Lexington  
County, South Carolina

(SEAL)

ATTEST:

By:   
Dorothy K. Wingard, Clerk  
County Council of  
Lexington County, South Carolina

## ASSISTANCE AGREEMENT

THIS AGREEMENT made and entered into by and between Lexington County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (the "County"), and Wally E. Whitecotton and Graydon D. Whitecotton, in their personal capacities (the "Obligors").

W I T N E S S E T H:

### ARTICLE I

#### RECITATION OF FACTS

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

Section 1.01. The County is a body politic and corporate, and a political subdivision of the State of South Carolina, and is authorized and empowered by the provisions of Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended, (the "Act") to acquire, or cause to be acquired, and to enlarge, improve, expand, equip, furnish, own, lease and dispose of properties through which the industrial development of the State will be promoted and trade developed by inducing new industries to locate in South Carolina and by encouraging industries now located in South Carolina to expand their investments and thus utilize and employ manpower and other resources of South Carolina.

Section 1.02. The Obligors desire to acquire certain land located within the jurisdiction of the County, and a building or buildings and other improvements thereon and all machinery, apparatus, equipment, office facilities and furnishings to be used for the purpose of expanding an existing tool and die and metal stamping industrial facility (the "Project") to be leased to United Tool and Die Incorporated, an Indiana corporation (the "Corporation"). The Project when completed and in operation will provide additional permanent employment in the County for approximately 25 to 30 people.

Section 1.03. The Obligors have requested the County to assist them with their contemplated program through the sale of Industrial Development Revenue Bonds (or Notes) pursuant to the Act, whereby the County would defray a portion of the cost of the Project.

027864



Section 1.04. The County has given due consideration to all the proposals and requests of the Obligors and has agreed to endeavor to effect the issuance of the bonds at the time and on the terms and conditions hereafter set forth.

## ARTICLE II

### UNDERTAKINGS ON THE PART OF THE COUNTY

The County agrees as follows:

Section 2.01. The County will, subject to the approval by the State Budget and Control Board required by the Act, authorize the issuance of not exceeding One Million Dollars (\$1,000,000) Lexington County, South Carolina, Industrial Development Revenue Bonds (or Notes) (Wally E. Whitecotton and Graydon D. Whitecotton Project) (the "Bonds"), at such time as the Obligors may request the County to do so.

Section 2.02. The County will permit the Obligors to arrange for the sale of the Bonds to defray the cost of the Project as aforesaid and if successful marketing arrangements can be made, it will adopt such proceedings and enter into such agreements as are necessary for the issuance and securing of the Bonds.

Section 2.03. The proceeds of any sale of the Bonds shall be applied to the payment of the costs of the Project as determined under the Act including, without limitation, the expenses incurred in connection with the issuance and sale of the Bonds, the acquisition by construction and purchase of the Project including land, buildings, necessary machinery and equipment and other items permitted by the Act, and the repayment of any funds advanced or loans incurred by the Obligors for such purposes.

Section 2.04. Prior to issuing any Bonds, the County may enter into a trust indenture with a trustee bank to be selected by the Obligors or an indenture with the purchasers of the Bonds pursuant to which the Bonds will be issued. Such trust indenture or indenture shall be substantially in the form used in connection with the issuance of other South Carolina industrial revenue bonds and may constitute a lien on the Project and the revenues derived from the financing agreement with respect to the Project to secure the payment of the Bonds.

Section 2.05. If requested by the Obligors and in order to provide interim financing pending the issuance of the Bonds, the County will adopt the necessary proceedings and provide for the issuance of bond anticipation notes

pursuant to Title 11, Chapter 17, Code of Laws of South Carolina, 1976, in anticipation of the issuance of the Bonds.

Section 2.06. The County will perform such other acts and adopt such further proceedings as may be required to faithfully implement its undertakings and to consummate the proposed financing.

### ARTICLE III

#### UNDERTAKINGS ON THE PART OF THE OBLIGORS

Section 3.01. The Obligors agree that the County will have no obligation to find a purchaser of the Bonds.

Section 3.02. The Obligors further agree, if the plan proceeds as contemplated:

(a) to acquire by construction and purchase the land, buildings, equipment and machinery constituting the Project;

(b) to enter into a financing agreement with the County under the terms of which the Obligors will obligate themselves to pay to the County sums sufficient to pay the principal, interest and premium, if any, on the Bonds, as and when the same become due and payable, said financing agreement shall be in such form and contain such provisions as shall be satisfactory to the County and to the Obligors;

(c) to obligate themselves to make the additional payments required by the Act, including, but not limited to, payments in lieu of taxes if necessary;

(d) to hold the County harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement in the implementation of its terms and provisions;

(e) to perform such further acts and adopt such further proceedings as may be required to faithfully implement their undertakings and consummate the proposed financing; and

(f) to covenant and agree in the financing agreement referred to hereinbefore to install in the buildings which are to become a part of the Project all necessary equipment and machinery and thereafter to operate the Project as a tool and die and metal stamping industrial facility or for such other purposes as may hereafter be deemed appropriate.

## ARTICLE IV

### GENERAL PROVISIONS

Section 4.01. All commitments of the County under Article II hereof are subject to all of the provisions of the Act and the condition that nothing contained in this Agreement shall constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

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

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

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

Section 4.05. The Obligors may assign this Assistance Agreement to any corporation in which either of the Obligors is a stockholder or to any partnership in which either of the Obligors is a partner.

Section 4.06. It is the intention of the parties hereto that this Agreement shall constitute an official action on the part of the County within the meaning of the applicable regulations of the United States Treasury Department relating to the issuance of industrial revenue bonds.

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

LEXINGTON COUNTY, SOUTH CAROLINA

By: [Signature]  
Jerrold F. Howard, Chairman,  
County Council of Lexington  
County, South Carolina

(SEAL)

ATTEST:

By: [Signature]  
Dorothy K. Wingard, Clerk  
County Council of  
Lexington County, South Carolina

Dated: February 12, 1985.

WALLY E. WHITECOTTON

[Signature]

GRAYDON D. WHITECOTTON

[Signature]

Dated: 2/19, 1985



# EXHIBIT

MAR 26 1985

NO. 13

STATE BUDGET AND CONTROL ~~STATE BUDGET & CONTROL BOARD~~ REGULAR SESSION  
MEETING OF March 26, 1985 ITEM NUMBER 6

AGENCY: State Housing Authority

SUBJECT: \$2,775,000 Conduit Mortgage Loan Notes

The State Housing Authority has petitioned the Board for approval of the issuance and sale of a note in the principal amount not exceeding \$2,775,000 to defray the cost of constructing certain rental housing (Breckenridge Villas, North Augusta) and to pay other related costs and expenses. The Georgia Railroad Bank and Trust Company has agreed to purchase the note. The interest is to be payable at the rate of 9%.

Breckenridge Villas is located in North Augusta and will include 120 units. The note has a 20 year term.

BOARD ACTION REQUESTED:

Adopt a resolution granting approval to the issuance by the State Housing Authority of its conduit mortgage loan note in an amount not exceeding \$2,775,000 for the Breckenridge, Limited project subject to the approval by the State Treasurer of certain related matters.

ATTACHMENTS:

Ransom March 20 letter to McInnis plus attachments.

027369

# EXHIBIT

MAR 26 1985 NO. 13

STATE OF SOUTH CAROLINA )  
COUNTY OF RICHLAND )

STATE BUDGET & CONTROL BOARD  
State Housing Authority  
(Breckenridge Ltd. Project)

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

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 a.m., on Tuesday, March 26, 1985, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of: Senator Dennis, who was represented by Senate Finance Committee Vice Chairman James M. Waddell, Jr.

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

FOR MOTION

5

AGAINST MOTION

0

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

March 29, 1985

William A. McInnis

023570

# EXHIBIT

MAR 26 1985 NO. 13

## A RESOLUTION

### STATE BUDGET & CONTROL BOARD

GRANTING APPROVAL TO THE ISSUANCE BY THE SOUTH CAROLINA STATE HOUSING AUTHORITY OF A SOUTH CAROLINA STATE HOUSING AUTHORITY CONDUIT MORTGAGE LOAN NOTE (BRECKENRIDGE, LTD. PROJECT), SUBJECT TO THE APPROVAL BY THE STATE TREASURER AS TO CERTAIN MATTERS RELATING TO SUCH NOTE.

WHEREAS, it is provided by the South Carolina State Housing Authority Act of 1977, 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 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 a federal program providing assistance in the repayment of such loans made by the Authority; and, provided, further, in addition to or in lieu of such federal assistance programs the loans may be secured by federally insured mortgages or by a mortgage insured by a private mortgage insurer authorized to do business within the State of South Carolina or by such security as the Authority determines to be sufficient; and

WHEREAS, the Authority now proposes to make provision for raising sufficient moneys to fund not exceeding \$2,775,000 of qualifying construction and permanent mortgage loans to be made under the Insured Direct Loan Program for two projects, to establish necessary reserves and to pay the costs and expenses of the Authority in further implementing the Insured Direct Loan Program and issuing its bonds or notes for such purposes by issuing its South Carolina State Housing Authority Conduit Mortgage Loan Note (Breckenridge, Ltd. Project) (the "Note"), which Note shall be issued pursuant to a resolution establishing the general terms and details of the Note (the "Resolution"); and

WHEREAS, the Note is proposed to be issued in a principal amount sufficient to provide the Authority with moneys required to fund not exceeding \$2,775,000 of a qualifying construction and permanent mortgage loan; and

WHEREAS, the Note shall be dated, shall mature, shall bear interest at such rate, shall be payable at such times and shall otherwise contain such terms and conditions as shall be authorized by the proceedings of the Authority authorizing the issuance of the Note; and

WHEREAS, the Authority has presented to the Board its Petition dated March 13, 1985 (the "Petition"), which, together with the exhibits thereto attached, sets forth certain information with respect to the Insured Direct Loan Program and the Note.

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

Section 1. It is found and determined that the facts set forth in the preambles to this Resolution are in all respects true and correct.

Section 2. Approval is granted to the undertaking of the Authority to develop the Insured Direct Loan Program, as outlined in the Petition, including the exhibits attached thereto, and to make not exceeding \$2,775,000 of construction and permanent mortgage loans pursuant to the initial phase of the Insured Direct Loan Program to be funded with the proceeds of the Note and which construction and permanent mortgage loan is to be made under the terms and conditions described in the Petition.

Section 3. 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 Authority Conduit Mortgage Loan Note (Breckenridge, Ltd. Project), in the principal amount sufficient to provide the Authority with the moneys required to fund not exceeding \$2,775,000 of a construction and permanent mortgage loan under the Insured Direct Loan Program.

The Note shall bear interest as provided in and be issued under and secured by the Resolution and Loan Agreement and shall be subject to the terms and conditions set forth in the Resolution and Loan Agreement.

Section 4. The approval of the Board is hereby conditioned on the following:

(a) The documents pursuant to which the Note is being issued shall provide that any investment income on the proceeds of the Note being invested pending disbursement thereof in excess of the yield on the Note shall be paid to the Authority.

EXHIBIT

2

023572

MAR 26 1985

NO. 13

STATE BUDGET & CONTROL BOARD



(b) The documents pursuant to which the Note is being issued shall provide that all expenses, costs and fees of the Authority in connection with the issuance of the Note, including legal fees, printing and all disbursements shall be paid by the borrowers and owners of the project being financed.

Section 5. The Board has been informed by the Authority that the Note will probably be issued prior to the next regularly scheduled meeting of the Board. The Board hereby finds it necessary and 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 Section 103(k) of the Internal Revenue Code of 1954, as amended.

Section 6. This Resolution shall take effect immediately upon its adoption.

## EXHIBIT

MAR 26 1985 NO. 13

STATE BUDGET & CONTROL BOARD



EXHIBIT

MAR 26 1985 NO. 13

STATE BUDGET & CONTROL BOARD

**SOUTH CAROLINA STATE HOUSING AUTHORITY**

2221 Devine Street, Suite 540, Columbia, S.C. 29205  
(803) 758-2844

THOMAS E. FELDER  
*Chairman*

GEORGE M. LUSK  
*Executive Director*

March 20, 1985

Mr. William A. McInnis  
State Budget and Control Board  
Wade Hampton Office Building  
6th Floor  
Columbia, South Carolina 29202

Re: South Carolina State Housing Authority  
Tax-Exempt Note Issue

Dear Mr. McInnis:

Attached are documents to be considered by the Budget and Control Board at its meeting on March 26, requesting the authorization to issue tax-exempt multifamily notes.

The Authority proposes to issue approximately \$2,775,000 Conduit Mortgage Loan Notes for the purpose indicated on the outline included with the documents.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Linwood H. Ransom  
Administrator  
Multifamily Development Division

LHR:hg

Attachments

022574

Fiscal  
(803) 758-8092

Home Ownership  
(803) 758-0296

Multifamily Development  
(803) 758-2844

Rental Assistance  
(803) 758-7397

# EXHIBIT

## MULTIFAMILY RENTAL PROJECT

MAR 26 1985 NO. 13

### PROCESSING SUMMARY

### STATE BUDGET & CONTROL BOARD

PROJECT: Breckenridge Villas, North Augusta New Construction

TOTAL NO. UNITS: 120 LOW INCOME UNITS: 24 MODERATE INCOME UNITS: 96

LAND COST: \$ 180,000

SITE IMPROVEMENT COST: 448,000

STRUCTURE COST: 2,283,315

TOTAL DEVELOPMENT COST: \$3,511,315

MAXIMUM MORTGAGE: \$2,775,000

COST/D.U.: \$27,761 COST/SQ. FT.: \$32.33

MAX. RENT AND UTILITIES FOR AREA: Low Income - \$440 Moderate Income - \$841

PROPOSED PROJECT RENTS:

	BR	SQ.FT.	RENT	UTL.	TOTAL RENT
Low Income	2	840	\$290	\$65	\$355
Moderate Income	2	945	\$344	\$75	\$419

INDUCEMENT: November 14, 1984

PUBLIC HEARING: March 12, 1985

COMMISSIONERS' APVL.: March 13, 1985

B & C BOARD APVL.: March 26, 1985

023575

# EXHIBIT

## SUMMARY OF TAX-EXEMPT MULTIFAMILY BOND ISSUE REQUESTS

MAR 26 1985

NO. 13

STRUCTURE OF FINANCING: Insured Direct Loan Program

STATE BUDGET & CONTROL BOARD

ISSUER: South Carolina State Housing Authority

TRUSTEE: None (Georgia Railroad Bank & Trust Company as Depositary during construction)

BOND TERM: 20 years Conduit Mortgage Loan Note

BOND PRICING: 9% per annum

BOND SECURITY: Mortgage on Project and Indemnification from Bond Holder

BOND RATING: NA

BOND PLACEMENT: Direct to the Georgia Railroad Bank & Trust Company of Augusta, Georgia

### BENEFICIARY CLASSES SERVED:

Low Income - At least 20% of all units to serve low income residents as determined by HUD standards. Rents may not exceed maximum specified by HUD as affordable for low income.

Moderate-to-low Income: Remaining units in a project must be available to the State's moderate-to-low beneficiary classes. The rents may not exceed the maximum established under State law and calculated similarly to HUD's calculations for low income residents.

### PUBLIC BENEFITS:

Serves the general public, who are members of the beneficiary class, without regard to age, sex, marital status, children, or race.

Increases the stock of affordable, decent, safe and sanitary rental housing within the State and the community served.

Guaranteed to remain rental housing for a period of 10 years.

### PROJECT TO BE FINANCED:

<u>LOCATION</u>	<u>PROJECT NAME</u>	<u>NO. UNITS</u>	<u>CONSTRUCTION</u>	<u>MAXIMUM MORTGAGE</u>
North Augusta	Breckenridge Villas	120	New	\$2,775,000

022876



MCNAIR GLENN KONDUROS CORLEY SINGLETARY PORTER & DIBBLE, P.A.

ATTORNEYS AND COUNSELORS AT LAW

EIGHTEENTH FLOOR, BANKERS TRUST TOWER

POST OFFICE BOX 11390

COLUMBIA, SOUTH CAROLINA 29211

803-799-9800

ENCLOSURE MEMO

TO: Mrs. Donna Williams  
State Budget and Control Board  
Wade Hampton Office Building  
6th Floor  
Columbia, South Carolina

RE: South Carolina State Housing Authority  
Conduit Mortgage Loan Note (Breckenridge,  
Ltd. Project)

Date: March 22, 1985

Herewith the following:

an original and nine copies of the  
Budget and Control Board Resolution  
to be substituted for those already  
sent you and a substitute copy  
of the Petition already sent you.

EXHIBIT

MAR 26 1985

NO. 13

STATE BUDGET & CONTROL BOARD

023877

MCNAIR GLENN KONDUROS CORLEY SINGLETARY PORTER & DIBBLE, P.A.

By

*Barbara*

Barbara G. McQuillan - Paralegal

STATE OF SOUTH CAROLINA )  
 )  
 COUNTY OF RICHLAND )

PETITION

## EXHIBIT

TO: THE STATE BUDGET AND CONTROL ) MAR 26 1985 NO. 13  
 BOARD OF SOUTH CAROLINA )  
 STATE BUDGET & CONTROL BOARD

This Petition of the South Carolina State Housing Authority (the "Authority") is submitted to the State Budget and Control Board of South Carolina (the "Board") pursuant to the South Carolina State Housing Authority Act of 1977, Act No. 76 of the Acts and Joint Resolutions of the General Assembly of 1977, as amended (the "Act") and respectfully shows:

1. The Act, among other things, provides that whenever the Authority shall have determined by resolution that sufficient persons or families of either beneficiary class (as defined in the Act) are unable to pay the amounts at which private enterprise is providing decent, safe, and sanitary housing and that through the exercise of one or more of the programs authorized by the Act, decent, safe and sanitary housing will become available to members of the class in need therefor then, upon obtaining the approval of the Board pursuant to the Act and in order to provide funds for its corporate purposes, the Authority is authorized to issue from time to time its notes and bonds for the purpose of obtaining funds with which to make (a) construction loans secured by mortgages of housing sponsors (as defined in the Act) or of persons or families of either beneficiary class; and (b) permanent mortgage loans to housing sponsors who agree to and are required to provide for construction or rehabilitation of residential housing (as defined in the Act) for rental by persons or families of either beneficiary class; provided there shall be in effect a federal program providing assistance in the payment of such loans made by the Authority; provided, further, in addition to or in lieu of such federal assistance in the payment of such loans made by the Authority; provided, further, in addition to or in lieu of such federal assistance programs the loans may be secured by federally insured mortgages or by a mortgage insured by a private mortgage insurer authorized to do business in the State of South Carolina or by such other security as the Authority determines to be sufficient. The program established by this provision of the Act is known as the "Insured Direct Loan Program."

2. Georgia Railroad Bank & Trust Company (the "Lender") has agreed to acquire that certain obligation of

the Authority with respect to the project covered by this petition under terms that limit the right of the Lender 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 as well as they would be by insurance. This program has been designated by the Authority as a "Conduit Mortgage Loan Program."

3. The housing developments to be financed by the construction or permanent loans funded under the Conduit Mortgage Loan Program will be privately owned by profit-motivated housing sponsors. All housing developments will be built or acquired and rehabilitated by private contractors and will be subject to full ad valorem taxes. The housing developments will be located throughout the State and must be approved by the appropriate units of local government before receiving construction and permanent financing by the Authority.

4. In order to provide money to fund the loans presently proposed under the Conduit Mortgage Loan Program, the Authority proposes to issue a note to be known as: State Housing Authority Conduit Mortgage Loan Note (Breckenridge, Ltd. Project) in the principal amount of not exceeding \$2,775,000 (the "Note") pursuant to a Loan Agreement, the form of which has been drafted for review (the "Agreement").

5. 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 through the exercise of powers conferred upon the Authority under the Insured Direct Loan Program, decent, safe and sanitary housing will become available to members of the Beneficiary Class in need therefor.

(b) In order to provide the moneys necessary to continue to implement the Insured Direct Mortgage Loan Program and to continue operating the Conduit Mortgage Loan Program, the Note must be issued as provided in the Agreement.

6. The Authority will adopt a final resolution or resolutions authorizing the issuance and sale of a specific principal amount of the Note and establishing the definitive terms thereof, including those revenues and assets to be pledged to the payment of the Note. The Authority will take all steps necessary to comply with the

requirements of Section 103 of the Internal Revenue Code of 1954, as amended, relating to the issuance of the Note.

7. Interest on the Note shall be payable at the rate of nine percent (9%) to Georgia Railroad Bank & Trust Company, except as otherwise provided in the Loan Agreement with respect thereto.

8. The Note shall be a special obligation of the Authority secured by and payable solely from the moneys, income and receipts of the Authority pledged under the Agreement with respect thereto.

9. Attached hereto as Appendix A and by a reference incorporated herein in its entirety 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.

10. Georgia Railroad Bank & Trust Company will serve as lender and depository in connection with the issuance of the Note.

The Agreement and the Note are coordinated so that so long as the Note is outstanding, the Authority is assured that its revenues and receipts under the Agreement will be sufficient to pay the debt service of the Note.

The Authority will produce any further information with respect to the Note, the Insured Direct Loan Program or the Conduit Mortgage Loan Program required by the Board.

WHEREFORE, on the basis of the foregoing the Authority prays approval by the Board of the further development of the Insured Direct Loan Program as outlined herein, the issuance and sale of the Note in the principal amount of not exceeding \$2,775,000 to defray the



cost of acquiring and constructing certain rental housing and to pay the cost and expenses of the Authority in further implementing the Insured Direct Loan Program and issuing such Note for the purposes and upon the terms and conditions herein described.

Respectfully submitted,

THE SOUTH CAROLINA STATE HOUSING  
AUTHORITY

By: George M Lusk  
George M. Lusk, Executive  
Director

EXHIBIT  
MAR 26 1985 NO. 13  
STATE BUDGET & CONTROL BOARD

SOUTH CAROLINA STATE HOUSING AUTHORITY  
1979 A1B SINGLE FAMILY MORTGAGE PURCHASE BONDS  
1984 CASH FLOW CERTIFICATE  
15 1/2 F.H.A. PREPAYMENT RATE

# EXHIBIT

MAR 26 1985

NO. 13

CASH FLOWS TO ISSUER  
=====

STATE BUDGET & CONTROL BOARD

DATE	MORTGAGE PRINCIPAL INCLUDING PREPAYMENTS	MORTGAGE INTEREST	LESS SVCNG. ADAMI INSR. & OTHER NET OF FLOAT. & PEN ALTY. FEES	NET MORTGAGE FLOWS	PRINCIPAL DEBT SERVICE	INTEREST DEBT SERVICE	TOTAL DEBT SERVICE	NET OTHER INCOME/EXPEN AND CHANGE IN CASH/RESERVE	TOTAL CASH RELEASED (REQUIRED) TO (FROM) ISSUER
7.012006	6,311,663	2,009,942	24,298	8,297,307	6,135,000	1,434,913	7,569,913	( 727,394)	0
1.012007	6,475,085	1,757,442	12,989	8,219,538	305,000	1,223,563	1,528,563	( 6,690,976)	( 0)
7.012007	6,650,563	1,498,363	1,350	8,147,577	5,480,000	1,212,888	6,692,888	( 1,454,689)	( 0)
1.012008	6,820,868	1,232,314	( 10,561)	8,063,742	250,000	1,024,163	1,274,163	( 6,789,580)	( 0)
7.012008	6,996,251	959,444	( 22,777)	7,978,471	7,425,000	1,015,413	8,440,413	461,941	0
1.012009	7,140,616	680,041	( 35,008)	7,855,665	175,000	762,153	937,153	( 6,918,512)	( 0)
7.012009	6,174,680	406,019	( 40,083)	6,620,783	10,605,000	756,028	11,361,028	4,740,245	( 0)
1.012010	4,690,710	185,128	( 35,678)	4,911,517	45,000	391,048	436,048	( 4,475,469)	( 0)
7.012010	1,872,077	43,361	( 17,280)	1,932,718	8,115,000	389,473	8,504,473	6,571,755	( 0)
1.012011	178,175	1,936	( 2,296)	182,407	0	109,025	109,025	( 73,382)	0
7.012011	0	0	0	0	3,115,000	109,025	3,224,025	143,533,730	140,309,705
1.012012	0	0	0	0	0	0	0	0	0
7.012012	0	0	0	0	0	0	0	0	0
1.012013	0	0	0	0	0	0	0	0	0
7.012013	0	0	0	0	0	0	0	0	0
1.012014	0	0	0	0	0	0	0	0	0
7.012014	0	0	0	0	0	0	0	0	0
1.012015	0	0	0	0	0	0	0	0	0
7.012015	0	0	0	0	0	0	0	0	0
1.012016	0	0	0	0	0	0	0	0	0
7.012016	0	0	0	0	0	0	0	0	0
1.012017	0	0	0	0	0	0	0	0	0
7.012017	0	0	0	0	0	0	0	0	0
1.012018	0	0	0	0	0	0	0	0	0
7.012018	0	0	0	0	0	0	0	0	0
1.012019	0	0	0	0	0	0	0	0	0
7.012019	0	0	0	0	0	0	0	0	0
000000	210,854,823	257,526,125	8,076,498	460,334,449	227,410,000	203,058,418	430,468,418	110,443,673	140,309,7

023882

## SCHEDULE 1

## APPENDIX A

SOUTH CAROLINA STATE HOUSING AUTHORITY  
1979 AIE SINGLE FAMILY MORTGAGE PURCHASE BONDS  
1984 CASH FLOW CERTIFICATE  
15 % F.H.A. PREPAYMENT RATE

## CASH FLOWS TO ISSUER

DATE	MORTGAGE PRINCIPAL INCLUDING PREPAYMENTS	MORTGAGE INTEREST	LESS SVCNS. & ADMI INSR. & OTHER NET OF FLOAT. & PEN ALTY. FEES	NET MORTGAGE FLOWS	PRINCIPAL DEBT SERVICE	INTEREST DEBT SERVICE	TOTAL DEBT SERVICE	NET OTHER INCOME EXPEN AND CHANGE IN CASH RESERVE	TOTAL CASH RELEASED (REQUIRED) TO (FROM) ISSUER
1.011985	2,307,802	8,311,177	232,334	10,386,644	0	7,353,233	7,353,233	( 3,033,412)	( 0)
7.011985	2,367,455	8,218,878	241,014	10,345,319	8,085,000	7,353,233	15,438,233	5,092,913	0
1.011986	2,416,965	8,124,336	268,222	10,273,080	0	7,118,198	7,118,198	( 3,154,882)	( 0)
7.011986	2,456,285	8,028,050	272,599	10,211,735	8,745,000	7,118,198	15,863,198	5,651,462	0
1.011987	2,498,769	7,930,162	289,048	10,139,883	0	6,863,258	6,863,258	( 3,276,626)	0
7.011987	2,551,572	7,830,442	284,693	10,097,321	8,775,000	6,863,258	15,638,258	5,540,936	0
1.011988	2,603,358	7,728,607	280,249	10,051,717	0	6,606,744	6,606,744	( 3,444,973)	( 0)
7.011988	2,626,140	7,625,024	275,927	9,975,237	8,905,000	6,606,744	15,511,744	5,536,507	0
1.011989	2,635,605	7,520,924	271,780	9,884,749	0	6,345,769	6,345,769	( 3,538,980)	( 0)
7.011989	2,598,727	7,417,097	265,008	9,747,816	8,965,000	6,345,769	15,310,769	5,562,953	( 0)
1.011990	2,590,403	7,314,531	264,132	9,640,801	0	6,081,574	6,081,574	( 3,559,228)	( 0)
7.011990	2,607,071	7,211,769	259,981	9,558,859	9,215,000	6,081,574	15,296,574	5,737,715	( 0)
1.011991	2,643,652	7,108,069	255,634	9,496,087	625,000	5,804,414	6,429,414	( 3,066,673)	0
7.011991	2,658,175	7,002,597	251,047	9,449,725	8,635,000	5,783,246	14,418,246	4,968,522	( 0)
1.011992	2,761,781	6,894,807	246,283	9,410,305	595,000	5,521,741	6,116,741	( 3,293,564)	0
7.011992	2,836,743	6,784,321	241,317	9,379,748	8,545,000	5,501,511	14,046,511	4,666,764	( 0)
1.011993	2,914,306	6,670,796	236,197	9,348,906	585,000	5,239,455	5,824,455	( 3,524,451)	0
7.011993	2,996,454	6,554,141	230,920	9,319,675	8,510,000	5,219,506	13,729,506	4,409,831	( 0)
1.011994	3,079,086	6,434,208	225,505	9,287,789	575,000	4,956,586	5,531,586	( 3,756,203)	( 0)
7.011994	3,184,004	6,310,982	219,947	9,255,039	8,545,000	4,936,911	13,481,911	4,226,872	( 0)
1.011995	3,250,637	6,184,357	214,237	9,220,758	560,000	4,670,276	5,230,276	( 3,990,481)	( 0)
7.011995	3,340,508	6,054,258	208,366	9,186,400	8,590,000	4,651,021	13,241,021	4,054,621	( 0)
1.011996	3,432,168	5,920,565	202,337	9,150,397	545,000	4,380,309	4,925,309	( 4,225,088)	( 0)
7.011996	3,525,893	5,783,214	196,148	9,112,959	8,715,000	4,361,494	13,076,494	3,963,535	( 0)
1.011997	3,622,228	5,642,110	189,790	9,074,549	520,000	4,084,876	4,604,876	( 4,469,672)	( 0)
7.011997	3,720,786	5,497,155	183,261	9,034,680	8,835,000	4,066,860	12,901,860	3,867,180	( 0)
1.011998	3,822,871	5,348,247	176,550	8,994,568	490,000	3,784,418	4,274,418	( 4,720,150)	( 0)
7.011998	3,927,498	5,195,250	169,654	8,953,094	8,930,000	3,767,355	12,697,355	3,744,261	( 0)
1.011999	4,036,427	5,038,051	162,560	8,911,918	455,000	3,479,805	3,934,805	( 4,977,113)	( 0)
7.011999	4,148,229	4,876,483	155,267	8,869,445	8,895,000	3,463,880	12,358,880	3,489,435	( 0)
1.012000	4,264,225	4,710,422	147,762	8,826,885	420,000	3,157,160	3,577,160	( 5,249,725)	( 0)
7.012000	4,389,031	4,539,700	140,024	8,788,708	8,700,000	3,142,460	11,842,460	3,053,752	( 0)
1.012001	4,525,962	4,363,776	131,947	8,757,791	405,000	2,842,505	3,247,505	( 5,510,286)	( 0)
7.012001	4,688,039	4,182,099	123,454	8,746,683	8,445,000	2,828,330	11,273,330	2,526,647	( 0)
1.012002	4,847,400	3,993,927	114,685	8,726,642	425,000	2,537,195	2,962,195	( 5,764,447)	( 0)
7.012002	5,013,840	3,799,411	105,637	8,707,613	8,150,000	2,522,320	10,672,320	1,964,707	( 0)
1.012003	5,175,045	3,598,313	96,348	8,677,009	435,000	2,241,383	2,676,383	( 6,000,627)	( 0)
7.012003	5,342,424	3,390,802	86,782	8,646,444	7,765,000	2,226,158	9,991,158	1,344,714	( 0)
1.012004	5,504,906	3,176,676	76,975	8,604,607	430,000	1,958,523	2,388,523	( 6,216,085)	( 0)
7.012004	5,672,441	2,956,096	66,895	8,561,642	7,260,000	1,943,473	9,203,473	641,830	( 0)
1.012005	5,833,335	2,728,902	56,580	8,505,657	405,000	1,693,250	2,098,250	( 6,407,407)	( 0)
7.012005	5,989,275	2,495,517	46,102	8,438,690	6,715,000	1,679,075	8,394,075	( 4,461,515)	( 0)
1.012006	6,146,614	2,255,883	35,347	8,367,150	365,000	1,447,688	1,812,688	( 6,554,462)	( 0)

022883



# SCHEDULE 1

## SOUTH CAROLINA STATE HOUSING AUTHORITY 1982 & 1983 HOME OWNERSHIP MORTGAGE PURCHASE BONDS 1984 CASH FLOW CERTIFICATE 100 % F.H.A. PREPAYMENT RATE

### CASH FLOWS TO ISSUER

DATE	MORTGAGE PRINCIPAL INCLUDING PREPAYMENTS	MORTGAGE INTEREST	1A LESS SVCNG. & ADMI INSR. & OTHER NET OF FLOAT. & PEN ALTY. FEES	NET MORTGAGE FLOWS	PRINCIPAL DEBT SERVICE	INTEREST DEBT SERVICE	TOTAL DEBT SERVICE	1B NET OTHER INCOME/EXPEN AND CHANGE IN CASH/RESERVE	TOTAL CASH RELEASED (REQUIRED) TO (FROM) ISSUER
1.01.1985	4,041,268	9,491,542	( 62,494)	13,595,305	9,210,000	9,360,436	18,570,436	4,975,132	( 0)
7.01.1985	5,033,498	9,248,508	( 59,428)	14,341,434	5,030,000	9,928,836	14,958,836	617,402	0
1.01.1986	5,496,512	8,955,845	( 64,265)	14,516,622	6,845,000	9,097,116	15,942,116	1,425,495	( 0)
7.01.1986	5,400,230	8,655,525	( 35,916)	14,091,670	5,880,000	8,699,875	14,579,875	488,205	( 0)
1.01.1987	5,196,501	8,362,858	( 34,548)	13,593,907	5,610,000	8,376,638	13,986,638	392,731	0
7.01.1987	4,949,647	8,082,749	( 31,882)	13,064,278	5,440,000	8,050,556	13,490,556	426,279	0
1.01.1988	4,780,791	7,815,069	( 30,351)	12,626,212	5,235,000	7,751,966	12,986,966	360,754	0
7.01.1988	4,717,834	7,554,053	( 31,044)	12,302,931	5,255,000	7,447,681	12,702,681	399,751	( 0)
1.01.1989	4,676,061	7,295,390	( 32,578)	12,004,029	5,175,000	7,158,694	12,333,694	329,665	( 0)
7.01.1989	4,616,785	7,039,646	( 33,633)	11,692,064	5,220,000	6,857,897	12,077,897	385,833	0
1.01.1990	4,513,003	6,737,741	( 33,885)	11,334,629	5,070,000	6,569,799	11,639,799	305,171	0
7.01.1990	4,389,011	6,542,557	( 33,366)	10,964,934	5,055,000	6,275,106	11,330,106	365,171	0
1.01.1991	4,286,685	6,303,596	( 33,315)	10,623,596	4,910,000	5,996,711	10,906,711	283,115	0
7.01.1991	4,204,135	6,069,903	( 33,566)	10,307,603	4,945,000	5,711,318	10,656,318	348,714	( 0)
1.01.1992	4,111,685	5,840,584	( 33,620)	9,986,089	4,805,000	5,439,164	10,244,164	258,075	( 0)
7.01.1992	3,891,052	5,618,643	( 31,867)	9,541,562	4,700,000	5,169,408	9,869,408	327,845	( 0)
1.01.1993	3,592,653	5,411,746	( 27,362)	9,031,762	4,330,000	4,930,025	9,260,025	228,263	( 0)
7.01.1993	3,251,557	5,221,355	( 22,340)	8,495,252	4,095,000	4,702,700	8,797,700	302,448	( 0)
1.01.1994	3,003,697	5,049,395	( 17,955)	8,071,047	3,770,000	4,494,088	8,264,088	193,040	0
7.01.1994	2,851,614	4,867,483	( 3,751)	7,742,648	3,690,000	4,295,750	7,985,750	242,902	0
1.01.1995	2,745,602	4,733,551	27,273	7,451,881	3,550,000	4,100,066	7,650,066	198,184	0
7.01.1995	2,693,073	4,583,761	25,940	7,250,694	3,560,000	3,911,472	7,471,472	220,578	( 0)
1.01.1996	2,657,377	4,436,517	24,412	7,069,482	3,525,000	3,722,731	7,247,731	178,249	( 0)
7.01.1996	2,642,319	4,290,764	22,606	6,910,478	3,585,000	3,535,466	7,120,466	209,988	( 0)
1.01.1997	2,627,150	4,145,656	20,727	6,752,078	3,575,000	3,345,434	6,920,434	168,356	0
7.01.1997	2,612,569	4,001,514	18,922	6,595,161	3,640,000	3,155,513	6,795,513	200,352	0
1.01.1998	2,592,417	3,858,130	17,136	6,433,411	3,620,000	2,962,606	6,582,606	149,195	( 0)
7.01.1998	2,570,391	3,716,046	15,466	6,270,971	3,695,000	2,770,294	6,465,294	194,323	( 0)
1.01.1999	2,546,805	3,575,088	13,783	6,108,110	3,675,000	2,574,513	6,249,513	141,403	0
7.01.1999	2,523,390	3,435,520	12,163	5,946,748	3,750,000	2,379,278	6,129,278	182,531	( 0)
1.01.2000	2,497,036	3,297,204	10,560	5,783,680	3,725,000	2,180,631	5,905,631	121,951	( 0)
7.01.2000	2,468,263	3,160,466	9,049	5,619,679	3,815,000	1,982,741	5,797,741	178,061	( 0)
1.01.2001	2,437,921	3,025,292	7,563	5,455,650	3,785,000	1,780,700	5,565,700	110,050	( 0)
7.01.2001	2,406,609	2,891,847	6,134	5,292,322	3,860,000	1,581,813	5,441,813	149,491	0
1.01.2002	2,374,667	2,760,109	4,728	5,130,048	3,865,000	1,378,859	5,243,859	113,811	0
7.01.2002	2,341,458	2,630,160	3,367	4,968,251	3,915,000	1,173,531	5,088,531	120,280	( 0)
1.01.2003	2,305,649	2,502,092	2,069	4,805,672	3,960,000	965,547	4,925,547	119,875	0
7.01.2003	2,251,624	2,376,289	1,001	4,626,912	3,980,000	755,172	4,735,172	108,259	( 0)
1.01.2004	2,195,244	2,252,810	128	4,448,926	4,010,000	543,734	4,553,734	104,808	0
7.01.2004	2,158,436	2,134,038	( 967)	4,293,441	4,065,000	330,703	4,395,703	102,262	0
1.01.2005	2,161,081	2,015,446	( 2,616)	4,179,142	2,160,000	114,750	2,274,750	94,596	1,998,988
7.01.2005	2,206,036	1,895,775	( 4,878)	4,106,689	0	0	0	29,191	4,135,880
1.01.2006	2,235,400	1,773,469	( 7,181)	4,016,050	0	0	0	( 36,657)	3,979,393

022884



SCHEDULE 1 (continued)

SOUTH CAROLINA STATE HOUSING AUTHORITY  
1982 & 1983 HOME OWNERSHIP MORTGAGE PURCHASE BONDS  
1984 CASH FLOW CERTIFICATE  
100 % F.H.A. PREPAYMENT RATE

