

MINUTES OF
Budget and
Control Board
Meeting

January 25, 1983

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

January 25, 1983

MEMORANDUM

TO: Budget and Control Board Division Directors
FROM: William A. McInnis, Secretary *WAM*
SUBJECT: Summary of Board Actions at January 25, 1983 Meeting

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

0. Approved the minutes of a meeting held on January 11, 1983;
1. Received as information a Finance Division report on the status of state agency audits;
2. Received as information a Finance Division FTE position operational report for December, 1982;
3. Approved the following county proposals to issue industrial revenue bonds, on the condition that the required reviews by the Attorney General's Office and the State Auditor's Office are completed with satisfactory results:
(a) Florence County, \$5,000,000 on behalf of the La-Z-Boy Chair Company project; and (b) Richland County, \$500,000 on behalf of Ram Automotive Co., Inc., project;
4. Approved a change in lender from Bankers Trust to South Carolina National Bank relating to a Horry County proposal to issue not exceeding \$1,000,000 Industrial Revenue Bonds on behalf of the Peterson Outdoor Advertising Corp. of SC project, on the condition that the required reviews are completed with satisfactory results;
5. Received as information a State Engineer report that the following permanent improvement projects have been reviewed by the Joint Bond Review Committee and released by staff: (a) on Summary 21-83, Winthrop College, item 8; and (b) on Summary 26-83, PRT, item 3;
6. Received as information a State Engineer report that the following Wildlife and Marine Resources Department projects had been released by staff: (a) Yauhannah Boat Ramp, establish project, \$26,160; and (b) Socastee Boat Ramp, establish project, \$17,164.50;

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7. Received as information a State Fire Marshal activity report for December 1982, and the quarterly activity report;
8. Received as information reports on the payment of interviewee travel expenses by the College of Charleston;
9. Heard Senator David Taylor's report on the reduction-in-force at the Department of Mental Retardation's Whitten Center which focused on the approval process for the transfer of funds and in which he recommended that the Legislative Audit Council do a complete audit and investigation of the Department of Mental Retardation and that agencies be required in the future to indicate on any transfer request whenever a reduction-in-force is involved and that such transfer requests be forwarded to the General Assembly if it is in session or to the Senate Finance Committee and the House Ways and Means Committee if the General Assembly is not in session; and authorized Executive Director Putnam and his staff to review the Board's transfer procedure, particularly where reductions-in-force are involved, and report back at a future meeting, after giving preliminary approval to Mr. Putnam's recommendations that any future transfer requests involving reductions-in-force would be considered by the Budget and Control Board itself rather than by staff and to a policy requiring that any agency adopting a plan or program which ultimately would require a reduction in its workforce to diligently apply good management principles in effecting such a plan or program and that such agencies be required to give the Board and the General Assembly as much advance notice of the effective dates of such reductions-in-force as is possible;
10. Received as information a report by the State Personnel Division on reductions-in-force showing that 15 agencies were affected by reductions-in-force during the September 1 - December 31, 1982 period and that 322 employees were released in those actions and that 115 of the total involved still are actively seeking employment;
11. Agreed to forward to the General Assembly for its consideration and implementation during this fiscal year if found necessary resolutions relating to leave without pay for state employees, to a reduction of the statutory school term by up to five days, the transfer of \$3,000,000 of paying patients account funds of the Department of Mental Health to the general fund, and the transfer of \$500,000 from the law enforcement building and maintenance fund of the Law Enforcement Training Council to the general fund, on the understanding that Board members would be polled regarding any substantive changes in these drafts prior to their submission;
12. Was advised that a resolution proposed for adoption by the State College Board of Trustees (College of Charleston) relating to the issuance of \$1,700,000 Facilities Improvement Bonds had been withdrawn;

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Summary of BCB Actions
January 25, 1983 Meeting
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13. Approved the lease/purchase of a truck by the Department of Corrections involving an interest rate of 12% over a four-year period;
14. Carried over regular session items 6, 7, 8, 10, and 11, relating to Priority Group 1 trailing draws, Priority Group 2 projects, a proposed Motor Vehicle Management proviso, a future Civil Contingent Fund request, and Board agenda procedures, respectively;
15. Agreed to hold its next regular meeting at 9:30 A. M. on Tuesday, February 8, 1983, in the Governor's conference room in the State House;
16. Authorized the Executive Director's Office to establish a committee on tax reporting requirements, after receiving legal advice on the matter;
17. Received legal advice on matters relating to the reimbursement of travel expenses to state employees;
18. Carried over an insurance contractual matter;
19. Authorized the Alcoholic Beverage Control Commission to appeal a decision of the Employee Grievance Committee to the courts and agreed that, as a matter of policy, the appealing agency should pay the costs of preparing all transcripts involved in such appeals;
20. Authorized Francis Marion College to sell the present home of the President of that College in accordance with a proviso in Section 20 of the 1982-83 Appropriations Act; and
21. Ratified actions taken during executive session.

WAM:dw

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MINUTES OF BUDGET AND CONTROL BOARD MEETING

JANUARY 25, 1983 9:30 A. M.

The Budget and Control Board met at 9:30 A. M. on Tuesday, January 25, 1983, in the Governor's conference room in the State House with the following members in attendance:

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

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

MINUTES OF PREVIOUS MEETING - Board members previously had been furnished a draft version of the minutes of the meeting held on January 11, 1983.

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

BLUE AGENDA - Board members were advised that the reviews required in connection with blue agenda items 3, 4, and 5, relating to county proposals to issue industrial revenue bonds, were incomplete.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Budget and Control Board gave conditional approval to blue agenda items 3, 4, and 5, and approved all other items on the blue agenda.

Blue agenda items are identified as such in these minutes.

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FINANCE DIVISION - STATE AGENCY AUDITS STATUS - DECEMBER 31, 1982

(BLUE AGENDA #1) - The Budget and Control Board received as information a Finance Division report on the status of state agency audits.

State Auditor Vaughn reported that, as a result of the Federal Office of Management and Budget Circular A-102, Attachment P, which provides for the single audit concept, the brunt of audit work now falls on state audit agencies and the savings involved in that approach appear to accrue to the federal government. He noted that presently there are no sanctions in law if the single audit concept is not followed although he noted that the audit community feels that it is only a matter of time before sanctions are imposed. Mr. Vaughn estimated that the concept involves some 20%-30% more work and expressed doubt that his existing staff would be able to handle these additional requirements in the future.

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

FINANCE DIVISION - FTE POSITION OPERATIONAL REPORT FOR DECEMBER

1982 (BLUE AGENDA #2) - The Budget and Control Board received as information a Finance Division FTE position operational report for the month of December, 1982.

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

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INDUSTRIAL REVENUE BONDS (BLUE AGENDA #3-#5) - Upon a motion by

Mr. Patterson, seconded by Mr. Morris, the Budget and Control Board approved the following county proposals to issue industrial revenue bonds, on the condition that the required reviews by the Attorney General's Office and the State Auditor's Office are completed with satisfactory results: (a) Florence County, \$5,000,000 on behalf of the La-Z-Boy Chair Company project; and (b) Richland County, \$500,000 on behalf of Ram Automotive Co., Inc., project.

Information relating to this matter has been retained in these files and is identified as Exhibits 3 and 4, respectively.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved a change in lender from Bankers Trust to South Carolina National Bank relating to a Horry County proposal to issue not exceeding \$1,000,000 Industrial Revenue Bonds on behalf of the Peterson Outdoor Advertising Corporation of South Carolina project, on the condition that the required reviews by the Attorney General's Office and the State Auditor's Office are completed with satisfactory results.

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

GENERAL SERVICES, STATE ENGINEER - PERMANENT IMPROVEMENT PROJECT

ACTION BY STAFF (BLUE AGENDA #6) - The Board received as information a State Engineer report that the following permanent improvement projects had been reviewed by the Joint Bond Review Committee and released by staff: (a) on Summary 21-83, item 8, Winthrop College; and (b) on Summary 26-83, item 3, Parks, Recreation and Tourism.

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

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GENERAL SERVICES (STATE ENGINEER) - PROJECT ACTION BY STAFF (BLUE AGENDA #7) - The Board received as information a State Engineer report that the following Wildlife and Marine Resources Department permanent improvement projects had been released by staff: (a) Yauhannah boat ramp, establish project, \$26,160; and (b) Socastee boat ramp, establish project, \$17,164.50.

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

STATE FIRE MARSHAL - ACTIVITY REPORT FOR DECEMBER 1982 AND QUARTERLY ACTIVITY REPORT (BLUE AGENDA #8) - The Budget and Control Board received as information a State Fire Marshal Division activity report for December 1982 and the quarterly activity report.

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

INTERVIEWEE TRAVEL EXPENSE PAYMENTS (BLUE AGENDA #9) - The Board received as information three reports covering the payment of interviewee travel expenses by the College of Charleston pursuant to authority granted by the Board.

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

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REPRESENTATIVE MANGUM - REVENUE BOND FEE POSSIBILITY - Representative

Mangum suggested that the Board look at the idea of charging a small percent fee on the issuance of revenue bonds by cities and counties to offset administrative expenses incurred in the processing of these proposals. Board members expressed some concern about the possible effect of such a fee on industrial development efforts but generally agreed that the idea should be studied and Mr. Patterson indicated his intention to pursue this question.

SENATOR DAVID TAYLOR - WHITTEN CENTER REDUCTION-IN-FORCE - Senator

David Taylor of Laurens County appeared before the Board to present his part of the results of the examination of the Whitten Center reduction-in-force performed by the committee appointed by the Board for that purpose. Senator Taylor expressed his appreciation to the Board for having appointed that committee and noted that in the course of that committee's work he had learned much about this subject. He noted that he had commended the Board at the outset for its policy which requires agencies to advise and counsel with it before implementing a reduction-in-force and he asked rhetorically "did the Department of Mental Retardation advise and counsel with the Board before putting the Whitten Center reduction-in-force into effect." Senator Taylor also noted that he had dealt with the financial aspects of the reduction-in-force study and that Senator Lake had looked into the policy questions. Senator Taylor then indicated that each time the committee met he had asked whether or not the Budget and Control Board had given approval to the transfer of funds involved in the Whitten Center reduction-in-force. He noted several Code sections including the one describing the membership of the Budget and Control Board

and the one requiring the Board's approval of the transfer of funds appropriated by the General Assembly.

Senator Taylor indicated that he had been given an answer of "yes" to the question of whether or not the Budget and Control Board did approve the transfer of funds which allowed the 150 employees at Whitten Center to be fired. He then reviewed the transfer question in some detail and expressed the view that transfer #15 was the only one which had come to the Board and it involved either \$411,976 or \$554,826, depending on which source is used. He concluded that the only thing consistent in all of this are the inconsistencies.

Senator Taylor also indicated that many things happened during the course of the study which he did not appreciate but maintained that it is his right and responsibility as a senator to know where appropriated funds are. Senator Taylor indicated that he is not saying that the funds involved were or were not transferred illegally and he again asked rhetorically if the Board has in law approved the various transfers of funds.

Mr. Putnam indicated that the Department of Mental Retardation had submitted six transfers plus a schedule to the State Auditor's Office and that five of the six had been approved by that office under authority delegated by the Budget and Control Board. Mr. Putnam advised that the sixth transfer had been approved by the Budget and Control Board on October 12, 1982, in that it involved the movement of personal service funds to other accounts. With regard to the reduction-in-force at Whitten Center, Mr. Putnam indicated that neither the Board nor its staff had knowledge of that reduction-in-force prior to its approval by the Mental Retardation Board.

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Senator Taylor then presented his recommendations which were to ask the Legislative Audit Council to perform a complete audit and investigation of the Department of Mental Retardation and that, in any instance where a reduction-in-force is involved, to require that that information be included on any transfer requests which he proposed should be sent to the General Assembly for consideration if it is in session or, if not in session, to the Senate Finance Committee and the House Ways and Means Committee. Senator Taylor concluded by expressing the view that the Whitten Center reduction-in-force was a terrible thing which could have been handled better. He expressed his appreciation for the complete cooperation he had received from Executive Director Putnam and Personnel Division Director Mullins.

Governor Riley and Mr. Putnam noted that the deinstitutionalization of Whitten Center and other institutions is really a matter of State policy.

Mr. Putnam also noted that everything the Department of Mental Retardation did regarding the procedural aspects of the reduction-in-force were absolutely legal. He did point out that Board staff had been notified of the reduction-in-force at Whitten Center just prior to its effective date and that Board staff did agree at that time that the reduction-in-force was in order. Mr. Putnam pointed out that the transfer of funds is a highly complex subject in that appropriations are not made by institutions but, instead, are made by programs such as institutional care or medical care or education. He concluded a review of the transfer issue by expressing the feeling that the only one which came to the Board for its action was proper.

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Mr. Putnam then expressed the view that someone at Whitten Center did know or should have known that a reduction-in-force was needed well before the necessity for it had arrived. He noted that Whitten Center was overstaffed at the beginning of the fiscal year and that budget reductions had occurred in September although, of those involved in the reduction-in-force, 62 had been hired after September 1. He acknowledged that institutional staffing is a complex matter which may serve to make the gross figures inaccurate. He did also express the view that, even though complex, the matter could have been handled with much less trauma for the people involved although the results would have been the same.

Mr. Putnam recommended that, in the future, any transfers involving past or future reductions-in-force be considered by the Budget and Control Board itself and that any agency adopting a plan or program which ultimately would require a reduced work force should diligently apply good management principles and give the Budget and Control Board and the General Assembly as much advance notice of these impacts as possible.

Mr. Putnam indicated his intention to gather all of the formal statements prepared by the Department of Mental Retardation, by Senator Taylor, and by his office for submission.

Following this discussion, the Board without objection authorized Executive Director Putnam and his staff to review the Board's transfer procedure, especially where reductions-in-force are involved, and to report back at a future meeting and gave preliminary approval to Mr. Putnam's recommendations that any future transfer requests involving reductions-in-force would be

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considered by the Budget and Control Board itself rather than by staff and that any agency adopting a plan or program which ultimately would require a reduction in its work force diligently apply good management principles in effecting such a plan or program and that such agencies be required to give the Board and the General Assembly as much advance notice of the effective dates of such reductions-in-force as is possible.

Senator Dennis complimented Senators Taylor and Lake for bringing suggested refinements to the reduction-in-force procedures of the Board.

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

PERSONNEL DIVISION - REDUCTION-IN-FORCE REPORT - Division Director

Jack Mullins presented a report on reductions-in-force covering the November 18-December 31, 1982 period and the September 1-December 31, 1982 period.

Dr. Mullins noted that 15 agencies had been affected by reductions-in-force during the September 1-December 31, 1982 period and that a total of 322 employees were released as a result of those actions and that 115 of that number still are actively seeking employment. His report indicated that 48 of the total employees had been placed within their own agencies, 6 have been placed in other agencies, 7 have been placed in other government employment, 6 have been placed in the private sector, 2 had retired, and that 138 had declined or had not responded to offers of assistance by the State Personnel Division.

The Board without objection agreed to receive the referenced report by Dr. Mullins as information.

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

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FINANCE DIVISION - BUDGET REDUCTION CONCEPT DRAFT LEGISLATION -

State Auditor Edgar A. Vaughn, Jr., presented drafts of four resolutions intended to implement the Board's budget reduction concept which had been adopted in December. Included in the drafts presented was a proposed joint resolution to authorize the Budget and Control Board to direct all employees to take leave without pay not to exceed five days during fiscal year 1982-83; a draft joint resolution relating to the reduction of the required 185-day school term so as to authorize school districts to petition the State Board of Education for the cancellation of up to five days of the term; a joint resolution to provide for the transfer of funds from the paying patient fee account of the Department of Mental Health (in the amount of \$3,000,000); and a draft resolution to provide for the transfer of funds from the Law Enforcement Training Council to the general fund (in the amount of \$500,000).

Governor Riley noted that he is recommending a tax program which, if passed by March 1 to be effective March 15, with other funds and the possibility of a 1% across-the-board reduction, will enable the state government to finish up the fiscal year in a balanced condition. He observed that it is late to do much with an across-the-board reduction if these decisions have to be made as late as March 15.

Mr. Patterson urged that the proposed resolutions should proceed promptly and Governor Riley and Mr. Morris indicated agreement with the idea of getting these authorizations into place.

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State Auditor Vaughn urged that greater flexibility be developed in the law to deal with these sorts of situations and noted that the longer a decision is postponed the worse solving the problem is going to be.

Senator Dennis indicated that he would have no great pride in having to offer these proposed resolutions to the Senate Finance Committee and expressed the view that he would not want the General Assembly to immediately pass these in that they are companion resolutions which would not be necessary if the General Assembly were to go along with the Governor's tax equity package. He indicated that he would not want the word to go out that Dennis and Mangum will get these resolutions passed immediately.

Following this discussion, upon a motion by Mr. Patterson, seconded by Representative Mangum, the Board agreed to forward to the General Assembly for its consideration and implementation during this fiscal year if found necessary resolutions relating to leave without pay for State employees, to a reduction of the statutory school term by up to five days, to the transfer of \$3,000,000 of paying patients account funds of the Department of Mental Health to the general fund, and to the transfer of \$500,000 from the law enforcement building and maintenance fund of the Law Enforcement Training Council to the general fund with the understanding that Board members would be polled regarding any substantive changes in these drafts prior to their submission to the General Assembly.

Mr. Putnam noted that this action of the Board would serve as formal notification to anyone interested in the Board's intention to conduct this poll unless it is cancelled because no substantive changes will have been made.

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

STATE COLLEGE BOARD OF TRUSTEES (COLLEGE OF CHARLESTON) - \$1,700,000 FACILITIES IMPROVEMENT BONDS - The Board was advised that a resolution proposed for adoption by the State College Board of Trustees (College of Charleston) relating to the issuance of \$1,700,000 Facilities Improvement Bonds had been withdrawn.

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

GENERAL SERVICES - LEASE/PURCHASE TRUCK FOR CORRECTIONS - Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved the lease/purchase of a truck by the Department of Corrections, using prison industries funds, involving an interest rate of 12% over a four-year period.

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

REGULAR SESSION ITEMS CARRIED OVER - The Board without objection agreed to carry over its consideration of the remaining regular session items numbered 6, 7, 8, 10, and 11, relating to Priority Group 1 trailing draws, Priority Group 2 projects, a proposed Motor Vehicle Management proviso, a future Civil Contingent Fund request, and Board agenda procedures, respectively.

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

BUDGET AND CONTROL BOARD - FUTURE MEETING - The Board without objection agreed to hold its next regular meeting at 9:30 A. M. on Tuesday, February 8, 1983, in the Governor's conference room in the State House.

015229

EXECUTIVE SESSION - Mr. Putnam advised the Board that two legal matters, two contractual matters and one personnel matter had been proposed for consideration in executive session.

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

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

(1) Authorized the Executive Director's Office to establish a committee on tax reporting requirements, after receiving legal advice on the matter;

(2) Received legal advice on matters relating to the reimbursement of travel expenses to State employees;

(3) Carried over an insurance contractual matter;

(4) Authorized the Alcoholic Beverage Control Commission to appeal a decision of the Employee Grievance Committee to the court and agreed that, as a matter of policy, the appealing agency should pay the costs of preparing all transcripts involved in such appeals; and

(5) Authorized Francis Marion College to sell the present home of the President of that College in accordance with a proviso in Section 20 in the 1982-83 Appropriations Act.

The meeting was adjourned at 11:45 A. M.

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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 and near the Board Secretary's office in the Wade Hampton Building at 8:30 A. M. on Monday, January 24, 1983.]

015231

EXHIBIT

STATE BUDGET AND CONTROL BOARD JAN 25 1983 NO. 1 BLUE AGENDA
MEETING OF January 25, 1983 STATE BUDGET & CONTROL BOARD ITEM NUMBER 1

Agency: Finance Division

Subject: State Agency Audits Status - December 31, 1982

State Auditor Vaughn advises that as of December 31, 1982, the audit work on State agencies is presently 877 hours over budget which results from 6,661 over as offset by 5,784 more chargeable hours than were budgeted. Mr. Vaughn points out that, although the audits are requiring more time than anticipated, productivity is in excess of what had been expected. Mr. Vaughn also notes that audits required in accordance with Federal Office of Management and Budget Circular A-102, Attachment P, are requiring 20%-30% more time than was required before its adoption. He notes that Attachment P requires more extensive compliance testing of federal programs than had been required under generally accepted auditing standards in the past and he expresses the view that Attachment P audits will require more manpower in the future than is presently available.

Board Action Requested:

Receive as information.

Staff Comment:

Attachments:

Vaughn January 20 letter to Putnam plus attachment

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EXHIBIT

JAN 25 1983 NO. 1

STATE OF SOUTH CAROLINA STATE BUDGET & CONTROL BOARD

OFFICE OF THE STATE AUDITOR
P.O. BOX 11333
COLUMBIA
29211

EDGAR A. VAUGHN, JR., CPA
STATE AUDITOR
(803) 758-3106

JESSE A. COLES, JR., PhD
DEPUTY STATE AUDITOR
(803) 758-3106

January 20, 1983

Mr. William T. Putnam
Executive Director
Budget and Control Board
Wade Hampton State Office Bldg.
Columbia, South Carolina

Dear Bill:

I am enclosing for submission to the Budget and Control Board a report on the status of state agency audits as of December 31, 1982. As you will note, we are presently 877 hours over budget with respect to these audits. We are 6,661 hours over budget on the audits, however, this is offset by 5,784 chargeable hours more than were budgeted. Although the audits are requiring more time than anticipated, our productivity is in excess of what we expected.

The audits required to be performed in accordance with the requirements of OMB Circular A102, Attachment P, are requiring 20 to 30 per cent more time than was required prior to the adoption of Attachment P. As you are aware Attachment P requires more extensive compliance testing of federal programs than was required under generally accepted auditing standards in the past. Attachment P audits (Singular Audit Concept) are going to require more man power in the future than we presently have available. As we obtain more experience with these audits, I will keep you and the Board advised as to the estimated additional resource requirements.

If I can provide you with any additional information, please let me know.

Yours very truly,

Edgar A. Vaughn, Jr.
State Auditor

EAV/jp

Enclosure

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EXHIBIT

JAN 25 1983

NO. 1

STATE AUDITORS OFFICE
STATUS OF JUNE 30, 1982 AUDITS
December 31, 1982
STATE BUDGET & CONTROL BOARD

Part I - AGENCY AUDIT STATUS

	Total Number	Budget Hours	Actual Hours	Hours To Go	(Over) Under Budget
Audits to be performed	133	42314	23268	23641	(4595)
Status:					
Not Started	71	16734	-0-	16734	-0-
In Process	22	18009	14912	6907	(3810)
In Review	38	6956	7969	-	(1013)
Complete & Released	2	615	387	-	228
Investigations	11	-0-	1766	300	(2066)
Other Special Work	-0-	-0-	-0-	-0-	-0-
Total Audits to be Performed	144	42314	25034	23941	(6661)

Comments: The major reasons for being over the budget are as follows:

1- Investigative work of 2066 hours

2- Audits performed in accordance to Circular A-102 attachment P have increased actual audit time from 20% to 30%.

Part II - AVAILABLE HOURS STATUS

Budgeted Chargeable Hours	21750
Less:	
Actual Chargeable Hours to Date	25034
Hours Lost Due to Vacancies	2500
Over (Under) Budget	(5784)

Comments: See Comments under Part III

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EXHIBIT

JAN 25 1983 NO. 1

STATE AUDITORS OFFICE STATE BUDGET & CONTROL BOARD
STATUS OF JUNE 30, 1982 AUDITS
December 31, 1982

Part III - OVERALL AUDIT STATUS

(Over) Under Budget Part 1
Above

(6661)

Over (Under) Budget Part
II Above

(5784)

Totals

(877)

Comments: At present, we are over the budget by 877 hours. This results from the
two reasons stated under Part I above.

Part IV - PROBLEMS ENCOUNTERED IN AGENCY AUDITS

015235

EXHIBIT

JAN 25 1983 NO. 1

STATE AUDITOR'S OFFICE
STATUS AS OF DECEMBER 31, 1982 AUDITS

STATE BUDGET & CONTROL BOARD

	BUDGET HOURS	ACTUAL HOURS	HOURS TO GO	STATUS			DATE RELEASED	COMMENTS
				SCHEDULED TO START	IN PROCESS	IN REVIEW		
<u>GENERAL OPERATIONS</u>								
<u>LEGISLATIVE DEPARTMENT</u>								
Senate	110	88	-			X		
House of Representatives	120	89	-			X		
Special Services-Both Houses	35	23	-			X		
Codification of Laws Legislative Council	100	85	-			X		
Legislative Audit Council	-	-	-					
Legislative Information Systems	90	63	-			X		
Joint Legislative Membership Research Committee	20	18	-			X		
Joint Legislative Committee on Energy	20		20					
Joint Legislative Appropriations Review Committee	20		20					
Health Care Planning	20		20					
State Reorganization Commission	150		150					
<u>JUDICIAL DIVISION</u>								
Judicial Department	250		250					
<u>EXECUTIVE AND ADMINISTRATIVE DIVISION</u>								
<u>Governor's Office</u>								
Executive Control of State	30		30					
SLED	375		375					
Executive Policy and Programs	1400		1400					
Mansion and Grounds	60		60					
Lieutenant Governor	50		50					
Secretary of State	95	101	-			X		
Comptroller General's Office	250		250					
State Treasurer's Office	1300		1300					
Attorney General	275	283				X		

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	BUDGET HOURS	ACTUAL HOURS	HOURS TO GO	STATUS			DATE RELEASED	COMMENTS
				SCHEDULED TO START	IN PROCESS	IN REVIEW		
Adjutant General's Office	250		250					
Election Commission	125		125					
Budget and Control Board: Office of Executive Director	150	132	-			X		
Finance Division	-	-						
Research/Statistics Division	200		200					
General Services Division	1600	683	917		X			
State Fire Marshall	120		120					
Motor Vehicle Management Division	200	168	-			X		
Retirement Division	1050	485	825		X			
Personnel Division	180	477	-			X		
Local Government	120		120					
Educational Division: Higher Education Commission	60		60					
Higher Education Tuition Grants Committee	140		140					
Citadel	600		600					
Clemson University	1550	1428	131		X			
College of Charleston	850		850					
Francis Marion College	350		350					
Lander College	500		500					
S.C.State College	700		700					
University of South Carolina	2200		2200					
Winthrop College	600		600					
Medical University of South Carolina	2800	3045	-			X		
Advisory Council on Vocational & Tech.	25		25					
Technical and Comprehensive Education Bd.	600	251	377		X			
Education Department	1500	1728	42		X			
Educational Television Commission	600	364	-				12/82	

EXHIBIT
 JAN 25 1983
 No. 1
 STATE BUDGET & CONTROL BOARD

015237

	BUDGET HOURS	ACTUAL HOURS	HOURS TO GO	STATUS			DATE RELEASED	COMMENTS
				SCHEDULED TO START	IN PROCESS	IN REVIEW		
<u>Wil Lou Gray Opportunity School</u>	180	219	-			X		
<u>Deaf and Blind School</u>	300		300					
<u>Archives and History Department</u>	250		250					
<u>Confederate Relic Room</u>	20		20					
<u>State Library</u>	170	158	12		X			
<u>Arts Commission</u>	200	115	100		X			
<u>Museum Commission</u>	75	107	-			X		
<u>Health Division:</u>								
<u>Health and Environmental Control</u>	1150	814	745		X			
<u>Mental Health Department</u>	1500	1032	481		X			
<u>Mental Retardation Department</u>	1250	1400	338		X			
<u>Alcohol and Drug Abuse Commission</u>	275	317	-			X		
<u>Social Rehabilitation Services Division:</u>								
<u>Social Services Department</u>	3000	1220	1780		X			
<u>Vocational Rehabilitation</u>	855		855					
<u>John de la Howe School</u>	200		200					
<u>Foster Care Review Boards System</u>	40	54	-			X		
<u>Children's Bureau</u>	90		90					
<u>Blind Commission</u>	350		350					
<u>Aging Commission</u>	150		150					
<u>Housing Authority</u>	300		300					
<u>Human Affairs Commission</u>	60		60					
<u>Veterans Affairs Department</u>	73	47	-		X			
<u>Commission on Women</u>	25		25					
<u>Correctional Division:</u>								
<u>Corrections Department</u>	1500	2218	235		X			
<u>Probation, Parole and Pardon Board</u>	300		300					
<u>Youth Services</u>	450	476	65		X			

EXHIBIT
JAN 25 1983
NO. 1
STATE BUDGET & CONTROL BOARD

015238

	BUDGET HOURS	ACTUAL HOURS	HOURS TO GO	STATUS			DATE RELEASED	COMMENTS
				SCHEDULED TO START	IN PROCESS	IN REVIEW		
Law Enforcement Training Council	195	246	-			X		
Law Enforcement Officers Hall of Fame Committee	38	57	-			X		
Conservation, Natural Resources and Development:								
Water Resources Commission	125	346	-			X		
Land Resources Conservation Commission	200		200					
Forestry Commission	450		450					
Agriculture Department	400	7	493		X			
Wildlife and Marine Resources Dept.	500	1232	31		X			
Coastal Council	80	139	40		X			
Sea Grants Consortium	100	181	-			X		
Parks, Recreation and Tourism	700	673	27		X			
Development Board	175	194	20		X			
Patriot's Point Development Authority	400		400					
Clarks Hill-Russell Authority	65		65					
Old Exchange Building Commission	25		25					
American Revolution Bicentennial Commission	25		25					
Regulatory Division:								
Public Service Commission	185	130	55		X			
Industrial Commission	140		140					
Workmen's Compensation Fund	200		200					
Second Injury Fund	75		75					
Insurance Department	275	272	-			X		
Financial Institutions:								
Board of Administration								
Board of Bank Examiners	60	98	-			X		
Board of Consumer Finance								
Consumer Affairs Commission	160	135	18		X			
Dairy Commission	100		100					
Labor Department	285		285					

EXHIBIT
JAN 25 1983
STATE BUDGET & CONTROL BOARD
NO. 1

015239

	STATUS							COMMENTS
	BUDGET HOURS	ACTUAL HOURS	HOURS TO GO	SCHEDULED TO START	IN PROCESS	IN REVIEW	DATE RELEASED	
Tax Commission	800	946	-			X		
Alcoholic Beverage Commission	189	34	155		X			
State Ethics Commission	40	45	-			X		
Accountancy Board	54		54					
Architectural Examiners Board	36	30	-			X		
Auctioneers Commission	25		25					
Barber Examiners Board	54	53	-			X		
Cemetery Board	7		7					
Chiropractic Examiners Board	25		25					
Contractors Licensing Board	50	50	-			X		
Cosmetic Art Examiners Board	50		50					
Dentistry Board	44	43	-			X		
Engineering Examiners Board	13		13					
Environmental Systems Operator Board of Certification	15		15					
Foresters Registration Board	7		7					
Funeral Service Board	20	11	-			X		
Medical Examiners Board	75	74	-			X		
Nursing Board	45		45					
Nursing Home Administrators Examiners Board	35	33	-			X		
Board of Occupational Therapy	7	5	-			X		
Board of Examiners in Opticianry	15		15					
Board of Examiners in Optometry	15	13	-			X		
Pharmaceutical Examiners	35		35					
Physical Therapist Examining Board	15	23	-				12/82	
Podiatry Examiners Board	7	4	-			X		

EXHIBIT
JAN 25 1983
NO. 1
STATE BUDGET & CONTROL BOARD

015240

	BUDGET HOURS	ACTUAL HOURS	HOURS TO GO	STATUS			DATE RELEASED	COMMENTS
				SCHEDULED TO START	IN PROCESS	IN REVIEW		
Real Estate Commission	88		88					
Residential Home Builders Commission	20		20					
Registered Sanitarians Board	7		7					
Social Workers Registration Board	7	41	-			X		
Speech Pathology and Audiology Examiners Board	15	5	-			X		
Veterinary Medical Examiners Board	15		15					
Transportation Division: Aeronautics Commission	100	360	20		X			
Public Railways Commission	250		250					
Department of Highways and Public Transportation Council on Public Transportation	-0-							
Debt Service Division: Debt Service	-0-							
Miscellaneous Division: Miscellaneous	140	100	-			X		
Contributions	91		91					
Aid to Subdivisions	225		225					
Department of Highways and Public Transportation	30		30					
Grand Total Hours	42314	23268	23641					

EXHIBIT
JAN 25 1983
STATE BUDGET & CONTROL BOARD
NO. 1

015241

EXHIBIT

STATE BUDGET AND CONTROL BOARD

JAN 25 1983

NO. 2

BLUE AGENDA

MEETING OF January 25, 1983

STATE BUDGET & CONTROL BOARD ITEM NUMBER

2

Agency: Finance Division

Subject: FTE Position Operational Report for December, 1982

Attached is a report by the Finance Division to the Joint Legislative Committee on Personal Service Financing and Budgeting which indicates a net full-time equivalent position change for December of 1982 amounting to 6.43 total resulting from a reduction of 9.57 FTE state positions and a reduction of 4 FTE federal positions as offset by the addition of 20 other-funded FTE positions.

Details on these changes are presented in the attachment.

Board Action Requested:

Received as information.

Staff Comment:

Attachments:

Coles January 5 letter to Senator Waddell

015242



JAN 12 1983

EXHIBIT

STATE OF SOUTH CAROLINA JAN 25 1983 NO. 2

EDGAR A. VAUGHN, JR., CPA
STATE AUDITOR
(803) 758-3106

OFFICE OF THE STATE AUDITOR
P.O. BOX 11333
COLUMBIA
29211

STATE BUDGET & CONTROL BOARD
JESSE A. COLES, JR., PhD
DEPUTY STATE AUDITOR
(803) 758-3106

January 5, 1983

The Honorable James M. Waddell, Jr.
Joint Legislative Committee on Personal
Service Financing and Budgeting
Post Office Box 142
Columbia, South Carolina 29202

Dear Senator Waddell:

Attached, please find a copy of the December 1982-83 Operating Report.
I have approved and adjusted the Authorized FTE Position Base accordingly.

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

Sincerely,

Jesse A. Coles, Jr.
Deputy State Auditor

JAC/dd

Attachment

015243

EXHIBIT

JAN 25 1983 NO. 2

STATE AUDITOR'S OFFICE
1982-83 FTE POSITION OPERATIONAL REPORT STATE BUDGET & CONTROL BOARD
FOR THE MONTH OF DECEMBER, 1982

SECTION NO.	AGENCY	TOTAL FTE POSITIONS	STATE FTE POSITIONS	FEDERAL FTE POSITIONS	OTHER FTE POSITIONS
	Total Authorized FTE Position Base 11/30/82	58,442.62	34,052.97	8,762.25	15,627.40
	December Authorized Changes				
10	Attorney General	6.00	6.00		
14C	B & C Board-Res & Stat Svcs	-3.00	-2.00	0	-1.00
29	ETV	-21.22	-21.22		
58	Water Resources Commission	3.00	2.00	0	1.00
65	Coastal Council	0	4.00	-4.00	
75	State Worker's Comp Fund	3.00	0	0	3.00
78C	Bd of Financial Institutions Consumer Finance Division	1.00	1.00		
86	Board of Accountancy	0.40	0.40		
105	Board of Pharmacy	0.25	0.25		
122	Dept Hwys & Public Transportation	17.00	0	0	17.00
	Net FTE Position Change-December	6.43	-9.57	-4.00	20.00
	Total Authorized FTE Base 12/31/82	58,449.05	34,043.40	8,758.25	15,647.40
	Total Filled FTE 12/31/82	53,139.25	31,559.64	7,415.67	14,163.94
	Total Vacant FTE 12/31/82	5,309.80	2,483.76	1,342.58	1,483.46

Prepared By:
The Office of Budget Development
January 5, 1983

015244

The State of South Carolina



Office of the Attorney General

EXHIBIT

JAN 25 1983 NO. 3

STATE BUDGET & CONTROL BOARD

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE 803-758-8667

January 25, 1983

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

In re: \$5,000,000 Industrial Revenue Refunding
Bonds (La-Z-Boy Chair Co.)

Dear Mr. McInnis:

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

With kind regards,

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

David C. Eckstrom
Assistant Attorney General

jj

015245

TO William A. McInnis
Deputy Executive Director
State Budget and Control Board

FROM AUDITING DIVISION
State Auditor's Office
P O BOX 11333 COLUMBIA SOUTH CAROLINA 29211
Phone (803) 758-8406

EXHIBIT

JAN 25 1983

NO. 3

Date 1 / 25 / 83

SUBJECT

MESSAGE

STATE BUDGET & CONTROL BOARD

The attached memo summarizes our review of the audited financial
statements of La-Z-Boy Chair Co., in connection with the proposed
issuance of industrial revenue bonds by Florence County in the total
amount of \$5,000,000.

Signed

Floyd E. Powell

REPLY

015246

Signed

Date

Ennis MRM 8593

SEND PARTS 1 AND 3 WITH CARBON INTACT. PART 3 WILL BE RETURNED WITH REPLY

3 PART

EXHIBIT

JAN 25 1983 NO. 3

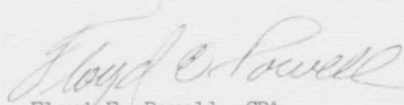
January 25, 1983

STATE BUDGET & CONTROL BOARD

La-Z-Boy Chair Company
Financial Statement Review

Re: Industrial Revenue Bond Issue - Florence County \$5,000,000

1. There is no reason to disapprove this bond issue based upon our review of La-Z-Boy Chair Co. and subsidiaries audited consolidated financial statements for the years ended April 30, 1982, 1981 and 1980.
2. Independent auditors (Price Waterhouse & Co., Toledo, Ohio) have issued unqualified opinions on each of the financial statements noted above.
3. La-Z-Boy Chair Co. is a publicly-owned corporation whose common capital stock is traded in the over-the-counter market and annual information reports (Form 10K) must be filed with the U.S. Securities and Exchange Commission.
4. The financial position of the company appears adequate to support the proposed and existing debt.



Floyd E. Powell, CPA
Director of Auditing Services
Auditing Division
Office of the State Auditor

015247

Agency: Florence County

Subject: Proposal to Issue Industrial Revenue Refunding Bonds
(\$5,000,000, La-Z-Boy Chair Company Project)

The proposal is to refund \$5,000,000 industrial revenue bonds on behalf of the La-Z-Boy Chair Company project.

The required reviews by the Attorney General's Office and the State Auditor's Office were incomplete as these agenda materials were being prepared. Staff will advise the Board on the results of these reviews at the meeting.

Board Action Requested:

If review results are satisfactory, adopt a resolution approving the Florence County proposal to issue \$5,000,000 Industrial Revenue Refunding Bonds on behalf of the La-Z-Boy Chair Company project.

Staff Comment:

Attachments:

Hutcheson 1/18/83 letter to McInnis; BCB Resolution

015248

JAN 19 1983

SINKLER GIBBS & SIMONS

PROFESSIONAL ASSOCIATION

160 EAST BAY STREET
CHARLESTON, SOUTH CAROLINA
TELEPHONE AND TELECOPIER
(803) 722-3366

MAILING ADDRESS
CHARLESTON OFFICE
POST OFFICE BOX 340
CHARLESTON, S. C. 29402

COLUMBIA OFFICE
SUITE 1180
FIRST NATIONAL BANK BUILDING
COLUMBIA, S. C. 29201
(803) 765-1885

January 18, 1983

EXHIBIT

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

JAN 25 1983 NO. 3

STATE BUDGET & CONTROL BOARD

Re: \$5,000,000 Florence County, South Carolina,
Industrial Refunding Revenue Bonds, Series 1983
(La-Z-Boy Chair Company Project)

Dear Bill:

Enclosed please find one original Petition to the State Budget and Control Board and ten copies of a State Board Resolution to be presented at the next meeting of the Budget and Control Board, which I understand will be held on Tuesday, January 25. Upon adoption of this Resolution, please execute the same and return copies to me in the enclosed envelope. I am also enclosing one copy each of the basic documents, specifically the Trust Indenture, the Loan Agreement, the Assignment, the Bond Purchase Agreement, the Letter of Credit Agreement, and the Bond Ordinance.

F. H. Jackson, treasurer of La-Z-Boy Chair Company, is forwarding financial information directly to you.

If you should have any questions, please do not hesitate to call me. Thank you for your help in this matter.

Very truly yours,


Thomas A. Hutcheson

Enclosures

015249

EXHIBIT

JAN 25 1983 NO. 3

A RESOLUTION STATE BUDGET & CONTROL BOARD^E

APPROVING THE UNDERTAKING OF FLORENCE COUNTY TO ISSUE \$5,000,000 FLORENCE COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE REFUNDING BONDS 1983 (LA-Z-BOY CHAIR COMPANY PROJECT), PURSUANT TO TITLE 4, CHAPTER 29, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED.

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

WHEREAS, the proposed undertaking (the "Undertaking") consists of the issuance of \$5,000,000 Florence County, South Carolina, Industrial Revenue Refunding Bonds, Series 1983 (La-Z-Boy Chair Company Project) (the "Bonds") by the County pursuant to the Act, the proceeds of which will be loaned to La-Z-Boy Chair Company, a Michigan corporation (the "Company") and used to retire a \$5,000,000 Florence County, South Carolina Industrial Revenue Note, Series 1980 (La-Z-Boy Chair Company) (the "Note") the proceeds of which were expended to pay the costs of acquiring, constructing and equipping certain industrial facilities (the "Project"), at a manufacturing plant located in Florence County and operated by the Company; and

WHEREAS, the Bonds are to be issued pursuant to an ordinance (the "Bond Ordinance") adopted by the County Council of the County and a Trust Indenture (the

015250

"Indenture") between the County and Manufacturers National Bank of Detroit, as Trustee (the "Trustee"); and

WHEREAS, the Company will agree in a Loan Agreement (the "Loan Agreement") to pay to the County amounts sufficient to provide for the payment of the Bonds and the costs and expenses resulting from the issuance thereof; and

WHEREAS, the County proposes to enter into an Assignment of Loan Agreement (the "Assignment") pursuant to which it will assign substantially all of its rights under the Loan Agreement to the Trustee as security for the payment of the Bonds; and

WHEREAS, the County proposes to enter into the Indenture prescribing the terms and conditions upon which the Bonds will be issued and pledging to the payment of the Bonds all loan repayments to be made pursuant to the Loan Agreement; and

WHEREAS, the Company proposes to enter into a Letter of Credit Agreement (the "Letter of Credit Agreement") with Bankers Trust Company (the "Bank") pursuant to which the Bank will issue its Letter of Credit (the "Letter of Credit") in favor of the Trustee as additional security for the Bonds; and

WHEREAS, the Bonds are to be sold and delivered pursuant to a Bond Purchase Agreement among the County, the Company, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, the purchaser of the Bonds; and

WHEREAS, the forms of the Loan Agreement, the Assignment, the Indenture, the Letter of Credit, the Bond Ordinance, the Bonds and the Bond Purchase Agreement have been considered by the Board,

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

1. It has been found and determined by the State Board:

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

(b) That the County has filed a proper petition to the State Board establishing a reasonable estimate of the cost of the Undertaking and containing a general summary of the terms and conditions of the Loan Agreement, the Assignment, the Indenture, the Letter of Credit, the Bond Ordinance, the Bonds and the Bond Purchase Agreement and a brief description of the Project;

(c) That the Project has a beneficial effect upon the economy of the County and the areas adjacent thereto; and

(d) That the Undertaking is intended to promote the purposes of the Act and is reasonably anticipated to effect such purposes.

2. On the basis of the foregoing findings, the proposed undertaking of the County to refund the Note through the issuance of \$5,000,000 Florence County, South Carolina, Industrial Revenue Refunding Bonds, Series 1983 (La-Z-Boy

Chair Company Project), payable from the revenues to be derived by the County from the Loan Agreement, pursuant to the Act (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking) be and the same is hereby approved.

3. Notice of the action taken by the State Board in giving approval to the Undertaking shall be published in THE FLORENCE MORNING NEWS, a newspaper having general circulation in the County.

4. The Notice to be published shall be in form substantially as set forth as EXHIBIT "A" of this Resolution.

015253

EXHIBIT "A"

NOTICE PURSUANT TO TITLE 4, CHAPTER 29,
CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

Notice is hereby given that following the filing of a Petition by Florence County Council (the "County") to the State Budget and Control Board of South Carolina (the "State Board") approval has been given by the State Board to the following undertaking (the "Undertaking") (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking), viz.:

The issuance by the County of \$5,000,000 Florence County, South Carolina, Industrial Revenue Refunding Bonds, Series 1983 (La-Z-Boy Chair Company Project) (the "Bonds") pursuant to Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended (the "Act"), the proceeds of which shall be loaned by the County to La-Z-Boy Chair Company, a Michigan corporation (the "Company"), and used to retire the County's \$5,000,000 Industrial Revenue Note, Series 1980 (La-Z-Boy Chair Company Project) the proceeds of which were expended for costs of acquiring, constructing and equipping certain industrial facilities (the "Project") at the manufacturing plant operated by the Company in Florence County; and the execution and delivery of a Loan Agreement between the County and the Company, pursuant to which the Company will unconditionally agree to make payment sufficient to repay the principal of and interest on the

Bonds when due. The Bonds will be secured by an assignment and pledge of the revenues to be received by the County pursuant to the Loan Agreement. The Bonds will be issued pursuant to the Act, to an ordinance adopted by the Florence County Council and to a Trust Indenture between the County and Manufacturers National Bank of Detroit, as Trustee which Indenture prescribes the terms and conditions under which the Bonds will be issued.

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 Florence County.

THE STATE BUDGET AND CONTROL BOARD
OF SOUTH CAROLINA
By: William A. McInnis

PUBLICATION DATE:
January 26, 1983

EXHIBIT

JAN 25 1983

NO. 3

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

STATE BUDGET & CONTROL BOARD

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

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina at 9:30 A. M., Tuesday, January 25, 1983, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of: Senator Dennis (during consideration of this item).

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

4

AGAINST MOTION

0

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

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

January 25, 1983

William A. McInnis
Secretary

015256

REVENUE BOND ISSUE PETITION PROCESSING CHECKLIST

[Item for Board meeting of Jan 25, 1983]

EXHIBIT

1. Local Government: Tassee County JAN 25 1983 NO. **3**
2. Bond Counsel: State Budget & Control Board
- (a) Firm Simmons, Gibbs & Simmons
- (b) Contact Person Thomas A. Hutchinson Phone 722-3366
- (c) Address Box 34, Charleston, SC 29403
3. Project Name: La-Boy Chair Company
4. Issue Amount: \$ 5,000,000 Type: Industrial
5. Employment Impact of Project: Refunding
6. Type/Nature of Business of Firm Involved: _____

* * * * *

7. Processing Checklist	Rec'd. From	Sent To
(a) Governing body resolution/ordinance/ petition	TH 1/19	DE 1/19
(b) Documents on issuance/securing of bonds	TH 1/19	DE 1/19
(c) Financial Information: (1) Audited Statements (3 most recent years) OR (2) If private placement, "investment letter" (Purchaser: _____)	FHS 1/20	FP 1/20
(3) Review by State Auditor's Office (memo)	OK 1/25	XXXXXXXX
(d) Health and Environmental Control certification	—	—
(e) B&C Board Resolution and Notice (<u>11</u> copies for certification for bond counsel)	TH 1/19	DE 1/19
(f) Review by Attorney General's Office (letter)	OK 1/25	XXXXXXXX

Motion: GP
 Second: EM
 Absent: RCD during item
 Vote: For 4 Against 0

Certificates signed: 1/25
 Resolutions mailed: 1/25

015257

EXHIBIT

JAN 25 1983 NO. 3

STATE OF SOUTH CAROLINA

STATE BUDGET & CONTROL BOARD

FLORENCE COUNTY

TO THE STATE BUDGET AND CONTROL
BOARD OF SOUTH CAROLINA

P E T I T I O N

The Petition of Florence County Council ("County Council") respectfully shows:

1. County Council is the governing body of Florence 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, construction 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. The Act also authorizes and empowers the County to issue bonds thereunder for the purpose of refunding bonds or notes previously issued thereunder.

015258

3. In 1981, County Council, at the request of La-Z-Boy Chair Company (the "Company"), a Michigan corporation, financed the acquisition, construction and installation of certain industrial facilities (the "Project") at a plant owned and/or leased by the Company, and located in the County, through the issuance and delivery of a \$5,000,000 Industrial Revenue Note, Series 1980 (La-Z-Boy Chair Company Project) (the "Note") pursuant to the Act.

4. The Note was issued in anticipation of the Company's obtaining subsequent financing, and the Company has now advised the County that it has arranged for the refunding of the Note. The Company has requested that the County now issue its \$5,000,000 Industrial Refunding Bonds, Series 1983 (La-Z-Boy Chair Company Project) (the "Bonds") for the purpose of effecting such refunding (the "Undertaking").

5. The Project has been completed and is an integral part of a manufacturing facility which provides substantial employment in the County.

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 economy of the County and the areas adjacent thereto;

(c) the Undertaking will not give rise to any pecuniary liability of the County and it will not

result in a charge against the general credit or taxing powers of the County;

(d) 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, premium, if any, and interest on the Bonds which will be dated and will mature in the amounts and bear interest at the rate set forth in Article II of the Trust Indenture (the "Indenture") between the County and Manufacturers National Bank of Detroit, as Trustee (the "Trustee");

(e) in view of the well-established credit of the Company and the successful arrangements to effect the sale 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; and

(f) the terms of the Loan Agreement require the Company to carry proper insurance and to pay all costs of maintaining the Project in good repair.

7. The Loan Agreement provides, among other things, the following:

(a) To finance the refunding of the Note, the County will issue and deliver the Bonds. The Bonds will be secured by an assignment and pledge of the amounts to be paid to the County by the Company pursuant to the Loan Agreement and will be issued in

accordance with the terms of the Indenture, as authorized by the Act;

(b) The proceeds derived from the sale of the Bonds will be applied solely for the payment of the Note and the costs of the issuance and delivery of the Bonds;

(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. Under the proposed Assignment of Loan Agreement (the "Assignment") the County assigns substantially all of its rights under the Loan Agreement to the Trustee as security for the payment of the Bonds.

9. The Indenture is in conventional form and prescribes the terms and conditions upon which the Bonds will be issued. The Indenture makes provision for the initial issuance and delivery of Bonds pursuant thereto. It provides for the payment and redemption of the Bonds, the establishment of a Bond Fund and the use of the moneys in the Bond Fund for the payment of the Bonds. The Indenture contains no provision imposing any pecuniary liability upon the County or which would create a charge upon its general credit or taxing powers.

10. Pursuant to a proposed Letter of Credit Agreement (the "Letter of Credit Agreement") between the Company and Bankers Trust Company (the "Bank") the Bank will issue its

Letter of Credit in favor of the Trustee as additional security for the Bonds.

11. The Bonds will be sold and delivered pursuant to a Bond Purchase Agreement among the County, the Company, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, the purchaser of the Bonds.

12. The Bonds will be issued by the County pursuant to the proposed ordinance (the "Bond Ordinance") which provides for the payment of the Bonds. The Bond Ordinance also authorizes the execution and delivery of the Loan Agreement, Indenture, Assignment, and Bond Purchase Agreement by the County.

13. The Loan Agreement, the Assignment, the Indenture, the Letter of Credit Agreement, the Bond Ordinance, the Bonds and the Bond Purchase Agreement (draft copies of which are enclosed herewith) will be in substantially the form heretofore used in the issuance of Industrial Revenue Bonds pursuant to the Act. While changes may be made in the enclosed forms, it is not expected that there will be any changes which will substantially affect the undertaking as now outlined therein.

Upon the basis of the foregoing, County Council respectfully prays:

That the State Budget and Control Board of South Carolina (the "State Board") accept the filing of the Petition presented herewith; 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 Assignment, the Indenture, the Letter of Credit Agreement, the Bond Ordinance, the Bonds and the Bond Purchase Agreement, as it deems advisable; that it find that the proposed Undertaking is intended to promote the purposes of the Act and that it is reasonably anticipated to effect such result; and on the basis of such finding, that it approve the 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.

Dec. 7, 1982

Respectfully Submitted,

By John R. R. R.
Chairman, Florence County
Council

Attest:

By

John Y. Welch
Clerk, Florence County
Council

EXHIBIT

JAN 25 1983

NO. 3

STATE BUDGET & CONTROL BOARD

EXHIBIT

JAN 25 1983 NO. 3

STATE BUDGET & CONTROL BOARD G

AN ORDINANCE

AUTHORIZING FLORENCE COUNTY, SOUTH CAROLINA (THE "COUNTY") TO REFUND AN INDUSTRIAL REVENUE NOTE OF THE COUNTY ISSUED TO FINANCE INDUSTRIAL FACILITIES FOR LA-Z-BOY CHAIR COMPANY (THE "COMPANY") THROUGH THE ISSUANCE AND DELIVERY OF FLORENCE COUNTY, SOUTH CAROLINA, INDUSTRIAL REFUNDING REVENUE BONDS, SERIES 1983 (LA-Z-BOY CHAIR COMPANY PROJECT) PURSUANT TO TITLE 4, CHAPTER 29, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BETWEEN THE COUNTY AND THE COMPANY, AN ASSIGNMENT OF LOAN AGREEMENT FROM THE COUNTY TO MANUFACTURERS NATIONAL BANK OF DETROIT, AS TRUSTEE (THE "TRUSTEE"), A TRUST INDENTURE BETWEEN THE COUNTY AND THE TRUSTEE, AND A BOND PURCHASE AGREEMENT AMONG THE COMPANY, THE COUNTY AND MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED AND THE TAKING OF ANY OTHER NECESSARY ACTION.

ARTICLE I

FINDINGS OF FACT

Incident to the adoption of this Ordinance, Florence County Council ("County Council") makes the following findings of fact:

Section 1.1

Florence County, South Carolina (the "County") is authorized and empowered by the provisions of Title 4, Chapter 29, Code of Laws of South Carolina 1976, as amended (the "Act"), to finance the acquisition and construction of industrial facilities through the issuance of revenue bonds or notes in accordance with the provisions of the Act; the Act also authorizes the County to issue obligations for the purpose of refunding any obligations of the County theretofore issued pursuant to the Act. Section 1.2

The County, on February 26, 1980, issued its \$5,000,000 Industrial Revenue Note, Series 1980 (La-Z-Boy Chair Company

015264

Project) (the "Note") for the purpose of financing the acquisition, construction and equipping of industrial facilities at the manufacturing plant in Florence County owned and/or leased by La-Z-Boy Chair Company, a Michigan corporation (the "Company"). The Note was issued in anticipation of subsequent financing to be arranged by the Company, and the Company has now requested that the County issue its refunding bonds (the "Bonds") in the amount of \$5,000,000 pursuant to the Act for the purpose of refunding the Note.

Section 1.3

County Council also adopts this Ordinance for the purposes of authorizing the execution and delivery of a Loan Agreement between the County and the Company (the "Loan Agreement") which Loan Agreement provides for the loan of the proceeds derived from the sale of the Bonds by the County to the Company for the purpose of providing for the payment of the Note and for the repayment of the Bonds by the Company; authorizing the execution and delivery of an Assignment of Loan Agreement (the "Assignment") from the County to Manufacturers National Bank of Detroit, as Trustee (the "Trustee") pursuant to which substantially all of the County's rights in and to the Loan Agreement will be assigned to the Trustee; authorizing the execution and delivery of a Trust Indenture (the "Indenture") between the County and the Trustee, which Indenture prescribes the terms and conditions under which the Bonds will be issued and the

security therefor; and authorizing the execution and delivery of a Bond Purchase Agreement (the "Bond Purchase Agreement") among the County, the Company, the Bank and Merrill Lynch, Pierce, Fenner & Smith Incorporated, the purchaser of the Bonds (the "Purchaser").

ARTICLE II

EXECUTION OF LOAN AGREEMENT, ASSIGNMENT AND TRUST INDENTURE

Section 2.1

The execution and delivery of the Loan Agreement in substantially the form presented at this meeting with such changes as the executing officer shall approve (his execution thereof to be conclusive evidence of such approval) on behalf of the County are hereby authorized and directed. The Loan Agreement shall be executed on behalf of the County by the Chairman of County Council (the "Chairman") and the same shall be attested by the County Administrator of Florence County (the "County Administrator").

Section 2.2

Upon execution and delivery of the Loan Agreement, the execution and delivery of the Assignment and the Indenture in substantially the forms presented at this meeting with such changes as the executing officer shall approve (his execution thereof to be conclusive evidence of such approval) on behalf of the County are hereby authorized and directed. The Assignment and the Indenture shall be

executed on behalf of the County by the Chairman and the same shall be attested by the County Administrator.

ARTICLE III

EXECUTION OF BOND PURCHASE AGREEMENT

Section 3.1

The execution and delivery of the Bond Purchase Agreement in substantially the form presented at this meeting with such changes as the executing officer shall approve (his execution thereof to be conclusive evidence of such approval) on behalf of the County are hereby authorized and directed. The Bond Purchase Agreement shall be executed on behalf of the County by the Chairman and the same shall be attested by the County Administrator.

ARTICLE IV

ISSUANCE OF BONDS

Section 4.1

Upon the execution and delivery of the Loan Agreement, the Assignment, the Indenture and the Bond Purchase Agreement, the Bonds in the principal amount of \$5,000,000 shall be issued, and the proceeds of the Bonds shall be expended in the manner prescribed in the Loan Agreement and the Indenture in order to provide for the payment of the Note. The Bonds shall be designated "Florence County, South Carolina, Industrial Revenue Refunding Bonds, Series 1983 (La-Z-Boy Chair Company Project)" and shall be dated and shall mature and bear interest as provided in Article II of

the Indenture and shall be subject to redemption as provided in Article III of the Indenture.

Section 4.2

The Bonds shall be in substantially the form as set forth in the exhibit to the Indenture and shall be executed on behalf of the County in the manner provided in the Indenture, and prior to delivery, shall be authenticated by the Trustee as prescribed by the Indenture.

Section 4.3

For the payment of the Bonds, principal, premium, if any, and interest, there shall be pledged the Pledged Revenues (as defined in the Indenture).

ARTICLE V

SALE OF THE BONDS

Section 5.1

The sale of the Bonds by the County in accordance with the provisions of the Bond Purchase Agreement is hereby authorized and directed, and the Chairman and the County Administrator are authorized and directed to take such further action and to execute and deliver such closing documents as may be necessary and proper to effect the delivery of the Bonds in accordance with the terms and conditions of the Indenture, and the action of such officers or either of them in executing and delivering any of such documents in such form as the executing officer or officers shall approve is hereby authorized and directed.

ARTICLE VI
DISPOSITION OF BOND PROCEEDS

Section 6.1

When received, the Bond proceeds shall be paid directly to the Trustee, for the account of the County, and thereafter disposed of by the Trustee in accordance with the terms and provisions of the Indenture and not otherwise.

ARTICLE VI
MISCELLANEOUS

Section 7.1

This Ordinance shall take effect immediately upon third reading of County Council.

FLORENCE COUNTY, SOUTH CAROLINA

By _____
Chairman, Florence County
Council

Attest:

By _____
County Administrator
of Florence County

First Reading: December 7, 1982
Second Reading: December 21, 1982
Third Reading: January 20, 1983

STATE OF SOUTH CAROLINA

FLORENCE COUNTY

I, the undersigned, Clerk of Florence County Council, do hereby certify that the foregoing is a true, correct and verbatim copy of an Ordinance duly adopted by County Council having been read at three duly called meetings of County Council held on December 7, 1982, December 21, 1982, and January 20, 1983.

WITNESS MY HAND this ____ day of January, 1983.

Clerk, Florence County Council

015270

LOAN AGREEMENT

FLORENCE COUNTY, SOUTH CAROLINA

AND

LA-Z-BOY CHAIR COMPANY

relating to the

\$5,000,000

FLORENCE COUNTY, SOUTH CAROLINA,
INDUSTRIAL REVENUE REFUNDING BONDS,

SERIES 1983

(LA-Z-BOY CHAIR COMPANY PROJECT)

DATED AS OF DECEMBER 15, 1982

015271

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LOAN AGREEMENT

3 This LOAN AGREEMENT dated as of December 15, 1982,
4 between FLORENCE COUNTY, SOUTH CAROLINA (the "County"), a
5 public body corporate and politic and a political
6 subdivision of the State of South Carolina, party of the
7 first part, and LA-Z-BOY CHAIR COMPANY, a corporation
8 organized and existing under the laws of the State of
9 Michigan, party of the second part,

10 WITNESSETH:

11 IN CONSIDERATION of the respective representations and
12 agreements hereinafter contained, the parties hereto agree
13 as follows (provided, that in the performance of the agree-
14 ment of the party of the first part herein contained, any
15 obligation it may thereby incur for the payment of money
16 shall not create a pecuniary liability or a charge against
17 the general credit or taxing powers of the County, but shall
18 be payable solely out of the proceeds derived from this Loan
19 Agreement, the sale of the Bonds referred to in Section 3.2
20 hereof and moneys drawn under the Letter of Credit referred
21 to in Section 4.7 hereof).

ARTICLE I

DEFINITIONS

Section 1.1. Certain terms used in this Loan Agreement are defined in Section 1.2 hereof. When used herein, such terms shall have the meanings given to them by the language employed in Section 1.2 hereof, unless the context clearly indicates otherwise. Terms used in the Indenture (as so defined) also contained in this Agreement shall have the meanings provided in the Indenture.

Section 1.2. The following terms are defined under this Loan Agreement:

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

"AGREEMENT" or "LOAN AGREEMENT" means the within Loan Agreement between the County and the Company and any amendments hereof or supplements hereto.

"ASSIGNMENT" means the Assignment of Loan Agreement dated as of December 15, 1982, from the County to the Trustee.

"BOND FUND" means the Bond Fund created in Section 502 of the Indenture and referred to herein.

"BOND ORDINANCE" means the ordinance adopted by the County Board, as the same may be amended or supplemented from time to time in accordance with the terms thereof, authorizing the issuance and delivery of the Bonds and providing for the terms and provisions of the Bonds.

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2 "BOND PURCHASE AGREEMENT" means the Bond Purchase
3 Agreement dated December 15, 1982, among the County, the
4 Company and Merrill Lynch, Pierce, Fenner and Smith,
5 Incorporated.

6 "BONDS" means the bonds of the County issued and out-
7 standing at any time under the Indenture.

8 "BUSINESS DAY" means any day other than a Saturday, a
9 Sunday or a day on which banking institutions in the State
10 or in the state in which the principal office of the Trustee
11 or the Bank is located are required or authorized by law
12 (including executive orders) to close.

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

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

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

24 "COMPANY" means the party of the second part hereto,
25 its successors and assigns and any surviving, resulting or
26 transferee corporation as provided in Section 6.3 hereof.

27 "COUNTY" means Florence County, South Carolina.

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2 "COUNTY BOARD" means Florence County Council and any
3 successor body as the governing body of the County.

4 "ELIGIBLE FUNDS" means at any time, the aggregate of
5 the following, then held by the Trustee in the Bond Fund and
6 available for payment on the Bonds: (a) funds paid to the
7 Trustee pursuant to a drawing under the Letter of Credit,
8 (b) the accrued interest received upon delivery of the Bonds
9 to the Original Purchaser, (c) deposits pursuant to the
10 Indenture or the Loan Agreement from any other source;
11 including investment income on such deposits; provided,
12 that, such monies have remained on deposit in the Bond Fund
13 for a period of at least ninety-five (95) consecutive days
14 during and prior to which period no Act of Bankruptcy shall
15 have occurred, and (d) moneys derived from the investment of
16 funds qualifying as Eligible Funds under clause (a), (b) or
17 (c) above.

18 "INDENTURE" means the Trust Indenture between the
19 County and the Trustee, of even date herewith, providing for
20 the terms and provisions under which the Bonds will be
21 issued and pursuant to which the County's interest in this
22 Agreement is pledged as security for the payment of
23 principal of, premium, if any, and interest on the Bonds,
24 including any indenture supplemental thereto and any
25 amendment thereof.

26 "LETTER OF CREDIT" means the Irrevocable Letter of
27 Credit issued by Bankers Trust Company in favor of the
28 Trustee and any renewal of such Letter of Credit or

29

2 "LOAN TERM" means the duration of this Agreement as
3 specified in Section 4.1 hereof.

4 "PENALTY RATE" means interest at the rate of one and
5 one-half percentum (1-1/2%) per annum in excess of the rate
6 of interest borne by the Bonds or the highest rate permitted
7 by law, whichever is less.

8 "PLEGGED AMOUNTS" means all of the amounts due and
9 payable hereunder from time to time by the Company
10 (excepting only Trustee's fees and expenses and, to the
11 extent payable to the County, indemnification and attorneys'
12 fees and other expenses pursuant to Sections 4.4, 6.5 and
13 8.4 hereof, respectively), and which are, pursuant to the
14 Indenture, pledged to the payment of the Bonds.

15 "PRIOR ISSUE" means the \$5,000,000 Florence County,
16 South Carolina, Industrial Revenue Note, Series 1980
17 (La-Z-Boy Chair Company Project) dated as of February 26,
18 1980, and issued to finance the cost of the acquisition,
19 construction and installation of the Project.

20 "PROJECT" means the industrial facilities heretofore
21 acquired, constructed and installed with the proceeds of the
22 Prior Issue.

23 "STATE" means the State of South Carolina.

24 "TRUSTEE" means the trustee and any successor,
25 temporary or co-trustee at the time serving as such under
26 the Indenture.

1

2 Section 1.3. The words "hereof", "herein", "hereunder"
3 and other words of similar import refer to this Loan Agree-
4 ment as a whole.

5 Section 1.4. References to Articles, Sections, and
6 other subdivisions of this Agreement are to the designated
7 Articles, Sections and other subdivisions of this Agreement
8 as originally executed.

9 Section 1.5. The headings of this Agreement are for
10 convenience only and shall not define or limit the
11 provisions hereof.

12 Section 1.6. Words importing persons shall include
13 firms, associations, joint ventures, corporations,
14 unincorporated organizations, partnerships, trusts, other
15 legal entities and any government or any department or
16 agency thereof as well as natural persons.

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ARTICLE II

REPRESENTATIONS AND UNDERTAKINGS

Section 2.1. Representations by the County. The County makes the following representations as the basis for the undertakings on its part herein contained:

(A) The County is a body politic and corporate and a political subdivision of the State and is authorized and empowered by the provisions of the Act to enter into the transactions contemplated by this Agreement, the Assignment, the Indenture and the Bonds. The Project constitutes a "project" within the meaning of the Act. By proper action by the County Board, the County has been duly authorized to execute and deliver this Agreement, the Assignment and the Indenture and to issue and deliver the Bonds.

(B) The County Board has taken all action and has complied with all provisions of law with respect to the execution and delivery of this Agreement, the Assignment and the Indenture and the issuance and delivery of the Bonds, the performance of its obligations hereunder and thereunder and the due authorization of the consummation of the transactions contemplated hereby and thereby; and this Agreement, the Assignment, the Indenture and the Bonds have been duly executed and delivered by, and constitute legal, valid and binding obligations of, the County, enforceable in accordance with their terms.

(C) The execution and delivery of this Agreement, the Assignment and the Indenture, the consummation of the

2 transactions contemplated hereby and thereby, the
3 fulfillment of or compliance with the terms and conditions
4 hereof and thereof and the issuance and delivery of the
5 Bonds, do not conflict with or constitute a violation of, a
6 breach of or a default under any constitutional provision or
7 statute or any agreement or instrument to which the County
8 is now a party or by which it is bound, or any order, rule,
9 regulation or ordinance of any court, government or
10 governmental authority having jurisdiction over the County
11 or any of its activities or property and all consents,
12 approvals, authorizations and orders of governmental or
13 regulatory authorities, if any, which are required for the
14 consummation of the transactions contemplated in this
15 Agreement, the Assignment, the Indenture and the Bonds have
16 been obtained.

17 Section 2.2. Representations by the Company. The
18 Company makes the following representations as the basis for
19 the undertakings on its part herein contained:

20 (A) The Company is a corporation incorporated and
21 existing under the laws of the State of Michigan, is in good
22 standing under its corporate charter, its bylaws and the
23 laws of the State of Michigan, and is in good standing as a
24 foreign corporation authorized to do business in the State,
25 and has the power to enter into and perform the transactions
26 contemplated by this Agreement.

27 (B) By proper corporate action, the Company has duly
28 authorized the execution and delivery of this Agreement and

2 the consummation of the transactions contemplated hereby,
3 and this Agreement has been duly executed and delivered by,
4 and constitutes a legal, valid and binding agreement of, the
5 Company, enforceable in accordance with its terms.

6 (C) The execution and delivery of this Agreement, the
7 consummation of the transactions contemplated hereby and the
8 fulfillment of or compliance with the terms and conditions
9 hereof do not conflict with or constitute a violation of, a
10 breach of, or a default under any of the terms, conditions
11 or provisions of its corporate charter or its bylaws or any
12 agreement or instrument to which the Company is now a party
13 or by which it is bound, or result in the creation or
14 imposition of any lien, charge or encumbrance of any nature
15 whatsoever upon any of the property or assets of the Company
16 contrary to the terms of any instrument or agreement to
17 which the Company is now a party or by which it is bound and
18 do not violate any provision of law or regulation applicable
19 to the Company or any writ, decree or order of any court,
20 government or governmental authority having jurisdiction
21 over the Company or any of its activities or property.

22 (D) The Bonds are not one lot of multiple lots of
23 obligations which are being sold for the benefit of or on
24 behalf of the Company at substantially the same time, under
25 a common plan of marketing, at substantially the same rate
26 of interest and for which there is a common or pooled

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2 security which will be either used or available to pay debt
3 service thereon.

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ARTICLE III

ISSUANCE AND DELIVERY
OF THE BONDS

Section 3.1. Agreement to Issue the Bonds; Application of Bond Proceeds. In order to provide the Company, by way of a loan, with funds for the payment of the costs of refunding the Prior Issue, and in consideration of the Company's causing delivery of the Letter of Credit to the Trustee, the County agrees that it will sell and cause to be delivered to the purchasers thereof the Bonds in the aggregate principal amount of \$5,000,000 and will thereupon use the proceeds received from said sale to effect the redemption of the Prior Issue in accordance with the terms thereof.

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ARTICLE IV

EFFECTIVE DATE AND DURATION OF THIS AGREEMENT;
REPAYMENT PROVISIONS;
UNCONDITIONAL OBLIGATION OF THE COMPANY

Section 4.1. Effective Date and Duration of this Agreement. This Agreement and the covenants, agreements and obligations of the Company hereunder shall become effective upon the delivery hereof and shall continue in full force and effect until the principal of, premium, if any, and interest on the Bonds and all sums to which the County or the Trustee are entitled hereunder have been fully paid (or provision for their payment has been made in accordance with the provisions of the Indenture).

