

MINUTES OF
BUDGET AND CONTROL BOARD
MEETING

June 8, 1993

06006

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



CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER P. CARTER
EXECUTIVE DIRECTOR

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

June 8, 1993

MEMORANDUM

TO: Budget and Control Board Division Directors
FROM: Donna K. Williams, Assistant Executive Director
SUBJECT: Summary of Board Actions at June 8, 1993, Meeting

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

1. Acting as the South Carolina Resources Authority, in accord with the requirements of the trust indenture which secures the South Carolina Resources Authority bond issues, adopted the Authority's operating budget for fiscal year 1993-94;
2. Adopted the agenda as proposed;
3. Approved the minutes of the May 6, 1993, Budget and Control Board meeting;
4. Acting as the Educational Facilities Authority for Private, Nonprofit Institutions of Higher Learning, approved the minutes of the May 6, 1993, meeting;
5. Received as information a report that the State Treasurer's Office has been advised of the following bond counsel assignment in conduit issues: Educational Facilities Authority for Private, Nonprofit Institutions of Higher Learning, amendments to \$500,000 First Mortgage Revenue Bonds, Series 1985, Baptist College at Charleston project - Haynsworth, Marion, McKay and Guerard;
6. Adopted a resolution approving the Charleston County proposal to issue \$60,000,000 Hospital Revenue Bonds on behalf of the Bon Secours Health System project;

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7. Adopted a resolution approving the Richland County proposal to issue \$80,000,000 Revenue Bonds on behalf of the Richland Memorial Hospital project;
8. Received as information a Budget Division report that the transfer of \$638,974 of personal service funds was approved during April to bring the total approved for transfer during the fiscal year to \$6,640,828;
9. Received as information a report that, in accordance with Regulation 19-445.2150, the Division of General Services has approved the MUSC trade-in of cath lab equipment for \$60,000;
10. Approved the sale of 32.3 acres near Simpsonville by Greenville Technical College, with the proceeds of the sale to be deposited in the capital improvement account of the College, in accordance with Proviso 27.2;
11. Approved the following property acquisitions in accord with § 1-11-65:
 - (a)

<u>Agency:</u>	University of South Carolina
<u>Acreage:</u>	2.0 acres
<u>Location:</u>	700/720 College Street
<u>County:</u>	Richland
<u>Purpose:</u>	Purchase at below appraised value to avoid continued lease payments on this long term facility
<u>Appraised Value:</u>	\$878,500
<u>Price/Seller:</u>	\$850,000/James E. Smith
<u>Source of Funds:</u>	Excess Debt Service - Tuition
<u>Project Number:</u>	H27-9694
<u>Environmental Study:</u>	Acceptable
<u>Approved by:</u>	JBRC on 5/18/93 and CHE 6/3/93
 - (b)

<u>Agency:</u>	Wildlife and Marine Resources
<u>Acreage:</u>	±214 acres
<u>Location:</u>	Clarendon County
<u>County:</u>	Clarendon County
<u>Purpose:</u>	Addition to Bennetts Bay Preserve
<u>Appraised Value:</u>	\$46,300
<u>Sale Price:</u>	\$46,300/Alderman-Shaw Company
<u>Source of Funds:</u>	Heritage Trust Funds
<u>Project Number:</u>	P24-9636
<u>Environmental Study:</u>	Acceptable
<u>Approved by:</u>	JBRC on 5/18/93

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- (c) Agency: **Highways and Public Transportation**
Acreage: 3.4 acres
Location: Greer
County: Spartanburg County
Purpose: Site for new DMV license and truck testing facility
Appraised Value: \$129,000
Price/Seller: \$129,000/Roy E. Collins and Roy E. Collins, III
Source of Funds: Gas tax revenue
Project Number: U12-9583
Environmental Study: Acceptable
Approved by: JBRC on 5/18/93
- (d) Agency: **Mental Health**
Acreage: 1.5 acres
Location: Varnville
County: Hampton County
Purpose: To construct a new mental health facility
Appraised Value: N/A
Price/Seller: Donation/Kevarn, Inc.
Source of Funds: N/A
Project Number: J12-9548
Environmental Study: Acceptable
Approved by: JBRC on 5/18/93
- (e) Agency: **Mental Health**
Acreage: 1.5 acres
Location: Near the intersection of Pine Street and Memorial Avenue in Allendale
County: Allendale County
Purpose: To construct a new mental health facility
Appraised Value: N/A
Price/Seller: Donation/Allendale County
Source of Funds: N/A
Project Number: J12-9546
Environmental Study: Acceptable
Approved by: JBRC on 5/18/93

12. Approved the following permanent improvement project establishment requests and budget revisions which had been reviewed favorably by the Joint Bond Review Committee:

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- (a) Summary 14-93: Item 2: Francis Marion College
Project: 9503, Stokes Administration Building Expansion
Request: Increase budget to \$2,788,276.07 (add \$17,031 Other, Manville Settlement funds) to abate asbestos for Phase V. These funds are from the Manville Property Damage Settlement Trust.
- (b) Summary 14-93: Item 3: Medical University
Project: 9060, Student Wellness Center
Request: Increase budget to \$15,775,871 (add \$1,100,000 Other, Health Science Foundation funds) to rebid the swimming pool. All previous bids were over the budget. The completion of the swimming pool will complete the facility.
- (c) Summary 14-93: Item 4: Criminal Justice Academy
Project: 9518, Dormitory/Learning Resource Center Construction
Request: Increase budget to \$2,222,000 (add \$922,000 Other, Court Fine funds) to expand project to include not only construction of a 100-bed dormitory, but also a learning resource center with classroom space. The Academy now has sufficient funds to expand the scope of the original project to enlarge the various media capabilities of the Academy. Approximately \$800,000 of the \$2.2 million budget will cover the cost of constructing the 14,670 square foot learning resource center. The learning resource center will provide additional library space, and interactive multi-media training which is not now provided by the Academy.
- (d) Summary 15-93: Item 2: Mental Health
Project: 9610, Asbestos Abatement-Fewell Pavilion
Request: Establish project and budget (\$300,00 Excess Debt Service funds). The existing floor covering, which is an asbestos containing material, will remain serviceable for only three more years. In view of the fact that the building is currently vacant, abatement, replacement of floor covering, and repainting can be conveniently accomplished at this time.

- (e) Summary 15-93: Item 3: Department of Corrections
Project: 9544, State Park Mary White Building - Asbestos Abatement
Request: Establish project and budget (\$68,330 Other, Asbestos Settlement funds) to immediately remove all asbestos-containing materials and debris. This building is currently in use and the urgency of this project is underlined by the Warden's concerns of inmate lawsuits as well as the health hazards posed by the currently exposed areas. The asbestos is friable. These funds are from the Manville Property Damage Settlement Trust.

13. In accord with Section 11-35-1210, granted procurement certification to Clemson University within the parameters described in the audit report for the following limits (total potential purchase commitment whether single- or multi-year contracts are used) for a period of three years: goods and service, \$100,000; construction services, \$100,000; consultant services, \$100,000; information technology in accordance with the approved information technology plan, \$100,000; vending/concessions management services, \$2,500,000;
14. In accord with Code Sections 1-11-80, 1-11-90 and 1-11-100, approved a deed from the Budget and Control Board to the City of Columbia for water lines for the Fire Academy Relocation;
15. In accord with Code Sections 13-7-30 and 48-47-100, levied a surcharge of 87¢ per cubic foot of waste received at the Barnwell facility during 1993-94 to allow funding for the Commission budget (\$406,888) and the annual administrative expenses for the Governor's Office (\$40,000), Division of Natural Resources; and directed Chem-Nuclear Systems, Inc., to collect the 87¢ per cubic foot surcharge on the Board's behalf and to remit all of the funds generated by the application of the surcharge to the State Treasurer's Office monthly;
16. Adopted a resolution authorizing the issuance of not exceeding \$25,000,000 of Hospital Facilities Revenue Bonds of the Medical University of South Carolina;
17. Approved the following revision of Regulation 19-101.18 to comply with the Americans with Disabilities Act: "Expenses at the same rates allowed to State employees will be authorized for attendants traveling with State employees if the travel is required by the job."
18. Approved the following disbursements of Asbestos Settlement Funds:
(a) Attorney General's Office, \$35,000; and General Services (two permanent improvement projects), \$75,000;

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19. In accord with Code Section 11-35-1590 and Regulation 19-445.2121, approved lease renewals and extensions for (a) the Department of Insurance, and (b) Worker's Compensation Commission, as recommended by the Division of General Services;
20. In accord with Board policy, authorized the Department of Wildlife and Marine Resources to sell a 1984 Boston Whaler boat, with 1988 motor and 1984 trailer, with a fair market appraised value of \$3,125 to retired employee Major Leonard Mishoe who used the property in the performance of his duties; authorized the Department to retain the proceeds of the sale to purchase like property; and directed staff to review the policy on the sale of surplus State-owned property to retiring employees;
21. Agreed to meet at 9:30 a.m. on Tuesday, June 29, 1993, in the Governor's conference room in the State House;
22. Received legal advice relating to the Stanley, et al. v. Darlington County School District, et al., lawsuit;
23. Received legal briefings by Coastal Council general counsel;
24. Received information on Coastal Council litigation costs;
25. Approved the renewal of the contract with the Hartford Life and Accident Insurance Company with premium rates guaranteed through December 31, 1996, and with plan provisions as presented by the Division of Insurance Services;
26. Approved the renewal of the contract with the Aetna Life Insurance Company with premium rates guaranteed through December 31, 1998, and with plan provisions as presented by the Division of Insurance Services;
27. Received as information a report on a lease contractual matter; and
28. Received a briefing on the State Fire Marshal's position vacancy.

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MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

TUESDAY, JUNE 8, 1993

1:30 P. M.

The Budget and Control Board met at 1:30 p.m. on Tuesday, June 8, 1993, in the Governor's conference room in the State House, with the following members in attendance:

Governor Carroll A. Campbell, Jr., Chairman;
Mr. Grady L. Patterson, Jr., State Treasurer;
Mr. Earle E. Morris, Jr., Comptroller General;
Senator John Drummond, Chairman, Senate Finance Committee;
Representative William D. Boan, Chairman, Ways and Means Committee.

[Secretary's Note: This Board meeting was held immediately following a meeting of the South Carolina Resources Authority, the members of which are Budget and Control Board members, ex officio.]

Governor Campbell and Mr. Patterson, who had attended a meeting of the Base Closure Commission in Beaufort, joined the meeting during consideration of executive session items. Mr. Morris chaired the meeting in Governor Campbell's absence.]

Also attending were Executive Director Luther F. Carter; Board Secretary Donna K. Williams; Deputy Executive Directors Richard W. Kelly and Robert C. Toomey; General Counsel Joseph D. Shine; Governor's Senior Executive Assistant W. Eddie Gunn; Deputy State Treasurer Sandy A. Huey and Senior Assistant State Treasurer C. C. "Chuck" Sanders, Jr.; Assistant Comptroller General George M. Lusk; Finance Committee Chief of Staff Robert Merritt; Ways and Means Committee Research Analyst David Crouch; and other Board staff.

Adoption of Agenda

Upon a motion by Senator Drummond, seconded by Mr. Boan, the Board adopted the agenda as proposed.

Minutes of Previous Meeting

Board members previously had been furnished a draft version of the minutes of the May 6, 1993, meetings of the Budget and Control Board and of the Educational Facilities Authority for Private, Nonprofit Institutions of Higher Learning.

Upon a motion by Senator Drummond, seconded by Mr. Boan, the Board approved the minutes of the May 6, 1993, Budget and Control Board meeting.

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Upon a motion by Senator Drummond, seconded by Mr. Boan, the Board, acting as the Educational Facilities Authority for Private, Nonprofit Institutions of Higher Learning, approved the minutes of the May 6, 1993, meeting.

Blue Agenda

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

State Treasurer's Office: Bond Counsel Assignment, Conduit Issues (Blue #1)

The Board received as information a report that the State Treasurer's Office has been advised of the following bond counsel assignment in a conduit issue: Educational Facilities Authority for Private, Nonprofit Institutions of Higher Learning, amendments to \$500,000 First Mortgage Revenue Bonds, Series 1985, Baptist College at Charleston project: Haynsworth, Marion, McKay and Guerard.

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

Charleston County: Hospital Revenue Bonds (Blue Agenda #2)

The Board was advised that the required reviews on the following proposal to issue revenue bonds have been completed with satisfactory results, that the project required approval under State law, and that an allocation of a portion of the Ceiling is not required.

Issuing Authority:	Charleston County
Amount of Issue:	\$60,000,000 Hospital Revenue Bonds
Allocation Amount:	-0-
Name of Project:	Bon Secours Health System Project
Employment Impact:	n/a
Project Description:	acquiring, constructing and equipping an acute care hospital of approximately 200 beds in the County and of acquiring certain equipment to be utilized initially at its existing hospital also located in the county which is expected to be transferred to the new hospital upon its completion

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Upon a motion by Senator Drummond, seconded by Mr. Boan, the Board adopted a resolution approving the Charleston County proposal to issue \$60,000,000 Hospital Revenue Bonds on behalf of the Bon Secours Health System project.

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

Richland County: Hospital Revenue Bonds (Blue Agenda #3)

The Board was advised that the required reviews on the following proposal to issue revenue bonds have been completed with satisfactory results, that the project requires approval under State law, and that an allocation of a portion of the Ceiling is not required.

Issuing Authority:	Richland County
Amount of Issue:	\$80,000,000 Hospital Revenue Bonds (includes \$32,000,000 REFUNDING)
Allocation Amount:	-0-
Name of Project:	Richland Memorial Hospital
Employment Impact:	n/a
Project Description:	Refunding of revenue and general obligation bonds used to finance center for cancer treatment and research and for capital projects

Upon a motion by Senator Drummond, seconded by Mr. Boan, the Board adopted a resolution approving the Richland County proposal to issue \$80,000,000 Revenue Bonds on behalf of the Richland Memorial Hospital project.

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

Budget Division: 1992-93 Personal Service Transfers Report, April (B#4)

The Board received as information a Budget Division report that the transfer of \$638,974 of personal service funds had been approved during April (\$606,795 to other operating expenses and \$32,179 to equipment), bringing the total of personal service funds approved for transfer during the fiscal year to \$6,640,828.

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

General Services: MUSC Trade-In Request for Cath Lab Equipment (Blue #5)

The Board received as information a report that, in accordance with Regulation 19-445.2150 of the South Carolina Consolidated Procurement Code, the Division of General Services has approved the trade-in request for cath lab equipment in the amount of \$60,000 for the Medical University of South Carolina. The amount offered for the trade-in was found to be both fair and reasonable, considering the age of the equipment and the fact that the old equipment will be removed at no additional charge.