EXHIBIT

MAR 26 1985 NO. 13

STATE BUDGET & CONTROL BOARD

CASH FLOWS TO ISSUER

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DATE	MORTGAGE PRINCIPAL INCLUDING PREPAYMENTS	MORTGAGE INTEREST	LESS SVNGG. & PMI INSR. & OTHER NET OF FLOAT. & PEN ALTY. FEES	NET MORTGAGE FLOWS	PRINCIPAL DEBT SERVICE	INTEREST DEBT SERVICE	TOTAL DEBT SERVICE	NET OTHER INCOME & EXPEN AND CHANGE IN CASH & RESERVE	TOTAL CASH RELEASED (REQUIRED) TO (FROM) ISSUER
7.012006	2,259,699	1,650,133	( 9,205)	3,919,036	0	0	0	( 36,657)	3,882,380
1.012007	2,268,111	1,525,353	( 11,226)	3,804,691	0	0	0	( 36,657)	3,768,034
7.012007	2,269,081	1,400,694	( 12,944)	3,662,718	0	0	0	( 36,657)	3,646,061
1.012008	2,254,709	1,275,929	( 14,617)	3,545,255	0	0	0	( 36,657)	3,508,598
7.012008	2,220,909	1,152,682	( 15,860)	3,369,452	0	0	0	( 36,657)	3,352,795
1.012009	2,174,823	1,031,406	( 16,972)	3,223,201	0	0	0	( 36,657)	3,186,544
7.012009	2,128,836	912,856	( 17,947)	3,059,639	0	0	0	( 36,657)	3,022,982
1.012010	2,074,739	796,831	( 18,850)	2,890,420	0	0	0	( 36,657)	2,853,763
7.012010	2,020,534	683,938	( 19,632)	2,724,103	0	0	0	( 36,657)	2,687,446
1.012011	1,957,581	574,052	( 20,317)	2,551,950	0	0	0	( 41,052)	2,510,898
7.012011	1,907,850	467,598	( 21,015)	2,396,453	0	0	0	( 41,052)	2,355,401
1.012012	1,845,901	363,745	( 21,690)	2,231,336	0	0	0	( 41,052)	2,190,284
7.012012	1,764,700	263,968	( 21,931)	2,050,599	0	0	0	( 41,052)	2,009,547
1.012013	1,629,299	169,382	( 21,534)	1,820,215	0	0	0	( 43,232)	1,776,983
7.012013	1,223,794	87,136	( 17,786)	1,328,716	0	0	0	( 43,232)	1,285,483
1.012014	702,415	32,684	( 10,672)	745,572	0	0	0	( 46,046)	699,526
7.012014	214,134	4,650	( 4,056)	222,840	0	0	0	( 44,664)	178,176
1.012015	0	0	0	0	0	0	0	0	0
7.012015	0	0	0	0	0	0	0	177,693	177,693
1.012016	0	0	0	0	0	0	0	0	0
7.012016	0	0	0	0	0	0	0	0	0
1.012017	0	0	0	0	0	0	0	0	0
7.012017	0	0	0	0	0	0	0	0	0
1.012018	0	0	0	0	0	0	0	0	0
7.012018	0	0	0	0	0	0	0	0	0
1.012019	0	0	0	0	0	0	0	0	0
7.012019	0	0	0	0	0	0	0	0	0
000000	174,173,852	226,119,558	( 736,237)	401,029,647	181,585,000	181,559,316	363,144,316	15,321,525	53,206,856

022585

# SCHEDULE 1

## SOUTH CAROLINA STATE HOUSING AUTHORITY 1982 ARI MULTIFAMILY DEVELOPMENT REVENUE BONDS 1981 CASH FLOW CERTIFICATE ZERO & F.H.A. PREPAYMENT RATE

### CASH FLOWS TO ISSUER

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DATE	MORTGAGE PRINCIPAL INCLUDING PREPAYMENTS	MORTGAGE INTEREST	LESS SVNG. & ARI INER. & OTHER NET OF FLOAT. & PEN ALTY. FEES	NET MORTGAGE FLOWS	PRINCIPAL DEBT SERVICE	INTEREST DEBT SERVICE	TOTAL DEBT SERVICE	NET OTHER INCOME EXPEN AND CHARGE. I CASH RESERVE	TOTAL CASH RELEASED (REQUIRED) TO (FROM) ISSUER
1.011985	12,763	1,375,144	( 23,278)	1,411,205	680,000	1,567,648	2,267,648	856,443	0
7.011985	13,569	1,374,357	( 16,115)	1,404,042	105,000	1,542,598	1,647,598	243,556	( 0)
1.011986	14,404	1,373,523	( 16,115)	1,404,042	0	1,537,741	1,537,741	133,700	0
7.011986	15,290	1,372,636	( 16,115)	1,404,042	115,000	1,537,741	1,652,741	248,700	( 0)
1.011987	16,230	1,371,696	( 16,115)	1,404,042	0	1,532,173	1,532,173	128,131	0
7.011987	17,229	1,370,697	( 16,115)	1,404,042	120,000	1,532,173	1,652,173	248,131	( 0)
1.011988	18,269	1,369,637	( 16,115)	1,404,042	0	1,526,091	1,526,091	122,050	( 0)
7.011988	19,414	1,368,512	( 16,115)	1,404,042	125,000	1,526,091	1,651,091	247,050	( 0)
1.011989	20,609	1,367,318	( 16,115)	1,404,042	0	1,519,473	1,519,473	115,431	0
7.011989	21,876	1,366,050	( 16,115)	1,404,042	135,000	1,519,473	1,654,473	250,431	( 0)
1.011990	23,222	1,364,704	( 16,115)	1,404,042	0	1,512,001	1,512,001	107,959	0
7.011990	24,651	1,363,276	( 16,115)	1,404,042	140,000	1,512,001	1,652,001	247,959	( 0)
1.011991	26,167	1,361,759	( 16,115)	1,404,042	0	1,503,941	1,503,941	99,899	0
7.011991	27,777	1,360,149	( 16,115)	1,404,042	155,000	1,503,941	1,658,941	254,899	( 0)
1.011992	29,486	1,358,440	( 16,115)	1,404,042	0	1,494,844	1,494,844	90,803	0
7.011992	31,300	1,356,626	( 16,115)	1,404,042	165,000	1,494,844	1,674,844	270,803	0
1.011993	33,226	1,354,701	( 16,115)	1,404,042	0	1,484,082	1,484,082	80,040	( 0)
7.011993	35,270	1,352,657	( 16,115)	1,404,042	175,000	1,484,082	1,679,082	275,040	( 0)
1.011994	37,440	1,350,497	( 16,115)	1,404,042	0	1,472,244	1,472,244	68,203	0
7.011994	39,743	1,348,184	( 16,115)	1,404,042	225,000	1,472,244	1,697,244	293,202	( 0)
1.011995	42,168	1,345,739	( 16,115)	1,404,042	0	1,458,391	1,458,391	54,349	( 0)
7.011995	44,783	1,343,143	( 16,115)	1,404,042	245,000	1,458,391	1,703,391	299,349	( 0)
1.011996	47,538	1,340,388	( 16,115)	1,404,042	0	1,443,078	1,443,078	39,036	( 0)
7.011996	50,463	1,337,464	( 16,115)	1,404,042	265,000	1,443,078	1,723,078	319,036	( 0)
1.011997	53,568	1,334,359	( 16,115)	1,404,042	0	1,424,928	1,424,928	20,886	( 0)
7.011997	56,863	1,331,064	( 16,115)	1,404,042	320,000	1,424,928	1,744,928	340,886	( 0)
1.011998	60,361	1,327,585	( 16,115)	1,404,042	0	1,404,191	1,404,191	149	( 0)
7.011998	64,075	1,323,852	( 16,115)	1,404,042	360,000	1,404,191	1,764,191	360,149	( 0)
1.011999	68,017	1,319,910	( 16,115)	1,404,042	0	1,380,866	1,380,866	( 23,176)	( 0)
7.011999	72,201	1,315,726	( 16,115)	1,404,042	405,000	1,380,866	1,785,866	361,824	( 0)
1.012000	76,643	1,311,284	( 16,115)	1,404,042	0	1,354,588	1,354,588	( 49,455)	( 0)
7.012000	81,358	1,306,569	( 16,115)	1,404,042	460,000	1,354,588	1,814,588	410,545	( 0)
1.012001	86,363	1,301,563	( 16,115)	1,404,042	0	1,337,331	1,337,331	( 66,711)	( 0)
7.012001	91,676	1,296,250	( 16,115)	1,404,042	495,000	1,337,331	1,832,331	428,289	( 0)
1.012002	97,316	1,290,610	( 16,115)	1,404,042	0	1,318,734	1,318,734	( 85,308)	( 0)
7.012002	103,303	1,284,624	( 16,115)	1,404,042	530,000	1,318,734	1,848,734	444,692	( 0)
1.012003	109,859	1,278,268	( 16,115)	1,404,042	0	1,298,797	1,298,797	( 105,245)	( 0)
7.012003	116,405	1,271,522	( 16,115)	1,404,042	550,000	1,298,797	1,848,797	444,755	( 0)
1.012004	123,566	1,264,361	( 16,115)	1,404,042	0	1,277,928	1,277,928	( 126,114)	( 0)
7.012004	131,168	1,256,759	( 16,115)	1,404,042	565,000	1,277,928	1,862,928	458,886	( 0)
1.012005	139,237	1,248,690	( 16,115)	1,404,042	0	1,255,719	1,255,719	( 146,324)	( 0)
7.012005	147,893	1,240,124	( 16,115)	1,404,042	635,000	1,255,719	1,890,719	466,676	( 0)
1.012006	156,864	1,231,031	( 16,115)	1,404,042	0	1,231,529	1,231,529	( 172,513)	( 0)

022886

SOUTH CAROLINA STATE HOUSING AUTHORITY  
1982 A&P MULTIFAMILY DEVELOPMENT REVENUE BONDS  
1984 CASH FLOW CERTIFICATE  
ZERO 2 P.H.A. PREPAYMENT RATE

CASH FLOWS TO ISSUER  
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DATE	MORTGAGE PRINCIPAL INCLUDING PREPAYMENTS	MORTGAGE INTEREST	LESS SUCHG. SAIDHI INSTR. & OTHER NET OF FLONT. I. PEN ALTY. FEES	NET MORTGAGE FLOWS	PRINCIPAL DEBT SERVICE	INTEREST DEBT SERVICE	TOTAL DEBT SERVICE	NET OTHER INCOME BENEFEN AND CHANGE, I CASH RESERVE	TOTAL CASH RELEASED (REQUIRED) TO (FROM) ISSUER
7.012006	166,548	1,221,379	( 16,115)	1,404,042	650,000	1,231,528	1,911,528	507,466	(
1.012007	176,795	1,211,132	( 16,115)	1,404,042	0	1,205,531	1,205,531	( 196,511)	(
7.012007	187,671	1,200,206	( 16,115)	1,404,042	650,000	1,205,531	1,855,531	451,469	
1.012008	199,217	1,188,710	( 16,115)	1,404,042	0	1,180,238	1,180,238	( 223,805)	
7.012008	211,473	1,176,425	( 16,115)	1,404,042	610,000	1,180,238	1,790,238	366,195	
1.012009	224,462	1,163,445	( 16,115)	1,404,042	0	1,156,922	1,156,922	( 247,121)	(
7.012009	238,273	1,149,635	( 16,115)	1,404,042	655,000	1,156,922	1,811,922	407,879	
1.012010	252,952	1,134,975	( 16,115)	1,404,042	0	1,131,800	1,131,800	( 272,242)	(
7.012010	268,514	1,119,413	( 16,115)	1,404,043	715,000	1,131,800	1,846,800	442,756	
1.012011	285,033	1,102,894	( 16,115)	1,404,043	0	1,104,116	1,104,116	( 299,927)	(
7.012011	302,568	1,085,309	( 16,115)	1,404,043	760,000	1,104,116	1,864,116	460,073	(
1.012012	321,182	1,066,745	( 16,115)	1,404,043	0	1,074,741	1,074,741	( 329,302)	
7.012012	340,942	1,046,986	( 16,115)	1,404,043	830,000	1,074,741	1,904,741	500,698	
1.012013	361,917	1,026,011	( 16,115)	1,404,043	0	1,042,453	1,042,453	( 361,590)	(
7.012013	384,182	1,003,746	( 16,115)	1,404,043	885,000	1,042,453	1,927,453	523,410	(
1.012014	407,817	980,111	( 16,115)	1,404,043	0	1,008,009	1,008,009	( 396,033)	(
7.012014	16,095,308	639,562	( 232,346)	16,567,236	17,295,000	1,008,009	18,303,009	5,376,133	4,042,
1.012015	0	0	0	0	0	0	0	0	
7.012015	0	0	0	0	0	0	0	0	
1.012016	0	0	0	0	0	0	0	0	
7.012016	0	0	0	0	0	0	0	0	
1.012017	0	0	0	0	0	0	0	0	
7.012017	0	0	0	0	0	0	0	0	
1.012018	0	0	0	0	0	0	0	0	
7.012018	0	0	0	0	0	0	0	0	
1.012019	0	0	0	0	0	0	0	0	
7.012019	0	0	0	0	0	0	0	0	
..000000	22,924,320	70,656,226	( 1,190,336)	99,612,882	30,120,000	80,473,201	110,595,201	14,824,679	4,042,

023887



THE KOSAN BANK - PUBLIC FINANCE DEPARTMENT  
MOSEING UNIT

PROJECTED PERIODIC CASH AVAILABILITY

0 2 PM EXPENSES

100 2 DEDUCTION

ENDING DATE	NET RECEIVED FROM PORTFOLIO	INTEREST EARNINGS NET OF RESERVE	CASH GENERATED IN PERIOD	SCHEMATIC NET SERVICE	TOTAL PROGRAM EXPENSES	CASH EXPENSES IN PERIOD	NET CASH AVAILABLE (DEFICIT)	CASH AVAILABLE FROM SURPLUS FUND
1.	840701	0	229,277	229,277	229,403	229,403	(31,802)	840,775
2.	850701	0	229,422	229,422	229,422	229,422	3,115	34,828
3.	860701	119,690	114,951	234,642	229,631	229,631	7,821	26,018
4.	870701	239,361	2,813	242,174	229,631	229,631	12,543	45,474
5.	880701	239,361	3,467	242,827	229,631	229,631	8,775	26,734
6.	890701	239,361	3,649	243,009	229,631	229,631	8,979	47,423
7.	900701	239,361	3,826	243,187	229,631	229,631	9,203	26,427
8.	910701	239,361	3,970	243,331	229,631	229,631	9,513	89,130
9.	920701	239,361	4,142	243,503	229,631	229,631	10,241	26,643
10.	930701	239,361	4,321	243,682	229,631	229,631	10,467	125,821
11.	940701	239,361	4,500	243,859	229,631	229,631	11,120	110,221
12.	950701	239,361	4,679	244,038	229,631	229,631	11,373	127,385
13.	960701	239,361	4,858	244,216	229,631	229,631	12,026	151,787
14.	970701	239,361	5,037	244,395	229,631	229,631	12,492	123,778
15.	980701	239,361	5,216	244,574	229,631	229,631	8,454	121,284
16.	990701	239,361	5,395	244,753	229,631	229,631	6,115	104,219
17.	000701	239,361	5,574	244,932	229,631	229,631	10,471	204,105
18.	010701	239,361	5,753	245,111	229,631	229,631	11,124	226,500
19.	020701	239,361	5,932	245,290	229,631	229,631	11,406	225,000
20.	030701	239,361	6,111	245,469	229,631	229,631	12,442	225,000
21.	040701	239,361	6,290	245,648	229,631	229,631	14,211	225,000
22.	050701	239,361	6,469	245,827	229,631	229,631	14,211	225,000
23.	060701	239,361	6,648	246,006	229,631	229,631	14,211	225,000
24.	070701	239,361	6,827	246,185	229,631	229,631	14,211	225,000
25.	080701	239,361	7,006	246,364	229,631	229,631	14,211	225,000
26.	090701	239,361	7,185	246,543	229,631	229,631	14,211	225,000
27.	100701	239,361	7,364	246,722	229,631	229,631	14,211	225,000
28.	110701	239,361	7,543	246,901	229,631	229,631	14,211	225,000
29.	120701	239,361	7,722	247,080	229,631	229,631	14,211	225,000
30.	010701	239,361	7,901	247,259	229,631	229,631	14,211	225,000
31.	020701	239,361	8,080	247,438	229,631	229,631	14,211	225,000
32.	030701	239,361	8,259	247,617	229,631	229,631	14,211	225,000
33.	040701	239,361	8,438	247,796	229,631	229,631	14,211	225,000
34.	050701	239,361	8,617	247,975	229,631	229,631	14,211	225,000
35.	060701	239,361	8,796	248,154	229,631	229,631	14,211	225,000
36.	070701	239,361	8,975	248,333	229,631	229,631	14,211	225,000
37.	080701	239,361	9,154	248,512	229,631	229,631	14,211	225,000
38.	090701	239,361	9,333	248,691	229,631	229,631	14,211	225,000
39.	100701	239,361	9,512	248,870	229,631	229,631	14,211	225,000
40.	110701	239,361	9,691	249,049	229,631	229,631	14,211	225,000
41.	120701	239,361	9,870	249,228	229,631	229,631	14,211	225,000
42.	010701	239,361	10,049	249,407	229,631	229,631	14,211	225,000
43.	020701	239,361	10,228	249,586	229,631	229,631	14,211	225,000
44.	030701	239,361	10,407	249,765	229,631	229,631	14,211	225,000
45.	040701	239,361	10,586	249,944	229,631	229,631	14,211	225,000
46.	050701	239,361	10,765	250,123	229,631	229,631	14,211	225,000
47.	060701	239,361	10,944	250,302	229,631	229,631	14,211	225,000
48.	070701	239,361	11,123	250,481	229,631	229,631	14,211	225,000
49.	080701	239,361	11,302	250,660	229,631	229,631	14,211	225,000
50.	090701	239,361	11,481	250,839	229,631	229,631	14,211	225,000
51.	100701	239,361	11,660	251,018	229,631	229,631	14,211	225,000
52.	110701	239,361	11,839	251,197	229,631	229,631	14,211	225,000
53.	120701	239,361	12,018	251,376	229,631	229,631	14,211	225,000
54.	010701	239,361	12,197	251,555	229,631	229,631	14,211	225,000
55.	020701	239,361	12,376	251,734	229,631	229,631	14,211	225,000
56.	030701	239,361	12,555	251,913	229,631	229,631	14,211	225,000
57.	040701	239,361	12,734	252,092	229,631	229,631	14,211	225,000
58.	050701	239,361	12,913	252,271	229,631	229,631	14,211	225,000
59.	060701	239,361	13,092	252,450	229,631	229,631	14,211	225,000
60.	070701	239,361	13,271	252,629	229,631	229,631	14,211	225,000
61.	080701	239,361	13,450	252,808	229,631	229,631	14,211	225,000
62.	090701	239,361	13,629	252,987	229,631	229,631	14,211	225,000
63.	100701	239,361	13,808	253,166	229,631	229,631	14,211	225,000
64.	110701	239,361	13,987	253,345	229,631	229,631	14,211	225,000
65.	120701	239,361	14,166	253,524	229,631	229,631	14,211	225,000
66.	010701	239,361	14,345	253,703	229,631	229,631	14,211	225,000
67.	020701	239,361	14,524	253,882	229,631	229,631	14,211	225,000
68.	030701	239,361	14,703	254,061	229,631	229,631	14,211	225,000
69.	040701	239,361	14,882	254,240	229,631	229,631	14,211	225,000
70.	050701	239,361	15,061	254,419	229,631	229,631	14,211	225,000
71.	060701	239,361	15,240	254,598	229,631	229,631	14,211	225,000
72.	070701	239,361	15,419	254,777	229,631	229,631	14,211	225,000
73.	080701	239,361	15,598	254,956	229,631	229,631	14,211	225,000
74.	090701	239,361	15,777	255,135	229,631	229,631	14,211	225,000
75.	100701	239,361	15,956	255,314	229,631	229,631	14,211	225,000
76.	110701	239,361	16,135	255,493	229,631	229,631	14,211	225,000
77.	120701	239,361	16,314	255,672	229,631	229,631	14,211	225,000
78.	010701	239,361	16,493	255,851	229,631	229,631	14,211	225,000
79.	020701	239,361	16,672	256,030	229,631	229,631	14,211	225,000
80.	030701	239,361	16,851	256,209	229,631	229,631	14,211	225,000
81.	040701	239,361	17,030	256,388	229,631	229,631	14,211	225,000
82.	050701	239,361	17,209	256,567	229,631	229,631	14,211	225,000
83.	060701	239,361	17,388	256,746	229,631	229,631	14,211	225,000
84.	070701	239,361	17,567	256,925	229,631	229,631	14,211	225,000
85.	080701	239,361	17,746	257,104	229,631	229,631	14,211	225,000
86.	090701	239,361	17,925	257,283	229,631	229,631	14,211	225,000
87.	100701	239,361	18,104	257,462	229,631	229,631	14,211	225,000
88.	110701	239,361	18,283	257,641	229,631	229,631	14,211	225,000
89.	120701	239,361	18,462	257,820	229,631	229,631	14,211	225,000
90.	010701	239,361	18,641	258,000	229,631	229,631	14,211	225,000
91.	020701	239,361	18,820	258,179	229,631	229,631	14,211	225,000
92.	030701	239,361	19,000	258,358	229,631	229,631	14,211	225,000
93.	040701	239,361	19,179	258,537	229,631	229,631	14,211	225,000
94.	050701	239,361	19,358	258,716	229,631	229,631	14,211	225,000
95.	060701	239,361	19,537	258,895	229,631	229,631	14,211	225,000
96.	070701	239,361	19,716	259,074	229,631	229,631	14,211	225,000
97.	080701	239,361	19,895	259,253	229,631	229,631	14,211	225,000
98.	090701	239,361	20,074	259,432	229,631	229,631	14,211	225,000
99.	100701	239,361	20,253	259,611	229,631	229,631	14,211	225,000
100.	110701	239,361	20,432	259,790	229,631	229,631	14,211	225,000
101.	120701	239,361	20,611	260,000	229,631	229,631	14,211	225,000
102.	010701	239,361	20,790	260,200	229,631	229,631	14,211	225,000
103.	020701	239,361	20,969	260,400	229,631	229,631	14,211	225,000
104.	030701	239,361	21,148	260,600	229,631	229,631	14,211	225,000
105.	040701	239,361	21,327	260,800	229,631	229,631	14,211	225,000
106.	050701	239,361	21,506	261,000	229,631	229,631	14,211	225,000
107.	060701	239,361	21,685	261,200	229,631	229,631	14,211	225,000
108.	070701	239,361	21,864	261,400	229,631	229,631	14,211	225,000
109.	080701	239,361	22,043	261,600	229,631	229,631	14,211	225,000
110.	090701	239,361	22,222	261,800	229,631	229,631	14,211	225,000
111.	100701	239,361	22,401	262,000	229,631	229,631	14,211	225,000
112.	110701	239,361	22,580	262,200	229,631	229,631	14,211	225,000
113.	120701	239,361	22,759	262,400	229,631	229,631	14,211	225,000
114.	010701	239,361	22,938	262,600	229,631	229,631	14,211	225,000
115.	020701	239,361	23,117	262,800	229,631	229,631	14,211	225,000
116.	030701	239,361						



# WORKING UNIT BET SERVICE SCHEDULE

AVERAGE COMPOUND 10.250000 1  
AVERAGE LIFE 32.777 YEARS  
NET INTEREST COST (MTC) 10.219999 1  
TIME INTEREST COST (TIC) 10.425000 1  
EQU. INTEREST COST (EIC) 10.494167 1  
EQU. YIELD AT 10% FRA 10.247404 1  
RECOVERING YIELD 10.247404 1

	BEGIN DATE	ENDING DATE	PRINCIPAL PAY SERVICE	PRINCIPAL PAY SERVICE	INTEREST PAY SERVICE	YIELD PAY SERVICE	YIELD PAY SERVICE	YIELD PAY SERVICE
1.	840701	840701	0	0	227.400	227.400	227.400	227.400
2.	840702	850101	0	0	227.400	227.400	227.400	0
3.	850102	850701	0	0	227.400	227.400	227.400	441.200
4.	850702	860101	0	0	227.400	227.400	227.400	0
5.	860102	860701	5.000	5.000	227.400	227.400	227.400	441.200
6.	860702	870101	5.000	5.000	227.400	227.400	227.400	0
7.	870102	870701	5.000	5.000	227.400	227.400	227.400	441.200
8.	870702	880101	5.000	5.000	227.400	227.400	227.400	0
9.	880102	880701	5.000	5.000	227.400	227.400	227.400	441.200
10.	880702	890101	5.000	5.000	227.400	227.400	227.400	0
11.	890102	890701	5.000	5.000	227.400	227.400	227.400	441.200
12.	890702	900101	5.000	5.000	227.400	227.400	227.400	0
13.	900102	900701	5.000	5.000	227.400	227.400	227.400	441.200
14.	900702	910101	5.000	5.000	227.400	227.400	227.400	0
15.	910102	910701	5.000	5.000	227.400	227.400	227.400	441.200
16.	910702	920101	10.000	10.000	227.400	227.400	227.400	0
17.	920102	920701	10.000	10.000	227.400	227.400	227.400	441.200
18.	920702	930101	10.000	10.000	227.400	227.400	227.400	0
19.	930102	930701	10.000	10.000	227.400	227.400	227.400	441.200
20.	930702	940101	10.000	10.000	227.400	227.400	227.400	0
21.	940102	940701	10.000	10.000	227.400	227.400	227.400	441.200
22.	940702	950101	10.000	10.000	227.400	227.400	227.400	0
23.	950102	950701	10.000	10.000	227.400	227.400	227.400	441.200
24.	950702	960101	10.000	10.000	227.400	227.400	227.400	0
25.	960102	960701	10.000	10.000	227.400	227.400	227.400	441.200
26.	960702	970101	15.000	15.000	227.400	227.400	227.400	0
27.	970102	970701	15.000	15.000	227.400	227.400	227.400	441.200
28.	970702	980101	15.000	15.000	227.400	227.400	227.400	0
29.	980102	980701	15.000	15.000	227.400	227.400	227.400	441.200
30.	980702	990101	15.000	15.000	227.400	227.400	227.400	0
31.	990102	990701	15.000	15.000	227.400	227.400	227.400	441.200
32.	990702	000101	15.000	15.000	227.400	227.400	227.400	0
33.	000102	000701	15.000	15.000	227.400	227.400	227.400	441.200
34.	000702	010101	20.000	20.000	227.400	227.400	227.400	0
35.	010102	010701	20.000	20.000	227.400	227.400	227.400	441.200
36.	010702	020101	20.000	20.000	227.400	227.400	227.400	0
37.	020102	020701	20.000	20.000	227.400	227.400	227.400	441.200
38.	020702	030101	20.000	20.000	227.400	227.400	227.400	0
39.	030102	030701	20.000	20.000	227.400	227.400	227.400	441.200
40.	030702	040101	20.000	20.000	227.400	227.400	227.400	0
41.	040102	040701	20.000	20.000	227.400	227.400	227.400	441.200
42.	040702	050101	20.000	20.000	227.400	227.400	227.400	0
43.	050102	050701	20.000	20.000	227.400	227.400	227.400	441.200
44.	050702	060101	20.000	20.000	227.400	227.400	227.400	0
45.	060102	060701	20.000	20.000	227.400	227.400	227.400	441.200
46.	060702	070101	20.000	20.000	227.400	227.400	227.400	0
47.	070102	070701	20.000	20.000	227.400	227.400	227.400	441.200
48.	070702	080101	20.000	20.000	227.400	227.400	227.400	0
49.	080102	080701	20.000	20.000	227.400	227.400	227.400	441.200
50.	080702	090101	20.000	20.000	227.400	227.400	227.400	0
51.	090102	090701	20.000	20.000	227.400	227.400	227.400	441.200
52.	090702	100101	20.000	20.000	227.400	227.400	227.400	0
53.	100102	100701	20.000	20.000	227.400	227.400	227.400	441.200
54.	100702	110101	20.000	20.000	227.400	227.400	227.400	0
55.	110102	110701	20.000	20.000	227.400	227.400	227.400	441.200
56.	110702	120101	20.000	20.000	227.400	227.400	227.400	0
57.	120102	120701	20.000	20.000	227.400	227.400	227.400	441.200
58.	120702	130101	20.000	20.000	227.400	227.400	227.400	0
59.	130102	130701	20.000	20.000	227.400	227.400	227.400	441.200
60.	130702	140101	20.000	20.000	227.400	227.400	227.400	0
61.	140102	140701	20.000	20.000	227.400	227.400	227.400	441.200
62.	140702	150101	20.000	20.000	227.400	227.400	227.400	0
63.	150102	150701	20.000	20.000	227.400	227.400	227.400	441.200
64.	150702	160101	20.000	20.000	227.400	227.400	227.400	0
65.	160102	160701	20.000	20.000	227.400	227.400	227.400	441.200
66.	160702	170101	20.000	20.000	227.400	227.400	227.400	0
67.	170102	170701	20.000	20.000	227.400	227.400	227.400	441.200
68.	170702	180101	20.000	20.000	227.400	227.400	227.400	0
69.	180102	180701	20.000	20.000	227.400	227.400	227.400	441.200
70.	180702	190101	20.000	20.000	227.400	227.400	227.400	0
71.	190102	190701	20.000	20.000	227.400	227.400	227.400	441.200
72.	190702	200101	20.000	20.000	227.400	227.400	227.400	0
73.	200102	200701	20.000	20.000	227.400	227.400	227.400	441.200
74.	200702	210101	20.000	20.000	227.400	227.400	227.400	0
75.	210102	210701	20.000	20.000	227.400	227.400	227.400	441.200
76.	210702	220101	20.000	20.000	227.400	227.400	227.400	0
77.	220102	220701	20.000	20.000	227.400	227.400	227.400	441.200
78.	220702	230101	20.000	20.000	227.400	227.400	227.400	0
79.	230102	230701	20.000	20.000	227.400	227.400	227.400	441.200
80.	230702	240101	20.000	20.000	227.400	227.400	227.400	0
81.	240102	240701	20.000	20.000	227.400	227.400	227.400	441.200
82.	240702	250101	20.000	20.000	227.400	227.400	227.400	0
83.	250102	250701	20.000	20.000	227.400	227.400	227.400	441.200
84.	250702	260101	20.000	20.000	227.400	227.400	227.400	0
85.	260102	260701	20.000	20.000	227.400	227.400	227.400	441.200
86.	260702	270101	20.000	20.000	227.400	227.400	227.400	0
87.	270102	270701	20.000	20.000	227.400	227.400	227.400	441.200
88.	270702	280101	20.000	20.000	227.400	227.400	227.400	0
89.	280102	280701	20.000	20.000	227.400	227.400	227.400	441.200
90.	280702	290101	20.000	20.000	227.400	227.400	227.400	0
91.	290102	290701	20.000	20.000	227.400	227.400	227.400	441.200
92.	290702	300101	20.000	20.000	227.400	227.400	227.400	0
93.	300102	300701	20.000	20.000	227.400	227.400	227.400	441.200
94.	300702	310101	20.000	20.000	227.400	227.400	227.400	0
95.	310102	310701	20.000	20.000	227.400	227.400	227.400	441.200
96.	310702	320101	20.000	20.000	227.400	227.400	227.400	0
97.	320102	320701	20.000	20.000	227.400	227.400	227.400	441.200
98.	320702	330101	20.000	20.000	227.400	227.400	227.400	0
99.	330102	330701	20.000	20.000	227.400	227.400	227.400	441.200
100.	330702	340101	20.000	20.000	227.400	227.400	227.400	0

## CASH FLOW

SOUTH CAROLINA STATE HOUSING AUTHORITY  
1984 Series A Multifamily Residential Revenue Bonds

## PROJECTED PERIODIC CASH AVAILABILITY

0 % FHA EXPERIENCE  
100 % ORIGINATION

ENDING DATE	NET RECEIVED FROM MORTGAGE PORTFOLIO	INTEREST EARNINGS NET OF REBATE	CASH GENERATED IN PERIOD	SCHEDULED DEBT SERVICE	TOTAL PROGRAM EXPENSES	CASH EXPENDED IN PERIOD	NET CASH SURPLUS (DEFICIT) IN PERIOD	CASH AVAILABLE FROM SURPLUS FUND
840701	0	533,431	533,431	506,276	107,624	613,900	(80,469)	219,547
850101	0	777,010	777,010	607,531	107,624	715,155	61,855	139,078
850701	0	779,793	779,793	607,531	107,624	715,155	64,638	200,933
860101	335,726	393,295	729,021	607,531	107,624	715,155	13,866	265,572
860701	630,761	141,512	772,273	607,531	107,624	715,155	57,118	279,437
870101	725,546	98,068	823,614	607,531	107,624	715,155	108,459	336,555
870701	725,694	101,865	827,469	757,531	107,624	865,155	(37,686)	445,014
880101	725,605	100,547	826,211	602,656	107,624	710,280	115,931	407,328
880701	725,728	104,605	830,333	767,656	107,624	875,280	(44,947)	523,260
890101	725,795	103,033	828,828	597,087	107,624	704,711	124,117	478,313
890701	725,865	107,378	833,243	772,087	107,624	879,711	(46,468)	602,430
900101	725,938	95,078	821,016	579,006	107,624	686,630	134,386	250,961
900701	726,015	99,782	825,798	719,006	107,624	826,630	(832)	385,348
910101	726,096	95,204	821,301	568,762	107,624	676,386	144,914	254,515
910701	726,181	100,278	826,459	693,762	107,624	801,386	25,072	399,430
920101	726,270	95,206	821,476	557,269	107,624	664,892	156,584	254,502
920701	726,363	100,688	827,052	637,269	107,624	744,892	82,159	411,086
930101	726,461	95,165	821,627	544,631	106,899	651,530	170,097	253,245
930701	726,564	101,120	827,684	544,631	106,899	651,530	176,154	423,342
940101	726,672	95,212	821,884	531,262	104,397	635,660	186,224	254,496
940701	726,785	101,732	828,517	516,537	104,397	635,660	192,857	440,720
950101	726,904	85,383	812,287	501,231	101,642	618,180	194,107	253,577
950701	727,028	88,781	815,810	786,537	101,642	888,180	(72,370)	447,684
960101	727,159	85,328	812,487	796,231	98,779	600,010	212,477	250,313
960701	727,296	89,048	816,344	484,762	98,779	895,010	(78,666)	462,790
970101	727,440	85,397	812,837	804,762	95,697	580,460	232,377	254,124
970701	727,591	89,465	817,056	466,550	95,697	900,460	(83,404)	486,501
980101	727,749	85,381	813,131	806,550	92,290	558,840	254,291	253,097
980701	727,916	89,832	817,748	446,594	92,290	898,840	(81,092)	507,387
990101	728,090	85,352	813,442	811,594	88,556	535,150	278,292	251,295
990701	728,273	90,224	818,496	424,894	88,556	900,150	(81,654)	529,587
1000101	728,465	85,383	813,848	819,894	84,496	509,390	304,458	252,933
1000701	728,666	90,713	819,379	401,062	84,496	904,390	(85,011)	557,392
1010101	728,878	85,377	814,254		80,037	481,100	333,154	252,381

022890

SOUTH CAROLINA STATE HOUSING AUTHORITY  
1984 Series A Multifamily Residential Revenue Bonds  
PROJECTED PERIODIC CASH AVAILABILITY (Cont.)

0 % FHA EXPERIENCE  
100 % ORIGINATION

	ENDING DATE	NET RECEIVED FROM MORTGAGE PORTFOLIO	INTEREST EARNINGS NET OF REBATE	CASH GENERATED IN PERIOD	SCHEDULED DEBT SERVICE	TOTAL PROGRAM EXPENSES	CASH EXPENDED IN PERIOD	NET CASH SURPLUS (DEFICIT) IN PERIOD	CASH AVAILABLE FROM SURPLUS FUND
35.	1010701	729,099	91,209	820,308	816,062	80,037	896,100	(75,792)	585,535
36.	1020101	729,332	85,421	814,753	375,100	75,180	450,280	364,473	254,743
37.	1020701	725,576	91,801	821,378	820,100	75,180	895,280	(73,902)	619,217
38.	1030101	729,832	85,348	815,180	346,425	69,815	416,240	398,940	250,314
39.	1030701	730,101	92,331	822,432	816,425	69,815	886,240	(63,808)	649,254
40.	1040101	730,383	85,354	815,737	315,231	63,979	379,210	436,527	250,446
41.	1040701	730,679	92,995	823,674	805,231	63,979	869,210	(45,536)	686,972
42.	1050101	730,989	33,813	764,802	281,131	57,599	338,730	426,072	251,436
43.	1050701	731,315	41,272	772,586	786,131	57,599	843,730	(71,144)	677,509
44.	1060101	731,656	33,817	765,473	247,806	51,364	299,170	466,303	251,365
45.	1060701	732,015	41,980	773,995	762,806	44,549	814,170	(40,175)	717,668
46.	1070101	732,391	33,842	766,233	211,381	44,549	255,930	510,303	252,493
47.	1070701	732,786	42,775	775,561	731,381	44,549	775,930	(369)	762,796
48.	1080101	733,200	33,846	767,046	171,469	37,081	208,550	558,496	252,426
49.	1080701	733,635	43,623	777,258	676,469	37,081	713,550	63,708	810,923
50.	1090101	734,091	33,891	767,982	127,875	28,925	156,800	611,182	254,631
51.	1090701	734,569	44,591	779,159	587,875	28,925	616,800	162,359	865,813
52.	1100101	735,071	33,873	768,944	80,019	19,971	99,990	668,954	253,172
53.	1100701	735,597	45,584	781,181	445,019	19,971	464,990	316,191	922,126
54.	1110101	736,150	33,883	770,033	27,706	10,184	37,890	732,143	253,317
55.	1110701	736,730	46,700	783,430	197,706	10,184	207,890	575,540	985,461
56.	1120101	737,338	47,239	784,577	0	0	0	784,577	1,016,000
57.	1120701	737,976	5,401	743,377	0	0	0	743,377	0
58.	1130101	738,646	5,406	744,052	0	0	0	744,052	0
59.	1130701	739,349	5,411	744,760	0	0	0	744,760	0
60.	1140101	740,086	5,416	745,502	0	0	0	745,502	0
61.	1140701	740,859	5,422	746,281	0	0	0	746,281	0
62.	1150101	741,671	5,428	747,099	0	0	0	747,099	0
63.	1150701	742,522	5,434	747,957	0	0	0	747,957	0
64.	1160101	399,150	3,619	402,769	0	0	0	402,769	0
65.	1160701	97,077	1,281	98,358	0	0	0	98,358	0
TOTAL		43,839,362	6,613,673	50,453,035	30,644,364	4,452,486	35,096,850	15,356,185	0

022891

EXHIBIT

MAR 26 1985 NO. 13

STATE BUDGET & CONTROL BOARD

XHIBIT

DRAFT DATED: 3-15-85

MAR 26 1985

NO. 13

9

STATE BUDGET & CONTROL BOARD

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PERSONAL GUARANTY

by

WILLIAM B. BRIGHAM

to

GEORGIA RAILROAD BANK & TRUST COMPANY

Dated March \_\_, 1985

Relating to

\$2,775,000

South Carolina State Housing Authority

Conduit Mortgage Loan Note

(Breckenridge, Ltd. Project)

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023892



## GUARANTY

THIS PERSONAL GUARANTY (the "Guaranty"), dated March \_\_, 1985, given by William B. Brigham, in his personal capacity (the "Guarantor") to Georgia Railroad Bank & Trust Company, a banking association organized and existing under and by virtue of the laws of \_\_\_\_\_ (the "Lender").