Section 4.2. The Loan. The County agrees, upon the terms and conditions in this Agreement, to lend the proceeds of the Bonds, other than accrued interest and premium, if any, to the Company for the purpose of effecting the redemption of the Prior Issue in accordance with the terms thereof.

Section 4.3. Repayment of the Loan. (A) On or before the 95th day prior to each date on which any payment of principal of, premium, if any, or interest on any Bond is due (whether at maturity, upon redemption or acceleration, or otherwise) in accordance with the Indenture, the Company shall pay to the Trustee an amount so as to provide sufficient Eligible Funds, to pay the total amount of interest or interest and principal or premium, if any, payable on the Bonds on such date; provided, however, the

2 payments to be made pursuant to this Section 4.3(A) need not
3 be so made and no event of default shall have occurred or be
4 deemed to have occurred hereunder, under the Indenture,
5 under the Bonds or under any other document, if such payment
6 is made on or before such date by a drawing on the Letter of
7 Credit as provided in Section 504(C) of the Indenture.

8 (B) In the event the Company shall fail to make any of
9 the payments required by this Section 4.3, the item or
10 installment shall continue as an obligation of the Company
11 until such amount shall have been fully paid, and the
12 Company agrees to pay the same with interest thereon from
13 the due date at the Penalty Rate until fully paid.

14 Section 4.4. Payment of the Trustee's Fees and
15 Expenses. (A) The Company shall pay to the Trustee until
16 the principal of, premium, if any, and interest on the Bonds
17 shall have been fully paid:

18 (1) The annual fee of the Trustee for the
19 Ordinary Services (as defined in the Indenture)
20 rendered by it and Ordinary Expenses (as defined in the
21 Indenture) incurred by it under the Indenture, as and
22 when the same becomes due;

23 (2) The reasonable fees and charges of the
24 Trustee, as Bond Registrar (as defined in the
25 Indenture) and paying agent, and any other paying agent
26 or agents on the Bonds for acting as paying agent or
27 agents as provided in the Indenture, as and when the
28 same become due; and

(3) The reasonable fees and charges of the Trustee for any necessary Extraordinary Services (as defined in the Indenture) rendered by it and Extraordinary Expenses (as defined in the Indenture) incurred by it under the Indenture, as and when the same become due; provided, that the Company may, without creating any default or incurring any penalty hereunder, contest in good faith the necessity for any such Extraordinary Services and Extraordinary Expenses and the reasonableness of any such fees, charges or expenses.

(B) In the event the Company shall fail to make any of the payments required by this Section 4.4, the item or installment shall continue as an obligation of the Company until such amount shall have been fully paid, and the Company agrees to pay the same with interest thereon from the due date at the Penalty Rate until fully paid.

Section 4.5. Place of Payments. The payments provided for in Section 4.3 hereof shall be paid directly to the Trustee, for the account of the County, and shall be deposited in the Bond Fund as provided in the Indenture. Payments to be made to the Trustee on account of fees, charges and expenses pursuant to Section 4.4 hereof shall be paid directly to the Trustee for its own use or for disbursement to the paying agents, as the case may be.

Section 4.6. Obligation of the Company Hereunder
Unconditional. (A) Subject to the provisions of Section

2 4.3(A) hereof, the obligations of the Company to make the
3 payments required in Section 4.3 hereof and to perform and
4 observe the other agreements on its part contained in this
5 Agreement shall be absolute and unconditional, irrespective
6 of any defense or any rights of set-off, recoupment or
7 counterclaim and the Company shall pay absolutely net during
8 the term of this Agreement the payments as prescribed in
9 Section 4.3 and all of the payments required hereunder free
10 of any deduction and without postponement, abatement,
11 diminution or set-off other than those herein expressly
12 provided.

13 (B) Until such time as the principal of, premium, if
14 any, and interest on the Bonds shall have been fully paid,
15 or provision for the payment thereof shall have been made
16 out of Eligible Funds in accordance with the Indenture, the
17 Company:

18 (1) Shall not suspend or discontinue any payments
19 required by Section 4.3 hereof;

20 (2) Shall perform and observe all of its other
21 agreements contained in this Agreement; and

22 (3) Except as provided in Article IX hereof shall
23 not terminate this Agreement for any cause.

24 (C) Nothing contained in this Section shall be
25 construed to release the County from the performance of any
26 of the agreements on its part herein contained; and in the
27 event the County should fail to perform any such agreement
28 on its part, the Company may institute such action against

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2 the County as the Company may deem necessary to compel
3 performance, so long as such action does not abrogate the
4 Company's obligations contained in the first sentence of
5 this Section.

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ARTICLE VOPERATION AND MAINTENANCE; INSURANCESection 5.1. Operation and Maintenance of the Project.

5 The Company agrees that it will operate and maintain the
6 Project at all times at its own expense so that the Project
7 and all other facilities necessary or incidental thereto
8 shall be kept in as reasonably safe condition as its
9 operating conditions will permit and in good repair and in
10 good operating condition, subject to ordinary wear and
11 obsolescence.

Section 5.2. Insurance. The Company shall at its own

13 expense keep the Project properly insured against loss or
14 damage in a manner consistent with the normal insurance and
15 self insurance practices of the Company.

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ARTICLE VI

SPECIAL COVENANTS

Section 6.1. No Warranty of Condition or Suitability by the County. The County makes no warranty, either express or implied, as to the condition of the Project or that it is or will be suitable for the Company's purposes or needs.

Section 6.2. County's Right of Access to the Project. The Company agrees that the County and the Trustee and the duly authorized agents of each shall have the right at all reasonable times during business hours, to enter upon and to examine and inspect the Project. Such inspection and examination shall be conducted so as to minimize disruption of the Company's operations at the Project.

Section 6.3. Company to Maintain Its Corporate Existence; Conditions Under Which Exceptions Permitted. The Company agrees that during the Loan Term it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets, and (unless the surviving corporation following any consolidation or merger is La-Z-Boy Chair Company, a Michigan corporation) will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it; provided, that the Company may, without violating the agreement contained in this Section, consolidate with or merge into another corporation, or permit one or more corporations to consolidate with or merge into it, or sell or otherwise

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2 transfer to another corporation all or substantially all of
3 its assets and thereafter dissolve, provided the surviving,
4 resulting or transferee corporation, as the case may be, is
5 a solvent corporation organized under the laws of the United
6 States of America, or any state, district or territory
7 thereof and assumes in writing all of the obligations of the
8 Company under this Agreement.

9 Section 6.4. Good Standing. The Company warrants that
10 it is, and will throughout the Loan Term maintain its status
11 as a corporation in good standing under the laws of the
12 State.

13 SECTION 6.5. Indemnification Covenant. (A) The
14 Company shall and hereby agrees to indemnify and save the
15 County harmless against and from any loss, liability, damage
16 or expense as a result of any claim or any action or
17 proceeding brought thereon, by or on behalf of any person,
18 firm or corporation arising from the conduct or management
19 of, or from any work or thing done on, the Project during
20 the Loan Term and the Company further shall indemnify and
21 save the County harmless against and from all claims arising
22 from:

- 23 (1) Any condition of the Project;
24 (2) Any breach or default on the part of the
25 Company in the performance of any of its obligations
26 under this Agreement;

27

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2 (3) Any act of negligence of the Company or of
3 any of its agents, contractors, servants, employees or
4 licensees with respect to the Project;

5 (4) Any act of negligence of any assignee or
6 sublessee of the Company, or of any agents,
7 contractors, servants, employees or licensees of any
8 assignee or sublessee of the Company with respect to
9 the Project; or

10 (5) Any claim otherwise arising in connection
11 with this Agreement and the transactions contemplated
12 hereby.

13 (B) Notwithstanding that it is the intention of the
14 parties that the County shall not incur pecuniary liability
15 by reason of:

16 (1) The terms of this Agreement;

17 (2) The undertakings required of the County
18 hereunder;

19 (3) The issuance and delivery of the Bonds;

20 (4) The performance of any act required of it by
21 this Agreement; or

22 (5) The performance of any act requested of it by
23 the Company,

24 including all claims, liabilities or losses arising in
25 connection with the violation of any statutes or regulations
26 pertaining to the foregoing, nevertheless, if the County
27 should incur any such pecuniary liability, then the Company
28 shall indemnify and hold harmless the County against any

29

2 loss, liability, damage or expense as a result of any claim
3 by or on behalf of any person, firm or corporation, arising
4 out of the same, and all costs and expenses incurred in
5 connection with any such claim or in connection with any
6 action or proceeding brought thereon.

7 (C) Notwithstanding the foregoing, if the County
8 sustains any loss, cost or expense as the result of
9 negligent, unauthorized or illegal acts or omissions by its
10 directors, officers, employees or agents, the Company shall
11 not be required to assume the obligations contained in
12 Section 6.5(A) and 6.5(B) hereof.

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ARTICLE VII

LEASING AND SALE; REDEMPTION;
PREPAYMENT; MODIFICATION OF PROJECT

Section 7.1. Leasing and Sale. The Project may be leased or sold as a whole or in part by the Company, without the necessity of obtaining the consent of the County, or the Trustee, provided no leasing or sale shall relieve the Company from primary liability for the payments specified in Section 4.3 hereof and for the payment, performance and observance of the other obligations and agreements on its part herein provided to be performed and observed by it.

Section 7.2. Assignment of this Agreement by the County. The County shall assign its interest in this Agreement (except the right to enforce payments pursuant to Sections 6.5 and 8.4 hereof) to the Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds.

Section 7.3. Redemption of the Bonds. The County at the request at any time and from time to time of the Company, shall forthwith take all steps that may be necessary under the applicable redemption provisions of the Indenture to effect redemption of all or part of the then outstanding Bonds as may be specified by the Company, on the earliest redemption date on which such redemption may be made under such applicable provisions; and the Company shall have the right from time to time to pay directly to the Trustee, for the account of the County, funds which it wishes to have applied to the optional redemption of Bonds.

2 The County shall not optionally redeem or purchase or cause
3 to be redeemed or purchased any Bonds, except at the request
4 of the Company. A

5 Section 7.4. Modification of the Project. The Company
6 may from time to time in its sole discretion and at its own
7 expense modify, improve or enlarge the Project in any way
8 permitted by then applicable statutes, rules and
9 regulations, for the purpose of meeting the Company's needs.

10 Section 7.5. Reference to Bonds Ineffective After
11 Bonds Paid. Upon payment in full of the Bonds (or
12 provisions for payment thereof having been made in
13 accordance with the provisions of the Indenture) and of all
14 fees and charges of the Trustee and the County, all
15 references in this Agreement to the Bonds, the Trustee and
16 the County shall be ineffective and neither the Trustee nor
17 the holders of any of the Bonds shall thereafter have any
18 rights hereunder saving and excepting those that shall have
19 theretofore vested and those accruing under Article X
20 hereof.

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ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES

Section 8.1. Events of Default Defined. (A) The following shall be "events of default" under this Agreement, and the term "event of default" or "default" shall mean, whenever it is used in this Agreement, any one or more of the following events:

(1) Failure by the Company to pay the amounts required to be paid under Section 4.3 of this Agreement when due;

(2) Failure by the Company to observe and perform any covenant, condition or agreement in this Agreement on the part of the Company to be observed or performed, other than as referred to in paragraph (1) of this subsection (A) for a period of thirty (30) days after receipt by the Company of written notice specifying such failure and requesting that it be remedied is given to the Company by the County or the Trustee, unless either the County and the Trustee shall agree in writing to an extension of such time prior to its expiration, or in the case of any such failure other than under Section 5.2, 6.5, or 8.4 hereof, which cannot with due diligence be corrected within the applicable period, corrective action is instituted by the Company within the applicable period and diligently pursued until the failure is corrected;

(3) The occurrence of an event of default under the Indenture.

(4) If any representation or warranty by the Company contained in this Agreement, the Bond Purchase Agreement or in any certificate or instrument delivered by the Company pursuant to this Agreement or the Bond Purchase Agreement, is false or misleading in any material respect.

(5) The Letter of Credit shall become unavailable to, or unenforceable by, the Trustee.

(B) The provisions of paragraph (2) of subsection (A) of this Section are subject to the following limitation: If by any reason of force majeure the Company is unable in whole or in part to carry out the agreements of the Company on its part herein contained, other than the obligations on the part of the Company contained in Article IV and Sections 5.2, 6.3, 6.5 and 8.4 hereof, the Company shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: Acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority having jurisdiction; insurrections; riots; landslides; lightning; earthquakes; fires; tornadoes; hurricanes; storms; droughts; floods; civil or military disturbances; explosions; breakage

2 or accident to facilities, machinery, transmission pipes or
3 canals; or any other cause or event not reasonably within
4 the control of the Company. The Company agrees, insofar as
5 possible, to remedy with all reasonable dispatch the cause
6 or causes preventing it from performing its obligations
7 under this Agreement; provided that the settlement of
8 strikes, lockouts and other industrial disturbances shall be
9 entirely within the discretion of the Company, and the
10 Company shall not be required to make settlement of strikes,
11 lockouts and other industrial disturbances by acceding to
12 the demands of the opposing party or parties when such
13 course is, in the judgment of the Company, detrimental to
14 the interests of the Company.

15 Section 8.2. Remedies on Default. (A) Whenever any
16 event of default referred to in Section 8.1 hereof shall
17 have happened and be continuing, the County or the Trustee
18 shall take any one or more of the following remedial steps:

19 (1) If the principal of the Bonds shall have been
20 accelerated pursuant to the terms of the Indenture,
21 declare all payments payable under Section 4.3 hereof
22 to be immediately due and payable, whereupon the same
23 shall become immediately due and payable; or

24 (2) Take whatever other action at law or in
25 equity may appear necessary or desirable to collect the
26 payments and other amounts then due or to enforce
27 performance and observance of any obligation, agreement
28 or covenant of the Company under this Agreement.

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2 (B) Any amounts collected pursuant to action taken
3 under this Section shall be paid into the Bond Fund and
4 applied in accordance with the provisions of the Indenture.

5 (C) Except to the extent of such collection, no action
6 taken pursuant to this Section shall relieve the Company
7 from its obligations hereunder, all of which shall survive
8 any such action.

9 (D) Whenever any event of default shall have occurred
10 and be continuing which results from failure of the Company
11 to pay to or perform for the County any payment, covenant,
12 agreement or warranty not assigned to the Trustee, the
13 County may (but need not) proceed directly against the
14 Company and may take any action at law or in equity which it
15 may deem necessary or desirable to collect or enforce such
16 payment or performance in default.

17 Section 8.3. No Remedy Exclusive. No remedy herein
18 conferred upon or reserved to the Trustee is intended to be
19 exclusive of any other available remedy or remedies, but
20 each and every such remedy shall be cumulative and shall be
21 in addition to every other remedy given under this Agreement
22 or now or hereafter existing at law or in equity or by
23 statute. No delay or omission to exercise any right or
24 power accruing upon any default shall impair any such right
25 or power or shall be construed to be a waiver thereof, but
26 any such right and power may be exercised from time to time
27 and as often as may be deemed expedient. In order to
28 entitle the County or the Trustee to exercise any remedy

29

2 reserved to it in this Article, it shall not be necessary to
3 give any notice, other than such notice as may be herein
4 expressly required.

5 Section 8.4. Agreement to Pay Attorneys' Fees and
6 Other Expenses. In the event the Company should default
7 under any of the provisions of this Agreement and the County
8 or the Trustee should employ attorneys or incur other
9 reasonable expenses for the enforcement of performance or
10 observance of any obligation or agreement on the part of the
11 Company herein contained, the Company agrees that it will on
12 demand therefor pay to the County or the Trustee the
13 reasonable fee of such attorneys and such other expenses so
14 incurred by the County or the Trustee.

15 Section 8.5. No Additional Waiver Implied by One
16 Waiver. In the event any agreement contained in this Agree-
17 ment is breached by either party and thereafter waived by
18 the other party, such waiver shall be limited to the
19 particular breach so waived and shall not be deemed to waive
20 any other breach hereunder.

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ARTICLE IX

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[RESERVED]

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ARTICLE X

MISCELLANEOUS

Section 10.1. Notices. (A) All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when mailed by certified mail, postage prepaid, addressed as follows:

(1) If to the County, to Florence County, South Carolina, c/o Florence County Council, Florence County Courthouse, Florence, South Carolina 29020 (Attention: Chairman);

(2) If to the Company, to La-Z-Boy Chair Company, 1284 Telegraph Road, Monroe, Michigan 48161 (Attention: Treasurer);

(3) If to the Trustee, to Manufacturers National Bank of Detroit, Manufacturers Bank Tower, 100 Renaissance Center, Detroit, Michigan 48243 (Attention: Corporate Trust Division); and

(B) Duplicate copies of each notice, certificate or other communication given hereunder by the County, the Trustee, or the Company to one or all of the others, shall also be given to the others and to the Bank.

(C) The County, the Company and the Trustee may, by notice given to all parties to this Agreement and the Indenture, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

2 Section 10.2. Filing. (A) The pledge of revenues
3 effected by the Indenture shall be perfected by the filing
4 of financing statements which fully comply with the Uniform
5 Commercial Code - Secured Transactions of the State.

6 (B) The parties agree that all necessary continuation
7 statements shall be filed by the Trustee within the time
8 prescribed by the Uniform Commercial Code - Secured
9 Transactions of the State, in order to continue the pledge
10 of revenues effected by the Indenture, to the end that the
11 rights of the holders of the Bonds and the Trustee shall be
12 fully preserved as against creditors of, or purchasers for
13 value from, the County or the Company.

14 Section 10.3. Binding Effect. This Agreement shall
15 inure to the benefit of and shall be binding upon the
16 County, the Company and their respective successors and
17 assigns, subject to the limitations contained in Sections
18 4.1 and 6.3 hereof.

19 Section 10.4. Severability. In the event any provi-
20 sion of this Agreement shall be held invalid or unenforce-
21 able by any court of competent jurisdiction, such holding
22 shall not invalidate or render unenforceable any other
23 provision hereof.

24 Section 10.5. Amounts Remaining in Funds. It is
25 agreed by the parties hereto that any amounts remaining in
26 the Bond Fund after payment in full of the Bonds (or pro-
27 vision for payment thereof having been made in accordance
28 with the provisions of the Indenture) and the fees, charges

2 and expenses of the Trustee and paying agents in accordance
3 with the Indenture, be paid to the Bank to the Extent of any
4 amounts then due pursuant to the Letter of Credit Agreement,
5 and any balance shall belong to and be paid to the Company
6 by the Trustee as overpayments.

7 Section 10.6. Amendments, Changes and Modifications.

8 This Agreement may not be amended, changed, modified,
9 altered or terminated except by a writing signed by the
10 County and the Company and, in each instance, the prior
11 written consent of the Trustee and the Bank.

12 Section 10.7. County's Obligations Limited. Anything
13 in this Agreement to the contrary notwithstanding, it is
14 expressly understood and agreed by the parties hereto that:

15 (A) The County may rely conclusively on the truth and
16 accuracy of any certificate, opinion, notice, request,
17 representation, or other instrument furnished to the County
18 by the Trustee or the Company as to:

19 (1) The existence of any fact or state of affairs
20 required hereunder to be noticed by the County; and

21 (2) Any certification, consent, request or
22 representation required to be made by the County.

23 (B) The County shall not be under any obligation
24 hereunder to perform any record-keeping or to provide any
25 legal services, it being understood that such services shall
26 be performed either by the Trustee or the Company.

27 (C) None of the provisions of this Agreement shall
28 require the County to expend or risk its own funds or to

2 otherwise incur financial liability in the performance of
3 any of its duties or in the exercise of any of its rights or
4 powers hereunder, unless it shall first have been adequately
5 indemnified to its satisfaction against the cost, expenses
6 or liability which may be incurred thereby.

7 Section 10.8. Immunity of Officers and Employees of
8 the County. No recourse shall be had for the enforcement of
9 any obligation, covenant, promise or agreement of the County
10 contained in this Agreement or in the Bonds or for any claim
11 based hereon or otherwise in respect hereof or upon any
12 obligation, covenant, promise or agreement of the County
13 contained in the Indenture, against any officer or employee,
14 as such, in his or her individual capacity, past, present or
15 future, of the County or of any successor corporation,
16 either directly or through the County or any successor
17 corporation, whether by virtue of any constitutional
18 provision, statute or rule of law, or by the enforcement of
19 any assessment or penalty or otherwise; it being expressly
20 agreed and understood that this Agreement, the Bonds and the
21 Indenture, are solely corporate obligations, and that no
22 personal liability whatsoever shall attach to, or be
23 incurred by, any officer or employee as such, past, present
24 or future, of the County or of any successor corporation,
25 either directly or by reason of any of the obligations,
26 covenants, promises, or agreements entered into between the
27 County and the Trustee or the Company to be implied
28 therefrom as being supplemental hereto or thereto, and that

2 all personal liability of that character against every such
3 officer and employee is, by the execution of this Agreement
4 and the Bonds, and as a condition of, and as a part of the
5 consideration for, the execution of this Agreement and the
6 Bonds, expressly waived and released. The immunity of
7 officers and employees of the County under the provisions
8 contained in this Section shall survive the completion of
9 the Project and the termination of this Indenture.

10 Section 10.9. Execution of Counterparts. This Agree-
11 ment may be executed in several counterparts, each of which
12 shall be an original and all of which shall constitute but
13 one and the same instrument.

14 Section 10.10. Law Governing Construction of
15 Agreement. This Agreement is prepared and entered into with
16 the intention that the law of the State shall govern its
17 construction.

18 Section 10.11. Headings; Table of Contents. The
19 headings of this Agreement and the Table of Contents hereof
20 are for convenience only and shall not define or limit the
21 provisions hereof.

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2 IN WITNESS WHEREOF, FLORENCE COUNTY, SOUTH CAROLINA,
3 has caused these presents to be signed in its name and
4 behalf by the Chairman of Florence County Council and the
5 same to be attested by the County Administrator of Florence
6 County, and La-Z-Boy Chair Company has caused these presents
7 to be signed in its name and behalf by its _____ and the
8 same to be attested by its _____, all being done as of
9 the day and year first above written.

10

FLORENCE COUNTY, SOUTH CAROLINA

11

By _____
Chairman, Florence County
Council

12

13

14 Attest:

15

By _____
County Administrator of
Florence County

16

17

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2

LA-Z-BOY CHAIR COMPANY

3

By _____

4

Its _____

5

Attest:

6

By _____

7

Its _____

2 STATE OF SOUTH CAROLINA) ASSIGNMENT OF
3)
4 COUNTY OF FLORENCE) LOAN AGREEMENT

5 KNOW ALL MEN BY THESE PRESENTS, that FLORENCE COUNTY,
6 SOUTH CAROLINA (the "County"), a public body corporate and
7 politic and a political subdivision of the State of South
8 Carolina, in consideration of the sum of One Dollar (\$1.00)
9 to it in hand paid at and before the sealing of these
10 presents, the receipt of which is hereby acknowledged, has
11 assigned, transferred and set over unto Manufacturers
12 National Bank of Detroit, as Trustee and its successors and
13 assigns (the "Trustee") all of the right, title and interest
14 of the County in and to the foregoing Loan Agreement dated
15 as of January 1, 1983, between the County and La-Z-Boy Chair
16 Company, including, without limitation, the right of the
17 County to receive the Pledged Amounts under the Loan
18 Agreement but excluding the County's right to enforce
19 payments pursuant to Sections 6.5 and 8.4 thereof.

20 The parties agree that the assignment made hereby shall
21 not subject the Trustee to, or transfer or pass, or in any
22 way affect or modify, any obligations of the County under
23 the Loan Agreement, it being understood and agreed that all
24 such obligations of the County shall be and remain
25 enforceable only against the County.

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2 IN WITNESS WHEREOF, FLORENCE COUNTY, SOUTH CAROLINA,
3 has caused these presents to be signed in its name and
4 behalf by the Chairman of Florence County Council and the
5 same to be attested by the County Administrator of Florence
6 County, all being done as of the first day of January, 1983.

7

FLORENCE COUNTY, SOUTH CAROLINA

8

By _____

9

Chairman, Florence County
Council

10

11 Attest:

12

By _____

13

County Administrator of
Florence County

14

2 STATE OF SOUTH CAROLINA)
3)
4 COUNTY OF FLORENCE)

CONSENT TO
ASSIGNMENT OF
LOAN AGREEMENT

5 LA-Z-BOY CHAIR COMPANY hereby consents to the
6 Assignment of Loan Agreement by Florence County, South
7 Carolina, to Manufacturers National Bank of Detroit, as
8 Trustee, being done as of the first day of January, 1983.

9 LA-Z-BOY CHAIR COMPANY
10 By _____
11 Its _____

12 Attest:

13 By _____
14 Its _____

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EXHIBIT

JAN 25 1983

NO. 3

[Draft - 1/6/83]

Ms. Schecter

STATE BUDGET & CONTROL BOARD

LETTER OF CREDIT AGREEMENT

BETWEEN

LA-Z-BOY CHAIR COMPANY

AND

BANKERS TRUST COMPANY

Dated as of January 1, 1983

015314

LETTER OF CREDIT AGREEMENT, dated as of January 1, 1983 between LA-Z-BOY CHAIR COMPANY, a Michigan corporation (the "Company"), and BANKERS TRUST COMPANY, a New York banking corporation (the "Bank").

W I T N E S S E T H:

WHEREAS, the Company has entered into a Loan Agreement dated as of January 1, 1983 (the "Loan Agreement") with Florence County, South Carolina (the "Issuer") under which the Issuer, pursuant to Title 4, Chapter 29, Code of Laws of South Carolina 1976, as amended (the "Act"), has agreed to make a loan to the Company for the purpose of refunding the Issuer's Industrial Revenue Note, Series 1980 (La-Z-Boy Chair Company Project) (the "Note") which was issued for the purpose of financing the acquisition, construction and equipping of industrial facilities at the Company's plant in Florence County, South Carolina (the "Project"); and

WHEREAS, in order to provide funds for the making of the loan under the Loan Agreement, the Issuer proposes to issue its Industrial Refunding Revenue Bonds, Series 1983 (La-Z-Boy Chair Company Project) in the aggregate principal amount of \$5,000,000 (the "Bonds"), due January 15, 1993, to be issued under and secured by a Trust Indenture dated as of January 1, 1983 (the "Indenture") by and between the Issuer and Manufacturers National Bank of Detroit as trustee (the "Trustee"); and

WHEREAS, the Company desires the Bank to issue an irrevocable letter of credit in the form of Exhibit A hereto (the "Letter of Credit", which term shall include any substitute therefor or replacement thereof issued in accordance with the terms of the Letter of Credit) in favor of the Trustee, and the Bank is willing to issue such Letter of Credit on the terms and conditions herein contained;

NOW, THEREFORE, in consideration of the mutual promises contained herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

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ARTICLE I

LETTER OF CREDIT

Section 1.01. Agreement to Issue Letter of Credit. The Bank agrees with the Company, on the terms and subject to the conditions herein set forth, to issue the Letter of Credit to the Trustee on the Closing Date. The face amount of the Letter of Credit shall be \$5,306,249.99; provided that no drawing thereunder on account of interest on the Bonds shall exceed \$156,249.99 (the "Interest Component") and drawings thereunder on account of any premium due in connection with any optional redemption of the Bonds pursuant to Section 301(A) of the Indenture or a mandatory redemption of the Bonds pursuant to Section 301(B)(2) of the Indenture (herein called the "Redemption Premium") shall not exceed \$150,000 (the "Premium Component"); and provided further, that the Interest Component and the amount available under the Letter of Credit on account of the principal of the Bonds shall be reduced from time to time as provided in the Letter of Credit.

Section 1.02. Agreement to Repay Unpaid Drawings, etc. (a) Pursuant to Section 504 of the Indenture, the Trustee is required, prior to 12:00 Noon on the Business Day immediately preceding each day on which any payment of principal, interest or any Redemption Premium is due in respect of the Bonds, to make a demand for payment under the Letter of Credit to the extent other funds are not available to make such payment pursuant to the terms of the Indenture, and pursuant to the Letter of Credit and subject to the terms thereof, the Bank is obligated to make the payment requested in such demand no later than 3:00 P.M. on the next succeeding Business Day. Immediately after any payment is made under the Letter of Credit, the Company hereby agrees to reimburse the Bank in immediately available funds at the Payment Office, for any payment or disbursement made by the Bank under the Letter of Credit (all such amounts so paid or disbursed until paid, "Unpaid Drawings"), with interest on the amount so paid or disbursed by the Bank from and including the date paid or disbursed to but not including the date the Bank is reimbursed therefor at a rate per annum equal to 125% of the Prime Lending Rate as in effect from time to time, such interest to be payable on demand and to be computed on the basis of the actual number of days elapsed over a year of 360 days.

(b) The Company's obligation under this Section 1.02 to reimburse the Bank with respect to Unpaid Drawings (including, in each case, interest thereon) shall be absolute and unconditional under any and all circumstances and

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irrespective of any setoff, counterclaim or defense to payment which the Company may have or have had against the Bank, including (without limitation) any defense based on the failure of any drawing under the Letter of Credit to conform to the terms of the Letter of Credit or any non-application or misapplication by the Trustee of the proceeds of such drawing.

Section 1.03. Letter of Credit Fees. (a) In consideration of the issuance by the Bank of the Letter of Credit, the Company hereby agrees to pay the Bank a fee in respect thereof (the "Letter of Credit Fee") computed on the basis of the actual number of days elapsed over a year of 360 days at a rate per annum equal to 1% of the amount available for drawing under the Letter of Credit on the date of payment. Such fees are to be paid in immediately available funds quarterly in advance on the 15th day of each April, July, October and January of each year; provided that the first such payment shall be made on the Closing Date.

(b) In the event any change in any law or regulation, or in the interpretation thereof by any court or administrative or governmental authority charged with the administration thereof or in generally accepted accounting principles applicable to the Bank shall either (i) impose, modify or make applicable any reserve, special deposit or similar requirement against letters of credit issued by the Bank or (ii) impose on the Bank any other condition regarding this Agreement or the Letter of Credit, and the result of any event referred to in clauses (i) or (ii) above shall be to increase the cost to the Bank of issuing or maintaining the Letter of Credit, upon demand by the Bank, the Company shall immediately pay to the Bank, from time to time as specified by the Bank, such additional amounts as shall, in the judgment of the Bank, be sufficient to compensate the Bank for such increased cost.

ARTICLE II

CONDITIONS PRECEDENT

This Agreement shall become effective on, and the Bank will issue the Letter of Credit on, the date the Bonds are issued and sold to the purchaser(s) thereof (the "Closing Date") provided that all of the following conditions are met:

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Section 2.01. Delivery of the Bonds and Operative Documents. The Loan Agreement and the Indenture (collectively, the "Operative Documents") and the Bonds shall have been executed and delivered by the parties thereto, each in form and substance satisfactory to the Bank. The Bank shall have received an executed or conformed copy of each of the Operative Documents.

Section 2.02. No Default. On the Closing Date and after giving effect to the issuance of the Letter of Credit, there shall exist no Default or Event of Default.

Section 2.03. Representations and Warranties. On the Closing Date and after giving effect to the issuance of the Letter of Credit, all representations and warranties of the Company contained herein or otherwise made in writing in connection herewith shall be true and correct with the same force and effect as though such representations and warranties had been made on and as of such time.

Section 2.04. Opinion of Company Counsel. There shall have been delivered to the Bank an opinion of Messrs. Miller, Canfield, Paddock and Stone, special counsel for the Company, dated the Closing Date and in form and substance satisfactory to the Bank, to the effect set forth in Exhibit B hereto, and covering such other matters as the Bank may reasonably request.

Section 2.05. Certificates of Compliance. There shall have been delivered to the Bank a certificate of the Treasurer or the Chief Financial Officer of the Company, dated the Closing Date, to the effect that all of the conditions specified in Sections 2.02 and 2.03 have been satisfied as of such date.

Section 2.06. Opinion of Bond Counsel. There shall have been delivered to the Bank an opinion of Messrs. Sinkler Gibbs & Simons, Bond Counsel, dated the Closing Date and in form and substance satisfactory to the Bank, to the effect that the Bonds are legal, valid and binding obligations of the Issuer and that interest on the Bonds is exempt from Federal income taxes under existing statutes, regulations and decisions, and covering such other matters as the Bank may reasonably request.

Section 2.07. Documentation and Proceedings. All corporate and legal proceedings and all instruments in connection with the transactions contemplated by this Agreement and the Operative Documents shall be satisfactory

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in form and substance to the Bank and its counsel, and the Bank shall have received all information and copies of all documents, including records of corporate proceedings, governmental approvals and incumbency certificates, which it may have reasonably requested in connection with the transactions contemplated by this Agreement and the Operative Documents, such documents where appropriate to be certified by proper corporate or governmental authorities.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

In order to induce the Bank to enter into this Agreement and to issue the Letter of Credit, the Company makes the following representations and warranties to the Bank, which shall survive the execution and delivery of this Agreement and the Letter of Credit:

Section 3.01. Organization, Corporate Powers, etc. (a) The Company and each of its Subsidiaries (i) are corporations duly organized, validly existing and in good standing under the laws of their respective jurisdictions of incorporation; (ii) have the corporate power and authority to own their respective properties and to carry on their respective businesses as now conducted and (iii) are qualified to do business in every jurisdiction where such qualification is necessary; and (b) the Company has the corporate power to execute, deliver and perform this Agreement and the Operative Documents to which it is or is to be a party.

Section 3.02. Conflicting Agreements and Other Matters. Neither the Company nor any of its Subsidiaries is a party to any contract or agreement or subject to any charter or other corporate restriction which materially and adversely affects its business, property or assets, or financial condition. The execution, delivery and performance of this Agreement and the Operative Documents, and the offering, issuance and sale of the Bonds, will not result in the violation of or be in conflict with or constitute a default under the charter or by-laws of the Company or any term or provision of any mortgage, lease, agreement or other instrument, or any judgment, decree, governmental order, statute, rule or regulation, by which the Company is bound or to which any of its assets is subject. No approval by, authorization of, or filing with any Federal, State or other governmental commission, agency or

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authority is necessary in connection with the execution and delivery by the Company of this Agreement or the Operative Documents to which the Company is or is to be a party. Neither the Company nor any Subsidiary is a party to, or otherwise subject to any provision contained in, any instrument evidencing indebtedness of the Company or such Subsidiary, any agreement relating thereto or any other contract or agreement (including its charter) which restricts or otherwise limits the incurring of the indebtedness to be represented by the Bonds, the Loan Agreement or this Agreement.

Section 3.03. Financial Statements. The Company has heretofore furnished to the Bank:

(a) a consolidated balance sheet of the Company and its Subsidiaries dated as of April 30, 1982, and the related consolidated profit and loss and surplus statements for the fiscal year then ended, certified by Price, Waterhouse & Co., independent public accountants; and

(b) a consolidated balance sheet of the Company and its Subsidiaries dated as of October 31, 1982, and the related consolidated profit and loss and surplus statements for the 9-month period then ended, prepared by the Company.

The financial statements referred to above (including any related schedules and/or notes) are true and correct in all material respects (subject, as to interim statements, to changes resulting from audits and year-end adjustments) and have been prepared in accordance with generally accepted accounting principles consistently followed throughout the periods involved and show all liabilities, direct and contingent, of the Company and its Subsidiaries required to be shown in accordance with such principles. The balance sheets fairly present the condition of the Company and its Subsidiaries as at the dates thereof, and the profit and loss and surplus statements fairly present the results of the operations of the Company and its Subsidiaries for the periods indicated. There has been no material adverse change in the business, condition (financial or otherwise) or operations of the Company or any of its Subsidiaries since April 30, 1982.

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EXHIBIT

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STATE BUDGET & CONTROL BOARD

Section 3.04. Title to Properties. All of the assets of the Company and its Subsidiaries are free and clear of mortgages, pledges, liens, charges and other encumbrances, except such as are not prohibited by Section 5.04.

Section 3.05. Litigation. There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its Subsidiaries or any property or rights of the Company or any of its Subsidiaries which, if adversely determined, would materially impair the right of the Company or any of its Subsidiaries to carry on business substantially as now conducted, or would materially adversely affect the financial condition of the Company or any of its Subsidiaries. Neither the Company nor any Subsidiary of the Company is, to the knowledge of the Company, in default in any material respect with respect to any judgment, order, writ, injunction, decree, rule or regulation of any governmental instrumentality or other agency.

Section 3.06. Taxes. The Company has and each of its Subsidiaries has filed all Federal and State income tax returns which, to the best knowledge of the officers of the Company, are required to be filed, and each has paid all taxes as shown on said returns and on all assessments received by it to the extent that such taxes have become due. Federal and State income tax returns of the Company and its Subsidiaries have been examined and reported on by the taxing authorities or closed by applicable statutes and satisfied for all fiscal years prior to and including the fiscal year ended on April 30, 19__.

Section 3.07. Use of Proceeds. The Company is not engaged in the business of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) or extending credit to others for such purpose, and no part of the proceeds of the Bonds will be used to purchase or carry any margin stock or to extend credit to others for such purpose. If requested by the Bank, the Company will execute and deliver to the Bank a Federal Reserve Form U-1 provided by Regulation U of the Board of Governors of the Federal Reserve System.

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Section 3.08. Disclosure. There is no fact known to the Company or its Subsidiaries which materially adversely affects or in the future may (so far as the Company can now foresee) materially adversely affect the business, property or assets, or financial condition of the Company or any of its Subsidiaries which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to the Bank by or on behalf of the Company prior to the date hereof in connection with the transactions contemplated hereby.

Section 3.09. Operative Documents. The Company makes each of the representations and warranties contained in the Operative Documents to which the Company is or is to be a party to, and for the benefit of, the Bank as if the same were set forth at length herein.

Section 3.10. Exemption of Interest from Federal Income Tax. It is the intention of the Company that the interest on the Bonds be excluded from the gross income of the holders thereof for Federal income tax purposes by reason of the provisions of Section 103 of the Code, or any substantially similar successor provision hereinafter enacted. To that end, the Company represents to the Bank that it has not taken any action, and knows of no action that any other person has taken, which would cause interest on the Bonds to be includible in the gross income of the recipients thereof (other than as provided in Section 103(b)(13) of the Code, if the holders of the Bonds are "substantial users" of the facilities with respect to which the proceeds of the Bonds were used, or "related persons" as defined in Section 103(b)(6)(C) of the Code) for Federal income tax purposes. The Company warrants that it will not take any action, or omit to take any action which, if taken or omitted, would cause interest on the Bonds to become includible in the gross income of the holders thereof (other than as aforesaid) for Federal income tax purposes.

ARTICLE IV

AFFIRMATIVE COVENANTS

The Company covenants and agrees with the Bank that so long as this Agreement shall remain in effect and until all amounts payable hereunder shall be paid in full:

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Section 4.01. Financial Information, etc. The Company will furnish to the Bank copies of the following financial statements, reports and information:

(a) Annual Statements. Within 90 days after the close of each fiscal year of the Company,

(i) a consolidated balance sheet of the Company and its consolidated subsidiaries as of the end of such fiscal year and consolidated statements of income and surplus of the Company and its consolidated subsidiaries for such fiscal year certified by Price, Waterhouse & Co. (or other independent accountants of recognized standing selected by the Company and satisfactory to the Bank);

(ii) a certificate of the chief executive officer or chief financial officer of the Company stating that, to the best of his knowledge and belief after due inquiry, no Event of Default or Default exists (or, if the same does exist, a description thereof and a statement as to what action the Company has taken or proposes to take with respect thereto); and

(iii) a certificate from such accountants to the effect that, in making the examination necessary for the signing of such financial statements by such accountants, they have not become aware of any Event of Default or Default that has occurred and is continuing, or if they have become aware of any such event, describing it and the action, if any, being taken to cure it.

(b) Quarterly Statements. Within 45 days after the close of each of the first three quarters of the Company's fiscal year,

(i) a consolidated balance sheet of the Company and its consolidated subsidiaries as of the end of such quarter, and a consolidated statement of income and surplus of the Company and its consolidated subsidiaries for such quarter and for the period from the beginning of the then fiscal year to the end of such quarter, certified by an authorized financial officer of the Company; and

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(ii) a certificate of the chief executive officer or chief financial officer of the Company of the nature referred to in item (ii) of clause (a) of this Section 4.01;

(c) SEC Reports, etc. Promptly after their becoming available, all 10K, 10Q, 8K and other reports of material importance and registration statements filed by the Company with the Securities and Exchange Commission or any stock exchange and copies of all reports which the Company sends to any of its security holders;

(d) ERISA Statements, Reports and Notices. Simultaneously with the filing by the Company with the Department of Labor of each annual report pursuant to Section 104 of ERISA (or any successor thereto), a statement certified by the chief executive officer or chief financial officer of the Company setting forth the aggregate amount of the vested unfunded liabilities of the Plan, as contained in such annual report and promptly after the receiving thereof, copies of all reports and notices of a material nature which the Company or any Subsidiary receives from the PBGC;

(e) Other Requested Information. Promptly, from time to time, such other information regarding the operations, business affairs and financial condition of the Company and its Subsidiaries as the Bank may reasonably request; and

(f) Litigation Notice. Promptly after the Company's obtaining knowledge thereof, written notice of the commencement of any action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency which, if adversely determined, would materially impair the right of the Company or the Company and its Subsidiaries on a consolidated basis to carry on business substantially as now conducted or would materially adversely affect its or their business, operation, properties, assets, or condition (financial or otherwise).

Section 4.02. Compliance with Laws, etc. The Company will, and will cause each of its Subsidiaries to, comply, in all material respects, with all applicable laws, regulations and orders, such compliance to include, without limitation, paying and discharging, as the same may become

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due and payable, all taxes, assessments and other governmental charges or levies against or on any of its property, as well as claims of any kind which, if unpaid, might become a lien upon any of its properties; provided, however, that the foregoing shall not require the Company or any of its Subsidiaries to comply with any such law, regulation or order so long as it in good faith shall contest the validity thereof and shall, with respect to the payment of any such tax, assessment, charge, levy or lien, in accordance with generally accepted accounting principles, set aside and maintain on its books adequate reserves with respect thereto.

Section 4.03. Insurance. The Company will, and will cause each of its Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to its properties and business against such casualties and contingencies and of such types and in such amounts as is customary in the case of similar businesses, and such other insurance as may be required by law. The Company will, upon request of the Bank, furnish such Bank, at reasonable intervals, with a certificate of an officer of the Company setting forth the nature and extent of insurance, if any, maintained in compliance with the requirements of this Section 4.03.

Section 4.04. Notice of Default. The Company covenants that forthwith upon the Chairman of the Board, the President, any Vice President or the Treasurer or chief financial officer of the Company obtaining knowledge of an Event of Default or Default, it will deliver to the Bank a certificate signed by the chief executive officer, chief financial officer or the Treasurer of the Company specifying the nature thereof, the period of existence thereof, and what action the Company proposes to take with respect thereto.

Section 4.05. Books and Records. The Company will, and will cause each of its Subsidiaries to, keep books and records reflecting all of its business affairs and transactions in accordance with generally accepted accounting principles and permit the Bank or any representative thereof, at reasonable times and intervals, to visit all of its or their offices, discuss financial matters with its or their officers and examine any of its or their books and other corporate records, except such as involve confidential or classified information which is not relevant to an evaluation of the business of the Company and its Subsidiaries or the performance of the obligations of the Company hereunder.

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Section 4.06. Purchase of Bonds. In the event that the Bank purchases any of the Bonds from Merrill Lynch Pierce Fenner & Smith Incorporated, the original purchaser thereof (the "Original Purchaser"), pursuant to the Non-Binding Letter of Intent to Repurchase (the "Letter of Intent") dated January , 1983, the Company hereby agrees to purchase such Bonds from the Bank, upon written demand therefor and tender of such Bonds for purchase (which demand and tender shall be made no earlier than 60 days following said purchase by the Bank from the Original Purchaser), at a purchase price equal to the purchase price paid by the Bank to the Original Purchaser pursuant to the Letter of Intent (plus accrued interest); provided that the Bank agrees to sell such Bonds to any purchaser which may be designated by the Company prior to the expiration of such 60-day period at a purchase price at least equal to the purchase price paid by the Bank to the Original Purchaser described above (plus accrued interest).

ARTICLE V

NEGATIVE COVENANTS

The Company covenants and agrees with the Bank that so long as this Agreement shall remain in effect and until all amounts payable hereunder shall be paid in full:

Section 5.01. Working Capital; Current Ratio.

(a) The Company will not permit its Consolidated Working Capital to be less than \$50,000,000.

(b) The Company will maintain Consolidated Current Assets at not less than 200% of Consolidated Current Liabilities.

(c) "Consolidated Current Assets" at any date, means the amount at which the current assets of the Company and its consolidated subsidiaries would be shown on a consolidated balance sheet at such date, determined in accordance with generally accepted accounting principles.

(d) "Consolidated Current Liabilities" at any date, means the amount at which the current liabilities of the Company and its consolidated subsidiaries would be shown on a consolidated balance sheet at such date, determined in accordance with generally accepted accounting principles.

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(e) "Consolidated Working Capital" at any date, shall mean Consolidated Current Assets minus Consolidated Current Liabilities.

Section 5.02. Funded Debt. The Company will not, and will not permit any Subsidiary to, incur or in any manner become liable in respect of any Funded Debt unless, after giving effect thereto and to any concurrent transactions, the aggregate principal amount of Consolidated Funded Debt then outstanding will not exceed 40% of the sum of Consolidated Net Worth plus Consolidated Indebtedness.

Section 5.03. Consolidated Net Worth. The Company will not permit Consolidated Net Worth to be less than \$70,000,000 plus an amount equal to 50% of the net income of the Company for each fiscal year commencing subsequent to April 30, 1982 in which there is any such net income, in each case determined in accordance with generally accepted accounting principles consistently applied.

Section 5.04. Liens. The Company will not, and will not permit any of its Subsidiaries to, create or permit to exist Security Interests with respect to any assets now owned or hereafter acquired (a) except in the case of the Company if it equally and ratably secures its obligations hereunder in a manner in form and substance satisfactory to the Bank, and (b) except (i) in connection with the acquisition of property and attaching only to the property being acquired, if the Indebtedness secured thereby does not exceed 75% of the lesser of the cost or fair market value of such property at the time of acquisition thereof, (ii) for current taxes, assessments or other governmental charges not delinquent or being contested in good faith and by appropriate proceedings, (iii) for liens imposed by law (such as liens of carriers, warehousemen, mechanics and landlords) arising in the ordinary course of business for sums not due or sums being contested in good faith and by appropriate proceedings and not involving any deposits or advances or borrowed money or the deferred purchase price of property or services, (iv) for easements, mechanics' liens, deposits or pledges in conjunction with the payment of taxes, insurance or rental obligations, (v) to secure performance of bonds, rentals, contracts, or similar obligations in the ordinary course of business, or (vi) to secure payment of workmen's compensation, unemployment insurance and the like, excluding, however, any lien arising from any failure to meet the minimum funding standards of ERISA.

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Section 5.05. Disposal of Property. The Company will not, and will not permit any of its Subsidiaries to, sell, lease, transfer or otherwise dispose of all or any substantial part of its assets.

Section 5.06. Amendments, etc. The Company will not amend or otherwise modify, or agree to the amendment, modification or termination of, any of the Bonds or the Operative Documents, without the consent of the Bank.

Section 5.07. Consolidation and Merger. The Company will not wind up, liquidate or dissolve its affairs or enter into any transaction of merger or consolidation, without the consent of the Bank.

ARTICLE VI

EVENTS OF DEFAULT

Section 6.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) The Company shall fail to make any payment required to be made by it hereunder (including, without limitation, pursuant to Section 1.02 or any Letter of Credit Fee); or

(b) Any representation or warranty made by the Company in this Agreement or any of the Operative Documents or by the Company (or any of its officers) in any certificate, agreement, instrument or statement contemplated by or made or delivered pursuant to or in connection with any of the Operative Documents shall prove to have been incorrect in any material respect when made; or

(c) The Company shall fail to perform or observe any term, covenant or agreement contained in Article V hereof; or

(d) The Company shall fail to perform or observe any other term, covenant or agreement (other than those

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referred to in clauses (a), (b) and (d) above) contained in this Agreement or any of the Operative Documents on its part to be performed or observed and (i) with respect to any such term, covenant or agreement contained herein, any such failure remains unremedied for 30 days after such failure shall first become known to any officer of the Company; and (ii) with respect to any such term, covenant or agreement contained in any of the Operative Documents, any such failure remains unremedied after any applicable grace period specified in such Operative Documents; or

(e) An "event of default" (as defined therein) shall occur under the Indenture; or

(f) Default shall be made in the payment when due (subject to any applicable grace period), whether by acceleration or otherwise, of any Indebtedness of the Company or any of its Subsidiaries (except any such Indebtedness of any Subsidiary to the Company or to any other Subsidiary) or any interest or premium thereon or default shall be made in the performance or observance of any obligation or condition with respect to any such other Indebtedness if the effect of such default is to accelerate the maturity of any such Indebtedness or to permit the holder or holders thereof, or any trustee or agent for such holders, to cause such Indebtedness to become due and payable prior to its expressed maturity, or any such Indebtedness shall be declared to be due and payable or required to be prepaid (other than by a regularly scheduled required prepayment) prior to stated maturity, whether or not any such default shall subsequently be cured; or

(g) The Company or any Subsidiary commences a voluntary case concerning it under Title 11 of the United States Code entitled "Bankruptcy" as now or hereafter in effect, or any successor thereto (the "Bankruptcy Code"); or an involuntary case is commenced against the Company or any Subsidiary under the Bankruptcy Code and relief is ordered against the Company or any Subsidiary or the petition is controverted but is not dismissed within 60 days after the commencement of the case; or the Company or any Subsidiary is not generally paying its debts as such debts become due;

or a custodian (as defined in the Bankruptcy Code) is appointed for, or takes charge of, all or substantially all of the property of the Company or any Subsidiary; or the Company or any Subsidiary commences any other proceeding under any reorganization, arrangement, readjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Company or such Subsidiary or there is commenced against the Company or any Subsidiary any such proceeding which remains undismissed for a period of 60 days or the Company or any Subsidiary is adjudicated insolvent or bankrupt; or the Company or any Subsidiary fails to controvert in a timely manner any such case under the Bankruptcy Code or any such proceeding or any order of relief or other order approving any such case or proceeding or in the appointment any custodian or the like of or for it or any substantial part of its property or suffers any such appointment to continue undischarged or unstayed for a period of 60 days; or the Company or any Subsidiary makes a general assignment for the benefit of creditors; or any action is taken by the Company or any Subsidiary for the purpose of effecting any of the foregoing; or a receiver or trustee or other officer or representative of a court or of creditors, or any court, governmental officer or agency, shall under color of legal authority, take and hold possession of any substantial part of the property or assets of the Company or any Subsidiary for a period in excess of 60 days;

then, and in any such event and at any time thereafter when any Event of Default shall then be continuing the Bank may, but shall not be obligated to, furnish a notice to the Trustee as contemplated by Section 1001(D) of the Indenture.

ARTICLE VII

DEFINITIONS

Section 7.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the respective meanings set forth below (such meaning to be equally applicable to both the singular and plural forms of the terms defined):

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"Agreement" shall mean this Letter of Credit Agreement as the same may be amended, supplemented or otherwise modified.

"Business Day" shall mean any day other than a Saturday, Sunday or legal holiday in the State of New York on which banks are open for business in New York City.

"Capitalized Leases" shall mean any leases now or hereafter in effect which are or would be capitalized in accordance with the accounting principles used in preparing the Company's consolidated balance sheet as at April 30, 1982.

"Code" shall mean the Internal Revenue Code of 1954, as amended from time to time, and the regulations thereunder.

"Consolidated Funded Debt" shall mean, at any date, the Funded Debt of the Company and its consolidated Subsidiaries, determined on a consolidated basis.

"Consolidated Indebtedness" shall mean, at any date, the Consolidated Indebtedness of the Company and its consolidated Subsidiaries, determined on a consolidated basis.

"Consolidated Net Worth" shall mean, at any date, the sum of the amounts which would appear on a consolidated balance sheet of the Company and its consolidated Subsidiaries as of such date prepared in accordance with generally accepted accounting principles, as (1) the par or stated value of all outstanding shares of capital stock, and (2) paid-in surplus, other capital surplus and retained earnings.

"Default" shall mean any event which with notice or lapse of time, or both, would become an Event of Default.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Funded Debt" of any corporation shall mean (1) all Indebtedness of such corporation that by its terms

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matures more than one year from the date as of which a calculation of Funded Debt is made, and (2) all Indebtedness of such corporation which by its terms is extendible or renewable at the option of such corporation to a date more than one year from the date as of which a calculation of Funded Debt is made (whether or not renewed or extended), including any such Indebtedness renewable or extendible under, or payable from the proceeds of, other Indebtedness that may be incurred by such corporation pursuant to the provisions of, any revolving credit agreement or similar agreement.

"Indebtedness" shall mean and include, as to any corporation, all items which, in accordance with generally accepted accounting principles, would constitute indebtedness for borrowed money included on the liability side of a balance sheet of such corporation as at the date as of which Indebtedness is to be determined, and also mean and include (without limiting the foregoing):

1. all indebtedness of others guaranteed, directly or indirectly, in any manner by such corporation, or in effect guaranteed, directly or indirectly, by such corporation through an agreement, contingent or otherwise, to purchase such indebtedness, or to purchase or sell property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of the indebtedness or to assure the owner of the indebtedness or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor, or otherwise (excluding liabilities arising from the endorsement of matured instruments for collection or deposit in the ordinary course of business);

2. all indebtedness of others for the payment or purchase of which such corporation has agreed, contingently or otherwise, to advance or supply funds (excluding liabilities arising from the endorsement of matured instruments for collection or deposit in the ordinary course of business);

3. all indebtedness secured by any Security Interest upon property owned by such corporation, even though such corporation has not assumed or become liable for the payment of such indebtedness;

4. all monetary obligations of such corporation created or arising under any conditional sale or other similar title retention agreement with respect to property acquired by such corporation, whether or not the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property; and

5. all rent payable by such corporation under Capitalized Leases.

"Payment Office" shall mean the office of the Bank located at One Bankers Trust Plaza, New York, New York, Attention: Letter of Credit Division.

"PBGC" shall mean the Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA or any successor thereto.

"person" shall mean any natural person, corporation, business trust, association, company, joint venture, partnership or government or any agency or political subdivision thereof.

"Plan" shall mean any employee plan which is subject to the provisions of Title IV of ERISA and which is maintained for employees of the Company, a Subsidiary or any other trade or business which is under common control with the Company or such Subsidiary within the meaning of Section 414(c) of the Internal Revenue Code of 1954, as amended, and the regulations thereunder.

"Prime Lending Rate" shall mean the rate announced by the Bank from time to time at its principal office as its prime rate for domestic commercial loans; any change in the interest rate resulting from a change in the Prime Lending Rate shall be effective on the effective date of each change therein announced by the Bank.

"Reportable Event" shall mean a Reportable Event as defined in Section 4043(b) of ERISA.

"Security Interest" shall mean any mortgage, pledge, title retention lien or other lien, encumbrance or security interest of whatever kind or nature.

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"Subsidiary" shall mean any corporation more than 50% of the outstanding shares of capital stock of which having ordinary voting power for the election of directors is owned directly or indirectly by the Company.

Except as otherwise herein specifically provided, each accounting term used herein shall have the meaning given to it under generally accepted accounting principles applied on a consistent basis.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Payment of Expenses, etc. The Company agrees, whether or not the transactions hereby contemplated shall be consummated, to reimburse and save the Bank harmless against liability for the payment of all reasonable out-of-pocket costs and expenses arising in connection with the preparation, execution, delivery, administration (including, without limitation, any modification, waiver or consent) and enforcement of, or the preservation of any rights under, this Agreement, the Operative Documents, the Bonds and the Letter of Credit including, without limitation, the reasonable fees and expenses of Messrs. White & Case, counsel for the Bank, and all taxes (including interest and penalties, if any) which may be payable in respect of such documents. The Company also agrees to indemnify, defend and hold the Bank harmless from and against all liability (including, without limitation, interest, penalties and all reasonable attorneys' fees) to which the Bank may become subject insofar as such liability arises out of or is based upon a suit or proceeding or governmental action brought or taken in connection with the Project or the use (or the proposed or potential use) of the proceeds of any drawing under the Letter of Credit.

Section 8.02. Nature of Bank's Duties. As between the Company and Bank, the Company shall assume all risks of the acts, omissions or misuse of the Letter of Credit by the Trustee. The Bank shall not be responsible: (i) for the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of the Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) for the validity or sufficiency

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or any instrument transferring or assigning or purporting to transfer or assign the Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) for failure of the Trustee to comply fully with conditions required in order to draw upon the Letter of Credit; (iv) for errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher; (v) for errors in interpretation of technical terms; (vi) for any loss or delay in the transmission or otherwise of any document or draft required in order to make a draw under the Letter of Credit or of proceeds thereof; and (vii) for any consequences arising from causes beyond the control of the Bank. None of the above shall affect, impair, or prevent the vesting of any of the Bank's rights or powers hereunder.

In furtherance and extension and not in limitation of the specific provisions hereinabove set forth, any action taken or omitted by the Bank, under or in connection with the Letter of Credit or the relative drafts or document(s), if taken or omitted in good faith, shall be binding upon the Company and shall not put the Bank under any resulting liability to the Company.

The Company hereby agrees at all times to protect, indemnify and save harmless the Bank from and against any and all claims, actions, suits and other legal proceedings, and from and against any and all losses, claims, demands, liabilities, damages, costs, charges, counsel fees and other expenses which the Bank may, at any time, sustain or incur by reason of or in consequence of or arising out of the issuance of the Letter of Credit; it being the intention of the parties that this Agreement shall be construed and applied to protect and indemnify the Bank against any and all risks involved in the issuance of the Letter of Credit, all of which risks are hereby assumed by the Company, including, without limitation, any and all risks of the acts or omissions, whether rightful or wrongful, of any present or future de jure or de facto government or governmental authority (all such acts and omissions, herein called "Government Acts"). The Bank shall not, in any way, be liable for any failure by the Bank or anyone else to pay any draft under the Letter of Credit as a result of any Government Acts or any other cause beyond the control of the Bank. The obligations of the Company under Section 8.01 and this Section 8.02 shall survive the payment of the Bonds and the termination of this Agreement.

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Subject to and not in limitation of Section 1.03(b), notwithstanding anything to the contrary contained in Section 8.01 or in this Section 8.02, the Company shall have no obligation to indemnify the Bank in respect of any liability incurred by the Bank arising solely out of the gross negligence or willful misconduct of the Bank or out of the wrongful dishonor by the Bank of a proper demand for payment made under the Letter of Credit.

Section 8.03. Amendment and Waiver. This Agreement and each provision hereof may be amended, changed, waived, discharged or terminated only by an instrument in writing signed by the parties hereto.

Section 8.04. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and be governed by the law of the State of New York.

Section 8.05. Notices. Except as provided herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been given or made when deposited in the mails, postage prepaid, or, in the case of telex or telegraphic notice, when delivered to the telex or telegraphic company, or in the case of telex notice sent over a telex owned or operated by a party hereto, when sent, addressed to the Company or the Bank, as the case may be, at their respective addresses shown opposite their signatures hereto or at such other address as either of such parties may hereafter specify in writing to the other, except that any communication with respect to a change of address shall be deemed to be given or made when received by the party to whom such communication was sent. No other method of giving notice is hereby precluded.

Section 8.06. Waiver. No failure or delay on the part of the Bank in exercising any right, power or privilege under this Agreement or the Letter of Credit and no course of dealing between the Company and the Bank shall operate as a waiver hereof or thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No notice to or demand on the Company in any case shall entitle the Company to any other or further notice or demand in similar or other circumstances or constitute a waiver of the right of the Bank to any other or further action in any circumstances without notice or demand.

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Section 8.07. Descriptive Headings, etc. The descriptive headings of the several Sections of this Agreement are inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

Section 8.08. Benefit of Agreement. This Agreement shall be binding upon the Company and its successors and assigns, and shall be binding upon and inure to the benefit of the Bank and its successors and assigns, except that the Company may not transfer or assign any or all of its rights or obligations hereunder without the prior written consent of the Bank.

Section 8.09. Counterparts. This Agreement may be executed in any number of counterparts and all of such counterparts shall together constitute one and the same instrument.

Section 8.10. Waiver of Right of Set-Off; Limitation on Bank Collateral. (a) The Bank hereby agrees to waive the exercise, at any time after the commencement of a proceeding in bankruptcy or reorganization with respect to the Company, of its right to set off any and all deposits (general or special) at any time held and other indebtedness at any time owing by the Bank to or for the credit or the account of the Company against any and all of the obligations of the Company now or hereafter existing in respect of the reimbursement obligations of the Company set forth in this Agreement.

(b) The Bank hereby agrees that it will not at any time accept any collateral as security for the payment of the reimbursement obligations of the Company set forth in this Agreement unless provision is made prior to or simultaneously with the taking of such collateral security by the Bank for an equal and ratable security interest in such collateral security to be granted to the Trustee for the benefit of the holders from time to time of the Bonds.

(c) Notwithstanding the foregoing, the covenants of the Bank contained in paragraphs (a) and (b) of this Section 8.10 shall be of no force or effect at such time as, in the opinion of nationally recognized counsel experienced in bankruptcy matters, due to legislative or judicial developments after the date hereof, the absence of such covenants or failure to comply therewith will not constitute a basis for the granting of injunctive relief against payment under the Letter of Credit.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective duly authorized officers as of the date first above written.

1284 North Telegraph Road
Monroe, Michigan 48161
Attention: Treasurer

LA-Z-BOY CHAIR COMPANY

By _____
Treasurer

280 Park Avenue
New York, New York 10015
Attention: Northern Division

BANKERS TRUST COMPANY

By _____
Vice President

With a copy to:

One Bankers Trust Plaza
New York, New York 10015
Attention: Letter of Credit Division

015338

IRREVOCABLE LETTER OF CREDIT
BANKERS TRUST COMPANY

January __, 1983

Irrevocable Letter of Credit No.

Manufacturers National Bank of Detroit
Manufacturers Bank Tower
100 Renaissance Center
Detroit, Michigan 48243

Attention:
Tel. No.:

Gentlemen:

At the request and on the instructions of our customer, La-Z-Boy Chair Company, a Michigan corporation (the "Company"), we hereby establish in your favor as Trustee for the holders of the Industrial Refunding Revenue Bonds, Series 1983 (La-Z-Boy Chair Company Project), in the aggregate principal amount of \$5,000,000 (the "Bonds") issued pursuant to the Trust Indenture dated as of January 1, 1983 between Florence County, South Carolina (the "Issuer") and you, as Trustee (the "Indenture"), the proceeds of which are to be loaned by the Issuer to the Company pursuant to the Loan Agreement dated as of January 1, 1983 (the "Loan Agreement"), this Irrevocable Letter of Credit in the amount of \$5,306,249.99 (hereinafter as reduced from time to time in accordance with the provisions hereof, the "Stated Amount") in respect of (a) the principal and interest due from time to time in respect of the Bonds, and (b) the premium payable in connection with an optional redemption of the Bonds pursuant to Section 301(A) of the Indenture or a mandatory redemption of the Bonds pursuant to Section 301(B)(2) of the Indenture, provided that not more than \$156,249.99 in the aggregate shall be paid hereunder with respect to interest on the Bonds (the "Interest Component") and not more than \$150,000 in the aggregate (the "Premium Component") shall be paid hereunder in connection with ~~any~~ drawings on account of the premium due in connection with the redemption of the Bonds as aforesaid (a "Premium Drawing"); provided, further, that if you shall not have received, within 10 Business Days after any drawing with respect to interest on the Bonds, notice from us that we have not been reimbursed for such interest drawing in accordance with the Letter of Credit Agreement, dated as of

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January 1, 1983, between the Company and us, your right to draw an amount up to the Interest Component (less any amount which may be specified in such notice) under this Letter of Credit shall automatically be reinstated. All drawings under this Letter of Credit will be paid with our own funds.

Subject to the foregoing and the further provisions of this Letter of Credit, demands for payment may be made by you from time to time hereunder by presentation to us at our address at One Bankers Trust Plaza, New York, New York, of your certificate (accompanied by a photocopy of this Letter of Credit) signed by an Authorized Officer (as hereinafter defined), in the form attached hereto as Schedule 1 if such drawing is on account of principal of or interest on the Bonds, and in the form attached hereto as Schedule 2 if such drawing is a Premium Drawing.

Demands for payment may be made by you under this Letter of Credit at any time during our business hours at our aforesaid address on a Business Day (as hereinafter defined). If demand for payment is made by you hereunder at or prior to 12:00 Noon (New York time) on a Business Day, and provided that such demand for payment and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made to you of the amount demanded, in immediately available funds, at our office referred to above not later than 3:00 P.M. (New York time) on the next Business Day. If demand for payment is made by you hereunder after 12:00 Noon (New York time) on a Business Day, and provided that such demand for payment and the documents presented in connection therewith conform to the terms and conditions hereof, payment shall be made to you of the amount demanded, in immediately available funds, not later than 3:00 P.M. (New York time), on the second next succeeding Business Day. If a demand for payment made by you hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give you immediate notice that the purported negotiation was not effected in accordance with the terms and conditions of this Letter of Credit, stating the reasons therefor and that we are holding any documents at your disposal or are returning the same to you.

Demands for payment hereunder honored by us shall not exceed in the aggregate the Stated Amount. The Stated Amount shall be reduced by the following amounts: (1) the principal amount of Bonds which is no longer "Outstanding"

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(as defined in the Indenture), (2) the amount of any installment of principal or interest due in respect of the Bonds which remains unpaid fifteen days after the date such amount was due and payable and as to which no drawing has been made prior to such fifteenth day under this Letter of Credit and (3) with respect to the Interest Component, as of the fifteenth day after any interest payment date, such amount as may be in excess of the interest to accrue on the Bonds during the next succeeding 45 days (computed at the rate of 25% per annum), it being understood that after the effectiveness of any such reduction you shall no longer have any right to make a drawing hereunder in respect of the amount of such principal and/or interest on the Bonds causing or corresponding to such reduction.

This Letter of Credit shall expire at our close of business at our aforesaid address on the earlier to occur of the following dates: (i) January 31, 1993 or (ii) the date on which no Bonds remain "Outstanding" (as defined in the Indenture). This Letter of Credit shall be promptly surrendered to us by you upon such expiration.

As used herein (a) "Business Day" shall mean a day on which we are open for the purpose of conducting a commercial banking business; and (b) "Authorized Officer" shall mean any of your Vice Presidents, Assistant Vice Presidents, Trust Officers or Assistant Trust Officers.

All documents presented to us in connection with any demand for payment hereunder, as well as all notices and other communications to us in respect of this Letter of Credit, shall be in writing and addressed and presented to us at our aforesaid address, Attention: Letter of Credit Division, and shall make specific reference to this Letter of Credit by number.

This Letter of Credit may not be transferred or assigned, either in whole or in part except to a successor trustee properly appointed and qualified pursuant to Article XI of the Indenture.

If at any time prior to the expiration hereof, we receive a certificate signed by one who represents in such certificate to be an Authorized Officer duly authorized to deliver such certificate on your behalf, stating that this Letter of Credit has been lost, stolen or destroyed, we will issue to you a replacement Letter of Credit bearing the same number and containing the same terms and conditions

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as, and in the amount then available for drawing under, this Letter of Credit.

This credit is subject to the Uniform Customs and Practice for Documentary Credits (1974 Revision), International Chamber of Commerce, Publication No. 290 (the "Uniform Customs"). This Letter of Credit shall be deemed to be a contract made under the laws of the State of New York and shall, as to matters not governed by the Uniform Customs, be governed by and construed in accordance with the laws of said State.

Very truly yours,

BANKERS TRUST COMPANY

By _____
Vice President

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SCHEDULE 1

[Date]

Bankers Trust Company
One Bankers Trust Plaza
New York, New York 10015

Attention: Letter of Credit Division

RE: Irrevocable Letter
of Credit No. _____

I hereby certify that I am a _____ of
Manufacturers National Bank of Detroit (the "Trustee") and
as such, I am authorized to execute and deliver this cer-
tificate on behalf of the Trustee. I hereby certify that:

1. As Trustee for the holders of the Industrial Refunding Revenue Bonds, Series 1983 (La-Z-Boy Chair Company Project) issued by Florence County, South Carolina (the "Issuer") in the original aggregate principal amount of \$5,000,000 (the "Bonds") issued pursuant to the Trust Indenture (the "Indenture") dated as of January 1, 1983 between the Issuer and the undersigned, as Trustee, the undersigned is hereby making a demand for payment under the above-referenced Letter of Credit for \$_____, representing (a) all or a portion of the unpaid principal amount of (\$_____), and/or (b) accrued interest on (\$_____), the Bonds, which amount(s) have become due and payable pursuant to the Indenture, upon maturity or as a result of acceleration or redemption thereof;

2. The amount, if any, demanded hereby on account of the principal of the Bonds, together with the aggregate of all prior payments made pursuant to drawings on the above-referenced Letter of Credit for the payment of principal of the Bonds, does not exceed \$5,000,000;

3. The amount demanded hereby on account of interest on the Bonds does not exceed the amount available on the date hereof to be drawn under the above-referenced Letter of Credit in respect of interest on the Bonds;

015343

EXHIBIT

JAN 25 1983

NO. 3

2

STATE BUDGET & CONTROL BOARD

4. The amount for which payment is demanded hereunder is due and payable or will be due and payable within five Business Days;

5. Demand for payment of the amount referred to in paragraph (1) is made upon you as issuer of the above-referenced Letter of Credit; and

6. Upon receipt by the undersigned of the amount demanded hereby, the undersigned will apply the same directly to the payment when due of the appropriate amount owing on account of the Bonds pursuant to the Indenture in accordance with Section 504 of the Indenture, and no portion of said amount shall be applied by the undersigned for any purpose other than as aforesaid.

IN WITNESS WHEREOF, the Trustee has executed this Certificate this ____ day of _____, 19__.