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

General Services: Property Sale (Blue Agenda #6)

Upon a motion by Senator Drummond, seconded by Mr. Boan, the Board approved the following property sale in accord with Code Section 1-11-65 and Proviso 27.2, as recommended by the Division of General Services:

<u>Agency:</u>	Greenville Technical College
<u>Acreage:</u>	32.3 acres
<u>Location:</u>	Near Simpsonville
<u>County:</u>	Greenville County
<u>Purpose:</u>	Dispose of property under standard procedures whose utility will be lost by planned highway construction
<u>Appraised Value:</u>	\$1,961,000. This value may be adjusted somewhat due to the value of railroad right-of-way
<u>Special Request:</u>	Greenville Tech desires to retain proceeds from this sale under Section 27.2 of the 92-93 Appropriations Act
<u>Approved by:</u>	State Tech Board on 2/24/93 and JBRC on 5/18/93

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

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General Services: Property Acquisitions (Blue Agenda #7)

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

- | | | |
|-----|-----------------------------|--|
| (a) | <u>Agency:</u> | University of South Carolina |
| | <u>Acreage:</u> | 2.0 acres |
| | <u>Location:</u> | 700/720 College Street |
| | <u>County:</u> | Richland |
| | <u>Purpose:</u> | Purchase at below appraised value to avoid continued lease payments on this long term facility |
| | <u>Appraised Value:</u> | \$878,500 |
| | <u>Price/ Seller:</u> | \$850,000/James E. Smith |
| | <u>Source of Funds:</u> | Excess Debt Service - Tuition |
| | <u>Project Number:</u> | H27-9694 |
| | <u>Environmental Study:</u> | Acceptable |
| | <u>Approved by:</u> | JBRC on 5/18/93 and CHE 6/3/93 |
| | | |
| (b) | <u>Agency:</u> | Wildlife and Marine Resources |
| | <u>Acreage:</u> | 214± acres |
| | <u>Location:</u> | Clarendon County |
| | <u>County:</u> | Clarendon County |
| | <u>Purpose:</u> | Addition to Bennetts Bay Preserve |
| | <u>Appraised Value:</u> | \$46,300 |
| | <u>Sale Price:</u> | \$46,300/ Alderman-Shaw Company |
| | <u>Source of Funds:</u> | Heritage Trust Funds |
| | <u>Project Number:</u> | P24-9636 |
| | <u>Environmental Study:</u> | Acceptable |
| | <u>Approved by:</u> | JBRC on 5/18/93 |
| | | |
| (c) | <u>Agency:</u> | Highways and Public Transportation |
| | <u>Acreage:</u> | 3.4 acres |
| | <u>Location:</u> | Greer |
| | <u>County:</u> | Spartanburg County |
| | <u>Purpose:</u> | Site for new DMV license and truck testing facility |
| | <u>Appraised Value:</u> | \$129,000 |
| | <u>Price/ Seller:</u> | \$129,000/ Roy E. Collins and Roy E. Collins, III |
| | <u>Source of Funds:</u> | Gas tax revenue |
| | <u>Project Number:</u> | U12-9583 |
| | <u>Environmental Study:</u> | Acceptable |
| | <u>Approved by:</u> | JBRC on 5/18/93 |

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- (d) Agency: Mental Health
 Acreage: 1.5 acres
 Location: Varnville
 County: Hampton County
 Purpose: To construct a new mental health facility
 Appraised Value: N/ A
 Price/ Seller: Donation/ Kevarn, Inc.
 Source of Funds: N/ A
 Project Number: J12-9548
 Environmental Study: Acceptable
 Approved by: JBRC on 5/18/93
- (e) Agency: Mental Health
 Acreage: 1.5 acres
 Location: Near the intersection of Pine Street and Memorial
 Avenue in Allendale
 County: Allendale County
 Purpose: To construct a new mental health facility
 Appraised Value: N/ A
 Price/ Seller: Donation/ Allendale County
 Source of Funds: N/ A
 Project Number: J12-9546
 Environmental Study: Acceptable
 Approved by: JBRC on 5/18/93

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

General Services: Permanent Improvement Projects (Blue Agenda #8)

Upon a motion by Senator Drummond, seconded by Mr. Boan, the Board approved the following permanent improvement project establishment requests and budget revisions which had been reviewed favorably by the Joint Bond Review Committee:

- (a) Summary 14-93: Item 2: Francis Marion College
 Project: 9503, Stokes Administration Building Expansion
 Request: Increase budget to \$2,788,276.07 (add \$17,031 Other, Manville Settlement funds) to abate asbestos for Phase V. These funds are from the Manville Property Damage Settlement Trust.

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- (b) Summary 14-93: Item 3: Medical University
Project: 9060, Student Wellness Center
Request: Increase budget to \$15,775,871 (add \$1,100,000 Other, Health Science Foundation funds) to rebid the swimming pool. All previous bids were over the budget. The completion of the swimming pool will complete the facility.
- (c) Summary 14-93: Item 4: Criminal Justice Academy
Project: 9518, Dormitory/ Learning Resource Center Construction
Request: Increase budget to \$2,222,000 (add \$922,000 Other, Court Fine funds) to expand project to include not only construction of a 100-bed dormitory, but also a learning resource center with classroom space. The Academy now has sufficient funds to expand the scope of the original project to enlarge the various media capabilities of the Academy. Approximately \$800,000 of the \$2.2 million budget will cover the cost of constructing the 14,670 square foot learning resource center. The learning resource center will provide additional library space, and interactive multi-media training which is not now provided by the Academy.
- (d) Summary 15-93: Item 2: Mental Health
Project: 9610, Asbestos Abatement-Fewell Pavilion
Request: Establish project and budget (\$300,00 Excess Debt Service funds). The existing floor covering, which is an asbestos containing material, will remain serviceable for only three more years. In view of the fact that the building is currently vacant, abatement, replacement of floor covering, and repainting can be conveniently accomplished at this time.
- (e) Summary 15-93: Item 3: Department of Corrections
Project: 9544, State Park Mary White Building - Asbestos Abatement
Request: Establish project and budget (\$68,330 Other, Asbestos Settlement funds) to immediately remove all asbestos-containing materials and debris. This building is currently in use and the urgency of this project is underlined by the Warden's concerns of inmate lawsuits as well as the health hazards posed by the currently exposed areas. The asbestos is friable. These funds are from the Manville Property Damage Settlement Trust.

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

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General Services: Clemson University Procurement Certification (Blue Agenda #9)

Upon a motion by Senator Drummond, seconded by Mr. Boan, the Board, in accord with Section 11-35-1210, granted procurement certification to Clemson University within the parameters described in the audit report for the following limits (total potential purchase commitment whether single- or multi-year contracts are used) for a period of three years: goods and service, \$100,000; construction services, \$100,000; consultant services, \$100,000; information technology in accordance with the approved information technology plan, \$100,000; vending/concessions management services, \$2,500,000.

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

General Services: Easement (Blue Agenda #10)

Upon a motion by Senator Drummond, seconded by Mr. Boan, the Board, in in accord with Code Sections 1-11-80, 1-11-90 and 1-11-100, approved the following deed to the City of Columbia:

County Location:	Richland
From:	Budget and Control Board
To:	City of Columbia
Description/ Purpose:	deed for water lines for Fire Academy relocation
Consideration:	\$0-

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

Southeast Compact Commission: 1993-94 Compact Commission Budget (Regular #1)

The Southeast Interstate Low-level Radioactive Waste Management Compact and the Atomic Energy and Radiation Control Act provide that South Carolina, as host state for the regional disposal facility, must levy a special fee on all users of the facility to provide sufficient funds to cover the annual budget of the Southeast Compact Commission. The Board was advised that the Commission has approved a budget of \$406,888 for 1993-94.

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The Board was asked to approve a disposal fee of 87¢ per cubic foot for the Barnwell facility for 1993-94. This fee should allow funding for the Commission budget and the annual \$40,000 for administrative expenses for the Governor's Office, Division of Natural Resources. The fee is based on a volume estimate of 514,000 cubic feet for 1993-94. The estimated volume does not include waste from several states for which the Compact Commission is considering revocation of access privileges.

At the meeting, Dr. Carter requested that the Board also direct Chem-Nuclear Systems, Inc., to collect the 87¢ per cubic foot surcharge on the Board's behalf and to remit all of the funds generated by the application of the surcharge to the State Treasurer's Office monthly.

Upon a motion by Mr. Boan, seconded by Senator Drummond, the Board, in accord with Code Sections 13-7-30 and 48-47-100, levied a surcharge of 87¢ per cubic foot of waste received at the Barnwell facility during 1993-94 to allow funding for the Commission budget (\$406,888) and the annual administrative expenses for the Governor's Office (\$40,000), Division of Natural Resources; and directed Chem-Nuclear Systems, Inc., to collect the 87¢ per cubic foot surcharge on the Board's behalf and to remit all of the funds generated by the application of the surcharge to the State Treasurer's Office monthly.

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

Medical University of South Carolina: Hospital Facilities Revenue Bonds (Reg #2)

At its meeting on March 23, 1993, the Board had adopted a resolution authorizing the issuance of not exceeding \$22,850,000 Hospital Facilities Revenue Bonds of the Medical University of South Carolina. The Board was advised that MUSC now has increased the amount of the issue from not exceeding \$22,850,000 to not exceeding \$25,000,000. The Board also was advised that the MUSC Board of Trustees has adopted a resolution providing for the issuance and sale of a series of Hospital Facilities Revenue Bonds, Series 1993, of the Medical University in an aggregate principal amount not to exceed \$25,000,000.

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Upon a motion by Mr. Boan, seconded by Senator Drummond, the Board adopted a resolution authorizing the issuance of not exceeding \$25,000,000 of Hospital Facilities Revenue Bonds of the Medical University of South Carolina.

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

Human Resource Management: Regulation 19-101.18 (Regular Session #3)

The Board was advised that the Americans with Disabilities Act (ADA) requires that reasonable accommodation be made for disabled employees to afford them equal access to employment and job-related activities, including travel.

Regulation 19-101.18 outlines that if handicapped employees are required to travel as part of their employment, the most economic mode of travel, consistent with the disability, should be used. The regulation further states "No expenses will be authorized for attendants traveling with State employees."

Under the ADA, employers are mandated to accommodate disabled employees who are required to travel as part of their jobs. In such situations, it is often necessary for an attendant to accompany the disabled employee. Accordingly, all state agencies are required to pay for such assistance for the disabled employees unless the expense is deemed an undue hardship, which would be decided on a case-by-case basis. In light of this federal law and Proviso 129.44E which allows payment of expenses for attendants of state board and commission members, the Comptroller General's Office currently pays such expenses for attendants for state employees.

In order to bring Regulation 19-101.18 in line with this mandated practice, the Division recommends that Regulation 19-101.18 be amended to read as follows: "Expenses at the same rates allowed to State employees will be authorized for attendants traveling with State employees if the travel is required by the job."

Upon a motion by Mr. Boan, seconded by Senator Drummond, the Board approved the following revision of Regulation 19-101.18 to comply with the ADA: "Expenses at the same

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rates allowed to State employees will be authorized for attendants traveling with State employees if the travel is required by the job."

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

General Services: Asbestos Settlement Funds (Regular Session #4)

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

The Division recommended approval of the disbursement of Asbestos Settlement Funds for the following agencies:

- (a) Office of the Attorney General: In 1987, the Board requested that the Attorney General file a lawsuit on behalf of the State against manufacturers of asbestos products. Due to budget constraints caused by budget reductions in the past two years, the Attorney General's Office is requesting \$35,000 out of anticipated settlement funds to help support the ongoing legal effort.
- (b) Division of General Services: The Division is requesting the use of \$75,000 of asbestos settlement funds for use in abating asbestos in the following two projects to be submitted in its 1993-94 APIP:
 - (1) Governor's Mansion - Renovation of Servants' Quarters. To renovate (or demolish if future study shows that to be feasible action), the asbestos will have to be abated; estimated asbestos abatement funds needed, \$55,000.
 - (2) Sumter Street Building - HVAC Renovation. The survey by Davis & Floyd indicates asbestos in some areas that will be impacted by HVAC work; estimated asbestos abatement funds needed, \$20,000.

The Board also was advised that there is \$215,004 available at present in the asbestos settlement fund plus an additional \$59,188.81 in interest through March 31, 1993.

Upon a motion by Senator Drummond, seconded by Mr. Boan, the Board approved the following disbursement of Asbestos Settlement Funds: (a) Attorney General's Office, \$35,000; and General Services (two permanent improvement projects), \$75,000.

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

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Minutes of Budget and Control Board Meeting
June 8, 1993 – Page 12

General Services: Renewal and Extension of Leases (Regular Session #5)

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

The Board was advised Regulation 19-445.2121 requires that leases that commit \$1,000,000 or more in a five-year period be approved by the Budget and Control Board and reviewed by the Joint Bond Review Committee. The following leases were reviewed and approved by the JBRC on April 6.

Through Property Management, the agencies have taken the appropriate procurement steps according to regulation. All prior approvals have been made, including that of the agencies, and adequate funds are available for the lease payments. The agencies have submitted multi-year financial plans. Property Management is of the opinion that the payments represent a fair rate. The lease terms and conditions will be according to the state standard office lease document.

- (a) The Department of Insurance leases 30,658 square feet at 1612 Marion Street. The lease expires June 30, 1996. The proposal is to extend the lease to June of 2001.

Current annual rent is \$442,320 including operating costs (rate of \$14.42 per square foot of rentable area). The proposed rental is a reduction beginning March 1, 1993, to \$410,438 (rate of \$13.39) for eight years and four months. The rate remains at \$13.30 for the entire period. Total rent over the term will be \$3,420,317.

- (b) The Worker's Compensation Commission leases 32,320 square feet at 1612 Marion Street. The lease expires October 31, 1995. The proposal is to extend the lease to June of 2001.

Current annual rent is \$484,800 including operating costs (rate of \$15.00 per square foot of rentable area). The proposed rental is a reduction beginning February 1, 1993 (retroactive) to \$452,480 (rate of \$14.00) for eight years and five months. The rate remains at \$14.00 for the entire period. Total rent over the term will be \$3,808,374.

Following a brief discussion, upon a motion by Mr. Boan, seconded by Senator Drummond, the Board, in accord with Code Section 11-35-1590 and Regulation 19-445.2121,

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Minutes of Budget and Control Board Meeting
June 8, 1993 – Page 13

approved lease renewals and extensions for (a) the Department of Insurance, and (b) Worker's Compensation Commission, as recommended by the Division of General Services.

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

General Services: Property Sale to Retired Employees (Regular Session 6)

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

On October 21, 1986, the Budget and Control Board adopted a policy on the sale of surplus State-owned property to retiring employees. The policy provides in part that:

- the employee must declare an intention to retire from active service within 90 days and be eligible to receive retirement or disability benefits immediately upon retiring
- the property must be declared surplus by the agency head
- the property must have been assigned to and used by the employee
- the employee is limited to the use of one item or a logical grouping of items

The Division recommended approval of the Wildlife and Marine Resources Department request to sell a 1984 Boston Whaler boat, with 1988 motor and 1984 trailer, with a fair market appraised value of \$3,125 to retired employee Major Leonard Mishoe who used the property in the performance of his duties. In requesting this approval, the Department's executive director stated that the items are in need of replacement due to age and/or condition. The Department also requested that it be allowed to retain the proceeds of the sale "to purchase like property."

Mr. Boan observed that, since he has been a Board member, there has been only one request to sell property to a retiring employee. He suggested that the Division of General Services review the policy to see if it is still applicable.

Upon a motion by Senator Drummond, seconded by Mr. Boan, the Board, in accord with established policy, authorized the Department of Wildlife and Marine Resources to sell a

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Minutes of Budget and Control Board Meeting
June 8, 1993 - Page 14

1984 Boston Whaler boat, with 1988 motor and 1984 trailer, with a fair market appraised value of \$3,125 to retired employee Major Leonard Mishoe who used the property in the performance of his duties; authorized the Department to retain the proceeds of the sale to purchase like property; and directed staff to review the policy on the sale of surplus State-owned property to retiring employees.

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

Future Meeting

The Board agreed to meet at 9:30 a.m. on Tuesday, June 29, 1993, in the Governor's conference room in the State House.

Executive Session

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

- | | | |
|---|-----------------------|---|
| 1 | Attorney General | Legal Advice (Stanley, et al. v. Darlington County School District, et al.) |
| 2 | Coastal Council | Legal Briefings |
| 3 | Budget Division | Legal Advice (Various Lawsuits, Coastal Council) |
| 4 | Insurance Services | Contractual Matter (Renewal of Term Life Contract) |
| 5 | Insurance Services | Contractual Matter (Renewal of Long-term Care Contract) |
| 6 | General Services | Contractual Matter (Lease) |
| 7 | State Fire Commission | Discussion of Appointment (State Fire Marshal) |

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Minutes of Budget and Control Board Meeting
June 8, 1993 – Page 15

Report on Matters Discussed in Executive Session

[Secretary's Note: Senator Drummond excused himself from the meeting prior to the end of executive session.]

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

- (a) **Attorney General: Legal Advice (Stanley, et al., v. Darlington County School District, et al.) (Executive Session #1)**

The Board received legal advice relating to the Stanley, et al. v. Darlington County School District, et al., lawsuit.