### WITNESSETH:

WHEREAS, the South Carolina State Housing Authority, a body politic and corporate of the State of South Carolina (the "Authority"), has agreed under a Loan Agreement dated the date hereof by and among the Authority, Breckenridge, Ltd., a South Carolina partnership (the "Company") of which the Guarantor is a general partner, and the Lender (the "Agreement"), pursuant to which funds will be made available to the Company to assist it in the acquisition and construction of certain rental housing (the "Project"); and

WHEREAS, the Authority intends to defray the cost of acquiring the Project by the issuance of its Conduit Mortgage Loan Note (Breckenridge, Ltd. Project) in the original principal amount of \$2,775,000 (the "Note"), pursuant to the Agreement; and

WHEREAS, the Guarantor specifically approves the terms and conditions of the Agreement; and

WHEREAS, the Guarantor desires the Authority to issue the Note and is willing to enter into this Guaranty in order to enhance the marketability of the Note and thereby achieve reduced interest costs and other savings to the Company and as an inducement to the acquisition of the Note by each person who shall at any time become a holder thereof;

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

### ARTICLE I

#### REPRESENTATIONS AND WARRANTIES OF GUARANTOR

Section 1.1. Representations and Warranties. The Guarantor hereby represents and warrants that he is competent to execute and deliver this Guaranty. The Guarantor further represents and warrants that (i) the execution and delivery of this Guaranty, the consummation of the transactions contemplated hereby, and the fulfillment of and compliance with the terms and conditions hereof are not

prevented or limited by, do not conflict with or result in a breach of, and do not contravene or constitute a default under any evidence of indebtedness, indenture, commitment, agreement or other instrument to which he is a party or by which he is bound or any existing law, rule, regulation, judgment, order or decree binding upon him; (ii) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or, to the best of his knowledge, threatened against or affecting him, nor to the best of his knowledge is there any basis therefor, wherein an unfavorable decision, ruling or finding would in any way adversely affect the transactions contemplated by this Guaranty, or which in any way would affect the validity or enforceability of the Agreement; (iii) no consent, approval, authorization or order of any court or governmental agency or body is required with respect to the Guarantor for the placement of the Note; and (iv) there has been no change in his financial condition that renders inaccurate in any material respect the information with respect to such matters that has been supplied to the Lender heretofore by or on behalf of him.

## ARTICLE II

### GUARANTEE

Section 2.1. Guarantee of Payment. (a) The Guarantor hereby irrevocably and unconditionally guarantees to the Lender, and its successors and assigns as holders from time to time of the Note: (i) the full and prompt payment of the principal of the Note when and as the same shall become due, whether at the stated maturity thereof, by acceleration or call for prepayment or otherwise; (ii) the full and prompt payment of any interest on any Note when and as the same shall become due; and (iii) the full and prompt payment of any other sum due and payable by the Authority pursuant to the terms of the Note or the Agreement. The Guarantor hereby irrevocably and unconditionally agrees that upon any default by the Authority in the payment, when due, of the principal or interest on the Note or of any sum payable by the Authority under the Note or the Agreement, the Guarantor will promptly pay the same.

(b) All payments by the Guarantor shall be paid in lawful money of the United States of America.

Section 2.2. Obligations Joint, Several and Unconditional. The obligations of the Guarantor under this Guaranty shall be absolute and unconditional and shall remain in full force and effect until the entire principal and interest on the Note shall have been paid in full. Such obligations shall not be affected, modified or impaired by any statement of facts or by the happening from time to time of any event, including without limitation any of the

following, whether or not such event shall occur with notice to, or the consent of, the Guarantor:

(a) the waiver, surrender, compromise, settlement, discharge, release or termination of any or all of the obligations, covenants or agreements of the Authority contained in the Agreement or in the Note;

(b) the failure to give notice to the Guarantor of the occurrence of a default under this Guaranty or an event of default under the terms and provisions of the Agreement or the Partnership Guaranty dated March \_\_, 1985, given by Kuhlke Brothers Partnership, a Georgia general partnership ("Kuhlke Brothers Partnership") to the Lender (the "Partnership Guaranty");

(c) the transfer, assignment, mortgaging, leasing or the purported transfer, assignment, mortgaging or leasing of all or any part of the interest of the Authority or the Company in the Project or any failure of title with respect to the Authority's or the Company's interest in the Project;

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

(e) the waiver, surrender, compromise, settlement, release or termination of any of the obligations, covenants or agreements of the Company under the Agreement or of any other obligor under the Agreement or the Partnership Guaranty;

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

(g) the taking of or the omission to take any action by the Authority or the Lender referred to in the Agreement or the taking of or omission to take any action by the Lender under this Guaranty or the Partnership Guaranty;

(h) any failure, omission, delay or lack of diligence on the part of the Authority, the Lender or any other person in the enforcement, assertion or exercise of any right, power or remedy conferred on the Lender under the Agreement, or conferred on the Lender in this Guaranty or the Partnership Guaranty, or the inability of the Authority or the Lender to enforce any provision of the Agreement or this Guaranty or the Partnership Guaranty for any other reason, or any other act or omission on the part of the

Authority, the Lender or any of the holders from time to time of the Note;

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

(j) the illegality, invalidity, unenforceability or termination of, or any defect in, the Agreement, the Partnership Guaranty or the Note;

(k) any present or future law or order of any government (de jure or de facto) or of any agency thereof purporting to reduce, amend or otherwise affect the Note or any other obligation of the Authority or any other obligor or to vary any terms of payment;

(l) any claim of immunity on behalf of the Authority or any other obligor or with respect to any property of the Authority or any other obligor;

(m) the release, sale, exchange, surrender or other change in any security for payment of the Note;

(n) the extension of the time for payment of any principal, premium, if any, or interest on the Note or any part thereof owing or payable on such Note or under this Guaranty or the Partnership Guaranty or of the time for performance of any other obligations, covenants or agreements under or arising out of the Agreement, the Note, the Partnership Guaranty or this Guaranty or the renewal of any such obligations, covenants or agreements;

(o) any other circumstances which might otherwise constitute a legal or equitable discharge or defense of a surety or a guarantor;

(p) the default or failure of the Guarantor fully to perform any of their obligations set forth in this Guaranty; or

(q) to the extent permitted by law, any event or action that would, in the absence of this clause, result in the release or discharge by operation of law of the Guarantor or Kuhlke Brothers Partnership from the performance or observance of any obligation, covenant or



agreement contained in this Guaranty or the Partnership Guaranty.

Section 2.3. Waiver of Notice. The Guarantor waives notice of the issuance of the Note and notice from the Lender of the acceptance and reliance on the benefits of this Guaranty. The Guarantor also waives presentment, demand for payment, protest and notice of nonpayment or dishonor and all other notices and demands whatsoever relating to the Note.

Section 2.4. Other Security. The Lender may pursue its rights and remedies under this Guaranty notwithstanding (i) any other guaranty of or security for the Note or the obligations or liabilities of the Authority under the Agreement and (ii) any action taken or omitted to be taken by the Lender or any other person to enforce any of the rights or remedies under such guaranty or with respect to any other security.

Section 2.5. No Set-off. No set-off, counter-claim, reduction or diminution of any obligation, or any defense of any kind or nature (other than performance by the Guarantor of his obligations hereunder) which the Authority or the Company may have or assert, or which the Guarantor may have or assert against the Authority or the Lender or any holder of the Note, shall be available hereunder to the Guarantor against the Lender.

### ARTICLE III

#### DEFAULT AND REMEDIES

Section 3.1. Events of Default. Any of the following occurrences shall constitute an event of default hereunder:

(a) default in the due and punctual payment of any amount due under Section 2.1 hereof with respect to principal and interest on the Note; and

(b) failure to cure within 30 days after notice by the Lender by certified mail any other default or the breach of any other agreement or covenant on the part of the Guarantor contained herein.

Section 3.2. Remedies. The Lender shall have the right, power and authority to do all things it deems necessary or advisable to enforce the provisions of this Guaranty and protect its interests as the holder of the Note and, in the event of a default, the Lender may institute or appear in such appropriate judicial proceedings as the Lender shall deem most effectual to protect and enforce any of its rights, whether for the specific enforcement of any

EXHIBIT

covenant or agreement in this Guaranty or the Agreement or in aid of the exercise of any power granted herein or therein or to enforce any other proper remedy. Without limiting the generality of the foregoing, in the event of a default in payment of the principal or interest on the Note when due, the Lender may institute a judicial proceeding for the collection of the sums so due and unpaid, and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Guarantor and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Guarantor, wherever situated.

Section 3.3. No Remedy Exclusive. No remedy conferred upon or reserved to the Lender herein is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Guaranty or now or hereafter existing at law or in equity.

Section 3.4. Separate Causes of Action. Each and every default in payment of the principal or interest on the Note or any other sum due under the Note or the Agreement shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder by the Lender as each cause of action arises. In the event of such a default, the Lender shall have the right to proceed first and directly against the Guarantor under this Guaranty without proceeding against the Authority or any other person or exhausting any other remedies which it may have and without resorting to any other security held by the Authority or the Lender.

Section 3.5. Recovery of Costs. The Guarantor agrees to pay to the Lender all reasonable costs, expenses and fees, including all reasonable attorney's fees, which may be incurred by the Lender in enforcing or attempting to enforce the Agreement, the Note or this Guaranty or protecting any of its rights or pursuing any of its remedies following any default on the part of the Guarantor or the Company whether the same shall be enforced by suit or otherwise.

Section 3.6. No Waiver. No delay or omission to exercise any right or power accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

Section 3.7. Service of Process. The Guarantor hereby designates and appoints, without power of revocation as long as any of the principal or interest on the Note remains unpaid, the Secretary of State of the State of South

Carolina as his agent upon whom may be served all process, pleadings, notices or other papers which may be served upon him as a result of any of his obligations under this Guaranty.

Section 3.8. Consent to Jurisdiction and Venue.

The Guarantor irrevocably, as long as any of the principal or interest on the Note remains unpaid, (i) agrees that any suit, action or other legal proceeding arising out of this Guaranty may be brought in any court in the State of South Carolina or the courts of the United States located in such State, (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding, and (iii) waives any objection which they may have to the laying of venue of any such suit, action or proceeding in any of such courts.

ARTICLE IV

GENERAL

Section 4.1. Guarantor to Maintain Assets.

The Guarantor agrees that, as long as any principal or interest on the Note remains unpaid, he will not dispose of all or substantially all of his assets.

Section 4.2. Obligations of Guarantor Arise on

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

Section 4.3. Application of Moneys.

All moneys recovered by the Lender pursuant to this Guaranty (other than those provided for in Section 3.5 hereof) shall be applied to the payment of the principal, premium, if any, and interest on the Note. This Guaranty is entered into by the Guarantor for the benefit of the Lender, and its successors and assigns, as the holder from time to time of the Note and may be enforced by any such holder of the Note in accordance with the provisions of this Guaranty. This Guaranty shall not be deemed to create any right in, or to be in whole or in part for the benefit of, any person other than such holders, the Guarantor, the Authority and their permitted successors and assigns.

Section 4.4. Amendments.

The Guarantor and the Lender may, without the consent of or any notice to any



other party amend, change or modify this Guaranty to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provision contained herein or to make provision with respect to matters arising hereunder for any other purpose if such provisions are necessary or desirable and are not inconsistent with the provisions of the Agreement and this Guaranty.

Section 4.5. Survival. All warranties, representations and covenants made by the Guarantor herein shall be deemed to have been relied upon by the Lender in acquiring the Note and shall survive the delivery to the Lender of this Guaranty regardless of any investigation made by the Lender or any other holder from time to time of the Note or on their behalf.

Section 4.6. Notices. All communications under this Guaranty shall be in writing and shall be deemed given when delivered and, if delivered by mail, shall be mailed by registered or certified first class mail, postage prepaid, and addressed as follows:

To the Guarantor:

William B. Brigham

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To the Lender:

Georgia Railroad Bank & Trust Company  
Post Office Box 1211  
Augusta, Georgia 30913  
Attention: Mortgage Loan Department

To the Authority:

South Carolina State Housing Authority  
2221 Devine Street, Suite 540  
Columbia, South Carolina 29205  
Attention: Executive Director

A duplicate copy of each communication hereunder by either the Guarantor or the Lender shall also be given to the Authority.

Section 4.7. Miscellaneous. This Guaranty (i) constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof; (ii) may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument; (iii) may be modified only by an instrument in writing signed by the duly



authorized representatives of the parties and only if the modification is made for the purposes and in accordance with Section 4.4 hereof; and (iv) shall be governed in all respects, including validity, interpretation and effect, by, and shall be enforceable in accordance with, the law of the State of South Carolina. If any provision of this Guaranty shall be held to be invalid by any court of competent jurisdiction, the invalidity of such provision shall not affect any of the remaining provisions.

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty, and the Lender has accepted the same by causing these presents to be signed in its name and behalf by an authorized officer and its corporate seal to be impressed hereon and attested by an authorized officer, all as of the date first above written.

\_\_\_\_\_  
William B. Brigham

Accepted as of this \_\_\_\_ day of  
\_\_\_\_\_, 19\_\_

GEORGIA RAILROAD BANK & TRUST  
COMPANY

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

(SEAL)

ATTEST:

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

EXHIBIT

MAR 26 1985 NO. 13

STATE BUDGET & CONTROL BOARD

# EXHIBIT

DRAFT DATED: 3-15-85

MAR 26 1985

NO. 13

8

STATE BUDGET & CONTROL BOARD

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PARTNERSHIP GUARANTY

by

KUHLKE BROTHERS PARTNERSHIP

to

GEORGIA RAILROAD BANK & TRUST COMPANY

Dated March \_\_, 1985

Relating to

\$ 2,775,000

South Carolina State Housing Authority

Conduit Mortgage Loan Note

(Breckenridge, Ltd. Project)

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023902

## PARTNERSHIP GUARANTY

THIS PARTNERSHIP GUARANTY (the "Guaranty"), dated March \_\_, 1985, given by Kuhlke Brothers Partnership, a Georgia general partnership (the "Guarantor") to Georgia Railroad Bank & Trust Company, a banking association organized and existing under and by virtue of the laws of \_\_\_\_\_ (the "Lender").

### WITNESSETH:

WHEREAS, the South Carolina State Housing Authority, a body politic and corporate of the State of South Carolina (the "Authority"), has agreed under a Loan Agreement dated the date hereof by and among the Authority, Breckenridge, Ltd., a South Carolina partnership (the "Company") and the Lender (the "Agreement"), pursuant to which funds will be made available to the Company to assist it in the acquisition and construction of certain rental housing (the "Project"); and

WHEREAS, the Authority intends to defray the cost of acquiring the Project by the issuance of its Conduit Mortgage Loan Note (Breckenridge, Ltd. Project) in the original principal amount of \$2,775,000 (the "Note"), pursuant to the Agreement; and

WHEREAS, the Guarantor specifically approves the terms and conditions of the Agreement; and

WHEREAS, the Guarantor desires the Authority to issue the Note and is willing to enter into this Guaranty in order to enhance the marketability of the Note and thereby achieve reduced interest costs and other savings to the Company and as an inducement to the acquisition of the Note by each person who shall at any time become a holder thereof;

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

### ARTICLE I

#### REPRESENTATIONS AND WARRANTIES OF GUARANTOR

Section 1.1. Representations and Warranties. The Corporation hereby represents and warrants that: (i) it is a general partnership, validly existing and in good standing under the laws of the State of Georgia and able to do business in and in good standing in the State of South Carolina; (ii) it has power to enter into this Guaranty and has, by proper action, duly authorized the execution and delivery of this Guaranty; and (iii) the consummation of the

transactions contemplated hereby, and the fulfillment of and compliance with the terms and conditions hereof are not prevented or limited by, do not conflict with or result in a breach of, and do not contravene or constitute a default under the Guarantor's partnership agreement or any evidence of indebtedness, indenture, commitment, agreement or other instrument to which it is a party or by which it is bound or any existing law, rule, regulation, judgment, order or decree binding upon it; (iv) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or, to the best of its knowledge, threatened against or affecting it, nor to the best of its knowledge is there any basis therefor, wherein an unfavorable decision, ruling or finding would in any way adversely affect the transactions contemplated by this Guaranty, or which in any way would affect the validity or enforceability of the Agreement; (v) no consent, approval, authorization or order of any court or governmental agency or body is required with respect to the Guarantor for the placement of the Note; and (vi) there has been no change in its financial condition that renders inaccurate in any material respect the information with respect to such matters that has been supplied to the Lender heretofore by or on behalf of it.

## ARTICLE II

### GUARANTEE

Section 2.1. Guarantee of Payment. (a) The Guarantor hereby irrevocably and unconditionally guarantees to the Lender, and its successors and assigns as holders from time to time of the Note: (i) the full and prompt payment of the principal of the Note when and as the same shall become due, whether at the stated maturity thereof, by acceleration or call for prepayment or otherwise; (ii) the full and prompt payment of any interest on any Note when and as the same shall become due; and (iii) the full and prompt payment of any other sum due and payable by the Authority pursuant to the terms of the Note or the Agreement. The Guarantor hereby irrevocably and unconditionally agrees that upon any default by the Authority in the payment, when due, of the principal or interest on the Note or of any sum payable by the Authority under the Note or the Agreement, the Guarantor will promptly pay the same.

(b) All payments by the Guarantor shall be paid in lawful money of the United States of America.

Section 2.2. Obligations Unconditional. The obligations of the Guarantor under this Guaranty shall be absolute and unconditional and shall remain in full force and effect until the entire principal and interest on the Note shall have been paid in full. Such obligations shall



not be affected, modified or impaired by any statement of facts or by the happening from time to time of any event, including without limitation any of the following, whether or not such event shall occur with notice to, or the consent of, the Guarantor:

(a) the waiver, surrender, compromise, settlement, discharge, release or termination of any or all of the obligations, covenants or agreements of the Authority contained in the Agreement or in the Note;

(b) the failure to give notice to the Guarantor of the occurrence of a default under this Guaranty or an event of default under the terms and provisions of the Agreement or the Personal Guaranty dated March \_\_, 1985, given by William B. Brigham in his personal capacity (the "Personal Guarantor") to the Lender (the "Personal Guaranty");

(c) the transfer, assignment, mortgaging, leasing or the purported transfer, assignment, mortgaging or leasing of all or any part of the interest of the Authority or the Company in the Project or any failure of title with respect to the Authority's or the Company's interest in the Project;

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

(e) the waiver, surrender, compromise, settlement, release or termination of any of the obligations, covenants or agreements of the Company under the Agreement or of any other obligor under the Agreement or the Personal Guaranty;

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

(g) the taking of or the omission to take any action by the Authority or the Lender referred to in the Agreement or the taking of or omission to take any action by the Lender under this Guaranty or the Personal Guaranty;

(h) any failure, omission, delay or lack of diligence on the part of the Authority, the Lender or any other person in the enforcement, assertion or exercise of any right, power or remedy conferred on the Lender under the Agreement, or conferred on the Lender in this Guaranty or the Personal Guaranty, or the inability of the Authority or the Lender to enforce any provision of the Agreement or this

Guaranty or the Personal Guaranty for any other reason, or any other act or omission on the part of the Authority, the Lender or any of the holders from time to time of the Note;

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

(j) the illegality, invalidity, unenforceability or termination of, or any defect in, the Agreement, the Personal Guaranty or the Note;

(k) any present or future law or order of any government (de jure or de facto) or of any agency thereof purporting to reduce, amend or otherwise affect the Note or any other obligation of the Authority or any other obligor or to vary any terms of payment;

(l) any claim of immunity on behalf of the Authority or any other obligor or with respect to any property of the Authority or any other obligor;

(m) the release, sale, exchange, surrender or other change in any security for payment of the Note;

(n) the extension of the time for payment of any principal, premium, if any, or interest on the Note or any part thereof owing or payable on such Note or under this Guaranty or the Personal Guaranty or of the time for performance of any other obligations, covenants or agreements under or arising out of the Agreement, the Note, the Personal Guaranty or this Guaranty or the renewal of any such obligations, covenants or agreements;

(o) any other circumstances which might otherwise constitute a legal or equitable discharge or defense of a surety or a guarantor;

(p) the default or failure of the Guarantor fully to perform any of its obligations set forth in this Guaranty; or

(q) to the extent permitted by law, any event or action that would, in the absence of this clause, result in the release or discharge by operation of law of the Guarantor or the Personal Guarantor from the performance or

observance of any obligation, covenant or agreement contained in this Guaranty or the Personal Guaranty.

Section 2.3. Waiver of Notice. The Guarantor waives notice of the issuance of the Note and notice from the Lender of the acceptance and reliance on the benefits of this Guaranty. The Guarantor also waives presentment, demand for payment, protest and notice of nonpayment or dishonor and all other notices and demands whatsoever relating to the Note.

Section 2.4. Other Security. The Lender may pursue its rights and remedies under this Guaranty notwithstanding (i) any other guaranty of or security for the Note or the obligations or liabilities of the Authority under the Agreement and (ii) any action taken or omitted to be taken by the Lender or any other person to enforce any of the rights or remedies under such guaranty or with respect to any other security.

Section 2.5. No Set-off by Guarantor. No set-off, counterclaim, reduction or diminution of any obligation, or any defense of any kind or nature (other than performance by the Guarantor of its obligations hereunder) which the Authority or the Company may have or assert, or which the Guarantor may have or assert against the Authority or the Lender or any holder of the Note, shall be available hereunder to the Guarantor against the Lender.

### ARTICLE III

#### DEFAULT AND REMEDIES

Section 3.1. Events of Default. Any of the following occurrences shall constitute an event of default hereunder:

(a) default in the due and punctual payment of any amount due under Section 2.1 hereof with respect to principal and interest on the Note; and

(b) failure to cure within 30 days after notice by the Lender by certified mail any other default or the breach of any other agreement or covenant on the part of the Guarantor contained herein.

Section 3.2. Remedies. The Lender shall have the right, power and authority to do all things it deems necessary or advisable to enforce the provisions of this Guaranty and protect its interests as the holder of the Note and, in the event of a default, the Lender may institute or appear in such appropriate judicial proceedings as the Lender shall deem most effectual to protect and enforce any of its rights, whether for the specific enforcement of any

EXHIBIT

covenant or agreement in this Guaranty or the Agreement or in aid of the exercise of any power granted herein or therein or to enforce any other proper remedy. Without limiting the generality of the foregoing, in the event of a default in payment of the principal or interest on the Note when due, the Lender may institute a judicial proceeding for the collection of the sums so due and unpaid, and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Guarantor and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Guarantor, wherever situated.

Section 3.3. No Remedy Exclusive. No remedy conferred upon or reserved to the Lender herein is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Guaranty or now or hereafter existing at law or in equity.

Section 3.4. Separate Causes of Action. Each and every default in payment of the principal or interest on the Note or any other sum due under the Note or the Agreement shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder by the Lender as each cause of action arises. In the event of such a default, the Lender shall have the right to proceed first and directly against the Guarantor under this Guaranty without proceeding against the Authority or any other person or exhausting any other remedies which it may have and without resorting to any other security held by the Authority or the Lender.

Section 3.5. Recovery of Costs. The Guarantor agrees to pay to the Lender all reasonable costs, expenses and fees, including all reasonable attorney's fees, which may be incurred by the Lender in enforcing or attempting to enforce the Agreement, the Note or this Guaranty or protecting any of its rights or pursuing any of its remedies following any default on the part of the Guarantor or the Company whether the same shall be enforced by suit or otherwise.

Section 3.6. No Waiver. No delay or omission to exercise any right or power accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

Section 3.7. Service of Process. The Guarantor hereby designates and appoints, without power of revocation as long as any of the principal or interest on the Note remains unpaid, the Secretary of State of the State of South



Carolina as his agent upon whom may be served all process, pleadings, notices or other papers which may be served upon him as a result of any of his obligations under this Guaranty.

Section 3.8. Consent to Jurisdiction and Venue.

The Guarantor irrevocably, as long as any of the principal or interest on the Note remains unpaid, (i) agrees that any suit, action or other legal proceeding arising out of this Guaranty may be brought in any court in the State of South Carolina or the courts of the United States located in such State, (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding, and (iii) waives any objection which they may have to the laying of venue of any such suit, action or proceeding in any of such courts.

ARTICLE IV

GENERAL

Section 4.1. Guarantor to Maintain Existence.

The Guarantor agrees that, as long as any principal or interest on the Note remains unpaid, it will maintain its separate corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into it, or sell or otherwise transfer to another corporation all or substantially all of its assets as an entirety and thereafter dissolve, if: (i) the resulting, surviving or transferee corporation, as the case may be, irrevocably and unconditionally assumes, by means of an instrument in writing which is delivered to the Lender, all of the obligations of the Guarantor under this Guaranty and (ii) immediately after the consummation of the transaction, and after giving effect thereto, (a) no Event of Default, or an event which with notice or lapse of time or both would become an Event of Default, would exist and (b) the resulting, surviving or transferee corporation, as the case may be, would have, after giving effect to such merger, consolidation or acquisition, a net worth (computed in accordance with generally accepted accounting principles) equal to or greater than the net worth (computed as aforesaid) of the Guarantor immediately prior to such merger, consolidation or transfer.

Section 4.2. Obligations of Guarantor Arises on Sale of Note. The obligations of the Guarantor under this Guaranty shall arise absolutely and unconditionally upon the execution and delivery of the Note. This Guaranty is separate and independent of the Agreement and the Personal Guaranty, and any modification, limitation, or discharge of the Company's liability under the Agreement arising out of or by virtue of any bankruptcy, arrangement, reorganization or similar proceeding shall not modify, limit, discharge or

otherwise affect the liability of the Guarantor under this Guaranty in any manner whatsoever.

Section 4.3. Application of Moneys. All moneys recovered by the Lender pursuant to this Guaranty (other than those provided for in Section 3.5 hereof) shall be applied to the payment of the principal and interest on the Note. This Guaranty is entered into by the Guarantor for the benefit of the Lender, and its successors and assigns, as the holder from time to time of the Note and may be enforced by any such holder of the Note in accordance with the provisions of this Guaranty. This Guaranty shall not be deemed to create any right in, or to be in whole or in part for the benefit of, any person other than such holders, the Guarantor, the Authority and their permitted successors and assigns.

Section 4.4. Amendments. The Guarantor and the Lender may, without the consent of or any notice to any other party amend, change or modify this Guaranty to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provision contained herein or to make provision with respect to matters arising hereunder for any other purpose if such provisions are necessary or desirable and are not inconsistent with the provisions of the Agreement and this Guaranty.

Section 4.5. Survival. All warranties, representations and covenants made by the Guarantor herein shall be deemed to have been relied upon by the Lender in acquiring the Note and shall survive the delivery to the Lender of this Guaranty regardless of any investigation made by the Lender or any other holder from time to time of the Note or on their behalf.

Section 4.6. Notices. All communications under this Guaranty shall be in writing and shall be deemed given when delivered and, if delivered by mail, shall be mailed by registered or certified first class mail, postage prepaid, and addressed as follows:

To the Guarantor:

Kuhlke Brothers Partnership

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To the Lender:

Georgia Railroad Bank & Trust Company  
Post Office Box 1211  
Augusta, Georgia 30913  
Attention: Mortgage Loan Department

To the Authority:

South Carolina State Housing Authority  
2221 Devine Street, Suite 540  
Columbia, South Carolina 29205  
Attention: Executive Director

A duplicate copy of each communication hereunder by the Guarantor or the Lender shall also be given to the Authority.

Section 4.7. Miscellaneous. This Guaranty (i) constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof; (ii) may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument; (iii) may be modified only by an instrument in writing signed by the duly authorized representatives of the parties and only if the modification is made for the purposes and in accordance with Section 4.4 hereof; and (iv) shall be governed in all respects, including validity, interpretation and effect, by, and shall be enforceable in accordance with, the law of the State of South Carolina. If any provision of this Guaranty shall be held to be invalid by any court of competent jurisdiction, the invalidity of such provision shall not affect any of the remaining provisions.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed in its name and behalf by one of its general partners and the Lender has accepted the same by causing these presents to be signed in its name and behalf by an authorized officer and its corporate seal to be impressed hereon and attested by an authorized officer, all as of the date first above written.

By: \_\_\_\_\_  
Its: general partner

Accepted as of the \_\_\_\_\_ day  
of \_\_\_\_\_, 19\_\_

GEORGIA RAILROAD BANK & TRUST  
COMPANY

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

(SEAL)

ATTEST:

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

EXHIBIT

MAR 26 1985 NO. 13

STATE BUDGET & CONTROL BOARD



# EXHIBIT

MAR 26 1985

NO. 13

DRAFT DATED: 3-15-85

## STATE BUDGET & CONTROL BOARD

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STATE OF SOUTH CAROLINA )  
 ) MORTGAGE AND SECURITY AGREEMENT  
COUNTY OF \_\_\_\_\_ )

THIS MORTGAGE AND SECURITY AGREEMENT (the "Mortgage") made this \_\_\_\_\_ day of \_\_\_\_\_, 1985, between Breckenridge, Ltd., a South Carolina limited partnership (the "Company"), whose address is \_\_\_\_\_ and Georgia Railroad Bank & Trust Company (the "Lender"), whose address is Post Office Box 1211, Georgia 30913.

### WITNESSETH:

WHEREAS, the Company is obligated to make certain payments to the Lender under the terms of a Loan Agreement dated the date hereof (the "Loan Agreement") among the Company, the Lender and South Carolina State Housing Authority, a body politic and corporate of the State of South Carolina (the "Authority") and a promissory note (the "Company Note") made by the Company to the Authority and assigned to the Lender in the principal sum of Two Million Seven Hundred Seventy-five Thousand (\$2,775,000) Dollars together with interest thereon, both of which are security for the South Carolina State Housing Authority Note (Breckenridge, Ltd. Project) 1985 (the "Note"), issued and delivered to the Lender;

NOW, THEREFORE, to secure the performance and observance by (i) the Company of all its agreements, covenants and obligations under the Loan Agreement and the Company Note; and (ii) the Authority of all its agreements, covenants and obligations in the Note and the Loan Agreement; and also in order to charge the properties, interests and rights hereinafter described with such payment, performance and observance; and for and in consideration of the acceptance of the Note by the Lender and the making of the loan evidenced thereby, and for other valuable consideration, the receipt of which is acknowledged, the Company does hereby grant, bargain, sell, alien, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, deliver, set over, warrant and confirm unto the Lender, its successors and assigns forever all right, title and interest of the Company in and to the property described below (being hereinafter referred to as the "Mortgaged Property"):

## MORTGAGED PROPERTY

### ITEM A

Subject to Permitted Encumbrances (as defined in the Loan Agreement), the parcel of real property located in Aiken County, South Carolina, consisting of the land described in Exhibit A hereto, together with all right, title and interest of the Company in and to all buildings, structures, improvements and appurtenances now standing, or at any time hereafter constructed or placed upon said property or any part thereof, and the reversion or reversions, remainder or remainders, in and to said real property and each and every part thereof, and together with the entire interest of the Company in and to all and singular the tenements, hereditaments, easements, rights, privileges and appurtenances to said real property belonging or in any wise appertaining thereto, and all the estate, right, title, interest, claim or demand whatsoever of the Company either in law or in equity, in possession or expectancy, of, in and to said real property;

### ITEM B

Subject to Permitted Encumbrances, the items of personal property described in Exhibit B hereto, together with all other machinery, equipment, fixtures or personal property (a) the acquisition of which was financed in whole or in part from the proceeds of the Note, or (b) which is installed on the land described in Item A in substitution or replacement of machinery, equipment, fixtures or personal property described in the preceding subparagraph (a) or which was installed on the land described in Item A in substitution or replacement of other such substitutions or replacements (Items A and B are collectively referred to as the "Project");

### ITEM C

The rights of the Company under any construction contracts entered into by or on behalf of the Company with respect to the Project;

### ITEM D

Until used and applied in accordance with the provisions hereof and of the Loan Agreement, all moneys and proceeds from the Project, including, without limiting the generality of the foregoing, proceeds of insurance, condemnation awards, and receipts from the rental or sale of all or part of the Project;

ITEM E

Subject to Permitted Encumbrances, all rights, privileges, licenses, permits, immunities and easements of the Company of every kind and nature appurtenant to the properties and estates described in the foregoing Items A - D or appurtenant to any property covered by an instrument at any time hereafter conveying, mortgaging, pledging or assigning any property of any kind to the Authority, or its successors or assigns to be included as part of the Mortgaged Property; and also all and singular the tenements, hereditaments or appurtenances belonging to said properties or any part thereof or in any wise appertaining thereto and the reversions, remainders, rents, issues and profits thereof (including the rents, income and profits during any period allowed by law for the redemption of the Mortgaged Property after any foreclosure or other sale); and all the estate, right, title and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the property and estates described in the foregoing Items A - D or any part thereof, whether now owned or hereafter acquired; and

ITEM F

All other property which, by the express provisions of the Loan Agreement or this Mortgage, is required to be subjected to the lien hereof, and any additional property that may from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien hereof by the Company or by anyone in its behalf, and the Lender or its assigns is hereby authorized to receive the same at any time as additional security hereunder;

TO HAVE AND TO HOLD, all and singular, the Mortgaged Property, including all additional property which by the terms hereof has or may become subject to the lien of this Mortgage, unto the Lender and its successors and assigns forever, and conditioned, however, that if the Company shall well and truly pay or cause to be paid fully and promptly when due all indebtedness, liabilities, obligations and sums at any time secured hereby, including interest and attorney's fees, and shall promptly, faithfully and strictly keep, perform and observe all of its covenants, warranties and agreements contained herein, then and in such event this Mortgage shall cease, determine and be void and of no further force and effect, otherwise the same shall remain in full force and effect and upon the terms and subject to the covenants and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the

parties hereto formally covenant, agree and bind themselves as follows, to wit:

#### ARTICLE ONE

##### COVENANTS OF THE COMPANY

1.01 Performance of Loan Agreement, Mortgage, etc. The Company shall perform, observe and comply with all provisions hereof and of the Loan Agreement, and will promptly pay to the Lender the principal and interest due on the Company Note in amounts sufficient to meet the obligation of the Authority to pay when due the principal and interest on the Note and all other sums required to be paid by the Authority under the Note, and any amount owed by the Company under the Loan Agreement and pursuant to the provisions of this Mortgage and of every other instrument securing the Note when payment shall become due, all without deduction or credit for taxes or other similar charges paid by the Company.

1.02 Warranty of Title. The Company covenants and warrants that it is seized of an indefeasible estate in fee simple in the real property described in Item A, has good and absolute title to all existing personal property hereby mortgaged or made subject to the security interest hereby created and has good right, full power and lawful authority to convey, mortgage and encumber the same as provided herein; that the real property hereby mortgaged and all existing personal property hereby mortgaged or made subject to the security interest hereby created are free and clear of all liens, security interests, charges and encumbrances whatsoever, except for Permitted Encumbrances. The Company shall and will make such further assurances to perfect the Lender's interest in the real and personal property hereby mortgaged or made subject to the security interest hereby created as may reasonably be required. The Company fully warrants the title to the real and personal property hereby mortgaged or made subject to the security interest hereby created and every part thereof, and will forever defend the same against the claims of all persons whomsoever.

1.03 Zoning and Environmental Laws. The Company covenants and warrants that all applicable zoning laws, ordinances and regulations affecting the Project permit the use, operation and occupancy thereof and further covenants and warrants to comply with all environmental, ecological laws, ordinances and regulations affecting the Project.

1.04 Taxes and Liens. The Company shall comply with the terms of the Loan Agreement with respect to taxes, charges, encumbrances and other liens against the Project.



1.05 Insurance. The Company shall at its sole expense obtain for, deliver to and maintain for the benefit of the Lender, during the life of this Mortgage, the insurance policies required by the Loan Agreement, and the disposition of amounts payable under such policies shall be governed by the Loan Agreement.

1.06 Condemnation. If at any time title to, or the temporary use of all or part of the Project shall be taken by the exercise of the power of eminent domain or condemnation by any governmental body or by any person, firm or corporation acting under governmental authority, the Company shall notify the Lender as to the nature and extent of such loss. The disposition of amounts payable pursuant to any such taking shall be governed by the provisions of the Loan Agreement.

1.07 Transfer of Property. The Company shall not sell, convey, transfer, lease or further encumber any interest in or any part of the Project except for leases to residential tenants in the ordinary course of business without the prior written consent of the Lender. If any person should obtain any interest in all or any part of the Project pursuant to the execution or enforcement of any lien, security interest or other right, whether superior, equal or subordinate to this Mortgage or the lien hereof, such event shall be deemed to be a transfer by the Company. The Company shall not, without the prior written consent of the Lender, further assign the rents from the Project, nor enter into any agreement or do any act to amend, modify, extend, terminate or cancel, accept the surrender, subordinate, accelerate the payment of rent, or change the terms of any renewal option of any lease now or hereafter covering such property or any part thereof.

1.08 Proceeds; After Acquired Property. The lien of this Mortgage will automatically attach, without further act, to all proceeds of any Mortgaged Property and to all property acquired in substitution or replacement for any part of the Mortgaged Property.

1.09 Expenses. The Company shall pay or reimburse the Lender for all costs, charges and expenses, including reasonable attorney's fees and disbursements, and costs incurred or paid by the Lender in any action which is threatened, pending or completed or any proceeding or dispute in which the Lender is or might be made a party or appears as a party plaintiff or party defendant and which affects or might affect the Note, or the Mortgaged Property or any part thereof, or the interests of the Company or the Lender therein, including but not limited to the foreclosure of this Mortgage, condemnation involving all or part of the Mortgaged Property or any action to protect the security hereof. The amounts so incurred or paid by the Lender,

together with interest thereon at the Default Rate as hereinafter defined from the date incurred until paid by the Company, shall be added to the indebtedness and secured by the lien of this Mortgage.

1.10 Lender's Performance of Defaults. If the Company defaults in the payment of any tax, assessment, encumbrance or other imposition, in its obligation to furnish insurance hereunder or in the performance or observance of any other covenant, condition or term in this Mortgage, the Company Note (including payment of principal and interest thereon) or the Loan Agreement or in any other instrument securing the Note, the Lender may at its option perform or observe the same, and all payments made (whether such payments are regular or accelerated payments) and costs and expenses incurred or paid by the Lender in connection therewith shall become due and payable immediately by the Company. The amounts so incurred or paid by the Lender, together with interest thereon at the Default Rate as hereinafter defined from the date incurred until paid by the Company, shall be added to the indebtedness and secured by the lien of this Mortgage. Nothing contained in this paragraph herein shall be construed as requiring the Lender to advance or expend monies for any purposes mentioned in this paragraph, or for any other purpose. The Lender is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or terms, without thereby becoming liable to the Company or any person in possession holding under the Company.

## ARTICLE TWO

### DEFAULTS

2.01 Events of Default. The term Event of Default, wherever used in this Mortgage, shall mean any one or more of the following events:

(a) An event of default under the Loan Agreement, the Company Note or any other instrument securing the Note or any other instrument collateral to the Note or executed in connection with the sums secured hereby.