MANUFACTURERS NATIONAL BANK OF
DETROIT

By _____

Title: _____

015344

SCHEDULE 2

[Date]

Bankers Trust Company
One Bankers Trust Plaza
New York, New York 10015

Attention: Letter of Credit Division

RE: Irrevocable Letter
of Credit No. _____

I hereby certify that I am a _____ of
Manufacturers National Bank of Detroit (the "Trustee") and
as such, I am authorized to execute and deliver this cer-
tificate on behalf of the Trustee. I hereby certify that:

1. As Trustee for the holders of the Industrial Refunding Revenue Bonds, Series 1983 (La-Z-Boy Chair Company Project) issued by Florence County, South Carolina (the "Issuer") in the original aggregate principal amount of \$5,000,000 (the "Bonds") issued pursuant to the Trust Indenture (the "Indenture") dated as of January 1, 1983 between the Issuer and the undersigned, as Trustee, the undersigned is hereby making a demand for payment under the above-referenced Letter of Credit for \$_____, representing the premium due and payable in connection with an optional redemption of the Bonds pursuant to Section 301(A) of the Indenture or a mandatory redemption of the Bonds pursuant to Section 301(B)(2) of the Indenture;

2. The amount for which payment is demanded hereunder is due and payable or will be due and payable within five Business Days;

3. Demand for payment of the amount referred to in paragraph (1) is made upon you as issuer of the above-referenced Letter of Credit;

4. Upon receipt by the undersigned of the amount demanded hereby, the undersigned will apply the same in accordance with Section 301 of the Indenture and no portion of said amount shall be applied by the undersigned for any other purpose;

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5. No prior drawing has been made under the above-referenced Letter of Credit in connection with the mandatory redemption of the Bonds pursuant to Section 301(B)(2) of the Indenture; and

6. The amount demanded hereby (a) together with the aggregate of all prior payments made pursuant to Premium Drawings under the above-referenced Letter of Credit, does not exceed \$150,000, and (b) does not exceed the amount of the premium due and payable in respect of the redemption of the Bonds as described in paragraph (1) hereof.

IN WITNESS WHEREOF, the Trustee has executed this Certificate this ____ day of _____, 19__.

MANUFACTURERS NATIONAL BANK OF
DETROIT

By _____

Title: _____

015346

[Letterhead of Miller, Canfield, Paddock and Stone]

[Closing Date]

Bankers Trust Company
280 Park Avenue
New York, New York

Gentlemen:

We are acting as Special Counsel to La-Z-Boy Chair Company, a Michigan corporation (the "Company"), and, in such capacity, we are familiar with the terms of that certain Letter of Credit Agreement dated as of January 1, 1983 (the "Agreement") between the Company and Bankers Trust Company and the Operative Documents referred to therein. Unless otherwise defined herein, capitalized terms used herein have the meanings assigned to such terms in the Agreement.

In connection with the Agreement, we have examined such documents, corporate records and questions of law as we have deemed relevant and, on the basis of such examination, we advise you that, in our opinion:

1. The Company is a corporation, duly incorporated, validly existing and in good standing under the laws of the State of Michigan and has all corporate powers and all material governmental licenses, authorizations, consents and approvals to carry on its business as now conducted and to enter into and perform the Agreement and the Loan Agreement.

2. The Agreement and the Loan Agreement have been duly authorized by all necessary corporate action on the part of the Company (no action by the stockholders of the Company being required). The Agreement and the Loan Agreement have been duly executed and delivered by the Company and constitute valid and binding agreements of the Company.

3. There are no actions, suits or proceedings pending (or, to our knowledge after due inquiry, threatened) against or affecting the Company or any Subsidiary of the Company in any court or before any arbitrator or before or by any governmental body in which there is a reasonable possibility of an adverse decision which could materially adversely affect the business, financial position or results of operations of the Company and its Subsidiaries, considered as a whole, or which in any manner raises any question affecting the validity of the Agreement or the Loan Agreement.

4. The execution, delivery and performance by the Company of the Agreement and the Loan Agreement do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation or by-laws of the Company or any agreement, judgment, injunction, order, decree or other instrument binding upon the Company or result in the creation of any lien or other encumbrance on any asset of the Company.

5. No consent or approval is required to be obtained from, and no action need be taken by, or document filed with, any governmental body in connection with the execution, delivery and performance of the Agreement or the Loan Agreement.

6. The Company is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction wherein the failure to be so qualified might have a materially adverse effect on the consolidated financial condition of the Company and its Subsidiaries.

7. Each Subsidiary of the Company is a corporation organized and duly existing in good standing under the laws of the state or country of its incorporation. Each Subsidiary of the Company has all requisite corporate power and authority to own its properties and to carry on its business substantially as presently conducted by it.

8. Each Subsidiary of the Company is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction wherein the failure to be so qualified might have a materially adverse effect on the consolidated financial condition of the Company and its Subsidiaries.

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9. To the best of our knowledge after due inquiry, neither the Company nor any Subsidiary of the Company is in default in the payment of any Indebtedness representing any borrowing or financing or any other material Indebtedness, or under any law, governmental regulation, court or administrative decree or order materially adversely affecting its property or business, nor are we aware of any facts or circumstances which would give rise to any such default.

Very truly yours,

015349

1
DRAFT 1/7/83

EXHIBIT

JAN 25 1983 NO. 3

STATE BUDGET & CONTROL BOARD

2 BOND PURCHASE AGREEMENT

3 among

4 LA-Z-BOY CHAIR COMPANY

5 FLORENCE COUNTY, SOUTH CAROLINA

6 ¹
and

7 MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

8 dated as of

9 ¹December 15, 1982

10 MUNICIPAL INVESTMENT TRUST FUND
11 EIGHTEENTH FLOATING RATE SERIES

015350

2 The following Table of Contents has been inserted for
3 convenience only and does not constitute a part of this
4 Agreement.

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2

BOND PURCHASE AGREEMENT

3

December 15, 1982

4 Merrill Lynch, Pierce, Fenner & Smith
5 Incorporated
6 One Liberty Plaza
7 165 Broadway
8 New York, New York 10080

9 Attention: Bond Fund Department

10 Dear Sirs:

11 You have informed the undersigned, La-Z-Boy Chair
12 Company, a Michigan corporation (the "Company"), and
13 Florence County, South Carolina, a political subdivision of
14 the State of South Carolina (the "Issuer"), that Merrill
15 Lynch, Pierce, Fenner & Smith Incorporated ("ML"), together
16 with certain other investment banking firms, propose to
17 sponsor certain unit investment trusts (the "Funds" or,
18 individually, a "Fund"). The Prospectus dated ,
19 198 , filed with the Securities and Exchange Commission,
20 relating to units of "Municipal Investment Trust Fund,
21 Eighteenth Floating Rate Series", a copy of which you have
22 furnished to each of us, describes the form of unit
23 investment trust to be so sponsored by you.

24 You have further informed us of your desire to purchase
25 from the Issuer for deposit in one or more of such funds an
26 aggregate of \$5,000,000 principal amount of Bonds.

27 Now, therefore, the undersigned hereby agree with you
28 and you agree with the undersigned as follows:

29 1. Definitions.

30 For purposes of this Agreement the following terms have
31 the meanings specified:

32 "Affiliate" means any person controlling, controlled by
33 or under common control with the Company or the Bank.

34 "Agreement" means this Bond Purchase Agreement.

35 "Ancillary Agreements" means the Trust Indenture, the
36 Letter of Credit, the Letter of Intent to Purchase, the Loan

37

- 2 Agreement, and all other agreements executed and delivered
3 in connection with the issuance and sale of the Bonds.
- 4 "Bank" means Bankers Trust Company, a New York banking
5 corporation.
- 6 "Bond" means an interest-bearing, tax exempt floating
7 rate debt obligation issued by the Issuer.
- 8 "Bond Trustee" means Manufacturers National Bank of
9 Detroit, as Trustee under the Trust Indenture.
- 10 "Business Day" means any day other than Sunday or, in
11 The City of New York, a legal holiday or a day on which
12 banking institutions are authorized by law to close or a day
13 on which the Sponsors or the Bond Trustee are closed.
- 14 "Closing" means the Closing held on the Closing Date as
15 defined herein.
- 16 "Closing Date" means January __, 1983, or such later
17 date as you and the Issuer shall agree upon.
- 18 "Company" means La-Z-Boy Chair Company, a Michigan
19 corporation and its successors or assigns and any resulting
20 surviving or transferee entity.
- 21 "Fund" means any Floating Rate Series of the Municipal
22 Investment Trust Fund which shall hold a Bond.
- 23 "Fund Trustee" means the trustee of a Fund.
- 24 "Governmental Body" means any federal, state, municipi-
25 pal, or other governmental department, commission, board,
26 bureau, agency or instrumentality, domestic or foreign.
- 27 "Issuer" means the issuer of the Bonds and its
28 successors or assigns and any resulting surviving or
29 transferee entity.
- 30 "Letter of Credit" means a Letter of Credit issued by
31 the Bank acceptable to ML and securing the Bonds
32 substantially in the form of Exhibit A hereto.
- 33 "Letter of Intent to Purchase" means the letter from
34 the Bank to ML substantially in the form of Exhibit B
35 hereto.
- 36 "Loan Agreement" means the Loan Agreement dated as of
37 December 15, 1982, between the Issuer and the Company.

2 "ML" means Merrill Lynch, Pierce, Fenner & Smith
3 Incorporated.

4 "Sponsors" means Merrill Lynch, Pierce, Fenner & Smith
5 Incorporated, Dean Witter Reynolds Inc., Bache Halsey Stuart
6 Shields Incorporated and Shearson/American Express Inc. and
7 their respective successors or any successor Sponsor ap-
8 pointed as provided in the trust indenture of the Fund.

9 "Subsidiary" means any corporation or other entity of
10 which securities or other ownership interests having
11 ordinary voting power to elect a majority of the board of
12 directors or other persons performing similar functions are
13 at the time directly or indirectly owned by the Company or
14 the Bank or one or more Subsidiaries or by the Company or
15 the Bank and one or more Subsidiaries.

16 "Tax Event" means with respect to any Bond, any event
17 which by the terms of such Bond or any related financing
18 documents relates to the taxability of interest paid on such
19 Bond and as a result of which the Bonds are subject to
20 mandatory redemption in whole.

21 "Trust Indenture" means the Trust Indenture dated as of
22 December 15, 1982, between the Issuer and the Bond Trustee.

23 2. Sale and Purchase of Bonds.

24 (A) Sale of Bonds. Subject to the terms and condi-
25 tions contained in this Agreement, the Issuer hereby agrees
26 to sell to you, and you hereby agree to purchase from the
27 Issuer, for your own account or for an accumulation account
28 for a Fund or Funds hereafter to be created, an aggregate of
29 \$5,000,000 principal amount of Bonds at a purchase price of
30 100% of the principal amount thereof plus accrued interest,
31 if any, from the date of such Bond to the Closing Date. The
32 Bonds shall be evidenced by one certificate registered in
33 the name of Hagerman & Co. or such other name as you shall
34 have designated in writing at or prior to the Closing.

35 (B) Closing. The sale of the Bonds shall take place
36 on the Closing Date at the offices of Davis Polk & Wardwell,
37 1 Chase Manhattan Plaza, New York, New York 10005. You
38 shall make payment of the purchase price for the Bonds on
39 the Closing Date in immediately available funds by certified
40 or official bank check or by credit advice of transfer to
41 such account as the Issuer may have designated to you in
42 writing at least two business days prior to such Closing
43 Date. You shall have the right to rescind or terminate this
44 Agreement at any time on or prior to the Closing Date if an
45 event of default or a default on the Bonds shall have

2 occurred and be continuing or if the sale and purchase of
3 the Bonds as provided herein shall in your reasonable
4 judgement become impossible or impractical because, since
5 the date hereof: (i) any outbreak of major hostilities or
6 any other national or international calamity or crisis shall
7 have occurred; (ii) a general banking moratorium shall have
8 been declared by Federal or New York State authorities;
9 (iii) trading on the New York Stock Exchange shall have been
10 suspended, or minimum or maximum prices for trading shall
11 have been fixed or maximum ranges for prices shall have been
12 required on the New York Stock Exchange by such Exchange or
13 by the Securities and Exchange Commission or any other
14 governmental authority; or (iv) any action shall have been
15 taken by such Commission preventing the effectiveness of the
16 registration statement filed with such Commission under the
17 Securities Act of 1933 with respect to one or more of the
18 Funds or the Commission shall have issued a stop order
19 suspending the effectiveness of such registration statement.

20 3. Representations and Warranties of the Company.

21 The Company represents and warrants that:

22 (A) Organization and Power. The Company is a corpor-
23 ation duly incorporated, validly existing and in good
24 standing under the laws of the State of Michigan, and has
25 all corporate powers and all material governmental licenses,
26 authorizations, consents and approvals required to carry on
27 its business as now conducted and to enter into this
28 Agreement and any Ancillary Agreement to which it is or is
29 to be a party.

30 (B) Authorization of Agreements, etc. This Agreement
31 and the Ancillary Agreements to which the Company is or is
32 to be a party have been duly authorized by all necessary
33 corporate action on the part of the Company (no action by
34 the stockholders of the Company being required). This
35 Agreement has been duly executed and delivered by the
36 Company and constitutes, and the Ancillary Agreements to
37 which the Company is or is to be a party when duly executed
38 and delivered will constitute, valid and binding agreements
39 of the Company.

40 (C) Financial Information. (1) The consolidated
41 [Company's designation of balance sheet] of the Company and
42 its consolidated Subsidiaries as of [date of audited balance
43 sheet included in most recently filed Form 10-K] and the
44 related consolidated statements of [Company's designation of
45 other financial statements] for the fiscal year then ended,
46 reported on by [name of Company's independent public
47 accountants] and set forth in the Company's 19__ Form 10-K

2 [most recently filed Form 10-K], a copy of which has been
3 delivered to you, fairly present, in conformity with
4 generally accepted accounting principles, the consolidated
5 financial position of the Company and its consolidated
6 Subsidiaries as of such date and their consolidated results
7 of operations and changes in financial position for such
8 fiscal year.

9 (2) The unaudited consolidated [Company's designation
10 of balance sheet] of the Company and its consolidated
11 Subsidiaries as of [date of unaudited balance sheet included
12 in most recently filed Form 10-Q] and the related unaudited
13 consolidated statements of [Company's designation of other
14 financial statements] for the _____ months then ended, set
15 forth in the Company's quarterly report for the fiscal
16 quarter ended _____ [date of unaudited balance sheet
17 included in most recently filed Form 10-Q] as filed with the
18 Securities and Exchange Commission on Form 10-Q, a copy of
19 which has been delivered to you, fairly present, in con-
20 formity with generally accepted accounting principles
21 applied on a basis consistent with the financial statements
22 referred to in subparagraph (1) of this paragraph 3(C), the
23 consolidated financial position of the Company and its
24 consolidated Subsidiaries as of such date and their con-
25 solidated results of operations and changes in financial
26 position for such _____ - month period (subject to normal
27 year-end adjustments).

28 (D) No Material Adverse Change. Since [date of
29 balance sheet included in most recently filed Form 10-Q or
30 Form 10-K] there has been no material adverse change in the
31 business, financial position, results of operations or
32 prospects of the Company and its consolidated Subsidiaries,
33 considered as a whole.

34 (E) Noncontravention. The execution, delivery and
35 performance by the Company of this Agreement and the Ancil-
36 lary Agreements to which it is or is to be a party do not
37 and will not contravene, or constitute a default under, any
38 provision of applicable law or regulation or of the certifi-
39 cate of incorporation or by-laws of the Company or of any
40 agreement, judgment, injunction, order, decree or other
41 instrument binding upon the Company or result in the
42 creation of any lien or other encumbrance on any asset of
43 the Company.

44 (F) Governmental Consents. No consent or approval is
45 required to be obtained from, and no action need be taken
46 by, or document filed with, any Governmental Body in
47 connection with the execution, delivery and performance of
48 this Agreement, or any Ancillary Agreements to which the

2 Company is or is to be a party, or, if any such action is
3 required, the same has been duly taken, is in full force and
4 effect and constitutes valid and sufficient authorization
5 therefor.

6 (G) Brokers, etc. No person, corporation or other
7 entity has, or as a result of any action of or by the
8 Company in connection with the transactions contemplated
9 hereby and by the Ancillary Agreements will have, any right,
10 interest or valid claim against or on the Company or ML for
11 any commission, fee or other compensation as a broker or
12 finder, or in any similar capacity, except that the Company
13 has agreed to pay a fee to the Bank in connection with the
14 placement of the Bonds.

15 4. Representations and Warranties of the Issuer.

16 The Issuer represents and warrants that:

17 (A) Authority. The Issuer is a body politic and
18 corporate and a political subdivision of the State of South
19 Carolina. The Issuer is authorized and empowered by the
20 provisions of Title 4, Chapter 29, Code of Laws of South
21 Carolina 1976, as amended (the "Act") to enter into the
22 transactions contemplated by this Agreement and the
23 Ancillary Agreements to which the Issuer is or is to be a
24 party relating to the refunding of a \$5,000,000 Industrial
25 Revenue Note, Series 1980 (La-Z-Boy Chair Company Project)
26 (the "Prior Issue") heretofore issued by the Issuer pursuant
27 to the Act in order to finance certain industrial facilities
28 for use by the Company in Florence County, South Carolina.
29 The execution, delivery and performance of this Agreement,
30 the Ancillary Agreements to which the Issuer is or is to be
31 a party and the Bonds are within the authority of the
32 Issuer, have been duly authorized by all necessary
33 proceedings of the Issuer, and such execution, delivery and
34 performance do not and will not contravene, or constitute a
35 default under, any provision of applicable law or regulation,
36 or any judgment, order, decree, agreement or instrument
37 binding on it. This Agreement constitutes, and the
38 Ancillary Agreements to which the Issuer is or is to be a
39 party, when duly executed and delivered, will constitute,
40 valid and binding agreements of the Issuer, and the Bonds,
41 when duly executed and delivered by the Issuer in accordance
42 with this Agreement and the Trust Indenture, will constitute
43 valid and binding limited obligations of the Issuer.

44 (B) Use of Proceeds. The proceeds from the sale of
45 the Bonds hereunder will be used to refund the Prior Issue
46 as provided in the Loan Agreement. Such proceeds will not
47 be used by the Issuer in a manner that would cause the Bonds

2 to be "arbitrage bonds" within the meaning of Section 103(c)
3 of the Internal Revenue Code of 1954, as amended (the
4 "Code"), or any successor section thereto, and the
5 applicable regulations promulgated or proposed thereunder.

6 (C) Governmental Authorization. All authorizations,
7 consents and approvals of governmental bodies or agencies
8 required in connection with the execution and delivery by
9 the Issuer of, or in connection with the performance by the
10 Issuer of its obligations under, this Agreement, the Ancil-
11 lary Agreements to which the Issuer is or is to be a party
12 and the Bonds have been obtained and are in full force and
13 effect.

14 5. Conditions of Closing.

15 Your obligation to purchase Bonds under this Agreement
16 shall be subject to the satisfaction of the following
17 conditions:

18 (A) Opinion of Counsel to the Company. You shall have
19 received a favorable opinion dated the Closing Date from
20 Miller, Canfield, Paddock & Stone, counsel to the Company,
21 satisfactory to you and your special counsel, to the effect
22 that

23 (i) the Company is a corporation, duly incor-
24 porated, validly existing and in good standing under
25 the laws of the State of Michigan and has all corporate
26 powers and all material governmental licenses,
27 authorizations, consents and approvals to carry on its
28 business as now conducted and to enter into and perform
29 this Agreement and any Ancillary Agreements to which it
30 is a party;

31 (ii) this Agreement and the Ancillary Agreements
32 to which the Company is a party have been duly
33 authorized by all necessary corporate action on the
34 part of the Company (no action by the stockholders of
35 the Company being required). This Agreement and the
36 Ancillary Agreements to which the Company is a party
37 have been duly executed and delivered by the Company
38 and constitute valid and binding agreements of the
39 Company;

40 (iii) except as may have been disclosed to you in
41 writing pursuant to this Agreement, there are no
42 actions, suits or proceedings, pending (or, to the
43 knowledge of such counsel, threatened) against or
44 affecting the Company or any Subsidiary of the Company
45 in any court or before any arbitrator or before or by

any Governmental Body in which there is a reasonable possibility of an adverse decision which could materially adversely affect the business, financial position or results of operations of the Company and its Subsidiaries, considered as a whole, or which in any manner raises any question affecting the validity of this Agreement or any of the Ancillary Agreements to which the Company is a party;

(iv) the execution, delivery and performance by the Company of this Agreement and the Ancillary Agreements to which it is a party do not contravene, or constitute a default under, any provision of applicable law or regulation or of the certificate of incorporation or by-laws of the Company or any agreement, judgment, injunction, order, decree or other instrument binding upon the Company or result in the creation of any lien or other encumbrance on any asset of the Company; and

(v) no consent or approval is required to be obtained from, and no action need be taken by, or document filed with, any Governmental Agency in connection with the execution, delivery and performance of this Agreement or any Ancillary Agreement to which the Company is a party, or, if such action is required, the same has been duly taken, is in full force and effect and constitutes valid and sufficient authorization therefor.

(B) Opinion of Counsel to the Bank. You shall have received a favorable opinion dated the Closing Date from White & Case, counsel to the Bank, satisfactory to you and your special counsel, to the effect that

(i) the Letter of Credit is a valid and binding obligation of the Bank, enforceable against the Bank in accordance with its terms, except as the enforceability thereof may be limited in the case of a bankruptcy or insolvency of the Bank by bankruptcy, insolvency or similar laws affecting the enforcement of rights of creditors of the Bank generally; and

(ii) payments of principal, premium, if any, and interest to the Bondholders from moneys drawn under the Letter of Credit will not constitute voidable preferences under the Federal Bankruptcy Code in the event of a bankruptcy or insolvency of the Company or the Issuer.

(C) Opinion of Bond Counsel. You shall have received a favorable opinion dated the Closing Date from Sinkler Gibbs & Simons, bond counsel, satisfactory to you and your special counsel, to the effect that

(i) the Act is valid under the Constitution and laws of the State of South Carolina and the Bonds have been issued in conformity with the Act and the Ordinance of the Issuer adopted January 20, 1983 (herein called the "Bond Ordinance");

(ii) the Issuer has the right and power to adopt the Bond Ordinance and the Bond Ordinance has been duly adopted by the Issuer and is in full force and effect in the form adopted;

(iii) except as specified, no filing or recording of any document is required in order to establish, protect and preserve your security interest in the rights assigned and pledged to you pursuant to the Trust Indenture, all specified filings or recordings have been made and, except as specified, there are no requirements with respect to rerecording or refiling of any such documents;

(iv) this Agreement and the Ancillary Agreements to which the Issuer is a party have been duly authorized, executed and delivered by the Issuer and constitute valid and binding agreements of the Issuer;

(v) the Bonds have been duly authorized, executed and delivered by the Issuer and constitute valid and binding obligations of the Issuer;

(vi) the South Carolina State Budget and Control Board has approved the proceedings in respect of the refunding of the Prior Issue and the issuance and delivery of the Bonds hereunder and no further governmental approvals are required of the Issuer or the Company in connection with the execution and delivery of, or performance under, this Agreement or the Ancillary Agreements or in connection with the refunding of the Prior Issue;

(vii) under presently existing law (including Prop. Treas. Reg. Sections 1.103-7(b)(6) and 1.103-7(c), Examples (16), (17) and (18)), interest on the Bonds is exempt from Federal income taxation, which opinion shall state specifically that the use of the Letter of Credit as contemplated will not render interest on the Bonds subject to Federal income tax; and

(viii) under presently existing law the Bonds, their original issue and subsequent transfer, any profits realized from the sale thereof and the interest on the Bonds are exempt from all taxation by the State of South Carolina or any political subdivision thereof, except inheritance and estate taxes; and

[(ix) payments of principal, interest and premium, if any, on the Bonds to the Bondholders by the Bond Trustee, funds for which payments have been deposited by the Company or the Issuer with the Bond Trustee at the last 123 days prior to the dates of such payments to the Bondholders in accordance with the provisions of the Trust Indenture will not constitute voidable preferences under the Federal Bankruptcy Code or other applicable laws and regulations, provided no petition in bankruptcy has been filed by or against the Company or the Issuer during such 123 day period.]

(D) Representations and Warranties. The representations and warranties of each of the Company and the Issuer contained herein shall be true on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date.

(E) Performance; No Default. Each of the Company and the Issuer shall have performed and complied with all agreements and conditions herein required to be performed or complied with by it prior to or on the Closing Date, and at the time of the Closing no event of default or default shall have occurred and be continuing with respect to the Bonds.

(F) Legality of Investment. The Bonds may lawfully be acquired as investments by the Funds in which they are proposed to be deposited.

(G) Compliance Certificate. Each of the Company and the Issuer shall have delivered to you on the Closing Date a certificate, dated the Closing Date, signed by its President or one of its Vice Presidents, or, in the case of the Issuer, the Chairman or Vice Chairman of its County Council, certifying that the conditions relating to it specified in subparagraphs (D) and (E) of this paragraph 5 have been fulfilled.

(H) Letter of Credit. The Bank shall have delivered the Letter of Credit and a certificate dated as of the date of Closing in substantially the form attached hereto as Exhibit C.

2 (I) Letter of Intent to Purchase. The Bank shall have
3 delivered at the Closing an executed Letter of Intent to
4 Purchase relating to the Bonds.

5 (J) Ancillary Agreements. All of the Ancillary
6 Agreements shall have been duly executed and delivered by,
7 and shall constitute valid and binding agreements of, the
8 parties thereto.

9 (K) Other Documents and Proceedings. You shall have
10 received all other documents and opinions as you may have
11 requested relating to (i) the existence of the Company, the
12 Issuer and the Bank, (ii) the corporate and governmental
13 authority for the validity of this Agreement, the Ancillary
14 Agreements and the Bonds, (iii) the exemption from Federal
15 income taxes of interest on the Bonds, and (iv) other
16 matters relevant hereto. All proceedings to be taken in
17 connection with the transactions contemplated by this
18 Agreement and the Ancillary Agreements, and all documents,
19 opinions and certificates incident to such transactions
20 shall be satisfactory in form and substance to you.

21 (L) Notice. You shall have received five business
22 days' written notice from the Company or the Issuer of the
23 proposed Closing Date.

24 (M) The Bonds. You shall have received the Bonds in
25 compliance with the provisions of paragraph 2(a) hereof.

26 Each opinion, letter and certificate delivered here-
27 under shall contain a statement that it may be relied upon
28 by each Fund in which you shall have deposited any of the
29 Bonds as fully and to the same extent as if such opinion or
30 certificate had been specifically addressed to such Fund.

31 6. Agreements of the Company. The Company agrees that
32 so long as you or any Fund shall hold any of the Bonds, it
33 will deliver to you and the Trustee of any Fund holding any
34 of the Bonds:

35 (A) as soon as available and in any event within 90
36 days after the end of each fiscal year of the Company, a
37 consolidated [Company's designation of balance sheet] of the
38 Company and its consolidated Subsidiaries as of the end of
39 such fiscal year and the related consolidated statements of
40 [Company's designation of other financial statements] for
41 such fiscal year, setting forth in each case in comparative
42 form the figures for the previous fiscal year, all reported
43 on in a manner acceptable to the Securities and Exchange
44 Commission by [name of Company's independent public
45 accountants] or other independent public accountants of
46 nationally recognized standing;

2 (B) as soon as available and in any event within 45
3 days after the end of each of the first three quarters of
4 each fiscal year of the Company, a consolidated [Company's
5 designation of other financial statements] for such quarter
6 and for the portion of the Company's fiscal year ended at
7 the end of such quarter, setting forth in each case in
8 comparative form the figures for the corresponding quarter
9 and the corresponding portion of the Company's previous
10 fiscal year, all certified (subject to normal year-end
11 adjustments) as to fairness of presentation, generally
12 accepted accounting principles and consistency by the chief
13 financial officer or the chief accounting officer of the
14 Company;

15 (C) promptly upon the mailing thereof to the share-
16 holders of the Company generally, copies of all financial
17 statements, reports and proxy statements so mailed;

18 (D) promptly upon the filing thereof, copies of all
19 registration statements (other than the exhibits thereto and
20 any registration statements on Form S-8 or its equivalent)
21 and annual, quarterly or monthly reports which the Company
22 shall have filed with the Securities and Exchange
23 Commission;

24 (E) from time to time such additional information
25 regarding the financial position or business of the Company
26 as you may reasonably request;

27 (F) promptly upon becoming aware of any Tax Event
28 relating to any Bond, a notice of such Tax Event setting
29 forth the details thereof; and

30 (G) promptly upon becoming aware of the existence of
31 any condition or event which constitutes a default or an
32 event of default on the Bonds, a certificate of an officer
33 of the Company to such effect setting forth the details
34 thereof.

35 7. Agreement of the Issuer. The Issuer agrees that to
36 the extent that it has or hereafter may acquire any right of
37 immunity from legal proceedings on the grounds of sovereign-
38 ty, it hereby irrevocably waives, to the extent permitted by
39 law, such right of immunity and agrees not to invoke it in
40 any judicial proceeding in respect of its obligations under
41 this Agreement, the Bonds or the Ancillary Agreements to
42 which it is, or is to be, a party.

43 8. Payment of Certain Expenses and Taxes by the
44 Company. Whether or not the transactions contemplated by
45 this Agreement shall be consummated, the Company will (A)

2 pay all reasonable expenses incurred by you or any holder of
3 any of the Bonds or an interest therein incident to the
4 transactions contemplated by this Agreement or in connection
5 with any enforcement, modification, amendment, or alteration,
6 of this Agreement, the Bonds or any of the Ancillary
7 Agreements (whether or not any such modification, amendment
8 or alteration becomes effective), including, but not limited
9 to, any out-of-pocket expenses incurred by you or any such
10 holder and the fees, charges and disbursements of special
11 counsel for you or any such holder; and (B) pay, and save
12 you or any such holder of any of the Bonds or an interest
13 therein, harmless against any and all liability with respect
14 to, amounts payable as a result of (i) any taxes which may
15 be determined to be payable in connection with the execution
16 and delivery of the Bonds, this Agreement or any of the
17 Ancillary Agreements, or any modification, amendment or
18 alteration, of the terms or provisions of any of the Bonds,
19 this Agreement or any of the Ancillary Agreements, (ii) any
20 interest or penalties resulting from any delays in paying
21 any of such expenses, charges, disbursements, liabilities or
22 taxes, and (iii) any advisory, placement, brokers' or
23 finders' fees or similar fees incurred in connection with
24 the sale of the Bonds hereunder. The obligations of the
25 Company under this paragraph 8 shall survive the payment of
26 the Bonds.

27 9. Survival of Covenants; Successors and Assigns. All
28 covenants, agreements, representations and warranties made
29 by the Company or the Issuer in this Agreement or the
30 Ancillary Agreements, and in certificates or other documents
31 delivered pursuant to them shall survive the delivery of
32 Bonds to you, and shall continue in full force and effect
33 until all the Bonds are paid in full and thereafter to the
34 extent provided by paragraph 8. All such covenants,
35 agreements, representations and warranties shall be binding
36 upon any successors and assigns of the Company or the
37 Issuer, as the case may be, and shall inure to the benefit
38 of your successors and assigns.

39 10. No Oral Change; Assignment.

40 (A) This Agreement may not be changed orally, but only
41 by an agreement in writing and signed by the party against
42 whom enforcement of any waiver, change, modification or
43 discharge is sought.

44 (B) Neither the Company nor the Issuer may assign any
45 of its rights or obligations under this Agreement without
46 your written consent, and you shall not be required to
47 purchase the Bonds under this Agreement except from the
48 Issuer.

2 11. Notices. Except as otherwise provided in this
3 Agreement, whenever notice is required to be given pursuant
4 to the provisions of this Agreement or Ancillary Agreements,
5 such notice shall be in writing and shall be mailed by first
6 class mail postage prepaid addressed (A) if to the Company,
7 at 1284 Telegraph Road, Monroe, Michigan 48161, Attention:
8 Treasurer; (B) if to you, at One Liberty Plaza, 165
9 Broadway, New York, New York 10080, Attention: Bond Fund
10 Department; (C) if to the Issuer, c/o Florence County
11 Council, Florence County Courthouse, Florence, South
12 Carolina 29513, Attention: Chairman; or (D) if to a Fund
13 Trustee, at the address provided in writing to the parties
14 hereto.

15 12. Reproduction of Documents. This Agreement and the
16 Ancillary Agreements, and all documents relating thereto,
17 including, without limitation, (A) consents, waivers and
18 modifications which may hereafter be executed, (B) documents
19 received by you or any Fund at the Closing (except the Bonds
20 themselves), and (C) financial statements, certificates and
21 other information previously or hereafter furnished to you
22 may be reproduced by you by any photographic, photostatic,
23 microfilm, micro-card, miniature photographic or other
24 similar process and you or any Fund may destroy any original
25 document so reproduced. The Company and the Issuer agree
26 and stipulate that any such reproduction shall be admissible
27 in evidence as the original itself in any judicial or
28 administrative proceeding (whether or not the original is in
29 existence and whether or not such reproduction was made by
30 you or any Fund in the regular course of business) and that
31 any enlargement, facsimile or further reproduction of such
32 reproduction shall likewise be admissible in evidence.

33 13. Law Governing. This Agreement shall be construed
34 in accordance with and governed by the laws of the State of
35 South Carolina.

36 14. Headings. The headings of the paragraphs and
37 subparagraphs of this Agreement are inserted for convenience
38 only and shall not be deemed to constitute a part of this
39 Agreement.

40 15. Counterparts. This Agreement may be signed in any
41 number of counterparts, each of which shall be an original,
42 with the same effect as if the signatures thereto and hereto
43 were upon the same instrument.

44

7 Very truly yours,
8 LA-Z-BOY CHAIR COMPANY

11 FLORENCE COUNTY, SOUTH CAROLINA

12 By _____
13 Chairman, Florence County
14 Council

2 The foregoing is hereby accepted
3 as of the date first above
4 written.

5 MERRILL LYNCH, PIERCE,
6 FENNER & SMITH INCORPORATED

7 By _____
8 Vice President

2

EXHIBIT B

3

[FORM OF LETTER OF INTENT TO PURCHASE]

4

January __, 1983

5

Merrill Lynch, Pierce, Fenner & Smith,

6

Incorporated

7

One Liberty Plaza

8

165 Broadway

9

New York, New York 10080

10

Dear Sirs:

11

12

13

14

15

16

This Letter is delivered to you in connection with the Closing described in the Bond Purchase Agreement among La-Z-Boy Chair Company, Florence County, South Carolina and you dated December 15, 1982 (the "Bond Purchase Agreement"); all terms herein shall be considered to have the same meaning as in the Bond Purchase Agreement.

17

18

19

20

21

This Letter sets forth the good faith intention of the undersigned to purchase from you, or from any Fund into which you shall have deposited them, the Bonds described in the Bond Purchase Agreement, which intention is subject to the following:

22

23

24

25

(1) you will give the undersigned prompt notice and will cause the Fund Trustee of any Fund into which the Bonds have been deposited to give the undersigned prompt notice of any intention to sell any Bond;

26

27

28

29

(2) the intention to purchase by the undersigned will only be given effect in the event such Fund proposes to sell a Bond for the purpose of raising funds to meet redemption of units of such Fund;

30

31

32

33

(3) the purchase by the undersigned of any Bond would be made at the then current bid side evaluation for the Bond, as determined by the independent evaluator for the Fund;

34

35

36

37

(4) although the undersigned represents its good faith intention to purchase any Bond pursuant to the foregoing understandings, the undersigned shall not be legally obligated to do so; and

2 (5) disclosure of the intention herein expressed may
3 be made in the prospectus of any Series of any Fund
4 into which the Bond or Bonds shall be deposited.

5 You may deliver a copy of this Letter to the Fund
6 Trustee of any Series of any Fund into which the Bond or
7 Bonds may be deposited, and such Fund Trustee may call upon
8 the intention to purchase herein expressed to the same
9 extent as you.

10 Very truly yours,

11 BANKERS TRUST COMPANY

12 By _____
13 [Title]

1

DRAFT 1/7/83

2

3

TRUST INDENTURE

EXHIBIT²

JAN 25 1983 NO. 3

4

STATE BUDGET & CONTROL BOARD

5

FLORENCE COUNTY, SOUTH CAROLINA

6

AND

7

MANUFACTURERS NATIONAL BANK OF DETROIT
as Trustee

8

9

10

relating to the

11

\$5,000,000

12

FLORENCE COUNTY, SOUTH CAROLINA

13

INDUSTRIAL REVENUE REFUNDING BONDS,

14

SERIES 1983

15

(LA-Z-BOY CHAIR COMPANY PROJECT)

16

17

DATED AS OF DECEMBER 15, 1982

015371

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TRUST INDENTURE

3 This TRUST INDENTURE dated as of December 15, 1982,
4 between FLORENCE COUNTY, SOUTH CAROLINA (hereinafter
5 together with any successor or assign and any resulting,
6 surviving or transferee entity referred to as the "County"),
7 a body politic and corporate and a political subdivision of
8 the State of South Carolina, as party of the first part, and
9 MANUFACTURERS NATIONAL BANK OF DETROIT, a national banking
10 association duly organized, existing and authorized to
11 accept and execute trusts of the character herein set out,
12 under and by virtue of the laws of the United States, as
13 Trustee (hereinafter referred to as the "Trustee"), as party
14 of the second part;

WITNESSETH:

16 WHEREAS, the County is authorized and empowered by the
17 provisions of Title 4, Chapter 29, Code of Laws of South
18 Carolina 1976, as amended, (the "Act") to assist industries
19 to finance industrial facilities in order that the
20 industrial development of the State of South Carolina (the
21 "State") will be promoted and trade developed by inducing
22 industrial enterprises to locate and remain in the State and
23 thus utilize and employ manpower and other resources of the
24 State; and

25 WHEREAS, the County has made the necessary arrangements
26 with La-Z-Boy Chair Company (hereinafter together with any
27 successor or assign and any resulting, surviving or

2 transferee entity referred to as the "Company"), a
3 corporation organized and existing under the laws of the
4 State of Michigan, so that the County will issue revenue
5 bonds pursuant to the Act and loan the proceeds to the
6 Company to pay a portion of the cost of refunding the
7 \$5,000,000 Florence County, South Carolina, Industrial
8 Revenue Note, Series 1980 (La-Z-Boy Chair Company Project)
9 (hereinafter sometimes referred to as the "Prior Issue")
10 which was issued to finance the acquisition, construction
11 and installation of industrial facilities (hereinafter
12 sometimes referred to as the "Project") in the County which
13 are of the character and accomplish the purposes intended by
14 the Act, and the County has further entered into a Loan
15 Agreement (hereinafter sometimes referred to as the "Loan
16 Agreement") dated as of January 1, 1983, with the Company
17 specifying the terms and conditions of the use of the
18 Project by the Company, and obligating the Company to pay or
19 cause to be paid to the Trustee the amounts required to pay
20 the principal of, premium, if any, and interest on the bonds
21 hereinafter described; and

22 WHEREAS, the Company has arranged for the issuance of a
23 Letter of Credit (hereinafter sometimes referred to as the
24 "Letter of Credit") by Bankers Trust Company (hereinafter
25 sometimes referred to as the "Bank") in favor of the Trustee
26 as additional security for the bonds hereinafter described;
27 and

2 WHEREAS, the execution and delivery of this Trust
3 Indenture (hereinafter sometimes referred to as the
4 "Indenture") have been authorized by an ordinance
5 (hereinafter sometimes referred to as the "Bond Ordinance")
6 duly adopted by Florence County Council (hereinafter
7 sometimes referred to as the "County Board"), the governing
8 body of the County; and

9 WHEREAS, it has been determined that the amount now
10 necessary to finance a portion of the cost of refunding the
11 Prior Issue/will require the issuance, sale and delivery of
12 Bonds designated as FLORENCE COUNTY, SOUTH CAROLINA,
13 INDUSTRIAL REVENUE REFUNDING BONDS, SERIES 1983 (LA-Z-BOY
14 CHAIR COMPANY PROJECT) in the aggregate principal amount of
15 \$5,000,000 (hereinafter sometimes referred to as the
16 "Bonds") as hereinafter provided; and

17 WHEREAS, the issuance of the Bonds under the Act has
18 been in all respects duly and validly authorized by the Bond
19 Ordinance; and

20 WHEREAS, the \$5,000,000 aggregate principal amount of
21 Bonds to be issued, the interest coupons to be attached
22 thereto, and the Trustee's Certificate of Authentication to
23 be endorsed thereon, are to be in substantially the forms
24 attached hereto as Exhibits "A" and "B" hereto, with
25 necessary and appropriate variations, omissions and
26 insertions as permitted or required by this Indenture; and

27 WHEREAS, all things necessary to make the Bonds, when
28 authenticated by the Trustee and issued as in this Indenture

2 provided, the legal, valid and binding obligations of the
3 County, enforceable in accordance with the provisions
4 thereof, and to constitute this Indenture a valid lien on
5 and pledge of the moneys paid under the Loan Agreement to
6 secure the payment of the principal of, premium, if any, and
7 interest on the Bonds, have been done and performed, and the
8 creation, execution and delivery of this Indenture, and the
9 creation, execution and issuance of the Bonds, subject to
10 the terms hereof, have in all respects been duly authorized;

11 NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS
12 TRUST INDENTURE, WITNESSETH:

13 That the County in consideration of the premises and
14 the acceptance by the Trustee of the trusts hereby created
15 and of the purchase and acceptance of the Bonds by the
16 holders and owners thereof, and of the sum of One Dollar
17 (\$1.00), lawful money of the United States of America, to it
18 duly paid by the Trustee at or before the execution and
19 delivery of these presents, and for other good and valuable
20 consideration, the receipt of which is hereby acknowledged,
21 in order to secure the payment of the principal of, premium,
22 if any, and interest on the Bonds according to their tenor
23 and effect and the performance and observance by the County
24 of all the covenants, agreements and obligations expressed
25 or implied herein and in the Bonds, does hereby grant,
26 bargain, sell, convey, pledge and assign the Trustee, its
27 successors in trust and its assigns forever, the following:

2 All right, title and interest of the County in and
3 to the Loan Agreement (except payments required under
4 Section 4.4 and, to the extent payable to the County,
5 Sections 6.5 and 8.4 thereof) and all Pledged Amounts
6 (as hereinafter defined) received or to be received
7 under the Loan Agreement.

8 TO HAVE AND TO HOLD all the same with all privileges
9 and appurtenances hereby conveyed and assigned, or agreed or
10 intended so to be, to the Trustee and its successors in said
11 trust and to them and their assigns forever.

12 IN TRUST NEVERTHELESS, upon the terms and trusts herein
13 set forth for the equal and proportionate benefit, security
14 and protection of all holders and owners of the Bonds and
15 interest coupons appertaining thereto issued under and
16 secured by this Indenture without privilege, priority or
17 distinction as to the lien or otherwise of any of the Bonds
18 or interest coupons appertaining thereto over any of the
19 others of the Bonds or interest coupons;

20 PROVIDED, HOWEVER, that if the County shall well and
21 truly pay, or cause to be paid, or if there shall otherwise
22 be paid the principal of the Bonds issued hereunder, the
23 premium, if any, due on the Bonds and the interest due or to
24 become due thereon, at the times and in the manner mentioned
25 in the Bonds and the interest coupons appertaining thereto
26 according to the true intent and meaning thereof, and shall
27 cause the payments to be made into the Bond Fund as required
28 under Article V hereof or shall provide, as permitted

2 hereby, for the payment thereof, and shall well and truly
3 keep, perform and observe all the covenants and conditions
4 pursuant to the terms of this Indenture to be kept,
5 performed and observed by it, and shall pay or cause to be
6 paid to the Trustee all sums of money due or to become due
7 to it in accordance with the terms and provisions hereof,
8 then upon such final payments this Indenture and the rights
9 hereby granted shall cease, determine and be void; and the
10 Trustee shall cancel and discharge the lien of this
11 Indenture and execute and deliver to the Company and the
12 County such instruments in writing as shall be requisite to
13 satisfy the lien hereof and deliver to the Company or the
14 County, as their respective interests may appear, any
15 property at the time subject to the lien of this Indenture
16 which may then be in its possession, except amounts in the
17 Bond Fund established pursuant to Section 502 of this
18 Indenture required to be paid to the Company under Section
19 10.5 of the Loan Agreement and except cash held by the
20 Trustee for the payment of interest on and retirement of the
21 Bonds; otherwise, this Indenture to be and remain in full
22 force and effect.

23 THIS TRUST INDENTURE FURTHER WITNESSETH, and it is
24 expressly declared, that all Bonds issued and secured here-
25 under are to be issued, authenticated and delivered and all
26 said moneys, revenues and receipts hereby pledged are to be
27 dealt with and disposed of under, upon and subject to the
28 terms, conditions, stipulations, covenants, agreements,

2 trusts, uses and purposes as hereinafter expressed, and the
3 County has agreed and covenanted and does hereby agree and
4 covenant, with the Trustee and with the respective holders
5 and owners, from time to time, of the Bonds and the bearers
6 of the interest coupons thereto appertaining, or any part
7 thereof, as follows, that is:

8

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ARTICLE I

DEFINITIONS

SECTION 101. Certain terms used in this Indenture are defined in Section 102 hereof and when used herein, such terms shall have the meanings given to them by the language employed in Section 102, hereof, unless the context clearly indicates otherwise.

SECTION 102. The following terms are defined under this Indenture:

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

"ACT OF BANKRUPTCY" means the filing of a petition in bankruptcy (or the other commencement of a bankruptcy or similar proceeding) by or against the Company or the Issuer under any applicable bankruptcy, insolvency, reorganization or similar law, as now or hereafter in effect.

"ACT OF BANKRUPTCY OF THE BANK" shall mean: Any supervisory authority having jurisdiction in the premises shall have taken possession of the business and property of the Bank with a view to the liquidation of its affairs or to the conservation of its assets and for ten (10) days thereafter the Bank shall not have applied to a court of competent jurisdiction to enjoin the continuance of or require the surrender of such possession or if such application shall have been made by the Bank, such possession shall have continued for a period of thirty (30) consecutive days during which such supervisory authority

2 shall not be enjoined from continuing possession or be
3 subject to an order directing it to surrender possession; or
4 a receiver, conservator, liquidator or trustee for the Bank
5 or all or substantially all of its assets shall have been
6 appointed by a supervisory authority having jurisdiction in
7 the premises, or a court of competent jurisdiction, with a
8 view to the liquidation of the affairs of the Bank or the
9 conservation of its assets and the Bank shall have consented
10 to such appointment or such appointment shall have continued
11 in effect unenjoined, unstayed and undischarged for a period
12 of thirty (30) consecutive days.

13 "ASSIGNMENT" means the Assignment of Loan Agreement
14 dated as of December 15, 1982, from the County to the
15 Trustee.

16 "AUTHORIZED COMPANY REPRESENTATIVE" means the person at
17 the time designated to act on behalf of the Company by
18 written certificate furnished to the County and the Trustee
19 containing the specimen signature of such person and signed
20 on behalf of the Company by the Chairman of its Board of
21 Directors, its President, any of its Vice Presidents, its
22 Secretary or its Treasurer. Such certificate may designate
23 one or more alternate representatives.

24 "BANK" means Bankers Trust Company and its successors
25 under the Letter of Credit or, if applicable, any bank
26 issuing a Substitute Letter of Credit as provided in Section
27 301(B)(3), of this Indenture, and its successors.

"BOND FUND" or "FLORENCE COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE BOND FUND--LA-Z-BOY CHAIR COMPANY PROJECT" means the fund created in Section 502 hereof.

"BOND REGISTRAR" means the Trustee acting in the capacity of keeper of the books on which is noted the registration of the Bonds.

"BONDHOLDER" means the bearer of any coupon Bond and the registered owner of any registered Bond registered other than to bearer.

"BONDS" means the bonds of the County issued and outstanding at any time under this Indenture; such term shall also include any coupon evidencing interest on any coupon Bond.

"BONDS OUTSTANDING" at any time means all Bonds which have been duly authenticated and delivered by the Trustee under this Indenture, except:

(a) Bonds theretofore cancelled by the Trustee or theretofore delivered to the Trustee for cancellation;

(b) Bonds in lieu of which others have been authenticated under Section 210 or Section 207 hereof, unless, in the case of Section 207 hereof, proof satisfactory to the Trustee is presented to the Trustee that any such Bonds are held by bona fide purchasers as that term is defined in the Uniform Commercial Code, as amended, of the State in which case the Bond or Bonds so replaced and the Bond or Bonds authenticated and

delivered therefor shall be deemed Bonds Outstanding;
and

(c) Bonds deemed to have been paid as provided in
Section 901 hereof.

"BUSINESS DAY" means any day other than a Saturday, a
Sunday or a day on which banking institutions in the State
or in the state in which the Office of The Trustee or the
Bank is located are required or authorized by law (including
executive orders) to close.

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

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

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

"COMPANY" means La-Z-Boy Chair Company, a Michigan
corporation, its successors and assigns and any surviving,
resulting, or transferee corporation as provided in Section
6.3 of the Loan Agreement.

"COUNTY" means Florence County, South Carolina.

2 "COUNTY BOARD" means Florence County Council and any
3 successor body as the governing body of the County.

4 "DEFAULT" means any of those events of default spec-
5 ified in and defined by Section 1001 hereof.

6 "DETERMINATION OF TAXABILITY" means a determination
7 that the interest income on any of the Bonds does not
8 qualify as exempt interest to the holder thereof ("exempt
9 interest") under Section 103 of the Code for any reason
10 other than solely because such holder is a "substantial
11 user" of the Project or a "related person" within the
12 meaning of Section 103(b)(13) of the Code, which
13 determination shall be deemed to have been made upon the
14 occurrence of the first to occur of the following: (a) the
15 date on which the Company determines that the interest
16 income on any of the Bonds does not qualify as exempt
17 interest; or (b) the date on which any change in law or
18 regulation becomes effective or on which the Internal
19 Revenue Service has issued any private ruling, technical
20 advice or any other written communication to the effect that
21 the interest income on any of the Bonds does not qualify as
22 exempt interest; or (c) the date on which the Company shall
23 receive notice from the Trustee in writing that the Trustee
24 has been advised by the holder of any Bond or Bonds that the
25 Internal Revenue Service has issued a thirty-day letter or
26 other notice which asserts that the interest on such Bond or
27 Bonds does not qualify as exempt interest; or (d) the date
28 on which the Company issues a statement to the effect that

2 it has exceeded or intends to exceed the maximum capital
3 expenditures permitted under Section 103(b)(6)(D) of the
4 Code; or (e) the date on which the Trustee receives notice
5 that the Company or the County has taken any action
6 inconsistent with, or has failed to act consistently with,
7 the tax exempt status of the Bonds; provided that no
8 Determination of Taxability shall be deemed to have occurred
9 as a result of a determination by the Company pursuant to
10 clause (a) above unless such determination is supported by a
11 written opinion of independent counsel satisfactory to the
12 Trustee that the interest income on the Bonds does not
13 constitute exempt interest.

14 "ELIGIBLE FUNDS" means at any time, the aggregate of
15 the following, then held by the Trustee in the Bond Fund and
16 available for payment on the Bonds: (a) funds paid to the
17 Trustee pursuant to a drawing under the Letter of Credit,
18 (b) the accrued interest received upon delivery of the Bonds
19 to the Original Purchaser, (c) deposits pursuant to the
20 Indenture or the Loan Agreement from any other source;
21 including investment income on such deposits; provided,
22 that, such monies have remained on deposit in the Bond Fund
23 for a period of at least ninety-five (95) consecutive days
24 during and prior to which period no Act of Bankruptcy shall
25 have occurred, and (d) moneys derived from the investment of
26 funds qualifying as Eligible Funds under clause (a), (b) or
27 (c) above.

2 In determining whether any funds on deposit in the Debt
3 Service Fund constitute Eligible Funds (other than funds
4 drawn under the Letter of Credit), the Trustee may assume
5 that an Act of Bankruptcy has occurred unless the Trustee
6 has been furnished with a written opinion of counsel
7 satisfactory to the Trustee to the effect that after due
8 inquiry by such counsel, no Act of Bankruptcy has occurred
9 prior to or during the applicable ninety-five (95) day
10 period.

11 "EXTRAORDINARY SERVICES" and "EXTRAORDINARY EXPENSES"
12 means all services rendered and all expenses (including
13 reasonable counsel fees) incurred under this Indenture other
14 than Ordinary Services and Ordinary Expenses.

15 "INDENTURE" means these presents and any amendments
16 hereof or supplements hereto.

17 "LETTER OF CREDIT" means the Irrevocable Letter of
18 Credit issued by the Bank to the Trustee or, if applicable,
19 any Substitute Letter of Credit issued pursuant to Section
20 301(B)(3) of this Indenture.

21 "LETTER OF CREDIT AGREEMENT" means the Letter of Credit
22 Agreement dated December 15, 1982, between the Company and
23 the Bank as the same may be supplemented or amended from
24 time to time.

25 "LETTER OF INTENT" means the Non-Binding Letter of
26 Intent to Repurchase dated December 15, 1983, from the Bank
27 to the Original Purchaser.

2 "LOAN AGREEMENT" means the Loan Agreement dated as of
3 December 15, 1982, between the County and the Company
4 relating to the Bonds and any amendments thereof or
5 supplements thereto.

6 "OFFICE OF THE TRUSTEE" means Manufacturers Bank Tower,
7 100 Renaissance Center, Detroit, Michigan 48243 or the
8 principal corporate trust office of any successor or
9 temporary Trustee hereunder.

10 "ORDINARY SERVICES" and "ORDINARY EXPENSES" means those
11 services normally rendered and those expenses (including
12 reasonable counsel fees) normally incurred by a trustee
13 under instruments similar to this Indenture.

14 "ORIGINAL PURCHASER" means Merrill Lynch, Pierce,
15 Fenner & Smith Incorporated.

16 "PENALTY RATE" means interest at the rate of one and
17 one-half per centum (1-1/2%) per annum in excess of the rate
18 of interest borne by the Bonds or the highest rate permitted
19 by law, whichever is less.

20 "PERSON" means natural persons, firms, associations,
21 corporations and public bodies.

22 "PLEGGED AMOUNTS" means all of the amounts due and
23 payable under the Loan Agreement from time to time by the
24 Company (excepting only Trustee's fees and expenses and, to
25 the extent payable to the County, indemnification and
26 attorneys' fees and other expenses under Sections 4.4, 6.5
27 and 8.4 of the Loan Agreement, respectively).

2 "PRIME RATE" means the rate announced by Bankers Trust
3 Company, New York, New York, from time to time at its
4 principal office as its prime lending rate for domestic
5 commercial loans; the Prime Rate to change when and as such
6 prime lending rate changes.

7 "PRIOR ISSUE" means the \$5,000,000 Florence County,
8 South Carolina, Industrial Revenue Note, Series 1980
9 (La-Z-Boy Chair Company Project) dated February 26, 1980,
10 and issued to finance the cost of the acquisition,
11 construction and installation of the Project.

12 "PROJECT" means the industrial facilities heretofore
13 acquired, constructed and installed with the proceeds of the
14 Prior Issue.

15 > "STATE" means the State of South Carolina.

16 "SUBSTITUTE LETTER OF CREDIT" means any Substitute
17 Letter of Credit issued pursuant to Section 301(B)(3)
18 hereof.

19 "TRUST ESTATE" means the Pledged Amounts.

20 "TRUSTEE" means Manufacturers National Bank of Detroit,
21 the party of the second part hereto, and any successor,
22 temporary or co-trustee at the time serving as Trustee under
23 this Indenture.

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ARTICLE II

THE BONDS

SECTION 201. RESTRICTION ON ISSUANCE OF THE BONDS. No Bonds may be issued under provisions of this Indenture except in accordance with this Article.

SECTION 202. ISSUANCE OF THE BONDS. (A) Subject to the conditions of Section 206 hereof, Bonds in the aggregate principal amount of \$5,000,000 shall be issued under and secured by this Indenture. The Bonds shall be designated "Florence County, South Carolina, Industrial Revenue Refunding Bonds, Series 1983 (La-Z-Boy Chair Company Project)" and shall be in coupon or fully registered form as hereinafter provided. The Bonds shall bear interest at a floating rate per annum equal to sixty-seven per centum (67%) of the Prime Rate; provided, that the interest borne by the Bonds shall never be less than seven per centum (7%) per annum nor more than twenty-five per centum (25%) per annum. Notwithstanding the foregoing, in the event that the Bank purchases any of the Bonds from the Original Purchaser pursuant to the Letter of Intent, and so long as the Bank continues to hold the Bonds so purchased, such Bonds shall bear interest at a floating rate per annum equal to (i) one hundred per centum (100%) of the Prime Rate during the sixty (60) day period immediately following the date of such purchase, and (ii) one hundred per centum (100%) of the Prime Rate plus one per centum (1%) thereafter. Any change in the Prime Rate shall automatically and without notice to

2 the County or the Company be effective for the purpose of
3 changing the rate of interest which the Bonds bear as of the
4 opening of business on the date of any such change in the
5 Prime Rate. Interest on the Bonds shall be based on a 360
6 day year at twelve (12) thirty (30) day months and shall be
7 payable on the fifteenth day of each month commencing
8 February 15, 1983 (at which time interest for two (2) months
9 will be due). The Trustee shall compute the amount of
10 interest due on the Bonds and on each Bond as of the due
11 date of any interest payment thereon. The Bonds shall
12 mature (subject to mandatory and optional redemption as
13 hereinafter provided) on January 1, 1993.

14 (B) Interest on the coupon Bonds shall be evidenced by
15 interest coupons. The principal of and premium, if any, with
16 respect to coupon Bonds (unless registered other than to
17 bearer) and interest on the coupon Bonds shall be payable at
18 the principal office of the Trustee. Payment of the interest
19 on the coupon Bonds shall be made upon the presentation and
20 surrender of the coupons representing such interest as the
21 same become due and payable. Payment of principal and
22 premium, if any, with respect to coupon Bonds (unless
23 registered other than to bearer) shall be made upon
24 presentation and surrender of the coupon Bonds as the same
25 become due and payable.

26 7 (C) The final payment of principal of and premium, if
27 any, with respect to coupon Bonds registered other than to
28 bearer, and the final payment of principal, premium, if any

2 and interest on fully registered Bonds shall be made at the
3 corporate trust office of the Trustee upon surrender of the
4 Bonds for cancellation; payments prior thereto of principal
5 of and premium, if any, with respect to coupon Bonds
6 registered other than to bearer, and payments prior thereto
7 of principal of, premium, if any, and interest on fully
8 registered Bonds shall be made to the registered owner
9 thereof by Federal Funds wire to its address as it appears
10 on the Bond registration books of the Trustee, as Bond
11 Registrar, or in such other manner as the registered owner
12 and the Trustee may determine.

13 SECTION 203. EXECUTION; LIMITED OBLIGATION. (A) The
14 Bonds shall be executed on behalf of the County by the
15 manual or facsimile signature of the Chairman, the seal of
16 the County or a facsimile thereof shall be impressed or
17 reproduced thereon and the same shall be attested by the
18 manual or facsimile signature of the Clerk. The coupons
19 attached to the Bonds in coupon form shall be executed by
20 the facsimile signatures of the Chairman and the Clerk.

21 (B) The Bonds, together with the premium, if any, and
22 the interest thereon, shall be limited obligations of the
23 County payable from the Bond Fund and shall be a valid claim
24 of the respective owners thereof only against such fund and
25 the Pledged Amounts paid to the County pursuant to the Loan
26 Agreement. The Pledged Amounts are hereby pledged and
27 assigned for the equal and ratable payment of the Bonds and
28 the coupons and shall be used for no other purpose than to

2 pay the principal of, premium, if any, and interest on the
3 Bonds, except as may be otherwise expressly authorized in
4 this Indenture. The Bonds and coupons do not now and shall
5 never constitute an indebtedness of the County or the State
6 within the meaning of any state constitutional provision or
7 statutory limitation and shall never constitute nor give
8 rise to a pecuniary liability of the County or the State or
9 a charge against the general credit or taxing powers of
10 either of them.

11 (C) In case any officer whose manual or facsimile
12 signature shall appear on the Bonds or coupons shall cease
13 to be such officer before the delivery of such Bonds, such
14 signature shall nevertheless be valid and sufficient for all
15 purposes, the same as if such officer had remained in office
16 until delivery.

17 SECTION 204. AUTHENTICATION. Only such Bonds as shall
18 have endorsed thereon a certificate of authentication sub-
19 stantially in the form herein set forth duly executed by the
20 Trustee shall be entitled to any right or benefit under this
21 Indenture. No Bond and no coupon appertaining to any Bond
22 shall be valid or obligatory for any purpose unless and
23 until such certificate of authentication shall have been
24 duly executed by the Trustee, and such executed certificate
25 of the Trustee upon any such Bond shall be conclusive evi-
26 dence that such Bond has been authenticated and delivered
27 under this Indenture. The Trustee's certificate of authen-
28 tication on any Bond shall be deemed to have been executed

2 by it if signed by an authorized signatory of the Trustee,
3 but it shall not be necessary that the same person sign the
4 certificate of authentication on all of the Bonds issued
5 hereunder. Before authenticating or delivering any Bonds,
6 the Trustee shall detach and cancel all matured coupons, if
7 any, appertaining thereto, and such cancelled coupons shall
8 be destroyed by the Trustee.

9 SECTION 205. FORM; DENOMINATION; MEDIUM OF PAYMENT.

10 The Bonds shall be either in coupon form registrable as to
11 principal only or in fully registered form without coupons.

12 The Bonds shall be issued in the denomination of \$5,000 in
13 the case of coupon Bonds registrable as to principal only,
14 and in the denomination of \$5,000 or any multiple thereof in
15 the case of fully registered Bonds. The Bonds shall be
16 substantially in the forms set forth as Exhibits "A" and "B"
17 hereto with such variations, insertions or omissions as are
18 appropriate and not inconsistent herewith. The Bonds shall
19 be payable with respect to principal, premium, if any, and
20 interest in lawful money of the United States of America.

21 SECTION 206. DELIVERY OF THE BONDS. (A) Upon the
22 execution and delivery of this Indenture, the County shall
23 execute and deliver to the Trustee and the Trustee shall
24 authenticate the Bonds in the aggregate principal amount of
25 \$5,000,000 and deliver them to such purchaser or purchasers
26 as directed by the County as hereinafter in this Section 206
27 provided.

2 (B) Prior to the authentication by the Trustee of any
3 of the Bonds there shall be filed with the Trustee:

4 (1) A copy, duly certified by the Clerk, of the
5 Bond Ordinance authorizing the execution and delivery
6 of the Loan Agreement, the Assignment and this
7 Indenture and the issuance and delivery of \$5,000,000
8 aggregate principal amount of the Bonds;

9 (2) Original executed counterparts of the Loan
10 Agreement, the Assignment, this Indenture, / and the
11 Letter of Credit;

12 (3) A request and authorization to the Trustee on
13 behalf of the County and signed by the Chairman and the
14 Clerk to authenticate and deliver the Bonds in the
15 aggregate principal amount of \$5,000,000 to the
16 purchaser or purchasers upon payment to the Trustee,
17 for the account of the County, of a sum specified plus
18 interest thereon, if any, to the date of delivery. Any
19 accrued interest received upon delivery of the Bonds
20 shall be deposited in the Bond Fund and the balance of
21 such proceeds shall be paid over to the Trustee and
22 used to redeem the Prior Issue in accordance with the
23 provisions thereof; and

24 (4) The written opinion by an attorney or firm of
25 attorneys of recognized standing on the subject of
26 municipal bonds to the effect that the issuance of the
27 Bonds and the execution thereof have been duly
28 authorized, the conditions precedent to the delivery

thereof have been fulfilled, the Bonds constitute legal, valid and binding obligations of the County enforceable in accordance with their terms and interest on the Bonds is not subject to federal income taxes, except under the conditions contemplated by Section 103(b)(13) of the Code.

SECTION 207. MUTILATED, LOST, STOLEN OR DESTROYED BONDS OR COUPONS. (A) In the event any Bond is mutilated, lost, stolen or destroyed, the County may execute and the Trustee may authenticate a new Bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed, which new Bond shall have attached thereto coupons corresponding in all respects to those, if any, on the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond together with all coupons, if any, appertaining thereto shall first be surrendered to the Trustee, and in the case of any lost, stolen, or destroyed Bond, there shall be first furnished to the County and the Trustee evidence of the loss, theft or destruction reasonably satisfactory to the County and the Trustee, together with indemnity reasonably satisfactory to the County, the Trustee and the Company. In the event any such Bond or coupon shall have matured or been called for redemption, instead of issuing a duplicate Bond or coupon the County may pay the same without surrender thereof. The County and the Trustee may charge the Company with their reasonable fees and expenses in this connection.

2 (B) In executing a new Bond or coupon as provided for
3 in this Section, the County may rely conclusively upon a
4 representation of the Trustee that the Trustee is satisfied
5 with the adequacy of the evidence presented concerning the
6 mutilation, loss, theft or destruction of any Bond or coupon
7 and the adequacy of the indemnity provided.

8 SECTION 208. NEGOTIABILITY, TRANSFER AND REGISTRY;
9 PERSONS TREATED AS OWNERS. (A) Title to any coupon Bond,
10 unless such Bond is registered in the manner hereinafter
11 provided, and to any interest coupon shall pass by delivery
12 in the same manner as a negotiable instrument payable to
13 bearer. Books for the registration and for the transfer of
14 the Bonds as provided in this Indenture shall be kept by the
15 Trustee as Bond Registrar. At the option of the holder, any
16 coupon Bond may be registered on such books as to principal
17 only upon presentation thereof to the Trustee as Bond
18 Registrar, which shall make notation of such registration
19 thereon. The transfer of any coupon Bond so registered as
20 to principal may thereafter be registered only upon an
21 assignment duly executed by the registered owner or his duly
22 authorized legal representative in such form as shall be
23 satisfactory to the Bond Registrar, such registration of
24 transfer to be made on such books and endorsed on the coupon
25 Bond by the Bond Registrar. Such registration of transfer
26 may be to bearer and thereby transferability by delivery
27 restored, subject, however, to successive registrations and
28 transfers as before. The principal of any coupon Bond

2 registered as to principal only, unless registered to
3 bearer, shall be payable only to or upon the order of the
4 registered owner or his duly authorized legal
5 representative, but the coupons appertaining to any Bond
6 registered as to principal shall remain payable to bearer
7 notwithstanding such registration.

8 (B) The County, the Trustee and any paying agent may
9 deem and treat the bearer of any coupon Bond which shall not
10 at the time be registered as to principal (except to
11 bearer), and the bearer of any coupon pertaining to any
12 Bond, as the absolute owner of such coupon Bond or coupon,
13 as the case may be, whether such coupon Bond or coupon shall
14 be overdue or not, for the purpose of receiving payment
15 thereof and for all other purposes whatsoever, and neither
16 the County, the Trustee nor any paying agent shall be
17 affected by any notice to the contrary.

18 (C) The transfer of each registered Bond may be
19 registered only upon the registration books of the County,
20 which shall be kept for that purpose at the Office of the
21 Trustee by the registered owner thereof in person or by his
22 or her duly authorized legal representative upon surrender
23 thereof and together with a written instrument of transfer
24 reasonably satisfactory to the Trustee duly executed by the
25 registered owner or his or her duly authorized
26 representative. Upon the registration of transfer of any
27 such registered Bond there shall be issued, subject to the
28 provisions of Section 211, in the name of the transferee a

2 new registered Bond or Bonds, or at the option of the
3 transferee, a coupon Bond or Bonds (which may be registered
4 as therein provided, if requested) of the same aggregate
5 principal amount, maturity and interest rate as the
6 surrendered Bond.

7 (D) The County and the Trustee may deem and treat the
8 person in whose name any registered Bond shall be registered
9 upon the books of the County as the absolute owner of such
10 Bond, whether such Bond shall be overdue or not, for the
11 purpose of receiving payment of, or on account of, the
12 principal of, premium, if any, and interest on such Bond and
13 for all other purposes, and all such payments so made to any
14 such registered owner or upon his order shall be valid and
15 effectual to satisfy and discharge the liability upon such
16 Bond to the extent of the sum or sums so paid, and neither
17 the County, nor the Trustee nor any paying agent shall be
18 affected by any notice to the contrary.

19 SECTION 209. NUMBERS, DATE AND PAYMENT PROVISIONS.
20 The Bonds shall be numbered and designated in such manner as
21 the County, with the concurrence of the Trustee, shall
22 determine. Coupon Bonds shall be dated and bear interest
23 from December 15, 1982. Each registered Bond shall bear
24 interest from its date and shall be dated as of the interest
25 payment date immediately preceding the date of its
26 authentication, unless authentication shall be on an
27 interest payment date, in which case it shall be dated as of
28 the date of its authentication, or unless authentication

2 shall precede the first interest payment date, in which case
3 it shall be dated the date of issuance thereof; provided,
4 however, that if at the time of authentication of any such
5 registered Bond, any interest on such Bond is in default,
6 such Bond shall be dated as of the date to which interest on
7 such Bond has been paid.

8 SECTION 210. INTERCHANGEABILITY OF BONDS. (A) Coupon
9 Bonds, upon surrender thereof at the Office Of The Trustee
10 with all unmatured coupons and all matured coupons in
11 default attached, may, at the option of the holder, be
12 exchanged for an equal aggregate principal amount of
13 registered Bonds of the same maturity and of any of the
14 authorized denominations.

15 (B) Fully registered Bonds, upon surrender thereof at
16 the Office Of The Trustee with a written instrument of
17 transfer reasonably satisfactory to the Trustee, duly
18 executed by the registered owner or his or her duly
19 authorized legal representative, may, at the option of the
20 registered owner, be exchanged for an equal aggregate
21 principal amount of coupon Bonds with appropriate coupons
22 attached or of registered Bonds of the same maturity and any
23 other authorized denominations.

24 SECTION 211. REGULATIONS WITH RESPECT TO EXCHANGES AND
25 TRANSFER. In all cases in which the privilege of exchanging
26 Bonds or transferring registered Bonds is exercised, the
27 County shall execute and the Trustee shall authenticate and
28 deliver Bonds in accordance with the provisions of this

2 Indenture. The Trustee shall retain in its custody for
3 safekeeping coupon Bonds surrendered in exchange until such
4 time as there shall be a request that such coupon Bonds be
5 redelivered in exchange. All fully registered Bonds sur-
6 rendered in any such exchanges or transfers shall forthwith
7 be cancelled and destroyed by the Trustee. There shall be
8 no charge to an owner for such exchange or transfer of Bonds
9 except that the Trustee may make a charge to the Company
10 sufficient to reimburse it for any tax or other governmental
11 charge required to be paid with respect to such exchange or
12 transfer; provided, that the payment of any such charge
13 shall not be a condition precedent to the exercise of the
14 right to exchange or transfer Bonds. Neither the County nor
15 the Trustee shall be required to register, transfer or
16 exchange Bonds for a period of five (5) days immediately
17 preceding an interest payment date on the Bonds or
18 immediately preceding any selection of Bonds to be redeemed
19 or thereafter until after the first publication or mailing
20 of any notice of redemption, or to register, transfer or
21 exchange any Bonds called for redemption.