- (b) **Coastal Council: Legal Briefings (Executive Session #2)**

The Board received legal briefings by Coastal Council general counsel.

- (c) **Budget Division: Legal Advice (Lawsuits, Coastal Council) (X#3)**

The Board received information on Coastal Council litigation costs.

- (d) **Insurance Services: Contractual Matter (Term Life) (Exec. #4)**

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board approved the renewal of the contract with the Hartford Life and Accident Insurance Company with premium rates guaranteed through December 31, 1996, and with plan provisions as presented by the Division of Insurance Services.

- (e) **Insurance Services: Contractual Matter (Long-term Care) (X#5)**

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved the renewal of the contract with the Aetna Life Insurance Company with premium rates guaranteed through December 31, 1998, and with plan provisions as presented by the Division of Insurance Services.

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Minutes of Budget and Control Board Meeting
June 8, 1993 – Page 16

(f) General Services: Contractual Matter (Lease) (Executive #6)

The Board received as information a report on a lease contractual matter.

(g) Fire Commission: Discussion of Appointment (State Fire Marshal) (X#7)

The Board received a briefing on the State Fire Marshal's position vacancy.

Adjournment

The meeting was adjourned at 4:00 p.m.

[Secretary's Note: In compliance with Code §30-4-80, public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, near the Board Secretary's office in the Wade Hampton Building, and in the lobby of the Wade Hampton Office Building at 12:00 noon on Thursday, June 8, 1993.]

06028

EXHIBIT

JUN 8 1993

1

STATE BUDGET AND CONTROL BOARD
MEETING OF June 8, 1993

STATE BUDGET & CONTROL BOARD
BLUE AGENCY CONTROL BOARD
ITEM NUMBER 1

AGENCY: State Treasurer's Office

SUBJECT: Bond Counsel Assignment, Conduit Issues

The State Treasurer's Office has been advised of the following bond counsel assignment in conduit issues:

Educational Facilities Authority for Private, Nonprofit Institutions of Higher Learning, amendments to \$500,000 First Mortgage Revenue Bonds, Series 1985, Baptist College at Charleston project: Haynsworth, Marion, McKay and Guerard.

BOARD ACTION REQUESTED:

Receive as information a report that the State Treasurer's Office has been advised of the following bond counsel assignment in conduit issues: Educational Facilities Authority for Private, Nonprofit Institutions of Higher Learning, amendments to \$500,000 First Mortgage Revenue Bonds, Series 1985, Baptist College at Charleston project - Haynsworth, Marion, McKay and Guerard.

ATTACHMENTS:

06029

STATE OF SOUTH CAROLINA
OFFICE OF STATE TREASURER

COLUMBIA 29211

GRADY L. PATTERSON, JR.
TREASURER

P. O. DRAWER 11778

May 21, 1993

EXHIBIT

JUN 8 1993

1

STATE BUDGET & CONTROL BOARD

C Mr. John L. Hosey
Vice President for Business Affairs
Charleston Southern University
O Post Office Box 10087
Charleston, SC 29411

P RE: Amendments to \$500,000 Educational Facilities Authority for
Private Non-Profit Institutions of Higher Learning First
Mortgage Revenue Bonds, Series 1985 (Baptist College at
Charleston)

Y Dear Mr. Hosey:

We have received your letter dated April 20, 1993, regarding
assignment of Haynsworth, Marion, McKay and Guerard as bond counsel
on the above-described conduit issue.

Pursuant to the procedure adopted by the Budget and Control Board at
its meeting February 25, 1993, concerning assignment of bond counsel
on conduit issues, and as the bond counsel selected by the agency
and the obligor is on the current list of approved bond counsel, we
will notify the Board by copy of this letter of your selection.

With kindest regards, I am

Very truly yours,

Sandy A. Huey
Deputy State Treasurer

SAH:fm

CC: ✓ Ms. Donna Williams
Assistant Executive Director

06030

EXHIBIT

JUN 8 1993 2

STATE BUDGET AND CONTROL BOARD
MEETING OF June 8, 1993

STATE BUDGET & CONTROL BOARD
BLUE AGENDA
ITEM NUMBER 2

AGENCY: Charleston County

SUBJECT: Hospital Revenue Bonds

The required reviews on the following proposal to issue revenue bonds have been completed with satisfactory results. The project requires approval under State law. An allocation of a portion of the Ceiling is not required.

Issuing Authority:	Charleston County
Amount of Issue:	\$60,000,000 Hospital Revenue Bonds
Allocation Amount:	-0-
Name of Project:	Bon Secours Health System Project
Employment Impact:	n/a
Project Description:	acquiring, constructing and equipping an acute care hospital of approximately 200 beds in the County and of acquiring certain equipment to be utilized initially at its existing hospital also located in the county which is expected to be transferred to the new hospital upon its completion

BOARD ACTION REQUESTED:

Adopt a resolution approving the Charleston County proposal to issue \$60,000,000 Hospital Revenue Bonds on behalf of the Bon Secours Health System project.

ATTACHMENTS:

Resolution

06031

8:30 a.m.

Date: May 20, 1993
Submitted for BCB Meeting on:
June 8, 1993

140 East Bay Street, P.O. Box 1431
Street Address/Box Number
 (803) 723-7831

City, State, Zip Code

Telephone Area Code and Number

Hospital Revenue Bonds	
Type of Bonds or Notes	June 10, 1993
Projected Issue Date	

Project Description: Acquiring, constructing and equipping an acute care hospital of approximately 200 beds in the County and of acquiring certain equipment to be initially utilized at its existing hospital also located in the County which is expected to be transferred to the new hospital upon its completion

Employment as result of project: N/A under Hospital Revenue Bond Act

PROJECT APPROVED PREVIOUSLY
 Yes () X No
 Date

EXHIBIT

JUN 8 1993

- A. X Petition
B. X Resolution or ordinance
C. N/A Inducement Resolution or comparable preliminary approval included in Item B
D. _____ Standard Form Investment Letter from bonds purchaser (executed original)
(Purchaser: _____)
OR X Audited financial statements for three most recent years
- STATE BUDGET & CONTROL BOARD**

STATE BUDGET & CONTROL BOARD

- E. X Department of Health and Environmental Control certificate IF REQUIRED
- F. X Budget and Control Board Resolution and Public Notice (original)
[Plus 12 copies for certification and return to counsel]
- G. X Processing fee
Amount \$ 5,000 Check No. 010011012
Payor Bon Secours Health System, Inc.

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

By: M. M. C. / [Signature]
Signature

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

Bon Secours Health System

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

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

His Excellency, Carroll A. Campbell, Jr., Governor and Chairman of the Board;

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

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

The Honorable John Drummond, Chairman of the Senate Finance Committee; and

The Honorable William D. Boan, 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 1:30 p.m. on Tuesday, June 8, 1993, was given to all members in writing at least four days prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, in the lobby of the Wade Hampton Office Building, and near the Board Secretary's Office on the Sixth Floor of the Wade Hampton Office Building at 12:00 noon on Thursday, June 3, 1993.

That all members of the Board were present at the meeting except Governor Campbell and Mr. Patterson (during consideration of this item).

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

FOR MOTION

3

AGAINST MOTION

0

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

June 11, 1993

Donna K. Williams

06033

EXHIBIT

JUN 8 1993

2

A RESOLUTION

STATE BUDGET & CONTROL BOARD

APPROVING THE ISSUANCE BY CHARLESTON COUNTY, SOUTH CAROLINA, OF HOSPITAL REVENUE BONDS SERIES 1993 (BON SECOURS HEALTH SYSTEM PROJECT) IN A PRINCIPAL AMOUNT NOT EXCEEDING \$60,000,000, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 44, CHAPTER 7, ARTICLE 11 (1976), AS AMENDED.

WHEREAS, the County Council of Charleston County, South Carolina (the "Governing Board") has heretofore, by submitting a petition (the "Petition"), under and pursuant to the provisions of Section 44-7-1590 of South Carolina Code Annotated, Title 44, Chapter 7, Article 11 (1976), as amended (the "Act") requested the approval by the State Budget and Control Board of the issuance by Charleston County (the "County") pursuant to the Act of its Hospital Revenue Bonds (Bon Secours Health System Project) in an aggregate principal amount not exceeding \$60,000,000 (the "Bonds"); and

WHEREAS, the County proposes to issue the Bonds for the purpose of acquiring, constructing and equipping an acute care hospital of approximately 200 beds in the County and of acquiring certain equipment to be initially utilized at its existing hospital also located in the County which is expected to be transferred to the new hospital upon its completion (collectively, the "Project").

WHEREAS, the Bond proceeds are to be made available to Bon Secours - St. Francis Xavier Hospital, a South Carolina not-for-profit corporation (the "Corporation"), upon terms which require the Corporation to make payments to or for the account of the County in amounts sufficient to pay the principal and interest on the Bonds and which secure the obligation of the Corporation by a loan agreement among the County, the Corporation and Bon Secours Health System, Inc. (the "Loan Agreement"); and

WHEREAS, the Bonds will be payable solely and exclusively out of payments to be made by the Corporation and the Bonds will be additionally secured by a trust indenture between the County and Norwest Bank Minnesota, National Association, as Bond Trustee (the "Bond Indenture") for the benefit of the holders of the Bonds; and

WHEREAS, the County has submitted with the Petition a copy of a Resolution and Petition adopted by the Governing Board on May 18, 1993, and this Board has reviewed and considered said document in its consideration of said Petition by the County.

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

CHAR:14968

06034

Section 1. The Board has made such investigation of the matters set forth in the Petition as it deems advisable, and on that basis it is hereby found, determined and declared:

(a) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 44-7-1590 of the Act;

(b) The Project as described in the Petition of the Governing Board is intended to promote the purposes of the Act and is reasonably anticipated to effect such result;

(c) The requirements of Article 3, Chapter 7, Title 44 (South Carolina Code) have been met by the issuance on December 7, 1992 of a Certificate of Need by the South Carolina Department of Health and Environmental Control; and

(d) Based upon the offer of the Lehman Brothers division of Shearson Lehman Brothers, Inc. to underwrite the Bonds in an amount not exceeding \$60,000,000 the proposed financing is deemed to be economically feasible.

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

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in The Post and Courier which is a newspaper having general circulation in Charleston County.

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

Section 5. This Resolution shall take effect immediately.

EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS
OF SOUTH CAROLINA CODE ANNOTATED,
TITLE 44, CHAPTER 7, ARTICLE 11
(1976), AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 44-7-1590 of South Carolina Code Annotated, Title 44, Chapter 7, Article 11 (1976), as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Charleston County, South Carolina, has given its approval to the following undertaking by Charleston County, South Carolina:

The issuance by Charleston County of its Hospital Revenue Bonds, Series 1993 (Bon Secours Health System Project) in an original principal amount not exceeding \$60,000,000 (the "Bonds"), to defray the cost of acquiring, constructing and equipping an acute care hospital of approximately 200 beds in the County and of acquiring certain equipment to be initially utilized at its existing hospital also located in the County which is expected to be transferred to the new hospital upon its completion (collectively, the "Project"). The Project will be located on approximately 56 acres lying south of the South Carolina 61 Expressway, West of the Mark Clark Expressway (I-526) and East of Magwood Road's intersection with Highway 61, Charleston County, South Carolina. The Project will be operated and used by Bon Secours -St. Francis Xavier Hospital, a South Carolina not-for-profit corporation (the "Corporation") as acute care hospital facilities. The Bond proceeds will be made available to the Corporation pursuant to a loan agreement among the County, the Corporation and Bon Secours Health System, Inc. (the "Loan Agreement"), under which the Corporation will unconditionally covenant to make payments sufficient to pay the principal and interest on the Bonds. The Bonds will be payable solely and exclusively out of payments to be made by the Corporation and the Bonds will be additionally secured by a trust indenture between the County and Norwest Bank Minnesota, National Association, as Bond Trustee (the "Bond Indenture") for the benefit of the holders of the Bonds.

Pursuant to a petition filed with the State Budget and Control Board, the County Council has found that (a) there is a need for the Project in the area, (b) the Corporation is financially responsible and capable of fulfilling its obligations with respect to the Bonds, the Project and the Loan Agreement, (c) adequate provision shall be made for payment of the Bonds and

operation of the Project and (d) public facilities, including utilities, and public services necessary for the Project, will be made available.

The requirements of Article 3, Chapter 7, Title 44 (South Carolina Code, 1976, as amended) have been met by the issuance on December 7, 1992 of a Certificate of Need by the South Carolina Department of Health and Environmental Control.

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

STATE BUDGET AND CONTROL BOARD

BY: DONNA K. WILLIAMS, Secretary

Dated: June 8, 1993

EXHIBIT

JUN 8 1993 2

STATE BUDGET & CONTROL BOARD

JUL 13 1993

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



CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

1201 MAIN STREET, SUITE 420
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-3880

HELEN T. ZEIGLER
DEPUTY DIRECTOR

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

June 1, 1993

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

RE: \$60,000,000 Charleston County
Hospital Revenue Bonds
(Bon Secours Hospital Systems Project)

Dear Mrs. Williams:

We have received the Revenue Bonds Transmittal Form with the enclosed Petition of County Council to the Budget and Control Board, Resolution Making Application to the State, Certificate of Need issued by DHEC, proposed Resolution of the Budget and Control Board Approving Issuance, Public Notice, and draft of Opinion of Bond Counsel.

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

Sincerely,

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

Wayne F. Rush
General Counsel

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State of South Carolina



Office of the State Auditor

EDGAR A. VAUGHN, JR., CPA
STATE AUDITOR

P.O. BOX 11333
COLUMBIA, S.C. 29211
(803) 253-4160
FAX: (803) 343-0723

MARGARET C. STILWELL, CPA
DEPUTY STATE AUDITOR

June 1, 1993

EXHIBIT

JUN 8 1993 2

STATE BUDGET & CONTROL BOARD

Mrs. Donna K. Williams, Secretary
State Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

RE: Charleston County - Hospital Revenue Bonds - Not Exceeding
\$60,000,000 - Bon Secours Health System Project

Dear Mrs. Williams:

The proceeds from the proposed bond issue will be used to finance an acute care hospital of approximately 200 beds and the acquisition of certain equipment to be initially used at the existing hospital (Bon Secours-St. Francis Xavier Hospital) and which is expected to be transferred to the new hospital upon its completion.

The South Carolina Department of Health and Environmental control issued a certificate of need for the relocation of the entire existing general acute care hospital by construction of a new seven story facility and for the sale of the existing downtown property and building to the Medical University of South Carolina for use other than for a health care facility.

1. We reviewed the various documents submitted with Charleston County Council's Petition to the State Budget and Control Board for approval of the Project and the proposed bond issue.

County Council's Resolution approved May 18, 1993, states the following:

- (a) The Hospital is a South Carolina not-for-profit corporation and the System is a Maryland not-for-profit.
- (b) The parties to the Loan Agreement for the proposed bonds will be the County, the Hospital, and the System.
- (c) The Hospital must establish a debt service reserve fund in connect with the retirement of the 1993 Bonds, but not a separate reserve fund for Project maintenance.

County Council's Petition of the same date contains the following statements:

- (a) The Hospital has established credit and is financially responsible and capable of fulfilling its obligations.
- (b) The proposed Loan Agreement provides that the Hospital obligated itself to complete the Project if the 1993 Bonds financing is inadequate, to make timely debt service payments, and to pay maintenance and insurance on the Project.

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Mrs. Donna K. Williams
June 1, 1993
Page Two

The draft State Budget and Control Board Resolution which will be used to approve the issuance of the proposal bonds contains the following terms and conclusions:

(a) The 1993 Bond proceeds will be provided to the Hospital pursuant to a Loan Agreement among the County, the Hospital, and the System which obligates the Hospital for the debt payable solely and exclusively out of payments by the Hospital.