(b) Failure by the Company to duly keep, perform and observe any other covenant, condition or agreement in this Mortgage, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Company by the Lender by certified mail.

(c) Material breach of any warranty or material untruth of any representation contained in the Note, this

Mortgage, the Loan Agreement, the Company Note or any other instrument securing the Note.

2.02 Acceleration of Maturity. If an Event of Default shall have occurred, the Lender may declare the outstanding principal amount of the Note and the interest accrued thereon, and all other sums secured hereby, to be due and payable immediately, and upon such declaration such principal and interest and other sums shall immediately become and be due and payable without demand or notice.

2.03 Lender's Power of Enforcement. If an Event of Default shall have occurred, the Lender may, either with or without entry or taking possession as hereinabove provided or otherwise, proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy: (a) to enforce payment of the Note (subject to any limitation in the Loan Agreement) and the Company Note or the performance of any terms thereof or any other right; (b) to foreclose this Mortgage and to sell, as an entirety or in separate lots or parcels, the Mortgaged Property, under the judgment or decree of a court or courts of competent jurisdiction; (c) to enforce any of its rights as a secured party under the South Carolina Uniform Commercial Code; and (d) to pursue any other remedy available to it. The Lender shall take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, or both, as the Mortgagee may determine.

2.04 Lender's Right to Enter and Take Possession, Operate and Apply Income. (a) If an Event of Default shall have occurred, the Company upon demand of the Lender, shall forthwith surrender to the Lender the actual possession, and if and to the extent permitted by law, the Lender itself, or by such officers or agents as it may appoint, may enter and take possession of all the Mortgaged Property, and may exclude the Company and its agents and employees wholly therefrom, and may have joint access with the Company to the books, papers and accounts of the Company.

(b) If the Company shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof after the Lender's demand, the Lender may obtain a judgment or decree conferring on the Lender the right to immediate possession or requiring the Company to deliver immediate possession of all or part of the Mortgaged Property to the Lender along with all books, papers and accounts of the Company, to the entry of which judgment or decree the Company hereby specifically consents.

(c) The Company shall pay to the Lender, upon demand, all reasonable costs and expenses of obtaining such judgment or decree and reasonable compensation to the Lender, its attorneys and agents, and all such costs,

## EXHIBIT

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023919

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NO. 13

STATE BUDGET & CONTROL BOARD



expenses and compensation shall, until paid, be secured by the lien of this Mortgage.

(d) Upon every such entering upon or taking of possession, the Lender may hold, store, use, operate, manage and control the Mortgaged Property and conduct the business thereof, and, from time to time:

(i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property;

(ii) insure or keep the Mortgaged Property insured;

(iii) manage and operate the Mortgaged Property and exercise all the rights and powers of the Company in its name or otherwise, with respect to the same;

(iv) enter into agreements with others to exercise the powers herein granted the Lender:

all as the Lender in its reasonable judgment from time to time may determine; and the Lender may collect and receive all the income, revenues, rents, issues and profits of the same, including those past due as well as those accruing thereafter; and shall apply the monies so received by the Lender in such priority as the Lender may determine, subject to the Loan Agreement, to (1) the reasonable compensation, expenses and disbursements of the Lender's agents and attorneys; (2) the cost of insurance, taxes, assessments and other proper charges upon the Mortgaged Property or any part thereof; (3) the deposits for taxes and assessments and insurance premiums due; (4) the payment of principal of, accrued interest on the Note; and (5) all other sums due and payable under the Note, the Loan Agreement or the Guaranty (as defined in the Loan Agreement).

The Lender shall surrender possession of the Mortgaged Property to the Company, only when all that is due upon such interest and principal installments, and under any of the terms of this Mortgage, the Note, the Company Note, the Loan Agreement and the Guaranty shall have been paid and all defaults made good. The same right of taking possession, however, shall exist if any subsequent Event of Default shall occur and be continuing.

2.05 Purchase by Lender. Upon any such foreclosure sale, the Lender may bid for and purchase the Mortgaged Property and, upon compliance with the terms of sale, may hold, retain and possess and dispose of such



property in its own absolute right without further accountability.

2.06 Application of Indebtedness Toward Purchase Price. Upon any such foreclosure sale, the Lender may, if permitted by law, after allowing for the proportion of the total purchase price required to be paid in cash and for the costs and expenses of the sale, compensation and other charges, in paying the purchase price pursuant to Section 2.05 hereof apply any portion of or all sums due to the Lender under the Note, the Company Note, this Mortgage, the Loan Agreement, the Guaranty or any other instrument securing the Note, in lieu of cash, to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon.

2.07 Waiver of Appraisement, Valuation, Stay, Extension, and Redemption Laws. The Company agrees to the full extent permitted by law that in case of a default on its part hereunder, neither the Company nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, or the absolute sale of the Mortgaged Property or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereat, and the Company, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agrees that the Lender or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property in part or as an entirety subject to no defense (other than payment of the obligations secured hereby) or right of set-off, counterclaim or recoupment arising out of any breach by the Authority or the Lender to the Company, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to the Company by the Authority or the Lender.

2.08 Receiver. If an Event of Default shall have occurred, the Lender to the extent permitted by law and without regard to the value or occupancy of the security, shall be entitled as a matter of right if it so elects to the appointment of a receiver to enter upon and take possession of the Mortgaged Property and to collect all rents, revenues, issues, income, products and profits thereof and apply the same as the court may direct. The receiver shall have all rights and powers permitted under the laws of the State of South Carolina and such other powers as the court making such appointment shall confer. The expenses, including receiver's fees, attorney's fees,

costs and agent's compensation, incurred pursuant to the powers herein contained shall be secured by this Mortgage. The right to enter and take possession of and to manage and operate the Mortgaged Property, and to collect the rents, issues and profits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. The Lender shall be liable to account only for such rents, issues and profits actually received by the Lender, whether received pursuant to this paragraph or paragraph 2.04. Notwithstanding the appointment of any receiver or other custodian, the Lender shall be entitled as secured party hereunder to the possession and control of any cash, deposits, or instruments at the time held by, or payable or deliverable under the terms of this Mortgage to the Lender.

2.09 Suits to Protect Mortgaged Property. The Lender shall have the power and authority to institute and maintain any suits and proceedings as the Lender may reasonably deem advisable (a) to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or in violation of this Mortgage, (b) to preserve or protect its interest in the Mortgaged Property, and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order might impair the security hereunder or be prejudicial to the Lender's interest.

2.10 Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting the Company any person, partnership or corporation guaranteeing or endorsing any of the Company's obligations, its creditors or its property, the Lender, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have its claims allowed in such proceedings for the entire amount due and payable by the Company under the Agreement, this Mortgage and any other instrument securing the Note, at the date of the institution of such proceedings, and for any additional amounts which may become due and payable by the Company after such date.

2.11 Partial Foreclosure. In the event the Mortgaged Property is comprised of more than one parcel of real property, the Company hereby waives any right to require the Lender to foreclose or exercise any of its other remedies against all of the Mortgaged Property as a whole or to require the Lender to foreclose or exercise such remedies against one portion of the Mortgaged Property prior to the

foreclosure or exercise of said remedies against other portions of the Mortgaged Property.

2.12 Delay or Omission No Waiver. No delay or omission of the Lender or of any holder of the Note to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to waive any such Event of Default or to constitute acquiescence therein. Every right, power and remedy given to the Lender may be exercised from time to time and as often as may be deemed expedient by the Lender.

2.13 No Waiver of One Default to Affect Another. No waiver of any Event of Default hereunder shall extend to or affect any subsequent Event of Default or any other Event of Default then existing, or impair any rights, powers or remedies consequent thereon.

2.14 Remedies Cumulative. No right, power or remedy conferred upon or reserved to the Lender by this Mortgage or any other instrument securing the Note is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under the Note or any other instrument securing the Note, or now or hereafter existing at law, in equity or by statute.

### ARTICLE THREE

#### MISCELLANEOUS PROVISIONS

3.01 Defined Terms. Capitalized terms used herein, not otherwise defined herein, shall have the meanings attributed to them in the Loan Agreement unless the context clearly specifies otherwise.

3.02 Heirs, Successors, and Assigns Included in Parties. Whenever one of the parties hereto is named or referred to herein, the heirs, successors and assigns of such party shall be included and all covenants and agreements contained in this Mortgage, by or on behalf of the Company or the Lender, shall bind and inure to the benefit of their respective heirs, successors and assigns, whether so expressed or not.

3.03 Addresses for Notices, etc. Any notice, report, demand or other instrument authorized or required to be given or furnished under this Mortgage to the Company or the Lender shall be deemed given or furnished in accordance with the provisions of the Loan Agreement. If notice is given to the Lender, a copy shall be furnished to the

Authority at the address specified in accordance with the provisions of the Loan Agreement.

3.04 Headings. The headings of the articles, sections, paragraphs and subdivision of this Mortgage are for convenience of reference only, are not to be considered a part hereof, and shall not limit or expand or otherwise affect any of the terms hereof.

3.05 Invalid Provisions to Affect No Others. In the event that any of the covenants, agreements, terms or provisions contained in the Note, this Mortgage or any other instrument securing the Note shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein and in the Note and any other instrument securing the Note shall be in no way affected, prejudiced or disturbed thereby.

3.06 Changes, etc. Neither this Mortgage nor any term hereof may be changed, waived, discharged or terminated orally, or by any action or inaction except by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

3.07 Governing Law. This Mortgage is made by the Company and accepted by the Lender in the State of South Carolina, with reference to the laws of such State, and shall be construed, interpreted, enforced and governed by and in accordance with such laws (excluding the principles thereof governing conflicts of law).

3.08 Default Rate. The Default Rate shall be the prime interest rate charged by Georgia Railroad Bank plus one percent (1%) per annum.



IN WITNESS WHEREOF, the undersigned has executed this instrument by causing its name to be hereunto subscribed by one of its partners, the day and year above first written.

BRECKENRIDGE, LTD.

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

Signed, sealed and delivered  
in the presence of:

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

EXHIBIT

MAR 26 1985 NO. 13

STATE BUDGET & CONTROL BOARD

Georgia Railroad Bank & Trust Company hereby joins in the execution of this Mortgage and Security Agreement with the intention that it shall serve as a financing statement pursuant to § 36-9-402 of the Code of Laws of South Carolina 1976.

GEORGIA RAILROAD BANK & TRUST  
COMPANY

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

STATE OF SOUTH CAROLINA )  
COUNTY OF \_\_\_\_\_ )

PROBATE

Before me, the undersigned notary public,  
personally appeared \_\_\_\_\_,  
who, being duly sworn, deposed and said that (s)he saw  
Breckenridge, Ltd. by \_\_\_\_\_, one of  
its partners, sign the within Mortgage and Security  
Agreement and the said Breckenridge, Ltd. by said partner,  
deliver the foregoing Mortgage and Security Agreement and  
that (s)he together with \_\_\_\_\_  
witnessed the execution thereof.

\_\_\_\_\_  
(Witness)

SWORN TO and subscribed before  
me this \_\_\_\_\_ day of \_\_\_\_\_, 1985.

\_\_\_\_\_  
(SEAL)  
Notary Public for South Carolina

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

EXHIBIT A

[Real Property Description]

023928



EXHIBIT B

All items of personal property, including appliances, located on the premises described in Exhibit A hereto.

EXHIBIT

MAR 26 1985 NO. 13

STATE BUDGET & CONTROL BOARD

023929

# EXHIBIT

MAR 26 1985

NO. 13

DRAFT DATED: 3-15-85

STATE BUDGET & CONTROL BOARD

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SOUTH CAROLINA STATE HOUSING AUTHORITY,

BRECKENRIDGE, LTD.

and

GEORGIA RAILROAD BANK & TRUST COMPANY

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LOAN AGREEMENT

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Dated March \_\_, 1985

023930

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## LOAN AGREEMENT

THIS LOAN AGREEMENT, made and entered into March     , 1985, by and among the SOUTH CAROLINA STATE HOUSING AUTHORITY, a body politic and corporate and a political subdivision of the State of South Carolina, (the "Authority"), BRECKENRIDGE, LTD., a South Carolina general partnership (the "Company") and GEORGIA RAILROAD BANK & TRUST COMPANY, a banking association organized and existing under the laws of the United States of America (the "Lender").

### WITNESSETH:

WHEREAS, the South Carolina State Housing Authority (the "Authority") has been empowered under the provisions of Act Number 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") to borrow money under the conditions set forth in the Act and to make mortgage loans to housing sponsors for residential housing provided that the undertaking for which such mortgage loans are made shall be available to members of the beneficiary classes (as defined in the Act) on the best available terms; and

WHEREAS, prior to incurring such indebtedness, the Authority is required by the Act to determine that sufficient persons or families of either beneficiary class are unable to pay the amounts at which private enterprise is providing decent, safe and sanitary housing and that such need may be met by utilizing the power to issue notes or bonds provided in the Act; and

WHEREAS, the Company has requested the Authority to assist it in the acquisition and rehabilitation of certain rental housing (the "Project") located in the City of North Augusta, South Carolina, to be made available by the Company to members of the beneficiary classes at rentals that the Authority has determined to be affordable thereby and the Authority has determined that there is a need therefor; and

WHEREAS, under the provisions of Section 5(b) of the Act the Authority is authorized to issue its notes or bonds for the purpose of obtaining funds with which to make construction or permanent loans to housing sponsors who agree to and shall be required to provide for the construction or rehabilitation of residential housing for rental by persons or families of either beneficiary class provided that there is in effect a federal program providing assistance in repayment of such loans or in addition to or in lieu of such federal assistance programs then loans may

be secured by federally insured mortgages or by a mortgage insured by a private mortgage insurer or by such security as the Authority determines to be sufficient; and

WHEREAS, the Lender has agreed to acquire the Authority's Note (the "Note"), as provided herein, as a vehicle for lending to the Authority the amount requested by the Company in return for a mortgage from the Company on the Project and an assignment by the Authority of the Company's note (the "Company Note") and that the Lender's sole recourse with respect to the indebtedness evidenced by the Note is the Company Note and the Mortgage; and

WHEREAS, the Authority has determined that the collateral acquired by it, in view of the agreements of the Lender, is sufficient to afford the Authority and its programs the level of protection envisioned by the Act and desires to enter into this Loan Agreement for the purpose of issuing the Note and acquiring the Company Note and establishing the rights of the parties hereto;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS AGREEMENT WITNESSETH:

The Authority, in consideration of the premises and of the loan made by the Lender evidenced by the Note and of the execution hereof and provision of the Project and the housing thereby made available to members of the beneficiary classes by the Company, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, in order to provide for the payment of the principal and interest on the Note according to its terms and the performance and observance by the Authority of all covenants expressed or implied in this Agreement and in the Note, does hereby, subject to the terms and provisions of this Agreement, sell, assign, and convey unto the Lender, and unto its successors and assigns as holders of the Note or any part thereof forever, all of the right, title and interest of the Authority in and to this Agreement (except for the rights of the Authority to receive payments, if any, of administration expenses pursuant to Section 4.01 of this Agreement, Authority Fees pursuant to Section 4.02 of this Agreement and indemnification payments pursuant to Section 7.04 of this Agreement), the revenues under the Agreement, and all monies and securities in the Construction Fund (as hereinafter defined).

NOW, THEREFORE, in consideration of the respective representations and agreements hereinafter contained, the parties hereto agree as follows:



## ARTICLE I

### DEFINITIONS

"Act" shall mean Act Number 76 of the Acts and Joint Resolutions of the State of South Carolina for the year 1977, as amended.

"Administration Expenses" shall mean the reasonable and necessary expenses incurred by the Authority with respect to the Project and this Agreement other than those fees set forth in Section 4.02, and the compensation and expenses paid to or incurred by the Lender or the Depositary under this Agreement; provided, however, that no such expense shall be considered an Administration Expense until the Authority, the Lender or the Depositary, as the case may be, has furnished to the Company a statement in writing indicating the amount of such expense and the reason it has been or will be incurred.

"Agreement" shall mean this Loan Agreement dated March \_\_, 1985, among the Authority, the Lender and the Company, and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof.

"Architect" shall mean the person chosen by the Company and approved by the Lender to prepare the Plans and Specifications for the Project.

"Authority" shall mean the South Carolina State Housing Authority, a public body corporate and politic as provided for in Article 3, Chapter 3, Title 31 of the South Carolina Code Annotated, 1976, as amended.

"Authority Fees" shall mean those fees that the Company must pay to the Authority pursuant to Section 4.02.

"Authorized Company Representative" shall mean any person at the time designated to act on behalf of the Company by a written certificate furnished to the Authority and the Lender containing the specimen signature of each such person, and signed on behalf of the Company by the person or persons signing this Agreement on behalf of the Company or by such other persons who have the legal authority to bind the Company. Such certificate may designate an alternate or alternates, and may designate different Authorized Company Representatives to act for the Company with respect to different sections of this Agreement. An Authorized Company Representative may be an employee of the Company. The Lender or the Authority may require additional certificates, opinions of counsel, indemnities or other instruments to assure either of them to the satisfaction of either of them of the authority of any

Authorized Company Representative to legally bind the Company.

"Bond Counsel" shall mean legal counsel experienced in matters relating to municipal obligations and the exemption from taxation of the interest thereon.

"Company" shall mean Breckenridge, Ltd., a South Carolina general partnership or its successors and assigns.

"Company Note" shall mean the promissory note given by the Company to the Authority to evidence the obligation of the Company to repay amounts borrowed hereunder by the Company from the Authority with respect to the Project.

"Company Office" shall mean the principal office of the Company at which, at any particular time, its business records shall be principally administered and maintained.

"Completion Date" shall mean the date of completion of the acquisition, construction and installation of the Project, as that date shall be certified pursuant to Section 3.07 hereof.

"Construction Fund" shall mean the fund created under Section 3.03 hereof.

"Cost" or "Cost of the Project" shall mean the cost of acquiring, by construction or purchase, the Project and shall be deemed to include, whether incurred prior to or after the date of this Agreement, (a) obligations of the Company incurred for labor, materials and other expenses to contractors, builders and materialmen in connection with the acquisition, construction and installation of the Project; (b) the cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of construction of the Project which is not paid by the contractor or contractors or otherwise provided for; (c) the expenses of the Company for test borings, surveys, test and pilot operations, estimates, plans and specifications and preliminary investigations therefor, and for supervising construction, as well as for the performance of all other duties required by or reasonably necessary in connection with the acquisition, construction and installation of the Project; (d) compensation and expenses of the Lender, the Authority and the Depositary, legal, accounting, financial and printing expenses, and all other expenses incurred in connection with the execution and delivery of the Note; (e) all other costs which the Company shall be required to pay under the terms of any contract or contracts for the acquisition, construction and installation of the Project; (f) any sums required to reimburse the Company for advances

made by it for any of the above items; and (g) any amount specified for the payment of interest on the Note up to one year following the Completion Date.

"Covenants" shall mean the restrictive covenants acceptable to the Authority filed by the Company to bind the Project to requirements of the Act and the IRC.

"Date of Official Action" shall mean November 14, 1984.

"Date of Taxability" shall mean the date on which interest on the Note became includable in the gross income of the Lender by virtue of an Event of Taxability.

"Depository" shall mean the trust department of Georgia Railroad Bank & Trust Company, a national banking association, and its successors and assigns.

"Determination of Taxability" shall mean (a) the issuance of a statutory notice of deficiency by the Internal Revenue Service which holds in effect that the interest paid or payable on any portion of the Note is includable in the gross income of the Lender for any reason other than that the Lender is a substantial user of the Project or a related person within the meaning of IRC Section 103(b)(13); or (b) the receipt of an opinion by the Lender from Bond Counsel stating that the interest on the Note has become includable in the gross income of the Lender for any reason other than that the Lender is a substantial user of the Project or a related person within the meaning of IRC Section 103(b)(13); provided, however, that no Determination of Taxability hereunder shall be deemed to occur if there is available to the Company an action which, with the cooperation of the Lender, would have the effect of rescinding such notice or opinion and such action is pursued by the Company, with the cooperation of the Lender, in good faith.

"Event of Default" shall mean, with reference to this Agreement, any of the occurrences described in Section 9.01 hereof.

"Event of Taxability" shall mean the occurrence of circumstances which result in a Determination of Taxability with the result that the interest payable on the Note becomes includable in the gross income of the Lender.

"General Contractor" shall mean the person chosen by the Company and approved by the Lender to construct the Project.

"Installment Payment Date" shall mean each date specified in the Note for the payment of principal or interest thereon.



"IRC" shall mean the Internal Revenue Code of 1954, as amended, and the regulations proposed or promulgated thereunder by the Department of the Treasury as such code and regulations apply to the Note.

"Lender" shall mean Georgia Railroad Bank & Trust Company, a national banking association, and its successors and assigns as the holder of the Note.

"Letter of Representation" shall mean that certain letter of the Company, addressed to the Authority and to Bond Counsel and dated the date of delivery of the Note to the initial purchaser thereof, wherein the Company has set forth, among other things, certain information relating to the nature and cost of the facilities comprising the Project.

"Mortgage" shall mean the Mortgage and Security Agreements dated the date hereof executed by the Company to the Lender, as the same may be amended, modified or supplemented from time to time in conformity with Section 7.11 of this Agreement.

"Neutral Costs" shall mean that amount of the proceeds from the Note used for (i) the payment of the reasonable expenses of issuing the Note including, without limitation, advertising, recording and printing costs; accountant's, financial advisor's and counsel fees; rating agency fees, initial fees of the Depositary, charges of the Lender and all similar expenses; and (ii) the provision of any reasonably required debt service reserve fund with respect to the Note.

"Note" shall mean the \$2,775,000 South Carolina State Housing Authority Note (Breckenridge, Ltd. Project) 1985 authorized, executed and delivered by the Authority and delivered under the provisions of this Agreement, which shall be in substantially the form set forth in Exhibit C hereto.

"Office" shall mean the office of the Company at which, at any particular time, its business records pertaining to the Project shall be principally administered and maintained.

"Opinion of Counsel" shall mean an opinion in writing signed by legal counsel satisfactory to the Lender.

"Permitted Encumbrances" shall mean as of any particular time: (i) liens for ad valorem taxes and special assessments not then delinquent; (ii) liens for ad valorem taxes and special assessments which are delinquent but the validity of which is being contested in accordance with Section 5.02 of this Agreement; (iii) the Mortgage or any



other security interest held by the Lender; (iv) utility, access and other easements and rights of way, flood rights, leases, restrictions and exceptions that an independent engineer or architect not an employee of the Company and the Authorized Company Representative each certify will not interfere with or impair the operations being conducted therein by the Company, or the operations for which the Project was designed or last modified; (v) such minor defects, irregularities, encumbrances, easements, rights of way and clouds on title as do not, in the aggregate, in the opinion of counsel satisfactory to the Lender, materially impair the property affected thereby for the purposes for which it was acquired or is held by the Company; (vi) mechanic's and materialman's liens not filed or perfected in the manner prescribed by law in effect on the date of execution hereof; (vii) any mortgage, lease or security interest with respect to machinery and equipment or other personalty or fixtures not constituting part of the Project granted in the ordinary course of business; (viii) defects which the title insurance policy described in Section 5.03(a)(i) may insure over; and (ix) such other leases, liens, encumbrances, easements and other property interests which were properly filed of record prior to the date of this Agreement, and to which the Lender consents in writing.

"Permitted Investments" shall mean any one or more of the following investments, if and to the extent the same are then legal investments under the applicable laws of the State and regulations governing the Depository for moneys proposed to be invested therein: (i) direct and general obligations of the United States of America or obligations for which the United States of America has unconditionally guaranteed or assumed the obligation of the payment of the principal and interest thereon; (ii) obligations of the Federal Land Bank, Federal Home Loan Banks, Federal National Mortgage Association, Federal Intermediate Credit Corporation, Federal Bank for Cooperatives, International Bank for Reconstruction and Development, Asian Development Bank, and direct and general obligations of any agency of the United States of America not included in the foregoing listing; (iii) direct and general full faith and credit obligations of any political unit in the State; (iv) repurchase agreements collaterally secured by investments described in clauses (i) or (ii) above held by another bank or trust company as escrow agent or custodian; (v) obligations of savings and loan associations to the extent that the same are insured by the Federal Savings and Loan Insurance Corporation; (vi) certificates of deposit of any bank or trust company if such certificates are collaterally secured by investments of the type described in clauses (i), (ii) or (iii) above held by another bank or trust company as escrow agent or custodian, of a market value not less than the amount, including interest, of the certificates so secured; (vii) certificates of deposit or other obligations

of banks or trust companies organized under the laws of the United States of America or any state thereof, to the extent such certificates or other obligations are insured by an agency of the United States of America; (viii) commercial paper rated at least Prime-1 by Moody's or A-1 by Standard & Poor's rating Services and (ix) any other investment permitted by law.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision.

"Plans and Specifications" shall mean those plans and specifications for the construction or rehabilitation of the Project submitted to the Authority in connection with the issuance of the Note.

"Project" shall mean the acquisition and rehabilitation from the proceeds of the Note of a certain building or buildings and other improvements to be located on the land described on Exhibit A hereto, of the items of personalty described on Exhibit B hereto, and of all other machinery, apparatus, equipment, office facilities and furnishings to be used for the purpose of providing multifamily rental housing.

"Project Supervisor" shall mean the person appointed by the Company, with the written approval of the Lender, to supervise any construction in connection with the rehabilitation of the Project.

"Qualifying Costs" shall mean those Costs of the Project which: (i) are not Neutral Costs; (ii) are for the acquisition of land or property of a character subject to the allowance for depreciation under IRC Section 167, and shall include all amounts paid or payable and incurred which are chargeable to the capital account for the Project or which would be so chargeable either with a proper election by a taxpayer or but for a proper election by a taxpayer to deduct such amounts; and (iii) are paid or incurred by the Company or any related person, as such term is employed in IRC Section 103, after the Date of Official Action.

"State" shall mean the State of South Carolina.

"Supplemental Agreement" or "agreement supplemental hereto" shall mean any agreement supplemental to or amendatory of this Agreement as originally executed which is duly entered into in accordance with the provisions hereof.

## ARTICLE II

### REPRESENTATIONS

SECTION 2.01. Representations by Authority. The Authority makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Authority is a duly constituted body politic and corporate and is duly authorized under the laws of the State, including the Act, to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder and thereunder. By proper action the Authority has duly authorized the execution and delivery of this Agreement and all agreements collateral hereto and thereto.

(b) The South Carolina State Budget and Control Board has duly approved the proposal of the Authority to issue the Note and to finance the Project. No other consent or approval is required by any governmental authority as a condition to the performance by the Authority of its obligations under this Agreement or to the issuance of the Note.

(c) The Authority is entering into this Agreement, issuing the Note and lending the proceeds therefrom to the Company for the purpose of providing decent, safe and sanitary housing to members of the beneficiary classes at rentals they can afford to pay.

(d) The Authority is not in default under any of the provisions of the laws of the State, where any such default would affect the issuance, validity or enforceability of the Note, or the transactions contemplated by this Agreement.

(e) The authorization, execution and delivery of this Agreement and the compliance by the Authority with the provisions hereof and thereof, will not conflict with or constitute a breach of, or a default under, any existing law, regulation, decree, order or any provision of the Constitution or laws of the State relating to the establishment of the Authority or its affairs, or any agreement, mortgage, lease or other instrument to which the Authority is subject or by which it is bound.

SECTION 2.02. Representations by Company. The Company makes the following representations as the basis for the undertakings on its part herein contained.

(a) The Company is a general partnership duly organized and validly existing and in good standing under the laws of the State of South Carolina, has power to enter

into this Agreement and by proper action has duly authorized the execution and delivery of this Agreement, the Company Note and the Mortgage;

(b) The execution and delivery of this Agreement, the Company Note and the Mortgage, the consummation of the transactions contemplated hereby and thereby, and the fulfillment of or compliance with the terms and conditions of this Agreement, the Company Note and the Mortgage are not prevented or limited by, do not conflict with, result in a breach or contravention of, or constitute a default under, the Company's partnership agreement or any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Company is now a party or by which it is bound, or any existing law, rule, regulation, judgment, order or decree binding upon it, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Company prohibited under the terms of any such instrument or agreement;

(c) Acquisition and construction of the Project was commenced subsequent to the Date of Official Action;

(d) The Company will comply with the requirements of IRC § 103(b)(4)(A) and regulations promulgated thereunder and the Act with respect to occupancy and construction requirements for the Project;

(e) The Project is subject to no mortgage, lien or encumbrance prior to the lien of the Mortgage, except as may be disclosed in the title insurance policy described in Section 5.03 of this Agreement;

(f) The information and estimates set forth in the Developer Tax Certification are true and correct to the best of the Company's information and belief and such certification does not omit any statement the omission of which would render any of the statements made therein misleading under the circumstances in which they were made;

(g) The Company has incurred a substantial binding obligation to commence the acquisition and construction of the Project, pursuant to which the Company is obligated to expend Costs of the Project in an amount equal to at least \$100,000 and will proceed with due diligence thereafter to complete the same;

(h) The Company reasonably expects the total Costs of the Project to be in excess of \$2,775,000;

(i) The Company has commenced the acquisition, construction and equipping of the Project;



(j) The Company reasonably expects to complete the acquisition, construction and equipping of the Project and to expend the full amount of the proceeds of the Company Note for Costs of the Project within thirty-six months after the date hereof;

(k) At least 90% of the aggregate amount of construction loan proceeds disbursed to pay or reimburse the Company for Costs of the Project, after payment of Neutral Costs, shall be disbursed to pay or reimburse the Company for Qualifying Costs; and

(l) Money on deposit in any fund or account in connection with the Note, whether or not such money was derived from other sources, shall not be used by or under the direction of the Company in a manner that would cause the Note to be an "arbitrage bond" within the meaning of Section 103(c) of the Code, and the Company specifically agrees that the investment of money in any such fund shall be restricted as may be necessary to prevent the Note from being an "arbitrage bond" under the Code.

SECTION 2.03. Representations and Covenants of Lender.

(a) The Lender represents to the Authority as follows:

(i) The Lender is acquiring the Note as a vehicle for making a real estate loan and without a present view to the distribution thereof (subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be under its control) within the meaning of the federal securities laws;

(ii) The Lender is acquiring the Note solely for its own account and no other person now has any direct or indirect beneficial ownership or interest therein;

(iii) The Lender is a bank and to the extent necessary to comply with prudent business practice, it is cognizant of the financial and business conditions of the Company;

(iv) The Lender has a net worth substantially in excess of the cost of the Note and in the event it should incur the loss of the entire value of the Note, such loss would not materially adversely affect its financial condition;

(v) The Lender has made such investigation as it deems necessary to make its investment

decision, and all information, books and records requested by it have been furnished to it; the Lender acknowledges that, except for the financial information received by it from the Company concerning its financial position, no other representations have been made to it as to the financial condition of the Company; no representations have been made to the Lender as to the financial position of the Authority; and

(vi) The Lender has been advised of the possible loss or unavailability of tax exemption of interest on the Note and has negotiated a remedy it deems adequate for such eventuality.

(b) The Lender covenants that:

(i) it will not voluntarily dispose of all or any portion of the Note unless it procures from each assignee thereof representations and covenants in form and content substantially the same as those made by the Lender in this Section 2.03; and

(ii) neither it nor its assigns will take any action against the Authority or the State except to the extent necessary to name the Authority as a party to any action to enforce the obligations of the Company hereunder and under the Company Note and the Lender shall in such case or any other claim arising out of the transactions contemplated hereby hold the Authority harmless from and indemnify it for any and all liability, including the cost of defense, arising therefrom.

## EXHIBIT

MAR 26 1985 NO. 13

STATE BUDGET & CONTROL BOARD

### ARTICLE III

#### COMMENCEMENT AND COMPLETION OF THE PROJECT BY THE COMPANY; CONSTRUCTION FUND: ISSUANCE OF THE NOTE

SECTION 3.01. Acquisition of Project. Pursuant to the Act, the Authority authorizes the Company and the Company agrees to acquire, or cause to be acquired by construction and purchase, the Project. The Company agrees to effect such acquisition in accordance with the Plans and Specifications with all reasonable dispatch; and will use its best efforts to cause such acquisition to be completed as soon as may be practicable, except for those delays incident to strikes, riots, acts of God, the public enemy or any delay beyond the reasonable control of the Company; but if for any reason such acquisition is delayed or the Project shall not be completed there shall be no resulting decrease in liability or postponement of the amounts payable under Section 4.01 hereof by the Company. The Project shall belong to and be the property of the Company.

Anything in this Agreement to the contrary notwithstanding, the Company shall not be obligated to complete the acquisition of its Project upon the prepayment in full of all amounts to be paid by it under this Agreement with respect to the Note pursuant to the provisions of Article X hereof and the making of any such payments in the amounts required by, and in accordance with the terms of, this Agreement; provided, nevertheless, that no such prepayment shall discharge any obligation that may have arisen with respect to any occupancy requirements for the Project or the consequences of any failure by the Company to observe or cause to be observed such requirements. If the Company elects to prepay the Note in full pursuant to the provisions of Article X hereof, any sums remaining in the Construction Fund and not otherwise required to pay the Cost of Project shall be used to effect such prepayment at the direction of an Authorized Company Representative.

The Company will maintain such records in connection with the acquisition of the Project as to permit ready identification thereof.

SECTION 3.02. Issuance of Note; Conditions Precedent. In order to provide funds to defray a portion of the Cost of the Project, the Authority will issue, execute and deliver the Note to the Lender and deposit the proceeds thereof with the Depositary for deposit in the Construction Fund.

(a) Prior to acceptance of the Note the Lender shall also have received the following:

(i) A copy of the resolution adopted by the Authority authorizing the execution and delivery of this Agreement and the issuance and delivery of the Note, duly certified by the Secretary of the Commissioners of the Authority under its corporate seal to have been duly adopted by the Authority and to be in full force and effect on the date of such certification;

(ii) Opinions, dated as of the date of execution and delivery of the Note, of (A) Lewis M. Levy, Esquire, counsel for the Authority; (B) McNair Glenn Konduros Corley Singletary Porter & Dibble, P.A., Bond Counsel, and (C) Messrs. Knox & Zacks, counsel for the Company, in each case in such form as the Lender shall approve;

(iii) A certificate, dated the date of execution and delivery of the Note of the Executive Director of the Authority or other appropriate official, setting forth the facts, estimates and circumstances as to the use of the proceeds of the Note in sufficient detail to establish that the Note is not an "arbitrage bond" within the meaning of IRC Section 103;

(iv) An executed copy of this Agreement, the Mortgage and the Company Note which shall be in form and substance satisfactory to the Lender;

(v) A certificate from a certified public accountant or responsible officer of the Company stating that average maturity of the Note is not greater than 120 percent of the average reasonably expected economic life of the Project; and

(vi) Such additional certificates (including appropriate no-litigation certificates and certified copies of ordinances, resolutions or other proceedings adopted by the Authority or the Company) instruments or other documents as the Lender may reasonably request to evidence the authority of the Company to execute and deliver the Agreement, the Company Note and the Mortgage, and the due performance and satisfaction by the Authority and the Company, at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by each of them in connection with this Agreement, the Mortgage and the Company Note.

(b) Prior to or simultaneous with the issuance of the Note the Authority shall receive the following:



(i) An executed copy of the Covenants satisfactory to the Authority in form sufficient for recording that will bind the Company, its successors and assigns to comply with the requirements of the IRC, the Act and the Authority with respect to the Project;

(ii) A Developer Tax Certification in form and content satisfactory to the Authority;

(iii) A certificate dated the date of execution and delivery of the Note setting forth the facts, estimates and circumstances as to the use of the proceeds of the Note necessary to enable the Executive Director of the Authority, or other appropriate official, to render the certificate required by Section 3.02(a)(iii) hereof;

(iv) Proof in such form as is satisfactory to the Authority of the satisfaction of any occupancy requirements with respect to the Project that exist or will exist on the date of execution and delivery of the Note;

(v) Such other information as the Authority determines is necessary or appropriate to satisfy itself as to compliance by the Company with any requirements of the IRC or the Act; and

(vi) Any fees due to the Authority.

SECTION 3.03. Creation of Construction Fund. There is hereby created and established with the Depositary a special and separate trust fund of the Authority to be known and designated as the "South Carolina State Housing Authority - Breckenridge, Ltd. Project Construction Fund." The Authority shall pay to the Depositary the proceeds from the Note and the Depositary shall deposit the same in the Construction Fund.

The Depositary shall be responsible only for the duties expressly contained in this Agreement and shall be entitled to compensation for the performance of such duties at its standard published rates, which compensation shall constitute an Administration Expense.

SECTION 3.04. Application of Moneys in Construction Fund. The moneys and investments in the Construction Fund, until applied in payment of any item of the Cost of the Project, shall be held in trust by the Depositary and, pending such application, shall be subject to a lien and charge in favor of the Lender and for the further security of the Note until paid out as herein provided.

SECTION 3.05. Disbursements from Construction Fund. As long as no Event of Default has occurred and is continuing, the Depositary shall make payments from the Construction Fund to pay the Cost of the Project upon receipt by the Depositary of requisitions (upon which both the Depositary and the Authority shall rely and shall be protected in relying) signed by an Authorized Company Representative, in the form specified herein.

Each Requisition shall state with respect to each payment to be made: (i) the requisition number; (ii) the name and address of the Person to whom payment is due or has been made; (iii) the amount to be paid; (iv) no obligation, item of cost or expense mentioned therein has been the basis of any previous withdrawal; (v) the payment of such amount is a proper charge against the Construction Fund for the Project and specifying the purpose and circumstances of such obligation in reasonable detail, accompanied by a bill or statement of account for such obligation; (vi) at least 90% of the proceeds received from the Note (after payment of Neutral Costs) theretofore requisitioned from the Construction Fund for the Project, including the amount requisitioned, has been or, when applied as stated in the requisition, will have been expended for Qualifying Costs; (vii) the person signing such requisition has no notice of any vendor's, mechanic's or other liens, or rights to liens or conditional sales contracts, or other contracts or obligations, which have not been released or will not be released simultaneously with such payment and which should be satisfied or discharged before such payment is made; (viii) such requisition contains no item representing payment on account of any retained percentages under any contract which, as of the date of such requisition, is not required to be paid; and (ix) with respect to any such requisition for payment for labor, services, materials, supplies, furnishings, apparatus or equipment, that such labor or services were actually performed or such materials, supplies, furnishings, apparatus or equipment were actually used in or about the construction or installation of the Project or delivered at the site thereof for such purpose, or delivered for storage or fabrication at a place or places approved by the signer or the signers or if not so used or delivered, that an advance payment therefor is required by the supplier thereof.

SECTION 3.06. Retention of Requisitions. For a minimum of five years from the Completion Date the Depositary shall retain in its possession all requisitions received by it, subject to the inspection of the Authority, its agents and representatives, the Company and the Lender and their representatives and assigns at all reasonable times.