22 SECTION 212. CANCELLATION AND DESTRUCTION OF
23 MUTILATED, PAID OR SURRENDERED BONDS OR COUPONS. Upon the
24 surrender to the Trustee of mutilated Bonds pursuant to
25 Section 207 hereof, or Bonds paid or surrendered, or coupons
26 paid or surrendered, otherwise than pursuant to Sections 211
27 or 304 hereof, the Trustee shall cancel and destroy such
28 Bonds or coupons, which shall not be reissued, and a

2 counterpart of the certificate of destruction evidencing
3 such destruction shall be furnished by the Trustee to the
4 County and the Company. All Bonds so destroyed shall
5 thereafter no longer be considered Outstanding for any
6 purposes of this Indenture or the Loan Agreement.

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ARTICLE III

REDEMPTION OF BONDS BEFORE MATURITY

SECTION 301. REDEMPTION DATES AND PRICES FOR THE BONDS. (A) Optional Redemption. The Bonds are subject to optional redemption by the County at the direction of the Company prior to maturity on or after January 15, 1986, in whole on any date, or in part on any interest payment date (less than all of such Bonds to be selected by lot by the Trustee in the manner hereinafter provided in Section 305 of this Indenture) at the redemption prices (expressed as percentages of principal amount) set forth in the table below, plus interest accrued to the redemption date:

	<u>Redemption Dates</u>	<u>Redemption Price</u>
January 15, 1986, through	January 14, 1987	103 %
January 15, 1987, through	January 14, 1988	102-1/2%
January 15, 1988, through	January 14, 1989	102 %
January 15, 1989, through	January 14, 1990	101-1/2%
January 15, 1990, through	January 14, 1991	101 %
January 15, 1991, through	January 14, 1992	100-1/2%
January 15, 1992, and thereafter		100 %

(B) Mandatory Redemption. (1) The Bonds shall be redeemed by the County in part on January 15 in the years and principal amounts set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>
1987	\$500,000
1988	500,000
1989	500,000
1990	500,000
1991	500,000
1992	500,000

(2) The Bonds shall be redeemed by the County as soon as practicable but no later than the thirtieth day after the occurrence of a Determination of Taxability, at any time,

2 whether or not an interest payment date, in whole and not in
3 part, at the principal amount thereof, plus interest accrued
4 to the redemption date, plus a redemption premium of three
5 per centum (3%) of the principal amount of each Bond so
6 redeemed.

7 (3) The Bonds shall be redeemed by the County at any
8 time, whether or not an interest payment date, in whole and
9 not in part, as soon as practicable, but no later than the
10 sixtieth day after the occurrence of an Act of Bankruptcy of
11 the Bank, if within forty-five (45) days of the occurrence
12 of an Act of Bankruptcy of the Bank a Substitute Letter of
13 Credit has not been issued to the Trustee as herein
14 provided. If an Act of Bankruptcy of the Bank shall have
15 occurred, another letter of credit (the "Substitute Letter
16 of Credit") substantially identical in form and substance to
17 the Letter of Credit originally issued and, satisfactory to
18 the Trustee, together with any letter of credit agreement
19 relating thereto (which agreement shall be substantially
20 similar in form and substance to the Letter of Credit
21 Agreement executed in connection with the issuance of the
22 Letter of Credit originally issued), reasonably acceptable
23 to the Trustee may be issued if contemporaneously with such
24 issuance, the Trustee shall receive an opinion of counsel in
25 form and substance satisfactory to the Trustee (and
26 substantially similar in content with respect to the
27 Substitute Letter of Credit as those opinions originally
28 rendered with respect to the Letter of Credit in connection

2 with the original issuance of the Bonds) to the effect that
3 the Substitute Letter of Credit is the valid, binding and
4 enforceable obligation of the bank issuing it and that
5 payments on the Bonds out of the proceeds of a drawing on
6 the Substitute Letter of Credit will not constitute voidable
7 preferences under the federal Bankruptcy Code or other
8 applicable laws and regulations. In the event of the
9 occurrence of an Act of Bankruptcy, the Bank issuing the
10 Substitute Letter of Credit shall agree in writing to send
11 annual audited financial statements of such bank or its
12 holding company parent to each holder of any of the Bonds.
13 The Substitute Letter of Credit shall be issued by a bank
14 whose debt obligations (or the debt obligations of its
15 holding company parent), as of a date no more than
16 forty-five (45) days prior to the issuance of the Substitute
17 Letter of Credit, shall have been rated in either of the two
18 highest rating categories by either Standard & Poor's
19 Corporation or Mood's Investor Service, Inc. or any
20 successor of either such corporation (currently "AA" and
21 "Aa", respectively). If redeemed pursuant to this Section
22 301(B)(3), the Bonds shall be redeemed at a price of par
23 plus interest accrued to the redemption date.

24 7 (C) All redemptions of the Bonds shall be effected in
25 the manner prescribed by this Article III.

26 SECTION 302. NOTICE OF REDEMPTION. In the event any
27 of the Bonds, or portions thereof, are called for
28 redemption, the Trustee shall give notice, in the name of

2 the County, of the redemption of such Bonds, which notice
3 shall specify the Bonds or portions thereof to be redeemed,
4 the redemption date and the place or places where the
5 amounts due upon such redemption will be payable, and, if
6 less than all of the Bonds are to be redeemed, the numbers
7 of such Bonds so to be redeemed, and, in the case of fully
8 registered Bonds to be redeemed in part only, such notice
9 shall also specify the respective portions of the principal
10 amount thereof to be redeemed. Such notice shall be given
11 by publication at least once not less than thirty (30) days
12 nor more than sixty (60) days prior to the redemption date
13 in a newspaper or financial journal of general circulation
14 in the City of New York, New York and in the case of
15 redemption of fully registered Bonds or coupon Bonds
16 registered as to principal, by mailing a copy of the
17 redemption notice by first class mail not less than thirty
18 (30) days nor more than sixty (60) days prior to the date
19 fixed for redemption to the owner of each such registered
20 Bond to be redeemed, at the address shown on the
21 registration books. If all the Bonds to be redeemed are
22 fully registered Bonds or coupon Bonds registered as to
23 principal, such mailed notice shall be sufficient and
24 published notice of the call for redemption need not be
25 given. Failure duly to give such notice by mailing, or any
26 defect in the notice, to the owner of any Bond designated
27 for redemption shall not affect the validity of the
28 proceedings for the redemption of Bonds as to which no such

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2 failure or defect shall have occurred. Provided funds for
3 their redemption are on deposit with the Trustee, all Bonds
4 so called for redemption shall cease to bear interest on the
5 specified redemption date, shall no longer be protected by
6 this Indenture and shall not be deemed to be Bonds
7 Outstanding under the provisions of this Indenture. If,
8 because of the temporary or permanent suspension of the
9 publication or general circulation of any newspaper or
10 financial journal or for any other reason, it is impossible
11 or impractical to publish such notice of call for redemption
12 in the manner herein provided, then such publication in lieu
13 thereof as shall be made with the approval of the Trustee
14 shall constitute a sufficient publication of notice.

15 SECTION 303. CANCELLATION. All Bonds which have been
16 redeemed shall be cancelled and destroyed by the Trustee
17 together with all unmatured coupons appertaining thereto and
18 shall not be reissued and a counterpart of the certificate
19 of destruction evidencing such destruction shall be fur-
20 nished by the Trustee to the County and the Company. All
21 Bonds so destroyed shall thereafter no longer be considered
22 Outstanding for any purposes of this Indenture or the Loan
23 Agreement.

24 SECTION 304. UNPAID COUPONS. All unpaid coupons which
25 appertain to Bonds so called for redemption and which shall
26 have become payable on or prior to the date fixed for
27 redemption shall continue to be payable to the bearers

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2 | thereof severally and respectively upon the presentation and
3 | surrender of such coupons.

4 SECTION 305. SELECTION OF BONDS TO BE REDEEMED. In
5 the event of redemption of less than all of the Bonds, the
6 Bonds or portions thereof, to be redeemed shall be selected
7 by lot by the Trustee in such manner as the Trustee
8 determines to be fair and equitable; provided, however, that
9 the portion of any Bond of a denomination of more than
10 \$5,000 to be redeemed shall be in the principal amount of
11 \$5,000 or an integral multiple thereof, and that, in
12 selecting portions of such Bonds for redemption, the Trustee
13 shall treat each such Bond as representing that number of
14 Bonds of \$5,000 denomination which is obtained by dividing
15 the principal amount of such Bond to be redeemed in part by
16 \$5,000. If there shall be called for redemption less than
17 all of a registered Bond, the County shall, at the option of
18 the owner thereof, execute and the Trustee shall
19 authenticate and deliver, upon the surrender of such Bond,
20 without charge to the owner thereof, for the unredeemed
21 balance of the principal amount of the registered Bond so
22 surrendered, either coupon Bonds or registered Bonds in any
23 of the authorized denominations. If Eligible Funds
24 sufficient to redeem such Bonds, or portions thereof, shall
25 not be available on the redemption date, such Bonds or
26 portions thereof shall continue to be considered outstanding
27 hereunder and to bear interest until paid at the same rate

2 as they would have borne had they not been called for
3 redemption.

4 SECTION 306. PURCHASE OF BONDS. The Trustee shall, if
5 and to the extent practicable, purchase Bonds at the written
6 direction of the County upon request of the Company at such
7 time, in such manner and at such price as may be specified
8 by the Company. /

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ARTICLE IVGENERAL COVENANTSSECTION 401. CONDITION OF COUNTY'S OBLIGATION;

PAYMENT OF PRINCIPAL, PREMIUM AND INTEREST. (A) Each and every covenant herein made, including all covenants contained in the various sections of this Article IV, is predicated upon the condition that any obligation for the payment of money incurred by the County shall not create a pecuniary liability of the County or a charge against its general credit or taxing powers, but shall be payable solely from the Pledged Amounts and payments made pursuant to the Letter of Credit, which Pledged Amounts and payments made pursuant to the Letter of Credit are hereby specifically pledged to the payment thereof in the manner and to the extent in this Indenture specified and nothing in the Bonds or in this Indenture shall be considered as pledging any other funds or assets of the County.

(B) The County covenants that it will promptly deposit or cause to be deposited (but solely from, and only to the extent of, the Pledged Amounts) into the Bond Fund amounts which, together with the amounts paid pursuant to the Letter of Credit, will be sufficient to pay the principal of, premium, if any, and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in said Bonds, and in the coupons appertaining thereto according to the true intent and meaning thereof.

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2 SECTION 402. PERFORMANCE OF COVENANTS; AUTHORITY OF
3 COUNTY. The County covenants that it will faithfully per-
4 form at all times any and all covenants, undertakings,
5 stipulations and provisions contained in this Indenture, in
6 any and every Bond executed, authenticated and delivered
7 hereunder and in all proceedings pertaining thereto. The
8 County represents that it is duly authorized under the Con-
9 stitution and laws of the State to issue the Bonds
10 authorized hereby, to execute, deliver and perform its
11 obligations under the Loan Agreement, the Assignment/and
12 this Indenture, and to pledge the Pledged Amounts in the
13 manner and to the extent herein set forth; that any action
14 on its part for the issuance of the Bonds and the execution
15 and delivery of the Loan Agreement, the Assignment/and this
16 Indenture has been duly and effectively taken; and that the
17 Bonds in the hands of the holders and owners thereof and the
18 coupons appertaining thereto in the hands of the bearers
19 thereof are and will be the legal, valid and binding
20 obligations of the County, enforceable in accordance with
21 their terms.

22 SECTION 403. INSTRUMENTS OF FURTHER ASSURANCE. (A)
23 The County covenants that it will execute, acknowledge and
24 deliver or cause to be executed, acknowledged and delivered
25 such instruments and indentures supplemental hereto and do
26 or cause to be done such further acts and transfers as the
27 Trustee may reasonably require for the better assuring,
28 transferring, conveying, pledging, assigning and confirming

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2 unto the Trustee the Pledged Amounts for the payment of the
3 principal of, premium, if any, and interest on the Bonds.

4 (B) The County covenants and agrees that, except as
5 herein and in the Assignment provided, it will not sell,
6 convey, mortgage, encumber or otherwise dispose of any part
7 of the Pledged Amounts or of its rights under the Loan
8 Agreement.

9 SECTION 404. INSPECTION OF PROJECT BOOKS. The County
10 covenants and agrees that all books and documents in its
11 possession relating to the Project and the Pledged Amounts
12 shall at all times be open to inspection by such accountants
13 or other agents as the Trustee may from time to time
14 designate.

15 SECTION 405. RIGHTS UNDER THE LOAN AGREEMENT. The
16 Loan Agreement, a duly executed counterpart of which has
17 been filed with the Trustee, sets forth the covenants and
18 obligations of the County and the Company including a
19 provision that subsequent to the initial issuance of the
20 Bonds and prior to the payment thereof in full, or provision
21 for payment thereof in accordance with the provisions
22 hereof, the Loan Agreement may not be effectively amended,
23 changed, modified, altered or terminated (other than as
24 provided therein) without the prior written consent of the
25 Trustee, and reference is hereby made to the Loan Agreement
26 for a detailed statement of said covenants and obligations
27 of the Company under the Loan Agreement. The County agrees
28 that the Trustee in its name or in the name of the County

2 for and on behalf of the Bondholders may enforce all rights
3 of the County and all obligations of the Company under and
4 pursuant to the Loan Agreement whether or not the County is
5 in default hereunder.

6 SECTION 406. LIST OF BONDHOLDERS. To the extent that
7 such information shall be made known under the terms of this
8 Section 406, there will be kept on file at the Office of the
9 Trustee a list of names and addresses of the last known
10 holders of all Bonds payable to bearer and believed to be
11 held by each of such last known holders. Any Bondholder may
12 request that his or her name and address be placed on said
13 list by filing a written request with the Trustee, which
14 request shall include a statement of the principal amount of
15 Bonds held by such holder and the numbers of such Bonds.
16 The Trustee shall be under no responsibility with regard to
17 the accuracy of said list. At reasonable times and under
18 reasonable regulations established by the Trustee, said list
19 may be inspected and copied by the Company or by holders or
20 owners (or a duly authorized legal representative thereof)
21 of twenty-five percent (25%) or more in principal amount of
22 Bonds Outstanding, such ownership and the authority of any
23 such designated representative to be evidenced to the
24 satisfaction of the Trustee.

25 SECTION 407. FILING. The security interest of the
26 Trustee created by this Indenture in the Pledged Amounts
27 shall be perfected by filing in the Office of the Secretary
28 of State of the State, financing statements which fully

2 comply with the Uniform Commercial Code - Secured
3 Transactions of the State. Such financing or continuation
4 statements shall be filed from time to time by the Trustee
5 in said Office of the Secretary of State, as in the opinion
6 of counsel, are necessary to preserve the lien of this
7 Indenture.

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ARTICLE V

REVENUES AND FUNDS

SECTION 501. SOURCE OF PAYMENT OF THE BONDS. (A) The Bonds herein authorized and all payments by the County hereunder are limited obligations payable by the County solely from the Pledged Amounts and as authorized and provided in this Indenture.

(B) The payments provided for in Section 4.3 of the Loan Agreement are to be remitted by the Company directly to the Trustee, for the account of the County, and deposited in the Bond Fund. Said payments are required to be sufficient in amount, after giving effect to any credit provided therefor under the terms of the Loan Agreement, to pay the principal of, premium, if any, and interest on the Bonds, and the entire Pledged Amounts are pledged to the payment of the principal of, premium, if any, and interest on the Bonds.

SECTION 502. CREATION OF THE BOND FUND. There is hereby created by the County and ordered established with the Trustee a trust fund in the name of the County to bear the designation set forth in the definition of "Bond Fund" in Section 102 hereof. Amounts in the Bond Fund shall be held in trust for the payment of the Bonds and the sole and exclusive benefit of the holders from time to time of the Bonds. No amounts in the Bond Fund shall be paid to or for the account of the Company prior to the discharge of this Indenture.

2 SECTION 503. PAYMENTS INTO THE BOND FUND. (A) There
3 shall be deposited into the Bond Fund all accrued interest/
4 received upon the sale of the Bonds. In addition, there
5 shall be deposited in the Bond Fund:

6 (1) All payments specified in Section 4.3 of the
7 Loan Agreement; and

8 (2) All moneys drawn by the Trustee under the
9 Letter of Credit; and

10 (3) All other moneys received by the Trustee
11 under and pursuant to any of the provisions of the Loan
12 Agreement when accompanied by directions by the Company
13 that such moneys are to be paid into the Bond Fund.

14 (4) Sums received upon exercise of remedies by
15 the Trustee after an Event of Default hereunder.

16 SECTION 504. PAYMENT OF BONDS FROM THE BOND FUND. (A)
17 The Trustee shall pay or cause to be paid out of Eligible
18 Funds in the Bond Fund, the principal of, premium, if any,
19 and interest due on the Bonds as the same become due and
20 payable (whether at stated maturity, by amortization, by
21 acceleration, by redemption or otherwise). Except as
22 specified in the next sentence hereof, in no event shall the
23 Trustee use any moneys, except for Eligible Funds, to pay
24 principal of, premium, if any, or interest on the Bonds. If
25 and to the extent that, following acceleration, by
26 declaration or otherwise, under Section 1002, sufficient
27 Eligible Funds, including moneys drawn under the Letter of
28 Credit pursuant to Section 504(E), are not available to pay

2 in full the principal of, premium, if any, and interest on
3 the Bonds, then other available moneys shall be used to pay
4 principal of, premium, if any, and interest on the Bonds.

5 (B) At or before the close of business on the
6 ninety-fifth day preceding any date on which optional
7 redemption is permitted, the Company, pursuant to Section
8 ____ of the Loan Agreement and Section ____ hereof, may, at
9 its option and after giving notice to the Trustee of the
10 Company's intent, cause to be paid to the Trustee on or
11 before such ninety-fifth day preceding such payment date for
12 deposit in the Bond Fund such amounts of funds as the
13 Company may determine, with written instructions to the
14 Trustee to apply such funds to the extent constituting
15 Eligible Funds to the redemption of bonds pursuant to
16 Section 301(A) hereof. The Trustee shall thereupon use all
17 reasonable efforts to apply such funds to the redemption of
18 Bonds on such date.

19 (C) The Letter of Credit has been issued by the Bank
20 in favor of the Trustee and shall be held in trust by the
21 Trustee for the benefit of the Bondholders. Prior to 12:00
22 Noon on the Business Day immediately preceding each day on
23 which any payment of principal of, premium, if any, or
24 interest is due on any of the Bonds (whether at stated
25 maturity, by amortization or by redemption), the Trustee
26 shall make a demand for payment under the Letter of Credit
27 of an amount sufficient, to the extent moneys of the type
28 described in FIRST and SECOND below are not available for

2 such purpose, to pay the full amount of the principal of,
3 premium, if any, and interest due on the Bonds on such
4 payment date. Amounts so drawn by the Trustee under the
5 Letter of Credit shall be deposited in the Bond Fund and
6 shall be used, together with any other available funds, to
7 make such payment on the Bonds on the date when due. Upon
8 acceleration pursuant to Section 1002 of this Indenture, the
9 Trustee shall as soon as possible make a demand for payment
10 under the Letter of Credit in an amount sufficient, to the
11 extent moneys of the type described in FIRST and SECOND
12 below are not available for such purpose, to pay the full
13 amount of the principal of and interest due on the
14 Outstanding Bonds. Amounts so drawn by the Trustee under
15 the Letter of Credit shall be deposited in the Bond Fund and
16 shall be used, together with any other available funds, to
17 make such payment on the Bonds. Notwithstanding anything to
18 the contrary contained in this Indenture, the Trustee shall
19 withdraw moneys from the Bond Fund for purposes of paying
20 principal of, premium, if any, or interest on the Bonds from
21 the following sources in the following order of priority:

22 FIRST: Eligible Funds of the type described in
23 clause (b) of the definition thereof, including any
24 moneys derived from the investment of any such funds,

25 SECOND: Eligible Funds of the Type described in
26 clause (c) of the definition thereof, including any
27 moneys derived from the investment of any such funds,

THIRD: Eligible Funds of the type described in clause (a) of the definition thereof, including any moneys derived from the investment of any such funds, and

FOURTH: Any other funds in the Bond Fund.

SECTION 505. MONEYS TO BE HELD IN TRUST. All moneys required to be deposited with or paid to the Trustee for deposit in the Bond Fund shall be held by the Trustee in trust, and shall be applied only in accordance with this Indenture and shall be subject to the lien and security interest created hereby.

SECTION 506. NON-PRESENTMENT OF BONDS OR COUPONS. In the event any Bonds shall not be presented for payment in whole or in part when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof, or otherwise, or in the event any coupon shall not be presented for payment at the due date thereof, if Eligible Funds sufficient to pay such Bond, or the portion thereof, then due and payable, or coupon, shall be on deposit in the Bond Fund and available to effect such payment on the date fixed therefor, all liability of the County and Company to the holder or owner thereof for the payment of such Bond, or the portion thereof then due and payable, or coupon, as the case may be, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund

or funds, without liability for interest thereon, for the benefit of the holder or owner of such Bond, or the bearer of such coupon, as the case may be, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his or her part under this Indenture or on, or with respect to, said Bond.

SECTION 507. TRUSTEE'S AND PAYING AGENTS' FEES, CHARGES AND EXPENSES. Pursuant to Section 4.4 of the Loan Agreement, the Company has agreed to pay to the Trustee, until the principal of, premium, if any, and interest on the Bonds shall have been fully paid:

(1) The annual fee of the Trustee for the Ordinary Services rendered by it and the Ordinary Expenses incurred by it under this Indenture, as and when the same becomes due;

(2) The reasonable fees and charges of the Trustee, as Bond Registrar and paying agent, and any other paying agent or agents on the Bonds for acting as paying agent or agents, as and when the same become due; and

(3) The reasonable fees and charges of the Trustee for any necessary Extraordinary Services rendered by it and any necessary Extraordinary Expenses incurred by it under this Indenture, as and when the same become due.

2 (B) It is further understood and agreed that the
3 initial or acceptance fee of the Trustee will be paid to the
4 Trustee by the Company as and when the same shall become
5 due. The Company may, without creating any Default or
6 incurring any penalty hereunder, contest in good faith the
7 necessity for any such Extraordinary Services and
8 Extraordinary Expenses and the reasonableness of any of the
9 fees, charges or expenses referred to herein.

10 SECTION 508. REPAYMENT TO THE COMPANY FROM THE BOND
11 FUND. Subject to Section 10.5 of the Loan Agreement, any
12 amounts remaining in the Bond Fund after payment in full out
13 of Eligible Funds of the principal of, premium, if any, and
14 interest on the Bonds (or provision for payment thereof as
15 provided in Section 506 of this Indenture), the fees,
16 charges and expenses of the Trustee and any paying agents
17 and all other amounts required to be paid hereunder shall be
18 paid to the Company upon the expiration or sooner
19 termination of the term of the Loan Agreement as provided in
20 Section 10.5 thereof.

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ARTICLE VI

CUSTODY AND APPLICATION OF THE PROCEEDS OF THE BONDS

SECTION 601. DEPOSITS IN THE BOND FUND. From the proceeds of the issuance and delivery of the Bonds there shall be deposited in the Bond Fund in accordance with Section 503 hereof all accrued interest received upon the sale of the Bonds.

SECTION 602. REFUNDING THE PRIOR ISSUE. The balance of the proceeds of the issuance and delivery of Bonds remaining after the deposit provided by Section 601 hereof shall have been made, shall be paid to the Trustee and used to redeem the Prior Issue in accordance with instructions delivered to the Trustee by the County upon delivery of the Bonds.

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ARTICLE VII

INVESTMENTS

SECTION 701. INVESTMENT OF BOND FUND MONEYS. Any moneys held as part of the Bond Fund shall only be invested or reinvested by the Trustee in direct obligations of the United States of America or agencies thereof, having maturities consonant with the need to apply moneys in the Bond Fund to the payment of principal of, premium, if any, and interest on the Bonds; provided, however, that Eligible Funds shall only be invested in direct obligations of the United States having a maturity of no more than thirty days from the date of purchase; and provided further, that the proceeds derived from the sale of the Bonds shall not be used, directly or indirectly, in such a manner as to cause any Bond to be an "arbitrage bond" within the meaning of Section 103(c)(2) of the Code or the Treasury Regulations issued or proposed thereunder. Any investment of moneys held as part of the Bond Fund shall be held by or under the control of the Trustee and shall be deemed at all times a part of the Bond Fund, and the interest accruing thereon and any profit realized from such investments shall be credited to the Bond Fund, and any loss resulting from such investments shall be charged to the Bond Fund. The Trustee is directed to sell and reduce to cash funds a sufficient amount of such investments whenever the cash balance in the Bond Fund is insufficient to pay the principal of, premium, if any and interest on the Bonds when due.

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SECTION 702. TRUSTEE'S OWN BOND DEPARTMENT. The

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Trustee may make any and all investments permitted under

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Section 701 through its own bond or investment department.

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ARTICLE VIII

LAWS GOVERNING INDENTURESECTION 801. LAWS GOVERNING INDENTURE AND SITUS AND

ADMINISTRATION OF TRUST. The effect and meaning of this

Indenture and the rights of all parties hereunder shall be

governed by, and construed according to, the laws of the

State, but it is the intention of the County that the situs

of the trust created by this Indenture be in the state in

which is located the corporate trust office of the Trustee

from time to time acting under this Indenture. The word

"Trustee" as used in the preceding sentence shall not be

deemed to include any additional individual or institution

appointed as a separate or co-trustee pursuant to Section

1113 of this Indenture. It is the further intention of the

County that the Trustee administer said trust in the state

in which is located, from time to time, the situs of said

trust.

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ARTICLE IX

DISCHARGE OF LIEN; WHEN PRINCIPAL,
PREMIUM AND INTEREST DEEMED PAIDSECTION 901. DISCHARGE OF LIEN OF THE INDENTURE; WHEN

PRINCIPAL, PREMIUM AND INTEREST DEEMED PAID. (A) If the

County shall pay out of Eligible Funds or cause to be paid out of Eligible Funds, or there shall otherwise be paid out of Eligible Funds, to the holder or holders of all Outstanding Bonds, the principal of, premium, if any, and interest due or to become due thereon at the times and in the manner stipulated therein and in this Indenture, then the pledge of any revenues or receipts from or in connection with the Loan Agreement under this Indenture and the estate and rights hereby granted and all covenants, agreements and other obligations of the County hereunder to the Bondholder or Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied and such Bonds shall thereupon cease to be entitled to any lien, benefit or security hereunder. After such payment, the Trustee shall cancel and discharge the Indenture and deliver to the County any property at the time subject to the Indenture which may then be in its possession, except amounts in the Bond Fund required to be paid to the Bank or the Company under Section 509 hereof and except funds, or securities in which such funds are invested, held by the Trustee for the payment of interest on, principal of, and premium, if any, on the Bonds, and upon the payment and discharge of the Bonds Outstanding or other provision having been made for the

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2 payment of all principal, premium, if any, and interest due
3 or to become due on the Bonds, the Trustee shall return the
4 Letter of Credit to the Bank.

5 (B) Upon defeasance of the Indenture pursuant to this
6 Section, the Trustee shall deliver to the Bank a signed
7 certificate stating that all of the Bonds are deemed to have
8 been paid and discharged within the meaning of this
9 Indenture. /

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ARTICLE XDEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERSSECTION 1001. EVENTS OF DEFAULT. Each of thefollowing events shall be an "Event of Default":(A) Failure to pay any interest on any Bond out ofEligible Funds within three (3) days after the same shall

have become due and payable.

(B) Failure to pay the principal of or any premium on

any Bond out of Eligible Funds when and as it shall become

due and payable, whether at stated maturity or by

acceleration or mandatory or optional redemption orotherwise.

(C) Receipt by the Trustee, following a drawing under

the Letter of Credit to pay interest on the Bonds, of notice

by the Bank that the Interest Component (as defined in the

Letter of Credit) will not be reinstated.

(D) Receipt by the Trustee of written notice from the

Bank that an event of default under the Letter of Credit

Agreement has occurred and is continuing.

(E) The occurrence of an Act of Bankruptcy; provided,

however, that with respect to the filing of an involuntary

petition in bankruptcy or other commencement of a bankruptcy

or similar proceeding against the Company or the County,

such petition or proceeding shall remain undismissed for a

period of ____ days.

SECTION 1002. ACCELERATION. (A) Upon the occurrenceof any Event of Default, the Trustee shall immediately (i)

2 by notice in writing sent to the County, the Company and the
3 Bank, declare the principal of the Bonds, and the interest
4 accrued thereon to be due and payable immediately, and, upon
5 said declaration, such principal and interest shall become
6 and be immediately due and payable, (ii) draw on the Letter
7 of Credit as provided in Section 504(D) hereof and (iii)
8 take such action as is necessary to pay the Bonds out of
9 Eligible Funds as soon as practicable but no later than the
10 15th day thereafter; provided, that, with respect to events
11 of default as defined in Section 1001(C) hereof no action by
12 the Trustee shall be necessary to accelerate the Bonds which
13 shall in any such event be automatically accelerated. Upon
14 any acceleration by declaration or otherwise, the Trustee
15 shall as soon as possible declare all amounts due under the
16 Loan Agreement to be immediately due and payable.

17 SECTION 1003. OTHER REMEDIES. (A) Upon the
18 occurrence and continuation of an event of default, the
19 Trustee, in addition to its rights and obligations under
20 Section 1002, may proceed, and upon receipt of the written
21 request of the holders of not less than a majority in
22 aggregate principal amount of Bonds Outstanding, if
23 indemnified as provided in Section 1101(A)(11) hereof, shall
24 proceed, in its own name, with any right or remedy granted
25 by the Constitution and the laws of the State, as it may
26 deem best, including any suit, action or special proceeding
27 in equity or at law for the specific performance of any
28 covenant or agreement contained herein or in the Loan

2 Agreement or for the enforcement of any proper legal or
3 equitable remedy as the Trustee shall deem most effectual to
4 protect its rights and the rights of the Bondholders,
5 insofar as such may be authorized by law. The rights here
6 specified are to be cumulative to all other available
7 rights, remedies or powers and shall not exclude any such
8 rights, remedies or powers.

9 (B) In the enforcement of any right or remedy under
10 this Indenture, the Trustee shall be entitled to sue for,
11 enforce payment on and receive any and all amounts then or
12 during any default becoming, and at any time remaining, due/
13 for principal, premium, interest or otherwise, under any
14 provision of this Indenture or of the Bonds, and unpaid,
15 with interest on overdue payments at the Penalty Rate,
16 together with any and all costs and expenses of collection
17 and all proceedings hereunder and under such Bonds.

18 SECTION 1004. RIGHTS OF BONDHOLDERS. (A) Without
19 limiting the Trustee's obligations under Section 1002
20 hereof, if an event of default shall have occurred, and if
21 requested so to do by the holders of not less than a
22 majority in the aggregate principal amount of Bonds
23 Outstanding and if indemnified as provided in Section
24 1101(A)(11) hereof, the Trustee shall be obliged to exercise
25 such one or more of the rights and powers conferred by this
26 Article X as the Trustee, being advised by counsel, shall
27 deem most expedient in the interest of the Bondholders.

2 (B) No remedy by the terms of this Indenture conferred
3 upon or reserved to the Trustee (or to the Bondholders) is
4 intended to be exclusive of any other remedy, but each and
5 every such remedy shall be cumulative and shall be in
6 addition to any other remedy given to the Trustee or to the
7 Bondholders hereunder or now or hereafter existing at law or
8 in equity or by statute.

9 (C) No delay or omission to exercise any right or
10 power accruing upon any Default or event of default shall
11 impair any such right or power or shall be construed to be a
12 waiver of any such Default or event of default or
13 acquiescence therein, and every such right and power may be
14 exercised from time to time and as often as may be deemed
15 expedient.

16 (D) No waiver of any Default or event of default
17 hereunder, whether by the Trustee or by the Bondholders
18 shall extend to or shall affect any subsequent Default or
19 event of default or shall impair any rights or remedies
20 consequent thereon.

21 SECTION 1005. RIGHTS OF BONDHOLDERS TO DIRECT
22 PROCEEDINGS. Subject to the provisions of Sections 1002(A)
23 and 1010 hereof, anything in this Indenture to the contrary
24 notwithstanding, the holders of a majority in aggregate
25 principal amount of Bonds Outstanding shall have the right,
26 at any time, by an instrument or instruments in writing
27 executed and delivered to the Trustee, to direct the time,
28 method and place of conducting all proceedings to be taken

2 in connection with the enforcement of the terms and condi-
3 tions of this Indenture, or for the appointment of a re-
4 ceiver or any other proceedings hereunder; provided, that
5 such direction shall not be otherwise than in accordance
6 with the provisions of law and of this Indenture.

7 SECTION 1006. APPLICATION OF MONEYS. (A) If at any
8 time the funds held by the Trustee shall be insufficient for
9 the payment of interest and principal or premium, if any,
10 then due on the Bonds, such funds (other than funds held for
11 the payment or redemption of particular Bonds or portions
12 thereof which have theretofore become due at maturity or by
13 call for redemption) and any other moneys received or
14 collected by the Trustee after making provision for the
15 payment of the charges and expenses and liabilities incurred
16 and advances made by the Trustee (provided that funds drawn
17 under the Letter of Credit may only be applied to the
18 payment of the principal of, premium, if any, and interest
19 on the Bonds), shall be applied as follows (but subject to
20 the provisions of Section 504(A) and of Section 504(C)
21 hereof):

22 (1) Unless the principal of all of the Bonds
23 shall have become due and payable:

24 FIRST: To the payment to the persons
25 entitled thereto of all installments of interest
26 then due in the order of the maturity of such
27 installments, and, if the amount available shall
28 not be sufficient to pay in full, ratably,

2 according to the amounts due on such installment,
3 to the persons entitled thereto, without any
4 discrimination or preference; and

5 SECOND: To the payment to the persons
6 entitled thereto of the unpaid installments of
7 principal of and Bonds which shall have become due
8 (other than Bonds called for redemption for
9 payment of which moneys are held pursuant to this
10 Indenture), whether at maturity or by call for
11 redemption, in order of their due dates and, if
12 the amount available shall not be sufficient to
13 pay in full all the Bonds or principal
14 installments due on any particular date, then to
15 the payment thereof ratably, according to the
16 amounts of principal due on such date, to the
17 persons entitled thereto, without discrimination
18 or preference.

19 (2) If the principal of all of the Bonds shall
20 have become due and payable, to the payment of the
21 principal of, premium, if any, and interest then due
22 and unpaid upon the Bonds without preference or
23 priority of principal or premium, if any, over interest
24 or of interest over principal or premium, if any, or of
25 any installment of interest over any other installment
26 of interest, or of any Bond over any other Bond,
27 ratably according to the amounts due respectively for

principal and interest, to the persons entitled thereto without any discrimination or preference.

(3) Anything herein to the contrary notwithstanding, Eligible Funds may be used only to pay principal of, premium, if any, and interest on the Bonds until all such amounts have been paid in full out of Eligible Funds.

(B) Subject to the provisions of Section 1002, whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Subject to the provisions of Section 1002, whenever the Trustee shall apply such funds, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the holder of any Bonds until such Bonds shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

SECTION 1007. REMEDIES VESTED IN THE TRUSTEE. All rights of action (including the right to file proof of claim) under this Indenture or under any of the Bonds or

2 coupons may be enforced by the Trustee without the
3 possession of any of the Bonds or coupons or the production
4 thereof in any trial or other proceedings relating thereto,
5 and any such suit or proceeding instituted by the Trustee
6 shall be brought in its name as Trustee without the
7 necessity of joining as plaintiffs or defendants any holder
8 of the Bonds or bearers of coupons, and any recovery of
9 judgment shall be for the equal benefit of the holders of
10 the Bonds Outstanding and the bearers of the coupons
11 outstanding.

12 SECTION 1008. RIGHTS AND REMEDIES OF THE BONDHOLDERS.

13 (A) No holder or bearer of any Bond or coupon, as the case
14 may be, shall have any right to institute any suit, action
15 or proceeding in equity or at law for the enforcement of
16 this Indenture or for the execution of any trust hereunder
17 or for any other remedy hereunder, unless:

18 (1) A Default has occurred of which the Trustee
19 has been notified as provided in paragraph (7) of
20 Section 1101, or of which by said subsection it is
21 deemed to have notice;

22 (2) The holders of at least a majority in
23 aggregate principal amount of Bonds Outstanding shall
24 have made written request to the Trustee and shall have
25 offered reasonable opportunity either to proceed to
26 exercise the powers hereinbefore granted or to
27 institute such action, suit or proceeding in its own
28 name;

(3) Such Bondholders have offered to the Trustee indemnity; and

(4) The Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its, his or her or their own name or names.

(B) Such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for any other remedy hereunder; it being understood and intended that no one or more holders or bearers of the Bonds or coupons shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by its, his, her or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the holders of all Bonds Outstanding and the bearers of all coupons outstanding.

(C) Nothing contained in this Indenture shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of, premium, if any, and interest on any Bond at and after the maturity thereof, or the obligation of the County to pay the principal of, premium, if any, and interest on each of the Bonds issued

2 hereunder to the respective holders thereof and to the
3 bearers of the coupons at the time, place, from the source
4 and in the manner in said Bonds and the coupons expressed.

5 SECTION 1009. TERMINATION OF PROCEEDINGS. In case the
6 Trustee shall have proceeded to enforce any right under this
7 Indenture, and such proceedings shall have been discontinued
8 or abandoned for any reason, then and in every such case the
9 County and the Trustee shall continue to perform all duties
10 and be entitled to exercise all rights prescribed by this
11 Indenture, which shall remain in full force and effect.

12 SECTION 1010. WAIVERS OF EVENTS OF DEFAULT. (A) The
13 Trustee shall waive any Default referred to in Section
14 1001(A), (B), (C), (E) or (F) hereof and its consequences
15 and rescind any declaration of maturity of principal of and
16 interest on the Bonds upon the written request of the
17 holders of a majority in aggregate principal amount of Bonds
18 Outstanding; provided, however, that there shall not be
19 waived any Default in the payment of:

20 (1) The principal of any Bond Outstanding (and
21 premium, if any) whether at the stated maturity thereof
22 or upon proceedings for redemption thereof; or

23 (2) Any interest when due on any Bond,
24 unless prior to such waiver or rescission, all arrears of
25 payments of principal then due (whether at the stated
26 maturity thereof or upon proceedings for redemption) and
27 premium, if any, and interest on all such arrears at the
28 Penalty Rate on such arrears, and all expenses of the

2 Trustee in connection with such default shall have been
3 paid or provision for which shall have been made; provided
4 further, however, there shall not be waived any event of
5 default after the Trustee has drawn under the Letter of
6 Credit as a result of such event of default. The Trustee
7 shall waive any Default referred to in Section 1001(D)
8 hereof and its consequences and rescind any declaration of
9 maturity of principal of and interest on the Bonds only upon
10 the written request of the Bank.

11 (B) In case of any such waiver or rescission, or in
12 case any proceeding taken by the Trustee on account of any
13 such default shall have been discontinued or abandoned or
14 determined adversely, then and in every such case the
15 County, Trustee and Bondholders and bearers of coupons shall
16 continue to perform all duties and be entitled to exercise
17 all rights prescribed by this Indenture, which shall remain
18 in full force and effect.

19 (C) No waiver or rescission shall extend to any
20 subsequent or other Default, or impair any right consequent
21 thereof.

22 SECTION 1011. POWERS OF TRUSTEE UPON EVENT OF DEFAULT
23 UNDER LOAN AGREEMENT OR IN PAYMENT OF THE BONDS. (A) / In
24 case / an event of default as / described in Section 1001(A) or
25 (B) hereof shall occur and be continuing, the Trustee in its
26 own name and as trustee of an express trust, shall be
27 entitled and empowered to institute any action or
28 proceedings at law or in equity for the collection of all

2 sums due and unpaid under the Loan Agreement or the Bonds,
3 and may prosecute any such action or proceedings to judgment
4 or final decree, and may enforce any such judgment or final
5 decree against any obligor thereon, and collect in the
6 manner provided by law out of the property of any obligor
7 thereon wherever situated the moneys adjudged or decreed to
8 be payable.

9 (B) In case there shall be pending proceedings for the
10 bankruptcy or for the reorganization of any obligor under
11 the Loan Agreement, under the federal Bankruptcy Code or any
12 other applicable law, or in case a receiver or trustee shall
13 have been appointed for the property of any such obligor,
14 the Trustee, irrespective of whether the principal of the
15 Bonds shall then be due and payable as therein expressed or
16 by declaration or otherwise and irrespective of whether the
17 Trustee shall have made any demand pursuant to the power
18 vested in it by the Indenture, shall be entitled and empow-
19 ered, by intervention in such proceedings or otherwise, to
20 file and prove a claim or claims for the whole amount owing
21 and unpaid, and to file such other papers or documents as
22 may be necessary or advisable in order to have the claims of
23 the Trustee (including any claim for reasonable compensation
24 to the Trustee, its agents, attorneys and counsel, and for
25 reimbursement of all expenses and liabilities incurred, and
26 all advances made by the Trustee, except as a result of its
27 negligence, bad faith, willful default or willful
28 misconduct) and of the Bondholders allowed in any such

2 proceedings relative to the Company or any other obligor
3 under the Loan Agreement, and to collect and receive any
4 moneys or other property payable or deliverable on any such
5 claims, and to distribute all amounts received with respect
6 to the claims of the Bondholders and of the Trustee on their
7 behalf; and any receiver, assignee or trustee in bankruptcy
8 or reorganization is hereby authorized by each of the
9 Bondholders to make payments to the Trustee and, in the
10 event that the Trustee shall consent to the making of
11 payments directly to the Bondholders, to pay to the Trustee
12 such amount as shall be sufficient to cover reasonable
13 compensation to the Trustee, its agents, attorneys and
14 counsel, and all other expenses and liabilities incurred,
15 and all advances made by the Trustee, except as a result of
16 its negligence, bad faith, willful default or willful
17 misconduct.

18 (C) In case of a Default hereunder, the Trustee may in
19 its discretion proceed to protect and enforce the rights
20 vested in it by this Indenture and the Loan Agreement by
21 such appropriate judicial proceedings as the Trustee shall
22 deem most effectual to protect and enforce any of such
23 rights, either at law or in equity or in bankruptcy or
24 otherwise, whether for the specific enforcement of any
25 covenant or agreement contained in this Indenture or
26 enforceable by the Trustee by reason of this Indenture or in
27 aid of the exercise of any power granted in this Indenture
28 or the Loan Agreement or to enforce any other legal or

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2 equitable right vested in the Trustee by this Indenture, the
3 Loan Agreement or by law.

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ARTICLE XI

THE TRUSTEE

SECTION 1101. ACCEPTANCE OF THE TRUSTS. (A) The

Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(1) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, and shall be entitled to advice of counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may be reasonably employed in connection with the trusts hereof. Except for the obligation to draw on the Letter of Credit and the Trustee's obligations under Section 1002 hereof, the Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the County or the Company). Except for the obligation to draw on the Letter of Credit and the Trustee's obligations under Section 1002 hereof, the Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice;

(2) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the authentication certificate of the Trustee endorsed

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2 on the Bonds), or for collecting any insurance moneys,
3 or for the validity of the execution by the County of
4 this Indenture or of any supplements hereto or
5 instruments of further assurance, or for the
6 sufficiency of the security for the Bonds issued
7 hereunder or intended to be secured hereby; and the
8 Trustee shall not be bound to ascertain or inquire as
9 to the performance or observance of any covenants,
10 conditions or agreements on the part of the County or
11 on the part of the Company under the Loan Agreement,
12 except as herein expressly set forth; but the Trustee
13 may require of the County or the Company full
14 information and advice as to the performance of the
15 covenants, conditions and agreements aforesaid;

16 (3) The Trustee shall not be accountable for the
17 use of the proceeds from the sale of the Bonds. The
18 Trustee may become the owner of Bonds and coupons
19 secured hereby with the same rights which it would have
20 if it were not the Trustee;

21 (4) The Trustee shall be protected in acting upon
22 any notice, request, consent, certificate, order,
23 affidavit, letter, telegram, or other paper or document
24 reasonably believed by it to be genuine and correct and
25 to have been signed or sent by the proper person or
26 persons. Any action taken by the Trustee pursuant to
27 this Indenture upon the request or authority or consent
28 of any person who at the time of making such request or

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2 giving such authority or consent is the owner of any
3 Bond, shall be conclusive and binding upon all future
4 owners of the same Bond and of Bonds issued in exchange
5 therefor or in place thereof;

6 (5) As to the existence or non-existence of any
7 fact or as to the sufficiency or validity of any
8 instrument, paper or proceeding as to the County, the
9 Trustee shall be entitled to rely upon a certificate
10 signed on behalf of the County by the Clerk as
11 sufficient evidence of the facts therein contained, and
12 prior to the occurrence of a Default of which the
13 Trustee has been notified as provided in paragraph (7)
14 of this Section, or of which by said paragraph it is
15 deemed to have notice, shall also be at liberty to
16 accept a similar certificate to the effect that any
17 particular dealing, transaction or action is necessary
18 or expedient, but may at its discretion secure such
19 further evidence deemed necessary or advisable, but
20 shall in no case be bound to secure the same. The
21 Trustee may accept a certificate of the Clerk to the
22 effect that a resolution in the form therein set forth
23 has been adopted by the County as conclusive evidence
24 that such resolution has been duly adopted, and is in
25 full force and effect;

26 (6) The permissive right of the Trustee to do
27 things enumerated in this Indenture shall not be
28 construed as a duty and the Trustee shall not be

answerable for other than its negligence, bad faith, willful default or willful misconduct;

(7) The Trustee shall not be required to take notice of any Default hereunder except Defaults described in subsections (A), (B), (C), (D) and (E) of Section 1001 hereof unless the Trustee shall be specifically notified in writing of such Default by the County, the Company or the Bank or by the holders of at least a majority in aggregate principal amount of Bonds Outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee, must, in order to be effective, be delivered at the Office Of The Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no default except as aforesaid;

(8) Upon written request to the Company, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right at all reasonable times during business hours fully to inspect any and all of the Project and may inspect all books, papers and records of the County pertaining to the Loan Agreement and Bonds, and to take such memoranda from and in regard thereto as may be desired. Such inspection shall be conducted so as to minimize disruption of the Company's operations at the Project;

(9) The Trustee shall not be required to give any bond or surety in respect to the execution of the said trusts and powers or otherwise in respect to the premises;

7 (10) Except for the obligation to draw on the Letter of Credit and the Trustee's obligations under Section 1002 hereof, before taking any action hereunder the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence, bad faith, willful default or willful misconduct by reason of any action so taken; and

(11) All moneys received by the Trustee or paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law or by this Indenture. Neither the Trustee nor paying agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

SECTION 1102. FEES, CHARGES AND EXPENSES OF THE TRUSTEE. (A) The Trustee shall be entitled to payment or reimbursement for:

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2 (1) The annual fee of the Trustee for the
3 Ordinary Services rendered by it and the Ordinary
4 Expenses incurred by it under this Indenture, as and
5 when the same becomes due;

6 (2) The reasonable fees and charges of the
7 Trustee, as Bond Registrar and paying agent, and any
8 other paying agent or agents on the Bonds for acting as
9 paying agent or agents, as and when the same become
10 due; and

11 (3) The reasonable fees and charges of the
12 Trustee for any necessary Extraordinary Services
13 rendered by it and any necessary Extraordinary Expenses
14 incurred by it under this Indenture, as and when the
15 same become due; provided, that the Company may,
16 without creating any Default or incurring any penalty
17 hereunder, contest in good faith the necessity for any
18 such Extraordinary Services and Extraordinary Expenses
19 and the reasonableness of any of the fees, charges or
20 expenses referred to herein.

21 (B) The Trustee shall have a lien on the Pledged
22 Amounts with right of payment prior to payment on account of
23 interest or principal of any Bond for the foregoing
24 advances, fees, costs and expenses incurred.

25 7 SECTION 1103. INTERVENTION BY THE TRUSTEE. In any
26 judicial proceeding to which the County is a party, and
27 which in the opinion of the Trustee and its counsel has a
28 substantial bearing on the interests of owners of the Bonds,

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2 the Trustee may intervene on behalf of the Bondholders and
3 shall do so if requested in writing by the owners of at
4 least a majority in aggregate principal amount of Bonds
5 Outstanding. The rights and obligations of the Trustee
6 under this Section are subject to approval by a court of
7 competent jurisdiction.

8 SECTION 1104. SUCCESSOR TRUSTEE. Any corporation or
9 association into which the Trustee may be converted or
10 merged, or with which it may be consolidated, or to which it
11 may sell or transfer its trust business and assets as a
12 whole or substantially as a whole, or any corporation or
13 association resulting from any such conversion, sale,
14 merger, consolidation or transfer to which it is a party,
15 ipso facto, shall be and become successor Trustee hereunder
16 and vested with all of the title to the whole property or
17 trust estate and all the trusts, powers, discretions,
18 immunities, privileges and all other matters as was its
19 predecessor, without the execution or filing of any instru-
20 ments or any further act, deed or conveyance on the part of
21 any of the parties thereto; anything herein to the contrary
22 notwithstanding.

23 SECTION 1105. ACCEPTANCE OF APPOINTMENT BY SUCCESSOR
24 TRUSTEE. No resignation or removal of the Trustee and no
25 appointment of a successor Trustee pursuant to this Article
26 shall become effective until the acceptance of appointment
27 by a successor Trustee under Section 1110 hereof.

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2 SECTION 1106. RESIGNATION BY THE TRUSTEE. The Trustee
3 may at any time resign from the trusts hereby created by
4 giving thirty (30) days written notice by registered or
5 certified mail to the County, the Company, the Bank and each
6 registered holder of Bonds Outstanding and to each holder of
7 Bonds as shown by the list of Bondholders required by
8 Section 406 hereof to be kept at the Office Of The Trustee,
9 and such resignation shall take effect at the end of such
10 thirty (30) days, or upon the earlier appointment of a
11 successor Trustee by the Bondholders or by the County;
12 provided, such resignation by the Trustee shall not take
13 effect until (i) a successor shall have been appointed, (ii)
14 such successor has accepted such appointment and (iii) the
15 Letter of Credit has been assigned to such successor. If an
16 instrument of acceptance by a successor Trustee shall not
17 have been delivered to the Trustee within thirty (30) days
18 after the giving of notice of resignation, the resigning
19 Trustee may petition any court of competent jurisdiction for
20 the appointment of a successor Trustee.

21 SECTION 1107. REMOVAL OF THE TRUSTEE. The Trustee may
22 be removed at any time, by an instrument or concurrent
23 instruments in writing delivered to the Trustee and to the
24 County, and signed by the holders of a majority in aggregate
25 principal amount of Bonds Outstanding. If an instrument of
26 acceptance by a successor Trustee shall not have been
27 delivered to the Trustee within thirty (30) days after the
28 giving of the instrument or instruments of removal, any

2 Bondholder may petition any court of competent jurisdiction
3 for the appointment of a successor Trustee.

4 SECTION 1108. APPOINTMENT OF SUCCESSOR TRUSTEE BY THE
5 BONDHOLDERS; TEMPORARY TRUSTEE. In case the Trustee here-
6 under shall resign or be removed, or be dissolved, or shall
7 be in course of dissolution or liquidation, or otherwise
8 become incapable of acting hereunder, or in case it shall be
9 taken under the control of any public officer or officers,
10 or of a receiver appointed by a court, a successor may be
11 appointed by the owners of a majority in aggregate principal
12 amount of Bonds Outstanding, by an instrument or concurrent
13 instruments in writing signed by such owners, or by their
14 attorneys in fact, duly authorized; provided, nevertheless,
15 that in case of vacancy, the County by an instrument
16 executed and signed by the Chairman and attested by the
17 Clerk may appoint a temporary Trustee to fill such vacancy
18 until a successor Trustee shall be appointed by such
19 Bondholders in the manner above provided; and any such
20 temporary Trustee so appointed by the County shall
21 immediately and without further act be superseded by the
22 Trustee so appointed by such Bondholders. Every such
23 Trustee appointed pursuant to the provisions of this Section
24 shall be a trust company or bank organized under the laws of
25 the United States of America or any state thereof and which
26 is in good standing, within or outside the State, having a
27 reported capital and surplus of not less than \$25,000,000 if

2 there be such an institution willing, qualified and able to
3 accept the trust upon reasonable or customary terms.

4 SECTION 1109. CONCERNING ANY SUCCESSOR TRUSTEE. Every
5 successor Trustee appointed hereunder shall execute, acknow-
6 ledge and deliver to its predecessor and also to the County
7 an instrument in writing accepting such appointment here-
8 under, and thereupon such successor, without any further
9 act, deed or conveyance, shall become fully vested with all
10 the estates, properties, rights, powers, trusts, duties and
11 obligations of its predecessor; but such predecessor shall,
12 nevertheless, on the written request of the County, or of
13 its successor, and upon payment of all amounts then due such
14 predecessor pursuant to Section 1102 hereof, execute and
15 deliver an instrument transferring to such successor Trustee
16 all the estates, properties, rights, powers and trusts of
17 such predecessor hereunder; and every predecessor Trustee
18 shall deliver all securities and moneys held by it as
19 Trustee hereunder to its successor. Should any instrument
20 in writing from the County be required by any successor
21 Trustee for more fully and certainly vesting in such succes-
22 sor Trustee the estate, rights, powers and duties hereby
23 vested or intended to be vested in the predecessor any and
24 all such instruments in writing, shall, on request, be
25 executed, acknowledged and delivered by the County. /

26 SECTION 1110. TRUSTEE PROTECTED IN RELYING UPON
27 RESOLUTIONS, ETC. The resolutions, opinions, certificates
28 and other instruments provided for in this Indenture may be

2 accepted by the Trustee as conclusive evidence of the facts
3 and conclusions stated therein and shall be full warrant,
4 protection and authority to the Trustee for the release of
5 property and the withdrawal of cash hereunder.

6 SECTION 1111. SUCCESSOR TRUSTEE AS TRUSTEE OF BOND
7 FUND, PAYING AGENT AND BOND REGISTRAR. In the event of a
8 change in the office of Trustee the predecessor Trustee
9 which has resigned or has been removed shall cease to be
10 trustee of the Bond Fund, and paying agent for principal of,
11 premium, if any, and interest on the Bonds and Bond
12 Registrar and the successor Trustee shall become such
13 Trustee, paying agent and Bond Registrar.

14 SECTION 1112. TRUST ESTATE MAY BE VESTED IN SEPARATE
15 OR CO-TRUSTEE. (A) It is the purpose of this Indenture
16 that there shall be no violation of any law of any
17 jurisdiction (including particularly the law of the State)
18 denying or restricting the right of banking corporations or
19 associations to transact business as Trustee in such
20 jurisdiction. It is recognized that in case of litigation
21 under this Indenture or the Loan Agreement, and in
22 particular in case of the enforcement of either on Default,
23 or in case the Trustee deems that by reason of any present
24 or future law of any jurisdiction it may not exercise any of
25 the powers granted, in trust, as herein granted, or take any
26 other action which may be desirable or necessary in
27 connection therewith, it may be necessary that the Trustee
28 appoint an additional individual or institution as a

2 separate or co-trustee. The following provisions of this
3 Section 1113 are adapted to these ends.

4 (B) In the event that the Trustee appoints an
5 additional individual or institution as a separate or
6 co-trustee (and the Trustee is hereby expressly granted such
7 power), each and every remedy, power, right, claim, demand,
8 cause of action, immunity, estate, title interest and lien
9 expressed or intended by this Indenture to be exercised by
10 or vested in or conveyed to the Trustee with respect thereto
11 shall be exercisable by and vest in such separate or
12 co-trustee, but only to the extent necessary to enable such
13 separate or co-trustee to exercise such powers, rights and
14 remedies, and every covenant and obligation necessary to the
15 exercise thereof by such separate or co-trustee shall run to
16 and be enforceable by either of them.

17 (C) Should any deed, conveyance or instrument in
18 writing from the County be required by the separate trustee
19 or co-trustee so appointed by the Trustee for more fully and
20 certainly vesting in and confirming to him or her or it such
21 properties, rights, powers, trusts, duties and obligations,
22 any and all such deeds, conveyances, and instruments in
23 writing shall, on request, be executed, acknowledged and
24 delivered by the County. In case any separate trustee or
25 co-trustee, or a successor to either, shall die, become
26 incapable of acting, resign or be removed, all the estates,
27 properties, rights, powers, duties and obligations of such
28 separate trustee or co-trustee, so far as permitted by law,

2 shall vest in and be exercised by the Trustee until the
3 appointment of a new trustee or successor to such separate
4 trustee or co-trustee.

5 SECTION 1113. ASSIGNMENT OF LETTER OF CREDIT.

6 Notwithstanding anything herein to the contrary, the Trustee
7 shall not convert or sell to, or merge or consolidate with,
8 a successor trustee, or sell or transfer its assets and/or
9 trust business to a successor trustee, or resign, or in any
10 other way whatsoever transfer its duties hereunder to a
11 successor trustee; the Bondholders shall not remove the
12 Trustee; and the County shall not appoint a successor
13 trustee, without any such successor trustee first accepting
14 an assignment of the Letter of Credit in its favor, such
15 assignment to be effective on or before the date and time
16 the Trustee ceases to serve as trustee hereunder.

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ARTICLE XII

SUPPLEMENTAL INDENTURES

SECTION 1201. SUPPLEMENTAL INDENTURES NOT REQUIRING
CONSENT OF THE BONDHOLDERS. The County and the Trustee,
with the prior written consent of the Company and the Bank,
but without the consent of, or notice to, any of the
Bondholders, may enter into any indenture or indentures
supplemental to this Indenture for any one or more of the
following purposes:

(1) To cure any ambiguity or to correct any
defect, omission or inconsistency in this Indenture or
any supplemental indenture;

(2) To grant to or confer upon the Trustee for
the benefit of the Bondholders any additional rights,
remedies, powers or authority that may lawfully be
granted to or conferred upon the Bondholders or the
Trustee or either of them;

(3) To subject to the lien and pledge of this
Indenture additional revenues, properties or
collateral; and

(4) To modify, amend or supplement this Indenture
or any indenture supplemental hereto in such manner as
to permit the qualification hereof and thereof under
the Trust Indenture Act of 1939 or any similar federal
statute hereafter in effect or under any state Blue Sky
law.

EXHIBIT

JAN 25 1983 NO. 3

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2 SECTION 1202. SUPPLEMENTAL INDENTURES REQUIRING
3 CONSENT OF THE BONDHOLDERS. (A) Exclusive of indentures
4 supplemental hereto covered by Section 1201 hereof and
5 subject to the terms and provisions contained in this
6 Section, and not otherwise, the holders of not less than a
7 majority in aggregate principal amount of the Bonds
8 Outstanding shall have the right, from time to time,
9 anything contained in this Indenture to the contrary
10 notwithstanding, to consent to and approve the execution by
11 the County and the Trustee of such other indenture or
12 indentures supplemental hereto as shall be deemed necessary
13 and desirable by the County for the purpose of modifying,
14 altering, amending, adding to or rescinding, in any
15 particular, any of the terms or provisions contained in this
16 Indenture or in any supplemental indenture; provided,
17 however, that nothing in this Section contained shall
18 permit, or be construed as permitting:

19 (1) An extension of the stated maturity or re-
20 duction in the principal amount of, or reduction in the
21 rate, or extension of the time of payment, of interest
22 on, or reduction of any premium payable on the redemp-
23 tion of, any Bonds;

24 (2) The creation of any lien prior to or on a
25 parity with the lien of this Indenture;

26 (3) A reduction in the principal amount of any
27 Bonds required to be paid or redeemed by the provisions
28 of this Indenture;

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2 (4) A reduction in the amount, or extension of
3 the time, of any payment required for the Bond Fund;

4 (5) A reduction in the aforesaid aggregate
5 principal amount of Bonds the holders of which are
6 required to consent to any such supplemental indenture;
7 or

8 (6) Any amendment of Article IX or X, or Section
9 504, 1202, or 1302;

10 (7) The issuance of additional bonds under this
11 Indenture;

12 without the consent of the holders of all the Bonds Out-
13 standing; or

14 (8) Any modification of any rights, duties or
15 immunities of the Trustee, which have not received the
16 Trustee's consent, (its consent being a condition
17 precedent to any such modification); and provided
18 further that no supplemental indenture shall be entered
19 into without the prior written consent of the Bank.

20 (B) If at any time the County shall request the
21 Trustee to enter into any such supplemental indenture for
22 any of the purposes of this Section, the Trustee shall, upon
23 being satisfactorily indemnified with respect to expenses,
24 cause notice of the proposed execution of such supplemental
25 indenture to be published as shall be requested by the
26 County and in any event one time in a newspaper or financial
27 journal of general circulation published in the City of New
28 York, New York and shall also cause a similar notice to be

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2 mailed, postage prepaid, to the Bank and each registered
3 Bondholder; provided however, that no publication of such
4 notice shall be required and notice by mail as aforesaid
5 shall be deemed sufficient notice where all Bonds
6 Outstanding are registered. Such notice shall briefly set
7 forth the nature of the proposed supplemental indenture and
8 shall state that copies thereof are on file at the Office Of
9 The Trustee for inspection by all Bondholders. If, within
10 sixty (60) days or such other period as shall be prescribed
11 by the County following the final publication of such
12 notice, the Bank and the owners of not less than a majority
13 in aggregate principal amount of Bonds Outstanding at the
14 time of the execution of any such supplemental indenture
15 shall have consented to and approved the execution thereof
16 as herein provided, no owners of any Bond and no bearer of
17 any coupon shall have any right to object to any of the
18 terms and provisions contained therein, or the operation
19 thereof, or in any manner to question the propriety of the
20 execution thereof, or to enjoin or restrain the Trustee or
21 the County from executing the same or from taking any action
22 pursuant to the provisions thereof. Upon the execution of
23 any such supplemental indenture as in this Section permitted
24 and provided, this Indenture shall be and be deemed to be
25 modified and amended in accordance therewith.

26 (C) Anything herein to the contrary notwithstanding, a
27 supplemental indenture under this Article XII which affects
28 any rights of the Company shall not become effective unless

2 and until the Company shall have consented to the execution
3 and delivery of such supplemental indenture. In this regard,
4 the Trustee shall cause notice of the proposed execution and
5 delivery of any such supplemental indenture and a copy of
6 such proposed supplemental indenture to be mailed by
7 certified or registered mail to the Company at least thirty
8 (30) days prior to the proposed date of execution and
9 delivery of any supplemental indenture.

10 (D) The Company shall be deemed not to have consented
11 to the execution and delivery of any such supplemental
12 indenture unless the Trustee receives a letter of consent
13 thereto signed by or on behalf of the Company on or before
14 2:30 o'clock P.M., on the thirtieth day after receipt by the
15 Company of said notice and a copy of the proposed
16 supplemental indenture, the time to control being that
17 prevailing in the city in which is located the principal
18 office of the Trustee. The Trustee may rely upon an opinion
19 of counsel as conclusive evidence that execution and
20 delivery of a supplemental indenture has been effected in
21 compliance with the provisions of this Article XII.

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ARTICLE XIII

AMENDMENTS OF THE LOAN AGREEMENT /
AND THE LETTER OF CREDIT

SECTION 1301. AMENDMENTS, ETC. OF THE LOAN AGREEMENT
NOT REQUIRING CONSENT OF THE BONDHOLDERS. The County and the Trustee may, with the prior written consent of the Bank but without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Loan Agreement as may be required:

(1) Under the provisions of the Loan Agreement or this Indenture;

(2) For the purpose of curing any ambiguity or to correct any defect, omission or inconsistency; or

(3) In connection with any other change therein which, in the judgment of the Trustee is not to the prejudice of the Trustee, or materially adverse to the holders of the Bonds Outstanding.

SECTION 1302. AMENDMENTS, ETC. OF THE LOAN AGREEMENT
REQUIRING CONSENT OF THE BONDHOLDERS. (A) Except for the amendments, changes or modifications as provided in Section 1301 hereof, neither the County nor the Trustee shall consent to any other amendment, change or modification of the Loan Agreement without notice to and the written approval or consent of the holders of not less than a majority in aggregate principal amount of the Bonds Outstanding given and procured as in Section 1202 provided. If at any time the County and the Company shall request the consent of the Trustee to any such proposed amendment,

2 change or modification of the Loan Agreement, the Trustee
3 shall, upon being satisfactorily indemnified with respect to
4 expenses, cause notice of such proposed amendment, change or
5 modification to be given and shall state that copies of the
6 instrument embodying the same are on file at the Office Of
7 The Trustee for inspection by all Bondholders. If, within
8 sixty (60) days or such longer period as shall be prescribed
9 by the County following the giving of such notice, the
10 holders of not less than a majority in aggregate principal
11 amount of the Bonds Outstanding at the time of the execution
12 of such proposed amendment shall have consented to and
13 approved the execution thereof as herein provided, no holder
14 of any Bond and no bearer of any coupon shall have any right
15 to object to any of the terms and provisions contained
16 therein, or the operation thereof, or in any manner to
17 question the propriety of the execution thereof or to enjoin
18 or restrain the Trustee or the County from consenting to the
19 execution thereof or from taking any action pursuant to the
20 provisions thereof. Upon the execution by the Company and
21 the County of any such amendment as in this Section
22 permitted and provided, the Loan Agreement shall be and be
23 deemed to be modified and amended in accordance therewith.

24 (A) Nothing in this Section contained shall permit, or
25 be construed as permitting, (1) any amendment to the Loan
26 Agreement without the prior written consent of the Bank or
27 (2) any amendment, change or modification of the Company's
28 unconditional obligation to make payments sufficient to pay

2 the principal, premium, if any, and interest due at any time
3 on the Bonds, or as required by Article IV of the Loan
4 Agreement without the consent of the holders of all the
5 Bonds Outstanding.

6 SECTION 1303. AMENDMENT OF THE LETTER OF CREDIT
7 AGREEMENT AND THE LETTER OF CREDIT. / The Trustee may not
8 consent, without the consent of all of the Bondholders, to
9 any amendments to the Letter of Credit which are adverse to
10 the interests of the holders of the Bonds, as determined by
11 the Trustee upon the advice of counsel.

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ARTICLE XIV

MISCELLANEOUS

SECTION 1401. CONSENTS, ETC., OF THE BONDHOLDERS. (A)

Any consent, request, direction, approval, waiver, objection or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by an agent appointed in writing.

(B) Proof of the execution of any consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely:

(1) The fact and date of the execution by any person of any such request, consent or other instrument in writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgements of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him or her the execution thereof. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation,

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2 association or partnership, such affidavit or
3 certificate shall also constitute sufficient proof of
4 his authority;

5 (2) The amount of Bonds, transferable by deliv-
6 ery, held by any person executing any such request,
7 consent, direction, approval, waiver, objection or
8 other instrument or writing as Bondholder, and the
9 distinguishing numbers of the Bonds held by such
10 person, and the date of his holding the same may be
11 proved by a certificate executed by any trust company,
12 bank, banker, or other depository (wherever situated),
13 showing that at the date therein mentioned such person
14 had on deposit with such depository, or exhibited to
15 it, the Bonds therein described, or such facts as may
16 be proved by the certificate or affidavit of the person
17 executing such request, consent or other instrument in
18 writing as a Bondholder, if such certificate or affi-
19 davit shall be deemed by the Trustee to be satisfac-
20 tory. The Trustee and the County may conclusively
21 assume that such ownership continues until written
22 notice to the contrary is served upon the Trustee. The
23 fact and the date of execution of any request, consent,
24 or other instrument may also be proved in any other
25 manner which the Trustee may deem sufficient. The
26 Trustee may nevertheless, in its discretion, require
27 further proof in cases where it may deem further proof
28 desirable;

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2 ¹(3) The ownership of registered Bonds shall be
3 proved by the register of such Bonds;

4 ¹(4) Any request, consent or vote of the holder of
5 any Bond shall bind every future holder of the same
6 Bond and the holder of every Bond issued in exchange
7 therefor or in lieu thereof, in respect of anything
8 done or suffered to be done by the Trustee or the
9 County in pursuance of such request, consent or vote;
10 and

11 ¹(5) In determining whether the holders of the
12 requisite aggregate principal amount of Bonds Outstand-
13 ing have concurred in any consent, request, direction,
14 approval, waiver, direction or other instrument, under
15 this Indenture or the Loan Agreement, Bonds which are
16 owned by the County, by the Company or by any other
17 obligor under the Loan Agreement or on the Bonds, or by
18 any person directly or indirectly controlling or
19 controlled by or under direct or indirect common
20 control with the County, the Company or any other
21 obligor under the Loan Agreement or on the Bonds, shall
22 be disregarded and deemed not to be outstanding for the
23 purpose of any such determination, provided that for
24 the purpose of determining whether the Trustee shall be
25 protected in relying on any such consent, request,
26 direction, approval, waiver, objection or other instru-
27 ment only Bonds which the Trustee knows to be so owned
28 shall be disregarded. Bonds so owned which have been

2 pledged in good faith may be regarded as outstanding
3 for the purposes of this Section 1401 if the pledgee
4 shall establish to the satisfaction of the Trustee the
5 pledgee's right to vote such Bonds and that the pledgee
6 is not a person directly or indirectly controlling or
7 controlled by or under common control with the County,
8 the Company or any other obligor under the Loan
9 Agreement or on the Bonds. In case of a dispute as to
10 such right, any decision by the Trustee taken upon the
11 advice of counsel shall be full protection to the
12 Trustee.