(b) "Based upon the offer of the Lehman Brothers division of Shearson Lehman Brothers, Inc. to underwrite the Bonds in an amount not exceeding \$60,000,000 the proposed financing is deemed to be economically feasible."

The draft opinion of bond counsel states that proceeds from the 1993 Bonds plus other available funds will be used to finance the Project, fund a debt service reserve fund, and pay certain bond issuance costs including the premium of the Bond Insurance Policy.

2. We reviewed the audited financial statements of the Bon Secours Health System, Inc., and its subsidiaries for the three years ended August 31, 1992. The Hospital is a subsidiary of the System which is a not-for-profit, nonstock membership corporation. A note on Schedule 2.9 (Consolidating Schedule - Revenue and Expense Information) of the Bon Secours Health System, Inc., and Subsidiaries financial statements for the year ended August 31, 1990, states, "Bon Secours - St. Francis Xavier Hospital, Inc. and its subsidiaries became members of Bon Secours Health System Inc. on July 21, 1989..." Each set of the System's financial statements include consolidating obligated group and non-obligated group information. A note thereto states, "The 'Obligated Group' is defined in Section 1.01 of the Master Trust Indenture dated as of October 1, 1985 by and among Bon Secour Health System, Inc., certain affiliated corporations and Mellon Bank, N.A., as Master Trustee." Our review of the Systems' consolidating financial statements shows that the Hospital is a non-obligated member of the System. The consolidated statements were audited by KPMG Peat Marwick, Baltimore, Maryland. The independent accountants expressed an unqualified opinion for each of the three years.

3. The aforementioned financial statements report the following balances for Bon Secours-St. Francis Xavier Hospital, Inc., and its subsidiaries after consolidating eliminations:

	(Amounts in Thousands)			
	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>
Operating income (loss)	\$ (167)	\$ 1,830	\$ 491	\$ (15)
Property, plant, equipment, net	40,092	31,072	30,294	30,305
Long-term debt excluding				
current portion	13,785	14,645	15,508	19,067
Unrestricted fund balance	51,854	55,222	52,601	50,027

* results for period 7/21/89 through 8/31/89

06040

The aforementioned financial statements report the following balances for the Bon Secours Health System, Inc., and its subsidiaries:

	(Amounts in Thousands)			
	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>
Operating income (loss)	\$ 20,865	\$ 18,761	\$ 15,274	\$ 11,971
Property, plant, equipment, net	282,095	238,363	226,014	219,354
Long-term debt excluding current portion	287,099	186,984	194,443	218,718
Restricted funds held by loan/bond trustees	67,934	39,623	41,751	59,500
Unrestricted fund balance	294,278	281,497	254,091	229,259

4. Our review of the various documents described above and the consolidated financial statements of the Bon Secours Health System, Inc., and its subsidiaries raised the following questions:

- (a) Will the Hospital obtain a bond insurance policy as additional security for the bonds?
- (b) Why is the System a party to the Loan Agreement if only the Hospital will be obligated for the bond debt?
- (c) Are the System's consolidated financial statements of any value in our review of the proposed issue when the System is not the obligated entity?

On May 27, 1993, we talked by phone with co-bond counsel (M. William Youngblood, Esq., of McNair & Sanford); bond counsel (Richard K. Tomei, Esq., of Chapman and Cutler); and corporate counsel for Bon Secours Health System, Inc. (Robert Yolles, Esq., of Jones, Day, Reavis & Pogue). Messrs. Youngblood and Tomei explained that the documents and information submitted in connection with the request for Board approval contained preliminary information or information from other bond issue transactions which had not been fully revised for the proposed bond issue. A decision on whether the bonds will be secured by bond insurance probably won't be made until July when the parties meet to discuss pricing the issue. (Mr. Youngblood is to provide us with a letter regarding the status of the bond insurance.) Each of the three attorneys said that the Hospital will become a member of the System's obligated group before the proposed bonds are issued and that the credit of the System will be pledged as security for the bond debt. Mr. Yolles further explained that the Hospital cannot become an obligated member until the existing facility is sold to the Medical University of South Carolina. (Mr. Yolles is to provide us with a letter describing the Hospital's transition from a non-obligated to an obligated member of the System and what it means to be an obligated member.)

[Note: At this writing, we have not received any information from Mr. Youngblood regarding the bond insurance matter.]

06C41

Mrs. Donna K. Williams
June 1, 1993
Page Four

5. As promised, we received by FAX (signed original received June 1) a letter from William J. Harmon, Esq., of Jones, Day, Reavis & Pogue with attached excerpts of the Bon Secours Heath System, Inc., (BSHSI) Master Indenture dated October 1, 1985, as amended. Mr. Harmon's letter contains the following information:

"The Hospital is controlled directly by BSHSI...

Prior to the issuance of the Bonds, the Hospital will become a Member of the Obligated Group...

The Member for whose benefit a Master Note is issued is primarily responsible for providing for all payments...

The Hospital's obligations under the Loan Agreement will be...secured and evidenced by the issuance under the Master Indenture of Master Notes...

the Series 1993 Master Note will constitute the joint and several obligation of the Hospital and each other member of the Obligated Group."

Article III of the Master Indenture states the following regarding the Obligated Group:

(a) Each Member of the Obligated Group, respectively, by having become a Member under the Original Master Indenture or by hereafter becoming a Member acknowledges that the Agency has the power...to issue Obligations hereunder on behalf of the Obligated Group and each Member...

(c) ...each Member of the Obligated Group hereby unconditionally and irrevocably agrees that it shall be jointly and severally obligated and liable, and hereby agrees, to pay all amounts becoming due and payable on all Obligations...

(d) ...it is the intention of the Obligated Group that each and every Obligation shall constitute the direct Obligation of each and every Member of the Obligated Group...

Persons which are not Members of the Obligated Group may become Members of the Obligated Group, if:

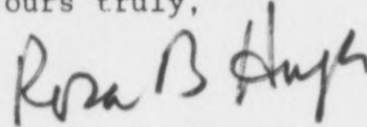
(a) The Person which is becoming a Member of the Obligated Group shall execute and deliver to the Master Trustee an appropriate instrument...containing the agreement of such Person (i) to become a Member... and (ii) unconditionally and irrevocably becoming jointly and severally obligated on all Obligations issued and then Outstanding or to be issued and Outstanding hereunder.

06042

Mrs. Donna K. Williams
June 1, 1993
Page Five

Based upon the aforementioned information submitted to the Board for review and relying on the additional information provided by the System's counsel (regarding the Hospital's future status as an obligated member of the System) and, consequently, relying on the continued financial stability and strong operating results of the Bon Secours Health System, Inc., we see no reason to disapprove the proposed bond issue.

Yours truly,



Rosa B. Hughes, CPA
Audit Manager

RBH/tdc

EXHIBIT

JUN 8 1993 2

STATE BUDGET & CONTROL BOARD

C6043

The State of South Carolina



Office of the Attorney General

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE: 803-734-3680
FACSIMILE: 803-253-6283

May 26, 1993

EXHIBIT

JUN 8 1993 2

STATE BUDGET & CONTROL BOARD

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

RE: Charleston County
\$60,000,000 Hospital Revenue Bonds
(Bon Secours Health Systems Project)

Dear Ms. Williams:

Regarding the above-referenced obligation, we have reviewed the Petition and other documents forwarded to us by the State Budget and Control Board. These represent a portion of the documents that have been submitted to the Board for its approval pursuant to S.C. Code Ann. §44-7-1590 (1976). The documents appear to comply with the requirements of the referenced Code section that certain specific information be addressed in these documents.

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

Office of the Attorney General

By:

A handwritten signature in dark ink, appearing to read "Drew Ashworth", written over a horizontal line.

TGA:bvc

06044

EXHIBIT

JUN 8 1993

2

STATE OF SOUTH CAROLINA)
)
CHARLESTON COUNTY)

STATE BUDGET & CONTROL BOARD

TO THE STATE BUDGET AND CONTROL
BOARD OF SOUTH CAROLINA

P E T I T I O N

This Petition of Charleston County, South Carolina (the "County"), pursuant to South Carolina Code Annotated, Title 44, Article 11, Chapter 7 (1976), as amended (the "Act"), and specifically Section 44-7-1590 thereof, respectfully shows:

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

2. The Act, among other things, empowers the County, subject to obtaining the approval of the State Budget and Control Board, pursuant to Section 44-7-1590 of the Act: (i) to enter into agreements with any hospital agency or public agency necessary or incidental to the issuance of the bonds, as defined in the Act to include notes; (ii) to enter into a loan agreement with a hospital agency or public agency prescribing the terms and conditions of the payments to be made by the hospital agency or the public agency to the County or its assignee; to meet payments that shall become due on bonds, including terms and conditions relative to the acquisition and use of "hospital facilities" and the issuance of bonds; and (iii) to issue revenue bonds for the purpose of defraying the cost of providing hospital facilities and to secure the payment of such bonds; and to make the proceeds of any bonds available by way of a loan to a hospital agency or public agency pursuant to a loan agreement.

3. By Resolution adopted May 18, 1993, the County agreed to assist Bon Secours - St. Francis Xavier Hospital, a South Carolina not-for-profit corporation (the "Corporation"), and Bon Secours Health System, Inc., a Maryland not-for-profit corporation ("BSHSI"), by issuing its revenue bonds for the purpose of defraying the cost of acquiring, constructing and equipping an acute care hospital in the County and of acquiring certain equipment to be initially utilized at its existing hospital also located in the County which is expected to be transferred to the new hospital upon its completion (collectively, the "Project"),

more fully described in Exhibit A to the Agreement and Indenture hereinafter referred to.

4. The County has been advised by the Corporation that the estimated cost of the Project will be an amount not exceeding \$60,000,000 and it has requested the County to execute and deliver its Hospital Revenue Bonds, Series 1993 (Bon Secours Health System Project) (the "Bonds") in a principal amount not exceeding \$60,000,000 to defray such costs.

5. Pursuant to Section 44-7-1480 of the Act, the County Council has made the requisite findings that:

(a) the Project to be acquired or constructed constitutes "hospital facilities" as defined in the Act;

(b) there is a need for the Project in the area in which it is to be located to serve the people of the County;

(c) the Corporation is a hospital agency as defined in the Act with established credit and is financially responsible and capable of fulfilling its obligations under the Agreement, including the obligations to make the payments required thereunder, to operate, repair and maintain at its own expense the Project and to discharge such other responsibilities as may be imposed under the Agreement to be entered into by and between the County, the Corporation and BSHSI;

(d) adequate provision shall be made for the payment of principal of and interest on the Bonds and any necessary reserves therefor and for the operation, repair and maintenance of the Project at the expense of the Corporation including all proper insurance with respect thereto;

(e) the public facilities, including utilities and public services necessary for the Project, will be made available;

(f) the issuance of the Bonds will subserve the purposes and in all respects conform to the provisions and requirements of the Act;

(g) neither the Project, the Bonds, nor any documents or agreements entered into by the County in connection therewith will constitute an indebtedness of the County within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing power; and

(h) because the Bonds are being issued on behalf of a 501(c)(3) corporation, it is not necessary to secure an allocation of the State's Private Activity Volume Cap.

6. Pursuant to Section 44-7-1590 of the Act, the County sets forth the following information:

(a) The Project, described in detail on Exhibit A to the Agreement and the Indenture, consists of an acute care hospital facility of approximately 200 beds to be located on approximately 56 acres lying south of the South Carolina Highway 61 Expressway, West of the Mark Clark Expressway (I-526) and East of Magwood Road's intersection with Highway 61, to be used by the Corporation as an acute care hospital.

(b) It is estimated that the cost of the Project, including the items of cost authorized in the Act, will be not more than \$60,000,000.

(c) The Corporation has advised that the Certificate of Need requirements of Article 3, Chapter 7, Title 44 (South Carolina Code) have been met by the issuance of a Certificate of Need by the South Carolina Department of Health and Environmental Control.

(d) Copies of the Agreement and the Indenture are available from the County. The following summary of terms is in no wise intended to affect or alter the actual terms of the documents themselves:

(i) The proposed Agreement among the Corporation, BSHSI and the County provides in general:

(A) Proceeds derived from the sale of the Bonds, will be used and applied by the County upon request of the Corporation solely for the payment of the "costs" (as that term is defined in the Act) incident to the acquisition, construction and equipping of the Project.

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

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

(D) The Trustee acquires, for the benefit of the Bondholders, a certain trust estate under the granting clauses of the Indenture.

(ii) The proposed Indenture between the County and Norwest Bank Minnesota, National Association, as trustee, (the "Trustee") provides in general:

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

(B) The terms of the Bonds, the provisions for exchange and transfer of the Bonds, the prepayment provisions, the means of disbursement of the proceeds of the Bonds, default provisions and remedies therefor and various other matters relating to the Bonds.

(C) The execution of the Indenture imposes no pecuniary liability on the County and does not create a charge upon the general credit or taxing power of the County.

7. No approvals granted in connection with the Bonds have been made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Upon the basis of the foregoing, the County respectfully prays that the State Budget and Control Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such investigation as it deems advisable, (iii) if it finds that the Project is intended to promote the purposes of the Act and may be reasonably anticipated to effect such result, that it approve the Project and the execution and delivery of the Bonds by the County pursuant to the Act to defray the cost of the Project (including changes in any details of the said financing as finally consummated which do not materially adversely affect the

undertaking of the County), and (iv) give published notice of its approval in the manner set forth in Section 44-7-1590 of the Act.

Respectfully submitted,

CHARLESTON COUNTY, SOUTH CAROLINA

By: *Dr. Henry G. ...*
Chair, Charleston County Council

ATTEST:

Dorothy J. ...
Clerk, Charleston County Council

Dated: May 18, 1993

EXHIBIT

JUN 8 1993

2

STATE BUDGET & CONTROL BOARD

EXHIBIT

JUN 8 1993

2

RESOLUTION

STATE BUDGET & CONTROL BOARD

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY CHARLESTON COUNTY, SOUTH CAROLINA, OF ITS HOSPITAL REVENUE BONDS, SERIES 1993 (BON SECOURS HEALTH SYSTEM PROJECT), PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 44, ARTICLE 11, CHAPTER 7 (1976), AS AMENDED, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING \$60,000,000.

WHEREAS, Charleston County, South Carolina (the "County"), acting by and through its County Council, is authorized and empowered under and pursuant to the provisions of South Carolina Code Annotated, Title 44, Article 11, Chapter 7 (1976), as amended (the "Act"), to enter into agreements with any hospital agency or public agency necessary or incidental to the issuance of bonds and to issue bonds for the purpose of defraying the cost of providing "hospital facilities" as defined in the Act, through which the public health and welfare of the people of the State of South Carolina may be promoted at the lowest possible expense; and

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

WHEREAS, Bon Secours - St. Francis Xavier Hospital, a South Carolina not-for-profit corporation (the "Corporation"), and Bon Secours Health System, Inc., a Maryland not-for-profit corporation ("BSHSI"), have requested that the County take some "official action" with respect to the Project and the Bonds (hereinafter defined); and

WHEREAS, in order to implement the public purposes enumerated in the Act and in furtherance thereof the County proposes to issue its Hospital Revenue Bonds, Series 1993 (Bon Secours Health System Project) in a principal amount not exceeding \$60,000,000 (the "Bonds") under and pursuant to the Act to defray the costs of acquiring, constructing and equipping an acute care hospital of approximately 200 beds in the County and of acquiring certain equipment to be initially utilized at its existing hospital also located in the County which is expected to be transferred to the new hospital upon its completion (collectively, the "Project") and, subject to the approval of the State Budget and Control Board of South Carolina, to make the Project available to the Corporation under and pursuant to the terms of a loan agreement (the

"Agreement") to be entered into among the County, the Corporation and BSHSI; and

WHEREAS, it is now deemed advisable by the County Council to file with the State Budget and Control Board of South Carolina, in compliance with Section 44-7-1590 of the Act, the Petition of the County requesting approval by the State Budget and Control Board of the proposed financing;

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

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

(a) The Project will constitute "hospital facilities" as said term is referred to and defined in Section 44-7-1430(f) of the Act, and the issuance of the Bonds in the principal amount of not exceeding \$60,000,000 to finance the Project will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(b) It is anticipated that the Project will benefit the general public welfare of the County by providing public health and welfare benefits not otherwise provided locally;

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

(d) The issuance of the Bonds by the County in the principal amount of not exceeding \$60,000,000 will be required to defray the cost of the Project.