SECTION 3.07. Disposition of Balances Remaining in Construction Fund. Upon completion of the Project or completion of any enlargements, improvements or expansions thereof the cost of which has been defrayed out of the proceeds of the Note, in accordance with the Plans and Specifications, the Depositary shall be furnished with a certificate of an Authorized Company Representative and of the General Contractor showing such completion and the date thereof. The certificate of the Authorized Company Representative shall show, in addition, the payment of the cost of completion or the provisions necessary to be made for payment thereof. Thereupon, any balance in the Construction Fund not reserved for the payment of any remaining part of the Cost of the Project, or to be paid to the Authority as provided in the next sentence, shall be applied to the payment of the principal of the Note in accordance with the provisions of Article X hereof. At the Completion Date, the Depositary shall report to the Authority and the Company the total interest earned on the investment of moneys prior to disbursement and the total interest accrued on the Note as of the Completion Date. If the amount of earnings exceeds the interest accrued during the construction period, such excess shall immediately be paid to the Authority either by the Depositary from any funds then held by it or by the Company.

SECTION 3.08. Moneys to be Continuously Secured. All moneys received by the Depositary under this Agreement and not invested by the Depositary pursuant to the provisions of Section 3.09 of this Loan Agreement shall be continuously secured for the benefit of the Authority and the Lender to the extent and in the manner required by law.

SECTION 3.09. Investment of Moneys. Moneys on deposit to the credit of the Construction Fund held by the Depositary may be retained uninvested as trust funds and upon written direction from the Company, if an Event of Default shall not then exist or be continuing, shall be invested by the Depositary in Permitted Investments.

Any securities purchased with the moneys in the Construction Fund shall be deemed a part of such fund and, for the purpose of determining the amount of moneys therein, the securities therein shall be valued at their cost or market value, excluding accrued interest, whichever is lower. The interest, including realized increment on securities purchased at a discount, received on all such securities (after deduction for accrued interest, commissions, if any, and premium paid from the Construction Fund, at time of purchase) shall be deposited by the Depositary in the Construction Fund and any loss resulting from such investments will be charged to the Construction Fund. The Depositary shall not be liable or responsible for any loss resulting from any such investment or resulting from the



redemption, sale or maturity of any such investment authorized by this Agreement. If at any time it shall become necessary that some or all of the securities purchased with the moneys in the Construction Fund be redeemed or sold in order to raise moneys necessary to comply with the provisions of this Agreement, the Depositary shall effect such redemption or sale, employing, in the case of a sale, any commercially reasonable method.

SECTION 3.10. Duties of Depositary. The Depositary shall signify its acceptance of the duties imposed hereunder by accepting the deposit of the Construction Fund and by executing a certificate stating such acceptance. The duties and obligations of the Depositary shall be determined solely by the express provisions of this Agreement and the Depositary shall use the same degree of care and skill in performance of such duties and obligations, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Except for acts of intentional wrongdoing or gross negligence, the Depositary shall have no liability for any action taken in the performance of its duties hereunder.

In respect to the disbursement of funds or investment of moneys, the Depositary shall have the right, but shall not be required, to demand, as a condition of such action, any showings, certificates, opinions, appraisals or other information, or official or corporate action or evidence thereof, in addition to that required by the terms of this Agreement, deemed prudent by the Depositary. In the absence of bad faith on the part of the Depositary, the Depositary may rely conclusively upon the authenticity and truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting upon, any certificate, statement, instrument, opinion, report, notice, notarial seal, stamp, request, acknowledgment, verification, written request, consent, order or other paper or document, believed by it to be genuine and to have been signed or affixed and presented by the proper party or parties.

The Depositary shall provide the Authority in writing, on or before the fifth business day of the following month of its transactions during such month with respect to the funds held by it including details of all cash and investments held for the credit of the fund and the current market value of any investment being held.

SECTION 3.11. Fees, Charges and Expenses of Depositary. The Depositary shall be entitled to payment of and reimbursement for fees in accordance with the fee schedule of the Depositary in effect from time to time for services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Depositary in connection with such services.



SECTION 3.12. Resignation and Removal of Depositary. The Depositary may at any time resign by giving written notice to the Authority, the Corporation and the Lender not less than five days prior to the effective date thereof. The Depositary may be removed at any time upon the written request of the Lender or the Authority. Upon the resignation or removal of the Depositary or the occurrence of any event rendering the Depositary incapable of performing its obligations hereunder, the Authority shall promptly appoint a successor Depositary by an instrument in writing executed by order of its governing body. If no successor Depositary shall have been so appointed and accepted appointment within thirty (30) days after notice of resignation or removal or the occurrence of an event incapacitating the Depositary, the resigning Depositary or the Lender may petition any court of competent jurisdiction for the appointment of a successor Depositary. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Depositary.

Any corporation or association into which the Depositary may be merged or with which it may be consolidated, or any corporation or association resulting from any merger, or any corporation or association succeeding to the business of the Depositary, shall be the successor of the Depositary under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto.

SECTION 3.13. Term of Appointment. Upon the performance of the duties specified herein and the payment by the Depositary of all amounts received by it for credit to the Construction Fund and when there shall be no balance remaining in the Construction Fund, the Depositary shall cease to be obligated for the performance of any duties hereunder and there shall no longer be a Depositary; provided, nevertheless, that the termination of such appointment shall not affect any claim the Depositary may have for payment of Administration Expenses hereunder.

SECTION 3.14. Completion of Project; Use of Surplus Funds. If the moneys in the Construction Fund shall not be sufficient to pay the Cost of the Project in full, the Company will complete the Project, or cause the Project to be completed and pay or cause to be paid all the Cost of the Project in excess of the moneys available therefor in the Construction Fund. The Authority makes no warranty, either express or implied, that the moneys which will be paid into the Construction Fund will be sufficient to pay the Cost of the Project. If the Company shall pay any portion of the Cost of the Project pursuant to this Section, it shall not be entitled to any reimbursement therefor from the Authority or the Lender, nor shall it be entitled to any

diminution or postponement of the payments required under this Agreement.

SECTION 3.15. Negotiability, Registration and Transfer. Ownership of the Note shall be registered on the note register, which shall be kept for this purpose at the Company Office by the Company, which is hereby designated Note Registrar. Upon surrender of the Note for transfer thereof by the Lender, in person or by its attorney duly authorized in writing, together with a written instrument of transfer duly executed by the Lender or its authorized attorney and in form satisfactory to the Note Registrar, including the address to which payment of the Note is to be directed and at which presentment is to be made, duly executed by the Lender or his attorney duly authorized in writing, and upon payment by the transferor of a sum sufficient to cover any governmental tax or charge required to be paid, the Note shall be reissued to the transferee (who shall become the Lender at that time) with a notation as to the principal amount outstanding as of the date of such transfer.

The Authority and the Company may deem and treat the person in whose name the Note is registered as the absolute owner of such Note for the purpose of receiving any payment on the Note and for all other purposes of this Agreement, whether such Note shall be overdue or not, and neither the Authority nor the Company shall be affected by any notice to the contrary. Payment of, or on account of, the principal and interest on the Note shall be made to such person or upon his written order. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid.

SECTION 3.16. Mutilation, Loss, Theft or Destruction of Note. In the event the Note is mutilated, lost, stolen or destroyed, the Authority may execute and deliver a new Note of the same principal amount and maturity and of like tenor as the Note in exchange and substitution for such mutilated Note or in lieu of the substitution for such lost, stolen or destroyed Note.

Application for exchange and substitution of a mutilated, lost, stolen or destroyed Note shall be made to the Authority and the Company. In every case of loss, theft or destruction of the Note, the applicant shall also furnish to the Authority and to the Company evidence to their satisfaction of the loss, theft or destruction and of the ownership of the Note. In every case of mutilation of the Note, the applicant shall surrender the Note so mutilated.

Notwithstanding the foregoing provisions of this Section 3.16, in the event the Note shall have matured or be

about to mature and no default has occurred which is then continuing in the payment of the principal or interest on the Note, the Authority may authorize the payment of the same without surrender thereof, except in the case of a mutilated Note, instead of issuing a substitute Note.

Upon the issuance of any substitute Note, the Authority may charge the Company reasonable fees and expenses in connection therewith. Every substitute Note issued pursuant to the provisions of this Section 3.16 by virtue of the fact that the Note is mutilated, lost, stolen or destroyed shall be entitled to all the benefits of this Agreement to the same extent as the note in substitution for which such note was issued.

## ARTICLE IV

### PAYMENTS BY COMPANY TO AUTHORITY

SECTION 4.01. Payments to be made by Company. In consideration of the application of the proceeds of the sale of the Note to defray the Cost of the Project, the Company absolutely and unconditionally obligates itself to pay to or to the order of the Authority at the times and places required the amounts required to pay when due the principal and interest on the Note and the Authority Fees together with the Administration Expenses and any other amounts required to be paid under the terms hereof. Without limiting the generality of the foregoing, the Company agrees to pay to, or to the order of, the Authority, as payment of such amounts a sum equal to the principal amount of the Note, together with interest on the unpaid balance on the Note, in the amounts and on the dates specified in the form of the Note including any installment due by virtue of the acceleration of the maturity of the Note. The obligation of the Company hereunder shall be evidenced by the Company Note.

The Company agrees to pay immediately upon demand therefor to the Authority, the Lender and the Depositary the amount of Administration Expenses and Authority Fees not theretofore provided for which have then accrued and become payable.

In addition to all other payments due hereunder the Company agrees that the Authority shall not be obligated under the provisions of Section 10.04 beyond any amounts provided by the Company to pay the purchase price of the Note thereunder.

In the event the Company should fail to make any of the payments required in this Section, the item or installment so in default shall continue as an obligation of the Company until the amount in default shall have been fully paid, and the Company agrees to pay the same with interest thereon (to the extent permitted by law) at the Prime Rate until the amount in default shall have been fully paid.

SECTION 4.02. Authority Fees. Notwithstanding the collection of Administration Expenses as provided in Section 4.01 of this Agreement, the Company shall pay Authority Fees in the amounts and at the times specified in this Section 4.02.

(a) The Company shall pay to the Authority a fee of \$27,750 on the execution and delivery of the Note.



(b) The Company shall pay to the order of the Authority on the first day of each month beginning \_\_\_\_\_, 1985, and ending at the conclusion of the Qualified Project Period (as defined in the IRC) a fee equal to the greater of (i) one forty-eighth of one percent of the principal amount of the Note outstanding on such date (without considering any payments made on such date), or (ii) \$\_\_\_\_\_.

SECTION 4.03. Assignment by the Authority to the Lender. It is understood and agreed that the Authority's rights under this Agreement, the Company Note and all revenues and receipts derived by the Authority pursuant to this Agreement (except payment of Administration Expenses payable to the Authority pursuant to Section 4.01 of this Agreement and indemnification payments pursuant to Section 7.04 of this Agreement) and the moneys held in the funds and accounts established hereunder, including the investment income thereon, are and have been assigned by the Authority to the Lender. The Company assents to such assignment and agrees that its obligation to make payments required hereunder and under the Company Note to or to the order of the Authority shall be absolute and unconditional and shall not be subject to any defense (other than payment) or any right of set-off, counterclaim or recoupment arising out of any breach by the Authority or the Lender of any obligation to the Company, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to the Company by the Authority or the Lender. The Authority directs the Company, and the Company agrees, to pay to the Lender at the address of the Lender as it appears herein or as it may be changed from time to time by the Lender in writing, all payments payable by the Company to the Authority pursuant to this Agreement or the Company Note (except payment of Administration Expenses and Authority Fees payable to the Authority pursuant to Sections 4.01 and 4.02 of this Agreement and indemnification payments pursuant to Section 7.04 of this Agreement).

SECTION 4.04. Obligations Arising Upon A Determination of Taxability. The Company acknowledges that (i) the interest rate payable on the Note and, consequently, the payments required under the Company Note are premised upon the exclusion from gross income, for Federal income tax purposes, of interest on the Note; (ii) under certain circumstances the interest on the Note may be determined to be taxable as of the date of execution and delivery thereof; and (iii) it is the intent of the parties to this Agreement that the Company be responsible for any tax or cost incurred by the Lender as a consequence of the inclusion of interest on the Note in the income of the Lender. Therefore, the Company agrees that notwithstanding the payment, satisfaction or discharge of the Note or the Company Note, the Company shall be liable to the Lender, or any other

recipient of interest from the Note for the payment of a sum equal to the difference between the interest received by the Lender or such person on the Note and the amount that would have been paid if such interest had been known to be includable in the gross income of the Lender or such person; and furthermore, the Company shall reimburse the Lender or such person all other reasonable costs and expenses resulting from such events other than the payment of tax on such income.

## ARTICLE V

### MAINTENANCE, TAXES AND INSURANCE

SECTION 5.01. Maintenance and Modification of Project by Company. The Company will maintain, preserve and keep the Project or cause the Project to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition and will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals; provided, however, that the Company will have no obligation to maintain, repair, replace or renew any element or unit of the Project the maintenance, repair, replacement or renewal of which becomes uneconomic to the Company because of damage or destruction by a cause not within the control of the Company or obsolescence or change in economic or business conditions, or change in government standards and regulations applicable to the Project, or if the Company prepays all amounts due under the provisions of Section 10.01 hereof.

The Company covenants that as long as any part of the Note is outstanding, the Project will be maintained and operated as decent, safe and sanitary residential rental housing and made available to members of the beneficiary classes within the meaning of the Act. The Company will also pay or cause to be paid, in addition to all other payments required under this Agreement, the expenses of operation of the Project.

SECTION 5.02. Taxes, other Governmental Charges and Utility Charges. The Company will: (a) pay, or make provision for payment of, all lawful taxes and assessments, including income, profits, property or excise taxes, if any, or other municipal or governmental charges, levied or assessed by any Federal, state or any municipal government upon the Authority or the Company with respect to or upon the Project or any part thereof or upon any payments hereunder or with respect to or upon any funds held hereunder when the same shall become due; (b) duly observe and comply with all valid requirements of any governmental authority relative to the Project; (c) not create or suffer to be created any lien or charge upon the payments to be made by the Company pursuant to Sections 4.01 and 4.02 of this Agreement other than as provided in Section 4.03 hereof to the Lender. If the Company shall in good faith contest any such tax, assessment, lien or charge as permitted in Section 7.10 hereof, such action by the Company shall not be considered as a breach by it of any of its covenants under this Agreement.

SECTION 5.03. Insurance. (a) The Company shall at its expense continuously maintain or cause to be maintained insurance with specific reference to the Project under valid and enforceable policies with insurers of recognized responsibility insuring against such risks as are customarily insured against with respect to properties such as the Project paying as and when the same become due all premiums with respect thereto, including but not necessarily limited to:

(i) Title Insurance. Mortgagee title insurance on all real property included in the Mortgage issued by a company approved by the Lender insuring the priority of the lien of the Mortgage as a first mortgage lien upon the Project, subject to no encumbrances other than Permitted Encumbrances in an amount not less than \$2,775,000. The net proceeds of such insurance shall be used, at the direction of the Company, to remedy any title defect, resulting in the payment thereof and, to the extent not required or used to remedy such defect, to effect the prepayment of installments of principal on the Note in accordance with the terms of this Agreement.

(ii) Fire and Extended Coverage. Policies of insurance against loss or damage to the Project by fire, with standard extended coverage endorsement covering loss or damage by lightning, windstorm, explosion, aircraft, smoke damage, vehicle damage, sprinkler leakage, vandalism, malicious mischief and such other risks as are normally covered under such endorsement with deductible provisions not exceeding \$10,000. During the construction of any improvements constituting a part of the Project, the Company shall keep, or cause the contractor doing the construction to keep, any improvements constituting a part of the Project insured under "builders risk" insurance (or similar insurance) in an amount not less than \$2,775,000, with a loss payable clause in favor of the Lender.

(iii) Public Liability. General comprehensive public liability insurance against liability for bodily injury to or death of persons and for damage to or loss of property occurring on or about the Project and any adjoining sidewalks and passageways, or in any way related to the operations of the Project, in the minimum amounts of \$1,000,000 for death of or bodily injury to any one person, \$5,000,000 for aggregate death and bodily injury claims resulting from any one occurrence, and \$1,000,000 for property damage.

(iv) Flood Insurance. A policy of insurance against loss or damage to the Project by flooding and such other risks as are normally covered under such endorsement with deductible provisions not exceeding \$10,000.



(b) All policies of insurance required pursuant to this Section may be in the form of blanket policies of insurance and shall be satisfactory to the Lender as to form and content. As long as any of the Note is unpaid, policies of insurance required by paragraph (a)(ii) of this Section shall contain standard mortgagee clauses requiring that all net proceeds of insurance in excess of \$10,000 resulting from any claim for loss or damage covered thereby be paid to the Lender. The net proceeds of all policies required by paragraph (a)(ii) of this Section shall be applied as provided in Section 6.01 hereof. The net proceeds of all policies required by paragraph (a)(iii) of this Section shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid. All such policies shall, to the extent obtainable, provide that any loss shall be payable notwithstanding any act of negligence of the Company which might otherwise result in forfeiture of said insurance.

The policies of insurance required by this Section shall contain an undertaking by the respective insurers, that such policies shall not be modified adversely to the interests of the Authority or the Lender or cancelled without at least 10 days' prior written notice to the Authority and the Lender. All proceeds of insurance against property damage to the Project shall be made payable to the Company and the Lender as their respective interests may appear, and the proceeds of any insurance carried hereunder shall be collected and applied as provided in this Section 5.03 and in Section 6.01 hereof. All claims under any insurance policy carried hereunder may be settled by the Company only with the consent of the Lender.

The Company covenants to furnish to the Authority or Lender, promptly upon request, certificates from the insurers evidencing the existence of all insurance policies required by this Section; and prior to the expiration of any such policy the Company shall furnish the Authority or Lender with evidence satisfactory to them, that the policy has been renewed or replaced or is no longer required by this Agreement.

## ARTICLE VI

### DAMAGE, DESTRUCTION AND CONDEMNATION

SECTION 6.01. Damage and Destruction. If at any time while the Note is outstanding, all or any part of the Project shall be destroyed or damaged, the Company, at its sole cost and expense (whether or not the insurance proceeds hereinafter mentioned are sufficient for this purpose), shall (unless the Lender determines that the rebuilding, restoration, replacement or repair of the Project is not practicable or desirable and the Lender exercises its option to apply such proceeds to the prepayment of the Note), promptly and diligently rebuild, restore, replace and repair the same in such manner as to restore the Project to either the value thereof immediately prior to such damage or destruction or to such extent as is necessary to resume use of the Project as it was being used immediately prior thereto. The Company shall apply the net proceeds of insurance carried pursuant to Section 5.03(a)(ii) hereof received as a result of such damage or destruction of the Project either to the required rebuilding, restoration, replacement or repair of the Project, or, if the Lender exercises its option to apply such proceeds to the prepayment of the Note, to such prepayment. In the event the insurance proceeds available therefor are not sufficient to pay the costs of rebuilding, replacing, restoring or repairing the Project and the excess costs thereof are paid by the Company, the Company shall not be entitled to any reimbursement of such excess costs from the Authority or the Lender or any abatement, postponement or diminution of the amounts payable under Article IV hereof. If the estimated cost of rebuilding, replacing, restoring or repairing the Project after any particular incident shall exceed \$10,000, the Company shall promptly notify the Authority and the Lender of the occurrence of such incident and the completion of the required rebuilding, replacement, restoration or repair.

The net proceeds of insurance carried pursuant to Section 5.03(a)(ii) hereof received by the Lender shall, in the discretion of the Lender, be available to the Company to pay the cost of the required rebuilding, restoration, replacement or repair of the Project or, if the Lender exercises its option to apply such proceeds to the prepayment of the Note, to prepay the Note. Upon the Company's compliance with the provisions of this Agreement and the receipt by the Lender of such certificates, instruments and opinions as it may reasonably request, the Company shall, in the discretion of Lender be paid from the insurance proceeds received and held by the Lender on account of such damage or destruction, the cost of the repairs, rebuilding or restoration, up to the full amount of such insurance

proceeds and the balance, if any, of such insurance proceeds shall be applied to the prepayment of the Note. Any balance of such insurance proceeds exceeding the amount necessary to prepay the Note, together with the interest due and to become due thereon and to pay all other amounts due hereunder shall be paid to the Company.

SECTION 6.02. Condemnation. If at any time any part of the Note is unpaid, title to, or the temporary use of all or part of the Project or the land described on Exhibit A hereto shall be taken by the exercise of the power of eminent domain or condemnation by any governmental body or by any person acting under governmental authority, the Company shall notify the Authority and the Lender as to the nature and extent of such loss. The Lender and the Company shall, subject to all the terms of this Agreement, be entitled to, and shall receive, the entire award for the taking as their respective interests may appear. As long as any of the Note is unpaid, the Authority and the Company hereby irrevocably assign all their right, title and interest in and to such award or awards to the Lender, and the Authority and the Company shall immediately pay the same to the Lender.

If after such taking, the Lender does not exercise its option to apply such proceeds to the prepayment of the Note, this Agreement shall nevertheless continue in full force and effect without abatement (except such credit as is expressly provided pursuant to Section 4.01 hereof as a result of the prepayment of all or a portion of the Note). If such taking shall have caused damage to, or necessitated restoration or rebuilding of any part of the Project, unless the Lender exercises its option to apply such proceeds to the prepayment of the Note, the Company, at its sole cost and expense, shall promptly and diligently restore and rebuild the Project to such condition as shall be reasonable in view of the nature of the taking and the then intended use of the Project by the Company, whether or not the award is sufficient for this purpose.

The award held by the Lender as a result of such taking shall be available to the Company to pay the cost of the required restoration or rebuilding of the Project or, if the Lender exercises its option to apply such proceeds to the prepayment of the Note, to pay the prepayment price thereof. Upon the Company's compliance with the provisions of this Agreement, and the receipt by the Lender of such certificates, instruments and opinions as it may reasonably request, there shall, in the discretion of the Lender, be paid from the award received and held by the Lender on account of such taking, the cost of the repairs or restoration up to the full amount of such award and the balance, if any, of such award shall be applied to the prepayment of the Note. Any balance of such award exceeding

the amount necessary to prepay the Note, together with the interest due and to become due thereon and to pay all other amounts due hereunder shall be paid to the Company.

The Authority and the Lender shall cooperate fully with the Company in the handling and conduct of any prospective or pending condemnation proceeding with respect to the Project or any part thereof and the Authority will, to the extent it may lawfully do so, permit the Company to litigate in any such proceeding in the name and behalf of the Authority. In no event will the Authority voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceeding with respect to the Project without the consent of the Company.



## ARTICLE VII

### SPECIAL COVENANTS

SECTION 7.01. No Warranty of Design, Condition or Suitability by the Authority. The Authority and the Lender make no warranty, either express or implied, as to the design, capabilities or condition of the Project or that it will be suitable for the Company's purposes or needs.

SECTION 7.02. Maintenance of Project. The Company agrees that so long as any part of the Note is unpaid it will maintain the Project in decent, safe and sanitary condition.

SECTION 7.03. Covenants with Respect to Tax Exemption. The Company represents, warrants and covenants to the Authority, for the benefit of the Lender (except to the extent the Lender is a "substantial user" of the Project or a "related person" thereto under IRC Section 103), that it has taken no action and will take no action or fail to take any required action the consequence of which would be to forego, jeopardize or terminate the exemption from Federal income taxation of the interest thereon.

Without limiting the generality of the foregoing, the Company covenants that it will not make, or give its consent for the Depositary to make any use of the proceeds of the Note or of any moneys which may be deemed to be the proceeds of the Note pursuant to Section 103(c) of the IRC and the applicable regulations thereunder, which, if such use had been reasonably expected on the date of issuance of the Note, would have caused the Note to be an "arbitrage bond" within the meaning of said section 103(c) of the IRC and said regulations, as in effect at the time of such use and applicable to obligations issued on the date of issuance of the Note.

SECTION 7.04. Indemnification. The Company shall and agrees to indemnify and save the State, the Authority, the Lender and the Depositary and their respective officers, employees and agents harmless against and from all claims by or on behalf of any person, firm or corporation directly or indirectly arising from the conduct or management of, or from any work or thing done on, the Project, and the Company further shall indemnify and save the Authority, the Lender and the Depositary and their respective officers, employees and agents harmless against and from all claims arising from (i) any condition of the Project, (ii) any breach or default on the part of the Company in the performance of any of its obligations under this Agreement, (iii) any act of negligence of the Company or any of its agents, contractors, servants, employees or licensees, or (iv) the design,

construction, reconstruction, improvement, use, ownership or occupancy of the Project. The Company shall indemnify and save the State, the Authority, Lender and the Depositary and their respective officers, employees and agents harmless from and against all costs and expenses incurred in or in connection with any action or proceeding brought thereon, and upon notice from the Authority, the Lender or the Depositary or their respective officers, employees and agents, the Company shall defend them or either of them in any such action or proceeding. The Company shall notify the Lender and if it deems necessary, in good faith the Authority, promptly upon the occurrence of any Event of Default hereunder or under any other agreement or contract to which it is a party or by which it is bound or any event which with notice or lapse of time or both would constitute such a default.

Notwithstanding the fact that it is the intention of the parties that the Authority shall not incur pecuniary liability by reason of the terms of this Agreement, or the undertakings required of the Authority hereunder, by reason of the execution of the Note, the performance of any act requested of it by the Company, or the operation of the Project by the Company, including all claims, liabilities or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if the Authority should incur any such pecuniary liability, then in such event the Company shall indemnify and hold harmless the Authority against all claims by or on behalf of any person, firm or corporation, arising out of the same, and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the Authority, the Company shall defend the Authority in any such action or proceeding and shall take all such actions as the Company with the advice of the Authority, in good faith, deems necessary to settle or defeat such claims, and employ counsel to defeat such claims. This Section 7.04 shall in no way limit or alter the covenant and conditions set forth in Section 9.07 of this Agreement.

If any such claim is made hereunder and the Company does not undertake to the defense thereof, the Authority and the Lender shall be entitled to control such litigation and settlement and shall be entitled to indemnity pursuant to this Section.

SECTION 7.05. Reports and Inspections. The Company shall furnish such information as may reasonably be requested by the Authority or the Lender and shall permit the Authority and the Lender to enter upon and inspect the Project and the Company's records with respect thereto.

SECTION 7.06. Applications and Licenses. In the event it may be necessary, for the proper performance of this Agreement, on the part of the Authority or the Company, that any application or applications for any permit or license to do or to perform certain things be made to any governmental or other agency by the Company or the Authority, the Company, the Authority and the Lender each agree to execute upon the request of any one of the others such application or applications.

SECTION 7.07. Recording, Filing and Registering. The Company covenants that it will take all action required to effect the recording, filing and registering required under the provisions of the Mortgage.

SECTION 7.08. No Liability of Issuer's Personnel. All covenants, stipulations, promises, agreements and obligations of the Authority contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Authority and not of any member of the governing body of the Authority or any officer, agent, servant or employee of the Authority in his individual capacity, and no recourse shall be had for the payment of any moneys hereunder or the performance of any of the covenants and agreements of the Authority herein contained or for any claims based thereon against any member of the governing body of the Authority or any officer, agent, servants or employee of the Authority.

SECTION 7.09. Liens. Subject to Section 7.10 hereof, the Company will not create or permit to be created or to remain, and will discharge, any lien, encumbrance or charge (other than Permitted Encumbrances) upon the Project any part thereof, or any other property owned by the Company on the date the Note is executed and delivered.

SECTION 7.10. Permitted Contests. The Company shall not be required to pay, discharge or remove any tax, lien, or assessment, or any mechanic's, laborer's or materialman's lien or encumbrance, or any other imposition or charge against the Project or any part thereof, or comply with any law, ordinance, order, rule, regulation or requirement, as long as the Company shall, after prior written notice to the Authority and the Lender, at the Company's expense, contest the same or the validity thereof in good faith, by action or inaction which shall operate to prevent the collection of the tax, lien, assessment, encumbrance, imposition or charge so contested, or the enforcement of such law, ordinance, order, rule, regulation or requirement, as the case may be, and the sale of the Project or any part thereof to satisfy the same or to enforce such compliance; provided that the Company shall have given such reasonable security as may be demanded by the Authority or the Lender to insure such payment and

prevent any sale or forfeiture of the Project or any part thereof by reason of such nonpayment or noncompliance. Such contest may be made by the Company in the name of the Authority or the Lender or of the Company, or any of them, as the Company shall determine, and the Authority and the Lender agree that each of them will, at Company's expense, cooperate with the Company in any such contest to such extent as the Company may reasonably request. It is understood, however, that the Authority and the Lender shall not be subject to any liability for the payments of any costs or expenses in connection with any such proceeding brought by the Company, and the Company covenants to pay, and indemnify and save harmless the Authority and the Lender from any such costs or expenses.

SECTION 7.11. The Mortgage. The Company shall deliver, concurrently with the requisition of any funds from the Construction Fund, such mortgages, security agreements, financing statements, pledges or other instruments necessary to grant Lender a lien on any part of the mortgaged property, and giving Lender such rights as it may reasonably request as a secured party, whether in confirmation of, or in addition to, its rights hereunder, including but not limited to the Mortgage and Security Agreement to be given by the Company to the Lender on the date hereof.

SECTION 7.12. Operation of Project.

(a) General. The Company shall operate, manage and maintain the Project from the date hereof until the later of (i) the end of the Qualified Project Period (as defined in the IRC) and (ii) the maturity date of the Note in accordance with this Agreement, the Covenants, the Act, the Code and the rules and regulations of the Authority, all as may be specifically provided in such instruments.

(b) Management Agreement. The Company shall furnish the Authority with a copy of each and every management agreement between the Company and any person or entity that manages the Project during the period specified in Section 7.12(a) which agreement shall have a copy of the Agreement as to Restrictive Covenants attached thereto.

(c) Tenant's Affidavit. The Company shall obtain a Tenant's Affidavit in the form attached hereto as Exhibit F or in such other form as may be provided by the Authority for each individual of low or moderate income (within the meaning of Section 103(b)(4)(A) of the Code) who occupies a unit in the Project during the Qualified Project Period and a Tenant's Affidavit in the form attached hereto as Exhibit G for all other tenants so long as any part of the Note is outstanding.



## ARTICLE VIII

### ASSIGNMENT, LEASE AND SALE, MAINTENANCE OF EXISTENCE AND NET WORTH

SECTION 8.01. Assignment, Lease and Sale of Project. As long as any part of the Note or the Company Note remains unpaid the Company will not sell, lease or otherwise dispose of or encumber its interest in the Project except with the express written consent of the Lender. Such sale or other disposition shall be conditioned upon receipt by the Authority and the Lender of (i) reasonable evidence satisfactory to the Authority and the Lender that the purchaser or transferee has assumed in writing and in full, the Company's duties and obligations under this Agreement and the Covenants and is reasonably able to discharge such duties and obligations and (ii) an opinion of counsel of the transferee that the transferee has duly assumed the obligations of the Company under this Agreement and the Covenants and that such obligations and agreements are binding on the transferee. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section shall be null, void and without effect, shall cause a reversion of title to the Company and shall be ineffective to relieve the Company of its obligations under this Agreement and the Covenants. Nothing contained in this Section shall affect any provision of the Mortgage or any other document or instrument between the Company and the Lender that requires the Company to obtain the consent of the Lender as a precondition to sale, transfer or other disposition of the Project or that gives the Lender the right to accelerate the maturity of the Note, or to take some other similar action with respect to the Loan Documents upon the sale, transfer or other disposition of the Project.

SECTION 8.02. Maintenance of Existence and Net Worth. The Company covenants that it will maintain its existence and status as a general partnership under the laws of the State of South Carolina and that it will not assign, transfer, sell, mortgage or pledge all or substantially all of its assets or become a party to any agreement whereby there would occur a dissolution of the partnership without the express written consent of the Lender; provided, nevertheless that an involuntary dissolution resulting from the death or incompetency of a partner subsequent to which the partnership is reformed with the remaining partners shall not be deemed a violation hereof.

SECTION 8.03. Limitations on Authority. Except as provided in Section 4.03 hereof, the Authority will not sell, assign, transfer, convey or otherwise dispose of its interest in this Agreement or the receipts and revenues

derived by the Authority from the Company pursuant to this Agreement.

## ARTICLE IX

### EVENTS OF DEFAULT AND REMEDIES

SECTION 9.01. Events of Default Defined. An "Event of Default" or "Default" shall mean, whenever such terms are used in this Agreement, any one or more of the following events, the occurrence of any one of which, without presentation, demand, protest, or notice of any kind (except as expressly provided), shall give rise to the remedies described in this Agreement:

(a) Failure by the Company to make any payment in respect of principal or interest on the Note or the Company Note or on account of the purchase required under Section 10.03 hereof when such payment shall be due and payable and the continuation of such failure for a period of 5 days after notice from the Lender to the Company of such failure;

(b) Failure by the Company to make any payment required under this Agreement, other than as specified in (a) above within 30 days of demand therefor by the Lender or the Authority;

(c) Failure by the Company to observe and perform any covenant, condition or agreement on its part to be observed or performed in this Agreement, the Company Note or the Covenants other than as referred to in subsections (a) and (b) of this Section 9.01, which failure shall continue for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, is given to the Company by the Lender by certified mail, unless the Lender shall agree in writing to an extension of such time prior to its expiration; provided, nevertheless, that such notice and remedial period shall not impair the enforcement by the Authority or the Lender of any requirements related to the maintenance of tax exemption or interest on the Note hereunder or under the Covenants;

(d) In the event that any representation or warranty of the Company contained in this Agreement or of the Company or any party acting on its behalf in any other document delivered in connection with the transactions contemplated herein was materially false or erroneous when made;

(e) Any event of default under the Mortgage;

(f) The commencement by the Company or any of its partners of any case, proceeding or other action in bankruptcy or seeking reorganization, liquidation, dissolution, winding-up, arrangement, composition or readjustment of their respective debts, or for any other relief, under

any bankruptcy, insolvency, reorganization, liquidation, dissolution, arrangement, composition, readjustment of debt or other similar act or law of any jurisdiction, now or hereafter existing; or the application by the Company or any of its partners for a receiver, custodian or trustee of the Company or for all or a substantial part of their respective property; or the making by the Company or any of its partners of an assignment for the benefit of creditors; or the inability by the Company or any of its partners or the admission in writing of, the inability to pay their respective debts as they become due; or a default by the Company or any of its partners in payment of any other indebtedness owed to the Lender which results in the acceleration in time of payment of other indebtedness owed to the Lender without such acceleration having been rescinded or annulled; or the taking of any action by the Company indicating its consent to approve of or acquiescence in, or in the furtherance of, any of the foregoing; and

(g) The entry of a decree or order by a court having jurisdiction in the premises for relief in respect of the Company or any of its partners, or adjudging the Company or any of its partners as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, adjustment or composition of or in respect of the Company or any of its partners under the Federal Bankruptcy Act or any other applicable law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or similar official) of or for the Company or any of its partners or any substantial part of their respective property, or ordering the winding up or liquidation of their respective affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days.

#### SECTION 9.02. Remedies.

(a) In the event there occurs an Event of Default or a Determination of Taxability, upon notice thereof by the Lender or the Authority, the assignment of the Company Note shall become absolute and unconditional and the Lender agrees to accept the same in satisfaction and discharge of any liability of the Authority hereunder or under the Note.

(b) The Lender may take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the Company in question under this Agreement or any other document delivered in connection with these transactions.

SECTION 9.03. Application of Moneys upon Event of Default. Any moneys received by the Lender pursuant to this



Article IX shall, after payment of all Administration Expenses, be applied to the payment of interest or principal or both in such amounts as the Lender shall determine in its sole discretion.

SECTION 9.04. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority or the Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time, and as often as may be deemed expedient. In order to entitle the Authority or the Lender to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. The Lender may, from time to time, at its sole discretion, rescind any declaration given under this Article IX.

SECTION 9.05. Attorney's Fees and Expenses. In the event under any of the provisions of this Agreement the Authority or the Lender should employ attorneys or incur other expenses for the collection of amounts due hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Company herein contained, the Company agrees that it will on demand therefor pay to the Authority or the Lender the reasonable fees of such attorneys and such other reasonable expenses so incurred.

SECTION 9.06. Nonwaiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. In view of the assignment of the rights of the Authority under and its interest in this Agreement to the Lender by the provisions of this Agreement, the Authority shall have no power to waive any default hereunder by the Company without the consent of the Lender to such waiver and the Authority shall be bound by any waiver of the Lender which does not affect any unassigned rights of the Authority hereunder.

SECTION 9.07. Limitation on Actions Against Authority. (a) In enforcing any of its rights hereunder, the Lender covenants for itself and its assigns that it will not name the Authority as a party to any proceeding except to the extent necessary to enable the Lender to realize or obtain the benefits of the Company Note, the Mortgage or any

rights assigned to the Lender pursuant to this Agreement or to terminate any interest of the Authority in any such rights and that the Lender shall not seek nor attempt to enforce collection of any money judgment against the Authority. In the event it becomes necessary to name the Authority as a party to any enforcement proceeding, the Lender agrees to indemnify and save the Authority harmless from any and all liability resulting therefrom and shall be obliged to defray any costs or expenses incurred by the Authority, including attorneys' fees, as a result thereof. By execution and acceptance hereof, the Lender agrees that the Authority shall have no obligation hereunder to it beyond the assignment of the Company Note and the Authority's rights hereunder to which the Lender looks as the sole source of payment of the amounts due and owing under the Note.

(b) Neither the State of South Carolina nor any political subdivision thereof shall be liable for the Note and the Note shall not constitute a debt or grant or loan of credit thereof. The Authority and any revenues to which it is entitled except those derived from the Company hereunder or under the Company Note shall not be liable for the payment of the Note and except to the extent of the Company Note and the other revenues pledged hereunder, the Note shall not constitute a debt of the Authority.

SECTION 9.08. Additional Remedies To Preserve Tax Exemption. Notwithstanding any other provision of this Agreement or the Mortgage, the Authority and the Lender shall have the power to enter upon and inspect the Project, to interview any occupants thereof and to take such action, at law or in equity, as either of them may deem necessary or desirable to enforce the covenants of the Company made in Sections 7.03, 7.12 and 8.01 hereof and in the Covenants with respect to requirements under the IRC or the Act to maintain the tax exemption of interest on the Note. The Lender agrees that notwithstanding its rights under the Mortgage, so long as any part of the Note remains outstanding, the Authority shall be entitled to enforce its rights under the Covenants and this Agreement under this Section.

## ARTICLE X

### PREPAYMENTS

SECTION 10.01. Optional Prepayment. The Company shall have, and is hereby granted, the option to prepay in whole at any time and in part at any time and from time to time, the amounts payable under Section 4.01 hereof with respect to the Note. All partial prepayments shall be applied to principal installments in inverse order of the due dates thereof. Unless such prepayment is made at a price that includes the payment of increased interest owing to the loss of tax exemption on the Note, and the Company has satisfied the Lender as to any sums due under Section 4.04 hereof, no such prepayment shall discharge the obligations of the Company under Sections 4.04, 7.03, 7.12 or 8.01 hereof with respect to any requirements of IRC Section 103(b)(4)(A).

SECTION 10.02. Prepayment from Certain Proceeds. Whenever there are monies available for the prepayment of the Note, whether from Note proceeds determined to be unnecessary for the payment of Cost of the Project under Section 3.07 hereof, or proceeds from insurance or condemnation awards that the Lender determines to apply to the prepayment of the Note pursuant to Sections 5.03, 6.01 or 6.02 hereof, such amounts shall be applied in accordance with the terms of this Section. On the date fixed by the Lender for prepayment, which shall be the earliest practicable date, the amount available for prepayment shall be applied to interest due on the Note and the balance to installments of principal in inverse order of the due dates thereof.