13 SECTION 1402. LIMITATION OF RIGHTS; THIRD PARTY
14 BENEFICIARY. With the exception of rights herein expressly
15 conferred, nothing expressed or mentioned in, implied by or
16 to be inferred from this Indenture or the Bonds is intended
17 or shall be construed to give to any person or company other
18 than the parties hereto, the Bank, and the holders of the
19 Bonds and the bearers of coupons appertaining thereto, any
20 legal or equitable right, remedy or claim under or in
21 respect to this Indenture or any covenants, conditions and
22 provisions herein contained; this Indenture and all of the
23 covenants, conditions and provisions hereof being intended
24 to be and being for the sole and exclusive benefit of the
25 parties hereto and the holders of the Bonds and coupons as
26 herein provided; however, such rights and remedies as are
27 given the County as against the Trustee hereunder shall also
28 extend to the Company, and the Company shall be deemed a

2 third party beneficiary of all covenants and agreements
3 herein contained.

4 SECTION 1403. SEVERABILITY. (A) If any provision of
5 this Indenture shall be held or deemed to be or shall, in
6 fact, be inoperative or unenforceable as applied in any
7 particular case in any jurisdiction or jurisdictions or in
8 all jurisdictions, or in all cases because it conflicts with
9 any other provision or provisions hereof or any Constitution
10 or statute or rule of law or public policy, or for any other
11 reason, such circumstances shall not have the effect of
12 rendering the provision in question inoperative or unen-
13 forceable in any other case or circumstance, or of rendering
14 any other provision or provisions herein contained invalid,
15 inoperative, or unenforceable to any extent whatever.

16 (B) The invalidity of any one or more phrases,
17 sentences, clauses or sections in this Indenture contained,
18 shall not affect the remaining portions of this Indenture,
19 or any part thereof.

20 SECTION 1404. NOTICES. (A) All notices, certificates
21 or other communications hereunder shall be in writing and
22 shall be sufficiently given and shall be deemed given when
23 mailed by certified mail, postage prepaid, addressed as
24 follows:

25 (1) If to the County, to Florence County, South
26 Carolina, c/o Florence County Council, Florence County
27 Courthouse, Florence, South Carolina 29513
28 (Attention: Chairman);

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2 (2) If to the Company, to La-Z-Boy Chair Company,
3 1284 Telegraph Road, Monroe, Michigan 48161
4 (Attention: Treasurer);

5 (3) If to the Trustee, to Manufacturers National
6 Bank of Detroit, Manufacturers Bank Tower, 100
7 Renaissance Center, Detroit, Michigan 48243 (Attention:
8 Corporate Trust Division); and

9 (4) If to the Bank, to Bankers Trust Company, 280
10 Park Avenue, New York, New York 10015 (Attention:
11 _____), with a copy to One Bankers Trust
12 Plaza, New York, New York 10015 (Attention: Letter of
13 Credit Division).

14 (B) Duplicate copies of each notice, certificate or
15 other communication given hereunder by the County, the
16 Trustee, the Bank or the Company to one or all of the
17 others, shall also be given to the others.

18 (C) The County, the Company, the Trustee and the Bank
19 may, by notice given to all parties to this Agreement, the
20 Indenture and the Letter of Credit Agreement, designate any
21 further or different addresses to which subsequent notices,
22 certificates or other communications shall be sent.

23 SECTION 1405. TRUSTEE AS PAYING AGENT AND REGISTRAR.
24 The Trustee is hereby designated and agrees to act as a
25 paying agent and the Bond Registrar for and in respect to
26 the Bonds.

27 SECTION 1406. PAYMENTS DUE ON SATURDAYS, SUNDAYS AND
28 HOLIDAYS. In any case where the date of maturity of

29

2 interest on or principal of the Bonds or the date fixed for
3 redemption of any Bonds shall not be a Business Day, then
4 payment of principal, premium, if any, or interest need not
5 be made on such date but may be made on the next succeeding
6 Business Day with the same force and effect as if made on
7 the date of maturity or the date fixed for redemption, and
8 no interest shall accrue for the period after such date.

9 SECTION 1407. COUNTY'S OBLIGATIONS LIMITED. Anything
10 in this Indenture to the contrary notwithstanding, it is
11 expressly understood and agreed by the parties hereto that:

12 (A) The County may rely conclusively on the truth and
13 accuracy of any certificate, opinion, notice, request,
14 representation, or other instrument furnished to the County
15 by the Trustee or the Company as to:

16 (1) The existence of any fact or state of affairs
17 required hereunder to be noticed by the County; and

18 (2) Any certification, consent, request or
19 representation required to be made by the County.

20 (B) The County shall not be under any obligation
21 hereunder to perform any record-keeping or to provide any
22 legal services, it being understood that such services shall
23 be performed either by the Trustee or the Company.

24 (C) None of the provisions of this Indenture shall
25 require the County to expend or risk its own funds or to
26 otherwise incur financial liability in the performance of
27 any of its duties or in the exercise of any of its rights or
28 powers hereunder, unless it shall first have been adequately

2 indemnified to its satisfaction against the cost, expenses
3 or liability which may be incurred thereby.

4 SECTION 1408. IMMUNITY OF OFFICERS AND EMPLOYEES OF
5 THE COUNTY. No recourse shall be had for the enforcement of
6 any obligation, covenant, promise or agreement of the County
7 contained in this Indenture or in the Bonds or for any claim
8 based hereon or otherwise in respect hereof or upon any
9 obligation, covenant, promise or agreement of the County
10 contained in the Loan Agreement, against any officer or
11 employee, as such, in his individual capacity, past, present
12 or future, of the County Council or of any successor body,
13 either directly or through the County or any successor
14 thereof, whether by virtue of any constitutional provision,
15 statute or rule of law, or by the enforcement of any
16 assessment or penalty or otherwise; it being expressly
17 agreed and understood that this Indenture, the Bonds and the
18 Loan Agreement, are solely corporate obligations, and that
19 no personal liability whatsoever shall attach to, or be
20 incurred by, any officer or employee as such, past, present
21 or future, of the County or of any successor corporation,
22 either directly or by reason of any of the obligations,
23 covenants, promises, or agreements entered into between the
24 County and the Trustee or the Company to be implied
25 therefrom as being supplemental hereto or thereto, and that
26 all personal liability of that character against every such
27 officer and employee is, by the execution of this Indenture
28 and the Bonds, and as a condition of, and as a part of the

2 consideration for, the execution of this Indenture and the
3 Bonds, expressly waived and released. The immunity of
4 officers and employees of the County under the provisions
5 contained in this Section 1408 shall survive the completion
6 of the Project and the termination of this Indenture.

7 SECTION 1409. GOVERNING LAW. The Indenture and each
8 Bond and coupon shall be deemed to be a contract made under
9 the laws of the State and for all purposes shall be
10 construed in accordance with the laws of the State.

11 SECTION 1410. COUNTERPARTS. This Indenture may be
12 executed in several counterparts, each of which shall be an
13 original and all of which shall constitute but one and the
14 same instrument.

EXHIBIT

15

*

*

JAN 25 1983* NO. 3

STATE BUDGET & CONTROL BOARD

2 IN WITNESS WHEREOF, FLORENCE COUNTY, SOUTH CAROLINA,
3 has caused these presents to be signed in its name and
4 behalf by the Chairman of its County Council and the same to
5 be attested by the County Administrator of Florence County,
6 and to evidence its acceptance of the trusts hereby created.
7 MANUFACTURERS NATIONAL BANK OF DETROIT has caused these
8 presents to be signed in its name and behalf by its
9 _____ and the same to be attested by its
10 _____, all as of the date and year first
11 hereinabove written.

12 FLORENCE COUNTY, SOUTH CAROLINA

13 By _____

14 Chairman, Florence County

15 Council

16 Attest:

17 By _____

18 County Administrator of

19 7 Florence County

20 MANUFACTURERS NATIONAL BANK OF
21 DETROIT, as Trustee

24 Attest:

25 By _____
26 Its _____

(FORM OF FULLY REGISTERED BOND)
FLORENCE COUNTY, SOUTH CAROLINA,
INDUSTRIAL REVENUE REFUNDING BONDS,
SERIES 1983
(LA-Z-BOY CHAIR COMPANY PROJECT)

Number R- _____ \$ _____

KNOW ALL MEN BY THESE PRESENTS that FLORENCE COUNTY,
SOUTH CAROLINA (the "County"), a body politic and corporate
and a political subdivision of the State of South Carolina,
for value received promises to pay, but only from the source
and in the manner as hereinafter provided, upon presentation
and surrender hereof, to _____ or registered
assigns, on January 15, 1993, the principal sum of

_____ DOLLARS (\$ _____)

and in like manner, to pay interest on said sum from the
date hereof at a floating rate per annum equal to
sixty-seven per centum (67%) of the Prime Rate (as
hereinafter defined); provided, that such interest rate
shall never be less than seven per centum (7%) per annum nor
more than twenty-five per centum (25%) per annum.

Notwithstanding the foregoing, in the event that Bankers
Trust Company, New York, New York (the "Bank") purchases
this Bond from the Original Purchaser (as defined in the
hereinafter described Indenture) pursuant to the Non-Binding
Letter of Intent to Repurchase from the Bank to the Original
Purchaser, and so long as the Bank continues to hold this
Bond, this Bond shall bear interest at a floating rate per

2 annum equal to (i) one hundred per centum (100%) of the
3 Prime Rate during the sixty day period immediately following
4 the date of such purchase, and (ii) one hundred per centum
5 (100%) of the Prime Rate plus one per centum (1%)
6 thereafter. Any change in the Prime Rate shall
7 automatically and without notice to the County or the
8 Company (as hereinafter defined) be effective for the
9 purpose of changing the rate of interest which this Bond
10 bears as of the opening of business on the date of any such
11 change in the Prime Rate. Interest on this Bond shall be
12 based on a 360 day year of twelve (12) thirty (30) day
13 months and shall be payable on the fifteenth day of each
14 month, commencing February 15, 1983. As used herein, the
15 term "Prime Rate" means the rate announced by the Bank from
16 time to time at its principal office as its prime lending
17 rate for domestic commercial loans, the Prime Rate to change
18 when and as such prime lending rate changes. Principal of,
19 premium, if any, and interest on this Bond are payable in
20 lawful money of the United States of America and in Federal
21 or other immediately available funds.

22 The final payment of principal of, premium, if any, and
23 interest on this Bond shall be made at the principal trust
24 office of the Trustee in Detroit, Michigan, upon surrender
25 of this Bond for cancellation; payments prior thereto of
26 principal of, premium, if any, and interest shall be made to
27 the registered owner hereof by Federal Funds wire to its
28 address as it appears on the Bond registration books of the

2 | Trustee, as Bond Registrar, or in such other manner as the
3 | registered owner and the Trustee may determine.

4 > This Bond is one of an authorized issue of Bonds
5 aggregating \$5,000,000 (the "Bonds"), issued for the purpose
6 of refunding a \$5,000,000 Industrial Revenue Note, Series
7 1980 (La-Z-Boy Chair Company Project) of the County the
8 proceeds of which were expended to pay the costs of
9 acquiring, constructing and installing certain industrial
10 facilities (the "Project") operated by La-Z-Boy Chair
11 Company (the "Company"), a Michigan corporation, in the
12 County. The Bonds are issued under and are equally and
13 ratably secured and entitled to the protection given by a
14 Trust Indenture (the "Indenture") dated as of December 15,
15 1982, between the County and the Trustee. The County and
16 the Company have entered into a Loan Agreement (the "Loan
17 Agreement") dated as of December 15, 1982, defining the
18 Company's obligation to the County resulting from the loan
19 of the Bond proceeds to the Company. The Company has caused
20 to be delivered to the Trustee an Irrevocable Letter of
21 Credit (the "Letter of Credit") issued by the Bank in favor
22 of the Trustee which, under the terms of the Indenture, will
23 permit the Trustee to draw, in the aggregate, up to an
24 amount equal to the principal of the Bonds, plus premium
25 thereon equal to 3% of the principal amount of the Bonds,
26 plus 45 days' interest accrued on the Bonds (computed at the
27 rate of twenty-five per centum (25%) per annum). Pursuant
28 to the Loan Agreement payments sufficient for the prompt

2 payment when due of the principal of, premium, if any, and
3 interest on the Bonds are to be paid by the Company to the
4 Trustee for the account of the County and deposited in a
5 special trust account (the "Bond Fund") created by the
6 County and designated "Florence County, South Carolina,
7 Industrial Revenue Refunding Bond Fund - La-Z-Boy Chair
8 Company Project" which account has been pledged for that
9 purpose. The Company will receive a credit against its
10 obligations to make such payments under the Loan Agreement
11 for moneys drawn under the Letter of Credit and deposited
12 into the Bond Fund. Copies of the Loan Agreement, the
13 Indenture and the Letter of Credit are on file at the
14 corporate trust office of the Trustee, and reference is made
15 to the Loan Agreement, the Indenture and the Letter of
16 Credit for a description of the security and for the
17 provisions, among others, with respect to the nature and
18 extent of the security, the rights and remedies of the
19 owners of the Bonds, the rights, duties and obligations of
20 the County, the Company, the Trustee, and the Bank, and the
21 terms upon which the Bonds are issued and secured.

22 The Bonds are issuable in the form of coupon bonds in
23 the denomination of \$5,000 registrable as to principal only,
24 and in the form of fully registered Bonds without coupons in
25 the denomination of \$5,000 or any multiple of \$5,000. The
26 holder of any coupon Bond or Bonds may surrender the same,
27 with all unmatured coupons and all matured coupons in
28 default attached, at the above-mentioned corporate trust

2 office of the Trustee, in exchange for an equal aggregate
3 principal amount of fully registered Bonds of any authorized
4 denomination, in the manner and subject to the conditions
5 provided in the Indenture. In like manner and subject to
6 such conditions the owner of any fully registered Bond, may
7 surrender the same (together with a written instrument of
8 transfer satisfactory to the Trustee duly executed by the
9 registered owner or his or her duly authorized legal
10 representative) in exchange for an equal aggregate principal
11 amount of coupon Bonds with appropriate coupons attached, or
12 of fully registered Bonds of any other authorized
13 denomination.

14 The transfer of this Bond may be effected only as
15 provided in the Indenture upon the books of the County kept
16 for that purpose at the above-mentioned corporate trust
17 office of the Trustee by the registered owner hereof in
18 person, or by his or her duly authorized legal
19 representative, upon surrender of this Bond together with a
20 written instrument of transfer reasonably satisfactory to
21 the Trustee duly executed by the registered owner or his or
22 her duly authorized legal representative, and thereupon a
23 new Bond or Bonds, shall be issued to the transferee in
24 exchange therefor as provided in the Indenture. The County,
25 the Trustee and any paying agent may deem and treat the
26 person in whose name this Bond is registered as the absolute
27 owner hereof for the purpose of receiving payment of, or on

2 account of, the principal or redemption price hereof and
3 interest due hereon and for all other purposes.

4 The Bonds are subject to optional redemption by the
5 County at the direction of the Company prior to maturity on
6 or after January 15, 1986, in whole on any date, or in part
7 on any interest payment date (less than all of such Bonds to
8 be selected by lot by the Trustee in the manner provided in
9 the Indenture) at the redemption prices (expressed as
10 percentages of principal amount) set forth in the table
11 below, plus interest accrued to the redemption date:

12	<u>Redemption Dates</u>	<u>Redemption Price</u>
13	January <u>15</u> , 1986, through January <u>14</u> , 1987	103 %
14	January <u>15</u> , 1987, through January <u>14</u> , 1988	102-1/2%
15	January <u>15</u> , 1988, through January <u>14</u> , 1989	102 %
16	January <u>15</u> , 1989, through January <u>14</u> , 1990	101-1/2%
17	January <u>15</u> , 1990, through January <u>14</u> , 1991	101 %
18	January <u>15</u> , 1991, through January <u>14</u> , 1992	100-1/2%
19	January <u>15</u> , 1992, and thereafter	100 %

20 The Bonds shall be redeemed by the County in part on
21 January 15 in the years and principal amounts set forth in
22 the following schedule:

23	<u>Year</u>	<u>Principal Amount</u>
24	1987	\$500,000
25	1988	\$500,000
26	1989	\$500,000
27	1990	\$500,000
28	1991	\$500,000
29	1992	\$500,000

30 The Bonds shall be redeemed by the County as soon as
31 practicable but no later than the thirtieth day after the
32 occurrence of a Determination of Taxability (as defined in
33 the Indenture) at any time, whether or not an interest
34 payment date, in whole and not in part, at the principal

2 amount thereof, plus interest accrued to the redemption
3 date, plus a redemption premium of three per centum (3%) of
4 the principal amount of each Bond so redeemed.

5 The Bonds shall be redeemed by the County at any time,
6 whether or not an interest payment date, in whole and not in
7 part, as soon as practicable but no later than the sixtieth
8 day after the occurrence of an Act of Bankruptcy of the Bank
9 (as defined in the Indenture), if within 45 days of the
10 occurrence of an Act of Bankruptcy of the Bank a Substitute
11 Letter of Credit has not been issued to the Trustee as
12 provided in the Indenture. If redeemed as provided in this
13 paragraph, the Bonds shall be redeemed at a price of par
14 plus interest accrued to the redemption date.

15 7 If any of the Bonds or portions thereof are called for
16 redemption, notice thereof specifying the Bonds, or portions
17 thereof, to be redeemed shall be given by publication not
18 less than thirty (30) days and not more than sixty (60) days
19 prior to the redemption date in a newspaper or financial
20 journal of general circulation, and in the case of the
21 redemption of fully registered Bonds or coupon Bonds
22 registered as to principal, by mailing a copy of the
23 redemption notice by first class mail, not less than thirty
24 days nor more than sixty days prior to the date fixed for
25 redemption to the owner of each Bond to be redeemed at the
26 address shown on the registration books; provided, however,
27 that failure to give such notice by mail, or any defect
28 therein, to the owner of any such Bond shall not affect the

2 validity of any proceedings for the redemption of Bonds as
3 to which no such defect or failure shall have occurred. If
4 all of the Bonds to be redeemed are registered Bonds or
5 coupon Bonds registered as to principal, notice by mail
6 given by first class mail to the owner or owners thereof, at
7 their addresses shown on the registration books, not less
8 than thirty (30) days prior to the date fixed for redemption
9 as aforesaid shall be sufficient, and published notice of
10 the call for redemption need not be given, and failure to
11 give such notice by mail, or any defect in the notice, to
12 the owner of any such registered Bond designated for
13 redemption shall not affect the validity of the proceedings
14 of Bonds as to which no such defect or failure shall have
15 occurred. Provided funds for their redemption are on
16 deposit with the Trustee, all Bonds so called for redemption
17 shall cease to bear interest on the specified redemption
18 date, shall no longer be protected by the Indenture and
19 shall not be deemed to be outstanding under the provisions
20 of the Indenture.

21 Portions of any Bond in an authorized denomination of
22 more than \$5,000 to be redeemed shall be selected by lot by
23 the Trustee in the manner provided in the Indenture, in a
24 principal amount of \$5,000 or a multiple thereof, and upon
25 the surrender of such Bond there will be issued to the
26 registered owner thereof, without charge, for the unredeemed
27 balance of the principal amount of such Bond, at the option

2 of such owner, Bonds in any of the authorized denominations
3 as provided in the Indenture.

4 This Bond and the issue of which it forms a part are
5 issued pursuant to the authorization of and for the purposes
6 prescribed by the Constitution and laws of the State of
7 South Carolina and pursuant to an ordinance adopted by
8 Florence County Council, as the governing body of the
9 County.

10 This Bond and the issue of which it forms a part are
11 limited obligations of the County and are payable solely
12 from the Pledged Amounts (as defined in the Loan Agreement)
13 and from the Bond Fund.

14 This Bond is not and shall never constitute an
15 indebtedness of the County within the meaning of any state
16 constitutional provision or statutory limitation and shall
17 never constitute nor give rise to a pecuniary liability of
18 the County or a charge against its general credit or taxing
19 powers.

20 The owner of this Bond shall have no right to enforce
21 the provisions of the Indenture or to institute action to
22 enforce the covenants therein, or to take any action with
23 respect to any event of default under the Indenture, or to
24 institute, appear in or defend any suit or other proceeding
25 with respect thereto, except as provided in the Indenture.
26 In certain events, on the conditions, in the manner and with
27 the effect set forth in the Indenture, the principal of all
28 of the Bonds then outstanding may become or may be declared

2 due and payable before the stated maturity thereof, together
3 with interest accrued thereon. Modifications or alterations
4 of the Indenture, or of any supplements thereto, may be made
5 only to the extent and in the circumstances permitted by the
6 Indenture.

7 No recourse shall be had for the payment of the
8 principal of, premium, if any, or interest on any of the
9 Bonds or for any claim based thereon or on any obligation,
10 covenant or agreement in the Indenture contained, against
11 any past, present or future official, agent or employee of
12 the County, or any official, agent or employee of any
13 successor of the County, as such, either directly or through
14 the County or any such successor, under any rule of law or
15 equity, statute or constitution or by the enforcement of any
16 assessment or penalty or otherwise, and all such liability
17 of any such officials, agents or employees as such is hereby
18 expressly waived and released as a condition of and in
19 consideration for the execution of the Indenture and the
20 issuance of any of the Bonds.

21 IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all
22 acts, conditions and things required to exist, happen and be
23 performed precedent to and in the execution and delivery of
24 the Indenture and the issuance of this Bond do exist, have
25 happened and have been performed in due time, form and
26 manner as required by law.

27 This Bond shall not be valid or become obligatory for
28 any purpose or be entitled to any security or benefit under

1

DRAFT 1/7/83

2 the Indenture until the Trustee's certificate of
3 authentication hereon shall have been duly executed by the
4 Trustee.

5 IN WITNESS WHEREOF, FLORENCE COUNTY, SOUTH CAROLINA,
6 has caused this Bond to be executed by the Chairman of its
7 County Council, by his manual or facsimile signature, its
8 corporate seal to be reproduced hereon, and the same to be
9 attested by the County Administrator of Florence County, by
10 his manual or facsimile signature, all as of _____,
11 _____.

12

FLORENCE COUNTY, SOUTH CAROLINA

13

(SEAL)

By _____

14

Chairman, Florence County
Council

15

16 Attest:

17

By _____

18

County Administrator of
Florence County

19

1

DRAFT 1/7/83

2

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

3

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

4

5

This Bond is one of the Bonds of the issue described
in the within-mentioned Indenture.

6

7

MANUFACTURERS NATIONAL BANK OF
DETROIT, as Trustee

8

9

By _____

Authorized Signatory

1

DRAFT 1/7/83

2

(FORM OF ASSIGNMENT)

3

ASSIGNMENT

4

FOR VALUE RECEIVED the undersigned hereby sells, assigns

5

and transfers unto

6

(Please insert Social Security or other
identifying number of Assignee)

7

8

9

(Please print or typewrite name and address of transferee)

10

11

the within Bond and all rights thereunder, and hereby irrev-

12

ocably constitutes and appoints

13

Legal Representative, to transfer the within Bond on the

14

books kept for registration thereof, with full power of

15

substitution in the premises.

16

Dated: _____

17

18

19

20

21

22

23

NOTICE: The signature to this
assignment must correspond with the
name as it appears upon the face of
the within Bond in every particu-
lar, without alteration or enlarge-
ment or any change whatever.

1

DRAFT 1/7/83

2

EXHIBIT "B"

3

(FORM OF COUPON BOND)

4

FLORENCE COUNTY, SOUTH CAROLINA,

5

INDUSTRIAL REVENUE REFUNDING BONDS,

6

SERIES 1983

7

(LA-Z-BOY CHAIR COMPANY PROJECT)

8

Number _____

\$ _____

9

KNOW ALL MEN BY THESE PRESENTS that FLORENCE COUNTY,

10

SOUTH CAROLINA (the "County"), a body politic and corporate

11

and a political subdivision of the State of South Carolina,

12

for value received promises to pay, but only from the source

13

and in the manner as hereinafter provided, upon presentation

14

and surrender hereof, to bearer, or, if this Bond be

15

registered, to the registered owner hereof, upon

16

presentation and surrender hereof, on January 15, 1993, the

17

principal sum of

18

FIVE THOUSAND DOLLARS (\$5,000)

19

and in like manner, to pay interest on said sum from the

20

date hereof at a floating rate per annum equal to

21

sixty-seven per centum (67%) of the Prime Rate (as

22

hereinafter defined); provided, that such interest rate

23

shall never be less than seven per centum (7%) per annum nor

24

more than twenty-five per centum (25%) per annum.

25

Notwithstanding the foregoing, in the event that Bankers

26

Trust Company, New York, New York (the "Bank") purchases

27

this Bond from the Original Purchaser (as defined in the

28

hereinafter described Indenture) pursuant to the Non-Binding

29

Letter of Intent to Repurchase from the Bank to the Original

30

B - 1

015488

2 Purchaser, and so long as the Bank continues to hold this
3 Bond, this Bond shall bear interest at a floating rate per
4 annum equal to (i) one hundred per centum (100%) of the
5 Prime Rate during the sixty day period immediately following
6 the date of such purchase, and (ii) one hundred per centum
7 (100%) of the Prime Rate plus one per centum (1%)
8 thereafter. Any change in the Prime Rate shall
9 automatically and without notice to the County or the
10 Company (as hereinafter defined) be effective for the
11 purpose of changing the rate of interest which this Bond
12 bears as of the opening of business on the date of any such
13 change in the Prime Rate. Interest on this Bond shall be
14 based on a 360 day year of twelve (12) thirty (30) day
15 months and shall be payable on the fifteenth day of each
16 month, commencing February 15, 1983. As used herein, the
17 term "Prime Rate" means the rate announced by the Bank from
18 time to time at its principal office as its prime lending
19 rate for domestic commercial loans, the Prime Rate to change
20 when and as such prime lending rate changes. Principal of,
21 premium, if any, and interest on this Bond are payable in
22 lawful money of the United States of America and in Federal
23 or other immediately available funds.

24 The principal of and premium, if any, with respect to
25 this Bond (unless registered other than to bearer) and
26 interest hereon shall be payable at the principal office of
27 the Trustee in Detroit, Michigan, upon presentation and

2 surrender of this Bond and the attached coupons as the same
3 respectively become due and payable.

4 If this Bond be registered as to principal (other than
5 to bearer, the final payment of principal of and premium, if
6 any, with respect to this Bond shall be made at the
7 principal office of the Trustee upon surrender of this Bond
8 for cancellation; payments prior thereto of principal of and
9 premium, if any, shall be made to the registered owner
10 hereof by Federal Funds wire to its address as it appears on
11 the Bond registration books of the Trustee, as Bond
12 Registrar, or in such other manner as the registered owner
13 and the Trustee may determine.

14 This Bond is one of an authorized issue of Bonds
15 aggregating \$5,000,000 (the "Bonds"), issued for the purpose
16 of refunding a \$5,000,000 Industrial Revenue Note, Series
17 1980 (La-Z-Boy Chair Company Project) of the County the
18 proceeds of which were expended to pay the costs of
19 acquiring, constructing and installing certain industrial
20 facilities (the "Project") operated by La-Z-Boy Chair
21 Company (the "Company"), a Michigan corporation, in the
22 County. The Bonds are issued under and are equally and
23 ratably secured and entitled to the protection given by a
24 Trust Indenture (the "Indenture") dated as of December 15,
25 1982, between the County and the Trustee. The County and
26 the Company have entered into a Loan Agreement (the "Loan
27 Agreement") dated as of December 15, 1982, defining the
28 Company's obligation to the County resulting from the loan

2 of the Bond proceeds to the Company. The Company has caused
3 to be delivered to the Trustee an Irrevocable Letter of
4 Credit (the "Letter of Credit") issued by the Bank in favor
5 of the Trustee which, under the terms of the Indenture, will
6 permit the Trustee to draw, in the aggregate, up to an
7 amount equal to the principal of the Bonds, plus premium
8 thereon equal to 3% of the principal amount of the Bonds,
9 plus 45 days' interest accrued on the Bonds (computed at the
10 rate of twenty-five per centum (25%) per annum). Pursuant
11 to the Loan Agreement payments sufficient for the prompt
12 payment when due of the principal of, premium, if any, and
13 interest on the Bonds are to be paid by the Company to the
14 Trustee for the account of the County and deposited in a
15 special trust account (the "Bond Fund") created by the
16 County and designated "Florence County, South Carolina,
17 Industrial Revenue Refunding Bond Fund - La-Z-Boy Chair
18 Company Project" which account has been pledged for that
19 purpose. The Company will receive a credit against its
20 obligations to make such payments under the Loan Agreement
21 for moneys drawn under the Letter of Credit and deposited
22 into the Bond Fund. Copies of the Loan Agreement, the
23 Indenture and the Letter of Credit are on file at the
24 corporate trust office of the Trustee, and reference is made
25 to the Loan Agreement, the Indenture and the Letter of
26 Credit for a description of the security and for the
27 provisions, among others, with respect to the nature and
28 extent of the security, the rights and remedies of the

2 owners of the Bonds, the rights, duties and obligations of
3 the County, the Company, the Trustee, and the Bank, and the
4 terms upon which the Bonds are issued and secured.

5 The Bonds are issuable in the form of coupon bonds in
6 the denomination of \$5,000 registrable as to principal only,
7 and in the form of fully registered Bonds without coupons in
8 the denomination of \$5,000 or any multiple of \$5,000. The
9 holder of any coupon Bond or Bonds may surrender the same,
10 with all unmatured coupons and all matured coupons in
11 default attached, at the above-mentioned corporate trust
12 office of the Trustee, in exchange for an equal aggregate
13 principal amount of fully registered Bonds of any authorized
14 denomination, in the manner and subject to the conditions
15 provided in the Indenture. In like manner and subject to
16 such conditions the owner of any fully registered Bond Bond
17 may surrender the same (together with a written instrument
18 of transfer satisfactory to the Trustee duly executed by the
19 registered owner or his or her duly authorized legal
20 representative) in exchange for an equal aggregate principal
21 amount of coupon Bonds with appropriate coupons attached, or
22 of fully registered Bonds of any other authorized
23 denomination.

24 This Bond and its appurtenant coupons are fully negoti-
25 able and shall pass by delivery, but this Bond may be regis-
26 tered as to principal only, on the registration books of the
27 County in the corporate trust office of the Trustee as bond
28 registrar, upon presentation hereof at such office and the

2 notation of such registration endorsed hereon by the bond
3 registrar. Thereafter the transfer of this Bond may be
4 registered only on such books at the written request of the
5 registered owner or his or her duly authorized legal
6 representative, evidence of such transfer to be in like
7 manner endorsed hereon. Such transfer may be to bearer, and
8 thereby transferability by delivery restored, subject,
9 however, to successive registrations and transfers as
10 before. The principal of this Bond, if registered, unless
11 registered to bearer, shall be payable only to or upon the
12 order of the registered owner or his or her duly authorized
13 legal representative. Interest accruing on this Bond will
14 be paid only upon presentation and surrender of the attached
15 interest coupons as they respectively become due, and
16 registration of this Bond as to principal as aforesaid will
17 not affect the transferability by delivery of such coupons.

18 The Bonds are subject to optional redemption by the
19 County at the direction of the Company prior to maturity on
20 or after January 15, 1986, in whole on any date, or in part
21 on any interest payment date (less than all of such Bonds to
22 be selected by lot by the Trustee in the manner provided in
23 the Indenture) at the redemption prices (expressed as
24 percentages of principal amount) set forth in the table
25 below, plus interest accrued to the redemption date:

26	<u>Redemption Dates</u>	<u>Redemption Price</u>
27	January 15, 1986, through January 14, 1987	103 %
28	January 15, 1987, through January 14, 1988	102-1/2%
29	January 15, 1988, through January 14, 1989	102 %
30	January 15, 1989, through January 14, 1990	101-1/2%

2	January 15, 1990, through January 14, 1991	101	%
3	January 15, 1991, through January 14, 1992	100-1/2	%
4	January 15, 1992, and thereafter	100	%

5 The Bonds shall be redeemed by the County in part on
6 January 15 in the years and principal amounts set forth in
7 the following schedule:

8	<u>Year</u>	<u>Principal Amount</u>
9	1987	\$500,000
10	1988	\$500,000
11	1989	\$500,000
12	1990	\$500,000
13	1991	\$500,000
14	1992	\$500,000

15 The Bonds shall be redeemed by the County as soon as
16 practicable but no later than the thirtieth day after the
17 occurrence of a Determination of Taxability (as defined in
18 the Indenture) at any time, whether of not an interest
19 payment date, in whole and not in part, at the principal
20 amount thereof, plus interest accrued to the redemption
21 date, plus a redemption premium of three per centum (3%) of
22 the principal amount of each Bond so redeemed.

23 The Bonds shall be redeemed by the County at any time,
24 whether or not an interest payment date, in whole and not in
25 part, as soon as practicable but no later than the sixtieth
26 day after the occurrence of an Act of Bankruptcy of the Bank
27 (as defined in the Indenture), if within forty-five (45)
28 days of the occurrence of an Act of Bankruptcy of the Bank a
29 Substitute Letter of Credit has not been issued to the
30 Trustee as provided in the Indenture. If redeemed as
31 provided in this paragraph, the Bonds shall be redeemed at a
32 price of par plus interest accrued to the redemption date.

2 If any of the Bonds or portions thereof are called for
3 redemption, notice thereof specifying the Bonds, or portions
4 thereof, to be redeemed shall be given by publication not
5 less than thirty (30) days and not more than sixty (60) days
6 prior to the redemption date in a newspaper or financial
7 journal of general circulation, and in the case of the
8 redemption of fully registered Bonds or coupon Bonds
9 registered as to principal, by mailing a copy of the
10 redemption notice by first class mail not less than thirty
11 days nor more than sixty days prior to the date fixed for
12 redemption to the owner of each Bond to be redeemed at the
13 address shown on the registration books; provided, however,
14 that failure to give such notice by mail, or any defect
15 therein, to the owner of any such Bond shall not affect the
16 validity of any proceedings for the redemption of Bonds as
17 to which no such defect or failure shall have occurred. If
18 all of the Bonds to be redeemed are registered Bonds or
19 coupon Bonds registered as to principal, notice by mail
20 given by first class mail to the owner or owners thereof, at
21 their addresses shown on the registration books, not less
22 than thirty (30) days prior to the date fixed for redemption
23 as aforesaid shall be sufficient, and published notice of
24 the call for redemption need not be given, and failure to
25 give such notice by mail, or any defect in the notice, to
26 the owner of any such registered Bond designated for
27 redemption shall not affect the validity of the proceedings
28 of Bonds as to which no such defect or failure shall have

2 occurred. Provided funds for their redemption are on
3 deposit with the Trustee, all Bonds so called for redemption
4 shall cease to bear interest on the specified redemption
5 date, shall no longer be protected by the Indenture and
6 shall not be deemed to be outstanding under the provisions
7 of the Indenture.

8 This Bond and the issue of which it forms a part are
9 issued pursuant to the authorization of and for the purposes
10 prescribed by the Constitution and laws of the State of
11 South Carolina and pursuant to an ordinance adopted by
12 Florence County Council, as the governing body of the
13 County.

14 This Bond and the issue of which it forms a part are
15 limited obligations of the County and are payable solely
16 from the Pledged Amounts (as defined in the Loan Agreement)
17 and from the Bond Fund.

18 This Bond and the interest coupons appertaining hereto
19 are not and shall never constitute an indebtedness of the
20 County within the meaning of any state constitutional
21 provision or statutory limitation and shall never constitute
22 nor give rise to a pecuniary liability of the County or a
23 charge against its general credit or taxing powers.

24 The holder of this Bond and the bearers of the coupons
25 appertaining hereto shall have no right to enforce the
26 provisions of the Indenture or to institute action to
27 enforce the covenants therein, or to take any action with
28 respect to any event of default under the Indenture, or to

2 institute, appear in or defend any suit or other proceeding
3 with respect thereto, except as provided in the Indenture.
4 In certain events, on the conditions, in the manner and with
5 the effect set forth in the Indenture, the principal of all
6 of the Bonds then outstanding may become or may be declared
7 due and payable before the stated maturity thereof, together
8 with interest accrued thereon. Modifications or alterations
9 of the Indenture, or of any supplements thereto, may be made
10 only to the extent and in the circumstances permitted by the
11 Indenture.

12 No recourse shall be had for the payment of the
13 principal of, premium, if any, or interest on any of the
14 Bonds or for any claim based thereon or on any obligation,
15 covenant or agreement in the Indenture contained, against
16 any past, present or future official, agent or employee of
17 the County, or any official, agent or employee of any
18 successor of the County, as such, either directly or through
19 the County or any such successor, under any rule of law or
20 equity, statute or constitution or by the enforcement of any
21 assessment or penalty or otherwise, and all such liability
22 of any such officials, agents or employees as such is hereby
23 expressly waived and released as a condition of and in
24 consideration for the execution of the Indenture and the
25 issuance of any of the Bonds.

26 IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all
27 acts, conditions and things required to exist, happen and be
28 performed precedent to and in the execution and delivery of

1

2 the Indenture and the issuance of this Bond do exist, have
3 happened and have been performed in due time, form and
4 manner as required by law.

5 This Bond and the interest coupons appertaining hereto
6 shall not be valid or become obligatory for any purpose or
7 be entitled to any security or benefit under the Indenture
8 until the Trustee's certificate of authentication hereon
9 shall have been duly executed by the Trustee.

10 IN WITNESS WHEREOF, FLORENCE COUNTY, SOUTH CAROLINA,
11 has caused this Bond to be executed by the Chairman of its
12 County Council, by his manual or facsimile signature, its
13 corporate seal to be reproduced hereon, and the same to be
14 attested by the County Administrator of Florence County, by
15 his manual or facsimile signature, and has caused the
16 interest coupons attached to be executed by the facsimile
17 signatures of said Chairman and County Administrator, all as
18 of December 15, 1982.

19 FLORENCE COUNTY, SOUTH CAROLINA

20 (SEAL)

By _____
Chairman, Florence County
Council

23 Attest:

24 By _____
25 County Administrator of
26 Florence County

1

DRAFT 1/7/83

2

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

3

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

4

This Bond is one of the Bonds of the issue described
5 in the within-mentioned Indenture.

6

MANUFACTURERS NATIONAL BANK OF
7 DETROIT, as Trustee

8

By _____
9 Authorized Signatory

1

DRAFT 1/7/83

2

(FORM OF CERTIFICATE OF REGISTRATION)

3

CERTIFICATE OF REGISTRATION

4

(There must be no writing in the space below except
by the Bond Registrar)

5

6

Date of
Registration

Name of
Registered Owner

Signature of
Bond Registrar

7

8

9

10

(FORM OF INTEREST COUPON)

No. _____

On _____ 15, _____ FLORENCE COUNTY, SOUTH
 CAROLINA, unless the Bond to which this coupon appertains
 shall have been duly called for previous redemption and
 payment of the redemption price made or provided for, will
 pay to bearer, subject to the provisions of the Indenture,
 but solely from the moneys paid under the Loan Agreement,
 all as described in the Bond hereinafter mentioned, and upon
 presentation and surrender of this coupon at the corporate
 trust office of the Trustee, Manufacturers National Bank of
 Detroit, Detroit, Michigan, or its successor in trust, in
 lawful money of the United States of America, the amount due
 as semiannual interest as provided in and due on its
 Industrial Revenue Refunding Bond, Series 1983 (La-Z-Boy
 Chair Company Project)), dated December 15, 1982, numbered
 _____. Said Bond bears interest at a floating rate
 and reference is hereby made to said Bond and the Indenture
 therein for the calculation of interest due thereon.

 Chairman, Florence County
 Council

(SEAL)

 County Administrator of
 Florence County

FEB 10 1983

The State of South Carolina



Office of the Attorney General

EXHIBIT

JAN 25 1983

NO. 4

STATE BUDGET & CONTROL BOARD

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE 803-758-8667

February 7, 1983

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

In re: \$500,000 Industrial Revenue Refunding
Bonds (Ram Automative Co., Inc.)

Dear Mr. McInnis:

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

With kind regards,

A handwritten signature in dark ink, appearing to read "D. Eckstrom".

David C. Eckstrom
Assistant Attorney General

jj

015502

THE CITIZENS AND SOUTHERN NATIONAL BANK OF SOUTH CAROLINA, COLUMBIA, S.C. 29222
A SUBSIDIARY OF THE CITIZENS AND SOUTHERN CORPORATION

1-20-83

January 20, 1983

EXHIBIT

JAN 25 1983 NO. 4

Mr. William A. McInnis, Secretary
South Carolina State Budget
and Control Board
Room 600, Wade Hampton Building
Columbia, South Carolina 29201

HAND DELIVERED BUDGET & CONTROL BOARD

RE: \$500,000 1983 Richland County, South Carolina
Industrial Development Revenue Note (Ram Automotive
Company, Inc. Project)

Dear Mr. McInnis:

We have made a commitment to Ram Automotive Company to purchase the above referenced issue. In connection with our commitment, we have requested and been provided with certain financial information by the company and the information to the extent that it has been furnished, and the balance of the information to be furnished, in satisfaction of our commitment is satisfactory to us.

Our agreement to purchase this issue is made for an investment as loan purposes and we do not contemplate the resale, distribution or re-distribution of the issue.

Sincerely,

Wade H. Shugart, III
Wade H. Shugart, III
Assistant Vice President

/ja

015503

EXHIBIT

JAN 25 1983

NO. 4

STATE BUDGET & CONTROL BOARD

RESOLUTION
STATE OF SOUTH CAROLINA BUDGET AND CONTROL BOARD

WHEREAS, heretofore the Richland County Council (the "County Board") did, pursuant to Title 4, Chapter 29, Code of Laws of South Carolina, 1976 (the "Act"), as amended, petition the State Budget and Control Board of South Carolina (the "State Board") seeking the approval of the State Board to an undertaking by the County Board pursuant to the Act; and

WHEREAS, the proposed undertaking consists of the financing, in part, of the acquisition, construction and installation of a facility on a parcel of land located in Richland County, South Carolina (the "County"), for the manufacturing of automotive equipment and accessories by Ram Automotive Company, Inc. (the "Company") (said tract of land and the buildings located thereon included in the said facility, together with necessary equipment therefor, being hereafter referred to as the "Project") and the County Board proposes to assist in financing the acquisition, construction and installation of the Project by the issuance of an industrial revenue note pursuant to the Act; and

WHEREAS, the proceeds of the issuance of the proposed industrial revenue note are to be loaned to the Company and the Company will make loan payments sufficient to provide for the payment of the industrial revenue note of the County hereafter referred to, and costs and expenses resulting from the issuance thereof; and

015504

WHEREAS, in order to assist in financing the Project, the County Board proposes to provide for the issuance of a \$500,000 1983 Richland County, South Carolina, Industrial Revenue Note (Ram Automotive Company, Inc. Project) (the "Note") pursuant to the Act payable from the loan payments derived from loaning the proceeds of the Note to the Company and additionally secured by an Indenture between the County and The Citizens and Southern National Bank of South Carolina, as Lender (the "Lender"); and

WHEREAS, John A. Norcia will unconditionally guarantee payment of the Note pursuant to a Guaranty between John A. Norcia and the purchaser of the Note; and

WHEREAS, the Note will be sold to The Citizens and Southern National Bank of South Carolina (the "Bank") pursuant to a commitment letter issued by the Bank; and

WHEREAS, the form of the Loan Agreement between the County and the Company, the Indenture and the Guaranty have been considered by this Board.

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

1. It has been found and determined by the State Board:

(a) That the statement of facts set forth in the recitals to this Resolution are in all respects true and correct.

015505

- (b) That the County Board has filed a proper petition to the State Board establishing a reasonable estimate of the cost of the Project, a general summary of the terms and conditions of the Loan Agreement, the Indenture and the Guaranty.
- (c) That the Project, when completed, will employ approximately ten (10) to fifteen (15) persons, and will be of benefit to the County and adjoining areas.
- (d) That the Project is intended to promote the purposes of the Act and is reasonably anticipated to effect such results.

2. On the basis of the foregoing findings, the proposed undertaking of the County Board to assist in financing the cost of the Project through the issuance of a \$500,000 1983 Richland County, South Carolina, Industrial Revenue Note (Ram Automotive Company, Inc. Project) (the "Note") payable from the revenues to be derived from loaning the proceeds of the Note to the Company and the loan payments to be made by the Company pursuant to the Loan Agreement, and additionally secured by the Indenture, all pursuant to the Act (including changes in any details of the said financing as finally consummated which do not materially affect the said undertaking), be and the same is hereby approved.

3. Notice of the action taken by the State Board in giving approval to the undertaking of the County above described in paragraph 2, supra shall be published in THE STATE, a newspaper having general circulation in the County.

015506

4. The notice to be published shall be in form substantially as set forth as EXHIBIT "A" of this Resolution.

015507

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 by Section 10 of Act Number 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session 1980 (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 Note (Ram Automotive Company, Inc. Project) in the original principal of approximately Five Hundred Thousand Dollars (\$500,000) (the "Note"), to defray in part the costs of acquiring by construction and purchase, certain land and a building or buildings and improvements thereon, and certain machinery, apparatus, and equipment, by Ram Automotive Company, Inc. an Ohio corporation, to be used as an industrial facility for the purpose of manufacturing automotive equipment and accessories (the "Project") to be located in Richland County. The Project will be made available to Ram Automotive Company, Inc. which will unconditionally covenant to make payments sufficient to pay the principal, premium, if any, and interest on the Note. The Note will be payable solely and exclusively out of payments to be made by Ram Automotive Company, Inc. for the use of the Project, and is 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 Note by Richland County to finance the same by action de novo instituted in the Circuit Court for Richland County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, Secretary

Dated: _____, 1983.

015508

EXHIBIT

JAN 25 1983

NO. 4

STATE OF SOUTH CAROLINA

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., Tuesday, January 25, 1983, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of: Senator Dennis (during consideration of this item).

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

4

AGAINST MOTION

0

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

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

February 10, 1983

William A. McInnis

015509

Secretary

STATE BUDGET AND CONTROL BOARD
MEETING OF January 25, 1983

BLUE AGENDA
ITEM NUMBER

5

Agency: Richland County

Subject: Proposal to Issue Industrial Revenue Bonds
(\$500,000, Ram Automotive Company, Inc., Project)

The proposed project will provide approximately 10 to 15 jobs in the manufacture of automotive equipment and accessories.

The required reviews by the Attorney General's Office and the State Auditor's Office were incomplete as these agenda materials were being prepared. Staff will advise the Board on the results of these reviews at the meeting.

Board Action Requested:

If review results are satisfactory, adopt a resolution approving the Richland County proposal to issue \$500,000 Industrial Revenue Bonds on behalf of the Ram Automotive Company, Inc., project.

Staff Comment:

Attachments:

Also 1/20/83 letter to McInnis; resolution

015510

REVENUE BOND ISSUE PETITION PROCESSING CHECKLIST

[Item for Board meeting of Jan 25, 1983

EXHIBIT

1. Local Government: Richland County JAN 25 1983 NO. 4
2. Bond Counsel: STATE BUDGET & CONTROL BOARD
 - (a) Firm Robison, McFadden, Moore, Pope, Williams, Taylor & Bradford
 - (b) Contact Person J. Christopher Henderson Phone 779-8900
 - (c) Address 600 CrS Building Bldg 944 29202
3. Project Name: Low Automotive Company, Inc.
4. Issue Amount: \$500,000 Type: Industrial
5. Employment Impact of Project: 10-15
6. Type/Nature of Business of Firm Involved: manufacture of
automotive equipment and accessories

* * * * *

7. Processing Checklist	Rec'd. From	Sent To
(a) Governing body resolution/ordinance/ petition	JA 1/24	DE 1/24
(b) Documents on issuance/securing of bonds	JA 1/20	DE 1/24
(c) Financial Information: (1) Audited Statements (3 most recent years) OR (2) If private placement, "investment letter" (Purchaser: <u>CrS National Bank</u>)	JA 1/20	EV 1/20
(3) Review by State Auditor's Office (memo)	OK 1/20	XXXXXXXX
(d) Health and Environmental Control certification	—	—
(e) B&C Board Resolution and Notice (<u>9</u> copies for certification for bond counsel)	JA 1/20	DE (1) 1/24
(f) Review by Attorney General's Office (letter)	AG 2/10	XXXXXXXX

Motion: GP
 Second: EM
 Absent: eco during item
 Vote: For 4 Against 0

Certificates signed: 2/10/83

Resolutions mailed: 2/10/83

015511

ROBINSON, MCFADDEN, MOORE, POPE, WILLIAMS, TAYLOR & BRAILSFORD, P. A.

DAVID W. ROBINSON
THOMAS T. MOORE
DAVID W. ROBINSON, II
WILLIAM L. POPE
D. REECE WILLIAMS, III
JOHN S. TAYLOR, JR.
JAMES M. BRAILSFORD, III
DANIEL T. BRAILSFORD
J. CHRISTOPHER HENDERSON
WILLIAM F. HALLIGAN
PAUL B. RODGERS, III
LAWRENCE W. JOHNSON, JR.
ROBERT C. KELLY
DORIS M. McANDREW

SUITE 600, C & S BUILDING
POST OFFICE BOX 944
COLUMBIA, SOUTH CAROLINA 29202

(803) 779-8900

DAVID W. ROBINSON
(1909 - 1935)

R. HOKE ROBINSON
(1916 - 1977)

J. MEANS MCFADDEN
RETIRED

ROBERT McC. FIOG
SENIOR COUNSEL

EXHIBIT

January 20, 1983

JAN 25 1983 NO. 4

Mr. William A. McInnis, Secretary
South Carolina State Budget
and Control Board

STATE BUDGET & CONTROL BOARD

Room 600, Wade Hampton Building
Columbia, South Carolina 29201

HAND DELIVERED

RE: \$500,000 1983 Richland County, South Carolina
Industrial Development Revenue Note (Ram Automotive
Company, Inc. Project)

Dear Mr. McInnis:

Enclosed please find the following:

1. Nine (9) originals of a Resolution to be presented to State Budget and Control Board for their approval at their January 25, 1983 meeting.
2. The most recent drafts of the Indenture, Loan Agreement and Guaranty in the referenced issue.
3. A letter from Mr. Wade H. Shugart, III of The Citizens and Southern National Bank of South Carolina with respect to their commitment to purchase the note and the satisfaction of the financial information provided to them by Ram Automotive Company, Inc.

As soon as I obtain Mr. Leventis' signature, I will deliver the signed Petitions from Richland County Council. I will call your assistant after the meeting to arrange a time to come and pick up the Petitions and Resolutions with the affidavits attached as to the members present, the vote, etc. which I understand your office provides. If you need anything further or if you have any questions, please feel free to call me. Thank you for your cooperation in this matter, Best regards.

Yours very truly,

ROBINSON, MCFADDEN, MOORE, POPE,
WILLIAMS, TAYLOR & BRAILSFORD, P.A.

Jill A. Alsop
Jill A. Alsop

Secretary to J. Christopher Henderson

Enclosures

015512

EXHIBIT

JAN 25 1983 NO. 4

A RESOLUTION STATE BUDGET & CONTROL BOARD

AUTHORIZING A PETITION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR ITS APPROVAL OF A PROPOSED UNDERTAKING BY RICHLAND COUNTY, SOUTH CAROLINA, TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN INDUSTRIAL FACILITIES IN RICHLAND COUNTY THROUGH THE ISSUANCE OF A 1983 RICHLAND COUNTY, SOUTH CAROLINA, INDUSTRIAL REVENUE NOTE, (RAM AUTOMOTIVE COMPANY, INC. PROJECT) PURSUANT TO TITLE 4, CHAPTER 29, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED, PROVIDING FOR THE HOLDING OF A PUBLIC HEARING PURSUANT TO SECTION 4-29-140, PUBLICATION OF NOTICE OF SUCH HEARING, AND OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE RICHLAND COUNTY COUNCIL IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

SECTION 1.1

As an incident to the adoption of this Resolution, the Richland County Council (the "County Council"), which is the governing body of Richland County, South Carolina (the "County") has made the following findings:

1. Ram Automotive Company, Inc., an Ohio corporation (the "Company"), has proposed that the County Council assist it in financing the acquisition, construction and installing of an industrial facility for the manufacturing of automobile equipment and accessories to be located in the County, through the issuance of an Industrial Revenue Note pursuant to the authorization of Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended (the "Act"). The Company has advised the County Council that its proposed industrial project would be aided by the assistance which the County might render through the sale of a 1983 Richland County, South Carolina, Industrial Revenue Note (Ram Automotive Company, Inc. Project) (the "Note") pursuant to

015513

the Act. The County Council has agreed so to finance a portion of the acquisition, construction and installing of the said facility (the tract of land and the buildings and equipment to be constructed thereon constituting the said facility are hereinafter referred to as the "Project"), and adopts this Resolution to authorize a petition to the State Budget and Control Board (the "State Board"), setting forth the facts required by the Act.

2. The County Council has determined that the Project will subserve the purposes of the Act and neither the Project nor the Note will give rise to any pecuniary liability of the County or a charge against its general credit or taxing power.

3. The County Council has been advised that the amount necessary to finance the portion of the Project requested by the Company will be Five Hundred Thousand Dollars (\$500,000) and the County Council is now minded to authorize an industrial revenue note in the amount necessary and will, at the appropriate time, adopt a Note Ordinance authorizing the issuance of a Note not exceeding \$500,000.

4. The Company has submitted to the County Council a draft of the proposed Loan Agreement, under which the Company will agree to pay the amount necessary to provide the annual payments of principal and interest on the said Note.

015514

5. The proposed Loan Agreement obligates the Company unconditionally to pay the amount necessary to provide the annual payments of principal and interest, and premium, if any, to become due on the Note and to pay other costs in connection therewith.

6. Pursuant to a Guaranty Agreement between John A. Norcia and The Citizens and Southern National Bank of South Carolina, as Trustee (the "Trustee"), pursuant to a proposed Indenture (the "Indenture") between the County and the Trustee, John A. Norcia will unconditionally guarantee the payment of principal of, premium, if any, and interest on the Note.

7. In view of the well established credit of the Company and the successful arrangements to effect a sale of the Note without the establishment of reserve funds for the payment of the principal and interest, no such reserve funds will be established.

8. The Note will be issued as a tax exempt bond pursuant to the provisions of Section 103(b)(6)(A) of the Internal Revenue Code of 1954, as amended.

9. The Company has arranged for the sale of the Note to The Citizens and Southern National Bank of South Carolina. The Citizens and Southern National Bank of South Carolina has advised that it will purchase the entire Note.

015515

ARTICLE II
SUBMISSION OF PETITION

SECTION 2.1


The Petition in form substantially as attached hereto shall be presented to the State Board to seek the approval required by the Act. The Petition shall be duly executed by the Chairman and by the Clerk of the County Council.

Signed, sealed and adopted this 10th day of April, 1983 by the Richland County Council.


Chairman, Richland County Council

(SEAL)

Attest:


Clerk, Richland County Council

015516

EXHIBIT

JAN 25 1983

NO. 4

A RESOLUTION

STATE BUDGET & CONTROL BOARD

AUTHORIZING AN INDUCEMENT CONTRACT BETWEEN RICHLAND COUNTY, SOUTH CAROLINA, AND RAM AUTOMOTIVE COMPANY, INC., RELATING TO THE ISSUANCE BY RICHLAND COUNTY OF AN INDUSTRIAL REVENUE NOTE PURSUANT TO TITLE 4, CHAPTER 29, CODE OF LAWS OF SOUTH CAROLINA, 1976

WHEREAS, Ram Automotive Company, Inc., a corporation organized and existing under the laws of the State of Ohio (the "Company"), has requested the Richland County Council (the "County Council") to 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 of a Richland County, South Carolina, Industrial Revenue Note, Series 1983 (Ram Automotive Company, Inc. Project), whose proceeds would be made available to the Company for the payment of costs and expenses incurred for the acquisition, construction and equipping of industrial facilities for the rebuilding of clutches for automobiles and light trucks, for the manufacture of clutches and electrical parts for racing automobiles and for the manufacture of accessories for customized automobiles in Richland County, South Carolina (the "County"); 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 of a note pursuant to the Act.

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

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1. That the County shall issue its Richland County, South Carolina, Industrial Revenue Note, Series 1983 (Ram Automotive Company, Inc. Project) in the amount of not exceeding Five Hundred Thousand and No/100 (\$500,000.00) Dollars 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 and delivered on behalf of the County by the Chairman of the County Council the same to be duly attested by the Clerk of the County Council.

3. The 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.

4. This Resolution shall take effect immediately.

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STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND

I, the undersigned, Clerk of the Richland County Council,
State and County aforesaid, DO HEREBY CERTIFY:

That the foregoing constitutes a true, correct and verbatim
copy of a Resolution adopted by the Richland County Council at a
meeting held on December 1, 1982, 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 said County Council.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th
day of December, 1982.

Brenda Fuller
Brenda Fuller
Clerk, Richland County Council

015519

INDUCEMENT CONTRACT

THIS CONTRACT made and entered into by and between RICHLAND COUNTY, a body politic and corporate, and a political subdivision of the State of South Carolina (the "County"), and RAM AUTOMOTIVE COMPANY, INC., a corporation organized and existing under the laws of the State of Ohio (the "Company"),

W I T N E S S E T H

ARTICLE I

RECITATION OF FACTS

Section 1.01

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

1. The County is a body politic and corporate, and a political subdivision of the State of South Carolina, and is authorized and empowered by the provisions of Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended (the "Act"), to 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 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.

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2. The Company proposes to construct and equip industrial facilities for the rebuilding of clutches for automobiles and light trucks, for the manufacture of clutches and electrical parts for racing automobiles and for the manufacture of accessories for customized automobiles in the County. The cost of this acquisition, construction and equipping of such new facilities is estimated to be an amount not exceeding Seven Hundred Fifty Thousand and No/100 (\$750,000.00) Dollars. Such facilities and the site therefor are hereafter referred to as the "Project". The Project when completed will result in an employment of approximately ten (10) to twenty (20) persons.

3. The Company has advised the County that its contemplated program would be aided by the availability of assistance which the County might render through the sale of a Richland County, South Carolina, Industrial Revenue Note pursuant to the Act, whereby the County would finance a portion of the acquisition, construction and equipping of the Project. Principal of and interest on the Note will be unconditionally guaranteed by the Company and by John A. Norcia, the President of the Company. In addition, principal of and interest on the Note will be secured by a first mortgage on the real estate and improvements thereon of the Project and by a security interest in the equipment and fixtures installed at the Project.

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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 pursuant to the Act of the Note (as such term is defined in the Act), 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, subject to the approval by the State Budget and Control Board required by the Act, authorize the issuance of not exceeding Five Hundred Thousand and No/100 (\$500,000.00) Dollars Richland County, South Carolina, Industrial Revenue Note (Ram Automotive Company, Inc. Project) (the "Note"), at such time as the Company may request the County to do so.

Section 2.02

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 loan agreement spoken of in Section 2.05 and the issuance of the Note.

Section 2.03

That if the Note shall be sold, it will provide that the proceeds thereof shall be applied to the payment of a portion of the costs theretofore and thereafter to be incurred in connection with the issuance of the Note and the acquisition, construction

and equipping of the Project, including the repayment of any funds advanced or loans incurred by the Company for such purposes.

Section 2.04

That if requested by the Company prior to the issuance of the Note, it will enter into an Indenture with a trustee bank to be selected by the Company pursuant to which the Note will be issued. Such Indenture, if entered into, shall be substantially in the form used in connection with the issuance of South Carolina Industrial Revenue Notes and may constitute a lien on the Project to secure the payment of the Note.

Section 2.05

That simultaneously with the issuance of the Note, it will enter into a loan agreement with the Company with respect to the Project, which loan agreement will provide for payments on the Note by the Company at a rate which will provide the County with sums required to pay the principal, interest and premium, if any, on the Note, as and when the same become due and payable.

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 a portion of the cost of issuing the Note and the acquisition, construction and equipping of the Project.

Section 3.02

If the plan proceeds as contemplated, the Company further agrees as follows:

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

(b) that it will 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) that it will 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 equipping of the Project prior to the issuance 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.

RICHLAND COUNTY, SOUTH CAROLINA

(SEAL)

Dated: December 6, 1982, 1982

By John A. Norcia
John A. Norcia, President

(SEAL)

Dated: _____, 1982

015526

DRAFT

12/10/82

R, M, M, P, W, T & B

EXHIBIT

JOHN A. NORCIA

JAN 25 1983

NO. 4

STATE BUDGET & CONTROL BOARD

TO

THE CITIZENS AND SOUTHERN NATIONAL BANK
OF SOUTH CAROLINA

GUARANTY

Dated as of February 1, 1983

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GUARANTY

This Guaranty Agreement, dated as of February 1, 1983, by and among John A. Norcia (hereinafter referred to as the "Guarantor"), and The Citizens and Southern National Bank of South Carolina, (herein called the "Lender").

WITNESSETH:

WHEREAS, Richland County, South Carolina (the "Issuer"), a body politic and corporate and a political subdivision of the State of South Carolina, has agreed to issue its industrial revenue note and furnish the proceeds thereof to Ram Automotive Company, Inc., an Ohio corporation (the "Company"), in order to assist the Company in acquiring, constructing, and installing a facility for the manufacturing of automotive equipment and accessories (the "Project"), pursuant to a Loan Agreement dated as of February 1, 1983; and

WHEREAS, the Issuer intends to assist in the cost of construction and purchase of the Project by the issuance of \$500,000 of its Industrial Development Revenue Note (Ram Automotive Company, Inc. Project) (the "Note"), pursuant to an Indenture (the "Indenture") by and between the Issuer and the Lender dated as of February 1, 1983; and

WHEREAS, the Guarantor specifically approves the terms and conditions of the Indenture; and

WHEREAS, the Guarantor is the owner of eighty percent (80%) of the issued and outstanding shares of stock of the Company; and

WHEREAS, the Guarantor desires the Issuer to issue the Note and is willing to enter into this Guaranty in order to enhance the marketability of the Note and thereby achieve interest cost and other savings to the Company and as an inducement to the purchase of the Note by all who shall at any time become holders 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 THE GUARANTOR

SECTION 1.1. The Guarantor hereby represents and warrants that the execution and delivery of this Guaranty and compliance with the terms hereof will not contravene nor constitute a default under any indenture, mortgage, deed of trust, loan agreement or any other agreement or instrument to which the Guarantor is a party or by which the Guarantor is bound or to which the property

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or assets of the Guarantor is subject or any existing law, rule, regulation, judgment, order or decree to which the Guarantor is subject.

ARTICLE II

COVENANTS AND AGREEMENTS

SECTION 2.1. Guarantee of Payment. (a) The Guarantor hereby irrevocably and unconditionally guarantees to the Lender for the benefit of the 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 redemption or otherwise; (ii) the full and prompt payment of any interest on the Note when and as the same shall become due; and (iii) the full and prompt payment of any other reasonable sums due and payable by the Issuer pursuant to the terms of the Note or the Indenture. The Guarantor hereby irrevocably and unconditionally agrees that upon any default by the Issuer on the Note or of any sum payable by the Issuer under the Note or the Indenture, 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.

(c) The Guarantor shall pay to the Lender all reasonable costs and expenses (including legal fees) incurred by the Lender in the protection of any of its rights or in the pursuit of any of its remedies in respect of the Indenture, the Note or this Guaranty.

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 of and interest on the Note shall have been paid or provided for. Such obligations shall not be affected, modified or impaired by any statement of facts or the happening from time to time of any event, including, without limitation, any of the following, whether or not with notice to or the consent of the Guarantor:

(a) the invalidity, irregularity, illegality or unenforceability of, or any defect in (i) the Agreement or the Indenture, (ii) the Note or (iii) any collateral security for any thereof;

(b) 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 Issuer or any other obligor or to vary any terms of payment;

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(c) any claim of immunity on behalf of the Issuer or any other obligor or with respect to any property of the Issuer or any other obligor;

(d) the waiver, compromise, settlement, release or termination of any or all of the obligations, covenants or agreements of (i) the Issuer under the Agreement, the Note or the Indenture (except payment in full of the Note), (ii) the Company under the Agreement, or (iii) the Guarantor under this Guaranty (except by payment in full of all obligations hereunder);

(e) the failure to give notice to the Guarantor of the occurrence of any Event of Default under the Indenture, the Agreement, the Note or this Guaranty;

(f) the transfer, assignment or mortgaging, or the purported or attempted transfer, assignment or mortgaging of all or any part of the interest of the Issuer or the Company in the Project, or any failure of or defect in the title with respect to the interest of the Issuer or the Company in the Project, or the termination of the Agreement;

(g) the release, sale, exchange, surrender or other change in any security for payment of the Note;

(h) the extension of the time for payment of any principal of or interest on the Note or any part thereof owing or payable on the Note or under this Guaranty or of the time for performance of any other obligations, covenants or agreements under or arising out of the Agreement, the Note, the Indenture or this Guaranty or the extension or the renewal of any thereof;

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

(j) the taking or the omission of any of the actions referred to in the Agreement, the Note, the Indenture or this Guaranty;

(k) any failure, omission or delay on the part of the Issuer, the Lender or any other person to enforce, assert or exercise any right, power or remedy conferred on the Issuer, the Lender or such other person in this Guaranty, the Agreement, the Note or the Indenture;

(l) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all of the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment of, or other similar proceedings affecting, the Company, the Guarantor or the Issuer or any of the assets of any of them or any allegation or contest of the validity of the

Agreement, the Note, the Indenture or this Guaranty, or the disaffirmance or attempted disaffirmance of the Agreement, the Note, the Indenture or this Guaranty, in any such proceedings;

(m) to the extent permitted by law, any event or action that would, in the absence of this paragraph, result in the release or discharge of the Guarantor from the performance or observance of any obligation, covenant or agreement contained in this Guaranty;

(n) the default or failure of the Guarantor fully to perform any of its obligations set forth in this Guaranty; or

(o) any other circumstances which might otherwise constitute a legal or equitable discharge or defense of a surety or a guarantor

SECTION 2.3. Waivers by Guarantor. (a) The Guarantor hereby waives, with respect to the Note, the indebtedness evidenced thereby and this Guaranty; diligence; presentment; demand of payment; filing of claims with a court in the event of bankruptcy of the Issuer or any other person liable in respect of the Note; any right to require a proceeding first against the Issuer or any other person; protest, notice of dishonor or nonpayment of any such liabilities and any other notice and all demand whatsoever. The Guarantor hereby waives notice from the Lender, the Issuer and the holders at any time or from time to time of the Note (i) of the issuance of the Note and (ii) of acceptance of, or notice and proof of reliance on, the benefits of this Guaranty.

(b) The obligations of the Guarantor hereunder shall not be discharged except by full payment of the Note, interest thereon and any expenses to be paid pursuant to the Note, the Agreement, the Indenture or this Guaranty.

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 Issuer under the Indenture, 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 Setoff by Guarantor. No setoff, 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 Guarantor has or may have with respect to a claim under this Guaranty, shall be available hereunder to the Guarantor against the Lender.

SECTION 2.6. Notice and Service of Process. (a) The Guarantor will be subject to service of process in the State of South Carolina so long as the Note is outstanding. In addition, the Guarantor hereby designates and appoints, without power of

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revocation, the Secretary of State of the State of South Carolina as the agent of the Guarantor upon whom may be served all process, pleadings, notices or other papers which may be served upon the Guarantor as a result of any of his obligations under this Guaranty.

(b) Any notice, process, pleadings or other papers served upon the agent appointed in subsection (a) of this Section 2.6 shall, at the same time, be sent by registered or certified first class mail to the Guarantor at such address as is specified in or pursuant to Section 5.4 of this Guaranty for the Guarantor.

ARTICLE III

DEFAULT AND REMEDIES

SECTION 3.1. Events of Default. Any or all of the following occurrences shall constitute an Event of Default hereunder:

(a) The failure to pay immediately upon demand by the Lender the principal of and interest on the Note as and when the same shall become due and remain unpaid.

(b) The failure to cure within thirty (30) days after notice given by the Lender of any other default or the breach of any other agreement or covenant on the part of the Guarantor contained herein.

SECTION 3.2. Enforcement. 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 the interest of the holder of the Note and, in the event of a default in payment of the principal of the Note when and as the same shall become due, whether at the stated maturity thereof, by acceleration, call for redemption or otherwise, or in the event of a default in the payment of any interest on the Note when and as the same shall become due, or in the event of a default in payment of any other sum due hereunder as and when the same shall become due, 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 covenant or agreement in this Guaranty or the Indenture 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 of or interest on the Note when due, or in the event of a default in payment of any other sum due hereunder as and when the same shall become due, the Lender may institute a judicial proceeding against the Guarantor 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 money adjudged or decreed to be payable in the manner provided by law out of the property of the Guarantor, wherever situated.

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

SECTION 3.5. Recovery of Costs. The Guarantor agrees to pay all costs, expenses and fees including all reasonable attorneys' fees, which may be incurred by the Lender in enforcing or attempting to enforce this Guaranty or protecting the rights of the Lender 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.

ARTICLE IV

INTERPRETATION OF THIS GUARANTY

SECTION 4.1. Terms Defined. Terms used in this Guaranty shall have the meanings ascribed to them in the Agreement, the Indenture or as defined in the body hereof unless the context clearly indicates otherwise.

SECTION 4.2. Governing Law. This Guaranty shall be governed by and construed in accordance with the laws of the State of South Carolina.

SECTION 4.3. Liability of the Guarantor. The Guarantor shall be liable for the payment of all sums due hereunder, the performance and keeping of all obligations and covenants and the accuracy of each representation and warranty made by the Guarantor. The Guarantor shall be responsible for the performance by it of any obligation hereunder including the filing of reports, statements, returns and whatever other thing regardless of whether the Guarantor has direct access to the information, records or

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materials necessary to fulfill such obligation. The liability of the Guarantor hereunder to the Lender shall be a primary liability of the Guarantor.

ARTICLE V

MISCELLANEOUS

SECTION 5.1. Obligations Arise on Sale of Note. The obligations of the Guarantor hereunder shall arise absolutely and unconditionally when the Note shall have been issued, sold and delivered by the Issuer.

SECTION 5.2. Survival. All warranties, representations and covenants made by the Guarantor herein shall be deemed to have been relied upon by the Lender and the holders from time to time of the Note and shall survive the delivery to the Lender of this Guaranty regardless of any investigation made by the Lender or the holders from time to time of the Note or on their behalf.

SECTION 5.3. Successors and Assigns. This Guaranty shall inure to the benefit of and be binding upon the successors and assigns of each of the parties. The provisions of this Guaranty are intended to be for the benefit of all holders, from time to time, of the Note.

SECTION 5.4. Notices. All communications under this Guaranty shall be in writing and shall be deemed given when actually received and, if delivered by mail, shall be mailed by registered mail, postage prepaid, and addressed as follows:

To the Guarantor:
John A. Norcia
4525 Cleveland Avenue, N.W.
Canton, Ohio 44709

To the Issuer:
Richland County Council
Richland County Judicial Center
Columbia, South Carolina 29201
Attention: Chairman

To the Company:
Ram Automotive Company, Inc.