(e) The proceedings under which the Bonds will be authorized will establish a debt service reserve fund in connection with the retirement of the Bonds. The underwriter for the Bonds has advised that it will not be necessary to establish a separate reserve for the maintenance of the Project.

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

(g) The Project will consist of the items described in Exhibit A to the Agreement and the Indenture to be entered into between the County and Norwest Bank Minnesota, National Association (the "Trustee").

(h) A reasonable estimate of the cost of the Project including necessary expenses incident thereto is an amount not exceeding \$60,000,000.

(i) The public facilities, including utilities and public services necessary for the Project, will be made available.

(j) The Corporation has advised that the Certificate of Need requirements of Article 3, Chapter 7, Title 44 (South Carolina Code) have been met by the issuance on December 7, 1992 of a Certificate of Need by the South Carolina Department of Health and Environmental Control.

(k) No approvals granted in connection with the Bonds have been made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Section 2. There be and is hereby authorized and directed the submission on behalf of the County of a Petition requesting the approval of the proposal of the County to issue the Bonds by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 44-7-1590 of the Act, said Petition, which constitutes and is hereby made a part of this authorizing resolution, to be in substantially the form attached hereto.

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

Section 4. This resolution shall constitute an "official action" of the County within the meaning of the Internal Revenue Code of 1986, as amended, and Regulations Section 1.103-8(a)(5) promulgated thereunder authorizing the issuance of tax-exempt revenue bonds in an amount not exceeding \$60,000,000 for the Project.

Section 5. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby

EXHIBIT

JUN 8 1993 2

STATE BUDGET & CONTROL BOARD

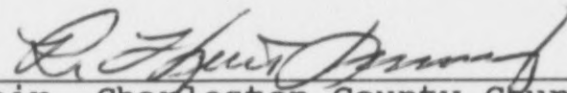
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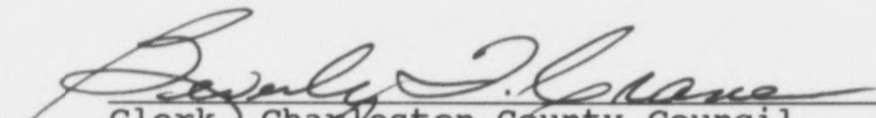
repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved May 18, 1993.

CHARLESTON COUNTY, SOUTH CAROLINA

By: 
Chair, Charleston County Council

ATTEST:


Clerk, Charleston County Council

STATE OF SOUTH CAROLINA)
)
CHARLESTON COUNTY)

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

P E T I T I O N

This Petition of Charleston County, South Carolina (the "County"), pursuant to South Carolina Code Annotated, Title 44, Article 11, Chapter 7 (1976), as amended (the "Act"), and specifically Section 44-7-1590 thereof, respectfully shows:

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

2. The Act, among other things, empowers the County, subject to obtaining the approval of the State Budget and Control Board, pursuant to Section 44-7-1590 of the Act: (i) to enter into agreements with any hospital agency or public agency necessary or incidental to the issuance of the bonds, as defined in the Act to include notes; (ii) to enter into a loan agreement with a hospital agency or public agency prescribing the terms and conditions of the payments to be made by the hospital agency or the public agency to the County or its assignee; to meet payments that shall become due on bonds, including terms and conditions relative to the acquisition and use of "hospital facilities" and the issuance of bonds; and (iii) to issue revenue bonds for the purpose of defraying the cost of providing hospital facilities and to secure the payment of such bonds; and to make the proceeds of any bonds available by way of a loan to a hospital agency or public agency pursuant to a loan agreement.

3. By Resolution adopted May 18, 1993, the County agreed to assist Bon Secours - St. Francis Xavier Hospital, a South Carolina not-for-profit corporation (the "Corporation"), and Bon Secours Health System, Inc., a Maryland not-for-profit corporation ("BSHSI"), by issuing its revenue bonds for the purpose of defraying the cost of acquiring, constructing and equipping an acute care hospital in the County and of acquiring certain equipment to be initially utilized at its existing hospital also located in the County which is expected to be transferred to the new hospital upon its completion (collectively, the "Project"),

more fully described in Exhibit A to the Agreement and Indenture hereinafter referred to.

4. The County has been advised by the Corporation that the estimated cost of the Project will be an amount not exceeding \$60,000,000 and it has requested the County to execute and deliver its Hospital Revenue Bonds, Series 1993 (Bon Secours Health System Project) (the "Bonds") in a principal amount not exceeding \$60,000,000 to defray such costs.

5. Pursuant to Section 44-7-1480 of the Act, the County Council has made the requisite findings that:

(a) the Project to be acquired or constructed constitutes "hospital facilities" as defined in the Act;

(b) there is a need for the Project in the area in which it is to be located to serve the people of the County;

(c) the Corporation is a hospital agency as defined in the Act with established credit and is financially responsible and capable of fulfilling its obligations under the Agreement, including the obligations to make the payments required thereunder, to operate, repair and maintain at its own expense the Project and to discharge such other responsibilities as may be imposed under the Agreement to be entered into by and between the County, the Corporation and BSHSI;

(d) adequate provision shall be made for the payment of principal of and interest on the Bonds and any necessary reserves therefor and for the operation, repair and maintenance of the Project at the expense of the Corporation including all proper insurance with respect thereto;

(e) the public facilities, including utilities and public services necessary for the Project, will be made available;

(f) the issuance of the Bonds will subserve the purposes and in all respects conform to the provisions and requirements of the Act;

(g) neither the Project, the Bonds, nor any documents or agreements entered into by the County in connection therewith will constitute an indebtedness of the County within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing power; and

(h) because the Bonds are being issued on behalf of a 501(c)(3) corporation, it is not necessary to secure an allocation of the State's Private Activity Volume Cap.

CHAR:3508

2

EXHIBIT

06055

JUN 8 1993

2

STATE BUDGET & CONTROL BOARD

6. Pursuant to Section 44-7-1590 of the Act, the County sets forth the following information:

(a) The Project, described in detail on Exhibit A to the Agreement and the Indenture, consists of an acute care hospital facility of approximately 200 beds to be located on approximately 56 acres lying south of the South Carolina Highway 61 Expressway, West of the Mark Clark Expressway (I-526) and East of Magwood Road's intersection with Highway 61, to be used by the Corporation as an acute care hospital.

(b) It is estimated that the cost of the Project, including the items of cost authorized in the Act, will be not more than \$60,000,000.

(c) The Corporation has advised that the Certificate of Need requirements of Article 3, Chapter 7, Title 44 (South Carolina Code) have been met by the issuance of a Certificate of Need by the South Carolina Department of Health and Environmental Control.

(d) Copies of the Agreement and the Indenture are available from the County. The following summary of terms is in no wise intended to affect or alter the actual terms of the documents themselves:

(i) The proposed Agreement among the Corporation, BSHSI and the County provides in general:

(A) Proceeds derived from the sale of the Bonds, will be used and applied by the County upon request of the Corporation solely for the payment of the "costs" (as that term is defined in the Act) incident to the acquisition, construction and equipping of the Project.

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

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

(D) The Trustee acquires, for the benefit of the Bondholders, a certain trust estate under the granting clauses of the Indenture.

(ii) The proposed Indenture between the County and Norwest Bank Minnesota, National Association, as trustee, (the "Trustee") provides in general:

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

(B) The terms of the Bonds, the provisions for exchange and transfer of the Bonds, the prepayment provisions, the means of disbursement of the proceeds of the Bonds, default provisions and remedies therefor and various other matters relating to the Bonds.

(C) The execution of the Indenture imposes no pecuniary liability on the County and does not create a charge upon the general credit or taxing power of the County.

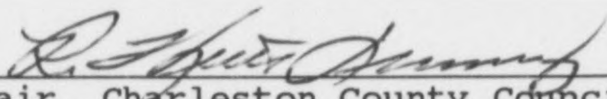
7. No approvals granted in connection with the Bonds have been made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Upon the basis of the foregoing, the County respectfully prays that the State Budget and Control Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such investigation as it deems advisable, (iii) if it finds that the Project is intended to promote the purposes of the Act and may be reasonably anticipated to effect such result, that it approve the Project and the execution and delivery of the Bonds by the County pursuant to the Act to defray the cost of the Project (including changes in any details of the said financing as finally consummated which do not materially adversely affect the

undertaking of the County), and (iv) give published notice of its approval in the manner set forth in Section 44-7-1590 of the Act.

Respectfully submitted,

CHARLESTON COUNTY, SOUTH CAROLINA

By: 
Chair, Charleston County Council

ATTEST:


Clerk, Charleston County Council

Dated: May 18, 1993

EXHIBIT

JUN 8 1993 2

STATE BUDGET & CONTROL BOARD

South Carolina Department of Health
and Environmental Control



CERTIFICATE OF NEED

EXHIBIT

JUN 8 1993

2

STATE BUDGET & CONTROL BOARD

This Certificate of Need is issued to: Bon Secours-St. Francis Xavier Hospital, Licensee, Charleston, South Carolina; Creighton E. Likes, Jr., Agent; Relocation of the entire existing general acute care hospital to West of the Ashley by construction of a new seven story facility with a reduction in licensed bed capacity from 362 general beds to 198 general beds; sale of existing downtown property and buildings to the Medical University of South Carolina for use other than that of a health care facility.

For Certificate No. SC-92-67 in accordance with the Code of Laws of South Carolina.

In determining the need for this project, the South Carolina Department of Health and Environmental Control has taken into consideration the "Criteria for Project Review" and the State Medical Facilities Plan.

This Certificate of Need is valid for a period of ^{twelve} ~~six~~ months from the date of issuance unless the applicant receives an extension of this Certificate from the Department in accordance with regulations of the Department.



In Witness Whereof we have hereunto set our hands and the seal of the Department of Health and Environmental Control this the 7th day of December, 1992.

Albert N. White

Director, Division of Planning and Certification of Need

Leo B. Friedman

Director, Bureau of Health Facilities and Services Development

Richard C. Coney

Deputy Commissioner, Health Regulation

DHEC-225 (Rev. 6/90)

06059

EXHIBIT

JUN 8 1993 2

DRAFT

STATE BUDGET & CONTROL BOARD

_____, 1993

Charleston County, South Carolina
Charleston, South Carolina

Lehman Brothers
New York, New York

Norwest Bank Minnesota, National
Association, as Bond Trustee
Minneapolis, Minnesota

Re: \$_____ Charleston County, South Carolina Hospital Revenue
Bonds, Series 1993A (Bon Secours Health System Project)

\$_____ Charleston County, South Carolina Hospital Revenue
Bonds, Series 1993B (Bon Secours Health System Project)
Select Auction Variable Rate Securitiessm (SAVRSsm)

\$_____ Charleston County, South Carolina Hospital Revenue
Bonds, Series 1993C (Bon Secours Health System Project)
Residual Interest Bondssm (RIBSsm)

\$_____ Charleston County, South Carolina Hospital Revenue
Bonds, Series 1993D (Bon Secours Health System Project)
Yield Enhancement Securitiessm (YESsm)

\$_____ Charleston County, South Carolina Hospital Revenue
Bonds, Series 1993E (Bon Secours Health System Project)
Inverse Floating Rate Notessm (IFRNssm)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Charleston County, South Carolina (the "Issuer") of: \$_____ in aggregate principal amount of its Hospital Revenue Bonds, Series 1993A (Bon Secours Health System Project) (the "Serial Bonds"); \$_____ in aggregate principal amount of its Hospital Revenue Bonds, Series 1993B (Bon Secours Health System Project) Select Auction Variable Rate Securitiessm (SAVRSsm) (the "SAVRS"); \$_____ in aggregate principal amount of its Hospital Revenue Bonds, Series 1993C (Bon Secours Health System Project) Residual Interest Bondssm (RIBSsm) (the

"RIBS"); \$_____ in aggregate principal amount of its Hospital Revenue Bonds, Series 1993D (Bon Secours Health System Project) Yield Enhancement Securitiessm (YESsm) (the "Yes Bonds"); and \$_____ in aggregate principal amount of its Hospital Revenue Bonds, Series 1993E (Bon Secours Health System Project) Inverse Floating Rate Notessm (IFRN^ssm) (the "IFRN^s Bonds" and, together with the Serial Bonds, the SAVRS, the RIBS and the YES Bonds, the "Series 1993 Bonds"). The Series 1993 Bonds are issued under the provisions of the Hospital Revenue Bond Act, South Carolina Code Annotated Title 44, Chapter 7, Article 11, as amended (the "Act"), and under and pursuant to that certain Bond Trust Indenture dated as of June 1, 1993 (the "Bond Indenture") between the Issuer and Norwest Bank Minnesota, National Association, as bond trustee (the "Bond Trustee").

The proceeds of the sale of the Series 1993 Bonds will be loaned to Bon Secours - St. Francis Xavier Hospital, a South Carolina nonprofit, nonstock membership corporation (the "Borrower"), pursuant to a Loan Agreement dated as of June 1, 1993 (the "Loan Agreement") among the Issuer, Bon Secours Health System, Inc., a Maryland nonprofit, nonstock membership corporation ("BSHSP"), and the Borrower. Such proceeds will be used, together with other available funds, to (i) pay or reimburse the Borrower for payment of the costs of acquiring, constructing, equipping, renovating, remodeling and improving certain of its medical facilities (the "Project"), (ii) fund a debt service reserve fund for the benefit of the Series 1993 Bonds and (iii) pay certain costs incurred in connection with the issuance of the Series 1993 Bonds, [including the premium of the Bond Insurance Policy, as defined in the Bond Indenture].

The loan to be made pursuant to the Bond Indenture will be evidenced by Master Notes (the "Series 1993 Notes") issued pursuant to a Master Trust Indenture dated as of October 1, 1985, as amended (the "Master Indenture"), among BSHSI, certain corporations affiliated with BSHSI including the Borrower (collectively with BSHSI, the "Obligated Group" and, each together with BSHSI individually, a "Member of the Obligated Group") and Mellon Bank, N.A.

We have been informed that each Member of the Obligated Group is exempt from federal income taxes under Sections 501(a) and 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and is not a "private foundation" as defined in Section 509(a) of the Code.

In our capacity as bond counsel, we have examined, among other things, certified proceedings of the members of the Issuer authorizing, among other things, the execution and delivery of the Bond Indenture, the Loan Agreement, and the Tax Exemption Agreement dated this date among the Issuer, the Borrower, BSHSI and the Bond Trustee, and the issuance of the Series 1993 Bonds, a specimen Series 1993 Bond of each series, a certificate of the Bond Trustee regarding the authentication of the Series 1993 Bonds, executed

counterparts of the above-referenced documents, executed opinions of the McNair Law Firm, P.A., co-bond counsel, _____, counsel to the Issuer, Jones, Day, Reavis & Pogue, counsel to BSHSI, and _____, counsel to the Borrower, each dated this date, and such other documents, showings and related matters as we have deemed necessary in order to render this opinion.

Based upon the foregoing and in reliance upon certain documents and showings hereinafter referred to, we are of the opinion that:

1. The Bond Indenture has been duly authorized by the Issuer, has been duly executed and delivered by authorized officers of the Issuer and, assuming due authorization, execution and delivery thereof by the Bond Trustee, constitutes a legal, valid and binding instrument of the Issuer, enforceable against the Issuer in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights and by the availability of equitable remedies.