SECTION 10.03. Mandatory Prepayment. In the event the Lender applies proceeds of insurance or a condemnation award to the prepayment of the Note and the Company cannot continue to use the Project for the purposes for which it was used immediately before the occurrence giving rise to such proceeds without substantial modification, repair, restoration or rebuilding, the Company shall within 30 days of a determination by the Lender to apply such proceeds to the prepayment of the Note prepay the balance of the principal and interest outstanding on the Note.

SECTION 10.04. Put. The Authority agrees that the Lender or other holder of the Note shall have the right to require the purchase thereof at a purchase price equal to the principal amount thereof plus interest accrued thereon on March 1, 1995, or on any March 1 thereafter (each of which is a "Purchase Date"). To exercise such option, the Lender or other holder shall notify the Authority and the

Company on or before January 1, 1995, in the case of a March 1, 1995, Purchase Date or on the January 1 preceding any subsequent Purchase Date of its intent to require the purchase of the Note on such Purchase Date. If on the Purchase Date the Lender or other holder tenders the Note to the Company as registrar, and the Authority is unable to pay the purchase price, the assignment of the Company Note shall become absolute and operate so as to discharge the liability of the Authority on the Note.



ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Termination. This Agreement shall terminate upon (i) payment in full of the Note (including interest thereon); (ii) payment or satisfaction of all other obligations incurred by the Authority or the Company under this Agreement, including (without limitation) interest and other charges, if any, thereon; and (iii) the payment of all Administration Expenses due and to become due; except that this Agreement shall not expire as to any claims for increased interest following a Determination of Taxability and any claims for indemnification hereunder or for any Authority Fees due to the Authority during the Qualified Project Period.

SECTION 11.02. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by first class mail (except as otherwise specified herein), postage prepaid, addressed as follows:

- (a) if to the Authority,

South Carolina State Housing Authority  
2221 Devine Street  
Columbia, South Carolina 29205  
Attention: Executive Director

- (b) the Company,

Breckenridge, Ltd.

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- (c) if to the Lender,

Georgia Railroad Bank & Trust Company  
Post Office Box 1211  
Augusta, Georgia 30913  
Attention: Mortgage Loan Department

- (d) if to the Depositary,

Georgia Railroad Bank & Trust Company  
Post Office Box 1211  
Augusta, Georgia 30913  
Attention: Corporate Trust Department

A duplicate copy of each notice, certificate or other communication given hereunder by either the Authority or the Company to any of the others shall also be given to

the Lender. The Authority, the Company, the Lender and the Depositary may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent; provided, nevertheless, that the Lender must further comply with the requirements of Section 3.15 hereof.

SECTION 11.03. Successors and Assigns. This Agreement shall inure to the benefit of and shall be binding upon the Authority, the Company, the Lender and the Depositary and their respective successors and assigns.

SECTION 11.04. Severability. If any clause, provision or section of this Agreement be held illegal or invalid by any court for any reasons, the remaining clauses, provisions or sections shall be unimpaired and such illegal or invalid provisions shall be construed and applied so as to most closely legitimately effectuate its intent. In case any agreement or obligation contained in this Agreement be held by any court to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Authority or the Company, as the case may be, to the full extent permitted by law.

SECTION 11.05. Amendments. No amendment, change, modification, alteration or termination of this Agreement shall be made other than pursuant to a written instrument signed by the Authority and the Company and consented to in writing by the Lender.

SECTION 11.06. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 11.07. Limited Obligation of the Authority. Anything herein to the contrary notwithstanding: (a) any obligation the Authority may incur hereunder including for the payment of money, shall not be deemed to constitute a debt or general obligation of the Authority but shall be payable solely and exclusively from the proceeds of the Note available therefor and other available moneys derived by the Authority pursuant to this Agreement; (b) the Authority may require as a condition to the participation by it with the Company in obtaining any license or permit or other legal approvals a deposit by the Company of such amount as determined by the Authority to be reasonable to assure the reimbursement to the Authority of the costs incurred by it in such participation, with any amount of such deposit in excess of such costs to be returned to the Company; and (c) the liability of the Authority for any breach of any of the representations or warranties by it or any covenant or agreement set forth herein shall be limited solely and exclusively to the proceeds of the Note available

EXHIBIT

XI-2

MAR 26 1985

NO. 13

023978

STATE BUDGET & CONTROL BOARD

therefor and other available moneys derived by the Authority pursuant to this Agreement.

SECTION 11.08. State Law to Govern. The laws of the State shall govern the construction of this Agreement.

SECTION 11.09. Rights of Lender. The agreements or obligations made herein by the Company to or for the benefit of the Lender are intended by the Company to be specifically enforceable by the Lender and the Company acknowledges that the acquisition of the Note by the Lender is consideration for any such agreements or obligations.

SECTION 11.10. Term. Whenever the terms of the Agreement or the Note require the performance of any duty or the payment of any monies to occur on a Saturday, Sunday or any other day on which banks in the State are not open for the purpose of receiving deposits, such performance or payment shall be timely if made on the next succeeding day when banks are open; provided, nevertheless, that interest shall continue to accrue on the amounts due and be payable for such extended period.

SECTION 11.11. Headings. The headings of the articles, sections, and paragraphs of this Agreement are convenience of reference only, and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

IN WITNESS WHEREOF, the South Carolina State Housing Authority has executed this Loan Agreement by causing its name to be hereunto subscribed by the Chairman of its Board of Commissioners and attested by its Executive Director, Breckenridge, Ltd. has executed this Loan Agreement by causing its name to be hereunto subscribed by one of its general partners and Georgia Railroad Bank & Trust Company has executed this Loan Agreement by causing its name to be hereunto subscribed by one of its authorized officers and attested by one of its authorized officers, all as of the date first above written.

SOUTH CAROLINA STATE HOUSING  
AUTHORITY

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

ATTEST:

\_\_\_\_\_  
Executive Director

BRECKENRIDGE, LTD.

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

COMPANY

GEORGIA RAILROAD BANK & TRUST

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

ATTEST:

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



EXHIBIT A  
DESCRIPTION OF REAL PROPERTY

A-1

023981

EXHIBIT B

All items of personal property, including appliances, located on the premises described in Exhibit A hereto.

EXHIBIT C

[Form of Note]

UNITED STATES OF AMERICA  
STATE OF SOUTH CAROLINA  
STATE HOUSING AUTHORITY NOTE  
(Breckenridge, Ltd. Project)  
1985

March \_\_, 1985

\$ 2,775,000

The State Housing Authority a body politic and corporate of the State of South Carolina (the "Authority"), for value received, hereby promises to pay to Georgia Railroad Bank & Trust Company or registered assigns, (the "Lender") the principal sum of

Two Million Seven Hundred Seventy-five Thousand Dollars  
(\$2,775,000)

together with interest in accordance with the following provisions:

Principal and interest shall be payable in 240 equal monthly installments of \$\_\_\_\_\_, beginning March \_\_, 1985.

"Interest Rate" means (i) prior to an Event of Taxability (as defined in the Loan Agreement), which leads to a Determination of Taxability (as defined in the Loan Agreement), the Tax Exempt Rate (hereinafter defined) and (ii) after an Event of Taxability which leads to a Determination of Taxability, the rate or rates of interest per annum equal to the Prime Rate. All payments of interest hereon shall be calculated on the basis of a 360-day year and on the number of days actually elapsed. "Prime Rate" means the prime rate of interest announced as such from time to time by Georgia Railroad Bank & Trust Company, including changes therein, and such rate may or may not be the rate charged by Georgia Railroad Bank & Trust Company to its preferred customers.

"Tax Exempt Rate" means the Initial Rate, the Adjusted Rate or the Modified Rate as the case may be. The "Initial Rate" shall be 9% per annum. The Adjusted Rate shall be either (a) 70% of the Prime Rate or (b) a fixed rate equal to 86% of the Prime Rate in effect on the date of determination of the Adjusted Rate in either case at the option of the Company. "Modified Rate" means either the Initial Rate or the Adjusted Rate modified as follows: in the event of a reduction or reductions in the maximum rate

of tax applied to corporations under Section 11 (the "Corporate Tax Rate") of the Internal Revenue Code of 1954, as amended (the "IRC") the percentage of the Prime Rate applicable hereto shall be changed on the effective date of such change in the Corporate Tax Rate by substituting for the percentage applicable prior to such effective date a number arrived at by dividing such percentage by 54 and multiplying the result by the difference between 100 and the new maximum tax rate (disregarding the statement of said rate as a percentage); and (b) as of the effective date of any change in law other than a change in the Corporate Tax Rate which results, in the opinion of counsel to any registered owner hereof, in the imposition of any tax (including, but not limited to, any preference tax imposed by Sections 55-58 of the IRC, an excess profits tax, a minimum tax or any other tax which increases the basis of taxation of the payments of interest on or principal of this note to the registered owner or owners hereof) or which, in the opinion of counsel to any registered owner hereof, adversely affects the deductibility of any amount attributable, directly or indirectly, to the purchase and carrying of this note, the rate or rates of interest per annum which will result in each holder of this note realizing a net return on the principal amount of this note outstanding while held by such holder, net of all taxes, charges, or disallowances of deductibility imposed with respect to the interest paid or to be paid on this note or the principal amount hereof as a result of such change in law equal to a tax exempt yield to such holder at the Initial Rate or the Adjusted Rate as the case may be. The holder hereof may, by notice to the Company not later than February 1 of 1990, and each fifth anniversary thereof require the conversion of the interest rate hereon to the Adjusted Rate. The Company shall notify the Authority and the holder of the Adjusted Rate option selected by it on or before the March 1 succeeding such notice and the Adjusted Rate shall take effect on such March 1. Once converted to the Adjusted Rate, the Interest Rate shall not again be subject to such conversion.

In the event of a Determination of Taxability the amount of interest accrued but unpaid from the date of the Date of Taxability to the date of the Determination shall be payable on the interest payment date next succeeding such Determination. All claims for increased interest accrued but unpaid following a change in the Corporate Tax Rate or change in law described in clause (i) of the definition of Interest Rate shall be payable on the interest payment date next succeeding the later of the effective date of such change in the Corporate Tax Rate or change in law or written notification of such change in the Corporate Tax Rate or change in law from any registered owner hereof to the Authority and the Company (hereinafter defined). In the event of any default in the payment of principal or interest



hereon, such item in default (including interest to the extent legally enforceable) shall bear interest from the date of such default until payment at the rate per annum equal to the Prime Rate.

The installments of principal and interest on this note are payable in any coin or currency of the United States of America which, at the respective times of payment, is legal tender for the payment of public and private debts. The final installment of principal on this note is payable, upon surrender hereof, to the Company (hereinafter referred to). The interest on this note and all payments of principal, when due and payable, shall be paid to the registered owner hereof in immediately available funds to such registered owner at his address appearing in the Loan Agreement or at such place as he may have informed the Company in writing.

This note is duly authorized and issued by the Authority and designated as "South Carolina State Housing Authority Note (Breckenridge, Ltd. Project) 1985" (the "Note"), issued in the original principal amount of \$2,775,000 under and pursuant to the Constitution and laws of the State of South Carolina, particularly Act Number 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") and under a Loan Agreement (the "Loan Agreement") by and among the Authority, Breckenridge, Ltd., a South Carolina general partnership (the "Company") and Georgia Railroad Bank & Trust Company, and its successors and assigns (the "Lender"), dated March \_\_, 1985. This note is being issued to defray the costs of acquiring certain residential rental housing located in the City of North Augusta, South Carolina (the "Project") to be made available by the Company to members of the beneficiary classes (as defined in the Act).

Pursuant to the terms of the Loan Agreement, and a promissory note issued by the Company to the Authority dated the date hereof (the "Company Note"), the Company has obligated itself to make payments to or for the account of the Authority sufficient to pay as and when the same becomes due, the principal and interest on this note, and the Authority has assigned its rights to receive payments under the Loan Agreement (except for certain rights of indemnification and reimbursement of expenses) and the Company Note to the Lender to facilitate payment of this note. As additional security herefor, the Company has executed a Mortgage and Security Agreement dated March \_\_, 1985 (the "Mortgage") to the Lender.

Copies of the Loan Agreement, the Mortgage and the Company Note are on file at the Authority and the principal corporate office of the Lender, and reference is made to the

Mortgage (and all mortgages and security agreements supplementary thereto and amendatory thereof) the Loan Agreement (and all amendments or supplements thereto) and the Company Note (and all amendments or supplements thereto), for the provisions relating, among other things, to the terms and security for this note, the collection and disposition of the revenues and receipts of the Authority derived pursuant to the Loan Agreement, the custody and application of the proceeds of this note, the rights and remedies of the holders of this note, the rights, duties and obligations of the Authority, the Company and the Lender and the modification or amendment of any of the foregoing.

THIS NOTE AND THE INTEREST PAYMENTS BECOMING DUE HEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED BY THE AUTHORITY PURSUANT TO THE LOAN AGREEMENT AND THE COMPANY NOTE, AND DO NOT AND SHALL NEVER CONSTITUTE INDEBTEDNESS OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND DO NOT AND SHALL NEVER CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE STATE OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWER. THE FULL FAITH, CREDIT AND TAXING POWER OF THE STATE ARE NOT PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OR INTEREST HEREON. IN THE EVENT THERE IS A DEFAULT IN ANY OF THE CONDITIONS HEREOF OR UNDER THE TERMS OF THE LOAN AGREEMENT, THE SOLE REMEDY OF THE LENDER OR OTHER HOLDER HEREOF AGAINST THE AUTHORITY SHALL BE TO ACCEPT AS ABSOLUTE THE ASSIGNMENT OF THE COMPANY NOTE.

The transfer of this note is registrable, as provided in the Loan Agreement, at the principal office of the Company, by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this note together with a written instrument of transfer satisfactory to the Company duly executed by the registered owner or his attorney duly authorized in writing, whereupon such note shall be reissued to the transferee with a notation as to the principal amount outstanding as of the date of such transfer as provided in the Loan Agreement, and upon payment of the charges therein prescribed. The Authority and the Company may deem and treat the person in whose name this note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes.

This note will be subject to prepayment prior to the stated maturity hereof:

(a) As a whole at any time or in part at any time and from time to time upon the exercise by the Company of its option under the Loan Agreement to prepay in whole or in

part any payment required to be paid under the Loan Agreement.

(b) In part upon the completion of the Project from moneys remaining in the Construction Fund (as such term is defined in the Loan Agreement) not needed for the payment of the Cost of the Project (as such term is defined in the Loan Agreement).

(c) As a whole or in part at the option of the Lender from the proceeds of certain insurance or condemnation awards, as is more fully described in the Loan Agreement.

In each such case, this note shall be prepaid at a prepayment price equal to the principal amount hereof, together with unpaid interest accrued to the date fixed for prepayment, in the manner and subject to the provisions of the Loan Agreement; any partial prepayments shall apply to principal payments in inverse order of the due dates thereof.

The holder hereof shall have the right to require the purchase hereof by the Authority on March 1, 1995, or on any March 1 thereafter (each of which is a "Purchase Date") at a purchase price equal to the principal amount hereof plus interest accrued hereon as of such date. To exercise such right, the holder shall notify the Authority and the Company of its intent to require such purchase on or before January 1, 1995, in the case of a March 1, 1995, Purchase Date, or on the January 1 preceding any subsequent Purchase Date. On such Purchase Date the holder hereof shall tender this note to the Company as registrar. Upon such presentation, if the Authority or the Company have failed to provide funds to pay the purchase price hereof, the assignment of the Company Note shall become absolute and this note shall immediately be discharged.

The Lender or any subsequent holder of this note shall have the right to institute any suit, action or proceeding for the enforcement of the Mortgage or hereunder as provided in but subject to the limitations provided in the Loan Agreement. In certain events, on the conditions, in the manner and with the effect set forth in the Loan Agreement, the outstanding principal balance of this note may be declared due and payable before the stated maturity thereof, together with interest accrued thereon.

As provided in the Loan Agreement, modifications or alterations of the Loan Agreement, or of any agreement supplemental thereto, and of the rights and obligations of the Authority and of the holder of this note in any particular may be made only by written instrument signed by

the Authority with the written consent of the Lender and the Company.

It is hereby certified and recited that all conditions, acts and things required by law and the Loan Agreement to exist, to have happened and to have been performed precedent to and in the issuance of this note, exist, have happened and have been performed in due time, form and manner, and that the issuance of this note are within every debt and other limit prescribed by the Constitution and laws of the State of South Carolina.



IN WITNESS WHEREOF, the South Carolina State Housing Authority has caused this note to be executed in its name and on its behalf by the manual signature of the Chairman of its Board of Commissioners and its seal to be impressed, imprinted, engraved or otherwise affixed or reproduced hereon and attested by the manual signature of its Executive Director, as of the date first above written.

SOUTH CAROLINA STATE HOUSING AUTHORITY

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

(SEAL)

ATTEST:

By \_\_\_\_\_  
Executive Director

EXHIBIT D

Breckenridge, Ltd.

March \_\_, 1985

\$2,775,000

Breckenridge, Ltd., a South Carolina general partnership (the "Company") for value received, does hereby promise to pay the South Carolina State Housing Authority (the "Authority") or its assigns the principal sum of

Two Million Seven Hundred Seventy-five Thousand Dollars  
(\$2,775,000)

together with interest in accordance with the following provisions:

Principal and interest shall be payable in 240 consecutive equal monthly installments of \$\_\_\_\_\_, beginning March \_\_, 1985.

"Interest Rate" means (i) prior to an Event of Taxability (as defined in the Loan Agreement), which leads to a Determination of Taxability (as defined in the Loan Agreement), the Tax Exempt Rate (hereinafter defined) and (ii) after an Event of Taxability which leads to a Determination of Taxability, the rate or rates of interest per annum equal to the Prime Rate. All payments of interest hereon shall be calculated on the basis of a 360-day year and on the number of days actually elapsed. "Prime Rate" means the prime rate of interest announced as such from time to time by Georgia Railroad Bank & Trust Company, including changes therein, and such rate may or may not be the rate charged by Georgia Railroad Bank & Trust Company to its preferred customers.

"Tax Exempt Rate" means the Initial Rate, the Adjusted Rate or the Modified Rate as the case may be. The "Initial Rate" shall be 9% per annum. The Adjusted Rate shall be either (a) 70% of the Prime Rate or (b) a fixed rate equal to 86% of the Prime Rate in effect on the date of determination of the Adjusted Rate in either case at the option of the Company. "Modified Rate" means either the Initial Rate or the Adjusted Rate modified as follows: in the event of a reduction or reductions in the maximum rate of tax applied to corporations under Section 11 (the "Corporate Tax Rate") of the Internal Revenue Code of 1954, as amended (the "IRC") the percentage of the Prime Rate applicable hereto shall be changed on the effective date of such change in the Corporate Tax Rate by substituting for the percentage applicable prior to such effective date a number arrived at by dividing such percentage by 54 and

multiplying the result by the difference between 100 and the new maximum tax rate (disregarding the statement of said rate as a percentage); and (b) as of the effective date of any change in law other than a change in the Corporate Tax Rate which results, in the opinion of counsel to any registered owner hereof, in the imposition of any tax (including, but not limited to, any preference tax imposed by Sections 55-58 of the IRC, an excess profits tax, a minimum tax or any other tax which increases the basis of taxation of the payments of interest on or principal of this note to the registered owner or owners hereof) or which, in the opinion of counsel to any registered owner hereof, adversely affects the deductibility of any amount attributable, directly or indirectly, to the purchase and carrying of this note, the rate or rates of interest per annum which will result in each holder of this note realizing a net return on the principal amount of this note outstanding while held by such holder, net of all taxes, charges, or disallowances of deductibility imposed with respect to the interest paid or to be paid on this note or the principal amount hereof as a result of such change in law equal to a tax exempt yield to such holder at the Initial Rate or the Adjusted Rate as the case may be. The holder hereof may, by notice to the Company not later than February 1 of 1990, and each fifth anniversary thereof require the conversion of the interest rate hereon to the Adjusted Rate. The Company shall notify the Authority and the holder of the Adjusted Rate option selected by it on or before the March 1 succeeding such notice and the Adjusted Rate shall take effect on such March 1. Once converted to the Adjusted Rate, the Interest Rate shall not again be subject to such conversion.

In the event of a Determination of Taxability the amount of interest accrued but unpaid from the date of the Date of Taxability to the date of the Determination shall be payable on the interest payment date next succeeding such Determination. All claims for increased interest accrued but unpaid following a change in the Corporate Tax Rate or change in law described in clause (i) of the definition of Interest Rate shall be payable on the interest payment date next succeeding the later of the effective date of such change in the Corporate Tax Rate or change in law or written notification of such change in the Corporate Tax Rate or change in law from any registered owner hereof to the Authority and the Company (hereinafter defined). In the event of any default in the payment of principal or interest hereon, such item in default (including interest to the extent legally enforceable) shall bear interest from the date of such default until payment at the rate per annum equal to the Prime Rate.

The installments of principal and interest on this note are payable in any coin or currency of the United

States of America which, at the respective times of payment, is legal tender for the payment of public and private debts. The final installment of principal on this note is payable, upon surrender hereof, to the Company (hereinafter referred to). The interest on this note and all payments of principal, when due and payable, shall be paid to the registered owner hereof in immediately available funds to such registered owner at his address appearing in the Loan Agreement or at such place as he may have informed the Company in writing.

This note is the sole source of payment on a Note duly authorized and issued by the Authority and designated as "South Carolina State Housing Authority Note (Breckenridge, Ltd. Project) 1985" (the "Note"), issued in the original principal amount of \$2,775,000 and pursuant to the Constitution and laws of the State of South Carolina, particularly Act Number 76 of the Acts and Joints Resolutions of the General Assembly of the State of South Carolina for the year 1977, as amended (the "Act") and under a Loan Agreement (the "Loan Agreement") by and among the Authority, Breckenridge, Ltd., a South Carolina general partnership (the "Company") and Georgia Railroad Bank & Trust Company, and its successors and assigns (the "Lender"), dated March \_\_, 1985. This note is being issued to defray the costs of acquiring certain residential rental housing located in the City of North Augusta, South Carolina (the "Project") to be made available by the Company to members of the beneficiary classes (as defined in the Act).

Pursuant to the terms of the Loan Agreement, and this promissory note issued by the Company to the Authority (the "Company Note"), the Company obligates itself to make payments to or for the account of the Authority sufficient to pay as and when the same becomes due, the principal and interest on the Note and the Authority has assigned its rights to receive payments under the Loan Agreement (except for certain rights of indemnification and reimbursement of expenses) and this Company Note to the Lender to facilitate payment of the Note. As additional security herefor, the Company has executed a Mortgage and Security Agreement dated March \_\_, 1985 (the "Mortgage") to the Lender.

This Company Note will be subject to prepayment prior to the stated maturity hereof:

(a) As a whole at any time or in part at any time or from time to time upon the exercise by the Company of its option under the Loan Agreement to prepay in whole or in part any payment required to be paid under the Loan Agreement.



(b) In part upon the completion of the Project from moneys remaining in the Construction Fund (as such term is defined in the Loan Agreement) not needed for the payment of the Cost of the Project (as such term is defined in the Loan Agreement).

(c) As a whole or in part at the option of the Lender from the proceeds of certain insurance or condemnation awards, as is more fully described in the Loan Agreement.

In each such case, this Company Note shall be prepaid at a prepayment price equal to the principal amount hereof, together with unpaid interest accrued to the date fixed for prepayment, in the manner and subject to the provisions of the Loan Agreement; any partial prepayments shall apply to principal payments in inverse order of the due dates thereof.

In the event that the Note is discharged and the holder thereof holds this note upon a failure of the Authority or the Company to provide for a purchase of the Note on a Purchase Date (as defined in the Note), the holder hereof shall have the right to immediately demand payment in full of the entire principal balance hereof, plus interest hereon on such Purchase Date.

The Authority, the Lender as its assignee or any subsequent holder of this Company Note shall have the right to institute any suit, action or proceeding for the enforcement of the Mortgage or hereunder as provided in but subject to the limitations provided in the Loan Agreement. In certain events, on the conditions, in the manner and with the effect set forth in the Loan Agreements, the outstanding principal balance of this Company Note may be declared due and payable before the stated maturity thereof, together with interest accrued thereon.

As provided in the Loan Agreement, modifications or alterations of the Loan Agreement, or of any agreement supplemental thereto, and of the rights and obligations of the Authority and of the holder of this Company Note in any particular may be made only by written instrument signed by the Authority with the written consent of the Lender and the Company.

The Company hereby waives notice, presentment, demand and dishonor as a condition to the enforcement hereof. The Company agrees that the amount due hereon shall not be subject to setoff, counterclaim or any other defense that might be available to the Company against any person other than the party enforcing payment hereof.

IN WITNESS WHEREOF, Breckenridge, Ltd. has caused  
this Company Note to be executed in its name and on its  
behalf by one of its general partners.

BRECKENRIDGE, LTD.

---

EXHIBIT E

SECTION 103 TAX CERTIFICATION BY COMPANY

Breckenridge, Ltd. (the "Company") does hereby certify pursuant to the Loan Agreement (the "Agreement"), dated March \_\_, 1985, by and among the Company, Georgia Railroad Bank & Trust Company (the "Lender") and the South Carolina State Housing Authority (the "Authority") relating to the housing project known as Breckenridge, Ltd., as follows:

(a) Except as specified in (b), all of the property comprising the Project (as defined in the Agreement) consists of (i) a building or structure, or several proximate and interrelated buildings or structures all of which are owned by the Company, containing \_\_\_\_\_ apartment units, each of which includes complete living facilities for living, eating, sleeping, cooking and sanitation which are to be occupied other than on a transient basis, and at least 20% of the units will be occupied by "individuals of low or moderate income" within the meaning of Treasury Regulation 1.103-8(b)(8)(v) at all times during the Qualified Project Period (as defined in the Agreement).

(b) The remainder of the Project consists of \_\_\_\_\_ [describe any commercial property, property not related to the operation and maintenance of the Project, and other property not constructed for tenant use] and, except to the extent indicated in subparagraph (d), all costs associated with acquiring, constructing or improving the commercial property described hereinabove will be paid with proceeds of taxable loans or capital contributions from the Company.

(c) The total amount of the Cost of the Project (as defined in the Agreement) is \$ \_\_\_\_\_.

(d) At least 90% of the proceeds of the Company Note have been used to pay or reimburse costs which are properly chargeable to the tax basis of the property described in paragraph (a) of this Certificate under Section 1012 of the Internal Revenue Code of 1954, as amended, or would be so chargeable either with a proper

election by the Company or but for a proper election by the Company to deduct such costs.

(e) No more than 10% of the proceeds of the Company Note have been used for the sum of the following:

(i) reimbursement of costs properly chargeable to the capital account of the Project which were paid or incurred for acquisition of the Project (or for commencement of the actual physical work of construction at the site) prior to \_\_\_\_\_ (the date of official action by the Authority);

(ii) the payment of costs associated with acquiring, constructing or improving any commercial property described in subparagraph (b) hereinabove, including, for this purpose, a pro rata portion of general Project expenses, including design and supervisory architects' fees; performance and payment bonds premiums; general contractor's general overhead expense, including on-site job overhead expense; developer's fees; title and recording fees; contingency reserve; financing fees and commitment fees; and

(iii) working capital funds and management funds.

(f) No person or organization who owned or used any part of the Project or component thereof within the five-year period immediately preceding the date of issue of the Note and who will be a user of the Project or a person related to such user within the five-year period immediately succeeding the date of issue of the Note will receive, directly or indirectly (including the receipt of proceeds loaned by the Lender), an amount equal to 5% or more of the Note proceeds in payment for his interest in the Project, or any part or component thereof.

(g) Either (i) no part of the Project was "placed in service" (determined in accordance with the provisions of Section 103(b) of the Code) or (ii) the Project was not acquired by the Company more than one year prior to the date of issue of the Bonds.

(h) Each apartment unit referred to in paragraph (a) above will, until the end of the Qualified Project Period or the maturity date of the Note, be maintained as a rental unit and will



not be occupied by: the Company, any brother, sister, spouse, ancestor or lineal descendent (hereinafter referred to as "family member"), if any, of the partners of the Company. For purposes of this paragraph (g), indirect ownership by an individual shall mean ownership by a family member; ownership by a corporation, partnership, estate or trust in proportion to the ownership or beneficial interest in such corporation, partnership, or estate or trust held by the individual or a family member; and ownership, direct or indirect, by a partner of the individual.

The Company further certifies that it will (1) condition any agreement for rental of at least 20% of the units described in paragraph (a) on the receipt of an affidavit from the other party to such agreement which sets forth (i) that, as of the first day of occupancy, not all of the occupants of the unit will be "students" (as such quoted term is defined in Section 151(e)(4) of the Internal Revenue Code of 1954, as amended (the "Code") who are not entitled to file a joint Federal income tax return, (ii) that none of the occupants is the Company or an individual described in paragraph (h) and (iii) the total annual income (computed in the manner provided in such affidavit) anticipated over the 12 month period beginning with the date of occupancy of the family or individual occupying the unit, and (2) takes prompt and appropriate action under applicable law to terminate the occupancy of any party to such agreement upon the determination by the Company or the South Carolina State Housing Authority that items (i) or (ii) of the affidavit of such party would be false if the affidavit were executed at the date of such determination (regardless of whether they were correct at the time the affidavit was signed) or that item (iii) of said affidavit constitutes a misrepresentation at the time of execution of the affidavit, which, taking into account other units of the Project, results in less than 20% of said units of the Project being maintained for "individuals of low or moderate income".

WITNESS my hand this \_\_\_\_\_ day of \_\_\_\_\_,  
1985.

\_\_\_\_\_  
Mortgagor

(Seal, if any)

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

\_\_\_\_\_  
Title

EXHIBIT F

SOUTH CAROLINA STATE HOUSING AUTHORITY  
APPLICANT TENANT'S AFFIDAVIT

[to come]

EXHIBIT G

SOUTH CAROLINA STATE HOUSING AUTHORITY  
TENANT'S AFFIDAVIT

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[to come]

EXHIBIT

MAR 26 1985

NO. 13

STATE BUDGET & CONTROL BOARD

023999

# EXHIBIT

MAR 26 1985

NO. 14

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 26, 1985

REGULAR SESSION

ITEM NUMBER

7

AGENCY: State College Board of Trustees

SUBJECT: Issuance of \$5,500,000 Student And Faculty Housing Revenue Bonds  
(Francis Marion College)

The State College Board of Trustees requests Board approval of its proposal to issue \$5,500,000 Student and Faculty Housing Revenue Bonds (Francis Marion College), Series 1985. The proceeds from the sale of the bonds will be used to pay the cost of constructing and equipping a dormitory to house 369 students, a cafeteria for student use and two apartment buildings to house 32 students each.

The Board should note that the resolution proposed for its adoption includes the approval of the issue of these bonds and the pledge of other revenue sources (other than revenues from the housing and its related auxiliary facilities). The Pledge of other revenues is authorized in Act 447 of 1984 (copy attached), but it is subject to Board and Bond Committee approval. The other revenues identified are a campus development fee and plant fee.

BOARD ACTION REQUESTED:

Adopt a resolution approving the State College Board of Trustees proposal to issue \$5,500,000 Student and Faculty Housing Revenue Bonds (Francis Marion College), Series 1985 and approving the pledge of other revenues ( a campus development fee and plant fee) their their repayment.

ATTACHMENTS:

McLeod March 19 letter to McInnis and attachment

024000



# EXHIBIT

MAR 26 1985

NO. 14

## STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA )  
COUNTY OF RICHLAND )

State College Board of Trustees  
(Francis Marion College, \$5,500,000)

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

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 a.m., on Tuesday, March 26, 1985, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of: Senator Dennis, who was represented by Senate Finance Committee Vice Chairman James M. Waddell, Jr.

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

### FOR MOTION

5

### AGAINST MOTION

0

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

March 29, 1985

William A. McInnis

024001

# EXHIBIT

MAR 26 1985

NO. 14

CERTIFICATE OF SECRETARY  
OF THE  
STATE BUDGET AND CONTROL BOARD

STATE BUDGET & CONTROL BOARD

I, the undersigned, the duly qualified and acting Secretary of the State Budget and Control Board of the State of South Carolina (the "Board"), do hereby certify, that attached hereto is a copy of a resolution adopted by the Board at meeting duly called and held on March 26, 1985, 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 Board and that said copy is a true, complete and correct copy thereof and that said resolution has been duly adopted and has not been modified, amended or repealed and is in full force and effect on and as of the date hereof in the form attached hereto.

In witness whereof, I have hereunto set my hand this 26th day of March, 1985.

*William A. McInnis*

Secretary, State Budget and  
Control Board

024002

# EXHIBIT

MAR 26 1985 NO. 14

## A RESOLUTION STATE BUDGET & CONTROL BOARD

OF THE STATE BUDGET AND CONTROL BOARD  
RELATING TO THE ISSUANCE BY THE STATE  
COLLEGE BOARD OF TRUSTEES OF ITS  
\$5,500,000 STUDENT AND FACULTY HOUSING  
REVENUE BONDS (FRANCIS MARION COLLEGE),  
SERIES 1985.

WHEREAS, the State College Board of Trustees (the "Board of Trustees"), as the governing body of Francis Marion College, pursuant to the provisions of Act No. 653 (1978 Acts), as amended by Act No. 447 (1984 Acts) (collectively the "Enabling Acts") is permitted to borrow from time to time, not exceeding in the aggregate principal amount, the sum of \$9,000,000 to be used to construct and equip dormitories and buildings designed for student and faculty housing and auxiliary and related facilities to be located on lands owned by the State;

WHEREAS, the Board of Trustees has heretofore issued \$2,600,000 Student and Faculty Housing Revenue Bonds, Series A, dated March 15, 1983, pursuant to Act No. 653 (1978 Acts);

WHEREAS, the Enabling Acts further provide that no bonds may be issued unless the State Budget and Control Board by resolution has first approved the issuance of the bonds and the funds pledged for the payment thereof;

WHEREAS, by Resolution adopted on March 21, 1985, the Board of Trustees provided for the issuance and sale of \$5,500,000 Student and Faculty Housing Revenue Bonds (Francis Marion College), Series 1985 (the "Bonds"), for the purpose of providing sufficient funds to: (1) pay the cost of constructing and equipping a dormitory to house 369 students, a cafeteria for student use and two (2) apartment buildings to house 32 students each (the "Project"); (2) provide for the deposit into the Debt Service Reserve Fund created by the Bond Resolution; and (3) pay costs related to the issuance of the 1985 Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD, AS FOLLOWS:

Section 1. It is found and determined that the facts set forth in the preambles to this Resolution are in all respects true and correct.

Section 2. Approval is hereby granted by the State Budget and Control Board to the Board of Trustees to issue the Bonds and pledge for the repayment thereof the entire rental of revenues derived by the College from all student and faculty housing facilities and auxiliary and

024003

related facilities constructed with the proceeds of the Bonds, and other revenue sources as identified and approved by the Board of Trustees, such other revenue sources being moneys derived from a campus development fee and plant fee. The interest rate in excess of 7% which the Bonds bear shall be subject to approval by the State Treasurer.

Section 3. This Resolution shall take effect immediately upon its adoption.

## EXHIBIT

MAR 26 1985 NO. 14

STATE BUDGET & CONTROL BOARD

024004



MAR 25 1985  
9:15 a.m. LK

McNAIR GLENN KONDUROS CORLEY SINGLETARY PORTER & DIBBLE, P.A.

ATTORNEYS AND COUNSELORS AT LAW

EIGHTEENTH FLOOR

BANKERS TRUST TOWER

POST OFFICE BOX 11390

COLUMBIA, SOUTH CAROLINA 29211

803-799-9800

ROBERT E. MCNAIR  
TERRELL L. GLENN  
JAMES S. KONDUROS  
D. WAYNE CORLEY  
E. MURDO SINGLETARY  
CHARLES PORTER  
ROBERT W. DIBBLE, JR.  
RICHARD S. WOODS  
RICHARD L. C. SULLIVAN  
M. JOHN BOWEN, JR.  
DENNIS C. THELEN  
JOHN H. LUMPKIN, JR.  
JOHN W. CURRIE  
SCOTT Y. BARNES  
M. ELIZABETH CRUM  
THEODORE J. HOPKINS, JR.  
DANIEL R. MURDO, JR.  
WILLIAM S. ROSE, JR.  
BERNARD J. WUNDER, JR.  
M. CRAIG GARNER, JR.  
BRENTON D. JEFFCOAT  
ROBERT T. BOCKMAN  
PETER L. MURPHY  
C. ALAN RUTYAN  
JOHN W. FOSTER  
ELIZABETH VAN DOREN GRAY

\*D.C. AND NEW YORK BARS ONLY  
\*D.C. AND OHIO BARS ONLY  
\*D.C. BAR ONLY  
\*MISSOURI BAR ONLY

WILMOT B. IRVIN  
APRIL C. LUCAS  
ROBERT E. STEFF  
KATHLEEN E. CRUM  
FRANKLIN S. POLK  
JOHN W. HUNTER  
HUEL D. ADAMS, JR.  
JAMES P. FIELDS, JR.  
LAWRENCE P. HODGINS  
W. STEPHEN CANNON  
BARBARA GEORGE BARTON  
J. SIMON FRASER  
E. RUSSELL JETER, JR.  
DOROTHY W. HELMS  
PAUL B. NIX, JR.  
NANCY PAGE  
SANDRA L. RANDELMAN  
JANE W. TRINKLEY  
J. LYLES GLENN, IV  
CELESTE TULLER JONES  
JOSEPH D. WALKER  
NANCY K. JEFFERIS  
ALISON RENEE LEE  
MARTHA P. MULLIN  
GREGORY D. DOLLOACH

March 21, 1985

EXHIBIT

MAR 26 1985 NO. 14

STATE BUDGET & CONTROL BOARD

JAMES E. CARR  
JOHN H. LUMPKIN, SR.  
OF COUNSEL

GREENVILLE OFFICE  
SUITE 401  
BANKERS TRUST PLAZA  
7 NORTH LAURENS STREET  
GREENVILLE, S.C. 29601  
803-271-4940

HILTON HEAD ISLAND OFFICE  
BANKERS TRUST BUILDING  
FIFTY-ONE POPE AVENUE  
HILTON HEAD ISLAND, S.C. 29928  
803-785-5169

WASHINGTON OFFICE  
SUITE 710  
MADISON OFFICE BUILDING  
1155 15TH STREET, N.W.  
WASHINGTON, D.C. 20005  
202-659-3901

Mr. Scott R. Inkley, Jr.  
Director of Research  
Room 525 Blatt Building  
Columbia, South Carolina 29201

HAND DELIVERED

RE: Francis Marion College, South Carolina, Student  
and Faculty Housing Revenue Bonds, 1985, \$5,500,000  
File No. 207/8936

Dear Scott:

Pursuant to our meeting earlier today, on behalf of Francis Marion College, I request that the Joint Bond Review Committee consider the issuance of the above referenced bonds of the State College Board of Trustees which is the governing body of Francis Marion College. Under the provisions of Act No. 447 (1984 Acts) and other statutes, the issuance of the bonds is subject to approval by the Committee. Specifically, Act No. 447 requires the Committee to approve the revenue sources as identified and approved by the Board of Trustees for the repayment of the bonds. The bonds will be payable from student housing rental revenues, cafeteria revenues, a campus development fee and a plant fee. I request that the issuance of the bonds and the pledge of these moneys be approved by the Joint Bond Review Committee which I understand will be meeting on Thursday, March 28.