Attention: President

To the Lender:
The Citizens and Southern National
Bank of South Carolina
Post Office Box 727
Columbia, South Carolina 29222
Attention: President

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A duplicate copy of each communication hereunder by the Guarantor or the Lender shall also be given to the Issuer.

SECTION 5.5. Entire Understanding; Counterparts. This Guaranty 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 and may be executed simultaneously in several counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

SECTION 5.6. Amendments. No amendment, change, modification, alteration or termination of this Guaranty shall be made except upon the written consent of the Guarantor and the Lender.

SECTION 5.7. Partial Invalidity. The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections of this Guaranty shall not affect the validity or enforceability of the remaining portions of this Guaranty or any part hereof.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be duly executed and delivered _____, 1983, but dated for convenience of reference as of February 1, 1983.

WITNESSES:

John A. Norcia

THE CITIZENS AND SOUTHERN NATIONAL
BANK OF SOUTH CAROLINA

BY _____
Its:

(SEAL)

ATTEST:

Its:

015535

DRAFT

12/10/82

R, M, M, P, W, T & B

EXHIBIT

JAN 25 1983

NO. 4

STATE BUDGET & CONTROL BOARD

RICHLAND COUNTY, SOUTH CAROLINA

and

THE CITIZENS AND SOUTHERN NATIONAL
BANK OF SOUTH CAROLINA, as Lender

INDENTURE

Dated as of February 1, 1983

Securing

Richland County, South Carolina, Industrial
Development Revenue Note
(Ram Automotive Company, Inc. Project) 1983

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TESTIMONIUM

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ACKNOWLEDGEMENTS

EXHIBIT A

EXHIBIT B

THIS INDENTURE, dated as of February 1, 1983 (the "Indenture"), between Richland County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (the "Issuer"), and The Citizens and Southern National Bank of South Carolina, a national banking association organized and existing under the laws of the United States and having its principal office and place of business in Columbia, South Carolina (the "Lender"), as Lender.

WITNESSETH:

WHEREAS, Chapter 29 of Title 4 of the Code of Laws of South Carolina, 1976, as amended (hereinafter said Chapter and amendments are collectively referred to as the "Act"), authorizes the several counties and incorporated municipalities of the State of South Carolina to acquire or cause to be acquired one or more projects (as such term is defined in the Act), to enter into agreements with an industry to construct, operate, maintain and improve such a project, to enter into a financing agreement with such an industry, to issue revenue bonds (as defined in the Act to include notes) and apply the proceeds thereof to defray the cost of acquiring, enlarging, improving and expanding such a project and to secure such notes in the manner authorized in the Act; and

WHEREAS, Ram Automotive Company, Inc., an Ohio corporation (the "Company"), has requested the Issuer to issue its revenue note and make the proceeds thereof available to defray a portion of the cost of acquiring, by construction and purchase, certain land and a building or buildings and other improvements thereon and all other machinery, apparatus, equipment, office facilities and furnishings deemed necessary, suitable or useful by the Company for the purpose of manufacturing automotive equipment and accessories (the "Project") all to be located within the jurisdiction of the Issuer; and

WHEREAS, the Issuer has, by due corporate action, authorized the issuance of its revenue note pursuant to the Act and agreed to make the proceeds thereof available to the Company to defray a portion of the cost of acquiring the Project pursuant to the terms of a Loan Agreement dated as of February 1, 1983 (the "Agreement") between the Issuer and the Company under the terms of which the Company is obligated to make payments to or for the account of the Issuer in the amount necessary to pay the principal and interest on such revenue note as and when the same becomes due and payable and all other expenses and costs incurred by the Issuer or the Lender in connection with this Indenture, the Agreement or the Project; and

WHEREAS, the Issuer has determined to issue hereunder a note to be designated "Richland County, South Carolina, Industrial Development Revenue Note (Ram Automotive Company, Inc. Project)

1983" (the "Note") in the original principal amount of \$500,000 for the purpose of providing funds to defray a portion of the cost of acquiring the Project to be made available to the Company pursuant to the Agreement; and

WHEREAS, in order to secure the payment of the principal and interest on the Note, and to establish and declare the terms and conditions upon which the Note is to be issued, the Issuer has duly authorized and directed the execution and delivery of this Indenture; and

WHEREAS, the Issuer has duly authorized the execution and delivery of the Agreement and the execution and delivery hereunder of the Note upon and subject to the terms and conditions hereinafter set forth; and

WHEREAS, all acts and things have been done and performed which are necessary to make the Note, when executed and delivered by the Issuer, the legal, valid and binding limited obligation of the Issuer in accordance with its terms and to make this Indenture a valid and binding agreement for the security of the Note; and

WHEREAS, the Note is to be in substantially the following form with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture, to wit:

(Form of Note)

UNITED STATES OF AMERICA
STATE OF SOUTH CAROLINA
RICHLAND COUNTY
INDUSTRIAL DEVELOPMENT REVENUE NOTE
(RAM AUTOMOTIVE COMPANY, INC. PROJECT) 1983

\$500,000

February __, 1983

Richland County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (the "Issuer"), for value received, hereby promises to pay to The Citizens and Southern National Bank of South Carolina or registered assigns, on the first day of January 1995, upon presentation and surrender hereof, the principal sum of

Five Hundred Thousand Dollars (\$500,000)

but solely from the revenues and receipts of the Issuer derived pursuant to the Loan Agreement (hereinafter referred to) as provided in the Indenture (hereinafter referred to) and to pay, but solely from such revenues and receipts, interest on the outstanding balance of said principal sum from the date hereof until the date of maturity hereof or until payment in full of the

principal amount hereof, whichever occurs first, at the rate per annum as follows: (1) for the period February 1, 1983 through January 31, 1985, sixty-eight percent (68%) of the Prime Rate; (2) for the period February 1, 1985 through January 31, 1987, seventy percent (70%) of the Prime Rate; and (3) from February 1, 1987 until payment in full of the principal sum hereof, seventy-four percent (74%) of the Prime Rate. "Prime Rate" means the prime rate of interest publicly announced from time to time as such by The Citizens and Southern National Bank of South Carolina on the date of delivery hereof, including and adjusted for all subsequent changes in such rate on the date such changes occur. Interest on this note shall be payable monthly, beginning on March 1, 1983. This note shall be payable as to principal in 132 monthly installments of \$3,787.88 each beginning February 1, 1984, including a final installment of principal in the amount of \$3,787.88 due on January 1, 1995.

The 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 and interest on this note is payable upon surrender hereof to Ram Automotive Company, Inc. at its office in Columbia, South Carolina, or at any other office designated for such payment under the terms of the Indenture hereinafter mentioned. The interest on this note and all other payments of principal when due and payable, shall be paid to the registered owner hereof by check or draft mailed to such person at his address last appearing on the Note Register.

This note is duly authorized and issued by the Issuer and designated as "Richland County, South Carolina Industrial Development Revenue Note (Ram Automotive Company, Inc. Project) 1983" issued in the original principal amount of \$500,000 under and pursuant to the Constitution and Laws of the State of South Carolina, particularly Chapter 29 of Title 4 of the Code of Laws of South Carolina, 1976, as amended (the "Act"), and under and secured by an Indenture by and between the Issuer and The Citizens and Southern National Bank of South Carolina, a national banking association (the "Lender"), dated as of February 1, 1983 (the "Indenture"). This note is being issued to defray a portion of the cost of acquiring certain land 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 manufacturing automotive equipment and accessories (the "Project"). The Project will be made available to Ram Automotive Company, Inc., an Ohio corporation (the "Company") pursuant to the terms of a Loan Agreement dated as of February 1, 1983 (the "Agreement") between the Issuer and the Company.

Pursuant to the terms of the Agreement, the Company has obligated itself to make payments to or for the account of the Issuer sufficient to pay, as and when the same becomes due, the principal and interest on this note and has granted the Issuer a mortgage and security interest in the Project to secure such obligation. Pursuant to the Indenture, the Issuer has assigned and pledged its rights to receive payments under the Agreement (except for certain rights of indemnification and reimbursement of expenses) to the Lender to secure payment of this note. As further security for the payment of this note, the Issuer has assigned its rights under the Agreement to the Lender including the security interest and mortgage of the Project given by the Company as security for its payment and performance under the Agreement. Payment of the principal and interest on this note has been unconditionally guaranteed to the Lender by John A. Norcia, President of the Company and the owner of eighty percent (80%) of the Company's outstanding shares of stock, pursuant to the terms of a Guaranty dated as of February 1, 1983 (the "Guaranty").

Copies of the Indenture, the Agreement and the Guaranty are on file at the principal corporate office of the Lender and in the Office of the Clerk of Court for Richland County, South Carolina, and reference is made to the Indenture and the Agreement 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 Issuer derived pursuant to the 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 Issuer, the Company and the Lender and the modification or amendment of any of the foregoing.

This note is secured, to the extent provided in the Indenture, solely by a pledge of the revenues and receipts derived by the Issuer pursuant to the Agreement and by an assignment of rights of the Issuer under the Agreement including the security interest and mortgage given by the Company thereunder. This note and the interest payments becoming due hereon are limited obligations of the Issuer payable solely from the revenues and receipts derived by the Issuer pursuant to the Agreement, and do not and shall never constitute an indebtedness of the Issuer within the meaning of any constitutional provision or statutory limitation and do not and shall never constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing power. The full faith, credit and taxing power of the Issuer are not pledged for the payment of the principal or interest on this note.

The transfer of this note is registrable, as provided in the Indenture, upon the Note Register kept for that purpose at the principal corporate 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, and thereupon 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 Indenture and upon payment of the charges therein prescribed. The Issuer 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 or prepayment price hereof and interest due hereon and for all other purposes.

This note may be prepaid prior to the stated maturity hereof without premium or penalty of any kind 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 to prepay all amounts payable by the Company pursuant to the provisions of the Agreement, provided that the Company shall give the Issuer and the registered owner of the note written notice of the date and amount of such prepayment. This note is also subject to prepayment in part upon the completion of the Project if there are proceeds not needed to pay the cost thereof. Any such prepayment shall be without premium and the amount available therefor shall be applied to pay as much of the principal and interest accrued thereon as will equal such amount. This note shall be subject to mandatory prepayment in whole on the interest payment date next succeeding a Determination of Taxability (as defined in the Indenture) at a prepayment price equal to the outstanding principal amount thereof plus unpaid interest accrued to the prepayment date, in the manner prescribed in and subject to the provisions of the Indenture.

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 Indenture or this note as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, 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 Indenture, modifications or alterations of the Indenture or of the rights and obligations of the Issuer and of the holder of this note in any particular may be made only with the consent of the Company and the holder. Any such consent by the holder of this note shall be conclusive and binding upon such holder and all future holders and owners of this note irrespective of whether any notation of such consent is made upon this note.

It is hereby certified and recited that all conditions, acts and things required by law and the Indenture 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 is within every debt and other limit prescribed by the Constitution and laws of the State of South Carolina.

IN WITNESS WHEREOF, Richland County, South Carolina, has caused this note to be executed in its name and on its behalf by the manual signature of the Chairman of its County Council and its seal to be impressed, imprinted, engraved or otherwise affixed or reproduced hereon and attested by the manual signature of the Clerk of its County Council, as of February __, 1983.

RICHLAND COUNTY, SOUTH CAROLINA

By _____

Chairman, County Council of
Richland County, South Carolina

(SEAL)

ATTEST:

By _____
Brenda R. Fuller,
Clerk, County Council of
Richland County, South Carolina

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS TRUST
INDENTURE WITNESSETH:

The Issuer, in consideration of the premises and of the purchase and acceptance of the Note issued and secured hereunder by the holder and owner thereof, and of the execution and delivery by the Company of the Agreement and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal and interest on the Note according to its tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Note, has granted, bargained, sold, assigned, conveyed, pledged and granted a security interest in, and does hereby, subject to the terms and provisions of the Agreement, grant, bargain, sell, assign, convey, pledge and grant a security interest in, all of the right, title and interest of the Issuer in and to the Agreement (except for the rights of the Issuer to receive payments, if any, of administration expenses pursuant to Section 4.01 of the

Agreement and indemnification payments pursuant to Section 7.04 of the Agreement), the Revenues (as hereinafter defined) and all moneys and securities in the Construction Fund (as hereinafter defined) unto The Citizens and Southern National Bank of South Carolina, as holder of the Note, and unto its successors and assigns forever.

TO HAVE AND TO HOLD the same pledged, conveyed and assigned, or agreed or intended so to be, to the Lender and its successors and its assigns forever;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal and interest on the Note and the interest due or to become due thereon, at the times and in the manner mentioned in the Note according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Lender all sums of money due or to become due to it in accordance with the terms and provisions herof, then upon such final payment this Indenture and the rights hereby granted shall cease, determine and be void, otherwise this Indenture to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that the note issued and secured hereunder is to be issued and delivered and all moneys and securities hereby pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Lender and with its successors and assigns as the holder and owner, from time to time, of the Note, or any part thereof as follows, that is to say:

ARTICLE I
DEFINITIONS

The terms defined in this Article I shall for all purposes of this Indenture have the meanings herein specified, unless the context clearly otherwise requires. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa.

"Act" shall mean Chapter 29 of Title 4 of the Code of Laws of South Carolina, 1976, as amended, and all future acts supplemental thereto and amendatory thereof.

"Administration Expenses" shall mean the reasonable and necessary expenses incurred by the Issuer with respect to the Project, the Agreement and this Indenture, and the compensation and expenses paid to or incurred by the Lender or the Depositary under the Agreement or this Indenture; provided, however, that no such expense shall be considered an Administration Expense until the Issuer, the Lender or the Depositary, as the case may be, has furnished to the Company a statement in writing indicating the amount of such expense and the reason it has been or will be incurred.

"Agreement" shall mean the Loan Agreement dated as of February 1, 1983, between the Issuer and the Company, and any and all modifications, alterations, amendments and supplements thereto made in accordance with the provisions of the Agreement and of this Indenture.

"Authorized Company Representative" shall mean any person at the time designated to act on behalf of the Company by a written certificate furnished to the Issuer and the Lender containing the specimen signature of each such person, and signed on behalf of the Company by its President. 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 the Agreement and this Indenture.

"Bond Counsel" shall mean legal counsel experienced in matters relating to municipal obligations and the exemption from taxation of the interest thereon.

"Company Office" shall mean the principal office of the Company at which, at any particular time, its business and corporate records shall be principally administered and maintained.

"Company" shall mean Ram Automotive Company, Inc., an Ohio corporation, and any surviving, resulting or transferee corporation in any merger, consolidation or transfer of assets permitted under Section 7.02 of the Agreement.

"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 3.05 of the Agreement.

"Construction Fund" shall mean the fund created under Section 3.01 of this Indenture.

"Cost" or "Cost of the Project" shall mean the cost of acquiring, by construction and purchase, the Project and shall be deemed to include, whether incurred prior to or after the date of the 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 and the Depositary, legal, accounting, financial and printing expenses, fees 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) costs incurred by the Company for the acquisition of the land upon which the Project is located; (g) any sums required to reimburse the Company for advances made by it for any of the above items, or for any other work done and costs incurred by the Company which are for the acquisition of land or property of a character subject to the allowance for depreciation provided under IRC Section 167 included in the Project; and (h) any amount for the payment of interest on the Note accruing prior to the Completion Date and for which a requisition may be made under Section 3.03 hereof.

"Depositary" shall mean The Citizens and Southern National Bank of South Carolina, a national banking association, organized and existing under the laws of the United States of America.

"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 a Holder or former Holder thereof as a result of either (i) the limitations prescribed in IRC Section 103(b)(6)(D) having been exceeded or (ii) any other action or failure to act by the Company; (b) the issuance of a statement by the Company to the effect that it has exceeded or intends to exceed the maximum amount of capital expenditures permitted under IRC Section 103(b)(6)(D); or (c) the receipt of an Opinion by the Lender from Bond Counsel stating that the interest on the Note has become includable in the gross income of a Holder thereof for any reason other than that such Holder is a substantial user of the project or a related person within the meaning of IRC Section 103(b)(10); provided, nevertheless, that no Determination of Taxability under clause (a) hereof shall occur if there is available to the Company either directly, or with the cooperation of any Holder or former Holders of the Note, a protest being actively prosecuted in good faith by the Company which, if successful, would result in a revocation, rescission, or retraction of any such statutory notice of deficiency by the Internal Revenue Service. Such a Determination of Taxability shall be deemed for all purposes of this Indenture to have occurred on the date borne by said statutory notice of deficiency or the date borne by said statement or opinion as the case may be.

"Event of Default" shall mean, with reference to this Indenture, any of the occurrences described in Section 6.01 hereof.

"Event of Taxability" shall mean (i) the occurrence of the circumstances described in IRC Section 103(b)(6)(D); (ii) such other acts or failures to act by the Company or (iii) the occurrence of the circumstances resulting in the delivery of the Opinion specified in clause (c) of the definition of Determination of Taxability; which circumstances result in a Determination of Taxability with the result that the interest payable on the Note becomes includable in the gross income of a Holder or former Holder of the Note other than a Holder who is a "substantial user" of the Project or a "related person" as such terms are used in IRC Section 103.

"Financing Statement" shall mean a financing statement or a continuation statement filed pursuant to the provisions of the Uniform Commercial Code of the State or such other jurisdiction the laws of which are applicable.

"Guarantor" shall mean John A. Norcia, the President of the Company and the owner of eighty percent (80%) of the outstanding shares of stock of the Company.

"Guaranty" shall mean the Guaranty dated as of February 1, 1983 given by the Guarantor to the Lender.

"Indenture" shall mean this Indenture, as the same may be amended, modified or supplemented in accordance with the provisions hereof.

"Interest Payment Date" shall mean each date specified in the Note for the payment of 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.

"Issuer" shall mean Richland County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina and its successors and assigns.

"Lender" shall mean The Citizens and Southern National Bank of South Carolina, a national banking association, organized and existing under the laws of the United States, 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 Issuer 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.

"Neutral Costs" shall mean, with respect to the Note, that amount of the proceeds from the sale of such Note used for the payment of the reasonable expenses of issuing the Note including, without limitation, advertising, recording and printing costs, accountants, financial advisor's and counsel fees, rating agency fees, initial fees of the Depositary, charges of the Lender and all similar expenses.

"Note" shall mean the "\$500,000 Richland County, South Carolina, Industrial Development Revenue Note (Ram Automotive Company, Inc. Project) 1983" authorized, executed and delivered by the Issuer under this Indenture and any notes executed and delivered under this Indenture in lieu of or in substitution therefor.

"Noteholder" or "Holder of the Note" or "Holder" shall mean the Registered Owner of the Note.

"Note Register" and "Note Registrar" shall have the respective meanings specified in Section 2.05 of this Indenture.

"Officer's Certificate" shall mean a certificate signed by the Chairman of the County Council of the Issuer.

"Opinion of Counsel" shall mean an opinion in writing signed by legal counsel satisfactory to the Lender.

"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 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 agencies of the United States of America not included in the foregoing listing; (iii) direct and general full faith and credit obligations of the State; (iv) direct and general full faith and credit obligations of any political unit in the State; (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; and (viii) any other investment permitted by law.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision.

"Plans and Specifications" shall mean the plans and specifications prepared for the Project, on file at the Company Office, as the same may be implemented and detailed from time to time and as the same may be revised from time to time prior to the completion of the acquisition, construction and installation of the Project in accordance with Section 3.07 of the Agreement. The Plans and Specifications shall be made available to the Lender and the Issuer for inspection at such times as the Lender or the Issuer may reasonably request.

"Prime Rate" shall mean the prime rate of interest publicly announced as such by The Citizens and Southern National Bank of South Carolina, Columbia, South Carolina, on the date of delivery of the Note, including and adjusted for all subsequent changes in such rate on the date such changes occur.

"Principal Payment Date" shall mean any date on which the principal of the Note or any portion thereof shall become due, whether at maturity or by prepayment or acceleration.

"Project" shall mean the land and a building or buildings or other improvements thereon described on Exhibit A hereto and to the Agreement, the personal property described on Exhibit B hereto and to the Agreement and all machinery, apparatus, equipment, office facilities and furnishings acquired directly or indirectly from the proceeds of the Note or installed at the site of the Project when production commences, including any modification thereof, substitutions therefor and additions thereto and excluding deletions therefrom and the Company's own machinery and equipment installed at the Project under the provisions of Section 8.03 of the Agreement.

"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, including 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 December 7, 1982.

"Registered Owner" shall mean the Person or Persons in whose name or names a particular Note shall be registered on the Note Register.

"Revenues" shall mean all payments, receipts and revenues which the Issuer has a right to receive under or pursuant to the Agreement or in respect of the mortgage and security agreement given hereunder (other than payment of Administration Expenses and indemnification payments pursuant to Section 4.01 and 7.04, respectively, of the Agreement and the proceeds of the Note).

"State" shall mean the State of South Carolina.

ARTICLE II

DESCRIPTION, AUTHORIZATION, MANNER OF EXECUTION, REGISTRATION AND TRANSFER OF NOTE

SECTION 2.01. Authorization and Designation of Note. The Note shall be designated generally as "Richland County, South Carolina Industrial Development Revenue Note (Ram Automotive Company, Inc. Project) 1983".

SECTION 2.02. Details of Note. The Note shall be issued in the original principal amount of \$500,000. The Note shall be dated February __, 1983, shall bear interest from such date until maturity or until the date fixed for prepayment (whichever occurs first) at the interest rate per annum as follows: (i) for the period February 1, 1983 through January 31, 1985, sixty-eight percent (68%) of the Prime Rate; (2) for the period February 1, 1985 through January 31, 1987, seventy percent (70%) of the Prime Rate; and (3) from February 1, 1987 until payment in full of the principal sum of the Note, seventy-four percent (74%) of the Prime Rate. The Note shall mature (subject to the right of prepayment at the prices and dates and upon the terms and conditions hereinafter set forth) on January 1, 1995. Interest on the Note shall be payable monthly, beginning March 1, 1983. The Note shall be payable as to principal in 132 equal monthly installments of \$3,787.88 each beginning February 1, 1984, including a final installment of principal in the amount of \$3,787.88 due on January 1, 1995.

The final installment of principal and interest on the Note upon maturity or prepayment shall be payable to the Registered Owner thereof or his assigns upon surrender thereof at the Company Office or such other place as may be designated for such purpose by the Company. The interest on the Note and all other payments of principal when due and payable shall be paid to the Registered Owner thereof by check or draft mailed to such Person at his or her address last appearing on the Note Register. All payments of principal and interest on the Note shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The Note will be subject to prepayment prior to the stated maturity thereof without premium or penalty of any kind:

(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 Agreement to prepay any and all amounts payable by it thereunder, providing that the Company shall give the Issuer and the Holder written notice of the date and amount of such prepayment;

(b) As a whole at any time upon the occurrence of a Determination of Taxability with respect to the Note on the Interest Payment Date next succeeding a Determination of Taxability, at a prepayment price equal to the outstanding principal amount thereof plus unpaid interest accrued to the prepayment date; or

(c) In part upon the completion of the Project from moneys remaining in the Construction Fund not needed for the payment of the Cost of the Project at a prepayment price without premium by applying the amount available therefor to so much of the principal and interest accrued thereon as will equal such amount.

SECTION 2.03. Mutilation, Loss, Theft or Destruction of Note. In the event the Note is mutilated, lost, stolen or destroyed, the Issuer 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 therefor or in lieu thereof.

Application under this Section 2.03 for exchange and substitution of the Note shall be made to the Company at the Company Office. In every case the applicant for a substitute Note shall furnish to the Issuer and to the Company such security or indemnity as may be required by them to save each of them harmless. In every case of loss, theft or destruction of the Note, the applicant shall also furnish to the Issuer 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 mutilated Note.

Notwithstanding the foregoing provisions of this Section 2.03, 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 Issuer may authorize the payment of the same without, except in the case of a mutilated Note, surrender thereof instead of issuing a substitute Note, provided security or indemnity is furnished as above provided in this Section 2.03.

Upon the issuance of any substitute Note, the Issuer and the Company may charge the Holder of such Note reasonable fees and expenses in connection therewith. Every substitute Note issued pursuant to the provisions of this Section 2.03 by virtue of the fact that the Note is mutilated, lost, stolen or destroyed shall constitute an original additional contractual obligation of the Issuer, whether or not the mutilated, lost, stolen or destroyed Note shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Indenture to the same extent as the Note in substitution for which such Note was issued.

The provisions of this Section 2.03 are exclusive and shall preclude, to the extent lawful, all of the rights and remedies with respect to the payment of the Note upon mutilation, loss, theft or destruction, including those granted by any law or statute now existing or hereafter enacted.

SECTION 2.04. Execution of Note. The Note shall be executed on behalf of the Issuer by the manual signature of the Chairman of the County Council of the Issuer and its corporate seal shall be impressed, imprinted, engraved or otherwise affixed or reproduced thereunto and attested by the manual signature of the Clerk of the County Council of the Issuer.

If any of the officers who shall have signed or sealed the Note shall cease to be such officer of the Issuer before the Note so signed and sealed shall have been actually delivered by the Issuer, the Note nevertheless may be issued and delivered with the same force and effect as though the person or persons who signed or sealed the Note had not ceased to be such officer or officers of the Issuer; and also the Note may be signed and sealed on behalf of the Issuer by those persons who, at the actual date of the execution of the Note, shall be the proper officers of the Issuer, although at the date of the Note any such person shall not have been such officer of the Issuer.

SECTION 2.05. 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 Registered Owner in person or by his attorney duly authorized in writing together with a written instrument of transfer in form satisfactory to the Note Registrar duly executed by the Registered Owner or his attorney duly authorized in writing and upon payment by such Registered Owner of a sum sufficient to cover any governmental tax or charge required to be paid, the Note Registrar shall record the transfer upon the Note Register and deliver the Note to the transferee, with a notation thereon of the outstanding principal balance as of the date of such transfer.

The Issuer and the Company may deem and treat the Registered Owner of the Note as the absolute owner thereof for the purposes of receiving any payment on the Note and for all other purposes of this Indenture and the Agreement, whether the Note shall be overdue or not, and neither the Issuer 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 Registered Owner 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 2.06. Note Limited Obligation of Issuer. The Note shall be a limited obligation of the Issuer, the principal and interest on which shall be payable solely out of the revenues and receipts derived by the Issuer pursuant to the Agreement including, without limiting the generality of the foregoing, all moneys included or to be included in the property pledged herein. The Note and the interest thereon do not and shall never constitute an indebtedness of the Issuer within the meaning of any state constitutional provision or statutory limitation and do not and shall never constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers. The principal and interest on the Note shall be secured solely by the aforesaid revenues and receipts and by this Indenture, including, without limiting the foregoing, by the pledge to the Lender made herein of said revenues and receipts and the Agreement.

No breach by the Issuer of this Indenture or of any provision or condition hereof or in the Note or of any agreement contained herein or in the Note shall result in the imposition of any pecuniary liability upon the Issuer or any charge upon its general credit or against its taxing power. The liability of the Issuer under this Indenture and the Note or any provision or condition hereof or thereof or of any agreement herein or in the Note contained or of any warranty herein or in the Note included or for any breach or default by the Issuer or any of the foregoing shall be limited solely and exclusively to the property pledged herein. The Issuer shall not be required to execute or perform any of its duties, obligations, powers or covenants hereunder or under the Note except to the extent of the property pledged herein available therefor.

The provisions of this Section 2.06 shall control every other provision of this Indenture, anything in such other provisions to the contrary notwithstanding.

SECTION 2.07. Execution and Delivery of Note. The Note in the original principal amount of \$500,000 shall forthwith be executed by the Issuer and delivered to the Lender, together with a statement as to the amount and disposition of the proceeds of the sale of such principal amount of the Note, and thereupon the Note shall be accepted by the Lender, but only upon the deposit by the Lender of the aforesaid proceeds of sale of the Note in the Construction Fund. Prior to acceptance of the Note the Lender shall also have received the following:

(a) A copy of the ordinance adopted by the Issuer authorizing the execution and delivery of the Agreement and this Indenture and the issuance and delivery of the Note, duly certified by the Clerk of the County Council of the Issuer under its corporate seal to have been duly enacted by the Issuer and to be in full force and effect on the date of such certification;

(b) An original executed counterpart of the Agreement and this Indenture; and

(c) A certificate of the Chairman of the County Council of the Issuer to the effect that on the basis of the facts, estimates and circumstances in existence on the date of delivery of the Note, it is not expected that the proceeds of the Note will be used in a manner that would have caused the Note to be an arbitrage bond within the meaning of Section 103(c) of the IRC had such use been reasonably expected on the date of issuance of the Note, and such certificate shall set forth such facts, estimates and circumstances, which may be in brief and summary terms, and shall state that to the best of the knowledge and belief of the officer signing such certificate there are no other facts, estimates or circumstances that would materially change such expectation.

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ARTICLE III

CONSTRUCTION FUND

SECTION 3.01. Creation of Construction Fund. There is hereby created and established with the Depositary a special and separate trust fund of the Issuer to be known and designated as the "Richland County, South Carolina, Industrial Development Construction Fund (Ram Automotive Company, Inc. Project)". The Issuer shall pay to the Depositary the proceeds from the sale by the Issuer of the Note and the Depositary shall deposit the same in the Construction Fund.

SECTION 3.02. Application of Moneys in Construction Fund. The moneys in the Construction Fund, until applied in payment of any item of the Cost of the Project, shall be held in trust by the Depositary and, pending such application, shall be subject to a lien and charge in favor of the Holder of the Note and for the further security of such Note until paid out as herein provided.

SECTION 3.03. Requisitions. So long as no Event of Default (as defined in this Indenture) 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 Issuer shall rely and shall be protected in relying) signed by an Authorized Company Representative, stating 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 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 amount, exclusive of amounts requisitioned for the payment of Neutral Costs, requisitioned from the Construction Fund, including the amount being 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 3.04. Retention of Requisitions. For a minimum of five years from the date thereof the Depositary shall retain in its possession all requisitions received by it as in this Indenture required, subject to the inspection of the Issuer, its agents and representatives, the Company and the Holder and any subsequent Holder and their representatives at all reasonable times.

SECTION 3.05. Disposition of Balances Remaining in Construction Fund. Upon completion of the Project in accordance with the Plans and Specifications, the Depositary shall be furnished with a certificate of an Authorized Company Representative showing such completion and the date thereof and the payment of the Cost thereof 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 any of the Project shall be applied to the payment of the principal of the Note.

SECTION 3.06. Moneys to be Continuously Secured. All moneys received by the Depositary under this Indenture and not invested by the Depositary pursuant to the provisions of Section 3.07 of this Indenture shall be continuously secured for the benefit of the Issuer and the Holder to the extent and in the manner required by law.

SECTION 3.07. Investment of Moneys. Moneys on deposit to the credit of the Construction Fund or Depositary may be retained uninvested as trust funds; provided, however, that the Depositary shall invest such moneys in such Permitted Investments as are designated in writing by the Company if an Event of Default (as defined in the Agreement) shall not then exist or be continuing or by the Issuer if such an Event of Default shall then exist or be continuing.

Any securities purchased with the moneys in the Construction Fund shall be deemed a part of such fund and, for the purpose of determining the amount of moneys therein, the securities therein shall be valued at their cost or market value, excluding accrued interest, whichever is lower. The interest, including realized increment on securities purchased at a discount, received on all such securities (after deduction for accrued interest, commissions, if any, and premium paid from the Construction Fund at time of purchase) shall be deposited by the Depositary in the Construction Fund and any loss resulting from such investments

will be charged to the Construction Fund. The Depositary shall not be liable or responsible for any loss resulting from any such investment or resulting from the redemption, sale or maturity of any such investment as in this Indenture authorized. If at any time it shall become necessary that some or all of the securities purchased with the moneys in the Construction Fund be redeemed or sold in order to raise moneys necessary to comply with the provisions of this Indenture, the Depositary shall effect such redemption or sale employing, in the case of a sale, any commercially reasonable method.

ARTICLE IV

REPRESENTATIONS AND COVENANTS OF ISSUER

SECTION 4.01. Payment of Principal and Interest on Note. Subject to the provisions of Section 2.06 hereof, the Issuer covenants that it shall promptly pay or cause to be paid the principal and interest on the Note at the places, on the dates and in the manner specified in this Indenture and in the Note according to the true intent and meaning thereof.

SECTION 4.02. Maintenance of Corporate Existence of Issuer. The Issuer will at all times maintain its corporate existence and will use its best efforts to maintain, preserve and renew all its rights, powers, privileges and franchises; and it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Agreement or this Indenture.

SECTION 4.03. Covenants with Respect to Agreement. So long as the Note is outstanding, the Issuer will require the Company to pay, or cause to be paid, all the payments and other costs and charges payable by the Company under the Agreement. The Agreement may not be amended, changed, modified, altered or terminated without the prior written consent of the Holder of the Note.

SECTION 4.04. Maintenance of Project. The Issuer shall at all times cause the Company to maintain, preserve and keep, or cause to be maintained, preserved and kept, the Project, in good repair, working order and condition, in accordance with the requirements of the Agreement and the Act.

SECTION 4.05. Insurance. The Issuer shall cause the Company, so long as the Note is outstanding, to keep the Project properly insured in accordance with the provisions of the Agreement and the Act.

Immediately after the occurrence of any damage or loss to the Project in excess of \$25,000, the Company is required by the Agreement to notify the Issuer and the Lender as to the nature and extent of such damage or loss. If the Company shall determine that rebuilding, repairing or restoring is practicable and desirable, the Company has agreed to proceed with such rebuilding, repairing or restoring and shall notify the Issuer and the Lender upon the completion thereof. In such case, any property damage insurance proceeds received in respect of such damage or loss shall be used by the Company for payment of, or reimbursement for, the costs of such rebuilding, repairing or restoring. In the event said proceeds are not sufficient to pay

in full the costs of such rebuilding, repairing or restoration, the Company has agreed to complete the work thereof and will pay that portion of the costs thereof in excess of said proceeds.

Any balance of the proceeds of any insurance remaining after payment of all the costs of repair, rebuilding or restoration, or if no repair, rebuilding or restoration shall be made, all such proceeds, shall be applied by the Company to the prepayment of the Note pursuant to the Agreement. If the Note has been fully paid or provision for the payment thereof has been made in accordance with the provisions of this Indenture, all such insurance proceeds shall be paid to the Company.

SECTION 4.06. Execution and Delivery of Instruments. The Issuer covenants that it will from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the purposes of this Indenture; provided, however, that such instruments or actions shall never create or constitute an indebtedness of the Issuer within the meaning of any State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing power or pledge of the credit or taxing power of the State, or any other political subdivision of the State.

SECTION 4.07. Condemnation. In the event that title to or the temporary use of the Project, or any part thereof, shall be taken in condemnation or by the exercise of the power of eminent domain by any Person acting under governmental authority, the Agreement provides that there shall be no abatement or reduction in the payments required under Section 4.01 of the Agreement to be made by the Company. Immediately after the occurrence of any such taking, the Company is required by the terms of the Agreement to notify the Issuer and the Lender as to the nature and extent of such taking and, as soon as practicable thereafter, notify the Issuer and the Lender whether it is practicable and desirable to restore the Project. If the Company shall determine that such restoration is practicable and desirable, the Company has agreed to forthwith proceed with such restoration and to notify the Issuer and the Lender upon the completion thereof. Any proceeds received from any award or awards in respect of the Project or any part thereof in such condemnation or eminent domain proceedings, after payment of all expenses incurred in the collection thereof, shall be used by the Company for payment or reimbursement of the costs of restoring the Project or any portion thereof pursuant to the Agreement. Any proceeds received from any award or awards in respect of the Project or any part thereof made in such condemnation or eminent domain proceedings not expended in restoring the Project, or if no such restoration shall be made all such proceeds, shall be applied by the Company to the prepayment of the Note pursuant to the Agreement.

SECTION 4.08. Recording and Filing. The Issuer covenants and agrees to file, record, register, rerecord, reregister or refile or cause so to be if required by law, the Agreement, this Indenture and amendments to either thereof, and any Financing Statement or Statements or other documents in the manner and at the places and times necessary to create, perfect, protect and maintain the lien of this Indenture and the rights created hereunder in and to the Revenues, the Agreement and any rights of the Issuer created under the Agreement. The Issuer agrees to record, register, file, rerecord, reregister, or refile or cause so to be such documents and Financing Statements at and before the delivery of the Note. On or before the delivery of the Note and the fifth anniversary date of the filing of any Financing Statements, the Issuer agrees that it will provide or cause to be provided to the Lender an Opinion of Counsel stating that all recordation, registration and filing and indexing thereof have been accomplished which is necessary to the creation, perfection, protection or maintenance of the lien of this Indenture, the rights created hereunder to the Revenues, the Agreement and any rights of the Issuer created under the Agreement or specifying such action as must be taken to accomplish the same and any such further action may be required prior to the date the next such opinion will be required. Promptly after any such recordation, registration or filing, the Issuer shall provide or cause to be provided the Lender an Opinion of Counsel stating that no further recording, registering or filing is then required to create, perfect, protect or maintain such interests. The Lender acknowledges that the obligations of the Issuer hereunder have been agreed to be performed by the Company pursuant to Section 7.07 of the Agreement and acknowledges that the sole responsibility of the Issuer hereunder shall be to execute promptly such documents and Financing Statements as are requested of it.

SECTION 4.09. Enforcement of Agreement. The Issuer agrees that the Lender, as assignee of the Agreement, may enforce in its name or in the name of the Issuer all rights of the Issuer and all obligations of the Company under and pursuant to the Agreement for and on behalf of itself as Holder of the Note, whether or not the Issuer is in default hereunder.

SECTION 4.10. Covenant Not to Impair Tax Exemption of Interest. The Issuer will not engage in any activity or take any action, or omit to take any action the consequences of which action or omission might result in the Revenues being taxable to it or in the loss of the exemption from Federal income taxation provided by IRC Section 103 to the Holder of the Note.

In pursuance and not in limitation of the foregoing, the Issuer covenants that no use shall be made of the proceeds of the Note which will cause the Note to be an "arbitrage bond" as defined in IRC Section 103, and to this end the Issuer shall

comply with the regulations proposed or promulgated by the United States Department of the Treasury as such regulations or proposed regulations apply to the Note.

SECTION 4.11. Representations of Issuer. The Issuer represents and warrants to the Lender that:

(a) The Issuer is a body politic and corporate and a political subdivision of the State of South Carolina.

(b) The Issuer has full power, authority and legal right under the Constitution and laws of the State, including the Act, (i) to issue the Note, which is a revenue bond, and to use the proceeds thereof to defray the cost of acquiring, by construction and purchase, the Project, (ii) to execute and deliver this Indenture and the Loan Agreement and to issue the Note, and (iii) to perform and observe all of the terms and provisions of this Indenture, the Agreement and the Note.

(c) The Issuer has by proper corporate action duly adopted the ordinance referred to in Section 2.07(a) hereof in accordance with the laws of the State, including the Act, and has, by the adoption of said ordinance, duly authorized the execution and delivery of this Indenture and the Agreement and the issuance of the Note.

(d) This Indenture and the Agreement have been each duly executed and delivered and, assuming the due execution and delivery by the other party or parties to each, each constitutes the legal, valid and binding obligation of the Issuer, enforceable in accordance with its terms except as enforcement thereof may be limited by valid bankruptcy, insolvency or similar laws affecting the enforcement of creditor's rights generally.

(e) Subject only to the requirements of Section 2.07 hereof, the Note has been duly executed, issued and delivered and constitutes the legal, valid and binding obligation of the Issuer, enforceable in accordance with its terms except as enforceability thereof may be limited by valid bankruptcy, insolvency or similar laws affecting the enforcement of creditor's rights generally.

(f) The execution and delivery of this Indenture, the Agreement and the Note, the adoption of the ordinance referred to in Section 2.07(a) hereof and performance of the transactions contemplated hereby and thereby do not and will not conflict with, or result in the violation or breach of, or constitute a default or require any consent under, or create any lien, charge or encumbrance under the provisions of, (i) the Constitution of the State or any law, rule or

regulation of any governmental authority, (ii) any agreement, indenture, bond agreement, resolution, instrument or other document to which the Issuer is a party or by which the Issuer or any of its assets may be bound or affected, or (iii) any order, writ, judgment, injunction, decree, determination or award of any court, government or governmental authority applicable to the Issuer of any of its assets.

(g) All consents, approvals, authorizations and orders of, or filings or registrations with, any governmental or regulatory authorities or public bodies, which are required for the execution and delivery of this Indenture, the Agreement and the Note and the performance of the transactions contemplated hereby and thereby have been duly obtained or made.

(h) All requirements and conditions specified in the Act and in any other applicable law or regulation which is required to be fulfilled prior to the execution and delivery of this Indenture and the Agreement, the adoption of the ordinance referred to in Section 2.07(a) hereof and the issuance and delivery of the Note have been fulfilled.

(i) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, by or before any court, public board or body, pending or known to be threatened against or affecting the Issuer, calling into question the creation, organization or existence of the Issuer or its governing body or the power of the Issuer to enter into the transactions contemplated hereby or wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or would affect the validity, or adversely affect the enforceability, of this Indenture, the Agreement, the Note or any other agreement or instrument to which the Issuer is a party and which is to be used in connection with or is contemplated by this Indenture, nor to the best knowledge of the Issuer is there any basis therefor.

ARTICLE V

REPRESENTATIONS AND COVENANTS OF LENDER

SECTION 5.01. Representations. The Lender represents to the Issuer as follows:

(a) The Lender is acquiring the Note as a vehicle for making a commercial 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.

(b) The Lender is acquiring the Note solely for its own account and no other person has or will have any direct or indirect beneficial ownership or interest therein.

(c) The Lender has a net worth substantially in excess of its interest in 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.

(d) 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 the financial position of the Company and the Guarantor, 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 Issuer.

SECTION 5.02. Covenant. The Lender covenants that 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 Article V of the Indenture.

ARTICLE VI
DEFAULTS AND REMEDIES

SECTION 6.01. Events of Default; Acceleration; Waiver. In case one or more of the following events, in this Indenture referred to as the "Events of Default," shall happen and be continuing, that is to say, if:

(a) any payment of principal on the Note shall not be made when the same shall become due and payable; or

(b) payment of an installment of interest on the Note shall not be made when the same shall become due and payable; or

(c) an event of default under the Agreement or the Guaranty shall occur; or

(d) the Issuer shall default in the due and punctual performance of any covenant, condition, agreement or provision contained in the Note or this Indenture on the part of the Issuer to be performed, and such default shall continue for 60 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer and the Company by the Lender by certified mail; provided, however, if said default be such that it cannot be corrected within the 60 day period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer or the Company within the 60 day period and diligently pursued until the default is corrected;

and the Guarantor shall not have cured such Event of Default within 30 days after the date of written notice from the Lender or the Issuer by certified mail, specifying the nature of such Event of Default and requesting that it be remedied, then in each such case, unless the principal of the Note shall have become due and payable otherwise than by acceleration, the Lender may by written notice given to the Issuer and the Company declare the Note to be due and payable immediately, and upon such declaration the principal, together with interest accrued thereon, shall become due and payable immediately at the place of payment provided in the said notice, anything in this Indenture or in the Note to the contrary notwithstanding.

With regard to any Event of Default concerning which notice is given to the Issuer and the Company under Section 6.01(d), the Issuer hereby grants the Company full authority for the account of the Issuer, to the extent permitted by law, to cure such default.

SECTION 6.02. Enforcement of Agreement. In any case in which under the provisions of Section 6.01 of this Indenture the Lender has the right to declare the principal of the Note to be due and payable immediately, or when the Note by its terms matures (upon prepayment or otherwise) and is not paid, the Lender, as the assignee and pledgee of all the right, title and interest of the Issuer in and to the Agreement, may enforce each and every right granted to the Issuer under the Agreement.

SECTION 6.03. Legal Proceedings by Lender. Upon the happening and continuance of any Event of Default, then and in every such case the Lender in its discretion may, after notice to the Guarantor as set forth in Section 6.01 hereof:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all of its rights and require the Issuer or the Company to carry out any agreements with or for its benefit and to perform its or their duties under the Act, the Agreement and this Indenture;

(b) bring suit upon the Note;

(c) by action or suit in equity require the Issuer to account as if it were the trustee of an express trust for the Lender; or

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of its rights.

SECTION 6.04. Remedies Not Exclusive. No remedy in this Indenture conferred upon or reserved to the Lender or to the Holder of the Note is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under this Indenture or now or hereafter existing at law or in equity or by statute.

SECTION 6.05. Nonwaiver. No delay or omission of the Lender or of the Holder of the Note to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default, or an acquiescence therein; and every power and remedy given by this Article VI to the Holder of the Note may be exercised from time to time and as often as may be deemed expedient.

SECTION 6.06. Application of Moneys upon Event of Default. Any moneys received by the Lender pursuant to this Article VI shall, after payment of all Administration Expenses, be applied to payment of the principal or interest on the Note or to both in such amounts, at such times, and from time to time, as the Lender shall determine, having due regard to the amount of such moneys

available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Lender shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Lender shall give such notice by mail as it may deem appropriate of the receipt by it of any such moneys and of the fixing of such date.

ARTICLE VII

EXECUTION OF INSTRUMENTS BY HOLDER AND PROOF OF OWNERSHIP OF NOTE

SECTION 7.01. Execution of Instruments; Proofs. Any request, direction, consent or other instrument in writing required or permitted by this Indenture to be signed or executed by the Holder may be in any number of concurrent instruments of similar tenor and may be signed or executed by the Holder in person or by a duly authorized attorney-in-fact. Proof of the execution of any such instruments and of the ownership of the Note shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Issuer or the Company with regard to any action taken, suffered or omitted by any of them under such instrument if made in the following manner:

(a) The fact and date of the execution by any Person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the Person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(b) The ownership of the Note shall be proved by the Note Register.

Nothing contained in this Article VII shall be construed as limiting the Company or the Issuer to such proof, it being intended that the Company or the Issuer may accept any other evidence of the matters in this Article VII stated which to them may seem sufficient. Any request or consent of the Holder of the Note shall bind every future Holder of the Note and any Note or Notes issued in substitution therefor in respect of anything done by the Issuer or the Company in pursuance of such request or consent.

ARTICLE VIII

DEFEASANCE

SECTION 8.01. Discharge of Indenture. If and when the Note secured hereby shall become due and payable in accordance with its terms or through prepayment as provided in this Indenture, or otherwise, and the whole amount of the principal and interest so due and payable upon the Note shall be paid, or provision shall have been made for the payment of the same, together with the whole amount of all other sums payable under this Indenture by the Issuer, and all Administration Expenses shall have been paid or provided for, then and in that case, the right, title and interest of the Lender under this Indenture shall thereupon cease, terminate and become void, and the Lender shall assign and transfer to or upon the order of the Company all property (in excess of the amounts required for the foregoing) then held by the Lender (including the Agreement and all payments thereunder and all balances in the Construction Fund created under this Indenture) and shall execute such documents as may be reasonably required by the Company in this regard.

ARTICLE IX
MISCELLANEOUS

SECTION 9.01. Successors and Assigns. All the covenants, stipulations, promises and agreements in this Indenture contained, by or on behalf of, or for the benefit of, the Issuer, shall bind or inure to the benefit of the successors of the Issuer from time to time and any officer, board, commission, agency or instrumentality to whom or to which any power or duty of the Issuer shall be transferred.

SECTION 9.02. Provisions of Indenture for Sole Benefit of Company, Guarantor, Issuer, Lender and Holders. Except as in this Indenture otherwise specifically provided, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon any Person other than the Company, the Guarantor, the Issuer, the Lender and the Holder of the Note any right, remedy or claim under or by reason of this Indenture, this Indenture being intended to be for the sole and exclusive benefit of the Company, the Guarantor, the Issuer, the Lender and the Holder of the Note.

SECTION 9.03. Severability. In case any one or more of the provisions of this Indenture or of the Note shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Indenture or of the Note, and this Indenture and the Note shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

SECTION 9.04. No Liability for Personnel of Issuer or Lender. No covenant or agreement contained in the Note or in this Indenture shall be deemed to be the covenant or agreement of any member, agent or employee of the Issuer or the Lender or the governing body of the Issuer in his individual capacity, and neither the members of the governing body of the Issuer nor the official executing the Note shall be liable personally on the Note or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 9.05. Notice. All notices, certificates, requests or other communications under this Indenture shall be sufficiently given and shall be deemed given, unless otherwise required by this Indenture, when mailed by certified mail (except as otherwise provided in this Indenture), postage prepaid, addressed as follows:

(a) if to the Issuer,

Richland County Council
Richland County Judicial Center
Columbia, South Carolina 29201
Attention: Chairman;

(b) if to the Company,

Ram Automotive Company, Inc.

Attention: President; and

(c) if to the Lender,

The Citizens and Southern National
Bank of South Carolina
Post Office Box 727
Columbia, South Carolina 29222
Attention: President.

A duplicate copy of each notice or other communication given to the Company hereunder shall also be given to the Guarantor at 4525 Cleveland Avenue, N.W., Canton, Ohio 44709 to the Attention of John A. Norcia.

A duplicate copy of each notice, certificate, request or other communication given hereunder by either the Issuer, the Company or the Lender to the other shall also be given to the others. The Company, the Issuer and the Lender may, by notice given under this Section 9.05, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 9.06. Applicable Law. The laws of the State shall govern the construction of this Indenture.

SECTION 9.07. Counterparts. This Indenture 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.

IN WITNESS WHEREOF, Richland County, South Carolina, has caused the Indenture to be executed by its Chairman of the County Council and the corporate seal to be hereunto affixed and attested by the Clerk of its County Council and The Citizens and Southern National Bank of South Carolina has caused this Indenture to be executed by one of its authorized officers and its corporate seal to be hereunto affixed, and attested by one of its authorized officers, all as of the day and year first above written.

RICHLAND COUNTY, SOUTH CAROLINA

By _____
Chairman, County Council of
Richland County, South Carolina

SEAL

ATTEST:

In the Presence of:

Clerk of County Council of
Richland County, South Carolina

THE CITIZENS AND SOUTHERN NATIONAL
BANK OF SOUTH CAROLINA, as Lender

By _____

SEAL

ATTEST:

In the Presence of:

By _____

ACKNOWLEDGMENT OF ISSUER

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PERSONALLY appeared before me _____, who
being duly sworn says that he saw the corporate seal of Richland
County, South Carolina, affixed to the foregoing Indenture and
that __he also saw _____ as Chairman of the
County Council of Richland County, South Carolina, and Brenda R.
Fuller, as Clerk of the County Council of Richland County, South
Carolina and attest the same and that __he with _____
witnessed the execution and delivery thereof as the act and deed
of said Richland County, South Carolina.

SWORN to before me this

____ day of February, 1983.

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

ACKNOWLEDGMENT OF LENDER

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

PERSONALLY appeared before me _____, who
being duly sworn says that he saw the corporate seal of The
Citizens and Southern National Bank of South Carolina, as Lender
affixed to the foregoing Indenture and that ___he also saw
_____ as its _____, sign, and
_____ as its _____
attest the same and that ___he with _____ witnessed
the execution and delivery thereof as the act and deed of said
Citizens and Southern National Bank of South Carolina, as Lender.

SWORN to before me this
____ day of February, 1983.

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

12/10/82
R, M, M, P, W, T & B

EXHIBIT

JAN 25 1983 NO. 4

STATE BUDGET & CONTROL BOARD

RICHLAND COUNTY, SOUTH CAROLINA

and

RAM AUTOMOTIVE COMPANY, INC.

LOAN AGREEMENT

Dated as of February 1, 1983

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LOAN AGREEMENT

THIS LOAN AGREEMENT (the "Agreement"), dated as of February 1, 1983, between Richland County, South Carolina (the "Issuer"), a body politic and corporate and a political subdivision of the State of South Carolina, and RAM AUTOMOTIVE COMPANY, INC. (the "Company"), a corporation duly organized and existing under the laws of the State of Ohio and qualified to do business in the State of South Carolina.

WITNESSETH

WHEREAS, Chapter 29 of Title 4 of the Code of Laws of South Carolina, 1976, as amended (hereinafter said Chapter and amendments are collectively referred to as the "Act"), authorizes the several counties and incorporated municipalities of the State of South Carolina to acquire or cause to be acquired one or more projects (as such term is defined in the Act), to enter into agreements with an industry to construct, operate, maintain and improve such a project, to enter into financing agreements with such an industry, to issue revenue bonds (as defined in the Act to include notes) and to apply the proceeds thereof to defray the cost of acquiring, enlarging, improving and expanding such a project and to secure such notes in the manner authorized in the Act; and

WHEREAS, the Company has requested the Issuer to issue its revenue note and make the proceeds thereof available to defray a portion of the cost of acquiring, by construction and purchase, certain land and a building or buildings and other improvements thereon and other machinery, apparatus, equipment, office facilities and furnishings deemed necessary, suitable or useful by the Company for the purpose of manufacturing automotive equipment and accessories (the "Project") all to be located within the jurisdiction of the Issuer; and

WHEREAS, the Issuer has, by due corporate action authorized the issuance of its \$500,000 Industrial Development Revenue Note pursuant to the Act (the "Note") and agreed to make the proceeds thereof available to the Company to defray a portion of the cost of acquiring the Project pursuant to the terms of this Agreement under the terms of which the Company is obligated to make payments to or for the account of the Issuer in the amount necessary to pay the principal and interest on the Note as and when the same becomes due and payable and all other expenses and costs incurred by the Issuer in connection with the Indenture (hereinafter defined), this Agreement or the Project.

NOW, THEREFORE, THIS AGREEMENT FURTHER WITNESSETH:

The Company, in consideration of the premises and the sum of One Dollar (\$1.00) lawful money of the United States of America to it duly paid by the Issuer at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt whereof is hereby acknowledged, and in order to secure payment of the sums due hereunder and performance and observance by the Company of all the provisions and covenants expressed or implied herein, has granted, bargained, sold, warranted, alienated, remised, released, conveyed, assigned, pledged, transferred, mortgaged, set over, confirmed and granted a security interest in, and does by these presents hereby grant, bargain, sell, pledge, transfer, mortgage, set over, confirm and grant a security interest, to the Issuer and its successors and assigns forever, in all and singular the following property, real and personal (said property being herein sometimes referred to as the "Mortgaged Property"), to wit:

ITEM A

Subject to Permitted Encumbrances as hereinafter defined, the parcel of real property located in the jurisdiction of the Issuer, 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, subject, however, to the right reserved to the Company in Sections 6.04 and 6.05 of this Agreement to release and remove certain real property from this Agreement upon compliance with the terms and conditions of said Sections 6.04 and 6.05 of this Agreement and subject to the right of the Company to make additions, modifications or improvements which do not become a part of the Project under Section 5.01 or 8.03 of this Agreement;

ITEM B

Subject to Permitted Encumbrances as hereinafter defined, 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, (b) which is installed in the Project on the date the Company commences initial production at the Project, or (c) which is installed in

the Project in substitution or replacement of machinery, equipment, fixtures or personal property described in the preceding subparagraphs (a) and (b) or which was installed in the Project in substitution or replacement of other such substitutions or replacements;

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, all moneys and proceeds from the Project, including, without limiting the generality of the foregoing, proceeds of insurance, condemnation awards and receipts from the sale of all or part of the Project;

ITEM E

Subject to Permitted Encumbrances as hereinafter defined, 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 Issuer, 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 this Agreement, 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 Issuer 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 Agreement, unto the Issuer 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 attorneys' 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 Agreement 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 I
DEFINITIONS

"Act" shall mean Chapter 29 of Title 4 of the Code of Laws of South Carolina, 1976, as amended, and all future acts supplemental thereto and amendatory thereof.

"Administration Expenses" shall mean the reasonable and necessary expenses incurred by the Issuer with respect to the Project, this Agreement and the Indenture, and the compensation and expenses paid to or incurred by the Lender or the Depositary under this Agreement or the Indenture; provided, however, that no such expense shall be considered an Administration Expense until the Issuer, the Lender or the Depositary, as the case may be, has furnished to the Company a statement in writing indicating the amount of such expense and the reason it has been or will be incurred.

"Agreement" shall mean this Loan Agreement dated as of February 1, 1983, between the Issuer and the Company, and any and all modifications, alterations, amendments and supplements hereto made in accordance with the provisions hereof and of the Indenture.

"Authorized Company Representative" shall mean any person at the time designated to act on behalf of the Company by a written certificate furnished to the Issuer and the Lender containing the specimen signature of each such person, and signed on behalf of the Company by its President or one of its Vice Presidents. 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 and the Indenture.

"Bond Counsel" shall mean legal counsel experienced in matters relating to municipal obligations and the exemption from taxation of the interest thereon.

"Company Office" shall mean the principal office of the Company at which, at any particular time, its business and corporate records shall be principally administered and maintained.

"Company" shall mean Ram Automotive Company, Inc., an Ohio corporation, and any surviving, resulting or transferee corporation in any merger, consolidation or transfer of assets permitted under Section 7.02 of this Agreement.

"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 3.05 hereof.

"Construction Fund" shall mean the fund created under Section 3.01 of the Indenture.

"Cost" or "Cost of the Project" shall mean the cost of acquiring, by construction and 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 and the Depositary, legal, accounting, financial and printing expenses, fees 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) costs incurred by the Company for the acquisition of the land upon which the Project is located; (g) any sums required to reimburse the Company for advances made by it for any of the above items, or for any other work done and costs incurred by the Company which are for the acquisition of land or property of a character subject to the allowance for depreciation provided under IRC Section 167 included in the Project; and (h) any amount for the payment of interest on the Note accruing prior to the Completion Date and for which a requisition may be made under Section 3.03 of the Indenture.

"Depositary" shall mean The Citizens and Southern National Bank of South Carolina, a national banking association, organized and existing under the laws of the United States of America.

"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 a Holder or former Holder thereof as a result of either (i) the limitations prescribed in IRC Section 103(b)(6)(D) having been exceeded or (ii) any other action or failure to act by the Company; (b) the issuance of a statement by the Company to the effect that it has exceeded or intends to exceed the maximum amount of capital expenditures permitted under IRC Section 103(b)(6)(D); or (c) the receipt of any Opinion by the Lender from Bond Counsel stating that the interest on the Note has become includable in the gross income of a Holder thereof for any

reason other than that such Holder is a substantial user of the project or a related person within the meaning of IRC Section 103(b)(10); provided, nevertheless, that no Determination of Taxability under clause (a) hereof shall occur if there is available to the Company, either directly or with the cooperation of any Holder or former Holders of the Note, a protest being actively prosecuted in good faith by the Company which, if successful, would result in a revocation, rescission, or retraction of any such statutory notice of deficiency by the Internal Revenue Service. Such a Determination of Taxability shall be deemed for all purposes of this Agreement to have occurred on the date borne by said statutory notice of deficiency or the date borne by said statement or opinion as the case may be.

"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 (i) the occurrence of the circumstances described in IRC Section 103(b)(6)(D); (ii) such other acts or failures to act by the Company or (iii) the occurrence of the circumstances resulting in the delivery of the opinion specified in clause (c) of the definition of Determination of Taxability; which circumstances result in a Determination of Taxability with the result that the interest payable on the Note becomes includable in the gross income of a Holder or former Holder of the Note other than a Holder who is a "substantial user" of the Project or a "related person" as such terms are used in IRC Section 103.

"Financing Statement" shall mean a financing statement or a continuation statement filed pursuant to the provisions of the Uniform Commercial Code of the State or such other jurisdiction the laws of which are applicable.

"Guarantor" shall mean John A. Norcia, the President of the Company and the owner of eighty percent (80%) of the outstanding shares of stock of the Company.

"Guaranty" shall mean the Guaranty dated as of February 1, 1983 given by the Guarantor to the Lender.

"Indenture" shall mean the Indenture, dated as of the date of this Agreement, between the Issuer and the Lender, as the same may be amended, modified or supplemented in accordance with the provisions thereof.

"Interest Payment Date" shall mean each date specified in the Note for the payment of 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.

"Issuer" shall mean Richland County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina and its successors and assigns.

"Letter of Representation" shall mean that certain letter of the Company addressed to the Issuer 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.

"Lender" shall mean The Citizens and Southern National Bank of South Carolina, a national banking association organized and existing under the laws of the United States, and its successors and assigns as the Holder of the Note.

"Mortgaged Property" shall mean all of the property, real and personal, described in Items A - F of the granting clauses of this Agreement.

"Neutral Costs" shall mean, with respect to the Note, that amount of the proceeds from the sale of such Note used for the payment of the reasonable expenses of issuing the Note including, without limitation, advertising, recording and printing costs, accountants, financial advisor's and counsel fees, rating agency fees, initial fees of the Depository, charges of the Lender and all similar expenses.

"Note" shall mean the "\$500,000 Richland County, South Carolina, Industrial Development Revenue Note (Ram Automotive Company, Inc. Project) 1983" authorized, executed and delivered by the Issuer under the Indenture and any notes executed and delivered under the Indenture in lieu of or in substitution therefor.

"Noteholder" or "Holder of the Note" or "Holder" shall mean the Registered Owner of the Note.

"Note Register" and "Note Registrar" shall have the respective meanings specified in Section 2.05 of the Indenture.

"Officer's Certificate" shall mean a certificate signed by the Chairman of the County Council of the Issuer.

"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) this Agreement and the Indenture; (iii) utility, access and other easements and rights of way, flood rights, leases, subleases, restrictions and exceptions that an Authorized Company Representative certifies will not interfere with or impair the means of access to and egress from the Project; (iv) such minor defects, irregularities, encumbrances, easements, rights of way and clouds on title as normally exist with respect to properties similar in character to the Project and as do not, in the opinion of the Company as evidenced by a certificate of an Authorized Company Representative, impair the character or significance of the Project for the purpose for which it was designed or last modified and as are not detrimental to the proper conduct of the business of the Company at the Project; (v) mechanic's and materialman's liens not filed or perfected in the manner prescribed by law in effect on the date hereof or otherwise; and (vi) any mortgage, lease or security interest with respect to machinery and equipment not constituting part of the Project.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision.

"Plans and Specifications" shall mean the plans and specifications prepared for the Project, on file at the Company Office, as the same may be implemented and detailed from time to time and as the same may be revised from time to time prior to the completion of the acquisition, construction and installation of the Project in accordance with Section 3.07 of this Agreement. The Plans and Specifications shall be made available to the Lender and the Issuer for inspection at such times as the Lender or the Issuer may reasonably request.

"Principal Payment Date" shall mean any date on which the principal of the Note or any portion thereof shall become due, whether at maturity or by prepayment or acceleration.

"Project" shall mean the land and a building or buildings or other improvements thereon described on Exhibit A hereto and to the Indenture, the personal property described on Exhibit B hereto and to the Indenture and all machinery, apparatus, equipment, office facilities and furnishings acquired directly or indirectly from the proceeds of the Note or installed at the site of the Project when production commences, including any modification thereof, substitutions therefor and additions thereto and excluding deletions therefrom and the Company's own machinery and equipment installed at the Project under the provisions of Section 8.03 of this Agreement.

"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, including 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 December 7, 1982.

"Registered Owner" shall mean the Person or Persons in whose name or names a particular Note shall be registered on the Note Register.

"State" shall mean the State of South Carolina.

ARTICLE II

REPRESENTATIONS

SECTION 2.01. Representations by Issuer. The Issuer makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Issuer is a duly constituted political subdivision of the State and is duly authorized under the laws of the State, including the Act, to enter into the transactions contemplated by this Agreement and the Indenture and to carry out its obligations hereunder and thereunder. By proper action the Issuer has duly authorized the execution and delivery of this Agreement, the Indenture and all agreements collateral hereto and thereto.

(b) The South Carolina State Budget and Control Board has duly approved the proposal of the Issuer to issue the Note and the Project. No other consent or approval is required by any governmental authority as a condition to the performance by the Issuer of this Agreement or the Indenture or to the issuance of the Note.

(c) The Issuer is entering into this Agreement and the Indenture, issuing the Note and defraying the Cost of the Project for the purpose of promoting the industrial development, developing the trade and utilizing and employing the manpower, agricultural products and natural resources of the State.

(d) The Issuer is not in default under any of the provisions of the laws of the State, where any such default would affect the issuance, validity or enforceability of the Note or the transactions contemplated by this Agreement or the Indenture.

(e) The authorization, execution and delivery of this Agreement and the Indenture, and the compliance by the Issuer with the provisions hereof and thereof, will not conflict with or constitute a breach of, or a default under, any existing law, court or administrative regulation, decree, order or any provision of the Constitution or laws of the State relating to the establishment of the Issuer or its affairs, or any agreement, mortgage, lease or other instrument to which the Issuer is subject or by which it is bound.

SECTION 2.02. Representations by Company. The Company makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Company is a corporation duly incorporated under the laws of the State of Ohio and qualified to do business and is in good standing in the State, has corporate power to enter into this Agreement and by proper corporate action has duly authorized the execution and delivery of this Agreement;

(b) The execution and delivery of this Agreement, the consummation of the transactions contemplated hereby or the fulfillment of or compliance with the terms and conditions of this Agreement is not prevented or limited by, does not conflict with, does not result in a breach or contravention of and does not constitute a default under the Company's Articles of Incorporation or Bylaws or any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Company is now a party or by which it is bound, or any existing law, rule, regulation, judgment, order or decree binding upon it, and will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Company prohibited under the terms of any such instrument or agreement;

(c) The issuance of the Note by the Issuer and the use by the Company of the proceeds thereof to defray a portion of the cost of the acquisition, by construction and purchase, of the Project, as provided by this Agreement, has induced the Company to locate and remain in the State;

(d) Acquisition and construction of that portion of the Project to be financed out of the proceeds of the Note was commenced subsequent to December 7, 1982;

(e) The Company intends to operate the Project as a facility for the purpose of manufacturing automotive equipment and accessories and for such other purposes permitted under the Act as the Company deems appropriate; and

(f) The information and estimates set forth in the Letter of Representation are true and correct to the best of the Company's information and belief and the Letter of Representation 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.

ARTICLE III

COMMENCEMENT AND COMPLETION OF PROJECT BY COMPANY; ISSUANCE OF NOTE

SECTION 3.01. Acquisition of Project. Pursuant to the Act, the Issuer authorizes the Company to 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, delays incident to strikes, riots, acts of God, the public enemy or any delay beyond the reasonable control of the Company only excepted; but if for any reason such acquisition is delayed or the Project shall not be completed there shall be no resulting liability on the part of the Issuer and no diminution 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, upon prepayment of all amounts to be paid by it under this Agreement pursuant to the provisions of Section 4.01 or Section 10.01 hereof and the making of any such payments in the amount required by, and in accordance with the terms of, this Agreement, the Company shall not be obligated to complete the acquisition of the Project. If the Company elects or is required to prepay the payments required to be made by it pursuant to the provisions of Section 4.01 or Section 10.01 hereof, any sums remaining in the Construction Fund and not otherwise required to pay the Cost of the Project shall be used to effect such prepayment at the direction of an Authorized Company Representative.

The Company will maintain such records in connection with the acquisition of the Project as to permit ready identification thereof.

SECTION 3.02. Issuance of Note. In order to provide funds to defray the payment of a portion of the Cost of the Project, the Issuer will issue, execute and deliver the Note and deposit the proceeds thereof with the Depositary.

SECTION 3.03. Disbursements from Construction Fund. So long as no Event of Default (as defined in the Indenture) has occurred and is continuing, the Depositary has been authorized under Section 3.03 of the Indenture to 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 Issuer shall rely and shall be protected in relying) signed by an Authorized Company Representative, stating 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) that no obligation, item of cost or expense mentioned therein has been the basis of any previous withdrawal; (v) that the payment of such amount is a proper charge against the Construction Fund and specifying the purpose and circumstances of such obligation in reasonable detail, accompanied by a bill or statement of account for such obligation; (vi) that at least 90% of the amount, exclusive of amounts requisitioned for the payment of Neutral Costs, requisitioned from the Construction Fund, including the amount being requisitioned, has been and, when applied as stated in the requisition, will have been expended for Qualifying Costs; (vii) that the person signing such requisition has no notice of any vendor's, mechanic's or other liens or rights to liens or conditional sales contracts, or other contracts or obligations, which have not been released or will not be released simultaneously with such payment and which should be satisfied or discharged before such payment is made; (viii) that such requisition contains no item representing payment on account of any retained percentages under any contract which, as of the date of such requisition, is not required to be paid; 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 3.04. Cooperation as to Documents. The Company and the Issuer agree to cooperate in furnishing to the Depositary the documents referred to in Section 3.03 hereof that are required to effect payments out of the Construction Fund and to cause such orders to be directed by the Authorized Company Representative to the Depositary as may be necessary to effect payments out of the Construction Fund in accordance with Section 3.03 hereof. Such obligation is subject to any provision of the Indenture requiring additional documentation with respect to payments and shall not extend beyond the moneys in the Construction Fund available for payment under the terms of the Indenture.

SECTION 3.05. Completion Date. The Completion Date shall be evidenced to the Lender and Depositary by a certificate of an Authorized Company Representative stating that the acquisition, construction and installation of the Project has been completed substantially in accordance with the Plans and Specifications and that payment of the Cost of the Project or provision therefor has been made except for any Cost of the Project not then due and payable or the liability for payment of which is being contested or disputed by the Company. The Company shall cause such certificate to be furnished to the Lender and the Depositary as soon as the Project shall have been completed. Notwithstanding

the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

SECTION 3.06. Completion of Project; Use of Surplus Funds. If the moneys in the Construction Fund available for payment of the Cost of the Project 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 Issuer 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 Issuer or the Lender, nor shall it be entitled to any diminution or postponement of the payments required under Section 4.01 hereof. Upon the completion of the Project, if there shall be any surplus funds remaining in the Construction Fund not required to provide for the payment of the Cost of the Project, such funds shall be applied in prepayment of the Note.

SECTION 3.07. Revision of Plans and Specifications. The Company may revise the Plans and Specifications at any time and from time to time prior to the Completion Date provided that in the case of any change that would materially change the description of the Project contained in Exhibits A and B hereto, there shall first be delivered to the Depositary, the Lender and the Issuer (i) revised Exhibits A and B containing a description of the Project as revised by the revision in the Plans and Specifications, the accuracy of which shall have been certified by an Authorized Company Representative, (ii) an Opinion of Counsel who shall be Bond Counsel that the Project described in the revised Exhibits A and B is such that the expenditure of substantially all of the proceeds of the Note for the Cost of the Project described therein would not impair the exemption of interest on the Note from Federal income taxation; and (iii) an Opinion of Counsel that all approvals required by law, including the Act, necessary in connection with the Project described in the revised Exhibits A and B have been obtained and remain in full force and effect and that no further filing, recording or registration is needed to preserve and protect the priority of the lien hereof with respect to the Project or stating that any such filing, recording or registering required thereof has been accomplished and certifying as to the priority of the lien and security interest hereof.