2. The Series 1993 Bonds and the application of the proceeds from the sale thereof in accordance with the provisions of the Bond Indenture have been duly authorized by the Issuer, the Series 1993 Bonds have been duly executed by authorized officers of the Issuer, authenticated by the Bond Trustee and validly issued by the Issuer and constitute the legal, valid and binding limited obligations of the Issuer payable solely from payments and prepayments received by the Issuer upon the Series 1993 Notes, and upon any additional Master Notes issued pursuant to the Master Indenture and pledged under the Bond Indenture and from amounts payable under the Loan Agreement, and the Series 1993 Bonds are enforceable in accordance with their terms and are entitled to the benefit and security of the Bond Indenture, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights and by the availability of equitable remedies.

3. The Loan Agreement has been duly authorized by the Issuer, has been duly executed and delivered by authorized officers of the Issuer and, assuming due authorization, execution and delivery thereof by the Borrower and BSHSI, constitutes a legal, valid and binding instrument of the Issuer enforceable against the Issuer in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights and by the availability of equitable remedies.

4. Interest on the Series 1993 Bonds is not, under present law, includible in gross income of the owners thereof for federal income tax purposes, and therefore is exempt from present federal income taxation, except to the extent that such interest will be taken into account in computing an adjustment used in determining the alternative minimum tax for

certain corporations, in computing the environmental tax imposed on certain corporations and in computing the "branch profits tax" imposed on certain foreign corporations. Interest on the Series 1993 Bonds will not be treated as an item of tax preference in computing the alternative minimum tax for individuals and corporations. The foregoing opinions assume compliance with certain covenants made by the Issuer, the Borrower, and certain other Members of the Obligated Group to satisfy pertinent requirements of the Code. Failure to comply with certain of these covenants could cause the interest on the Series 1993 Bonds to be included in gross income and be subject to federal income taxation retroactive to the date of issuance of the Series 1993 Bonds. Ownership of the Series 1993 Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. We express no opinion regarding any such collateral consequences arising with respect to the Series 1993 Bonds.

5. Under the laws of the State of South Carolina, as presently enacted and construed, so long as interest on the Series 1993 Bonds is not included in gross income for federal tax purposes, interest on the Series 1993 Bonds (i) shall be exempt from the taxes imposed by the Income Tax Act of 1926 contained in Chapter 7 of Title 12 of the Code of Laws of South Carolina, 1976 and (ii) shall be excluded from net income for purposes of the tax contained in Chapter 13 of Title 12 of the Code of Laws of South Carolina, 1976, imposed on associations as defined therein. No opinion is expressed with respect to any other taxes imposed by the State of South Carolina, including the exclusion from net income of interest on the Series 1993 Bonds for purposes of the tax contained in Chapter 11 of Title 12 of the Code of Laws of South Carolina, 1976, imposed on banks as defined therein. Ownership of the Series 1993 Bonds may result in other South Carolina tax consequences to certain tax payers, and we express no opinion regarding any such collateral consequences arising with respect to the Series 1993 Bonds.

In rendering this opinion, we have relied upon the certificate of even date herewith of BSHSI and the Borrower with respect to certain material facts solely within their knowledge relating to (i) the property financed or refinanced with the proceeds of the Series 1993 Bonds and (ii) the application of the proceeds of the Series 1993 Bonds.

Respectfully submitted,

EXHIBIT

LLC:RKT

JUN 8 1993 2

STATE BUDGET & CONTROL BOARD
-4-

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EXHIBIT

JUN 8 1993 2

STATE BUDGET & CONTROL BOARD

010011012

BON SECOURS HEALTH SYSTEM, INC.

DATE	INVOICE NO.	DESCRIPTION	INVOICE AMOUNT	DEDUCTION	BALANCE
		ST. FRANCIS REFINANCING			
					06064
CHECK DATE	May 10 93	CHECK NO.	000000011012 TOTALS	5,000.00	0.00 5,000.00



BON SECOURS HEALTH SYSTEM, INC.

1505 Marriottsville Road
Marriottsville, Maryland 21104-1399

NationsBank OF FLORIDA
LAKE CITY, FLORIDA

63-063
631

VOUCHER NO. 010011012

May 10 93

000000011012

\$5,000.00

DATE

CHECK NO

AMOUNT

***** Five Thousand and 00/100 *****

PAY
TO THE
ORDER
OF

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
INTERNAL OPERATIONS
1201 MAIN STREET, SUITE 700
COLUMBIA, SC

29201

[Signature]

⑈010011012⑈ ⑆063100633⑆

0096442336⑈

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

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



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

May 24, 1993

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

MEMORANDUM

TO: Treva Ashworth, Wayne Rush, Rosa Hughes
FROM: Donna K. Williams *DKW*
SUBJECT: Review of Revenue Bond Proposal

The following proposal for the issuance of bonds has been submitted for the June 8, 1993, Budget and Control Board agenda:

Charleston County
\$60,000,000 Hospital Revenue Bonds
Bon Secours Health Systems Project

For this proposal to be included on the June 8 agenda, I must have the written results of your review before 9:30 a.m. on Tuesday, June 1.

W
Enclosure

EXHIBIT

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STATE BUDGET & CONTROL BOARD

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McNAIR & SANFORD, P.A.

ATTORNEYS AND COUNSELORS AT LAW

140 EAST BAY STREET
CHARLESTON, SOUTH CAROLINA 29401

MAILING ADDRESS:
POST OFFICE BOX 1431
CHARLESTON, SOUTH CAROLINA 29402
TELEPHONE 803/723-7831
FACSIMILE 803/722-3227

COLUMBIA OFFICE
NATIONSBANK TOWER
1301 GERVAIS STREET
POST OFFICE BOX 11390
COLUMBIA, SC 29211
TELEPHONE 803/799-9800
FACSIMILE 803/799-9804

GEORGETOWN OFFICE
121 SCREVEN STREET
POST OFFICE DRAWER 418
GEORGETOWN, SC 29442
TELEPHONE 803/546-6102
FACSIMILE 803/546-0096

GREENVILLE OFFICE
NATIONSBANK PLAZA
SUITE 601
7 NORTH LAURENS STREET
GREENVILLE, SC 29601
TELEPHONE 803/271-4940
FACSIMILE 803/271-4015

RALEIGH OFFICE
RALEIGH FEDERAL BUILDING
ONE EXCHANGE PLAZA
SUITE 810
POST OFFICE BOX 2447
RALEIGH, NC 27602
TELEPHONE 919/890-4190
FACSIMILE 919/890-4180

SPARTANBURG OFFICE
SPARTAN CENTRE/SUITE 306
101 WEST ST. JOHN STREET
POST OFFICE BOX 5137
SPARTANBURG, SC 29304
TELEPHONE 803/542-1300
FACSIMILE 803/522-0705

WASHINGTON OFFICE
MADISON OFFICE BUILDING
SUITE 400
1155 FIFTEENTH STREET, NORTHWEST
WASHINGTON, DC 20005
TELEPHONE 202/659-3900
FACSIMILE 202/659-5763

June 10, 1993

Ms. Donna K. Williams
Secretary, South Carolina State
Budget and Control Board
P.O. Box 12444
Columbia, SC 29211-2444

Re: \$60,000,000 Charleston County, South Carolina, Hospital
Revenue Bonds, Series 1993 (Bon Secours Health System Project)

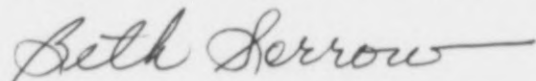
Dear Donna:

Enclosed is a copy of the affidavit of publication for Budget and
Control Board approval in connection with the captioned issue.

If you should need anything further, please do not hesitate to
call.

Very truly yours,

McNAIR & SANFORD, P.A.



Elizabeth B. Sorrow

Enclosure

CHAR:17325

06066

AFFIDAVIT
OF
PUBLICATION

The Post and Courier

State of South Carolina

County of Charleston

Personally appeared before me
the undersigned advertising Clerk of the
above indicated newspaper published
in the City of Charleston, County and
State aforesaid, who, being duly sworn,
says that the advertisement of

(copy attached)

appeared in the issues of said newspaper

on the following day(s):

June 9, 1993

Subscribed and sworn to

before me this 9 day

of June

A.D. 19 93

NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission expires June 18, 2000

Form 13030

NOTICE PURSUANT
TO THE PROVISIONS
OF SOUTH CAROLINA
CODE ANNOTATED,
TITLE 44, CHAPTER 7,
ARTICLE 11
(1976), AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 44-7-190 of South Carolina Code Annotated, Title 44, Chapter 7, Article 11 (1976), as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Charleston County, South Carolina, has given its approval to the following undertaking by Charleston County, South Carolina:

The issuance by Charleston County of its Hospital Revenue Bonds, Series 1993 (Bon Secours Health System Project) in an original principal amount not exceeding \$60,000,000 (the "Bonds") to defray the cost of acquiring, constructing and equipping an acute care hospital of approximately 200 beds in the County and of acquiring certain equipment to be initially utilized at its existing hospital also located in the County which is expected to be transferred to the new hospital upon its completion (collectively, the "Project"). The Project will be located on approximately 56 acres lying south of the South Carolina 61 Expressway, West of the Mark Clark Expressway (I-526) and East of Meadow Road's intersection with Highway 61, Charleston County, South Carolina. The Project will be operated and used by Bon Secours - St. Francis Xavier Hospital, a South Carolina not-for-profit corporation (the "Corporation") as acute care hospital facilities. The Bond proceeds will be made available to the Corporation pursuant to a loan agreement the County, the Corporation and Bon Secours Health System, Inc. (the "Loan Agreement") under which the Corporation will unconditionally covenant to make payments sufficient to pay the principal and interest on the Bonds. The Bonds will be payable solely and exclusively out of payments to be made by the Corporation and the Bonds will be additionally secured by a trust indenture between the County and Norwest Bank Minnesota, National Association, as Bond Trustee (the "Bond Indenture") for the benefit of the holders of the Bonds.

Pursuant to a petition filed with the State Budget and Control Board, the County Council has found that (a) there is a need for the Project in the area, (b) the Corporation is financially responsible and capable of fulfilling its obligations with respect to the Bonds, the Project and the Loan Agreement, (c) adequate provision shall be made for payment of the Bonds and operation of the Project and (d) public facilities, including utilities, and public services necessary for the Project, will be made available.

The requirements of Article 3, Chapter 7, Title 44 (South Carolina Code, 1976, as amended) have been met by the issuance on December 7, 1992 of a Certificate of Need by the South Carolina Department of Health and Environmental Control.

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

STATE BUDGET AND
CONTROL BOARD
By: DONNA K. WILLIAMS,
Secretary

Dated: June 8, 1993

06067

EXHIBIT

JUN 8 1993 3

STATE BUDGET & CONTROL BOARD
BLUE AGENDA

ITEM NUMBER 3

STATE BUDGET AND CONTROL BOARD
MEETING OF June 8, 1993

AGENCY: Richland County

SUBJECT: Hospital Revenue Bonds

The required reviews on the following proposal to issue revenue bonds have been completed with satisfactory results. The project requires approval under State law. An allocation of a portion of the Ceiling is not required.

Issuing Authority:	Richland County
Amount of Issue:	\$80,000,000 Hospital Revenue Bonds (includes \$32,000,000 REFUNDING)
Allocation Amount:	-0-
Name of Project:	Richland Memorial Hospital
Employment Impact:	n/a
Project Description:	Refunding of revenue and general obligation bonds used to finance center for cancer treatment and research and for capital projects

BOARD ACTION REQUESTED:

Adopt a resolution approving the Richland County proposal to issue \$80,000,000 Revenue Bonds on behalf of the Richland Memorial Hospital project.

ATTACHMENTS:

Resolution

06068

TRANSMITTAL FORM, REVENUE BONDS

Date: May 25, 1993
Submitted for BCB Meeting on:
June 8, 1993

To: Donna K. Williams, Secretary
State Budget and Control Board
600 Wade Hampton Office Building
Columbia, SC 29201
OR: P.O. Box 12444, Columbia, SC 29211

FROM:

Sinkler & Boyd, P.A.
Name of Law Firm

Columbia, SC 29211
City, State, Zip Code

RE: \$80,000,000
Amount of Issue

Richland County, SC
Issuing Authority Name

P.O. Box 11889
Street Address/Box Number

(803) 779-3080
Telephone Area Code and Number

Hospital Revenue
Type of Bonds or Notes

July 20, 1993
Projected Issue Date

EXHIBIT
3
JUN 8 1993
STATE BUDGET & CONTROL BOARD

Project Name: Richland Memorial Hospital

Project Description: Refunding of revenue and general obligation bonds of Richland County, South Carolina used to finance center for cancer treatment and research and for the capital projects listed on attached SCHEDULE 1

Employment as result of project: _____

CEILING ALLOCATION REQUIRED

Yes (\$_____) X No
Amount

REFUNDING INVOLVED

X Yes (\$32,000,000) _____ No
Amount

PROJECT APPROVED PREVIOUSLY

____ Yes (____) No X
Date

DOCUMENTS ENCLOSED (executed original and three copies of each):

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

- A. X Petition
- B. X Resolution or ordinance
- C. N/A Inducement Resolution or comparable preliminary approval
- D. _____ Standard Form Investment Letter from bonds purchaser (executed original)
(Purchaser: _____)
- OR X Audited financial statements for three most recent years
- E. X Department of Health and Environmental Control certificate IF REQUIRED
- F. X Budget and Control Board Resolution and Public Notice (original)
[Plus six copies for certification and return to counsel]
- G. X Processing fee
Amount \$ 5,000.00 Check No. 103893
Payor Richland Memorial Hospital
- H. X Draft bond counsel opinion letter

Bond Counsel: Sinkler & Boyd, P.A.
Typed Name of Counsel

By: [Signature]
Signature

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

Richland Memorial Hospital

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

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

His Excellency, Carroll A. Campbell, Jr., Governor and Chairman of the Board;

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

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

The Honorable John Drummond, Chairman of the Senate Finance Committee; and

The Honorable William D. Boan, 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 1:30 p.m. on Tuesday, June 8, 1993, was given to all members in writing at least four days prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, in the lobby of the Wade Hampton Office Building, and near the Board Secretary's Office on the Sixth Floor of the Wade Hampton Office Building at 12:00 noon on Thursday, June 3, 1993.

That all members of the Board were present at the meeting except Governor Campbell and Mr. Patterson (during consideration of this item).

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

FOR MOTION

3

AGAINST MOTION

0

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

August 12, 1993

Donna K. Williams

06070

EXHIBIT

JUN 8 1993

3

STATE BUDGET & CONTROL BOARD

A RESOLUTION APPROVING THE ISSUANCE BY RICHLAND COUNTY, SOUTH CAROLINA, OF NOT EXCEEDING \$80,000,000 PRINCIPAL AMOUNT HOSPITAL REVENUE BONDS (RICHLAND MEMORIAL HOSPITAL) SERIES 1993, AS DEFINED IN AND PURSUANT TO THE PROVISIONS OF TITLE 44, CHAPTER 7, ARTICLE 11 OF THE CODE OF LAWS OF SOUTH CAROLINA (1976), AS AMENDED.

WHEREAS, the County Council (the "Governing Board") of Richland County, South Carolina (the "County") has heretofore by submitting a petition (the "Petition"), under and pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended, (the "Act") requested the approval by the State Budget and Control Board of the issuance by the County pursuant to the Act of its Richland County, South Carolina, Hospital Revenue Bonds (Richland Memorial Hospital) Series 1993 in the aggregate principal amount of not exceeding \$80,000,000 (the "Series 1993 Bonds"); and

WHEREAS, the County proposes to issue the Series 1993 Bonds to make certain of the proceeds of the Series 1993 Bonds available to the Hospital by way of a loan for the purpose of refinancing and refunding all or part of two series of bonds (the "Prior Bonds") of the County issued for the benefit of the Hospital and for the purpose of enlarging, improving, constructing, equipping and providing hospital facilities and certain machinery, apparatus, equipment and furnishings to be an addition to the existing hospital facilities located in the County (collectively, the "Undertaking"); and

WHEREAS, the loan is to be made to the Hospital upon terms which require the Hospital to make payments to, or for the account of, the County in amounts sufficient to pay the principal and interest on the Series 1993 Bonds; and

WHEREAS, the Series 1993 Bonds will be payable from and secured by an assignment to a corporate trustee of the revenues of the Hospital which will be pledged to secure the repayment of the loan; and

WHEREAS, the County has submitted with the Petition a copy of a resolution and petition adopted by the County on June 1, 1993, and this Board has reviewed and considered such resolution and said Petition by the County;

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

Section 1. The Board has made an independent investigation as it deems advisable of the matters set forth in the Petition. It is hereby found, determined and declared by the State Board:

(a) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 44-7-1590 of the Act; and

(b) The Undertaking constitutes the financing and refinancing of Hospital Facilities (as defined in the Act) intended to promote the purposes of the Act and the use of proceeds of the

06071

Series 1993 Bonds to defray the cost of the Undertaking is reasonably anticipated to promote the purposes of the Act; and

(c) The proposed financing, based upon the information submitted to the State Board, is economically feasible.