The Budget and Control Board will be asked to approve the issuance of the bonds at its meeting on Tuesday, March 26. Enclosed is a copy of the resolution we have previously prepared and forwarded to the Budget and Control Board.

024005

Mr. Scott R. Inkley, Jr.  
March 21, 1985  
Page 2

If you should have any questions please contact me.  
With kind regards, I am

Yours very truly,

McNAIR GLENN KONDUROS CORLEY  
SINGLETERY PORTER & DIBBLE, P.A.

*Daniel R. McLeod, Jr.*

By: Daniel R. McLeod, Jr.

DRM/sa

Enclosure

cc: ✓Mr. William A. McInnis  
Mr. N. Casey Frederick

EXHIBIT

MAR 26 1985 NO. 14

STATE BUDGET & CONTROL BOARD

024006

MAR 22 1985

0:49pm  
LL

MCNAIR GLENN KONDUROS CORLEY SINGLETARY PORTER & DIBBLE, P.A.  
ATTORNEYS AND COUNSELORS AT LAW  
EIGHTEENTH FLOOR  
BANKERS TRUST TOWER  
POST OFFICE BOX 11390  
COLUMBIA, SOUTH CAROLINA 29211  
803-799-9800

March 22, 1985

EXHIBIT

MAR 26 1985

NO. 14

STATE BUDGET & CONTROL BOARD

ROBERT E. MCNAIR  
TERRELL L. GLENN  
JAMES S. KONDUROS  
O. WAYNE CORLEY  
E. McLEOD SINGLETARY  
CHARLES PORTER  
ROBERT W. DIBBLE, JR.  
RICHARD S. WOODS  
RICHARD L. C. SULLIVAN  
M. JOHN BOWEN, JR.  
DENNIS C. THELEN  
JOHN H. LUMPKIN, JR.  
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1155 15TH STREET, N.W.  
WASHINGTON, D.C. 20005  
202-655-3900

Mr. William A. McInnis  
Deputy Executive Director  
South Carolina State Budget and  
Control Board  
Wade Hampton Building, Room 618  
Columbia, South Carolina 29201

HAND DELIVERED

RE: Francis Marion College, South Carolina, Student  
and Faculty Housing Revenue Bonds, 1985, \$5,500,000  
File No. 207/8936

Dear Bill:

I am enclosing herewith the original and seven (7)  
copies of a resolution of the Budget and Control Board relating  
to the above referenced bonds of Francis Marion College. The  
resolution contains the revisions that we discussed today.  
Upon adoption of the resolution, please return six (6) certified  
copies of the resolution to me.

If there should be any other questions please contact  
me. With kind regards, I am

Yours very truly,

MCNAIR GLENN KONDUROS CORLEY  
SINGLETARY PORTER & DIBBLE, P.A.

*Daniel R. McLeod, Jr.*

By: Daniel R. McLeod, Jr.

DRM/sa  
Enclosures

024007

MAR 19 1985  
3:43pm  
LH

McNAIR GLENN KONDUROS CORLEY SINGLETARY PORTER & DIBBLE, P.A.

ATTORNEYS AND COUNSELORS AT LAW

EIGHTEENTH FLOOR

BANKERS TRUST TOWER

POST OFFICE BOX 11390

COLUMBIA, SOUTH CAROLINA 29211

803-799-9800

March 19, 1985

ROBERT E. McNAIR  
TERRELL L. GLENN  
JAMES S. KONDUROS  
O. WAYNE CORLEY  
E. McLEOD SINGLETARY  
CHARLES PORTER  
ROBERT W. DIBBLE, JR.  
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WILLIAM S. ROSE, JR.  
BERNARD J. WUNDER, JR.  
M. CRAIG GARNER, JR.  
BRENTON D. JEFFCOAT  
ROBERT T. BOCKMAN  
PETER L. MURPHY  
C. ALAN RUNTAN  
JOHN W. FOSTER  
ELIZABETH VAN DOREN GRAY

WILMOT B. IRVIN  
APRIL C. LUCAS  
ROBERT E. STEPP  
KATHLEEN E. CRUM  
FRANKLIN G. POLK  
JOHN W. HUNTER  
HUEL D. ADAMS, JR.  
JAMES P. FIELDS, JR.  
LAWRENCE P. HIGGINS  
W. STEPHEN CANNON  
BARBARA GEORGE BARTON  
J. SIMON FRASER  
E. RUSSELL JETER, JR.  
DOROTHY M. HELMS  
PAUL B. NIX, JR.  
NANCY PAGE  
SANDRA L. RANDLEMAN  
JANE W. TRINKLEY  
J. LYLES GLENN, IV  
CELESTE TILLER JONES  
JOSEPH D. WALKER  
NANCY R. JEFFERIS  
ALISON RENEE LEE  
MARTHA P. McMILLIN  
GREGORY D. DELOACH

\*D.C. AND NEW YORK BARS ONLY  
\*D.C. AND OHIO BARS ONLY  
\*D.C. BAR ONLY  
\*MISSOURI BAR ONLY

JAMES E. GARR  
JOHN H. LUMPKIN, SR.  
OF COUNSEL

GREENVILLE OFFICE  
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BANKERS TRUST PLAZA  
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803-271-4940

HILTON HEAD ISLAND OFFICE  
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HILTON HEAD ISLAND, S.C. 29928  
803-785-5169

WASHINGTON OFFICE  
SUITE 710  
MADISON OFFICE BUILDING  
1155 15TH STREET, N.W.  
WASHINGTON, D.C. 20005  
202-659-3900

Mr. William A. McInnis  
Deputy Executive Director  
South Carolina State Budget and  
Control Board  
Wade Hampton Building, Room 618  
Columbia, South Carolina 29201

HAND DELIVERED

RE: Francis Marion College, South Carolina, Student  
and Faculty Housing Revenue Bonds, \$5,500,000  
File No. 207/8936

Dear Bill:

I am enclosing herewith the original and seven (7) copies of a resolution of the Budget and Control Board relating to the above referenced bonds of Francis Marion College. I request that consideration of the resolution be placed on the Board's agenda for the March 26 meeting. Upon adoption, please return six (6) certified copies of the resolution to me. I also request that an extract of the minutes of the meeting relating to consideration of the resolution be forwarded.

Mr. Frederick, Vice President for Business and Finance at Francis Marion College and I will be present at the meeting on the 26th in case any member of the Board should have any questions.

If you should have any questions prior to the meeting please feel free to contact me. With kind regards, I am

Yours very truly,

024008

McNAIR GLENN KONDUROS CORLEY  
SINGLETARY PORTER & DIBBLE, P.A.

*Dan R. McLeod*  
By: Daniel R. McLeod, Jr.

Enclosures  
cc: Mr. N. Casey Frederick



# EXHIBIT

MAR 26 1985

NO. 15

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 26, 1985

REGULAR SESSION

ITEM NUMBER

8

AGENCY: Francis Marion College

SUBJECT: Payroll Schedule

Vice President Casey Frederick of Francis Marion College indicates that he has recently become aware that the pay dates used by Francis Marion College are not in compliance with a provision of the Appropriations Act.

He advises that the College implemented a semimonthly pay plan effective July 1, 1982. Before that date, the College paid certain employees on a monthly basis and others biweekly. Before the July, 1982 conversion, the College studied several pay plans already in place and modeled its plan after the one used by USC.

Since July of 1982, pay dates for all employees have been the fifteenth and the last working day of each month.

BOARD ACTION REQUESTED:

Authorize Francis Marion College to continue on its semimonthly pay plan under which employees are paid on the fifteenth and the last working day of each month.

ATTACHMENTS:

Frederick March 15 letter to McInnis

024009

MAR 18 1985



# FRANCIS MARION COLLEGE

BOX F7500, FLORENCE, SOUTH CAROLINA 29501-0056 / (803) 669-4121

Vice President for Business & Finance

March 15, 1985

**EXHIBIT**

MAR 26 1985

NO. 15

STATE BUDGET & CONTROL BOARD

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

Dear Bill:

It was recently brought to my attention that the pay dates utilized by Francis Marion College are not in compliance with a certain section in the Appropriations Bill.

Specifically, the College implemented a semi-monthly pay plan effective July 1, 1982. Prior to this time we paid certain employees on a monthly basis and others were paid bi-weekly. Prior to the conversion, July, 1982, we studied several pay plans already in place and modified our pay plan after one already being utilized at another large state agency.

Since July, 1982, our pay dates for all employees have been the 15th and the last working day of the month.

Until Wednesday of this week I was unaware that we were not in compliance. Thus, I am requesting that the Budget and Control Board permit Francis Marion College to continue on the semi-monthly pay plan set forth in paragraph number three above.

I plan on attending the Budget and Control Board meeting scheduled for 26 March and would be available to respond to any questions if necessary.

Many thanks.

Respectfully yours,

N. C. Frederick  
Vice President for  
Business and Finance

NCF/thh

024010

# EXHIBIT

MAR 26 1985

NO. 16

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 26, 1985

REGULAR SESSION

ITEM NUMBER

9

AGENCY: Commission on Aging

SUBJECT: Civil Contingent Fund Allocation Request

The South Carolina Bar Young Lawyers Division has been drafting and editing a handbook for the elderly. Its purpose is to assist senior citizens by apprising them of their rights in various areas.

The request is for \$500 to apply to the cost of printing the manual.

The Young Lawyers Division indicates that support for this project has been received from the American Bar Association (a \$1,000 grant) and the South Carolina Bar Foundation also has promised financial support.

BOARD ACTION REQUESTED:

Approve an allocation of \$500 from the Civil Contingent Fund to the Commission on Aging to help finance the cost of printing a handbook for the elderly drafted and edited by the Young Lawyers Division of the South Carolina Bar.

ATTACHMENTS:

Henry B. Smythe, Jr., March 13, 1985 letter to Governor Riley

024011

*Contact  
Mary Spencer  
758-2576  
Q. Corner  
Aging*



Officers 1984-85

**PRESIDENT**

Henry B. Smythe, Jr.  
P.O. Box 999  
Charleston, South Carolina 29402  
722-8375

**PRESIDENT-ELECT**

D. Michael Kelly  
1821 Hampton Street  
Columbia, South Carolina 29201  
256-7550

**SECRETARY**

Martha McElveen Horne  
3rd Circuit Solicitors Office  
Sumter County Courthouse  
Sumter, South Carolina 29150  
778-2319

**TREASURER**

Joel H. Smith  
P.O. Box 11070  
Columbia, South Carolina 29211  
799-2000

**IMMEDIATE PAST PRESIDENT**

Kenneth E. Young  
P.O. Box 2248  
Greenville, South Carolina 29602  
242-6440

**EXECUTIVE COUNCIL**

James B. Jackson, Orangeburg  
Frampton W. Toole, Bl. Aiken  
Terrell T. Horne, Sumter  
Douglas Jennings, Jr., Bennettsville  
Lanneau W. Lambert, Jr., Columbia  
Robin E. Page, Lancaster  
Roger M. Bradford, Spartanburg  
G.P. Callison, Jr., Greenwood  
Bradish J. Waring, Charleston  
J. Cordell Maddox, Anderson  
Henry L. Deneen, West Columbia  
Michael Hunn, Florence  
C. Diane Smock, Greenville  
Wm. Brantley Harvey, Bl. Beaufort  
Cindy Graham Howe, Myrtle Beach  
R. Wesley Hayes, Jr., Rock Hill

**SOUTH CAROLINA BAR  
YOUNG LAWYERS DIVISION**

**RECEIVED**

MAR 18 1985

BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

March 13, 1985

Honorable Richard W. Riley  
State House  
Box 11450  
Columbia, S.C. 29211

ATTN: Mr. Donald R. Hinson

Dear Governor Riley:

The Young Lawyers Division of the South Carolina Bar has been drafting and editing a Handbook for the Elderly. The purpose of the handbook is to assist senior citizens in apprising them of their rights in various areas. We are quite proud of the work that our committee has done.

The purpose of this letter is to request that \$500 be made available to the Young Lawyers Division which would be applied to the printing costs of the manual. If we obtain this funding, we will be able to complete successfully the funding of the project.

I believe the State has a substantial interest in this project because of its benefit to the elderly. The Commission on Aging has been an active participant and has provided some funding. We have coordinated with both public and private agencies. We have obtained a grant from the American Bar Association in the amount of \$1,000. The South Carolina Bar Foundation has also promised financial support.

We hope that this funding request will be granted. If you have any questions, please do not hesitate to give me a call.

Thank you for your consideration.

Yours very truly,

*Henry B. Smythe, Jr.*

Henry B. Smythe, Jr.

HBSjr:dm

**RECEIVED**

MAR 14 1985  
REFERRED TO *Don*  
ANSWERED *new*

**EXHIBIT**

**024012**

MAR 26 1985

NO. 1 6

STATE BUDGET & CONTROL BOARD



Budget & Control Board, Office of Executive Director

CIVIL CONTINGENT FUND

Fund Status Report at 3/26/85

Appropriations:

General

\$394,624.00

Transfers:

State Cemetery Board	14,258.00
Attorney General's Ofc/Human Endeavor vs. Campbell (Secretary of State)	5,439.00
Boxing Commission	5,000.00
B & C Board/Dr. James A. Morris	6,500.00
Attorney General's Ofc/Into vs. Wildlife	4,499.17
Gubernatorial Appointees to Committees	4,500.00
Bd/Examiners for Registered Sanitarians	<u>2,719.00</u>

\$42,915.17

Direct Expenditures:

Budget & Control Board Meetings	2,732.35
McKenzie Tractor/B & C Bd (General Services)	435.00
Self Memorial Hospital/Bond Fee Refund	3,000.00
Ms. Barbara Porter/Interpreter for Deaf	75.00
Ms. Joan Slemenda/Interpreter for Deaf	100.50
Ms. Nelda Barnes/Interpreter for Deaf	60.25
Productivity Council Meetings	566.14
PSC Merit Selection Panel Meetings	643.61
Legislative Pay & Expense Committee Meetings	529.70
Retirement Pre-retirement Advisory Board Meetings	151.11
Richland Co Election Com/Liquor Referendum	9,304.35
City of Tega Cay/Liquor Referendum	277.46
Commissioners of Election of Charleston County/Liquor Referendum	9,421.53
O'Hara/Town of Hilton Head/Liquor Referendum	63.26
Treasurer of Richland Co/Vashtie Stevenson	673.38
Mrs. Phyllis Petty/Interpreter for Deaf	104.00
Board of Economic Advisors	912.52
Heritage World Expo Meetings	<u>211.60</u>

\$29,261.76

Encumbrances:

Attorney General's Ofc/Into vs. Wildlife	32,500.83
B & C Board/Ofc of Executive Director	1,500.00
Budget & Control Board Meetings	1,767.65
Board of Economic Advisors	87.48
Governor's Youth Advisory Council Meetings	4,500.00
Productivity Council Meetings	2,433.86
PSC Merit Selection Panel Meetings	356.39
Retirement Pre-retirement Advisory Board Meetings	1,348.89
Legislative Pay & Expense Committee Meetings	970.30
JEDA (Jobs-Economic Development Authority)	18,000.00
Study Barnwell Radioactive Waste Facility	27,500.00
B & C, OED, SC and the Sea	<u>7,800.00</u>

\$98,765.40

Total Transfers, Expenditures and Encumbrances:

\$170,942.33

Total Available:

\$223,681.67

Cash available at 3/26/85 is:

\$322,447.07

024013

EXHIBIT

MAR 26 1985 NO. 1 6

STATE BUDGET & CONTROL BOARD

# EXHIBIT

MAR 26 1985

NO. 17

STATE BUDGET AND CONTROL BOARD REGULAR SESSION

MEETING OF March 26, 1985

ITEM NUMBER

10

AGENCY: General Services

SUBJECT: Procurement Recertification, Francis Marion College

In accord with the Consolidated Procurement Code Section 11-35-1210, the Division of General Services has audited Francis Marion College's procurement system and recommends its recertification within the parameters described in the audit report dated December 4, 1984, for the following limits for a period of two years: goods and services exclusive of printing equipment which must be approved by the Materials Management Office, \$10,000 per purchase commitment.

BOARD ACTION REQUESTED:

Grant procurement recertification for Francis Marion College for the following limits for a period of two years: goods and services exclusive of printing equipment which must be approved by the Materials Management Office, \$10,000 per purchase commitment.

ATTACHMENTS:

Agenda item worksheet and attachments

024014

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

For meeting scheduled for:

March 26, 1985

Blue Agenda

☒ Regular Session Agenda

☐ Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Jay R. [Signature]

2. Subject: Procurement Recertification of Francis Marion College

3. Summary Background Information: In accordance with the Consolidated Procurement Code Section 11-35-1210, the Division of General Services has audited Francis Marion College's procurement system and recommends its recertification within the parameters described in the audit report dated December 4, 1984, for the following limits for a period of two years: Goods and services exclusive of printing equipment which must be approved by the Materials Management Office - \$10,000 per purchase commitment.

EXHIBIT

MAR 26 1985

NO. 17

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

Grant procurement recertification for Francis Marion College as set forth above.

5. What is recommendation of the Board Division involved?

Grant recertification.

6. Recommendation of other office (as required)?

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

Authorized

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

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

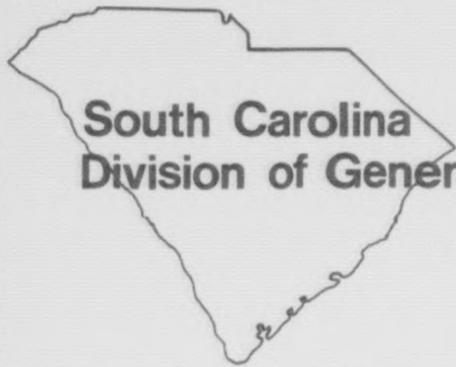
1. 16 copies of Procurement Audit and Certification Report.

024015

# EXHIBIT

MAR 26 1985 NO. 17

STATE BUDGET & CONTROL BOARD



**South Carolina  
Division of General Services**

## PROCUREMENT AUDIT AND CERTIFICATION

FRANCIS MARION COLLEGE

AGENCY

DECEMBER 27, 1984

DATE

**024016**



STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES

300 GERVAIN STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 758-3150

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



RICHARD W. KELLY  
ASSISTANT DIVISION DIRECTOR

REMBERT C. DENNIS  
CHAIRMAN,  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

WILLIAM T. PUTMAN  
EXECUTIVE DIRECTOR

December 27, 1984

**EXHIBIT**

MAR 26 1985 NO. 17

STATE BUDGET & CONTROL BOARD

Mr. Tony Ellis  
Director  
Division of General Services  
300 Gervais Street  
Columbia, South Carolina 29201

Dear Tony:

In accordance with Section 11-35-1230(1) of the South Carolina Procurement Code, the accompanying audit report of Francis Marion College is submitted for management review to the Budget and Control Board. The audit report identifies areas of noncompliance to requirements of the Code and Regulations and proposed corrective action. The official response from Francis Marion College is incorporated in this report.

Francis Marion College, in accordance with Section 11-35-1230(1) of the Procurement Code, will have ninety (90) days from the date of submission to the Board to make appropriate corrective action. Within that time period the Office of Audit and Certification will perform a follow-up review to determine if recertification is warranted.

Sincerely,

A handwritten signature in cursive script that reads "Richard W. Kelly".

Richard W. Kelly  
Director of Agency Services

RWK:kl  
Attachment

**024017**

FRANCIS MARION COLLEGE

Audit Report

December 4, 1984

024018

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Transmittal Letter.....	1
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Scope.....	6
Summary of Audit Findings.....	8
Results of Examination.....	11
Conclusion.....	26

024019

STATE OF SOUTH CAROLINA  
**BUDGET AND CONTROL BOARD**  
DIVISION OF GENERAL SERVICES  
300 GERVAIS STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 758-3150

RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



RICHARD W. KELLY  
ASSISTANT DIVISION DIRECTOR

REMBERT C. DENNIS  
CHAIRMAN,  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

WILLIAM T. PUTMAN  
EXECUTIVE DIRECTOR

December 4, 1984

Mr. Richard W. Kelly  
Director of Agency Services  
Columbia, South Carolina

We have examined the procurement policies and procedures of Francis Marion College for the period July 1, 1982 - June 30, 1984. As part of our examination, we made a study and evaluation of the system of internal control over procurement transactions to the extent we considered necessary.

The purpose of such evaluation was to establish a basis for reliance upon the system of internal control to assure adherence to the Consolidated Procurement Code and State and Francis Marion College procurement policy. Additionally, the evaluation was used in determining the nature, timing and extent of other auditing procedures that were necessary for developing a recommendation for certification above the \$2,500 limit.

The administration of Francis Marion College is responsible for establishing and maintaining a system of internal control over procurement transactions. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide

**024020**



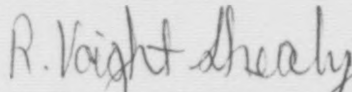
management with reasonable, but not absolute, assurance of the integrity of the procurement process, that affected assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and are recorded properly.

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

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

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

Corrective action based on the recommendations described in these findings will in all material respects place Francis Marion College in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.



R. Voight Shealy  
Director of Audit and Certification

## INTRODUCTION

The Audit and Certification Section conducted an examination of the internal procurement operating procedures and policies and related manual of Francis Marion College.

Our on-site review was conducted September 25, 1984 through October 17, 1984, and was made under the authority as described in 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 agency 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.

## BACKGROUND

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

The Budget and Control Board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The materials management office 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.

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

In procurement audits of governmental bodies thereafter, the auditors from the materials management office 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.

The current certification limit of \$5,000 in the categories of goods and services and consultant services expires January 11, 1985. Our audit was performed primarily to determine if recertification is warranted. Additionally, the college requested increased certification limits as follows:

<u>Category</u>	<u>Requested Limit</u>
1. Goods and Services	\$12,500
2. Consultant Services	12,500
3. Construction	30,000
4. Information Technology	No additional authority Requested



### SCOPE

Our examination encompassed a detailed analysis of the internal procurement operating procedures of Francis Marion College and the related policies and procedures manual to the extent we deemed necessary to formulate an opinion on the adequacy of the system to properly handle procurement transactions up to the requested certification limits.

The Audit and Certification Section statistically selected random samples for the period July 1, 1982 - June 30, 1984, of procurement transactions for compliance testing and performed other auditing procedures that we considered necessary in the circumstances to formulate this opinion. As specified in the Consolidated Procurement Code and related regulations, our review of the system included, but was not limited to, the following areas:

- (1) adherence to provisions of the South Carolina Consolidated Procurement Code and accompanying regulations;
- (2) procurement staff and training;
- (3) adequate audit trails and purchase order register;
- (4) evidences of competition;
- (5) small purchase provisions and purchase order confirmations;
- (6) emergency and sole source procurements;
- (7) source selections;
- (8) file documentation of procurements;

- (9) reporting of Fiscal Accountability Act;
- (10) warehousing, inventory and disposition of surplus property; and
- (11) economy and efficiency of the procurement process and
- (12) approval of MBE plan.

SUMMARY OF AUDIT FINDINGS

Our audit of the procurement system of Francis Marion College produced findings and recommendations in the following areas:

	<u>PAGE</u>
I. COMPLIANCE - GENERAL	
A. Emergency Procurements	11
Roof repairs are being procured improperly as emergencies.	
B. Minority Business Utilization Plan	13
The minority business utilization plan has not been approved by the Small and Minority Business Assistance Office.	
II. COMPLIANCE - GOODS AND SERVICES	
A. Procurements Made Out of Compliance	14
Our audit revealed several exceptions.	
B. No Tabulating Bid Openings	15
Bid tabulations are not always prepared, as required by Section 11-35-1520(6) of the Procurement Code.	

	<u>PAGE</u>
C. Waiver Signed By Purchasing Agent	15
<p>The college waived the seven day bid requirement improperly.</p>	
D. Procurement Above Certification Limit	16
<p>We noted one procurement that exceeded the colleges certification limit.</p>	
E. Library Department Procurement	16
<p>The library staff procured book binding services without seeking competition.</p>	
<p>III. COMPLIANCE - CONSTRUCTION</p>	
A. Undeclared Construction Project	17
<p>A construction project costing \$20,249 was improperly procured under the college's goods and services certification without the required approvals of the Joint Bond Review Committee, the Budget and Control Board and the State Engineer.</p>	



	<u>PAGE</u>
B. Lack of Documentation	19
<p>All of the necessary documents were not retained by the college.</p>	
C. Fixed Equipment Procurement	20
<p>A fixed equipment item was not procured in compliance with the Code.</p>	
D. Sole Source Procurement	21
<p>A procurement was made improperly as an exempt item rather than a sole source.</p>	
<p>IV. GENERAL TRANSACTION CONTROL</p>	
A. Evidence of an Audit of Voucher Packages	22
<p>Accounts Payable failed to follow established procedures in the audit of voucher packages.</p>	
B. Cash Discounts Not Taken	23
<p>Accounts Payable failed to take two cash discounts on payments to vendors.</p>	

## RESULTS OF EXAMINATION

### I. COMPLIANCE - GENERAL

#### A. Emergency Procurements

We examined the quarterly reports of sole source and emergency procurements and all available supporting documents for the period April 1, 1982 through June 30, 1984, for the purpose of determining the appropriateness of the procurement actions taken and the accuracy of the reports submitted to the Division of General Services, as required by Section 11-35-2440 of the Consolidated Procurement Code. We found the majority of these transactions to be proper and accurately reported, but we did encounter the following problems.

We reviewed nineteen emergency procurements for roof repairs in a twenty-five month period ranging in dollar amounts from \$512 to \$2,853. Regulation 19-445.2110, which addresses emergency procurements, requires that, "such competition as is practicable shall be obtained." Although a leaking roof tends to be of an emergency nature and failure to commence repairs quickly can possibly cause severe damage to property, we do not consider all roof repairs to be emergency procurements. The repair work usually takes place prior to or after it has rained not during a storm. Competition for roof repairs can usually be obtained. No documented competition, phone quotes, written quotations, or sealed bids were obtained on any of these nineteen transactions.

The college has not attempted to seek competition for roof repairs. In a similar situation, Francis Marion College, after a competitive solicitation, prepared a comparison labor rate schedule for auto-repairs from the vendors in the Florence area. The college might consider pursuing a similar fee schedule in the area of roof repairs. If this is done, an hourly rate and a discount schedule for material should be solicited for future roof repairs. Otherwise, each repair should be bid separately.

Further, we reviewed an emergency procurement for an order of 45,000 additional bricks totaling \$4,576 to complete a brick wall at Wallace Hall. This procurement is part of an undeclared construction project and is questionable as an emergency. Further, it did not have the approval of the State Engineer nor was the emergency procurement reported to the Division of General Services. This project is discussed in more depth in III below.

#### AGENCY RESPONSE

We have established on earlier roofing repairs that one contractor refuses to work on roofs other than the one he put on and that he and two other contractors have been unresponsive to our calls to come out and give us an estimate. Another reason many roofing contractors do not evaluate a job and give us an estimate is that they know from experience that they cannot match the price from the roof contractor we are using and they are unwilling to invest the time to give us a price when they know they have nothing to gain. We have documented, in connection with previous repairs, that the contractor who has performed the bulk of our roof repairs does charge less per hour and less per square foot than other contractors.

Were only a minor leak or two involved, our situation would not be of an emergency nature; however, the repairs we have made have been emergency patches in an effort to hold together a roof which is approaching final and complete deterioration until it can be replaced. One roof was completely replaced and another roof was partially replaced last year. The rest of that roof and two more roofs are scheduled to be replaced in the next few months.

We have considered establishing a bid schedule for roof repairs but have rejected this in the past for a number of reasons:

1. The responsiveness of the contractor is a factor of varying importance depending on the extent and nature of the problem.
2. The variables affecting a particular repair are too numerous and complex to be amenable to establishing a simple schedule.
3. Discounts would not be meaningful in the absence of standard pricing of materials.
4. Labor rates would not be meaningful in the absence of a standard of expertise and could not compensate for the different conditions encountered in various repairs.

In summary of this point, we will solicit an hourly labor rate and discount schedule for material; however, we question how meaningful this document would ultimately prove to be.

#### B. Minority Business Utilization Plan

Francis Marion College's Minority Business Enterprise Utilization Plan for fiscal year 1984-85 has not received approval from the Small and Minority Business Assistance Office (SMBAO). We recommend that the College contact the SMBAO to work out problems with the plan in order to affect compliance with the Procurement Code.

#### AGENCY RESPONSE

It is our understanding that the College's plan will be approved by the Small and Minority Business Assistance Office.



## II. COMPLIANCE - GOODS AND SERVICES

### A. Procurements Made Out of Compliance

Our examination of sixty transactions in the goods and services area indicated the following procurements were not made in compliance with the Consolidated Procurement Code and regulations. These transactions are categorized as follows:

#### Lack of Competition

<u>Description of Procurement</u>	<u>P.O. or Requisition Number</u>	<u>Amount</u>
1. Tractor Repair	Req. #43689	\$1,032.32
2. Paper	P.O. #19603	520.00
3. Bond - Money & Security		951.00
4. Bond - Public official		750.00
5. Janitorial Supplies	P.O. #19789	1,550.12

Sufficient competition was not solicited before any of these procurements were made. In two of the procurements noted above, item 2 and item 5, this was caused by the sales tax being added to the purchase which made the total procurement more than anticipated. Francis Marion did not consider sales tax as an item to be considered in the solicitation process.

We recommend that the purchasing department consider all costs, such as freight and sales tax, in the solicitation process and that all future procurements be made within the requirements of the code and regulations.

#### AGENCY RESPONSE

The College will make every effort to fully comply with the requirements of the Consolidated Procurement Code as it relates to soliciting competitive pricing. All costs, including freight and sales tax, will be considered on the solicitation process.

# EXHIBIT

## B. No Tabulation on Bid Openings

### Purchase Order Number

20588  
19531  
20379  
18819  
18415  
18888  
18501

MAR 26 1985 NO. 17

STATE BUDGET & CONTROL BOARD

The above items showed no evidence to support the bid tabulation as required by the Code, Section 11-35-1520(6), and by the purchasing procedures of Francis Marion College.

We recommend that the purchasing department develop a tabulation system to record all responses to competitive solicitations.

### AGENCY RESPONSE

The purchasing department does tabulate bids informally; however, we will develop a formal bid tabulation system in order to comply with Section 11-35-1520(6) of the Procurement Code.

## C. Waiver Signed By Purchasing Agent

The college issued two purchase orders, numbers 18819 and 18888, after soliciting competitive sealed bids. They issued a waiver of the minimum requirement of seven days that was signed by the purchasing agent.

Section 19-445.2030(4) indicates that only the Chief Procurement Officers may do this.

We recommend that the college allow at least seven days for the solicitation of sealed bids unless authorized by the Chief

Procurement Officers to waive this requirement. The college does not have authority to do this.

#### AGENCY RESPONSE

On future procurements involving competitive sealed bids, the College will allow at least seven days for the solicitation of bids. Should a situation arise which would warrant a shorter bid period, a waiver will be requested from the appropriate Chief Procurement Officer in accordance with Section 19-445.2030(4) of the Permanent Regulations.

#### D. Procurement Above Certification Limit

Francis Marion purchased student athletic insurance with check number 90039 for \$8,500. This procurement exceeded the college's certification limit in goods and services and should have been submitted to the Materials Management Office for processing.

We recommend that future procurements be made within the certification limits granted to Francis Marion College. Pursuant to regulation 19-445.2015(2) this procurement will require the ratification of the Materials Management Officer.

#### AGENCY RESPONSE

In accordance with my letter to Richard Campbell dated December 17, 1984, which requested ratification of the referenced procurement, future requirements for all insurance will be processed through the College's Purchasing Department or the Materials Management Office as required by the provisions of the Procurement Code and regulations.

#### E. Library Department Procurement

The library purchased \$884.15 worth of book binding service that was paid with check number 3340. Competition was not solicited nor was a sole source or emergency determination prepared.

It is true that library books are exempt from the Procurement Code but book binding services are not.

Book binding services must be procured in accordance with the Code in the future. Further, if these procurements will be made by the library in the future the internal procurement procedures manual should address this delegation of authority.

#### AGENCY RESPONSE

Book binding services will be procured according to the provisions of the Procurement Code. We are in the process of preparing specifications in order to competitively bid this service.

### III. Compliance - Construction

#### A. Undeclared Construction Project

The college constructed a brick fence at Wallace Hall during the summer of 1983. The total cost of the brick work for the fence was \$20,249. The project was done piece meal as funds became available so it was never reported as a permanent improvement project. Thus, the required approvals of the Joint Bond Review Committee, the Budget and Control Board and the State Engineer were not obtained. The total project consisted of the following procurements.



Purchase Order	Amount	Description
18819	\$ 5,148	Brick
18888	5,000	Labor
18888	5,000	Change Order 1
18888	525	Change Order 2
18862	4,576	45,000 Additional Brick
Total	\$20,249	

This project was handled improperly under the college's goods and services certification. These procurements should have been classified as construction rather than goods and services. Therefore, they should have been procured in accordance with Article Nine - Construction, Architect-Engineer, Construction Management and Land Surveying Services.

Since these procurements were not made in accordance with the procurement procedures specific to construction, none of them are in compliance with the Code.

We insist that any procurement that falls under the definition of construction in the Code be procured in accordance with the construction procedures, not those for goods and services. Further, pursuant to regulation 19-445.2015(2) these procurements must be ratified by the State Engineer.

#### AGENCY RESPONSE

The erection of a brick enclosure at Wallace Hall during the summer of 1983 has been addressed in my letter to you dated December 17, 1984. As previously stated, we interpreted this project as falling within the limits and guidelines of our goods and services certification. Having been advised that this procurement falls under the definition of construction, we will handle future construction requirements according to the established procedures addressed in Article 9 of the Code. Pursuant to regulation 19-445.2015 (2), I have requested that the State Engineer ratify this procurement.

B. Lack of Documentation

During our review of the construction and related professional services files, we noted that the Physical Plant did not retain all the necessary documentation supporting the procurement of construction services when an architect had been hired to handle the project. In these cases, the Physical Plant depended on the architectural firm to retain bid documents and bid security documents.

In order to document procurements sufficiently to support the actions taken, the Physical Plant must obtain original documents or at least copies of original documents which are relevant to the procurement.

Per Section 11-35-410 of the Procurement Code, "procurement information shall be a public record to the extent required by Chapter 3 of Title 30 (the Freedom of Information Act)...." Additionally, Section 11-35-2430 of the Code states in part, "All procurement records of governmental bodies shall be retained and disposed of in accordance with record retention guidelines and schedules approved by the Department of Archives and History after consultation with the Attorney General."

We recommend that the Physical Plant retain all the supporting documents justifying procurement transactions. Further care should be taken to ensure that all applicable procurement laws and regulations are complied with.

#### AGENCY RESPONSE

The Physical plant maintains on file the proposals and bid security of all bids taken by the Physical Plant. It also maintains copies of bid tabulations, contracts, labor and material payment bonds, performance bonds, and certificates of insurance for all permanent improvement projects.

Proposals and bid security for bids taken by architects as agents of the College are on file in the architect's office. This practice is of long standing and is not totally unknown to the State Engineer who has indicated no apparent problem with the system. The records in question can easily be obtained from the architect in order to comply with any request relating to the Freedom of Information Act.

To the best of my knowledge, the Department of Archives and History has issued no record retention guidelines subsequent to the passage of the Procurement Code, and the latest College record retention guidelines (which I understand to be approved by the Department of Archives and History) declare all Physical Plant records to be informational in nature, to be destroyed when no longer needed.

We will comply with the suggestion that the Physical Plant obtain original documents or copies of such documents which are relevant to procurements; however, we do not feel our present policy should be recorded as a discrepancy.

#### C. Fixed Equipment Procurement

Our examination of construction procurements included a review of project #H 18-006, Campus Development Phase IV. This construction phase was initially approved prior to the Procurement Code for the purpose of chilled water expansion, paving and utilities, gasoline storage, and warehouse expansion.

We reviewed one procurement for fixed equipment under the warehouse expansion phase that was not made in compliance with the Code and regulations. This was for the procurement of a walk-in freezer costing \$12,727.39. Written bids were solicited and received from three vendors after the approved E-11 - Revision of Project Cost - was in hand from the State Engineer.

The requirements of the memorandum dated March 22, 1982 from Mike Copeland, Director of the Division of General Services at that time, to all state agencies for construction procurement, B. Basic Equipment, stated: "Bids shall be received and awarded by the agency per Section 11-35-3020(2) of the Code."

Based on this memorandum, we determined that Francis Marion College did not comply with this section of the Procurement Code as follows:

1. No public advertisement in the official state government publication.
2. A copy of the bid invitation was not filed with the State Engineer.
3. No bid, security, performance or payment bonds were required.

We insist that the Director of the Physical Plant comply with the requirements of Section 11-35-3020(2) of the Code on Construction.

#### AGENCY RESPONSE

The procurement in question was made prior to the period under examination by the auditors. In the early spring of 1982 there were many questions about the proper procedures and policies to follow concerning construction procurements and we lacked clear guidelines and directives. It was always our intention to comply with the Procurement Code as it was being interpreted.

As we have stated elsewhere, it is our present policy to handle construction procurements in accordance with Article 9 of the Procurement Code.

D. Sole Source Procurement



A review of the documentation for check number #86818 for \$3,797 to Carolina Power and Light revealed that this check was payment for services provided to "remove overhead facilities and provide underground 120/240 volt single phase service to Wallace Hall and other buildings on that line." Francis Marion considered this to be exempt from the Procurement Code.

The Budget and Control Board previously authorized the exemption for "invoices for gas and electricity". However, the above mentioned service does not fall under this exemption. Therefore, since Carolina Power and Light had to perform this service and competition could not have been obtained, per the Physical Plant Manager, this transaction should have had the appropriate sole source determination completed.

#### AGENCY RESPONSE

Future procurements for services from public utilities which can only be provided by one source will have the appropriate sole source determination completed.

#### IV. GENERAL TRANSACTION CONTROL

##### A. No Evidence of an Audit of Voucher Packages

Our review of the voucher package accumulation and payment process at Francis Marion College revealed that Accounts Payable audit procedures are in effect to properly verify the accuracy of invoices and to verify that purchases are properly authorized.

In our test of these procedures, however, based on a random selection of 60 vouchers in all areas of procurement, we found 4

voucher packages that had no evidence that an audit by Accounts Payable had taken place.

Good internal control procedures are effective only when those charged with performing the control function perform in accordance with the agency's policies. This can only be assured and responsibility clearly assigned when documentation of the procedure performed is available.

We therefore, recommend that the Controller remind his staff of the importance of the Accounts Payable audit function and take the necessary steps to ensure Francis Marion College's procedures are followed in processing vouchers.

#### AGENCY RESPONSE

Audit procedures are in effect to properly verify invoice accuracy and to insure that purchases are properly authorized. Staff actions will continue to be carefully monitored to prevent this kind of oversight.