SECTION 3.08. Investment of Moneys in Construction Fund.
Any moneys held as part of the Construction Fund and not required for immediate disbursement and withdrawal may be invested or reinvested by the Depositary as provided in Section 3.07 of the Indenture.

ARTICLE IV

PAYMENTS BY COMPANY TO ISSUER

SECTION 4.01. Payments to be Made by Company. In consideration of the application of the proceeds of the Note to defray the Cost of the Project, the Company absolutely and unconditionally obligates itself to pay to or to the order of the Issuer at the times and places required the amounts required to pay the principal and interest on the Note together with the Administration Expenses and any other amounts required to be paid under the terms hereof or by the Issuer under the Indenture. The Company agrees to pay to, or to the order of, the Issuer in immediately available funds, as payment of such amounts, a sum equal to the principal amount of the Note together with interest on the unpaid balances thereof, at the interest rate or rates payable by the Issuer on the Note in the amounts and on the dates as follows:

(a) On or before the last business day before each Interest Payment Date with respect to the Note, the sum which will equal the interest to be paid on the Note on such Interest Payment Date; and

(b) On or before the last business day before each Principal Payment Date, the sum which will equal the sum of (i) the principal of the Note which will become due and payable on such Principal Payment Date and (ii) any accrued interest which will become due and payable on such Principal Payment Date.

In addition to the obligation of the Company under Article X hereof to prepay the entire unpaid balance payable under this Section 4.01, the Company shall have the options to prepay at any time the entire unpaid principal balance payable under this Section 4.01 and to make from time to time prepayments in part of any installment due or in part and to accrue. The Lender shall apply such prepayments in such manner consistent with the provisions of the Indenture as may be directed by an Authorized Company Representative. If prepayment of amounts payable under this Section 4.01 is made, the Company shall give the Issuer and the Lender written notice of the date and amount of such prepayment.

The Company agrees to pay to the Issuer and the Lender and the Depositary on demand the amount of Administration Expenses, not theretofore provided for, which have then accrued and become payable.

In the event the Company should fail to make any of the payments required in this Section, the item or installment so in default shall continue as an obligation of the Company until the

amount in default shall have been fully paid, and the Company agrees to pay the same with interest thereon (to the extent permitted by law) at the rate per annum which is equal to the rate per annum borne by the Note, until paid.

SECTION 4.02. Assignment and Pledge by Issuer to Lender. It is understood and agreed that this Agreement and all revenues and receipts derived by the Issuer pursuant to this Agreement (except payment of Administration Expenses 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 under the Indenture, including the investment income thereon, are to be pledged and assigned by the Issuer to the Lender pursuant to the Indenture. The Company assents to such pledge and assignment and agrees that its obligation to make payments required hereunder to the Lender shall be absolute and unconditional and shall not be subject to any defense (other than payment) or any right of set-off, counterclaim or recoupment arising out of any breach by the Issuer of any obligation to the Company, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to the Company by the Issuer. The Issuer directs the Company, and the Company agrees, to pay the Lender, as Holder of the Note, at the address of the Lender as it last appears on the Note Register, all payments payable by the Company to the Issuer pursuant to this Agreement (except payment of Administration Expenses pursuant to Section 4.01 of this Agreement and indemnification payments pursuant to Section 7.04 of this Agreement).

ARTICLE V

MAINTENANCE, TAXES AND INSURANCE

SECTION 5.01. Maintenance and Modification of Project by Company. The Company will maintain, preserve and keep the Project, or cause the Project to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof in good repair, working order and condition and will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals; provided, however that the Company will have no obligation to maintain, repair, replace or renew any element or unit of the Project the maintenance, repair, replacement or renewal of which becomes uneconomic to the Company because of damage or destruction by a cause not within the control of the Company or obsolescence or change in economic or business conditions, or change in government standards and regulations applicable to the Project, or if the Company prepay all amounts due under the provisions of Section 4.01 or 10.01 hereof.

Subsequent to the Completion Date, the Company shall, subject to the provisions of Section 6.03 hereof, have the privilege of remodeling the Project or making substitutions, modifications and improvements to the Project from time to time as it, in its sole discretion, may deem to be desirable for its uses and purposes, the cost of which remodeling, substitution, modifications and improvements shall be paid by the Company, and the same shall be the property of the Company and shall be included under the terms of this Agreement as part of the Project, except as provided in Section 8.03 hereof.

The Company covenants that so long as the Note is outstanding the Project will be maintained and operated as a "project" within the meaning of the Act. The Company will also pay or cause to be paid, in addition to all other payments required under this Agreement, the expenses of operation of the Project.

SECTION 5.02. Taxes, Other Governmental Charges and Utility Charges. The Company will: (a) pay, or make provision for payment of, all lawful taxes and assessments, including income, profits, property or excise taxes, if any, or other municipal or governmental charges levied or assessed by any Federal, state or any municipal government upon the Issuer or the Company with respect to or upon the Project or any part thereof or upon any payments hereunder or with respect to or upon any funds held under the Indenture when the same shall become due; (b) duly observe and comply with all valid requirements of any governmental authority relative to the Project; (c) not create or suffer to be created any lien or charge upon the payments to be made by the Company pursuant to Section 4.01 of this Agreement

All proceeds of insurance against property damage to the Project shall be made payable to the Company or the Lender as their interest may appear and, subject to the provisions of Section 6.06 hereof and Section 4.05 of the Indenture, the Company shall collect and apply such proceeds. All claims under any insurance policy referred to in this Agreement may be settled by the Company without the consent of the Issuer or the Lender.

ARTICLE VI

PROVISIONS RELATING TO MORTGAGE AND SECURITY AGREEMENT

SECTION 6.01. Warranty; Identification of Project.

(a) The Company warrants to the Issuer and the Lender that the Company has good and marketable fee simple title to the land described in Exhibit A hereto and had, or will have upon requisition of payment therefor from the Construction Fund, good and marketable fee simple title to the entire Project subject only to Permitted Encumbrances. This Agreement constitutes a first mortgage lien upon and security interest in the Project subject only to Permitted Encumbrances. The Company will not create, permit to be created or suffer to exist any encumbrance upon the Project or any portion thereof, other than Permitted Encumbrances, and will promptly discharge any encumbrance other than Permitted Encumbrances which may be found to exist. The Company covenants that it will defend its title to the Project and any portion thereof and defend the mortgage and security interest created by this Agreement against all claims or demands of any person whomsoever claiming or to claim the same.

(b) The Company agrees to maintain such records with respect to the Project as will permit the ready identification thereof. The Company shall furnish the Lender with such information with respect to the Project promptly upon request by the Lender and shall supply the Lender with a copy of the records maintained by it hereunder upon request.

SECTION 6.02. Title Insurance. The Company agrees to obtain title insurance for the benefit of the Issuer and its assigns, including the Lender, in the amount of \$ 500,000 covering all that portion of the Project which would pass without enumeration thereof with title to the land included therein. Said title insurance shall insure the priority of the mortgage and security interest created by this Agreement subject only to Permitted Encumbrances and any requirement with respect to refiling of financing statements under the Uniform Commercial Code. The proceeds of such title insurance shall be used to prepay amounts due hereunder or to remedy the defect in title giving rise thereto.

SECTION 6.03. Removal of Equipment. The parties hereto understand that certain machinery, equipment and related property described in Item B of the granting clauses hereof as part of the Mortgaged Property (referred to in this Section 6.03 as the "Equipment") shall be installed in the Project. If no Default under this Agreement shall have happened and be continuing, in any instance where the Company in its discretion determines that any item of Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Company may remove

such item of Equipment from the Project and sell, trade-in, exchange or otherwise dispose of it (as a whole or in part) without consent of either the Issuer or the Lender therefor if the value of such Equipment (as measured by its original cost to the Company) is equal to or less than \$10,000. In all other cases the Company shall not sell, trade-in, exchange or otherwise dispose of any item of Equipment except for a fair consideration, and the Company shall either:

(a) Substitute and install in the Project other machinery, equipment or related property having equal or greater utility (but not necessarily having the same function) in the operation of the Project for the purpose for which it is intended, all of which substituted machinery, equipment or related property shall be free of all liens and encumbrances (other than Permitted Encumbrances) and shall become a part of the Project; or

(b) Not make any such substitution and installation provided (i) that in the case of the sale of any such Equipment to anyone other than a related person or in the case of the scrapping thereof, the Company shall pay to the Lender as prepayment of the Note, the proceeds from such sale or the scrap value thereof, as the case may be, (ii) that in the case of the trade-in of such Equipment for other machinery, equipment or related property not to be installed in the Project, the Company shall pay to the Lender as prepayment of the Note the amount of the credit received by it in such trade-in, or (iii) that in the case of the sale of any such Equipment to a related person or in the case of any other disposition thereof, the Company shall pay to the Lender, as prepayment of the Note, an amount equal to the original cost thereof less depreciation at rates calculated in accordance with generally accepted accounting practice.

In the event any removal of machinery, equipment or related property under this Section causes damage to existing buildings or structures included in the Project, the Company shall restore the same or repair such damage at its sole expense.

The removal from the Project of any portion of the Equipment pursuant to this Section shall not entitle the Company to any abatement or diminution of the amounts payable under Section 4.01 hereof except to the extent of any payments made hereunder.

(c) The Company shall report annually on April 1 of each year to the Lender each such removal, substitution, sale and other disposition required to be reported and shall pay to the Lender upon filing such report such amounts as are required by the preceding provisions of this Section to be paid to the Lender in consequence of the sale, trade-in or other disposition requiring such payment; provided, that no such report and payment need be made in any year of this Agreement (April 1 through the

following March 31) unless the amount to be so paid on account of all such sales, trade-ins or other dispositions aggregates at least \$10,000.

The Issuer agrees to execute and deliver such documents (if any) as the Company may properly request in connection with any action taken by the Company in conformity with this Section. The Company will pay any costs (including reasonable counsel fees) incurred in subjecting to the lien of this Agreement any items of machinery, equipment or related property that under the provisions of this Section are to become part of the Project. The Company shall not remove, or permit the removal of, any of the Equipment from the Project except in accordance with the provisions of this Section.

SECTION 6.04. Release of Unimproved Land. So long as no Default exists hereunder, the Company shall have, and is hereby granted, the option to remove any unimproved part of the land included in the Project, at any time and from time to time upon payment to the Lender for the account of the Issuer of a release price equal to the cost thereof (\$ 14.32 per acre for the land and the original cost of any transportation, parking or utility facilities located thereon) provided that it furnishes the Issuer and the Lender with the following:

(a) A notice in writing containing (i) an adequate legal description of that portion of the land with respect to which such option is to be exercised and (ii) a statement that the Company intends to exercise its option to release such land on a date stated, which shall not be less than 45 nor more than 90 days from the date of such notice;

(b) A certificate of an Authorized Company Representative, dated not more than 90 days prior to the date of the release and stating that, in the opinion of the person signing such certification: (i) the portion of the land with respect to which the option is exercised is not needed for the operation of the Project for the purpose hereinbefore stated; (ii) the release will not impair the usefulness of the Project as a manufacturing facility and will not destroy the means of ingress thereto and egress therefrom; and (iii) no Default exists hereunder; and

(c) An amount of money as prepayment of the Note equal to the release price paid therefor, computed as provided in this Section.

The Issuer agrees that upon receipt of the notice and certificate and any money required in this Section to be furnished to it by the Company, the Issuer and the Lender will promptly apply such money for the prepayment of the Note and

release from the mortgage and security interest hereof such portion of the land with respect to which the Company shall have exercised the option granted to it in this Section.

In the event the Company shall exercise the option granted to it under this Section, the Company shall not be entitled to any abatement or diminution of the amounts payable under Section 4.01 hereof and if such option relates to land on which transportation, parking or utility facilities are located, the Issuer shall retain for the life of this Agreement and so long as it and its successors or assigns shall have any interest in the Project as a consequence hereof an easement to use such transportation or utility facilities to the extent necessary for the efficient operation of the Project.

SECTION 6.05. Release of Land, Easements. The Issuer agrees that so long as the Company is not in default hereof, the Company may convey fee title, grant easements, rights of way, licenses, execute party wall agreements or terminate any of the foregoing or enter into such other similar agreements for the purposes of providing railroad service, utility services, roadway or roadway access whether for the Project or other land or for such other similar purposes as may be deemed necessary or desirable by the Company upon receipt by the Issuer and the Lender of the following:

(a) a legal description of the real property proposed to be conveyed or affected by such grant, license or agreement;

(b) the instrument in the form necessary for such purpose;

(c) a certificate of the president or chief financial officer of the Company stating that the Company is not in default under this Agreement;

(d) a certificate from an Authorized Company Representative stating that (i) the conveyance, grant, license or agreement will not impair the character or significance of the Project for the purpose for which it was last designed or modified and is not detrimental to the proper conduct of the business of the Company at the Project, and (ii) such conveyance, grant, license or agreement will not destroy the means of ingress to the Project or egress therefrom;

(e) an Opinion of Counsel that the proposed conveyance, grant, or agreement is not in violation of the terms hereof or of the Indenture; and

(f) the consideration, if any, paid to the Company in return for such conveyance, grant or easement.

Upon receipt of the foregoing, the Issuer or the Lender shall promptly execute and deliver any release required to effect such conveyance, grant or agreement and shall apply the consideration, if any, paid therefor in prepayment of the Note.

No release effected under the provisions of this Section of this Agreement shall entitle the Company to any abatement or diminution of the amounts payable under Section 4.01 hereof.

SECTION 6.06. Damage and Destruction. Immediately after the occurrence of any damage or loss to the Project in excess of \$25,000, the Company shall notify the Issuer and the Lender as to the nature and extent of such damage or loss. If the Company shall determine that rebuilding, repairing or restoring is practicable and desirable, the Company shall forthwith proceed with such rebuilding, repairing or restoring and shall notify the Issuer and the Lender upon the completion thereof. In such case, any property damage insurance proceeds received in respect of such damage or loss shall be used by the Company for payment of, or reimbursement for, the costs of such rebuilding, repairing or restoring. In the event any insurance proceeds are not sufficient to pay in full the costs of such rebuilding, repair or restoration, the Company will nonetheless complete the work thereof and will pay that portion of the costs thereof in excess of the amount of said proceeds.

The Company shall not, by reason of the payment of such excess costs, be entitled to any reimbursement from the Issuer, the Lender or the Holder or to any abatement or diminution of the amounts payable under Section 4.01 hereof.

SECTION 6.07. Condemnation. In the event that title to or the temporary use of the Project, or any part thereof, shall be taken in condemnation or by the exercise of the power or eminent domain by any Person, there shall be no abatement or reduction in the payments required under Section 4.01 hereof to be made by the Company. Immediately after the occurrence of any such taking of the Project, the Company shall notify the Issuer and the Lender as to the nature and extent of such taking and, as soon as practicable thereafter, notify the Issuer and the Lender whether it is practicable and desirable to restore the Project. If the Company shall determine restoration is practicable and desirable, the Company shall forthwith proceed with such restoration and shall notify the Issuer and the Lender upon the completion thereof. The proceeds of any such taking shall be paid to the Lender as prepayment of the Note.

SECTION 6.08. Property Not in Project. The Company shall be solely entitled to receive and hold any insurance proceeds and each condemnation award or portion thereof or proceeds thereof, made, given or received for damages to or takings of property which does not constitute a part of the Project.

ARTICLE VII
SPECIAL COVENANTS

SECTION 7.01. No Warranty of Design, Condition or Suitability by Issuer. The Issuer makes no warranty, either express or implied, as to the design, capabilities or condition of the Project or that it will be suitable for the Company's purposes or needs.

SECTION 7.02. Maintenance of Corporate Existence. The Company agrees that as long as the Note is outstanding it will maintain its corporate existence and it will not, without the prior written consent of the Holder of the Note, which consent shall not be unreasonably withheld, dissolve or otherwise dispose of all or substantially all of its assets or consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it.

If consolidation, merger or sale or other transfer is made as permitted by this Section, the provisions of this Section shall continue in full force and effect and no further consolidation, merger or sale or other transfer shall be made except in compliance with the provisions of this Section.

SECTION 7.03. Covenants with Respect to Tax Exemption. The Company represents, warrants and covenants to the Issuer, for the benefit of any Person who shall at any time be or become a Holder of the Note, 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 of interest on the Note. The Company covenants that it will comply with all requirements of the Act and the IRC with respect to the use of the proceeds of the Note.

SECTION 7.04. Indemnification. The Company releases the Issuer and the Lender, including the members of the governing body of the Issuer, and the employees, officers and agents of the Issuer and the Lender (herein collectively referred to as the "Indemnified Parties") from, agrees that Indemnified Parties shall not be liable for and agrees to hold Indemnified Parties harmless against, any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project or the use thereof except for that occasioned by acts of an Indemnified Party which are unrelated to the utilization of the Project and except for any wanton or willful misconduct of an Indemnified Party; provided, that the indemnity in this sentence shall be effective only to the extent of any loss that may be sustained by an Indemnified Party in excess of the net proceeds, if any, received by an Indemnified Party from any insurance carried by the Company with respect to the loss sustained. The Company further agrees to

indemnify and save harmless Indemnified Parties against and from any and all costs, liabilities, expenses and claims arising from any breach or default on the part of the Company in the performance of any covenant or agreement on the part of the Company to be performed pursuant to the terms of this Agreement or arising from any act or negligence of or failure to act by the Company, or any of its agents, contractors, servants, employees or licensees, or arising from any accident, injury or damage whatsoever caused to any Person occurring during the term of this Agreement, in or about the Project, and from and against all cost, liability and expenses incurred in or in connection with any such claim or action or proceeding brought thereon; and in case any action or proceeding be brought against an Indemnified Party by reason of any such claim, the Company upon notice from such Indemnified Party covenants to resist or defend such action or proceedings at the Company's expense.

SECTION 7.05. Corporate Information. Within 120 days after the close of its fiscal year, the Company shall furnish to the Issuer and the Lender a copy of its annual statement, in form satisfactory to the Lender, together with a certificate from an independent certified public accountant acceptable to the lender stating that the financial statements contained in such report have been examined by them in accordance with generally accepted auditing standards and that such statements present fairly the position of the Company in conformity with generally accepted accounting principles applied on a consistent basis. Within 45 days after each calendar quarter, the Company shall furnish to the Issuer and the Lender a quarterly financial statement, and the Company shall also furnish such other information with respect to it or the Project as may reasonably be requested by the Issuer or the Lender. The certified public accountant's certificate in the case of each annual report and, in the case of quarterly financial reports, a certificate from an officer of the Company must state whether or not any terms of the Agreement have been violated, and if so, the facts underlying each violation.

SECTION 7.06. Applications and Licenses. In the event it may be necessary for the proper performance of this Agreement on the part of the Issuer or the Company that any application or applications for any permit or license to do or to perform certain things be made to any governmental or other agency by the Company or the Issuer, the Company and the Issuer each agree to execute upon the request of the other such application or applications.

SECTION 7.07. Recording, Filing and Registration. The Company covenants with the Issuer, for the benefit of the Lender and all who shall at any time be Holders of the Note, that the Company will take all action required to effect the recording, filing and registering required under the provisions of Section 4.08 of the Indenture.

SECTION 7.08. Inspection of Project. The Company agrees that the Issuer, the Lender and their authorized agents shall have the right at all reasonable times to enter upon and examine and inspect the Project to determine whether the Project continues to constitute a Project under the Act. The Issuer, the Lender and their authorized agents shall also be permitted, at all reasonable times, to examine the Plans and Specifications and the other books and records of the Company with respect to the Project. The aforesaid rights of examination and inspection shall be exercised only upon such reasonable and necessary terms and conditions as the Company shall prescribe which conditions shall be deemed to include, but not be limited to, those necessary to protect the Company's trade secrets and proprietary rights.

SECTION 7.09. Qualification in State. The Company warrants that it is duly qualified to do business in the State and covenants that it will continue to be so qualified so long as it operates the Project. The Company agrees that it will always be subject to service of process in the State, and during such time as there is no agent for service of process listed in the office of the Secretary of State, the Company hereby designates and appoints the Secretary of State of the State as its agent for service of process in the State. The aforesaid agents shall serve as the respective agents of the Company upon whom may be served all process, pleadings, notices or other papers which may be served upon the Company as a result of any of its obligations under this Agreement.

SECTION 7.10. No Liability of Issuer's Personnel. All covenants, stipulations, promises, agreements and obligations of the Issuer contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member of the governing body of the Issuer or any officer, agent, servant or employee of the Issuer in his individual capacity, and no recourse shall be had for the payment of any moneys hereunder or the performance of any of the covenants and agreements of the Issuer herein contained or for any claims based thereon against any member of the governing body of the Issuer or any officer, agent, servant or employee of the Issuer.

ARTICLE VIII

ASSIGNMENT, LEASE AND SALE

SECTION 8.01. Assignment, Lease and Sale of Project. As long as the Note is outstanding, the Company will not, without the prior written consent of the Holder of the Note, which consent shall not be unreasonably withheld, sell, lease or otherwise dispose of or encumber its interest in the Project except for Permitted Encumbrances and as provided in Sections 5.01, 6.03, 6.04, 6.05, 6.08 and 7.02 hereof and except that the Company may, without obtaining the consent of the Issuer or the Holder of the Note:

(a) sell or otherwise dispose of its property in the ordinary course of business;

(b) grant, suffer or permit any lien or security interest securing indebtedness owed to the Lender;

(c) pledge or make contributions or deposits in connection with or to secure workmen's compensation, unemployment insurance, pensions or other employee benefits accruing under provisions of law or under agreements now in force and disclosed to the Lender; and

(d) permit or suffer tax liens for taxes not due or which are being contested in good faith and against which, if requested by the Holder of the Note, the Company will establish reserves satisfactory to the Holder.

SECTION 8.02. Limitations on Issuer. Except as provided in Section 4.02 hereof, the Issuer will not sell, assign, transfer, convey or otherwise dispose of its interest in this Agreement or the receipts and revenues derived by the Issuer from the Company pursuant to this Agreement.

SECTION 8.03. Other Property of Company. The Company may from time to time, in its sole discretion and at its own expense, install additional machinery, equipment and other items of personal property on the Project. All machinery, equipment and personal property so installed by the Company shall remain the sole property of the Company in which neither the Issuer nor the Lender shall have any interest, and may be modified or removed by the Company at any time. In the event any removal of machinery, equipment or related property of the Company causes damage to the existing buildings or structures included in the Project, the Company shall restore the same or repair such damage at its sole expense.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

SECTION 9.01. Events of Default Defined. An "Event of Default" or a "Default" shall mean, whenever such terms are used in this Agreement, any one or more of the following events:

(a) Failure by the Company to pay or cause to be paid when due any payment required to be made under Section 4.01 hereof with respect to principal or interest on the Note;

(b) Failure by the Company to pay when due any other payment required to be made under this Agreement, 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 Issuer or the Lender by certified mail;

(c) Failure by the Company to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsections (a) and (b) of this Section 9.01, which failure shall continue for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, is given to the Company by the Issuer or the Lender by certified mail, unless the Issuer and the Lender shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Issuer and the Lender will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Company within the applicable period and diligently pursued until the default is corrected;

(d) The dissolution or liquidation of the Company; provided that, the terms "dissolution" or "liquidation" as used in this Section 9.01 shall not be construed to include the cessation of the corporate existence of the Company resulting either from a merger or consolidation of the Company into or with another corporation or dissolution or liquidation of the Company following a transfer of all or substantially all of its assets as an entirety under the conditions permitting such actions with respect to the Company contained in Section 7.02 hereof;

(e) The commencement by the Company of any case, proceeding or other action relating to it in bankruptcy or seeking reorganization, liquidation, dissolution, winding-up, arrangement, composition or readjustment of its 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 for a receiver, custodian or trustee of it for all or a substantial part of its property; or the making by the Company of an assignment for the benefit of creditors; or the inability by the Company, or the admission in writing of its inability, to pay its debts as they become due; or the taking of any action by the Company indicating its consent to, approval of or acquiescence in, or in the furtherance of, any of the foregoing; or

(f) The commencement against the Company of any case, proceeding or other action in bankruptcy or seeking reorganization, liquidation, dissolution, winding-up, arrangement, composition or readjustment of its debts, or 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 appointment of a receiver, custodian or trustee of the Company or for all or a substantial part of its property or the issuance of a warrant of attachment, execution or restraint, or similar process against any substantial part of the property of the Company; and which in each such case such condition shall continue for a period of 60 days undismissed, undischarged or unbonded.

The provisions of subsection (c) of this Section 9.01 are subject to the following limitations: If by reason of acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the Government of the United States or of the State or any department, agency, political subdivision or official of either of them or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; blizzards, or other storms; breakage or accident to machinery; partial or entire failure of utilities; or any cause or event not reasonably within the control of the Company, the Company is unable in whole or in part to carry out its agreements herein contained, other than the obligations on the part of the Company contained in Section 4.01 hereof, the Company shall not be deemed in default during the continuance of such inability. The Company agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Company, and the Company shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Company unfavorable to the Company. The occurrence of any of

the events described in paragraphs (a), (b), (d), (e) and (f) of this Section 9.01 shall constitute an Event of Default regardless of the reason for such failure to perform.

SECTION 9.02. Remedies. Whenever any Event of Default referred to in Section 9.01 hereof shall have happened and be subsisting, any one or more of the following remedial steps may be taken; provided, however, that no remedial steps shall be taken by the Issuer or the Lender hereunder the effect of which would be to entitle the Issuer to funds necessary for the payment of principal and interest on the unpaid balance of the Note unless at the time of such remedial action there shall be in effect a declaration under the Indenture that such principal and interest is due and payable:

(a) The Issuer or the Lender, as provided in the Indenture, may, at its option, declare all unpaid amounts payable under Section 4.01 hereof to be immediately due and payable; and

(b) The Issuer or 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 under this Agreement.

Any amounts collected pursuant to action taken under this Section shall be applied in accordance with the provisions of the Indenture or, if the Note has been fully paid (or provision for payment thereof has been made in accordance with the Indenture), to the Company.

SECTION 9.03. Mandatory Waiver of Default. Notwithstanding the provisions of Section 9.10 hereof limiting the authority of the Issuer to waive a Default hereunder, if, after the maturity of the Note shall have been accelerated by the Lender upon occurrence of an event of default under the Indenture, (i) the principal on the Note which has become due and payable otherwise than by acceleration, all arrears of interest on the Note, interest on overdue installments of principal and (to the extent permitted by law) interest and all other sums payable under the Indenture, except the principal and interest on the Note which by such acceleration shall have become due and payable, shall have been paid, (ii) all other things shall have been performed in respect of which there was a Default, (iii) there shall have been paid the reasonable fees and expenses, including Administration Expenses, of the Lender including reasonable attorneys' fees paid or incurred, and (iv) such event of default under the Indenture shall have been waived by the Lender with the consequence that such acceleration is rescinded, then the Company's Default hereunder shall be waived without further action by the Lender or the Issuer.

Section 9.04. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer 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 Issuer or the Lender to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice other than such other notice as may be herein expressly required.

SECTION 9.05. Attorneys' Fees and Expenses. In the event under any of the provisions of this Agreement the Issuer or the Lender should employ attorneys or incur other expenses for the collection of amounts due hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Company herein contained, the Company agrees that it will on demand therefor pay to the Issuer or the Lender the reasonable fees of such attorneys and such other expenses so incurred and that such obligation shall be secured hereby just as any other sum due and payable hereunder.

SECTION 9.06. Surrender of Possession of Project. Upon the occurrence of an Event of Default and while such Event of Default shall be continuing, but only if and to the extent then permitted by applicable law, the Company, upon demand of the Issuer or Lender, shall forthwith surrender to the Lender possession of the Project, together with the books and records of the Company pertaining thereto and its rights to hold, operate and manage the same. If and to the extent then permitted by applicable law, the Issuer or the Lender, personally or by their agents or attorneys, may enter into and take possession of the Project and forthwith operate and manage the same and exercise all rights, powers and franchises of the Company in respect thereto, including the making of all needful repairs and improvements to the Project as the Issuer or the Lender may deem wise and lease the Project or any portion thereof in the name and for the account of the Company. The Issuer or the Lender may collect and receive the rents and revenues from the Project, pay all proper costs and expenses of taking, holding and managing the same (including reasonable compensation to the Issuer or the Lender, their agents and counsel, any charges of the Issuer or the Lender under this Agreement, any taxes and assessments and other charges prior to the lien of this Agreement which the Issuer or the Lender may deem it wise to pay and all expenses of such repairs and improvements) and apply the remainder of the moneys so received in accordance with the provisions of Section 6.06 of the

Indenture. Whenever such Event of Default shall have been corrected the Issuer or the Lender shall surrender possession of the Project to the Company, its successors and assigns.

SECTION 9.07. Additional Powers of Issuer or Lender. Upon the occurrence and during the continuation of an Event of Default, the Issuer or the Lender may exercise any of the rights and powers hereinafter set forth in this Section (in addition to the powers granted in Section 9.02 of this Agreement):

(a) The Issuer or the Lender may exercise any of the rights of a secured party under the Uniform Commercial Code of the State, as then in effect, with respect to such part of the Mortgaged Property as is covered by such Code.

(b) The Issuer or the Lender, as a matter of right, without further notice and without giving bond to the Company or anyone claiming under it, may have appointed, and shall be entitled to the appointment of, a receiver in equity with power to charge and collect rents and to apply the revenues from the Project in accordance with the provisions of this Agreement and such other powers as the court making the appointment may confer.

(c) The Issuer or the Lender, with or without entry, may foreclose the lien on the Project created and vested by this Agreement and sell the Project, either by proceedings in equity or at public auction at such place or places as may be required by law, having first given notice of such sale by publication or otherwise as may be required by law, and upon such sale may make and deliver to the purchaser a good and sufficient deed or deeds or bill or bills of sale or assignment or assignments for the same. The Issuer or the Lender may become the purchaser at any foreclosure sale if the highest bidder. The Company, for it and for all who may claim through or under it, if and to the extent permitted by law, hereby expressly waives and releases all rights to have the Mortgaged Property marshalled upon any foreclosure sale, and the Issuer or the Lender or any court in which the foreclosure of this Agreement is sought shall have the right to sell the Mortgaged Property as an entirety and in a single parcel or several parcels or lots in the discretion of the Issuer or the Lender. The Company covenants that, if and to the extent permitted by law, it will not at any time insist upon or plead, claim or take any benefit or advantage of any stay or extension law or any laws providing for the valuation or appraisal of the Mortgaged Property prior to any sale or sales thereof nor after any such sale or sales claim or exercise any right to redeem the property so sold, and the Company, to the extent permitted by law, hereby expressly waives for itself and on behalf of each and every person claiming by, through or under the Company all benefit and advantage of any such law or laws.

(d) The Issuer or the Lender may proceed to protect and enforce its rights under this Agreement by a suit or suits in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid of the execution of any power herein granted, or for the foreclosure of this Agreement, or for the enforcement of any other appropriate legal or equitable remedy, as the Issuer or the Lender may deem most effective to protect and enforce any of the rights or interests under the Note, the Indenture or this Agreement.

SECTION 9.08. Remedies Under Agreement Vested in Lender; Appointment of Lender as Agent of Issuer. If and to the extent permitted by law, in order to have the claims of the Issuer against the Company allowed in any equity receivership, insolvency, liquidation, bankruptcy or other proceedings to which the Company shall be a party, the Lender is hereby appointed the true and lawful attorney-in-fact of the Issuer, with authority to make or file, in the name of the Issuer, any proof of debt, amendment to proof of debt, petition or other document; to receive payment of all sums becoming distributable on account thereof; to execute any other papers or documents; and to do and perform any and all acts and things for and on behalf of the Issuer as may be necessary or advisable in the opinion of the Lender. The Lender shall have full power of substitution and delegation in respect of any such powers.

SECTION 9.09. Waiver of Event of Default. As assignee hereof, the Lender may in its discretion waive any Event of Default and its consequences hereunder.

SECTION 9.10. Nonwaiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. In view of the assignment of the rights of the Issuer under and its interest in this Agreement to the Lender by the provisions of the Indenture, the Issuer shall have no power to waive any default hereunder by the Company without the consent of the Lender to such waiver.

ARTICLE X

MANDATORY PREPAYMENT

SECTION 10.01. Mandatory Prepayment. If there shall be a Determination of Taxability, all amounts payable under Section 4.01 hereof with respect to the outstanding balance of the Note shall be accelerated to and such amounts shall be due and payable on the date specified in Section 2.02(b) of the Indenture.

In such case, the prepayment price shall be a sum sufficient (i) to prepay the Note, (ii) to pay the interest which will become due on the Note to the date fixed for prepayment pursuant to Section 2.02(b) of the Indenture, and (iii) to pay all Administration Expenses relating to the Note accrued and to accrue through the date fixed for the prepayment thereof.

ARTICLE XI
MISCELLANEOUS

SECTION 11.01. Termination. This Agreement shall terminate upon (i) payment in full of the Note (including interest thereon); (ii) payment in full or satisfaction of all other obligations incurred by the Issuer or the Company under this Agreement, including (without limitation) interest, premiums and other charges, if any, thereon; and (iii) the payment of all Administration Expenses due and to become due.

SECTION 11.02. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by first class mail (except as otherwise specified herein), postage prepaid, addressed as follows:

- (a) if to the Issuer,

Richland County Council
Richland County Judicial Center
Columbia, South Carolina 29201
Attention: Chairman;

- (b) if to the Company,

Ram Automotive Company, Inc.

Attention: President;

- (c) if to the Lender,

The Citizens and Southern National
Bank of South Carolina
Post Office Box 727
Columbia, South Carolina 29222
Attention: President; and

- (d) if to the Depositary,

The Citizens and Southern National
Bank of South Carolina
Post Office Box 727
Columbia, South Carolina 29222
Attention: Trust Department.

A duplicate copy of each notice, certificate or other communication given hereunder by either the Issuer or the Company to the other shall also be given to the Lender and to the Depositary. A duplicate copy of each notice or other communication given to the Company hereunder shall also be given

to the Guarantor at 4525 Cleveland Avenue, N.W., Canton, Ohio 44709 to the Attention of John A. Norcia. The Issuer, the Company, the Lender, the Depositary and the Guarantor may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 11.03. Successors and Assigns. This Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Company and their respective successors and assigns, subject, however, to the limitations contained in Sections 7.02, 8.01 and 8.02 hereof.

SECTION 11.04. Severability. If any clause, provision or section of this Agreement be held illegal or invalid by any court for any reason, the remaining clauses, provisions or sections shall be unimpaired and such illegal or invalid provisions shall be construed and applied so as to most closely legitimately effectuate its intent. In case any agreement or obligation contained in this Agreement be held by any court to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Issuer or the Company, as the case may be, to the full extent permitted by law.

SECTION 11.05. Amendments. No amendment, change, modification, alteration or termination of this Agreement shall be made other than pursuant to a written instrument signed by the Issuer and the Company and consented to in writing by the Lender.

SECTION 11.06. Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 11.07. Limited Obligation of Issuer. Anything herein to the contrary notwithstanding: (a) any obligation the Issuer may incur hereunder including for the payment of money, shall not be deemed to constitute a debt or general obligation of the Issuer but shall be payable solely and exclusively from the proceeds of the Note available therefor and other available moneys derived by the Issuer pursuant to this Agreement and (b) the liability of the Issuer for any breach of any of the representations or warranties by it or any covenant or agreement set forth herein shall be limited solely and exclusively to the proceeds of the Note available therefor and other available moneys derived by the Issuer pursuant to this Agreement.

SECTION 11.08. State Law to Govern. The laws of the State shall govern the construction of this Agreement.

SECTION 11.09. Rights of Lender. The agreements or obligations made herein by the Company to or for the benefit of the Lender are intended by the Company to be specifically

enforceable by the Lender and the Company acknowledges that the acquisition of the Note by the Lender is consideration for any such agreements or obligations.

IN WITNESS WHEREOF, Richland County, South Carolina, has executed this Loan Agreement by causing its name to be hereunto subscribed by the Chairman of the County Council and the official seal of said County Council to be impressed hereon and attested by the Clerk of its County Council and Ram Automotive Company, Inc. has executed this Loan Agreement by causing its corporate name to be hereunto subscribed by its President and its corporate seal to be impressed hereon and attested by its Secretary or an Assistant Secretary all as of the date first above written.

RICHLAND COUNTY, SOUTH CAROLINA

By _____
Chairman, County Council of
Richland County, South Carolina

SEAL

ATTEST:

In the Presence of:

Clerk of County Council of
Richland County, South Carolina

RAM AUTOMOTIVE COMPANY, INC.

By _____
John A. Norcia, President

SEAL

ATTEST:

In the Presence of:

Secretary

STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF RICHLAND)

PERSONALLY appeared before me _____ who
on oath says that __he saw the within Richland County by _____
_____, the Chairman of the County Council of Richland
County and Brenda R. Fuller, the Clerk of the County Council of
Richland County, sign the within Loan Agreement and the said
County, by said officers, seal by its act and deed and deliver
the within Loan Agreement and that __he with _____
witnessed the execution thereof.

SWORN to before me this
_____ day of December, 1982.

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

STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF RICHLAND)

PERSONALLY appeared before me _____ who
on oath says that __he saw the within Ram Automotive Company,
Inc. by John A. Norcia, the President of Ram Automotive Company,
Inc. and _____, the Secretary of Ram Automotive
Company, Inc. sign the within Loan Agreement and the said
Company, by said officers, seal by its act and deed and deliver
the within Loan Agreement and that __he with _____
witnessed the execution thereof.

SWORN to before me this
_____ day of December, 1982.

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

STATE BUDGET AND CONTROL BOARD

EXHIBIT

BLUE AGENDA

MEETING OF January 25, 1983 JAN 25 1983

NO. 5

ITEM NUMBER

4

Agency: Horry County

STATE BUDGET & CONTROL BOARD

Subject: Industrial Revenue Bonds - Change in Financing
(Peterson Outdoor Advertising Corporation of SC Project)

The Horry County proposal to issue not exceeding \$1,000,000 Industrial Revenue Bonds on behalf of the Peterson Outdoor Advertising Corporation of South Carolina was approved by the Budget and Control Board on November 19, 1982. Since that time, the Peterson Outdoor Advertising Corporation has asked that the South Carolina National Bank be substituted for Bankers Trust of South Carolina as the lender.

The required reviews by the Attorney General's Office and the State Auditor's Office were incomplete as these agenda materials were being prepared. Staff will advise the Board on the results of these reviews at the meeting.

Board Action Requested:

If review results are satisfactory, adopt an amendment to the resolution approving the referenced change in lender from Bankers Trust to South Carolina National Bank.

Staff Comment:

015622

Attachments:

McQuillan 1/18/83 letter to McInnis plus amendment to resolution

FEB 15 1983

The State of South Carolina



Office of the Attorney General

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE 803-759-8820

February 10, 1983

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

In re: Not Exceeding \$1,000,000 Richland County,
South Carolina, Industrial Revenue Bond,
(Peterson Outdoor Advertising Corp.) -
Amendment

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 "Will Eckstrom".

David C. Eckstrom
Assistant Attorney General

DCE/cs

Enclosures

015623

William A Roberts
Vice President

PO Box 897
Myrtle Beach SC 29577
Tel 803 448 4411

JP to
1-24-83

January 20, 1983

South Carolina
National Bank

EXHIBIT

South Carolina Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

JAN 25 1983 NO. 5

STATE BUDGET & CONTROL BOARD

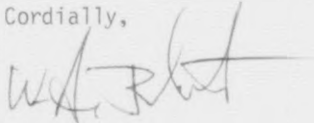
Re: Horry County, South Carolina Industrial
development Revenue Note (Peterson Outdoor
Advertising Corporation of South Carolina
Project) 1983

Gentlemen:

In connection with the above-referenced project, The South Carolina National Bank (SCN) is pleased to announce that it has committed to purchase a not exceeding \$1,000,000 Horry County, South Carolina Industrial Development Revenue Note (Peterson Outdoor Advertising Corporation of South Carolina Project). In making this commitment, we have received from Peterson Outdoor Advertising Corporation of South Carolina satisfactory financial information to make such a commitment. We have made this commitment with the intention of purchasing this note for our own loan investment portfolio, and at this time have no plans for redistributing the note, provided, however, that this shall not be deemed to prevent SCN from selling a participation in this loan to other financial institutions at the convenience of SCN.

If you need any additional information in connection with this project, please do not hesitate to contact me.

Cordially,



W. A. Roberts

WAR:ra

cc: April C. Lucas, Esq.

015624

EXHIBIT

JAN 25 1983 NO. 5

AMENDMENT TO RESOLUTION STATE BUDGET & CONTROL BOARD

A RESOLUTION TO AMEND THE RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY HORRY COUNTY, SOUTH CAROLINA, OF ITS INDUSTRIAL DEVELOPMENT REVENUE NOTE (PETERSON OUTDOOR ADVERTISING CORPORATION OF SOUTH CAROLINA PROJECT) 1982, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976) AS AMENDED IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$1,000,000

WHEREAS, Horry County, South Carolina (the "County") acting by and through its County Council on October 26, 1982, adopted a Resolution authorizing a Petition to the South Carolina State Budget and Control Board (the "Budget and Control Board"), also dated October 26, 1982 (the "Petition") requesting approval of the issuance of a not exceeding \$1,000,000 principal amount Industrial Development Revenue Note (Peterson Outdoor Advertising Corporation of South Carolina Project) 1982 (the "Note"), to be sold to Bankers Trust of South Carolina, as lender; and

WHEREAS, Peterson Outdoor Advertising Corporation of South Carolina, a South Carolina corporation (the "Corporation") has requested that The South Carolina National Bank be named as lender in lieu of Bankers Trust of South Carolina.

NOW, THEREFORE, BE IT RESOLVED BY Horry County, South Carolina, as follows:

Section 1. The substitution of The South Carolina National Bank for Bankers Trust of South Carolina, as lender in connection with the County's issuance of the Note, is hereby ratified and approved.

Section 2. The Chairman of the County Council and the Clerk of the County Council are hereby authorized to file an amendment to the Petition dated October 26, 1982, requesting the Budget and Control Board to approve the substitution of The South Carolina National Bank for Bankers Trust of South Carolina as lender with respect to the issuance of the Note.

Section 3. The Note shall be redesignated "Horry County, South Carolina Industrial Development Revenue Note (Peterson Outdoor Advertising Corporation of South Carolina Project) 1983".

015625

Section 4. Except as expressly amended hereby, the Resolution adopted October 26, 1982, shall remain in full force and effect. The Chairman, Vice Chairman of the County Council and the Clerk to the County Council are hereby authorized to execute such instruments and to take such actions as may be necessary to carry out the transactions contemplated by the Resolution adopted October 26, 1982 and this Resolution.

Passed and approved this 11 day of January, 1983.

HORRY COUNTY, SOUTH CAROLINA

By:

Samuel M. Lott
Chairman, Horry County Council

(SEAL)

EXHIBIT

JAN 25 1983

NO. 5

ATTEST:

STATE BUDGET & CONTROL BOARD

Gladys A. Allen
Gladys A. Allen, Clerk to
the County Council

015626

EXHIBIT

JAN 25 1983 NO. 5

STATE OF SOUTH CAROLINA)
)
HORRY COUNTY)

STATE BUDGET & CONTROL BOARD

TO THE STATE BUDGET AND CONTROL)
) AMENDMENT TO
)
BOARD OF SOUTH CAROLINA)
) PETITION
)

1. Horry County, South Carolina (the "County") acting by and through its County Council on October 26, 1982, adopted a Resolution (the "Resolution") authorizing a Petition to the South Carolina Budget and Control Board (the "Budget and Control Board"), also dated October 26, 1982 (the "Petition") requesting approval of the issuance of a not exceeding \$1,000,000 principal amount Industrial Development Revenue Note (Peterson Outdoor Advertising Corporation of South Carolina Project) 1982 (the "Note"), to be sold to Bankers Trust of South Carolina, as lender; and

2. Peterson Outdoor Advertising Corporation of South Carolina, a South Carolina corporation (the "Corporation") has requested that The South Carolina National Bank be named as lender in lieu of Bankers Trust of South Carolina.

3. The County adopted an amendment to the Resolution wherein the Chairman of the County Council and the Clerk to the County Council are authorized to file an amendment to the Petition, requesting the Budget and Control Board to approve the substitution of The South Carolina National Bank for Bankers Trust of South Carolina as lender with respect to the issuance of the Note.

4. The County has also approved the redesignation of the Note as "Horry County, South Carolina Industrial Development Revenue Note (Peterson Outdoor Advertising Corporation of South Carolina Project) 1983".

5. Except as expressly amended hereby, the Petition adopted October 26, 1982, shall remain in full force and effect.

015627

Upon the basis of the foregoing, the County respectfully prays that the Budget and Control Board accept the filing of this Amendment to the Petition and the documents submitted herewith.

Respectfully submitted,

HORRY COUNTY, SOUTH CAROLINA

By: *Samuel M. Lee*
Chairman, Horry County Council

Dated: January 11, 1983

(SEAL)

ATTEST:

Gladys A. Allen
Gladys A. Allen, Clerk to
the County Council

EXHIBIT

JAN 25 1983 NO. 5

STATE BUDGET & CONTROL BOARD

015628

EXHIBIT

JAN 25 1983

NO. 5

AMENDMENT TO RESOLUTION

STATE BUDGET & CONTROL BOARD

A RESOLUTION TO AMEND A RESOLUTION APPROVING THE ISSUANCE BY HORRY COUNTY, SOUTH CAROLINA, OF A NOT EXCEEDING \$1,000,000 PRINCIPAL AMOUNT INDUSTRIAL DEVELOPMENT REVENUE NOTE (PETERSON OUTDOOR ADVERTISING CORPORATION OF SOUTH CAROLINA PROJECT) 1982, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED.

WHEREAS, the County Council of Horry County, South Carolina (the "County") 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") received the approval of the South Carolina Budget and Control Board (the "Budget and Control Board") of the issuance by the County pursuant to the Act of an Industrial Development Revenue Note (Peterson Outdoor Advertising Corporation of South Carolina Project) in the aggregate principal amount of not exceeding \$1,000,000 (the "Note"); and

WHEREAS, upon the request of Peterson Outdoor Advertising Corporation of South Carolina (the "Corporation"), the County has approved an amendment to the Petition (the "Amended Petition") seeking approval of the designation of The South Carolina National Bank as lender in lieu of Bankers Trust of South Carolina; and

WHEREAS, the County has submitted with the Amended Petition a copy of an amended resolution and petition adopted by the County on January 11, 1983, and has heretofore submitted drafts of the documents to be entered into by the County in connection with the issuance of the Note, for review by the Budget and Control Board, and this Board has reviewed and considered each of said documents in its consideration of said Amended Petition by the County;

NOW, THEREFORE, BE IT RESOLVED, by the Budget and Control Board, as follows:

Section 1. The Board has made an independent investigation of the matters set forth in the Amended Petition, and on the basis of such investigation it is hereby found, determined and declared: that the facts set forth in the Petition, as amended by the Amended Petition, are in all respects true and correct.

Section 2. The South Carolina National Bank shall be substituted for Bankers Trust of South Carolina as lender in connection with the County's issuance of the Note.

Section 3. This Amendment to Resolution shall take effect immediately.

015629

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

EXHIBIT

JAN 25 1983

NO. 5

STATE BUDGET & CONTROL BOARD

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

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

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

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

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

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

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

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina at 9:30 A. M., Tuesday, January 25, 1983, was given to all members in writing, and at least four (4) days prior to said meeting; that all members of said Board were present at said meeting, with the exception of: Senator Dennis (during consideration of this item).

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

4

AGAINST MOTION

0

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

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

015630

February 15, 1983

William A. McInnis
Secretary

REVENUE BOND ISSUE PETITION PROCESSING CHECKLIST

[Item for Board meeting of Jan 25, 1983]

EXHIBIT

1. Local Government: Harney County
2. Bond Counsel: JAN 25 1983 NO. 5
- (a) Firm Inc. Hain STATE BUDGET & CONTROL BOARD
- (b) Contact Person Barbara McGuillan Phone 799-9800
- (c) Address _____
3. Project Name: Peterson Outdoor Advertising Corporation
4. Issue Amount: \$ Type: Industrial
5. Employment Impact of Project: _____
6. Type/Nature of Business of Firm Involved: _____

Change in lender from
Bankers Trust to South Carolina National Bank

* * * * *

7. Processing Checklist	Rec'd. From	Sent To
(a) Governing body resolution/ordinance/ petition <u>Amendment</u>	<u>BM 1/18</u>	<u>DE 1/19</u>
(b) Documents on issuance/securing of bonds	—	—
(c) Financial Information: (1) Audited Statements (3 most recent years) OR (2) If private placement, "investment letter" (Purchaser: <u>SEN</u>)	<u>SEN 1/24</u>	<u>EV 1/24</u>
(3) Review by State Auditor's Office (memo)	<u>OK 1/25</u>	XXXXXXXX
(d) Health and Environmental Control certification	—	—
(e) B&C Board Resolution and Notice <u>Amendment</u> (<u>10</u> copies for certification for bond counsel)	<u>BM 1/18</u>	<u>DE 1/19</u>
(f) Review by Attorney General's Office (letter)	<u>OK 2/15</u>	XXXXXXXX

Motion: GP
Second: EM
Absent: CCR during item
Vote: For 4 - Against 0

Certificates signed: 2/15
Resolutions mailed: 2/15

015631

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

ATTORNEYS AND COUNSELORS AT LAW

EIGHTEENTH FLOOR

BANKERS TRUST TOWER

POST OFFICE BOX 11290

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.
JOHN W. CURRIE
RANDALL T. BELL
DANIEL R. MCLEOD, JR.
SCOTTY E. BARNES
THEODORE J. HOPKINS, JR.
BRENTON D. JEFFCOAT
M. CRAIG GARNER, JR.
PETER L. MURPHY
C. ALAN RUNYAN
EMORY M. SNEEDEN

DENNIS C. THELEN
WILLIAM S. ROSE, JR.
M. ELIZABETH CRUM
ROBERT T. BOCKMAN
ELIZABETH VAN DOREN GRAY
ROBERT E. STEPP
APRIL C. LUCAS
WILMOT B. IRVIN
BARBARA GEORGE BARTON
KATHLEEN E. CRUM
J. SIMON FRASER
E. RUSSELL JETER, JR.
WILLIAM E. CRAVER, III
BENJAMIN J. GRIFFIN
PAUL B. NIX
JOSEPH D. WALKER
CELESTE TULLER JONES
JANE W. TRINKLEY
J. LYLES GLENN, IV

EXHIBIT

JAN 25 1983

NO. 5

STATE BUDGET & CONTROL BOARD

January 24, 1983

WASHINGTON OFFICE
SUITE 500
MADISON OFFICE BUILDING
1155 15TH STREET N.W.
WASHINGTON, D.C. 20005
202-655-3900

HILTON HEAD ISLAND OFFICE
BANKERS TRUST BUILDING
FIFTY-NINE POPE AVENUE
POST OFFICE BOX 5914
HILTON HEAD ISLAND, S.C. 29926
803-785-5159

GREENVILLE OFFICE
SUITE 406
BANKERS TRUST PLAZA
7 NORTH LAURENS STREET
GREENVILLE, S.C. 29601
803-271-4940

Mr. William A. McInnis
State Budget and Control Board
Wade Hampton Office Building
6th floor
Columbia, South Carolina

Re: Horry County, South Carolina Industrial
Development Revenue Note (Peterson Outdoor
Advertising Corporation of South Carolina
Project) 1983

Dear Mr. McInnis:

Enclosed is an investment letter for the above-
referenced Project. Please include this letter with
the material previously sent you for Budget and Control
Board approval on January 25.

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

Yours truly,

Barbara G. McQuillan

Barbara G. McQuillan
Paralegal -- Bond Department

Enclosure

015632

JAN 18 1983

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

JAN 25 1983

NO. 54
WAM

STATE BUDGET & CONTROL BOARD

January 18, 1983

ROBERT E. MCNAIR
TERRELL L. GLENN
JAMES S. KONDUROS
C. WAYNE CORLEY
E. MILEOD SINGLETARY
CHARLES PORTER
ROBERT W. DIBBLE, JR.
RICHARD S. WOODS
RICHARD L. C. SULLIVAN
M. JOHN BOWEN, JR.
JOHN W. CURRIE
RANDALL T. BELL
DANIEL R. MILEOD, JR.
SCOTT Y. BARNES
THEODORE J. HOPKINS, JR.
BRENTON D. JEFFCOAT
M. CRAIG GARNER, JR.
PETER L. MURPHY
C. ALAN RUNYAN
EMORY M. SNEEDEN

DENNIS C. THELEN
WILLIAM S. ROSE, JR.
M. ELIZABETH ORUM
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ELIZABETH VAN DOREN GRAY
ROBERT E. JEFFP
APRIL C. LUCAS
WILMAKT B. IRVIN
BARBARA GEORGE BARTON
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J. SIMON FRASER
E. RUSSELL JETER, JR.
WILLIAM E. CRAVER, III
BENJAMIN J. GRIFFIN
PAUL B. NIX
JOSEPH D. WALKER
CELESTE TILLER JONES
JANE W. TRANKLEY
J. LYLES GLENN, IV

WASHINGTON OFFICE
SUITE 500
MADISON OFFICE BUILDING
1155 15TH STREET N.W.
WASHINGTON, D.C. 20005
202-659-3900

HILTON HEAD ISLAND OFFICE
BANKERS TRUST BUILDING
FIFTY-NINE POPE AVENUE
POST OFFICE BOX 5814
HILTON HEAD ISLAND, S.C. 29928
803-785-5169

GREENVILLE OFFICE
SUITE 406
BANKERS TRUST PLAZA
7 NORTH LAURENS STREET
GREENVILLE, S.C. 29601
803-271-4940

Mr. William A. McInnis
State Budget and Control Board
Wade Hampton Office Building
6th Floor
Columbia, South Carolina

Re: Horry County, South Carolina Industrial Development
Revenue Note (Peterson Outdoor Advertising Corporation
of South Carolina Project) 1983

Dear Mr. McInnis:

The Budget and Control Board gave its approval to the above-referenced issue on November 19, 1982. Since that date Peterson Outdoor Advertising Corporation of South Carolina has asked that The South Carolina National Bank be substituted for Bankers Trust of South Carolina as lender. Because of this substitution, it is necessary for the Budget and Control Board to reapprove this issue.

Would you please place this issue on the agenda for your meeting on January 25, 1983. Accordingly, I have included an executed copy of an Amendment to the Resolution and Petition and 10 copies of an Amendment to Resolution for Budget and Control Board Approval. I have not included copies of the Financing Agreement, Indenture and Guaranty since the forms will remain the same as those already submitted and approved by you.

I will have a copy of an investment letter from The South Carolina National Bank delivered to you before the date of the meeting. If you should have any questions, please don't hesitate to call.

Yours truly,

Barbara G. McQuillan

015633

Barbara G. McQuillan
Paralegal -- Bond Department

Enclosures

EXHIBIT

STATE BUDGET AND CONTROL BOARD

JAN 25 1983

NO. 6

BLUE AGENDA

MEETING OF January 25, 1983

STATE BUDGET & CONTROL BOARD

ITEM NUMBER

6

Agency: General Services - State Engineer

Subject: Project Action by Staff:

The State Engineer advises the following have been reviewed by the Joint Bond Review Committee and released by staff:

Summary 21-83: Winthrop College, Item 8.

Summary 26-83: Parks, Recreation & Tourism, Item 3.



Board Action Requested:

Approval

Staff Comment:

Attachments:

015634

Referenced Summaries

SOURCE OF FUNDS			
Code	Type	Code	Type
101	Capital Improvement Bond Proceeds	15	Insurance Interest Fund
111	Dept Capital Improv Bond Proceeds	16	Operating - State
121	Institution (Tuition) Bond Proceeds	17	Federal
131	Revenue Bond Proceeds	18	Athletic & Other Special
141	Excess Debt Service/Reserve	19	

Page 3 of 3

NUMBER
21-83

015635

SUMMARY OF PERMANENT IMPROVEMENT PROJECT ACTIONS PROPOSED BY STATE AGENCIES AND INSTITUTIONS

NUMBER

26-13

Assembled by staff of Budget and Control Board.
Forwarded to Bond Review Committee 2/16/82

Page 1 of 1

SOURCE OF FUNDS			
Code	Type	Code	Type
(10)	Capital Improvement Bond Proceeds	(15)	Insurance Reserve Fund
(11)	Debt Capital Improv. Bond Proceeds	(16)	Operating - State
(12)	Institution (Postpaid) Bond Proceeds	(17)	Federal
(13)	Revenue Bond Proceeds	(18)	Athletic & Other Special
(14)	Excess Debt Service/Reserve	(19)	

NAME OF AGENCY OR INSTITUTION	ACTION PROPOSED	FUNDING CHANGE PROPOSED Amount/Source	PROJECT NUMBER	PROJECT NAME/PURPOSE OF REVISION/IMPACT ON SCOPE	COMMITTEE REVIEW	BOARD APPROVAL
1. EDUCATIONAL TELEVISION COMMISSION	Increase budget to \$14,025	Add \$14,025 [8] Corporation for Public Broadcasting	H67-8049	Satellite Electronics Building: To fund additional engineering services and installation work which originally was to have been provided by ETV staff but which now will be provided by others.		
Supporting document pages 1-3						
2A. MENTAL RETARDATION	Increase budget to \$3,727,500	Add \$840,000 [4] Excess Debt Service, Paying Patients	J16-7854	Whitten Center - Renovation of Buildings: The State Capital Improvement Bonds authorized in Act 518 of 1980 for these purposes are scheduled for release starting in Priority Group 5, January-June 1985. His request is to add \$840,000 of excess debt service funds to project budget in order to proceed with the renovation Building Med B. It houses some bedfast patients. It does not have a protective fire alarm and life safety system. Plans and specifications have been received by the State Engineer's Office and are ready to be advertised for bids. Action on this request should only address the use of \$840,000 to finance the renovation of the Med B Building and should carry no implication for releasing the bond funds except if the Committee chooses to follow its usual procedure of deauthorizing bonds as other funding is approved.		
Supporting document pages 4-10						
2B. MENTAL RETARDATION	Decrease budget to \$295,741.79	Deduct \$298 [1] Departmental Capital Improvement Bonds (deauthorize)	J16-7100	Community Residence - Greenville: To close project.		
Supporting document page 11						
3. PARKS, RECREATION AND TOURISM	Increase budget to 2,287,735	Add \$50,000 [7] Federal	P28-7151	Hickory Knob Golf Course: To provide funds for overrun on sewage treatment facilities and fill dirt for parking area.	APPROVED 12/29/82	Staff OPB 12-30-82
Supporting document pages 12-14						

015636

EXHIBIT

STATE BUDGET AND CONTROL BOARD JAN 25 1983 NO. 7 BLUE AGENDA

MEETING OF January 25, 1983

STATE BUDGET & CONTROL BOARD ITEM NUMBER

7

Agency: General Services - State Engineer

Subject: Project Action by Staff:

The State Engineer advises the following action by Staff on Permanent Improvement Projects. JBRC action not required.

Wildlife & Marine Resources:

1. Yauhannah Boat Ramp (8-50) - Establish Project - \$26,160.00
2. Socastee Boat Ramp (8-50) - Establish Project - \$17,164.50

Board Action Requested:

Receive for Information

Staff Comment:

Attachments:

Referenced Forms E-1

015637

PROJ. NO. 8085 - P24 - 042
TRES. ID. NO. N/A
CODED BY: AB C

Form E-1
(Revised 7-1-81)
Submit in Duplicate

APPLICATION FOR APPROVAL OF A PERMANENT IMPROVEMENT PROJECT

DATE December 15, 19 82

Institution or Agency Wildlife and Marine Resources Department

Name of Project Yauhannah Boat Ramp (8-50)

Total Estimated Cost \$26,160.00

To: State Budget and Control Board
Columbia, South Carolina

STATES NO. 8085

In accord with procedures outlined in your "Manual for the Planning and Execution of State Permanent Improvement Projects", your approval of the project described herein is requested.

I. JUSTIFICATION

(The Owner should attach hereto a full and complete resume of facts contributing to the need of this proposed project. The objective should be to provide sufficient information to fully acquaint the Board with conditions, prospective growth and/or other circumstances that led the Owner to propose this particular project.

Copies of studies or surveys, made either by the Owner or by an outside commercial or other firm, should be made available to the Board. Comments should be included concerning any alternative proposals, if any, considered by the Owner).

II. DESCRIPTION OF PROJECT

A. Type (New building, addition to existing building, renovation, alteration, etc.):

New Boat Ramp

EXHIBIT

JAN 25 1983

NO. 7

B. Intended Use: Public

STATE BUDGET & CONTROL BOARD

C. If New Construction is Involved:

1. Attach (a) Architect's schematic drawing with facilities labeled.
(b) Outline specifications.
(c) Small scale locality map.
(d) Analysis of Architect's Preliminary Construction Estimate.

2. No. Square Feet:

3. Principal Facilities (No. of stories, rooms, offices, etc.):

N/A

- D. If renovation and/or alteration of an existing building is involved, attach a statement outlining generally the principal work to be done.
- E. If land acquisition is involved, attach a plat of the property, showing general location and acreage. Comment on any problems of acquisition or title that may exist.
- F. For any unusual type project, the Owner should confer with the Board in the preparation of this Request, and attach such descriptive data as the Board may require in this particular instance.

015638

III. ESTIMATED COST

Site - - - - -	\$	
Grading - - - - -		
Construction - - - - -		25,160.00
Fees - - - - -		
Renovation - - - - -		
Basic Equipment and Supplies - - - - -		
Landscaping - - - - -		
Builder's Risk Insurance - - - - -		
Other (Specify) _____		
Contingencies - - - - -		1,000.00
TOTAL ESTIMATED COST - - - - -	\$	26,160.00

It is further estimated that this project will add \$ -0- per year to operation and maintenance costs of this agency.

IV. FINANCING PLAN

A. Funds already in Hand - - - - -	\$	26,160.00
Source: <u>Horry County Water Recreation Resource Fund</u>		
<u>Horry County Game and Fish Fund</u>		
B. Proposed Bond Issue - - - - -		
(If a bond issue is proposed, the Board should be consulted prior to preparation of this application, to determine the details to be submitted herewith).		
C. Other (describe) _____		
TOTAL - - - - -	\$	26,160.00

Has your governing board taken formal action authorizing the submission of this application?

(Signed) [Signature]
Title Director of Administrative Services

BOARD'S ACTION

APPROVED: [Signature]
STATE ENGINEER

DATE: 12-29-82

015639

PROJ. NO. 8086-P24-094

FRES. ID. NO. N/A

CODED BY: AB

Form F-1
(Revised 7-1-61)
Submit in Duplicate

APPLICATION FOR APPROVAL OF A PERMANENT IMPROVEMENT PROJECT

DATE December 15, 1982

Institution or Agency Wildlife and Marine Resources

Name of Project Socastee Boat Ramp (8-50)

Total Estimated Cost \$ 17,164.50

To: State Budget and Control Board
Columbia, South Carolina

RECEIVED
DEC 20 1982
Staw 8086

In accord with procedures outlined in your "Manual for the Planning and Execution of State Permanent Improvement Projects", your approval of the project described herein is requested.

OFFICE

I. JUSTIFICATION

(The Owner should attach hereto a full and complete resume of facts contributing to the need of this proposed project. The objective should be to provide sufficient information to fully acquaint the Board with conditions, prospective growth and/or other circumstances that led the Owner to propose this particular project.

Copies of studies or surveys, made either by the Owner or by an outside commercial or other firm, should be made available to the Board. Comments should be included concerning any alternative proposals, if any, considered by the Owner).

II. DESCRIPTION OF PROJECT

A. Type (New building, addition to existing building, renovation, alteration, etc.):

New Boat Ramp

EXHIBIT

JAN 25 1983 NO. 7

B. Intended Use: Public

STATE BUDGET & CONTROL BOARD

C. If New Construction is Involved:

1. Attach (a) Architect's schematic drawing with facilities labeled.
(b) Outline specifications.
(c) Small scale locality map.
(d) Analysis of Architect's Preliminary Construction Estimate.

2. No. Square Feet:

3. Principal Facilities (No. of stories, rooms, offices, etc.)

N/A

D. If renovation and/or alteration of an existing building is involved, attach a statement outlining generally the principal work to be done.

E. If land acquisition is involved, attach a plat of the property, showing general location and acreage. Comment on any problems of acquisition or title that may exist.

F. For any unusual type project, the Owner should confer with the Board in the preparation of this Request, and attach such descriptive data as the Board may require in this particular instance.

015640

015641

Form E-1
(Page 2)

III. ESTIMATED COST

Site	\$
Grading	
Construction	16,164.50
Fees	
Renovation	
Basic Equipment and Supplies	
Landscaping	
Builder's Risk Insurance	
Other (Specify)	
Contingencies	1,000.00
TOTAL ESTIMATED COST	\$ 17,164.50

It is further estimated that this project will add \$ -0- per year to operation and maintenance costs of this agency.

IV. FINANCING PLAN

A. Funds already in Hand	\$ 17,164.50
Source: Horry County Water Recreation Resource Fund	
Horry County Game and Fish Fund	
B. Proposed Bond Issue	
(If a bond issue is proposed, the Board should be consulted prior to preparation of this application, to determine the details to be submitted herewith).	
C. Other (describe)	
TOTAL	\$ 17,164.50

Has your governing board taken formal action authorizing the submission of this application?

(Signed) [Signature]

Title Director of Administrative Services

BOARD'S ACTION

APPROVED: [Signature] DATE: 12-29-82

State Auditor

STATE ENGINEER

EXHIBIT

STATE BUDGET AND CONTROL BOARD JAN 25 1983

NO. 8 BLUE AGENDA

MEETING OF January 25, 1983

ITEM NUMBER

8

STATE BUDGET & CONTROL BOARD

Agency: State Fire Marshal

Subject: Activity Report for December 1982 and Quarterly Activity Report

Please refer to attachments for details.

Board Action Requested:

Receive as information.

Staff Comment:

015642

Attachments:

Campbell January 10 letter to McInnis plus monthly and quarterly reports

EXHIBIT

DECEMBER, 1982

JAN 25 1983 NO. 8

MONTHLY REPORT

DIVISION OF STATE FIRE MARSHAL

STATE BUDGET & CONTROL BOARD

1109 Belleview Street

Columbia, S. C.

The State Fire Marshal's Office has the responsibility of fire prevention and fire protection of lives and property from fire and through the assistance of local officials and other state agencies. Through our concentrated efforts in fulfilling these responsibilities, we have obtained -----612 ----- full compliances in conditions which were ruled hazards to life. In conjunction with the December compliances, we conducted the following inspections:

	<u>DECEMBER</u>	<u>YEAR TO DATE</u>
I. CONFERENCES AND INVESTIGATIONS	447	3339
a. Fire Drills Held	3	52
b. Fire Extinguisher Demonstrations	22	207
II. EDUCATIONAL:		
a. Schools	29	211
b. Universities	0	2
c. Colleges	3	7
d. Academies	0	1
e. Nursery Schools	14	195
f. Kindergartens	9	95
III. RESIDENTIAL:		
a. Hotels	0	5
b. Motels	1	28
IV. REQUESTED INSPECTIONS:		
a. Homes for Aged	9	49
b. Boarding Homes	4	59
c. Orphanages	1	8
V. SERVICE STATIONS:		
a. Self Service and Full Service	0	0

015643

EXHIBIT

JAN 25 1983 NO. 8

STATE BUDGET & CONTROL BOARD

VI. OTHER:

a. Prisons, Detention Centers, Etc.	1	9
b. Foster Homes	21	93
c. Condominiums	3	84
d. Miscellaneous	24	73

VII. PUBLIC ASSEMBLIES:

a. Lounges, Restaurants, Recreation Halls, Etc.	10	139
b. Conferences and Investigations	23	157

VIII. INSTITUTIONAL & EDUCATIONAL TRAINING PROGRAMS:

a. Training Programs Presented	9	262
b. Hospitals Visited	0	25
c. Nursing Care Facilities Visited	0	41
d. Total Number of Persons in Attendance	562	10978
e. Special Areas, Civic Groups, Schools, Etc.	9	32

IX. PLANS:

a. Plans & Specifications Reviewed	14	86
b. Conferences & Investigations	9	67

015644

State of South Carolina
Division of State Fire Marshal



RICHARD S. CAMPBELL, P.E.
State Fire Marshall

Budget and Control Board
1109 Bellevue Street
Columbia, S.C. 29201
(803) 758-2941

EXHIBIT

JAN 25 1983 NO. 8

STATE BUDGET & CONTROL BOARD
LP GAS & ANHYDROUS AMMONIA
(803) 758-2247

LIQUEFIED PETROLEUM GAS DIVISION
DIVISION OF STATE FIRE MARSHAL

The following statistics are inspections made by the LP Gas
Division through the month of December, 1982.

The number of corrections made for this month are 224.

	<u>DECEMBER</u>
Bulk Plants	25
Bulk Trucks	34
Cylinder Trucks	15
Transports	1
Motor Fuel Installations	18
Cylinder Charging Plants	28
Individual Installations	2,112
Conferences	190
Reinspections	<u>230</u>
TOTAL INSPECTIONS	<u>2,653</u>
Faulty Inspections	461

015645

State of South Carolina
Division of State Fire Marshal



RICHARD S. CAMPBELL, P.E.
State Fire Marshal

Budget and Control Board
1109 Belleview Street
Columbia, S.C. 29201
(803) 758-2941

LP GAS & ANHYDROUS
AMMONIA
(803) 758-2247

JAN 11 1983

January 10, 1983

Mr. William McInnis, Deputy Director
Office of Executive Director
Budget and Control Board
Wade Hampton Office Building
Post Office Box 12444
Columbia, South Carolina 29202

Dear Mr. McInnis:

Please find attached statistics for Division of State Fire Marshal for second quarter of 1982-83 for the next Budget and Control Board meeting. This report includes activities of Deputy State Fire Marshals and L.P. Gas Inspectors.