Section 2. In consequence of the foregoing, the proposal of the County to issue the Series 1993 Bonds and to lend the proceeds thereof to the Hospital for the purposes hereinabove set forth be and the same is hereby approved.

Section 3. Notice of the action taken by this Board in approving the above described Undertaking of the County shall be published in THE STATE which is a newspaper having general circulation in Richland County.

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

Section 5. This Resolution shall take effect immediately.

EXHIBIT A

NOTICE PURSUANT TO THE PROVISIONS
OF SECTION 44-7-1590, CODE OF LAWS
OF SOUTH CAROLINA, 1976, AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act"), that the 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 "County").

The issuance by the County of its Richland County, South Carolina, Hospital Revenue Bonds (Richland Memorial Hospital) Series 1993 in the aggregate principal amount of not exceeding \$80,000,000 (the "Bonds"), and the lending of the proceeds of the Bonds to Richland Memorial Hospital (the "Hospital") for the purposes of refunding all or any part of the Series 1988A Bonds and Series 1990A Bonds previously issued by the County for the benefit of the Hospital and defraying all or any part of the cost of the following hospital facilities: (i) the Richland Springs Psychiatric Hospital, (ii) the Bone Marrow Transplant project at the Hospital's Center for Cancer Treatment and Research, (iii) the construction of the Northeast Portal, (iv) the renovation of patient elevators, (v) the construction of additional patient parking, (vi) the acquisition of 1801 Sunset Drive, (vii) the financing of the Hospital's general capital expenditures for its 1993-1994 and 1994-1995 fiscal years (the above purpose items are collectively referred to herein as the "Undertaking").

The Department of Health and Environmental Control issued Certificates of Need to the Hospital for the items described in (i), (ii), (iii) and (v) above. Copies of each of the Certificates of Need have been filed with the State Budget and Control Board. The Hospital has determined that certificates of need were not required for the other capital projects listed above.

In accordance with the provisions of Section 44-7-1408 of the Act, the County has found (i) that there is a need for the Project in the area where it is to be located; (ii) the Hospital is financially responsible and capable of fulfilling its obligations to make payments required to be made in connection with the issuance of the Bonds and to operate, repair and maintain at its own expense the Project and with respect to the Bonds; (iii) adequate provision has been made for the payment of the principal of and the interest on the Bonds and no reserves are needed in connection therewith; and (iv) the public facilities, including utilities, and public services necessary for the Project will be made available thereto.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterward, challenge the validity of the action taken by the State Budget and Control Board, the County Council of Richland County, or the South Carolina Department of Health and Environmental Control, by action de novo instituted in the Circuit Court for Richland County, South Carolina.

STATE BUDGET AND CONTROL BOARD
By: Donna K. Williams, Secretary

Dated: June ____, 1993

JUL 13 1993

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



CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

1201 MAIN STREET, SUITE 420
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-3880

HELEN T. ZEIGLER
DEPUTY DIRECTOR

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

June 1, 1993

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

RE: \$80,000,000 Richland County
Hospital Revenue Bonds, Series 1993
(Richland Memorial Hospital)

Dear Mrs. Williams:

We have received the Revenue Bonds Transmittal Form with the enclosed Petition of County Council to the Budget and Control Board, Resolution Authorizing the Petition to the State, Certificates of Need issued by DHEC, proposed Resolution of the Budget and Control Board Approving Issuance, Public Notice, and draft of Opinion of Bond Counsel.

Upon review, these documents have been submitted by Bond Counsel, Sinkler & Boyd, P.A. and appear to be in good order. Of course, we express no opinion as to the merits of the bond issue or the validity of the information recited in these documents as we have not acted in a capacity which would enable us to have knowledge adequate to form such an opinion. We have merely reviewed the documents form and they appear to meet the conditions imposed by State law that certain matters be addressed in the documentation.

Sincerely,

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

Wayne F. Rush
General Counsel

06075

State of South Carolina



Office of the State Auditor

EDGAR A. VAUGHN, JR., CPA
STATE AUDITOR

P.O. BOX 11333
COLUMBIA, S.C. 29211
(803) 253-4160
FAX: (803) 343-0723

MARGARET C. STILWELL, CPA
DEPUTY STATE AUDITOR

June 1, 1993

EXHIBIT

JUN 8 1993

3

STATE BUDGET & CONTROL BOARD

Mrs. Donna K. Williams
Assistant Executive Director
State Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

RE: Hospital Revenue Bonds - Richland County - Not Exceeding \$80,000,000 -
Richland Memorial Hospital

Dear Mrs. Williams:

The proposed bond issue is intended to provide funds to the Hospital to advance refund the outstanding revenue bonds, Series 1988A and Series 1990A (both series collateralized by a pledge of the Hospital's gross receipts); to finance the costs of certain capital projects for construction, acquisition, and equipping of new facilities, renovations, and general capital expenditures; and to pay bond issue costs.

1. Bond counsel John Van Duys, Esq., of Sinkler & Boyd submitted draft, unsigned documents because the full Richland County Council will not consider the matters until its meeting of June 1st. The forms of the Resolution and Petition to the State Budget and Control Board state the following:

- (a) The proceeds of the proposed bonds will be used to refund and retire all or any part of the outstanding prior bonds and to pay all or any part of the costs of capital projects described on Schedule 1.
- (b) The Hospital has established credit and is financially responsible and capable of fulfilling its obligations under the Loan Agreement.
- (c) The Hospital will make adequate provision to repay the debt for the 1993 bonds and to operate, maintain, and insure the Hospital.
- (d) The Hospital will complete the capital projects if the costs exceed the bond proceeds.

The draft Resolution to be approved by the State Budget and Control Board states that the 1993 bonds will be payable from and secured by an assignment to a trustee of the Hospital revenues which will be pledged to secure the repayment of the loan.

06076

Mrs. Donna K. Williams
June 1, 1993
Page Two

By phone on May 28, 1993, Mr. Van Duys told us that the entire outstanding balances of both of the Series 1988A and 1990A revenue bonds will be refunded. Mr. Van Duys sent me a FAX copy of the revised Schedule 1 listing of capital projects which will be financed with the bond proceeds. Certain substitute projects have been removed.

2. We reviewed audited financial statements of the Hospital for the fiscal years ended September 3, 1989 through 1992. The statements were audited by Deloitte & Touche, Columbia, South Carolina. Each year received an unqualified opinion from the independent auditors.

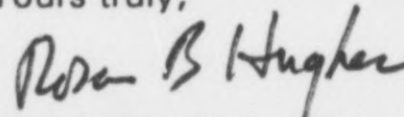
The aforementioned financial statements report the following balances for the Hospital:

	(Amounts in Thousands)			
	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>
Operating income <loss>	\$ 37,783	\$ 37,654	\$ 6,840	\$ 7,265
Property, plant, equipment, net	94,741	83,517	66,856	54,635
Long-term debt, excluding current portion	28,188	29,692	34,202	22,455
Assets whose use is limited for capital projects and under bond indenture	77,248	56,824	46,017	22,397
Fund balance	182,191	136,702	89,499	76,791
Net cash provided from operations	38,921	36,320	*	*
Net cash used for debt financing	4,944	4,629	*	*

* Statement of cash flows was not presented

Based upon the aforementioned information submitted to the Board for review and relying on the Hospital's continued stable financial position and strong operating results, we see no reason to disapprove the proposed bond issue.

Yours truly,



Rosa B. Hughes, CPA
Audit Manager

RBH/jap

06077

The State of South Carolina



Office of the Attorney General

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE: 803-734-3680
FACSIMILE: 803-253-6283

EXHIBIT

May 28, 1993

JUN 8 1993 3

STATE BUDGET & CONTROL BOARD

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

RE: Richland County
\$80,000,000 Hospital Revenue Bonds
(Richland Memorial Hospital Project)

Dear Ms. Williams:

Regarding the above-referenced obligation, we have reviewed the Petition and other documents forwarded to us by the State Budget and Control Board. These represent a portion of the documents that have been submitted to the Board for its approval pursuant to S.C. Code Ann. §44-7-1590 (1976). Additionally, we have reviewed an amended Petition which has been forwarded to us by the bond counsel, a copy of which is attached. These documents appear to comply with the requirements of the referenced Code section that certain specific information be addressed in these documents.

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

Office of the Attorney General

By *Drew Ashworth*

TGA:bvc
Attachment

06078

SINKLER & BOYD, P.A.**ATTORNEYS AT LAW**

REPLY TO
COLUMBIA OFFICE
P.O. BOX 11889
COLUMBIA, SC 29211

THE PALMETTO CENTER
1426 MAIN STREET, SUITE 1200
COLUMBIA, SOUTH CAROLINA 29201
TELEPHONE (803) 779-3080
FACSIMILE (803) 765-1243

CHARLESTON OFFICE
160 EAST BAY STREET
P.O. BOX 340
CHARLESTON, SC 29402
TELEPHONE (803) 722-3366

FACSIMILE INFORMATION SHEET

DATE AND TIME: May 28, 1993, 10:18am

PLEASE DELIVER IMMEDIATELY TO: Treva Ashworth

FIRM: SC Attorney General's Office

FACSIMILE NUMBER: 253-6283

TELEPHONE NUMBER: 734-3680

FROM: John Van Duys
Sinkler & Boyd, P.A.
Columbia, South Carolina
Telephone: (803) 779-3080
Facsimile: (803) 765-1243

TOTAL PAGES (including this page): 7 6

FILE NUMBER: 4231-1

DOCUMENT DESCRIPTION: Revised petition for Richland County

MESSAGE: Please review and call if this is insufficient

The information contained in this facsimile message is confidential information intended only for use of the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible to delivery it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this message is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone, and return the original message to us at the above address via the U.S. Postal Service. Thank you.

Sent by: _____

Confirmed by telephone by: _____ at _____ o'clock

06079

EXHIBIT A

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

TO THE STATE BUDGET AND CONTROL
BOARD OF SOUTH CAROLINA

P E T I T I O N

The Petition of the County Council of Richland County, South Carolina (the "County Council") respectfully shows:

1. The County Council is the governing body of Richland County, South Carolina (the "County") as established by law, and, as such, is the Governing Board referred to in Title 44, Chapter 7, Article 11, 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 and other improvements deemed necessary, suitable and useful by any hospital facility (as defined in the Act) and to finance or refinance the cost of acquisition, construction and installation of the same through the issuance of bonds payable from and secured by a pledge of the revenues to be derived from a financing agreement relating to such land, buildings, equipment and other improvements.

3. The County has heretofore issued two series of revenue bonds (collectively, the "Prior Bonds") on behalf of Richland Memorial Hospital (the "Hospital") pursuant to a Trust Indenture dated as of July 15, 1988, as amended and supplemented, the proceeds of which were loaned to the Hospital pursuant to the terms of subsidiary loan agreements between the Hospital and the County.

4. The County Council proposes to adopt an ordinance providing for the issuance of a series of bonds and to lend the proceeds thereof to the Hospital pursuant to a financing agreement (the "Loan Agreement"), said bonds to be designated "Richland County, South Carolina, Hospital Revenue Bonds, (Richland Memorial Hospital), Series 1993" (the "Series 1993 Bonds") in the principal amount not to exceed \$80,000,000, for the purpose of financing or refinancing Hospital Facilities (as defined under the Act) for the Hospital.

5. The County Council has found and determined that:

(a) The proceeds of the Series 1993 Bonds will be used to defray all or any portion of the cost of refunding all or any part of the Prior Bonds and financing and refinancing

the Hospital Facilities described on Schedule 1 hereto, (collectively, the "Undertaking"), and there is a need for the Hospital Facilities in the area in which the Hospital is located.

(b) The Hospital is a "hospital agency" or "public agency" as defined in the Act and has established credit and is financially responsible and capable of fulfilling its obligations and discharging its responsibilities under the Loan Agreement including the obligations to make the payments required thereunder.

(c) Adequate provision shall be made for the payment of principal of and interest on the Series 1993 Bonds and any necessary reserves therefor and for the operation, repair, maintenance and insurance of the Hospital Facilities at the expense of the Hospital.

(d) The public facilities, including utilities and public services necessary for the Hospital Facilities, will be made available at the Hospital.

(e) There is a need for the Hospital Facilities in the area in which they will be located and the issuance of the Series 1993 Bonds will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(f) The South Carolina Department of Health and Environmental Control ("DHEC") has issued a certificate of need for the capital projects listed in paragraphs (1), (2), (3), and (5) of Schedule 1. No certificates of need are required by DHEC for the capital projects listed in paragraphs (4), (6), (7), (8) and (9) of Schedule 1.

6. The Loan Agreement will provide, among other things, the following:

(i) The County will, at the request of the Hospital, issue the Series 1993 Bonds to defray all or any part of the cost of the Undertaking.

(ii) The Loan Agreement will contain no provisions imposing an indebtedness on the County within the meaning of any State constitutional provision or statutory limitation and the Series 1993 Bonds shall never constitute nor give rise to a pecuniary liability of the County or a charge against the general credit or taxing powers of the County.

(iii) The Loan Agreement will contain provisions whereby the Hospital pledges and assigns to the County and agrees to pay to the bond trustee for the benefit of the County revenues of the Hospital in an amount and at times necessary to make all payment required on the Series 1993 Bonds.

(iv) The Loan Agreement will contain covenants (i) obligating the Hospital to effect the completion of the Undertaking if the proceeds of the Series 1993 Bonds prove insufficient, and (ii) obligating the Hospital to make payments which shall be sufficient (a) to pay the principal of and interest on the Series 1993 Bonds, (b) to build up and maintain any reserves deemed to be advisable in connection therewith, and (c) to

pay the costs of maintaining the Hospital Facilities in good repair and the cost of keeping them properly insured.

(v) The Loan Agreement will contain provisions requiring the Hospital to comply with the refunding requirements of Section 44-7-1560 of the Act.

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

That the State Board accept the filing of this Petition; that it find that the proposed Undertaking is intended to promote the purposes of the Act and is reasonably anticipated to effect such result; and on the basis of such finding, that it approve 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.