#### B. Cash Discounts Not Taken

Our testing of sample transactions revealed that the Accounts Payable Department neglected to take allowable cash discounts for timely payment of invoices as authorized by the invoice terms. These exceptions are as follows:

<u>P.O. #</u>	<u>Terms</u>	<u>Discount Lost</u>
41434	1/4% 10 days	\$12.59
18682	1% 10 days	15.95

Both invoices were paid within the allowable ten day discount period.

Section 11-35-20 (F) of the Code states as one of its purposes:

to provide increased economy in state procurements and to maximize to the fullest extent practicable the purchasing values of the funds of the State.

Because of a failure to take the allowable discounts for the timely payment of invoices the College expended funds in an unnecessary manner by way of discounts lost.

We did note that the majority of discounts were taken and this is a standard procedure. We do recommend a stronger effort be made for checking for discounts when processing invoices for payment.

#### AGENCY RESPONSE

It is the policy of the Accounting Department to take all allowable cash discounts. The activity of the Accounts Payable section will be carefully monitored to insure that all discounts are taken when processing invoices for payment.

We concur with your recommendation that an exemption not be renewed for College purchases for supply related items from the College Store. This concurrence is based on our understanding that the College will continue to utilize the College Store for the procurement of supply type items. The College Store will serve in the dual capacity of "stockroom" depository" to assist and make available to the College supply type items.

This continuing working agreement is based on the following understanding:

- A. State contract items procured by the College Store will not be sold to the general public.
- B. Items bought exclusively for College use will be bought off State Contract if applicable.
- C. Supply items of a dual nature, College and general customer use, will be procured by the College Store from the best available source.

It is further understood that the College Store will provide this service function to the College at cost plus ten percent.

024043

The college will take the proper steps to confirm that the recommendations addressed in the Audit Report are incorporated into the daily procurement activities at the College.



# EXHIBIT

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## CONCLUSION

STATE BUDGET & CONTROL BOARD

As enumerated in our transmittal letter corrective action, based on the recommendations in the body of this report, we believe, will in all material respects, place Francis Marion College in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

Prior to March 31, 1985, the Audit and Certification Section will perform a follow-up review in accordance with Section 11-35-1230(1) of the Consolidated Procurement Code to determine if the proposed corrective action has been taken by the college. Based on the follow-up review, and subject to this corrective action, we will recommend that Francis Marion College be re-certified to make direct agency procurements for a period of two years as follows:

<u>PROCUREMENT AREA</u>	<u>RECOMMENDED CERTIFICATION LIMITS</u>
I. Goods and Services exclusive of printing equipment which must be approved by the Materials Management Office.	\$10,000 per purchase commitments

Certification was not requested in the area of information technology. Although certification was requested for consultant services, we are not recommending it due to the absence of activity in this area over the past two years and the projected absence of any procurements in this area over the next two years.

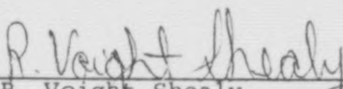
Certification recommendation in construction is being deferred at this time because statewide procedures have not been finalized. We have tested these areas so that when these

procedures are finalized we can make a recommendation in this area with only limited additional work.

Finally, the college was granted an exemption by the Budget and Control Board from the Procurement Code for purchases of office and other supply items from the college Bookstore by departments. The exemption ran concurrently with the college's goods and services certification.

After a review of the situation we consider the exemption unnecessary and recommend that it not be extended.

  
\_\_\_\_\_  
Larry G. Sorrell  
Audit Manager

  
\_\_\_\_\_  
R. Voight Shealy  
Director of Audit and Certification

## EXHIBIT

MAR 26 1985 NO. 17

STATE BUDGET & CONTROL BOARD

024046

# EXHIBIT

MAR 26 1985

NO. 18

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 26, 1985

REGULAR SESSION  
ITEM NUMBER

//

AGENCY: General Services

SUBJECT: Financing Information Technology Equipment

The Division of General Services recommends approval of the following agency requests to finance information technology equipment. The State Treasurer's Office has approved the interest rates.

- (a) Information Resource Management: string of 3380 type disk drives (one 7880-3 control unit, one 7380-AU disk storage unit, three 7380-B4 disk storage units) from the term contract awarded to National Advanced Systems; interest rate 7.9%, Maryland National Leasing;
- (b) University of South Carolina: IBM 3081 D computer, IBM 3275 teleprocessing controller and a Floating Point array processor, interest rate 7.9%, Maryland National Leasing.

## BOARD ACTION REQUESTED:

Approve the following interest rates:

- (a) Information Resource Management: string of 3380 type disk drives (one 7880-3 control unit, one 7380-AU disk storage unit, three 7380-B4 disk storage units) from the term contract awarded to National Advanced Systems; interest rate 7.9%, Maryland National Leasing;
- (b) University of South Carolina: IBM 3081 D computer, IBM 3275 teleprocessing controller and a Floating Point array processor, interest rate 7.9%, Maryland National Leasing.

## ATTACHMENTS:

Agenda item worksheets and attachments

024047

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

For meeting scheduled for:

March 26, 1985

Blue Agenda

☒ Regular Session Agenda☐ Executive Session Agenda

## 1. Submitted By:

(a) Agency: Division of Information Resource Management

(b) Authorized Official Signature: *Jay R. Ellis*

## 2. Subject:

Financing Information Technology equipment.

## 3. Summary Background Information:

The Division of Information Resource Management desires to procure a string of 3380 type disk drives from the term contract (1-205-00361-01/24/85(K0517)) awarded to National Advanced Systems. The equipment consists of a 7880-3 control unit, one (1) 7380-AU disk storage unit and three (3) 7380-B4 disk storage units. DIRM requests financing for 60 months. The amount to be financed is \$207,639.60 which includes \$9,887.60, sales tax. Funds for installment payments will come from revenue rather than State appropriated funds.

*Financing - 30 days**Payments - 30 days after  
installments contract*

## 4. What is Board asked to do?

Approve this procurement at an acceptable rate of financing.

## EXHIBIT

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NO. 18

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

STATE BUDGET &amp; CONTROL BOARD

To approve the Agency's request for financing.

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

*5-20-85 Maryland National Leasing*(a) Office Name: *Treasurer's Office*

Authorized

(b) Signature: *Approved [Signature]*

## 7. Supporting Documents:

## List Those Attached

1. Approval from IRM
2. Contact party at Agency:  
Bob Pietropaola  
758-5320
3. Delivery in approximately 15 days  
after receipt of order.

List Those Not Attached But Available  
from Submitter

1. Requisition #42676

Buyer: Jim Clark

024048

*Rec'd Treasurer's Office  
10:45 am  
3-14-85*

*[Signature]  
Held [Signature]  
JT MD*



STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
DIVISION OF INFORMATION RESOURCE MANAGEMENT  
1203 GERVAIN STREET  
COLUMBIA, S.C. 29201  
(803) 758-2771



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STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

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CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

TED L. LIGHTLE  
DIVISION DIRECTOR

March 1, 1985

EXHIBIT

MAR 26 1985

NO. 18

STATE BUDGET & CONTROL BOARD

Mr. Harold A. Stewart  
Information Technology  
Management officer  
Dutch Plaza - Suite 150  
800 Dutch Square Blvd.  
Columbia, SC 29210

Dear Mr. Stewart:

The information Technology Planning Office has approved for the procurement process a request from DIRM statewide operations (PR# 22425, 42676) for eight (8) megabytes of memory, one (1) 3880 disk controller, and four (4) 3380 disk units.

This technology will be used to restore a loss of performance caused by a rapid increase in the demand for services from the on-line users.

Based upon the intended use for the requested technology, we find no conflict with existing State standards.

If we can be of any further assistance in this matter, please call me.

Very truly yours

A handwritten signature in cursive script that reads "Larry L. Huckabee".

Larry L. Huckabee  
Assistant Director of DIRM

CHF:tst  
CC:

024049

DIVISION OF INFORMATION RESOURCE MANAGEMENT

Planning/Development  
(803) 758-2771

Program Coordinator  
Administration  
(803) 758-2771

Operations  
Support and Processing  
300 Gervais St.  
(803) 758-5381

Legislative Services  
1105 Pendleton St.  
(803) 758-0394

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

For meeting scheduled for:

Blue Agenda

☒ Regular Session Agenda☐ Executive Session AgendaMarch 26, 1985

## 1. Submitted By:

(a) Agency: University of South Carolina(b) Authorized Official Signature: *Loyle*

## 2. Subject:

Financing Information Technology Equipment

## 3. Summary Background Information:

The University of South Carolina wishes to procure an IBM 3081 D computer, an IBM 3275 teleprocessing controller and a Floating Point array processor. The amount to be financed from IBM is \$1,943,064.00 (including \$92,527.00 state tax). The amount to be financed from Floating Point is \$437,325.00 (including \$20,825.00 state tax). U.S.C desires 60-month financing for both. Funds for installment payments will come from revenue earned by the Computer Services Division of the University of South Carolina.

IBM = 1,943,064.00  
 Floating Point = 437,325.00  
 Total = 2,380,389.00

Financing - 60 days  
 Payments - 1/1/85  
 (next FY)

## 4. What is Board asked to do?

Approve this procurement at an acceptable rate of financing.

## EXHIBIT

MAR 26 1985

NO. 18

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

STATE BUDGET &amp; CONTROL BOARD

To approve the Agency's request for financing.

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

Maryland National Lacing

(a) Office Name: Treasurer's Office

Authorized

(b) Signature: *Approved HLP*

## 7. Supporting Documents:

List Those AttachedList Those Not Attached But Available from Submitter

1. Approval from IRM Planning
2. Contact party at Agency:  
Mr. John Watson  
777-4409
3. Buyer Jim Clark - 758-6060

024050

IT 40

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
DIVISION OF INFORMATION RESOURCE MANAGEMENT

1203 GERVAIS STREET  
COLUMBIA, S.C. 29201  
(803) 758-2771



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EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

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CHAIRMAN,  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN,  
HOUSE WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

TED L. LIGHTLE  
DIVISION DIRECTOR

December 17, 1984

EXHIBIT

MAR 26 1985 NO. 18

STATE BUDGET & CONTROL BOARD

Mr. Robert E. Roberson  
System V.P., Computer Services  
University of South Carolina  
Columbia, SC 29208

Dear Mr. <sup>RcB</sup>Roberson:

The Information Technology Planning Office has evaluated your request to issue an RFP to replace the function of the Amdahl V6II processor. We have met with Mr. John Watson and other members of your staff, and have reviewed the two information supplements provided by Mr. Watson.

It is our understanding that the Amdahl V6II is no longer able to support the academic workload which continues to increase in magnitude, and that this acquisition will be made with the funds that are currently paying for the Amdahl machine. We also understand that for technical reasons it is neither feasible nor practical to shift some of the Amdahl workload to the IBM 3081D, or to rotate the workloads of the two machines; that offloading the non-educational users, which represent less than 10% of the 3081 processor load, would have no effect on the Amdahl workload; and that you do not expect the installation of the IBM 4381 in the School of Business Administration to appreciably reduce their usage of the Amdahl machine.

Based upon the above information, we approve your request to competitively procure a replacement for the function of the Amdahl V6II.

If we can be of any further assistance to you in this matter, please do not hesitate to call me.

Very truly yours,

Ted Lightle  
Director of DIRM

024051

CHF:chf  
cc:H.A.Stewart

DIVISION OF INFORMATION RESOURCE MANAGEMENT

Planning/Development

(803) 758-2771

Program Coordinator

Administration  
(803) 758-2771

Operations  
Support and Processing  
300 Gervais St.  
(803) 758-5381

Legislative Services  
1105 Pendleton St.  
(803) 758-0194

# EXHIBIT

MAR 26 1985

NO. 19

STATE BUDGET AND CONTROL BOARD STATE BUDGET & CONTROL BOARD EXECUTIVE SESSION  
MEETING OF March 26, 1985 ITEM NUMBER 11

AGENCY: Office of Executive Director

SUBJECT: Tax on the Value of State Vehicles Used for Commuting Purposes

IRS regulations on the withholding of federal income tax on the value of personally assigned State vehicles used for commuting purposes must be implemented in the near future.

Legal staff will review this matter with the Board.

BOARD ACTION REQUESTED:

Receive as information a report on the implementation of Internal Revenue Service regulations concerning withholding of federal income tax on the value attributed to personally assigned State Vehicles used for commuting purposes.

ATTACHMENTS:

024052



# EXHIBIT

MAR 26 1985

NO. 19

NATIONAL ASSOCIATION OF STATE COMPTROLLERS

STATE BUDGET & CONTROL BOARD

We the members of the National Association of State Comptrollers resolve that the Tax Reform Act of 1984 has imposed unreasonable reporting requirements regarding the personal use of employer-owned vehicles.

We hereby urge that Congress repeal the requirement for "contemporaneous record-keeping" and the employment tax withholding requirements.

We further request that the taxability of vehicles used exclusively for law enforcement and emergency response be repealed.

Adopted at the annual meeting of the National Association of State Comptrollers on March 19, 1985, in Arlington, Virginia.

\*This expresses the concerns of NASC, and the final resolution will be prepared in the proper format.

024053



State of South Carolina

Office of Comptroller General

Wade Hampton Office Building  
Post Office Box 11228  
Columbia, South Carolina 29211

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

RECEIVED

MAR 25 1985  
BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

GERALD W. BURNETT  
DEPUTY COMPTROLLER

M E M O R A N D U M

TO: Members, Budget and Control Board  
FROM: EARLE E. MORRIS, JR.  
SUBJECT: Internal Revenue Service Regulations  
DATE: March 21, 1985

The Tax Reform Act of 1984, which was approved by Congress and signed by President Reagan, has imposed new requirements on employees regarding the personal use of employer-owned vehicles.

Regulations which have been promulgated by the Internal Revenue Service require employers to begin including amounts which represent the value of personal use in employees' payroll checks no later than June 30, 1985. These amounts are subject to the withholding of employment taxes.

The regulations also impose a requirement on employees to maintain adequate records which document the personal and business use of these vehicles. Employers are required to use these records in determining the amounts to be included and taxed as income to the employees. At this time, under a special rule dealing with police, fire, and emergency medical vehicles, the personal use is valued at \$3.00 per day.

For those employees who are not eligible for the special rules, the basis for computation is the annual fair market value of the vehicle. This value can be determined independently by the employer or it can be derived from a table provided by the Internal Revenue Service.

Examples of the two methods are outlined below:

1. Special valuation rule for emergency response personnel - Employees in the category are deemed to have incurred \$3.00 per day of personal use for each day the vehicle is used for commuting (either one-way or round trip).

024054

State of South Carolina  
Office of Comptroller General

MEMORANDUM  
March 21, 1985  
Page 2

2. Valuation for other employees -  
If the annual fair market value of a particular vehicle according to IRS tables is \$3,600.00, the monthly value would be \$300.00. Assuming that an employee drove a total of 1,200 miles in a given month of which 300 miles were for personal use, one-fourth of the month's mileage times \$300.00 would yield \$75.00 of personal use. Also, 5.5 cents per mile for the personal miles would be included for fuel cost which would equal \$16.50. Therefore, the employee would have a total of \$91.50 subject to taxation.

The regulations require that taxes be withheld on these values at least on a quarterly basis. My staff is presently making the necessary systems modifications to accommodate the deducting and remitting of the taxes and reporting the information to the proper authorities. Since the information pertinent to the assignment and value of vehicles is not readily accessible by this office, it is only logical that the values which are subject to these requirements be supplied by the Division of Motor Vehicle Management. I emphasize the necessity of this information being supplied in a timely manner because the processing schedules for payrolls are very firm.

This subject has been thoroughly researched by my staff, members of the Tax Commission, legal counsel, and the Division of Motor Vehicle Management. Procedures must be developed as soon as possible to ensure an orderly implementation and ongoing processing. My staff is available to assist where necessary in this implementation.

nop

024055

# EXHIBIT

MAR 26 1985

NO. 20

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 26, 1985

STATE BUDGET & CONTROL BOARD

REGULAR SESSION  
ITEM NUMBER

12

AGENCY: Budget Division

SUBJECT: Changes to Authorized FTE Position Base

The Budget Division recommends the approval of the establishment of one state funded FTE position above the number authorized for the Real Estate Commission, as approved by the Joint Legislative Committee on Personal Service Financing and Budgeting.

BOARD ACTION REQUESTED:

Approve the establishment of one new state funded FTE position above the number authorized for the Real Estate Commission.

ATTACHMENTS:

Agenda item worksheet and attachments

024056



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

For meeting scheduled for:

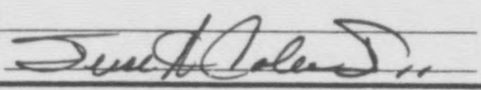
March 26, 1985

Blue Agenda

☒ Regular Session Agenda☐ Executive Session Agenda

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: 

2. Subject: Recommended Changes to the Authorized FTE Position Base

3. Summary Background Information:

The Joint Legislative Committee on Personal Service Financing and Budgeting, by Poll, on March 20, 1985 approved for recommendation to the Budget and Control Board at its next meeting the following changes:

1. Real Estate Commission - One (1.00) new, State Funded, FTE position.

## EXHIBIT

MAR 26 1985

NO. 20

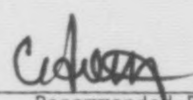
STATE BUDGET &amp; CONTROL BOARD

4. What is Board asked to do?

Approve the establishment of one (1.00) new, State Fund, FTE position above the number authorized for the Real Estate Commission.

5. What is recommendation of the Board Division involved?

Recommend Approval.

  
 Recommended By:

6. Recommendation of other office (as required)?

(a) Office Name

Authorized

(b) Signature

7. Supporting Documents:

List Those AttachedList Those Not Attached But Available  
from Submitter

1. Joint Committee's Letter
2. Agency Requests

024057

JAMES M. WADDELL, JR.  
SENATOR, BEAUFORT AND  
JASPER COUNTIES  
SENATORIAL DISTRICT NO. 46  
HOME ADDRESS:  
BOX 1026  
BEAUFORT, S.C. 29901



March 20, 1985

COMMITTEES:  
FINANCE  
FISH, GAME AND FORESTRY, CHAIRMAN  
INTERSTATE COOPERATION  
RULES  
TRANSPORTATION

## EXHIBIT

MAR 26 1985 NO. 20

STATE BUDGET & CONTROL BOARD

Dr. Jesse A. Coles, Jr., Director  
State Budget Division  
407 Wade Hampton Office Building  
Columbia, South Carolina 29201

Dear Dr. Coles:

The Joint Legislative Committee on Personal Service  
Financing and Budgeting is, by poll, recommending approval  
of the following:

85-54 REAL ESTATE COMMISSION - requests  
authorization to establish one (1.00) new,  
State Fund, FTE position above the number  
authorized.  
Recommendation: Approval

If you have any questions, or if I can be of further  
assistance, please do not hesitate to call.

Sincerely,

*James M. Waddell, Jr.*  
James M. Waddell, Jr.  
Chairman

mn

enclosure

024058

REQUEST FOR INCREASE  
IN AUTHORIZED POSITION  
COUNT

DATE: 3/6/85

ITEM NUMBER: 85-54

---

AGENCY: S36 Real Estate Commission (114)

---

SUBJECT: Establishment of FTE Position Above the Number Authorized.

The Real Estate Commission requests authorization to establish one (1.00) new, State Fund, FTE position above the number authorized. This position is needed to handle the increased workload in general real estate investigations and especially in vacation time shares. Funding for 1984-85 will come from Personal Service vacancies and the House Ways and Means Committee is including the necessary funding in its version of the 1985-86 Appropriation Bill.

EXHIBIT

MAR 26 1985 NO. 20

STATE BUDGET & CONTROL BOARD

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BOARD ACTION REQUESTED:

Authorize the establishment of one (1.00) new FTE position.

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JOINT LEGISLATIVE COMMITTEE ON PERSONAL SERVICE FINANCING AND BUDGETING

COMMENT:

Recommend Approval

---

ATTACHMENTS:

1. Agency Letter
2. FTE Position Summary Form
3. FTE Position Request Form

024059

POSITION SUMMARY

AGENCY: S36 Real Estate Commission (114)

DATE COMPILED: 3/5/85

	TOTAL FUND	STATE FUND	FEDERAL FUND	OTHER FUND
AUTHORIZED	22.00	22.00		
NOT ESTABLISHED	0	0		
ESTABLISHED	22.00	22.00		
FILLED	22.00	22.00		
VACANT	0	0		

COMMENTS: 1. Item #85-54

EXHIBIT

MAR 26 1985 NO. 20

STATE BUDGET & CONTROL BOARD

024060



## NEW FTE POSITION REQUEST

DATE: 02/28/85

FROM: (AGENCY) SC Real Estate Commission

CODE NO. S36

TO: Budget and Control Board  
State Budget Division

SUBJECT: Request for positions exceeding number authorized in 1984-85 Appropriation Act.

Request is to establish 1 new positions at

as follows:

No. Positions	Positions Title	Grade	Class Code	Annual Salary	Source of Funds (Percent)		
					State	Federal	Other
1	Spec Inv II	27	7153	16,002	100%		

## EXHIBIT

MAR 26 1985 NO. 20

STATE BUDGET &amp; CONTROL BOARD

## REQUEST JUSTIFICATION:

Due to the greater emphasis placed on enforcement of the Real Estate License Law, the workload of the Investigator positions has increased significantly. The increase has been in general real estate investigations and especially in Vacation Time Share investigations. The new position is needed immediately, so that the agency may properly carry out its mandate.

REQUESTED BY: [Signature]

DATE: 02/27/85

## STATE BUDGET DIVISION:

☒ Recommend Approval☐ Recommend Disapproval[Signature]  
State Budget Analyst2-28-85  
Date[Signature]  
Assistant Director  
State Budget Division3-1-85  
Date

BUDGET &amp; CONTROL BOARD ACTION:

024061

STATE OF SOUTH CAROLINA  
BUDGET AND CONTROL BOARD  
STATE BUDGET DIVISION  
406 WADE HAMPTON STATE OFFICE BUILDING  
COLUMBIA, S. C. 29201  
(803) 758-3106



RICHARD W. RILEY, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL

REMBERT C. DENNIS  
CHAIRMAN  
SENATE FINANCE COMMITTEE

TOM G. MANGUM  
CHAIRMAN  
HOUSE WAYS AND MEANS COMMITTEE

WILLIAM T. PUTNAM  
EXECUTIVE DIRECTOR

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

MEMORANDUM

EXHIBIT

MAR 26 1985 NO. 20

STATE BUDGET & CONTROL BOARD

TO: Dr. Jesse Coles  
FROM: Frances Barr *fb*  
DATE: March 7, 1985  
SUBJECT: Real Estate Commission Request

The agency will use surplus monies from the classified positions account to fund this request which exists from filling current positions at the minimum of the grade.

The proposed position is being included into the FY 85-86 Appropriation Bill with the necessary funding by the Ways and Means Committee.

FB/dd

024062

# EXHIBIT

MAR 26 1985

NO. 21

## STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF March 26, 1985

ITEM NUMBER

13

AGENCY: Budget Division

SUBJECT: Transfer Requests

The Budget Division recommends approval of the following transfer requests:

- (a) Department of Insurance: \$15,000 appropriated general fund monies from personal service to other operating expenses (contractual service) to provide funding to pay the actuarial expenses incurred due to the vacancy in the Chief Casualty Actuary position;
- (b) Commission on Higher Education: \$55,000 appropriated general fund monies from surplus SREB contract funds to other operating expenses to purchase much-needed equipment (\$32,900) and to pay the Budget and Control Board's Installment Purchase Program loan (\$20,000 principal and \$2,100 interest); and
- (c) State Library: \$3,821.04 appropriated permanent improvement funds to other operating expenses to purchase equipment to be used in cleaning, drying, and restoring library materials damaged when a city water line broke.

### BOARD ACTION REQUESTED:

Approve the following transfer requests as recommended by the Budget Division:

- (a) Department of Insurance: \$15,000 appropriated general fund monies from personal service to other operating expenses (contractual service);
- (b) Commission on Higher Education: \$55,000 appropriated general fund monies from surplus SREB contract funds to other operating expenses; and
- (c) State Library: \$3,821.04 appropriated permanent improvement funds to other operating expenses.

### ATTACHMENTS:

Agenda item worksheets and attachments

024063

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

For meeting scheduled for:


March 26, 1985

Blue Agenda

☒ Regular Session Agenda☐ Executive Session Agenda

## 1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: 

## 2. Subject: Department of Insurance Request to Transfer Appropriated General Fund - Personal Service to Contractual Services.

## 3. Summary Background Information:

The State Department of Insurance requests authorization to transfer \$15,000 appropriated General Fund Personal Service to Other Operating Expenses. This request is made to provide funding to pay actuarial expenses incurred due to the vacancy in the Chief Casualty Actuary position.

## EXHIBIT

MAR 26 1985

NO. 21

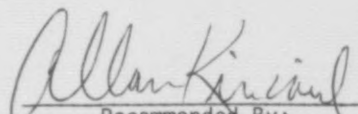
STATE BUDGET &amp; CONTROL BOARD

## 4. What is Board asked to do?

Approve the transfer of \$15,000 appropriated Personal Service to Other Operating Expenses.

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

Recommend Approval.

  
 Recommended By:

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

(a) Office Name \_\_\_\_\_ (b) Signature \_\_\_\_\_

## 7. Supporting Documents:

## List Those Attached

1. Agency Letter
2. Transfer Form #30

## List Those Not Attached But Available from Submitter

(a)

024064



AGENCY NUMBER R20 AGENCY BATCH NUMBER AT8504 OBJECT CODE HASH TOTAL 358 TOTAL BATCH AMOUNT 30,000.00 BATCH DATE BATCH NUMBER DOCUMENT 3

AGENCY VOUCHER NUMBER

AT8504

## STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

CG WARRANT NUMBER

AGENCY TRANSFERRED TO (CRI)

NAME

Same

ADDRESS

## APPROPRIATION TRANSFER

## TO REQUESTING AGENCY:

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

AGENCY TRANSFERRED FROM (DI)

NAME

Insurance Department

ADDRESS

P O Box 4067

Columbia, S. C. 29240

REASON FOR TRANSFER: To provide funds for actuarial expenses.

FROM

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI- PURPOSE CODE
09	350	R20	3910	1001						0158	15,000.00	
EXHIBIT												
MAR 26 1985 NO. 21												
STATE BUDGET & CONTROL BOARD												
TOTAL										158	15,000.00	

TO

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI- PURPOSE CODE
09	300	R20	0844	1001						0200	15,000.00	
TOTAL										200	15,000.00	

REQUESTED BY W. P. Thomas DATE 3/7/85 STATE BUDGET ANALYST \_\_\_\_\_ DATE \_\_\_\_\_

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

STATE AUDITOR 024065 DATE \_\_\_\_\_



ROGERS T. SMITH  
CHIEF INSURANCE COMMISSIONER

STATE OF SOUTH CAROLINA  
DEPARTMENT OF INSURANCE

2711 MIDDLEBURG DRIVE  
COLUMBIA, SOUTH CAROLINA 29204

MAILING ADDRESS:  
P.O. BOX 4067, COLUMBIA, S.C. 29240  
TELEPHONE: (803) 758-3266

INSURANCE COMMISSION

JAMES E. BRIDGETT, JR.  
MARY JEANNE BYRD  
PATRICK D. CUNNING  
WILLIAM S. JONES  
EDWARD K. PRITCHARD, JR.  
BARBARA D. RICHARDSON  
THOMAS E. ROGERS, JR.

March 7, 1985

EXHIBIT

MAR 26 1985 NO. 21

STATE BUDGET & CONTROL BOARD

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

AT8504

Dear Mr. Cantrell:

We respectfully request approval for the following transfer of funds:

	<u>Mini Code</u>	<u>Object Code</u>	<u>Amount</u>
From:			
Classified Positions	3910	0158	\$ <u>15,000.00</u>
To:			
Contractual Services	0844	0200	\$ <u>15,000.00</u>

This request is necessary to provide funds for actual and estimated actuarial expenses incurred or to be incurred due to the vacancy in the Chief Casualty Actuary position. These expenses would not have been necessary if the position of Chief Casualty Actuary had been filled.

Thank you for your prompt consideration of this request.

Sincerely yours,

*Miriam L. Leeke*

MRS. MIRIAM L. LEEKE  
Director, Administrative Services

MLL/wht/rbg

024066

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

For meeting scheduled for:

March 26, 1985

Blue AgendaX Regular Session AgendaExecutive Session Agenda

## 1. Submitted By:

(a) Agency: State Budget Division(b) Authorized Official Signature: *C. D. [Signature]*2. Subject: The Commission on Higher Education Request to Transfer SREB Contract Funding to Other Operating Expenses.

## 3. Summary Background Information:

The Commission on Higher Education requests authorization to transfer \$55,000 surplus SREB contract funding to Other Operating Expenses. These surplus funds are needed to purchase much needed equipment and to meet the B & C Board's loan fund Debt Service.

## EXHIBIT

MAR 26 1985 NO. 21

STATE BUDGET &amp; CONTROL BOARD

## 4. What is Board asked to do?

Approve the transfer of \$55,000 surplus SREB contract funds to Other Operating Expenses.

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

Recommend approval.

*James F. [Signature]*  
Recommended By:

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

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

Authorized

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

## 7. Supporting Documents:

List Those Attached

1. Agency Letter
2. Transfer Form #30

List Those Not Attached But Available  
from Submitter

024067

(b)

AGENCY NUMBER      AGENCY BATCH NUMBER      OBJECT CODE HASH TOTAL      TOTAL BATCH AMOUNT      BATCH DATE      BATCH NUMBER      DOCUMENT

3

## AGENCY VOUCHER NUMBER

BT 30

## AGENCY TRANSFERRED TO (ICR)

NAME

Higher Education Comm

ADDRESS

Columbia, S.C.

## STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

## APPROPRIATION TRANSFER

## TO REQUESTING AGENCY:

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

## CG WARRANT NUMBER

## AGENCY TRANSFERRED FROM (DR)

NAME

Higher Education Comm

ADDRESS

Columbia, S.C.

## REASON FOR TRANSFER:

## FROM

FM	TRANS CODE	AGCY NO	MINI CODE	SUB FUND CODE	SUB SIDIARY ACCOUNT NO	ENCUM BRANCE NO	M O D	PROJECT CODE	AGENCY REFERENCE NUMBER	OBJECT CODE	TRANSACTION AMOUNT	MULTI PURPOSE CODE
09	350	H03	0186	1001						2806	55,000.00	11811076
										EXHIBIT		
										MAR 26 1985 NO. 21		
										STATE BUDGET & CONTROL BOARD		
TOTAL										2806	55,000.00	



# EXHIBIT

MAR 26 1985 NO. 21

STATE BUDGET & CONTROL BOARD

## SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION

RUTLEDGE BUILDING  
1429 SENATE STREET  
COLUMBIA, S.C. 29201

HOWARD R. BOOZER  
EXECUTIVE DIRECTOR

March 18, 1985

TELEPHONE  
803/758-2407

Mr. James Rush  
Budget Analyst  
Finance Division  
Wade Hampton Office Bldg.  
Columbia, S.C.

RECEIVED  
MAR 19 1985

Budget and Control Board  
STATE BUDGET DIVISION

Dear Jim:

Enclosed is an original and three copies of an Appropriation Transfer Request for the Commission. We are requesting that \$55,000 of unexpended surplus funds from the SREB Contract Program account be transferred into the Commission's Equipment and Debt Service accounts. The surplus funds results from the fact that eight veterinary students and two optometry students did not return for the Fall 1984 semester.

The reasons for requesting that these funds be transferred are as follows:

1. Equipment - \$32,900 Last year the Commission requested approval to acquire a word processing system and two minicomputers, as well as, to upgrade access devices to the University of S.C. at a cost of \$70,000. In order to purchase the equipment, we provided \$30,000 out of our budget and borrowed \$40,000 from the Budget and Control Board's loan fund program, to be repaid over a two year period. We made the first payment in July, 1984 and the second installment is due July 1, 1985. At that time, we purchased three word processing terminals and one printer. Use of three terminals by the eight people now trained to use them is very ineffective and inefficient. We are requesting to purchase three additional word processing terminals, one additional printer and two additional minicomputers. One minicomputer is for use by the Desegregation Plan Section and the other by the Internal Accounting Section and the Facilities Section for their involvement with the public colleges and universities. This equipment is included in our 84-85 and 85-86 IT Plan.

024069

2. Debt Service - \$22,100 As previously mentioned, we have made the first payment on the \$40,000 borrowed and have currently budgeted \$20,000 for the final payment from 1985-86 Appropriation. However, the Academic Affairs Section plans to review all the Educational Programs at public colleges and universities in FY 1985-86. This review is expected to cost in excess of \$70,000. We currently have budgeted in FY 1985-86 only \$50,000 for this project. If we could pay our debt service from surplus FY 1984-85 funds in the SREB Contract Program, the \$20,000 budgeted in FY 1985-86 for debt service could be used for the review of the Educational Programs.

Your assistance in this matter is greatly appreciated. Please call me if you have any questions.

Sincerely,



Charles A. Brooks, Jr. STATE BUDGET & CONTROL BOARD  
Associate Director for  
Financial Affairs

EXHIBIT

MAR 26 1985

NO. 21

CABjr:spr  
Enclosures

024070

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

For meeting scheduled for:

March 26, 1985


Blue Agenda

☒ Regular Session Agenda

Executive Session Agenda

## 1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: 

## 2. Subject: State Library Requests Authorization to Use Unexpended Appropriated Permanent Improvement Funds to Purchase Operating Equipment.

## 3. Summary Background Information:

The State Library requests authorization to move \$3,821.04 unexpended appropriated Permanent Improvement Funds to Other Operating Expenses. These funds are needed to purchase equipment to resolve an emergency problem inside the Library building. A city water line broke, flooding the basement and sub-basement of the building, damaging a number of library materials.

EXHIBIT

MAR 26 1985 NO. 21

STATE BUDGET &amp; CONTROL BOARD

## 4. What is Board asked to do?

Approve the State Library use of unexpended permanent improvement funds to purchase operating equipment.

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

Recommend approval.

  
 Recommended By:

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

 (a) Office Name \_\_\_\_\_ Authorized  
 (b) Signature \_\_\_\_\_

## 7. Supporting Documents:

List Those Attached

List Those Not Attached But Available  
from Submitter

1. Agency Letter

024071

(c)



# The South Carolina State Library

1500 Senate Street

P. O. Box 11469

Columbia, South Carolina 29211

PHONE 758-3181

## EXHIBIT

MAR 26 1985

NO. 21

STATE BUDGET & CONTROL BOARD

BETTY E. CALLAHAM  
STATE LIBRARIAN

February 25, 1985

RECEIVED

FEB 27 1985  
BUDGET AND CONTROL BOARD  
OFFICE OF EXECUTIVE DIRECTOR

Mr. William T. Putnam, Executive Director  
Budget and Control Board  
618 Wade Hampton Office Building  
Columbia, South Carolina 29201

Dear Mr. Putnam:

In September 1983, the Budget and Control Board approved a Permanent Improvement Project allocation (H87-002, STARS 8219) in the amount of \$25,000 for the surfacing and landscaping of the State Library's parking lot on Bull Street. For various reasons that project was very slow in being completed, and it took even longer to obtain invoices so that the account could be closed. The total expenditures for paving, marking, landscaping, and signage amounted to \$21,178.96, leaving an unexpended balance of \$3,821.04.

In the meantime, the State Library experienced a near disaster on February 2 when the city water line broke and water poured into the basement and sub-basement, damaging a number of library materials. Fortunately, the situation was discovered by staff members working on Saturday before the damages became too extensive, and the results were somewhat mitigated because we had been developing a disaster preparedness plan for some time. Nevertheless, we learned from this experience as we usually do from difficulties. It is now apparent that the State Library should own and always have on hand certain equipment and supplies to be used by this agency or by other libraries in the state in the case of natural or accidental disasters. We wish to purchase equipment such as dehumidifiers, sump pump, electric fan, and book presses and to stock supplies such as plastic sheeting, thymol crystals, and other materials used in cleaning, drying, and restoring library materials.

Therefore, I request permission from the Budget and Control Board to transfer the \$3,821.04 balance from the Permanent Improvement Project into Administration - Other Operating Expense - Equipment. If approved, this one time expenditure could be completed before June 30, 1985. I will appreciate your consideration of this request. Approval will benefit the State Library but may also be of help to other libraries in case of emergency.

024072



Mr. William T. Putnam

-2-

February 25, 1985

I would like you to know that we are in the process of expanding the State Library's Disaster Control Plan to cover consultation and assistance to other libraries in similar circumstances.

Sincerely yours,

*Betty E. Callahan*

Betty E. Callahan  
Librarian

BEC:vlm

EXHIBIT

MAR 26 1985

NO. 21

STATE BUDGET & CONTROL BOARD

024073

# EXHIBIT

MAR 26 1985

NO. 22

STATE BUDGET AND CONTROL BOARD  
MEETING OF March 26, 1985

STATE BUDGET & CONTROL BOARD  
REGULAR SESSION  
ITEM NUMBER

14

AGENCY: College of Charleston

SUBJECT: Foreign Travel

The College of Charleston requests approval of the travel of Rosemary Brana-Shute to Cuba during the April 7-13, 1985 period to act as a interpreter and discussant at an Association of Caribbean Historians meeting and to San Juan and Suriname during the May 26 - June 30, 1985 period to attend a Caribbean Studies Association meeting and to conduct research on nineteenth century Suriname. The estimated cost of this travel is \$3,921 and will be paid from State appropriated funds.

BOARD ACTION REQUESTED:

Approve the travel of College of Charleston staff member Rosemary Brana-Shute to Cuba (April 7-13), San Juan and Suriname (May 26 - June 30, 1985) at an estimated cost of \$3,921 to be paid from state-appropriated funds.

ATTACHMENTS:

Bolchoz memo to McInnis

024074

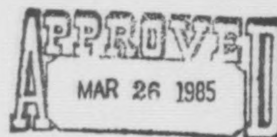


# THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

MAR 13 1985

TO: Mr. William McInnis  
Deputy Executive Director  
S.C. Budget and Control Board  
618 Wade Hampton Office Building  
P.O. Box 12444  
Columbia, SC 29211



STATE BUDGET AND  
CONTROL BOARD

*William A. McInnis*

FROM: Joseph E. Bolchoz, Jr.  
Assistant Vice President  
and Controller  
College of Charleston

RE: Request for Foreign Travel Approval

Traveller: ROSEMARY BRANA-SHUTE

Destination: 4/7/85-4/13/85 CUBA/SAN JUAN-SURINAME 5/26/85-6/30/85

Dates: April 7, 1985 April 13, 1985

Source of Funds: From STATE OPERATING To

Maximum Amount Allowed: \$3,921

Purpose: CUBA--TO ACT AS INTERPRETOR AND DISCUSSANT  
AT MEETING OF ASSOCIATION OF CARIBBEAN HISTORIANS.

SAN/JUAN-SURINAME--ATTEND CARIBBEAN STUDIES  
ASSOCIATION /RESEARCH ON 19th CENTURY SURINAME

Requested on behalf of the College of Charleston by:

*Joseph E. Bolchoz, Jr.*  
Joseph E. Bolchoz, Jr.

JEB,JR/kkr

FOUNDED 1770

024075