Sincerely,

Richard S. Campbell (S)

Richard S. Campbell, P.E.
South Carolina State Fire Marshal

RSC:skv

Enclosures: Monthly and Quarterly Reports

015646

OCTOBER, NOVEMBER & DECEMBER, 1982

2nd QUARTERLY REPORT
DIVISION OF STATE FIRE MARSHAL
1109 Belleview Street
Columbia, S. C.
•

The State Fire Marshal's Office has the responsibility of fire prevention and fire protection of lives and property from fire and through the assistance of local officials and other state agencies. Through our concentrated efforts in fulfilling these responsibilities, we have obtained ----- 1997 ----- full compliances in conditions which were ruled hazards to life. In conjunction with the quarterly compliances, we conducted the following inspections;

		<u>YEAR TO DATE</u>
I. CONFERENCES AND INVESTIGATIONS	1539	3339
a. Fire Drills Held	22	52
b. Fire Extinguisher Demonstrations	52	207
II. EDUCATIONAL:		
a. Schools	139	211
b. Universities	2	2
c. Colleges	7	7
d. Academies	1	1
e. Nursery Schools	72	195
f. Kindergartens	51	95
III. RESIDENTIAL:		
a. Hotels	2	5
b. Motels	8	28
IV. REQUESTED INSPECTIONS:		
a. Homes for Aged	16	49
b. Boarding Homes	26	59
c. Orphanages	7	8
V. SERVICE STATIONS:		
a. Self Service and Full Service	0	0

015647

EXHIBIT

-2-

JAN 25 1983

NO. 8

STATE BUDGET & CONTROL BOARD

VI. OTHER:

a. Prisons, Detention Centers, Etc.	3	9
b. Foster Homes	46	93
c. Condominiums	29	89
d. Miscellaneous	31	79

VII. PUBLIC ASSEMBLIES:

a. Lounges, Restaurants, Recreation Halls, Etc.	66	139
b. Conferences and Investigations	80	157

VIII. INSTITUTIONAL & EDUCATIONAL TRAINING PROGRAMS:

a. Training Programs Presented	99	262
b. Hospitals Visited	10	25
c. Nursing Care Facilities Visited	9	41
d. Total Number of Persons in Attendance	5908	10978
e. Special Areas, Civic Groups, Schools, Etc.	21	32

IX. PLANS:

a. Plans & Specifications Reviewed	41	86
b. Conferences & Investigations	29	67

015648

State of South Carolina
Division of State Fire Marshal



RICHARD S. CAMPBELL, P.E.
State Fire Marshal

Budget and Control Board
1109 Belleview Street
Columbia, S.C. 29201
(803) 758-2941

EXHIBIT

JAN 25 1983

NO. 8

STATE BUDGET & CONTROL BOARD

LP GAS & ANHYDROUS
AMMONIA
8-2247

LIQUEFIED PETROLEUM GAS DIVISION

DIVISION OF STATE FIRE MARSHAL

January 7, 1983

The following are statistics on the inspections made by the LP Gas Division for the Second Quarter of the 1982-83 Fiscal Year.

During this Second Quarter the LP Gas Division Inspectors have made a total of ---687--- corrections in accordance with our NFPA Pamphlet #58.

QUARTERLY

October, November & December

Bulk Plants	104
Bulk Trucks	150
Cylinder Trucks	57
Transports	14
Motor Fuel Installations	104
Cylinder Charging Plants	97
Individual Installations	6,699
Conferences	593
ReInspections	<u>739</u>
TOTAL INSPECTIONS	<u>8,557</u>
Faulty Inspections	916

015649

EXHIBIT

STATE BUDGET AND CONTROL BOARD JAN 25 1983

NO. 9 BLUE AGENDA

MEETING OF January 25, 1983

ITEM NUMBER

9

STATE BUDGET & CONTROL BOARD

Agency: Executive Director's Office

Subject: Interviewee Travel Expense Payments

Attached are three reports covering the payment of interviewee travel expenses by the College of Charleston pursuant to authority granted by the Board.

Board Action Requested:

Receive as information.

Staff Comment:

Attachments:

Referenced reports

015650



THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

EXHIBIT

JAN 25 1983 NO. 9

Office of the President

STATE BUDGET & CONTROL BOARD

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: DAVE PARKER

CITY ADDRESS: DALLAS, TEXAS

POSITION TO BE FILLED: FACULTY - BIO DEPT

TRAVEL DATES: FROM DEC 16 TO DEC 17, 1982

TOTAL TRAVEL REIMBURSEMENT: 482.12

Travel From Boston Ma - & Return

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town. In making this determination the College has considered qualified candidates residing within South Carolina.

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

Original: Accounts Payable
Copy: Budget and Control Board

015651

FOUNDED 1770



THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

EXHIBIT

JAN 25 1983

NO. 9

Office of the President

STATE BUDGET & CONTROL BOARD

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Felix Breden
CITY ADDRESS: Chicago, IL
POSITION TO BE FILLED: Faculty Bio Dept
TRAVEL DATES: FROM Dec 9 TO Dec. 10-82
TOTAL TRAVEL REIMBURSEMENT: 227.25

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town. In making this determination the College has considered qualified candidates residing within South Carolina.

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

Original: Accounts Payable
Copy: Budget and Control Board

015652

FOUNDED 1770



THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA 29401

EXHIBIT

JAN 25 1983 NO. 9

Office of the President

STATE BUDGET & CONTROL BOARD

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Dr. Felix Broden
CITY ADDRESS: Chicago, Ill
POSITION TO BE FILLED: Geneticist - Bio Dept
TRAVEL DATES: FROM Dec 9th TO Dec 10th, 1982
TOTAL TRAVEL REIMBURSEMENT: \$3371 - Lodging Holiday Inn

Significance of position warrants such costs and the payment is more cost efficient than sending representatives to the recruits' home town. In making this determination the College has considered qualified candidates residing within South Carolina.

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

Original: Accounts Payable
Copy: Budget and Control Board

015653

FOUNDED 1770

EXHIBIT

AD HOC COMMITTEE TO STUDY WHITTEN CENTER JAN 25 1983

NO. 10

December 7, 1982

222 Wade Hampton Office Building STATE BUDGET & CONTROL BOARD

The following individuals were present at the 10:30 a.m. meeting of the AD HOC Committee to Study Whitten Center:

Senator Robert Lake
Senator David Taylor
Dr. James Hunter, Chairman, Department of Mental Retardation Commission
Dr. Charles Barnett, Commissioner of DMR
Walter B. Todd, DMR
Dr. Jack Mullins, State Personnel Division
Sarah Shruptrine, Governor's Office
Larry Ellis, S. C. State Employees' Association
W. T. Putnam, Executive Director, B&C Board
Charles Chadwell, Whitten Center
Robert Hall, State Personnel
Joe Mack, State Personnel
Frank Caggiano, Senate Research
William Bilton, Senate Judiciary
Mike Ey, Senate Staff
George Dorn, Finance Office
Julie Cox, Ways and Means
Louise R. Ravenel, S. C. Protection Advocacy Agency
Roland Rabon, Staff of Executive Director's Office, B&C Board
Cheryl Morris, Executive Director's Office, B&C Board

Mr. Putnam and Dr. Hunter were selected as Chairman and Vice-Chairman, respectively.

Mr. Putnam stated that Senator Taylor was willing for questions to be presented today with written answers to be available at the next meeting. Dr. Barnett stated that he understood that this meeting was an issue and question identification time, not an answering time as they would like to be fully prepared to answer questions from either the Senators or anyone else.

Mr. Putnam stated that the Budget and Control Board has been requested by Senators Taylor and Lake that the Board: 1) hold up further transfer of funds until resolution could be made of this matter; 2) that a future policy/ideas for other situations as this be formulated.

Opening statements were made.

Senator Taylor expressed his concern on the RIF at Whitten Center. He stated that in 1970 he supported a policy adopted by the General Assembly as it pertains to Mental Retardation in South Carolina. The General Assembly declared in this public policy that when feasible the resources, assistance and coordination of support necessary to enable mentally retarded individuals to remain at home and within their respective communities and to view the residential placement of such individuals as desirable program alternatives only when no other appropriate services are available. He stated in 1969 there were 2850 clients at Whitten Center and knew there would be a reduction to approximately 1075 clients. He supported this effort and since 1969 the clients have been reduced to approximately 1225 clients without any RIF or massive layoffs. In May of this year, the DMR adopted the policy whereby they were going to get down to 1076 clients over the next three years -- which would carry us to sometime in 1985. Senator Taylor requested a copy of this policy that was adopted in the spring by DMR and also a copy of the minutes where the

015654

EXHIBIT

AD HOC COMMITTEE TO STUDY WHITTEN CENTER
December 7, 1982

JAN 25 1983

NO. 10

STATE BUDGET & CONTROL BOARD

Board adopted this; what their intent was on getting down to that number over the next three years; and, how many have been actually moved in this short period of time when in fact it was the policy of the Board that this be done over the next three years. He further stated that the Senate Finance Committee did not adjourn until June of this year and at no time did anyone ask them or the General Assembly to move some personnel funds to contractual services for this situation.

Dr. James Hunter's opening statement: The Mental Retardation Commission was pleased to hear of the setting up of this committee as the MRC wants all questions answered. MRC will cooperate and try to answer Senators Taylor and Lake's questions.

Senator Taylor addressed the committee with questions he would like answered. (attached)

Dr. Mullins stated that his office would go to Whitten Center on Wednesday, December 8, 1982 to review the source documents and to try to determine answers. Senator Lake asked that Dr. Mullins find out how many patients were moved out of the institution into the field per month over the last 12 months; also, information on certain persons who had been terminated, giving number and times where jobs had been filled and if some of these were the same jobs cut off on November 12.

Senator Taylor disseminated a budgetary chart on Whitten Center, Midland Center, etc, that he would like completed. (attached)

Dr. Barnett stated that the DMR welcomed the chance to answer any and all questions presented. He said that the situation is complex but DMR would answer all questions. He then presented an outline of the information that his office will answer in detail for the committee. (attached)

Dr. Hunter stated that in terms of the audit on the RIF procedures, it should be as independent and as thorough as possible. The MRC is willing to do anything to get all the answers.

Next meeting is scheduled for December 20, 1982, in room 222 Wade Hampton, at 10:30 a.m. Meeting adjourned at 12:25 p.m.

Attachments: Questions from Senator Taylor
Budgetary Chart from Senator Taylor

015655

EXHIBIT

JAN 25 1983

NO. 10

STATE BUDGET & CONTROL BOARD

1. What are the specific provisions of the Reduction in Force Plan as implemented at Whitten Center?
 - A. Has this RIF Plan been approved by the necessary State and/or Federal agencies? If so, when and by whom?
 - B. Is a copy of the RIF Plan for the lay off at Whitten Center available to affected employees?
 - C. What were or are the controlling factors as related to the necessity for a RIF Plan to be implemented?
 - D. Is this RIF Plan considered grievable by all affected employees?
 - E. What is the "3 Year Plan" of SCDMR for client reduction and has it been complied with?
 - F. What is the "5 Year Plan" of SCDMR for client reduction and has it been complied with?
 - G. Are employees affected by the RIF Plan considered in the same category as "dismissed" and/or "demoted" employees for grievance purposes?
 - H. Does this RIF Plan make provisions for forced salary reductions due to RIF and/or reassignments, reclassification, and demotions resulting directly from implementation of RIF? If so, what specifically are these provisions? Were other policies, procedures, rules, regulations, or directives utilized in effecting this reduction in salary? If so, specify.
 - I. Does this RIF Plan provide affected employees an opportunity to apply for other positions within the SCDMR and/or State funded community programs under the control of SCDMR? If so, specify. Was this provision complied with prior to the effective date of the RIF at Whitten Center on 11/26/82?
 - J. Does this RIF Plan specify as to whether or not it is to be temporary or permanent? If so, specify.
 - K. Does this RIF Plan specify which competitive classifications are to be affected? If so, please list.
 - L. Does this RIF Plan specify by job classification, slot number and title which positions are to be affected? If so, specify by job classification, slot number, and title.

015656

- M. After this RIF, how many positions are now vacant within SCDMR, within Piedmont Region?
- N. Have employees been hired to fill positions since RIF was implemented? If so, how many, in what positions, and are they currently employed?
2. How are retention points calculated, and in such calculation of retention points are probationary, promotional, and special performance appraisals considered?
- A. Who calculated the affected employees retention points? Were these calculations verified?
- B. Is the list of all retention point calculation available. If so, please provide.
- C. Why were employees with fewer retention points in a competitive area not affected by RIF while others with higher points were affected?
- D. What is the SCDMR definition of a retention point?
- E. Are performance appraisals for last two years given more weight than years of service? If so, please explain why.
- F. Why was a quota permitted as to performance appraisals (60-30-10) over last 2 years and what effect did this quota have on the retention point calculated under the 1-2-3 or 1-3-5 system?
- G. Has a recall list been prepared? If so, is a copy of same available?
3. What is the total dollar effect of forced salary reductions as a result of the RIF?
4. Are employees' applications coded as to sex and race? Please explain.
5. Were the positions affected by this RIF funded for the 1982-1983 fiscal year?
6. Are services to mentally retarded clients being ^{severely} ~~severally~~ cut and/or abolished by this RIF?
7. How many clients being transferred to community programs are being returned?
8. How many new admissions are being allowed or considered?
9. What is the ratio of employees to clients?
10. Are employees affected by RIF, entitled to a list of retention points by competitive areas of all employees affected by RIF?

015657

14. When is next RIF anticipated and how many positions will be affected?
15. Were state funded community programs exempt from RIF? Please explain.
16. Why weren't reassignment based on the 1-2-3 scale as set forth in SCDMR directives?
17. Are services formerly performed by staff and now being contracted out at a higher cost?
18. Were performance appraisals "on file" the only ones considered in this RIF?
19. Were any performance appraisals accelerated in order to comply with October 31, 1982 cutoff?
20. Why was Employee Grievance procedure amended on 10/8/82 as it relates to RIF and employees rights affected thereby? Who authorized the change? Was it approved by the Personnel Board?
21. Why were employees who achieved promotions penalized under the RIF Plan?
22. Why were bumping rights not uniformly allowed and why were they not allowed upward if employee was qualified for the position?
23. Were insurance premiums (life insurance) deducted from terminated employees when the effective date of the insurance coverage was not until 1-1-83?
24. Are employees affected by this RIF being threatened for participating in meetings about their legal rights?
25. Are any slots filled with individuals who do not meet the minimum education and training requirements?
26. Were exceptions made to employees affected by this RIF?

015658

EXHIBIT

JAN 25 1983

NO. 10

STATE BUDGET & CONTROL BOARD

FISCAL INFORMATION

In order for the Committee to properly evaluate the action taken by the Department of Mental Retardation, it is necessary to be able to answer certain basic questions.

The amount of personal services funds appropriated and allocated to Whitten Center for FY 82-83.

The amount of any personal service \$ adjustments and the reason for such.

The amount of any transfers of personal service \$, where they went to or came from, and the reason for the transfer.

The number of authorized positions for Whitten Center for FY 82-83 and percentage of funding for those positions.

The number of positions filled and unfilled at the beginning of the FY.

Attached is a chart which formats this information in such a way that it should be easy for the Department of Mental Retardation to respond as well as the Committee to use.

Also, it is necessary that for the \$ information requested it be broken down by state, federal and other funds.

OTHER INFORMATION

When was the reduction policy for clients at Whitten Center adopted by the DMR Commission?

What is the date for ^{FINAL} ~~fiscal~~ implementation of the reduction in clients approved by the Commission?

Was the DMR employee Grievance Plan approved by the State Personnel Director? If so, when was the plan submitted to the Director?

015659

WHITTEN CENTER

	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>
* 1. Personal Service \$ Expenditures					
Personal Ser. \$ Adjustments + (-)					
Transfers + (-)					
Total	=====	=====	=====	=====	=====
2. Authorized position					
Unfilled positions					
Filled positions					
New Hires					
Attrition loss					
Transfers + (-)					
3. Clients					
**Clients moved + (-)					
Cost/client 24 hour					
Cost/client daycare					

*Please attach explanation for each adjustment and transfer.

**Please indicate in separate sheet whether clients moved in, +, are returnees or new admissions.

015660

DEPARTMENT OF MENTAL RETARDATION

	<u>Whitten Center</u>	<u>Midlands Center</u>	<u>Coastal Center</u>	<u>Saleeby Center</u>	<u>Comm. Residence</u>	<u>DMR</u>
* 1. Personal Service \$ Allocated						
Personal Ser. \$ Adjustments + (-)						
Transfers + (-)						
Total	=====	=====	=====	=====	=====	=====
2. Authorized position 7/82						
Unfilled positions 7/82						
Filled positions 7/82						
New Hires 7/82 to date						
Attrition loss 7/82 to date						
Transfers + (-)						
3. Clients 7/82						
Clients moved + (-)						
7/82 to date						
Cost/client 24 hour						
Cost/client daycare						

* Please attach an explanation for each adjustment and transfer

015661

EXHIBIT

STATE BUDGET AND CONTROL BOARD JAN 25 1983

NO. 11

REGULAR SESSION AGENDA

MEETING OF January 25, 1983

STATE BUDGET & CONTROL BOARD

ITEM NUMBER

3

Agency: State Personnel Division

Subject: Reduction-in-Force Report

Board Action Requested:

Staff Comment:

Attachments:

Report

015662

State of South Carolina
BUDGET AND CONTROL BOARD
PERSONNEL DIVISION
1205 Pendleton Street
P. O. Box 12547
Columbia, South Carolina 29211

Jack S. Mullins, Ph.D
Director

803-758-3334
EXHIBIT

M E M O R A N D U M

JAN 25 1983 NO. 11

STATE BUDGET & CONTROL BOARD

TO: Members of the Budget and Control Board
FROM: Jack S. Mullins
DATE: January 20, 1983
SUBJECT: Reduction In Force Report

Four State agencies have undergone a reduction in force since mid-November through the end of December 1982. The Department of Mental Retardation had a major reduction of positions at Whitten Center in Clinton, South Carolina, while three other agencies had isolated reductions in force of one to two positions. These included the University of South Carolina, the Medical University of South Carolina, and the Department of Corrections.

The elimination of positions resulted in 154 employees being notified they would be affected by a reduction in force with an effective date between November 18, 1982 and December 31, 1982. Of the 154 employees affected, the reduction in force at Whitten Center accounted for 150 employees. The remaining four employees were from the three agencies above. Two of the four employees from the small reductions in force have been placed in other jobs within their same agency. The remaining two individuals have declined services available thus far.

The 150 employees affected by the reduction at Whitten Center make up two different groups of displaced employees. Sixty-six of the employees are seeking employment assistance offered by the Department of Mental Retardation and the Recruiting Unit of State Personnel. Eighty-four former employees of Whitten Center have declined available services thus far. Efforts have been made to give employment assistance to all individuals and to explain the reduction in force system currently in operation. This information was provided prior to the November 26, 1982 implementation date, and individuals were urged to complete application forms provided at that time. Affected individuals were also mailed application forms and notified of dates that a representative from the Recruiting Unit would again be at Whitten Center to assist them in completing the forms.

015663

EXHIBIT

Reduction in Force Report
Page 2
January 20, 1983

JAN 25 1983 NO. 11

STATE BUDGET & CONTROL BOARD

The eighty-four employees who have not completed application forms represent 56.0% of the reduction in force population at Whitten Center.

The sixty-six employees seeking employment assistance and available for placement have had their applications reviewed by the Recruiting Unit for the purpose of expanding referrals to agencies filling positions in State government. Individuals' applications are now being sent to agencies for the position class previously held and additional classes for which they are qualified.

A great constraint to the placement of the sixty-six employees from Whitten Center has been matching the employee's willingness to relocate to the geographic area of a position being filled. The majority of the affected individuals limited the geographic region in which they are willing to work to the surrounding area of Clinton, South Carolina. As a result, the number of positions available for placement is greatly diminished.

With regards to the source of funding for employees affected by a reduction in force during the current reporting period, the 150 positions eliminated at Whitten Center were funded by other funds. Two of the remaining positions were Federally-funded, and one position was State-funded. A combination of Federal and State funds accounted for one other position.

In the same manner as previously reported reductions in force, the positions eliminated were almost totally full-time positions. In this reporting period, all but one of the 154 positions were full-time jobs.

In terms of placement opportunities during the reporting period, nine employees affected by reductions in force prior to mid-November re-entered the State workforce. Four of these employees returned to their former agency, while three others were placed with other State agencies. Two employees found employment with other divisions of government. There were twenty-five additional opportunities in other State agencies during this period for affected employees to be considered for placement to the same class previously held, but the individuals were not selected for the positions.

The combined reduction in force population for State government from September 1, 1982 through December 31, 1982 totalled 322 employees. The reduction in force population resulted from fifteen State agencies announcing reductions due to losses of funds or reorganizations. Sixty-nine employees affected by the reductions have been placed since being notified of reductions. Forty-eight of the employees have been

015664

EXHIBIT

JAN 25 1983

NO. 11

Reduction in Force Report
Page 3
January 20, 1983

STATE BUDGET & CONTROL BOARD

placed within their original agency either through recall or placement in another position for which they were qualified. Six employees have been placed in other State agencies while seven have found employment in either the Federal government or local government entities. Six employees have been assisted in obtaining private sector employment and two individuals elected to retire.

Similar to the most recent reporting period, a significant number of individuals in the total reduction in force population have declined available employment services. One hundred and thirty-eight employees or 42.9% of the affected employees are not presently availing themselves of such services. These individuals continue to have the placement assistance available for twelve months from the date of separation and have recall rights to their former agencies for twelve months.

The total number of employees available for placement at the end of 1982 is 115, which represents 35.7% of all employees notified of reduction in force actions since September 1, 1982. Sixty-six employees of this total were added to the reduction in force population during the most recent reporting period as a result of the cutback at Whitten Center. Forty-nine employees of the available population were affected by reductions in force between September 1, 1982 and November 17, 1982.

The source of funds for positions affected by reduction in force changed significantly with the recent actions. One hundred and fifty-nine positions of the total were funded by other funds. Approximately fifty-five positions eliminated since September were Federally-funded jobs, and 108 positions were State-funded.

Almost all of the positions eliminated in the total population were full-time positions. Of the 322 employees affected by reduction in force, only nine occupied part-time positions.

Expansion of the reduction in force population has also occurred with the decision to close the State Park Health Center. The effective date of the reduction in force presently is targeted for February 15, 1983. The total number of individuals being affected is 146. At least thirty of the employees are being transferred to the Department of Mental Health. Efforts to place other employees are being actively pursued, and thus far, forty-three additional employees have either been placed or elected to resign. Of the 146 affected employees, seventy-three have not been placed at the present time. All affected employees have applications on file with the Recruiting Unit of State Personnel for placement referrals through the Reduction in Force System, and the Personnel Office of the Department of Health and Environmental Control is assisting employees with gaining exposure to employment opportunities.

015665

EXHIBIT

JAN 25 1983 NO. 11

STATE BUDGET & CONTROL BOARD

Reduction in Force

November 18, 1982 - December 31, 1982

Number of Agencies Affected by RIFs	4
Total Number of RIF'd Employees ¹	154
Placed Within Agency ²	2
Placed in Other Agencies ³	0
Placed in Other Government Employment ⁴	0
Placed in Private Sector	0
Retired	0
Number Declining Services ⁵	86
Net RIF'd Available ⁶	66

¹Indicates employees who were notified they would be RIF'd with an effective date November 18 - December 31, 1982. The figure does not include the upcoming reduction in force at the State Park Health Center.

²Indicates employees who were either placed in another position within their agency prior to separation of employment or have been recalled since separation.

³Indicates hired by other State agencies following RIF.

⁴Indicates hired by other divisions of government either local or federal.

⁵Indicates employees affected by RIF and advised of employment assistance but have not completed application or indicated no interest in assistance.

⁶Indicates employees affected by RIF and actively seeking employment.

015666

Reduction in Force

November 18, 1982 - December 31, 1982

Source of Funds of RIF Population

RIF Population	154
Federally - Funded	2.8 ¹
State - Funded	1.2
Other Funds	150

¹The fractional number of State-funded and Federally-funded positions is attributed to matching funds for one position.

Full-Time/Part-Time Positions

RIF Population	154
Full-time Positions	153
Part-time Positions	1

015667

Total Reduction in Force Population
September 1, 1982 - December 31, 1982

Number of Agencies Affected by RIFs	15
Total Number of RIF'd Employees ¹	322
Placed Within Agency ²	48
Placed in Other Agencies ³	6
Placed in Other Government Employment ⁴	7
Placed in Private Sector	6
Retired	2
Number Declining Services ⁵	138
Net RIF'd Available ⁶	115

¹Indicates employees who were notified they would be RIF'd with an effective date September 1, 1982-December 31, 1982. The figure includes eight additional employees who were reported by agencies for the period September 1, 1982 - November 17, 1982, subsequent to the previous report.

²Indicates employees who were either placed in another position within their agency prior to separation of employment or have been recalled since separation.

³Indicates hired by other State Agencies following RIF.

⁴Indicates hired by other divisions of government either local or federal.

⁵Indicates employees affected by RIF and advised of employment assistance but have not completed application or indicated no interest in assistance.

⁶Indicates employees affected by RIF and actively seeking employment.

015668

EXHIBIT

JAN 25 1983 NO. 11

STATE BUDGET & CONTROL BOARD

Reduction in Force

September 1, 1982 - December 31, 1982

Source of Funds of RIF Population

RIF Population	322
Federally - Funded	55.3 ¹
State - Funded	107.7
Other Funds	159

¹The fractional number of State-funded and Federally-funded positions is attributed to matching funds for positions.

Full-Time/Part-Time Positions

RIF Population	322
Full-time Positions	313
Part-time Positions	9

015669

EXHIBIT

JAN 25 1983 NO. 11

STATE BUDGET & CONTROL BOARD

Reduction in Force

Department of Health and Environmental Control
State Park Health Center

Total Number of RIF'd Employees	146
Total Number Placed or Resigned	73
Net RIF'd Available	73 ¹

¹Updated applications have been completed by these individuals, and they are receiving employment assistance.

015670

D R A F T

EXHIBIT

JAN 25 1983 NO. 12

A JOINT RESOLUTION

STATE BUDGET & CONTROL BOARD

TO AUTHORIZE THE BUDGET AND CONTROL BOARD TO DIRECT ALL EMPLOYEES TO TAKE LEAVE WITHOUT PAY, NOT TO EXCEED FIVE DAYS, DURING FISCAL YEAR 1982-83.

Whereas, the laws of South Carolina require a balanced budget; and Whereas, the Budget and Control Board is authorized and directed to order reductions in general fund expenditures as may be necessary to prevent a deficit; and Whereas, under such conditions the various state agencies and institutions have difficulty financing their operations; and Whereas, it has been determined that the State needs more flexibility in handling personnel affairs in order to better cope with the financial situation created by such reductions.

Now, therefore,

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

SECTION 1. Notwithstanding any other provisions of law, the Budget and Control Board (board), may direct all employees regardless of salary fund source to take leave without pay during fiscal year 1982-83 provided that the board orders or has ordered a reduction in general fund expenditures. The aggregate of such leave without pay shall not exceed five days for any individual employee during the fiscal year.

015671

EXHIBIT

JAN 25 1983 NO. 12

STATE BUDGET & CONTROL BOARD

SECTION 2. The requirement for taking such leave without pay shall not be subject to the grievance procedures as provided in Sections 8-17-10 through 8-17-60 of the 1976 Code, and employees required to take such leave may not substitute compensatory time, annual, or sick leave therefor.

SECTION 3. The board shall promulgate such rules as may be necessary to ensure that the provisions of this act are equitably applied including, but not limited to the provision of salary schedule adjustments to distribute the impact of the reduction over the remainder of the fiscal year and such provisions as are necessary to allow agencies and institutions to schedule leave without pay days in a manner least disruptive to the delivery of services.

SECTION 4. Notwithstanding any other provisions of law the Board is authorized to promulgate such rules as may be necessary to allow employees whose retirement will be affected by the provisions of this act the option of paying the employee and employer share into the retirement fund equal to the credit lost due to the leave without pay authorized by this Act.

SECTION 5. This act shall take effect upon approval by the Governor.

015672

Draft

JOINT RESOLUTION

EXHIBIT

Closing School

JAN 25 1983

NO. 12

STATE BUDGET & CONTROL BOARD

Whereas, the Budget and Control Board is directed by State law to restrict the expenditures of state funds if the Board determines that a deficit may occur, and

Whereas, the State Department of Education is required to reduce school district entitlements of State funds due to a reduction in the State's contribution to the Education Finance Act, and

Whereas, the required local funding under the Education Finance Act is reduced proportionately to the reduction in the State's contribution, and

Whereas, the Budget and Control Board has ordered such restrictions on the expenditure of State funds in the current fiscal year, and

Whereas, it appears that further such restrictions may be placed on the expenditure of State funds, including those which are the State's contribution to the Education Finance Act, and

Whereas, the statutory school term is currently set at 185 days, and

Whereas, the successful completion of said school term is predicated on the appropriation of a certain amount of State funds, and

Whereas, said State funds have been significantly reduced below their original levels, and

Whereas, over 80 percent of the budget of a school district is allocated to the payment of salaries, and

Whereas, many school districts in the state receive the large majority of the funds to operate their schools from the State, and

Whereas, said funds are now insufficient to fulfill the financial obligations of the districts for the entire 185-day school term.

NOW, THEREFORE, BE IT RESOLVED BY THE GENERAL ASSEMBLY OF THE STATE OF SOUTH CAROLINA THAT:

015673

Notwithstanding any other provision of law, STATE BUDGET & CONTROL BOARD

- (1) For the 1982-83 school year only, the board of trustees of any school district that is financially unable to complete the 185-day school term may petition the State Board of Education for the cancellation of up to five days of the school term.
- (2) Said petition shall provide proof that the district must cancel the requested number of days in order to meet its financial obligations for the school term, due to the reduction in anticipated State funds originally budgeted for the payment of salaries.
- (3) No schools may be closed pursuant to this Resolution for more than two consecutive days.
- (4) The salary of all personnel shall be reduced in proportion to the number of days cancelled.
- (5) No personnel will be entitled to use any paid leave for the days cancelled.
- (6) Employees whose retirement may be affected by the provisions of this Resolution may pay the employee and employer's share into the the retirement fund equal to the credit lost due to the cancellation of school days pursuant to this Resolution.

Section 2 - Effective Date.

015674

EXHIBIT

JAN 25 1983

NO. 12

STATE BUDGET & CONTROL BOARD

A JOINT RESOLUTION

TO PROVIDE FOR THE TRANSFER OF FUNDS FROM THE PAYING PATIENTS ACCOUNT OF THE STATE DEPARTMENT OF MENTAL HEALTH TO THE GENERAL FUND FOR THE 1982-83 FISCAL YEAR.

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

SECTION 1. Notwithstanding any other provisions of law, for the 1982-83 fiscal year three million dollars is transferred from the Paying Patients account of the State Department of Mental Health to the General Fund of the State.

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

015675

EXHIBIT

JAN 25 1983

NO. 12

STATE BUDGET & CONTROL BOARD

A JOINT RESOLUTION

TO PROVIDE FOR THE TRANSFER OF FUNDS FROM THE LAW
ENFORCEMENT TRAINING COUNCIL TO THE GENERAL FUND OF THE
STATE FOR THE 1982-83 FISCAL YEAR.

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

SECTION 1. Notwithstanding the provisions of Section
23-23-70 of the 1976 Code or any other provision of law
for the 1982-83 fiscal year five hundred thousand dollars
is transferred from the Law Enforcement Building and
Maintenance Fund to the General Fund of the State.

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

015676

EXHIBIT

STATE BUDGET AND CONTROL BOARD JAN 25 1983 NO. 13 REGULAR SESSION AGENDA
MEETING OF January 25, 1983 STATE BUDGET & CONTROL BOARD ITEM NUMBER 5

Agency: State College Board of Trustees (College of Charleston)

Subject: Issuance of \$1,700,000 Facilities Improvement Bonds

Attorney W. E. Applegate, III, advises that the State College Board of Trustees has now decided to proceed with the issuance of these bonds and, at its meeting on January 11, 1983, adopted a resolution providing for the issuance of the Series 1983 bonds to repay the \$1,500,000 of anticipation notes dated May 18, 1982; to pay the expenses incurred in connection with the issue; and to pay a portion of the cost of acquiring, constructing, and equipping a central energy facility, an educational center, and to finance certain campus development phase III projects. All of these projects are substantially completed.

Board Action Requested:

Adopt resolution approving the issuance by the State College Board of Trustees of \$1,700,000 Facilities Improvement Bonds, Series 1983, of the College of Charleston, pursuant to the authorization contained in Act 762 of 1976.

Staff Comment:

Attachments:

Applegate January 19 letter plus referenced resolution

015677

EXHIBIT

JAN 25 1983

NO. 13

A RESOLUTION

STATE BUDGET & CONTROL BOARD

APPROVING THE ISSUANCE BY THE STATE COLLEGE BOARD OF TRUSTEES OF \$1,700,000 FACILITIES IMPROVEMENT BONDS, SERIES 1983, OF THE COLLEGE OF CHARLESTON.

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

THAT the State Budget and Control Board hereby approves, by the adoption of this Resolution, the issuance by the State College Board of Trustees of \$1,700,000 Facilities Improvement Bonds, Series 1983, of the College of Charleston (the Series 1983 Bonds), to mature in annual series or installments on January 1, in each of the years 1985 to 1999, inclusive, as follows:

\$ 50,000 in each of the years 1985 to 1986, inclusive;

\$100,000 in each of the years 1987 to 1994, inclusive;

\$125,000 in the year 1995;

\$150,000 in each of the years 1996 to 1997, inclusive;

\$175,000 in the year 1998; and

\$200,000 in the year 1999.

pursuant to the authorization of Act No. 762 of the Acts and Joint Resolution of the General Assembly of the State of South Carolina, Regular Session of 1976, the proceeds of which will be used (i) to repay the outstanding \$1,500,000 Facilities Improvement Bond Anticipation Notes of the College of Charleston, dated May 18, 1982, (ii) to pay the expenses incurred in connection with the issuance of the Series 1983 Bonds, and (iii) to pay a portion of the cost of acquiring, constructing, and equipping a Central Energy Facility, an Educational

015678

EXHIBIT

JAN 25 1983 NO. 13

- 2 -

STATE BUDGET & CONTROL BOARD

Center, and for Campus Development Phase III, to be located on the campus of the College; and

THAT the State College Board of Trustees may proceed to sell at public sale and issue such bonds pursuant to the authorization of the legislation recited above and without further approval of the State Budget and Control Board (unless the bid accepted by the State College Board of Trustees contains an interest rate in excess of seven per centum (7%) per annum, in which event, the further approval by the State Budget and Control Board of the interest rate in excess of seven per centum (7%) per annum will be required).

015679

McKAY & GUÉRARD, P. A.

POST OFFICE BOX 1110
125 CHURCH STREET
CHARLESTON, SOUTH CAROLINA 29402
TELEPHONE 803/722-7600

JAN 20 1983

Julius W. McKay
Theodore B. Guérard
W. E. Applegate, III
Sherwood M. Cleveland
Adele J. Pope
William C. Cleveland
John Paul Trouche **
William P. Simpson
Samuel W. Howell, IV
Holly M. Rubinstein

January 19, 1983

FIRST NATIONAL BANK BUILDING
P.O. DRAWER 7157
COLUMBIA, S. C. 29202
(803) 765-2300

EXHIBIT

JAN 25 1983 NO. 13

STATE BUDGET & CONTROL BOARD

* Also Admitted in California
** Also Admitted in Georgia

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

Re: \$1,700,000 State College Board of Trustees Facilities
Improvement Bonds, Series 1983, of the College of
Charleston

Dear Mr. McInnis:

The State Budget and Control Board has previously approved the issuance by the State College Board of Trustees of \$1,700,000 Facilities Improvement Bonds of the College of Charleston. These bonds were originally scheduled to be sold on or about November 6, 1979. Because of the uncertainty existing in the bond market, the State College Board of Trustees postponed the issuance of the bonds and in the interim issued bond anticipation notes in 1978, 1979, 1980, 1981 and 1982. The State College Board of Trustees has now decided to proceed with the issuance of the \$1,700,000 Facilities Improvement Bonds, Series 1983, of the College of Charleston (the Series 1983 Bonds), and at its meeting on January 11, 1983, passed a Resolution providing for the issuance of the Series 1983 Bonds (i) to repay the outstanding \$1,500,000 Facilities Improvement Bond Anticipation Notes of the College of Charleston, dated May 18, 1982, (ii) to pay the expenses incurred in connection with the issuance of the Series 1983 Bonds, and (iii) to pay a portion of the cost of acquiring, constructing, and equipping a Central Energy Facility, an Educational Center, and for Campus Development Phase III, to be located on the campus of the College.

I am enclosing herewith the original and ten copies of the State Budget and Control Board's Resolution approving the issuance of the Series 1983 Bonds for consideration by the State Board at its meeting scheduled for Tuesday, January 25, 1983. Upon adoption of the Resolution, I would appreciate your returning ten certified copies to me in the stamped, self-addressed envelope provided for your convenience.

015680

McKAY & GUÉRARD, P. A.

Mr. William A. McInnis
January 19, 1983
Page Two

EXHIBIT

JAN 25 1983

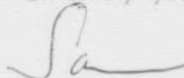
NO. 13

STATE BUDGET & CONTROL BOARD

If you have any questions, please give me a call.

With kind regards, I am

Sincerely yours,



W. E. Applegate, III

WEAIII/jam
Enclosures

015681

STATE BUDGET AND CONTROL BOARD

EXHIBIT

REGULAR SESSION AGENDA

MEETING OF January 25, 1983 JAN 25 1983

NO. 14 ITEM NUMBER

9

STATE BUDGET & CONTROL BOARD

Agency: General Services

Subject:

Lease purchase of New Truck with Van Body

This van is to be financed from S. C. Department of Corrections, Prison Industries funds, non-state appropriated funds. Department of Corrections will pay from sales. Truck is required to transport furniture, etc., to using agencies. Van truck to be leased from Pulliam Leasing at 12% for a period of four years.

Board Action Requested:

Approval of lease purchase

Staff Comment:

Attachments:

015682

EXHIBIT

STATE BUDGET AND CONTROL BOARD

JAN 25 1983

NO. 15 REGULAR SESSION AGENDA

MEETING OF January 25, 1983

STATE BUDGET & CONTROL BOARD

ITEM NUMBER

6

Agency: Joint Bond Review Committee

Subject: Status of Priority Group 1 "Trailing Draws"

In the interest of being clear about the status of the capital improvement bond funds related to projects released by the Board and the Committee in Priority Group 1 which have additional draws in subsequent priority groups, Chairman Horace Smith has expressed the view that all of the projects in Priority Group 1 are in a released status and that that means their "trailing draws" (the funds required to carry on with the project which are to be drawn in subsequent priority groups) are automatic within the priority group periods specified. He further points out that only under extreme circumstances would the Committee consider delaying trailing draws and that subsequent draws for any released project also should be considered released unless the Committee specifically stops the draws prior to the period in which they are to be made.

It was evident at the previous Board meeting that Budget and Control Board members concur in that view which meant that the Board was concerned only about the new-start projects in Priority Group 2 although no specific action to that effect was taken.

Board Action Requested:

Concur in Joint Bond Review Committee position that the trailing draws for any project released in any priority group are to be considered released unless some action to the contrary is taken by the Committee and the Board.

Staff Comment:

Attachments:

Smith January 17 letter to McInnis

015683

JAN 17 1983

Capital Improvements Joint Bond Review Committee

Horace C. Smith
Senate
Chairman

Scott R. Inkley
Director of Research and Administration/
Budget and Control Board Liaison



Tom G. Mangum
House of Representatives
Vice Chairman

Lib Croft
Administrative Assistant

P. O. BOX 142 TELEPHONE (803) 758-5088 or -8900
ROOM 410, GRESSETTE BUILDING
Columbia, South Carolina 29202

January 17, 1983

Senate Members:

Horace C. Smith
James M. Waddell, Jr.
William W. Doar, Jr.
Jeff R. Richardson, Jr.
Hugh K. Leatherman

House Members:

Tom G. Mangum
Marion P. Carnell
Jennings G. McAbee
Bill Campbell
T. W. Edwards, Jr.

Mr. William A. McInnis
Deputy Executive Director
State Budget & Control Board
600 Wade Hampton Bldg.
Columbia, South Carolina 29201

Dear Bill:

It appears that there might be some confusion as to the status of "trailing draws". All of the projects in Priority Group No. 1 are in a released status; that is, their trailing draws are automatic within the period specified in the report. Only under extreme circumstances would the Committee consider delaying trailing draws. Any second, third, etc. draw for a project should be considered released unless the Committee specifically stops the draws prior to their allocated six month period.

With kind regards,

Sincerely,

A handwritten signature in dark ink, appearing to read "Horace".

Senator Horace C. Smith, Chairman
Joint Bond Review Committee

HCS:lc

015684

EXHIBIT

STATE BUDGET AND CONTROL BOARD

JAN 25 1983

NO. 15 REGULAR SESSION AGENDA

MEETING OF January 25, 1983

STATE BUDGET & CONTROL BOARD

ITEM NUMBER

7

Agency: Joint Bond Review Committee

Subject: Capital Improvement Bond Funded Projects, Priority Group 2

This matter was carried over from the January 11, 1983 meeting.

The Joint Bond Review Committee has acted on the projects included in Priority Group 2 and is forwarding these items for Board consultation as is required by Section 4A of Act 179 of 1981.

In addition to the specific items listed in the attachments, the Committee also voted to include the \$125,000 Bamberg County Airport project in Priority Group 2 on the understanding that the Aeronautics Commission will finance that project from funds allocated to the Aeronautics Commission in Priority Groups 1 and 2.

The Board also asked that the Division of General Services request for permission to finance an addition to the Geological Survey Building for staff now located at the Sumter Street Building by means of a \$30,000 loan from the Ordinary Sinking Fund be considered along with these capital improvement bond funded projects in Priority Group 2. As Mr. Putnam noted at the prior meeting, the Board has a dual responsibility in connection with this particular project in that it must authorize the loan from the Ordinary Sinking Fund and also deal with the establishment and release of the project itself.

Materials on the operating cost impacts of projects in Priority Group 2 will be presented at the meeting.

Board Action Requested:

Provide the required consultation with the Joint Bond Review Committee on the capital improvement bond funded projects scheduled for start up in Priority Group 2; and consider approval of the \$30,000 loan from the Ordinary Sinking Fund to finance the addition to the Geological Survey Building, as proposed by the Division of General Services.

Staff Comment:

015685

Attachments:

Listing of projects with initial draw in Priority Group 2, as approved by the Joint Bond Review Committee; E-1 form and related materials on proposed Geological Survey Building addition

Capital Improvements
Joint Bond Review Committee

Horace C. Smith
Senate
Chairman

Scott R. Inkley
Director of Research and Administration/
Budget and Control Board Liaison



Tom G. Mangum
House of Representatives
Vice Chairman

Lib Croft
Administrative Assistant

P. O. BOX 142 TELEPHONE (803) 758-5088 or -8900
ROOM 410, GRESSETTE BUILDING
Columbia, South Carolina 29202

January 6, 1983

Senate Members:

Horace C. Smith
James M. Waddell, Jr.
William W. Doar, Jr.
Jeff R. Richardson, Jr.
Hugh K. Leatherman

House Members:

Tom G. Mangum
Marion P. Carnell
Jennings G. McAbee
Bill Campbell
T. W. Edwards, Jr.

Mr. William A. McInnis
Deputy Executive Director
State Budget & Control Board
600 Wade Hampton Bldg.
Columbia, South Carolina 29201

EXHIBIT

JAN 25 1983 NO. 15

STATE BUDGET & CONTROL BOARD

In Re: Capital Improvement Bond Funded Projects
Priority Group No. 2

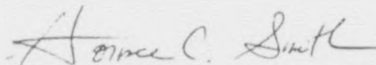
Dear Mr. McInnis:

Transmitted herewith for the Budget and Control Board's review is the Joint Bond Review Committee's Priority Group No.2 listing of Capital Improvement Bond Funded projects.

The Committee also included the Bamberg County Airport project (\$125,000) in Group No.2 with the understanding that the Aeronautics Commission will finance that project from funds allocated to the Commission in Groups No.1 and No.2.

With kind regards,

Sincerely,


Senator Horace C. Smith, Chairman
Joint Bond Review Committee

HCS:lc

Enc.

cc: Mr. John A. McPherson

015686

JOINT BOND REVIEW COMMITTEE

Monday January 3, 1983 4:53 PM

Priority Group Number Two
Capital Improvement Bond Funded Projects

Page 1

Project	Group 2 (Jan-June '83)	Second Draw (July-Dec '83)	Third Draw (Jan-June '84)	Fourth Draw (July-Dec '84)	NOTES
Aeronautics Owens Field	750,000	750,000	500,000		
		Total for all 4 draws:		2,000,000	
Aeronautics	750,000	750,000	500,000		
		Aeronautics totals:		2,000,000	
Agriculture Dpt. Blackville Market	54,291				
		Total for all 4 draws:		54,291	
Agriculture Dpt.	54,291				
		Agriculture Dpt. totals:		54,291	
B & C Board Cont. Fund	50,000	150,000	250,000	50,000	
		Total for all 4 draws:		500,000	
B & C Board	50,000	150,000	250,000	50,000	
		B & C Board totals:		500,000	
Citadel Cadet Services	516,000	260,962			
		Total for all 4 draws:		776,962	
Citadel Lelellier Hall	64,000	400,000	436,000	100,000	
		Total for all 4 draws:		1,000,000	

RELEASED
8-4-82

015687

A

JOINT BOND REVIEW COMMITTEE

Monday January 3, 1983 4:53 PM

Priority Group Number Two
Capital Improvement Bond Funded Projects

Page 2

Project	Group 2 (Jan-June '83)	Second Draw (July-Dec '83)	Third Draw (Jan-June '84)	Fourth Draw (July-Dec '84)	NOTES
Citadel	580,000	660,962	436,000	100,000	
			Citadel totals:	1,776,962	
Clemson Pee Dee Exp.	400,000	1,022,311	1,000,000	1,000,000	
			Total for all 4 draws:	3,422,311	
Clemson	400,000	1,022,311	1,000,000	1,000,000	
			Clemson totals:	3,422,311	
Coastal Council Beach Access	237,000	200,000		200,000	
			Total for all 4 draws:	637,000	
Coastal Council	237,000	200,000		200,000	
			Coastal Council totals:	637,000	
Corrections Cross Anchor Industry	282,658				
			Total for all 4 draws:	282,658	
Corrections Perry Medium Security	42,758				
			Total for all 4 draws:	42,758	
Corrections Wateree Dairy	400,000	166,145			
			Total for all 4 draws:	566,145	

EXHIBIT
JAN 25 1983
NO. 15
STATE BUDGET & CONTROL BOARD

015688

JOINT BOND REVIEW COMMITTEE

Monday January 3, 1983 4:53 PM

Priority Group Number Two
Capital Improvement Bond Funded Projects

Page 3

Project	Group 2 (Jan-June '83)	Second Draw (July-Dec '83)	Third Draw (Jan-June '84)	Fourth Draw (July-Dec '84)	NOTES
Corrections	725,416	166,145			
		Corrections totals:		891,561	
Deaf/Blind Voc. Ed. Facility	35,000	65,000	2,300,000		
		Total for all 4 draws:		2,400,000	
Deaf/Blind	35,000	65,000	2,300,000		
		Deaf/Blind totals:		2,400,000	
ETV Hughes Property	150,000	21,547			
		Total for all 4 draws:		171,547	
ETV Master Control	216,000	300,095			
		Total for all 4 draws:		516,095	
ETV	366,000	321,642			
		ETV totals:		687,642	
Lander College Ctr.	270,343	1,341,968	1,137,768	1,330,368	
		Total for all 4 draws:		4,080,447	
Lander	270,343	1,341,968	1,137,768	1,330,368	
		Lander totals:		4,080,447	

015689

JOINT BOND REVIEW COMMITTEE

Monday January 3, 1983 4:53 PM

Priority Group Number Two
Capital Improvement Bond Funded Projects

Page 4

Project	Group 2 (Jan-June '83)	Second Draw (July-Dec '83)	Third Draw (Jan-June '84)	Fourth Draw (July-Dec '84)	NOTES
PRT Drayton Hall	199,600				
		Total for all 4 draws:		199,600	
PRT Hickory Knob Golf	47,686	200,000			
		Total for all 4 draws:		247,686	
PRT	247,286	200,000			
		PRT totals:		447,286	
TEC Denmark Kit./Cafe.	250,000	500,000	647,000		
		Total for all 4 draws:		1,397,000	
TEC York Classroom L. R. C.	500,000	500,000	500,000		
		Total for all 4 draws:		1,500,000	
TEC	750,000	1,000,000	1,147,000		
		TEC totals:		2,897,000	
USC Aiken Library	280,200	350,000	300,000	230,979	
		Total for all 4 draws:		1,161,179	
USC Coastal Van. Bryce Add.	34,533	500,000	760,000	750,886	
		Total for all 4 draws:		2,045,419	

EXHIBIT
JAN 25 1983 NO. 15
STATE BUDGET & CONTROL BOARD

015690

JOINT BOND REVIEW COMMITTEE

Monday January 3, 1983 4:53 PM

Priority Group Number Two
Capital Improvement Bond Funded Projects

Page 5

Project	Group 2 (Jan-June '83)	Second Draw (July-Dec '83)	Third Draw (Jan-June '84)	Fourth Draw (July-Dec '84)	NOTES
USC Coastal Sci. Rm.	248,290	605,000			
		Total for all 4 draws:		853,290	
USC Spartanburg Hum./Sci.	502,500	2,047,000	1,535,000	796,000	
		Total for all 4 draws:		4,880,500	
USC Union Main Bldg.	39,920				
		Total for all 4 draws:		39,920	
USC	1,105,443	3,502,000	2,595,000	1,777,865	
			USC totals:	8,980,308	
Voc. Rehab. Greenwood Rehab.	250,000	494,454	233,900		
		Total for all 4 draws:		978,354	
Voc. Rehab.	250,000	494,454	233,900		
		Voc. Rehab. totals:		978,354	
Wildlife Mariculture	1,976,000	1,481,027			
		Total for all 4 draws:		3,457,027	
Wildlife	1,976,000	1,481,027			
		Wildlife totals:		3,457,027	

RELEASED
8-4-82

015691

JOINT BOND REVIEW COMMITTEE

Monday January 3, 1983 4:53 PM

Priority Group Number Two
Capital Improvement Bond Funded Projects

Page 6

Project	Group 2 (Jan-June '83)	Second Draw (July-Dec '83)	Third Draw (Jan-June '84)	Fourth Draw (July-Dec '84)	NOTES
Winthrop Bldg. Renov.	755,500	427,000	313,500	500,000	
		Total for all 4 draws:		1,996,000	
Winthrop	755,500	427,000	313,500	500,000	
		Winthrop totals:		1,996,000	
Youth Services 8 Roofs Replaced	39,771	74,400			
		Total for all 4 draws:		114,171	
Youth Services	39,771	74,400			
		Youth Services totals:		114,171	

015692

EXHIBIT
JAN 25 1983 NO. 15
STATE BUDGET & CONTROL BOARD

JOINT BOND REVIEW COMMITTEE

Monday January 3, 1983 4:53 PM

Priority Group Number Two
Capital Improvement Bond Funded Projects

Page 7

Project	Group 2 (Jan-June '83)	Second Draw (July-Dec '83)	Third Draw (Jan-June '84)	Fourth Draw (July-Dec '84)	NOTES
All Projects	8,592,050	11,856,909	9,913,168	4,958,233	
		Total for ALL projects:		35,320,360	

015693

EXHIBIT

DEC 23 1982

JAN 25 1983

NO. 15

Form E-1
(Revised 7-1-81)
Submit in Duplicate

STATE BUDGET & CONTROL BOARD

APPLICATION FOR APPROVAL OF A PERMANENT IMPROVEMENT PROJECT

DATE December 17, 1982

Institution or Agency Division of General Services

Name of Project Addition to S.C. Geological Survey Building

Total Estimated Cost \$ 30,000.00

For—State Budget and Control Board

Columbia, South Carolina

In accord with procedures outlined in your "Manual for the Planning and Execution of State Permanent Improvement Projects", your approval of the project described herein is requested.

I. JUSTIFICATION

(The Owner should attach hereto a full and complete resume of facts contributing to the need of this proposed project. The objective should be to provide sufficient information to fully acquaint the Board with conditions, prospective growth and/or other circumstances that led the Owner to propose this particular project.

Copies of studies or surveys, made either by the Owner or by an outside commercial or other firm, should be made available to the Board. Comments should be included concerning any alternative proposals, if any, considered by the Owner).

II. DESCRIPTION OF PROJECT

A. Type (New building, addition to existing building, renovation, alteration, etc.):

Addition to S.C. Geological Survey Building.

B. Intended Use: The added office space will be used to house the S.C. Geodetic Survey which was transferred into the S.C. Geological Survey.

C. If New Construction is Involved:

1. Attach (a) Architect's schematic drawing with facilities labeled.
- (b) Outline specifications.
- (c) Small scale locality map.
- (d) Analysis of Architect's Preliminary Construction Estimate.

2. No. Square Feet:

3. Principal Facilities (No. of stories, rooms, offices, etc.) 1 story 600^{sq} ft.

D. If renovation and/or alteration of an existing building is involved, attach a statement outlining generally the principal work to be done.

E. If land acquisition is involved, attach a plat of the property, showing general location and acreage. Comment on any problems of acquisition or title that may exist.

F. For any unusual type project, the Owner should confer with the Board in the preparation of this Request, and attach such descriptive data as the Board may require in this particular instance.

015694

III. ESTIMATED COST

Site	\$
Grading	
Construction	
Fees	22,000.00
Renovation	1,700.00
Basic Equipment and Supplies	
Landscaping	
Builder's Risk Insurance	500.00
Other (Specify) <u>C & P</u>	2,500.00
Contingencies	3,300.00
TOTAL ESTIMATED COST	<u>\$30,000.00</u>

It is further estimated that this project will add \$ \$3,486.00 per year to operation and maintenance costs of this agency.

IV. FINANCING PLAN

A. Funds already in Hand	\$ <u>30,000.00</u>
Source: <u>Ordinary sinking fund</u>	
B. Proposed Bond Issue	
(If a bond issue is proposed, the Board should be consulted prior to preparation of this application, to determine the details to be submitted herewith).	
C. Other (describe)	
TOTAL	<u>\$ 30,000.00</u>

Has your governing board taken formal action authorizing the submission of this application?

(Signed) John B. LaFette

Title _____

BOARD'S ACTION

APPROVED:

State Auditor

DATE: _____

015695

ADDITIONAL ANNUAL OPERATING COSTS RELATED TO PROPOSED PERMANENT IMPROVEMENT PROJECT

AGENCY/INSTITUTION Division of General Services

NAME OF PROPOSED PROJECT Addition to S. C. Geological Survey Building

Priority of

PROGRAM

Form of

ADDITIONAL ANNUAL OPERATING COSTS RELATED TO PROPOSED PROJECT

FISCAL YEAR (Start with FY project is to be completed.)	TOTAL ADDITIONAL OPERATING COSTS Projected Financing Sources				PERSONAL SERVICE COSTS ONLY Projected Financing Sources				
	Gen. Funds	Federal	Other*	Total	Gen. Funds	Federal	Other*	Total	
								Amount	Positions
(1) 82-83	3,486.00			3,486.00	\$ ()	\$ ()	\$ ()	\$ - 0 -	- 0 -
(2) 83-84	3,486.00			3,486.00	\$ ()	\$ ()	\$ ()	\$ - 0 -	- 0 -
(3) 84-85	3,486.00			3,486.00	\$ ()	\$ ()	\$ ()	\$ - 0 -	- 0 -
(4) 85-86	3,486.00			3,486.00	\$ ()	\$ ()	\$ ()	\$ - 0 -	- 0 -
(5) 86-87	3,486.00			3,486.00	\$ ()	\$ ()	\$ ()	\$ - 0 -	- 0 -

STATE BUDGET & CONTROL BOARD

Specify "Other" sources.

JAN 25 1983 NO. 15

EXHIBIT

015696

EXHIBIT

APR 27 1982

NO. 18

STATE BUDGET & CONTROL BOARD

This policy will set the authority and responsibilities of the State Budget and Control Board and the Division of General Services concerning the loans made from the Ordinary Sinking Fund.

The Division of General Services will review all requests for loans from the Ordinary Sinking Fund. General Services will make recommendations to the Budget and Control Board. The Budget and Control Board will have final authority and authorize all loans. For all loans authorized the interest rate will be set by the State Treasurer. Amortization schedules and payments will be approved by the State Treasurer.

Adopted 4-27-82

015697



RECEIVED

JAN 24 1983
BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

House of Representatives

State of South Carolina

Herbert Kirsh

District No. 47-York County
Box 31
Clover, S.C. 29710
Tel. (803) 222-3701
222-3768

532-A Blatt Building
Columbia, S. C. 29211

Tel. (803) 758-5360

January 19, 1983

Committees:

Ways and Means
Tax Study Commission

EXHIBIT

JAN 25 1983 NO. 15

STATE BUDGET & CONTROL BOARD

Mr. William T. Putnam
Executive Director
S. C. State Budget and Control Board
Post Office Box 12444
Columbia, SC 29211

Dear Mr. Putnam:

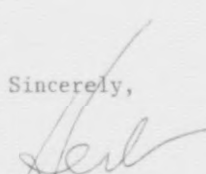
The Joint Bond Review Committee has included the York TEC classroom bond funds in their priority group number two. I understand that the Board has carried over all of group two in order that staff can review these projects.

The York TEC project is vital to the completion of the campus master plan of 1973 (updated in 1979), the enrollment increases are now running ahead of the projections. The purpose of the new classroom is to consolidate the medical programs which are now scattered over the campus in very cramped quarters. The question of continued accreditation has been raised because of the inadequacy of the existing facility and scheduling problems exist since the labs are also by necessity used for regular classes. This new facility would solve problems of inadequate medical, computer science, business and library space.

The local community is providing over \$2,200,000 to match the state's \$1,500,000. Once the facility is completed in fiscal year 1984-85, it is expected to cost an additional \$55,000 to operate. This building is needed by the school and I urge your approval.

Thank you for your consideration.

Sincerely,


Herbert Kirsh

HK/pz

cc: Dr. Baxter Hood, President

015698

EXHIBIT

STATE BUDGET AND CONTROL BOARD

MEETING OF January 25, 1983

JAN 25 1983

REGULAR SESSION AGENDA
NO. 15
ITEM NUMBER 8

Agency: Motor Vehicle Management **STATE BUDGET & CONTROL BOARD**

Subject: Proposed Proviso

The referenced proviso provides that all agencies excluding the Department of Highways and Public Transportation and SLED shall enter into a lease agreement with the Division of Motor Vehicle Management to replace all State-owned passenger vehicles as necessary.

The proviso also authorizes the Division, with approval of the Budget and Control Board, to exempt from that requirement the following agencies which operate existing maintenance facilities provided those facilities meet the certification requirements as established by the Board: Clemson University, Department of Corrections, School for the Deaf and the Blind, Department of Education, Educational Television Network, Forestry Commission, Francis Marion College, Department of Health and Environmental Control, Department of Mental Health, Department of Mental Retardation, South Carolina State College, University of South Carolina, Wildlife and Marine Resources Department, and Department of Youth Services.

The proviso further provides that the passenger fleets and maintenance operations of the Medical University of South Carolina, the College of Charleston, the Citadel, Patriots Point, and Sea Grant Consortium would be transferred to the Motor Vehicle Management Division for consolidation into one lower State motor pool.

Finally, the proviso provides that this procedure shall be implemented beginning June 30, 1983.

Board Action Requested:

Staff Comment:

Attachments:

015699

PROPOSED PROVISIO

Section _____. All agencies, excluding the S. C. Department of Highways and Public Transportation and the S. C. Law Enforcement Division, shall enter into a lease agreement with the Division of Motor Vehicle Management to replace, as necessary, all state-owned passenger vehicles. The Division is authorized to exempt with Budget and Control Board approval Clemson University, Department of Corrections, School for the Deaf and Blind, Department of Education, Educational Television Network, Forestry Commission, Francis Marion College, Department of Health and Environmental Control, Department of Mental Health, Department of Mental Retardation, S. C. State College, University of South Carolina, Wildlife and Marine Resources, and Department of Youth Services which operate existing maintenance facilities provided that those facilities meet the certification requirements as established by the Board. Provided further that the passenger fleets and maintenance operations of the Medical University of South Carolina, College of Charleston, Citadel, Patriots Point, and Sea Grant Consortium are hereby transferred to the Division for consolidation into one lower state motor pool. This procedure shall be implemented beginning June 30, 1983.

015700

EXHIBIT

STATE BUDGET AND CONTROL BOARD JAN 25 1983 NO. 15 REGULAR SESSION AGENDA
MEETING OF January 25, 1983

STATE BUDGET & CONTROL BOARD

ITEM NUMBER 10

Agency: Office of Executive Director

Subject: Future Civil Contingent Fund Request

Mr. Putnam will present information on this matter at the meeting.

Board Action Requested:

Consider.

Staff Comment:

Attachments:

015701

STATE BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR
CIVIL CONTINGENT FUND - FINANCIAL POSITION
As of January 18, 1983

EXHIBIT

JAN 25 1983

NO. 15

STATE BUDGET & CONTROL BOARD

Receipts

Appropriations	
General Operations.....	\$290,000.00
Appropriation Reduction	
General Operations.....	(21,275.00)
Contractual Services.....	125,000.00
Appropriation Reduction	
Contractual Services.....	(387.50)
Total Receipts.....	\$393,337.50

Departmental Allocations:

Task Force on Structure and Authority of State Government.....	20,236.00
State Budget and Control Board	
-Fire Marshal Division.....	6,000.00
-Office of Executive Director.....	1,500.00
Heritage World Expo Authority	
Quarterly Meeting.....	378.32
Department of Highways and Public Transportation.....	90,000.00
S.C. School for the Deaf & Blind.....	2,000.00
S.C. Public Service Authority	
Wampee Meeting.....	540.00
Opportunity School.....	7,500.00
Health Care Planning & Oversight Committee.....	30,000.00
Board of Barber Examiners.....	5,000.00
State Law Enforcement Division.....	35,000.00
Secretary of State.....	15,000.00
Total Departmental Allocations.....	\$213,154.32

Committee Expenditures:

Budget and Control Board(meetings).....	1,771.84
Governor's Youth Advisory Council.....	1,718.32
Board of Economic Advisors	
Travel Expenses for Dr. James A. Morris.....	1,102.42
Consolidated Procurement Code	
Committees.....	2,636.74
Public Service Merit Selection Panel.....	33.50
Council on Productivity.....	1,010.44
Total Committee Expenditures.....	\$ 8,273.26

015702

Unexpended Committee Encumbrances:		
Budget and Control Board(meetings).....	1,228.16	
Governor's Youth Advisory Council.....	3,281.68	
Board of Economic Advisors		
Travel Expenses for Dr. James A. Morris.....	5.58	
Consolidated Procurement Code		
Committees.....	2,363.26	
Public Service Merit Selection Panel.....	266.50	
Council on Productivity.....	<u>3,489.56</u>	
Total Unexpended Committee Encumbrances.....		\$ 10,634.74
Earmarked For Counties And Municipalities		
For Legal Fees For Catawba Indians Suit.....		\$124,612.50
Other Expenses:		
Reward Offer - Patrolman Caffey.....	5,000.00	
Sun Belt Research Coalition.....	2,500.00	
Advisory Commission on Intergovernmental		
Relations.....	<u>2,250.00</u>	
Total Other Expenses.....		\$ 9,750.00
UNENCUMBERED FUND BALANCE.....		\$ 26,912.68

015703

EXHIBIT

STATE BUDGET AND CONTROL BOARD

MEETING OF January 25, 1983

JAN 25 1983

NO. 15

REGULAR SESSION AGENDA

ITEM NUMBER

11

Agency: Executive Director's ~~OFFICE~~ STATE BUDGET & CONTROL BOARD

Subject: Agenda Procedures

Proposed for adoption by the Board are various matters relating to the assembly and distribution of Budget and Control Board agenda materials and meeting minutes.

Included is a definition of a Budget and Control Board agenda item which is designed to improve the quality of the agenda materials submitted to the Board, especially by the several divisions of the Board itself. As proposed, materials submitted which do not include the several elements specified would be considered incomplete and not appropriate for inclusion as agenda items.

Also included are deadlines for submitting materials and for their distribution as agenda sets.

Board Action Requested:

Consider for adoption.

Staff Comment:

015704

Attachments:

Referenced Budget and Control Board agenda procedures dated January 1983

EXHIBIT

JAN 25 1983 NO. 15

STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD

AGENDA PROCEDURES

January 1983

Contents

- I. *What is a Budget and Control Board agenda item?*
- II. *When are agenda materials to be submitted?*
- III. *Where are agenda materials to be submitted?*
- IV. *In what form and in how many copies are agenda materials to be supplied?*
- V. *When are agenda sets distributed and to whom?*
- VI. *Current meeting and agenda preparation schedule*
- VII. *Agenda Item Worksheet*

015705

I. What is a Budget and Control Board agenda item?

A Budget and Control Board agenda item is a means of providing information to the Board formally and of asking the Board to take an action in response to the information provided.

A Budget and Control Board agenda item includes the following five elements:

- (1) Submitter (who or what agency forwarded the item?);
- (2) The subject of the item (expressed in rather broad categories, need never exceed ten words);
- (3) Summary background information (a capsule of the events or circumstances which put the action requested in context);
- (4) The specific action requested of the Board; and
- (5) Supporting documentation (the detailed information upon which the requested Board action is based; should be provided in written form for attachment but, in some cases, can also be indicated as being available from the submitter upon request).

Materials submitted as possible agenda items which do not include these five elements will be considered as incomplete submissions and will not be included as agenda items.

A form is attached which may be freely copied for use in submitting materials proposed as agenda items. Its use by the several Board divisions is required. (See "Agenda Item Worksheet" at end of this document.)

All persons submitting materials as agenda items are encouraged to document fully the action being requested of the Board. Board divisions, in particular, are encouraged to submit complete source documents from which pertinent information can be abstracted as needed.

015706

II. When are agenda materials to be submitted?

A schedule of Budget and Control Board meetings for each calendar year is adopted by the Board. These meetings are scheduled to be held on the second and fourth Tuesday in each month of the year.

Materials to be considered for agenda items for any of these meetings must be submitted to the Board's Secretary not later than 1:00 p.m. on the Wednesday next preceding the scheduled meeting at which Board consideration of the material is proposed. A schedule (VI) listing the actual dates in relation to the currently-approved Board meeting schedule is attached.

In the event a regular business meeting of the Board is rescheduled, agenda materials must be provided to the Board Secretary not later than 1:00 p.m. on the sixth day preceding the date of the meeting at which the material is proposed for consideration.

III. Where are agenda materials to be submitted?

Agenda materials are to be delivered to the Board Secretary's office, Rooms 600 and 601, Wade Hampton Office Building.

IV. In what form and in how many copies are agenda materials to be supplied?

An original or a clear, reproducible copy of most materials will suffice. If supporting documentation is lengthy, or if it consists of bound reports, 12 copies should be provided.

015707

EXHIBIT

JAN 25 1983 NO. 15

- 3 -

STATE BUDGET & CONTROL BOARD

V. When are agenda sets and indexes distributed and to whom?

Full sets of agenda materials are distributed locally on the Friday next preceding the scheduled Tuesday meetings. In addition, duplicate sets are mailed to the offices of the out-of-town Board members.

Individual agenda items and indexes are mailed to division directors also.

Agenda indexes for the "blue" agenda and the regular session agenda are posted not less than twenty-four hours prior to the scheduled meeting time in the office of the Governor's Press Secretary and near the Board Secretary's Office. Blue agenda indexes are mailed to various persons.

PRESENT DISTRIBUTION OF AGENDA MATERIALS AND MEETING MINUTES

	Agenda Materials (Sets)	Meeting Minutes (Copies)
Governor	2	2
State Treasurer	1	1
Comptroller General	1	1
Chairman, Senate Finance	2	2
Chairman, Ways and Means Com.	2	2
Executive Director	1	1
Deputy Attorney General	1	1
Lieutenant Governor's staff	1 (no exec. session)	-
Ways and Means staff	2 (no exec. session)	2 (no exec. session)
State Treasurer's staff	1 (no exec. session)	1 (no exec. session)
BCB Division Directors	1 (individual items)	-
Board Files	<u>1</u>	<u>2</u>
Total	<u>16</u>	<u>15</u>

015708

BUDGET AND CONTROL BOARD
VI. 1983 MEETING AND AGENDA PREPARATION SCHEDULE

<u>Number</u>	<u>Meeting</u>		<u>Agenda Materials Deadline</u>	
	<u>Date</u>		<u>Not Later Than 1:00 P. M.</u>	
1	Tuesday, January	11	Wednesday, January	5
2	Tuesday, January	25	Wednesday, January	19
3	Tuesday, February	8	Wednesday, February	2
4	Tuesday, February	22	Wednesday, February	16
5	Tuesday, March	8	Wednesday, March	2
6	Tuesday, March	22	Wednesday, March	16
7	Tuesday, April	12	Wednesday, April	6
8	Tuesday, April	26	Wednesday, April	20
9	Tuesday, May	10	Wednesday, May	4
10	Tuesday, May	24	Wednesday, May	18
11	Tuesday, June	14	Wednesday, June	8
12	Tuesday, June	28	Wednesday, June	22
13	Tuesday, July	12	Wednesday, July	6
14	Tuesday, July	26	Wednesday, July	20
15	Tuesday, August	9	Wednesday, August	3
16	Tuesday, August	23	Wednesday, August	17
17	Tuesday, September	13	Wednesday, September	7
18	Tuesday, September	27	Wednesday, September	21
19	Tuesday, October	11	Wednesday, October	5
20	Tuesday, October	25	Wednesday, October	19
21	Tuesday, November	8	Wednesday, November	2
22	Tuesday, November	22	Wednesday, November	16
23	Tuesday, December	13	Wednesday, December	7
24	Tuesday, December	27	Wednesday, December	21

015709

BUDGET AND CONTROL BOARD
AGENDA ITEM WORKSHEET

For meeting scheduled for:

Blue Agenda

Regular Session Agenda

Executive Session Agenda

1. Submitted By:

2. Subject:

3. Summary Background Information:

4. What is Board Asked To Do?

5. Supporting Documents:

List Those Attached

List Those Not Attached But Available
from Submitter

015710