Respectfully Submitted,

RICHLAND COUNTY, SOUTH CAROLINA

By: _____

Chairman, County Council of
Richland County

(SEAL)

Attest:

By: _____

Clerk, County Council of
Richland County

EXHIBIT

JUN 8 1993

3

STATE BUDGET & CONTROL BOARD

EXHIBIT

JUN 8 1993 3

STATE BUDGET & CONTROL BOARD

SCHEDULE 1

HOSPITAL FACILITIES (1993 CAPITAL PROJECT)

Richland Memorial Hospital intends to use the proceeds of the Series 1993 Bonds as follows:

(1) approximately \$4,500,000 will be used to pay, or reimburse the Hospital for the payment of, costs incurred by the Hospital after March 19, 1992 for construction of the Richland Springs Psychiatric Hospital;

(2) approximately \$5,015,000 will be used to pay, or reimburse the Hospital for the payment of, costs incurred by the Hospital after July 23, 1992 for the construction and equipping of the Bone Marrow Transplant project at the Hospital's Center for Cancer Treatment and Research;

(3) approximately \$1,150,000 will be used to pay, or reimburse the Hospital for the payment of, costs incurred by the Hospital after September 24, 1992 for the construction of the Northeast Portal;

(4) approximately \$1,500,000 of the proceeds will be used to renovate the elevators at the Hospital;

(5) approximately \$4,785,000 will be used to pay, or reimburse the Hospital for the payment of, costs incurred by the Hospital after April 24, 1992 for the construction of additional patient parking;

(6) approximately \$2,300,000 will be used to acquire a building located at 1801 Sunset Drive;

(7) approximately \$13,000,000 will be used to pay the costs of certain general capital expenditures during fiscal year 1993-1994;

(8) approximately \$14,000,000 will be used to pay the costs of certain general capital expenditures expected to be incurred during fiscal year 1994-1995; and

(9) approximately \$2,580,000 will be used to pay the costs of issuing the Series 1993 Bonds and related expenses;

provided, however, that the proceeds of the Series 1993 Bonds may be applied to any of the following expenditures if the effect of doing so would be to provide an advantage to the Hospital and at the time of any such expenditure all necessary certificate of need approvals have been obtained:

(i) approximately \$16,000,000 may be used to pay the costs of expansion of the Emergency Department;

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(ii) approximately \$15,000,000 may be used to pay the costs of construction of a women's and children's hospital;

(iii) approximately \$4,500,000 may be used to pay the cost of expansion of the neonatal intensive care unit;

(iv) approximately \$5,000,000 may be used to pay the cost of expansion and improvements to the adult intensive care units; and

(v) approximately \$1,600,000 may be used to pay the cost of the acquisition of a new CT scanner at the Hospital.

EXHIBIT

JUN 8 1993

3

STATE BUDGET & CONTROL BOARD

06084

A RESOLUTION

APPROVING THE FINANCING OF THE COSTS OF ACQUISITION, CONSTRUCTION AND INSTALLATION OF HOSPITAL FACILITIES TO BE UTILIZED AS AN EXPANSION OF THE FACILITIES OF RICHLAND MEMORIAL HOSPITAL AND THE REFINANCING OF INDEBTEDNESS OF RICHLAND MEMORIAL HOSPITAL THROUGH THE ISSUANCE AND DELIVERY OF RICHLAND COUNTY, SOUTH CAROLINA, HOSPITAL FACILITIES REVENUE BONDS, SERIES 1993 (RICHLAND MEMORIAL HOSPITAL) (THE "BONDS") IN AN AMOUNT NOT EXCEEDING \$80,000,000; AUTHORIZING A PETITION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR ITS APPROVAL OF SUCH UNDERTAKING PURSUANT TO TITLE 44, CHAPTER 7, CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

EXHIBIT

ARTICLE I

JUN 8 1993 3

RECITALS

STATE BUDGET & CONTROL BOARD

WHEREAS, Richland County, South Carolina (the "County"), acting by and through its County Council (the "County Council") is authorized and empowered under and pursuant to the provisions of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended, (the "Act") to promote the public health and welfare by providing for the financing, refinancing, acquiring, enlarging, improving, constructing, equipping and providing of hospital facilities (as defined in the Act) to serve the people of the State and make accessible to them modern and efficient hospital facilities at the lowest possible expense to those utilizing such hospital facilities; and

WHEREAS, the County is further authorized to issue revenue bonds for the purpose of defraying the cost of providing hospital facilities and to refinance or refund outstanding obligations, mortgages or advances issued, made or given by a hospital for the cost of hospital facilities; and

WHEREAS, the County is further authorized to make the proceeds of any revenue bonds available by way of a loan to a hospital or public agency within its jurisdiction pursuant to a loan agreement; and

WHEREAS, the County has heretofore issued two series of revenue bonds on behalf of Richland Memorial Hospital (the "Hospital") pursuant to a Trust Indenture dated as of July 15, 1988, as amended and supplemented, the proceeds of which were loaned to the Hospital pursuant to the terms of subsidiary loan agreements between the Hospital and the County (collectively, the "Prior Bonds"); and

WHEREAS, the Hospital has requested the County to adopt an ordinance providing for the issuance of a series of revenue bonds (the "1993 Bonds") the proceeds of which will be loaned to the Hospital and used to refund and retire all or any part of the outstanding Prior Bonds and to pay all or any part of the costs of capital projects constituting "Hospital Facilities" as defined in the Act described on Schedule 1 attached hereto (collectively, the "Undertaking"); and

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WHEREAS, the Hospital has advised the County that the principal amount of 1993 Bonds necessary to provide for the payment of that part of the cost of the Project to be paid for from the proceeds of such bonds together with the costs incidental to the issuance of such bonds will not exceed \$80,000,000 (which figure, in the case of the issuance of capital appreciation bonds, includes only the original issuance amount thereof rather than the final maturity value thereof); and

WHEREAS, it is now deemed advisable by the County Council to file with the State Budget and Control Board of South Carolina, in compliance with Section 44-7-1590 of the Act, the Petition of the County requesting approval of the proposed financing by the State Budget and Control Board;

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

ARTICLE II

FINDINGS OF FACT

Section 2.01

Incident to the adoption of this Resolution, the County Council has made the following findings pursuant to the Act:

1. The County Council constitutes the "County Board" as that term is defined in the Act.
2. The Hospital is a hospital agency or public agency as defined in the Act with established credit and is financially responsible and capable of fulfilling its obligations and discharging its responsibilities which may be imposed under the loan agreement to be entered into by and between the County and the Hospital.
3. The Hospital has agreed to make adequate provision for the payment of principal of and interest on the 1993 Bonds and any necessary reserves therefor and for the operation, repair, maintenance and insurance of the Hospital Facilities.
4. The public facilities, including utilities and public services necessary for the Hospital Facilities, are and will continue to be made available at the Hospital.
5. There is a need for the Hospital Facilities in the area in which they will be located and the issuance of the 1993 Bonds will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

6. Neither the 1993 Bonds nor any documents or agreements entered into by the County in connection therewith will constitute an indebtedness of the County within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

7. The issuance of the 1993 Bonds in the aggregate principal amount of not exceeding \$80,000,000 (which figure, in the case of the issuance of capital appreciation bonds, includes only the original issuance amount thereof rather than the final maturity value thereof) will be required in order to lend the proceeds thereof to the Hospital for the purpose of defraying the cost of the Undertaking.

8. The South Carolina Department of Health and Environmental Control ("DHEC") has issued a certificate of need for the capital projects listed in paragraphs (1), (2), (3), and (5) of Schedule 1. No certificates of need are required by DHEC for the capital projects listed in paragraphs (4), (6), (7), (8) and (9) of Schedule 1.

9. The Hospital and the County will enter into a financing agreement (the "Loan Agreement") pursuant to which the County will lend not exceeding \$80,000,000 to the Hospital and under which the Hospital will unconditionally agree:

(a) to complete the acquisition, construction and implementation of the Undertaking and to pay such costs thereof as are in excess of the proceeds of the 1993 Bonds,

(b) to pay the amounts necessary to provide for the payments of principal of and interest on the 1993 Bonds, which will be dated and will mature in the amounts and bear interest at the rates set forth in the Bond Purchase Agreement authorized by the Ordinance to be adopted by County Council authorizing the issuance of the 1993 Bonds,

(c) to operate and maintain the Hospital Facilities in good repair at its own expense, and

(d) to carry all proper insurance with respect to the Hospital Facilities.

ARTICLE III

SUBMISSION OF PETITION

Section 3.01

1. There is hereby authorized and directed to be submitted, on behalf of the County, a Petition of this County Council requesting the approval of the proposed financing by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 44-7-1590 of the Act, said Petition to be in substantially the form attached hereto as Exhibit A with such changes, insertions and omissions as may be approved by the Chairman or Vice-Chairman of the County Council, said execution being conclusive evidence of such approval.

2. The Chairman or the Vice Chairman of the County Council are each severally hereby authorized and directed to execute said Petition in the name and on behalf of the County and the Clerk is hereby authorized and directed to affix the seal of the County Council to said Petition and to attest the same and thereafter to submit an executed copy of this Resolution along with said Petition to the State Budget and Control Board in Columbia, South Carolina.

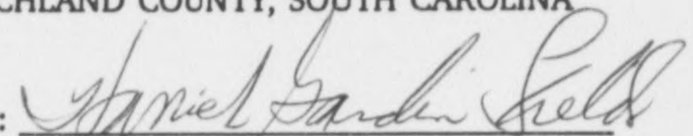
3. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed and this Resolution shall take effect and be in full force from and after its passage and approval.

ADOPTED this 1st day of June, 1993.

RICHLAND COUNTY, SOUTH CAROLINA

(SEAL)

By:



Chairman, County Council of
Richland County

Attest:



Clerk, County Council of
Richland County

EXHIBIT

JUN 8 1993 3

STATE BUDGET & CONTROL BOARD

EXHIBIT

JUN 8 1993

3

STATE BUDGET & CONTROL BOARD

SCHEDULE 1

HOSPITAL FACILITIES (1993 CAPITAL PROJECT)

Richland Memorial Hospital intends to use the proceeds of the Series 1993 Bonds as follows:

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(2) approximately \$5,015,000 will be used to pay, or reimburse the Hospital for the payment of, costs incurred by the Hospital after July 23, 1992 for the construction and equipping of the Bone Marrow Transplant project at the Hospital's Center for Cancer Treatment and Research;

(3) approximately \$1,150,000 will be used to pay, or reimburse the Hospital for the payment of, costs incurred by the Hospital after September 24, 1992 for the construction of the Northeast Portal;

(4) approximately \$1,000,000 of the proceeds will be used to renovate the elevators at the Hospital;

(5) approximately \$4,785,000 will be used to pay, or reimburse the Hospital for the payment of, costs incurred by the Hospital after April 24, 1992 for the construction of additional patient parking;

(6) approximately \$2,300,000 will be used to acquire a building located at 1801 Sunset Drive;

(7) approximately \$13,000,000 will be used to pay the costs of certain general capital expenditures during fiscal year 1993-1994;

(8) approximately \$14,000,000 will be used to pay the costs of certain general capital expenditures expected to be incurred during fiscal year 1994-1995; and

(9) approximately \$2,580,000 will be used to pay the costs of issuing the Series 1993 Bonds and related expenses;

provided, however, that the proceeds of the Series 1993 Bonds may be applied to any of the following expenditures if the effect of doing so would be to provide an advantage to the Hospital and at the time of any such expenditure all necessary certificate of need approvals have been obtained:

(i) approximately \$1,600,000 may be used to pay the cost of the acquisition of a new CT scanner at the Hospital.

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EXHIBIT A

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

TO THE STATE BUDGET AND CONTROL
BOARD OF SOUTH CAROLINA

EXHIBIT

JUN 8 1993 3

STATE BUDGET & CONTROL BOARD

P E T I T I O N

The Petition of the County Council of Richland County, South Carolina (the "County Council") respectfully shows:

1. The County Council is the governing body of Richland County, South Carolina (the "County") as established by law, and, as such, is the Governing Board referred to in Title 44, Chapter 7, Article 11, 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 and other improvements deemed necessary, suitable and useful by any hospital facility (as defined in the Act) and to finance or refinance the cost of acquisition, construction and installation of the same through the issuance of bonds payable from and secured by a pledge of the revenues to be derived from a financing agreement relating to such land, buildings, equipment and other improvements.

3. The County has heretofore issued two series of revenue bonds (collectively, the "Prior Bonds") on behalf of Richland Memorial Hospital (the "Hospital") pursuant to a Trust Indenture dated as of July 15, 1988, as amended and supplemented, the proceeds of which were loaned to the Hospital pursuant to the terms of subsidiary loan agreements between the Hospital and the County.

4. The County Council proposes to adopt an ordinance providing for the issuance of a series of bonds and to lend the proceeds thereof to the Hospital pursuant to a financing agreement (the "Loan Agreement"), said bonds to be designated "Richland County, South Carolina, Hospital Revenue Bonds, (Richland Memorial Hospital), Series 1993" (the "Series 1993 Bonds") in the principal amount not to exceed \$80,000,000, for the purpose of financing or refinancing Hospital Facilities (as defined under the Act) for the Hospital.

5. The County Council has found and determined that:

(a) The proceeds of the Series 1993 Bonds will be used to defray all or any portion of the cost of refunding all or any part of the Prior Bonds and financing and refinancing

the Hospital Facilities described on Schedule 1 hereto, (collectively, the "Undertaking"), and there is a need for the Hospital Facilities in the area in which the Hospital is located.

(b) The Hospital is a "hospital agency" or "public agency" as defined in the Act and has established credit and is financially responsible and capable of fulfilling its obligations and discharging its responsibilities under the Loan Agreement including the obligations to make the payments required thereunder.

(c) Adequate provision shall be made for the payment of principal of and interest on the Series 1993 Bonds and any necessary reserves therefor and for the operation, repair, maintenance and insurance of the Hospital Facilities at the expense of the Hospital.

(d) The public facilities, including utilities and public services necessary for the Hospital Facilities, will be made available at the Hospital.

(e) There is a need for the Hospital Facilities in the area in which they will be located and the issuance of the Series 1993 Bonds will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(f) The South Carolina Department of Health and Environmental Control ("DHEC") has issued a certificate of need for the capital projects listed in paragraphs (1) and (2) of Schedule 1. No certificates of need are required by DHEC for the capital projects listed in paragraphs (3), (4), (5), (6), (7), (8) and (9) of Schedule 1.

6. The Loan Agreement will provide, among other things, the following:

(i) The County will, at the request of the Hospital, issue the Series 1993 Bonds to defray all or any part of the cost of the Undertaking.

(ii) The Loan Agreement will contain no provisions imposing an indebtedness on the County within the meaning of any State constitutional provision or statutory limitation and the Series 1993 Bonds shall never constitute nor give rise to a pecuniary liability of the County or a charge against the general credit or taxing powers of the County.

(iii) The Loan Agreement will contain provisions whereby the Hospital pledges and assigns to the County and agrees to pay to the bond trustee for the benefit of the County revenues of the Hospital in an amount and at times necessary to make all payment required on the Series 1993 Bonds.

(iv) The Loan Agreement will contain covenants (i) obligating the Hospital to effect the completion of the Undertaking if the proceeds of the Series 1993 Bonds prove insufficient, and (ii) obligating the Hospital to make payments which shall be sufficient (a) to pay the principal of and interest on the Series 1993 Bonds, (b) to build up and maintain any reserves deemed to be advisable in connection therewith, and (c) to

pay the costs of maintaining the Hospital Facilities in good repair and the cost of keeping them properly insured.

(v) The Loan Agreement will contain provisions requiring the Hospital to comply with the refunding requirements of Section 44-7-1560 of the Act.

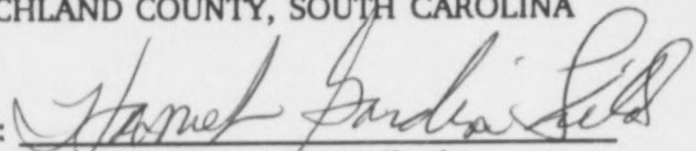
Upon the basis of the foregoing, County Council respectfully prays:

That the State Board accept the filing of this Petition; that it find that the proposed Undertaking is intended to promote the purposes of the Act and is reasonably anticipated to effect such result; and on the basis of such finding, that it approve 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.

Respectfully Submitted,

RICHLAND COUNTY, SOUTH CAROLINA

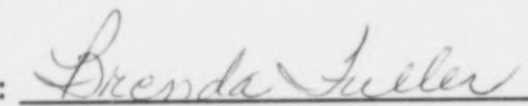
By:


Chairman, County Council of
Richland County

(SEAL)

Attest:

By:


Clerk, County Council of
Richland County

EXHIBIT

JUN 8 1993

3

SCHEDULE 1

STATE BUDGET & CONTROL BOARD HOSPITAL FACILITIES (1993 CAPITAL PROJECT)

Richland Memorial Hospital intends to use the proceeds of the Series 1993 Bonds as follows:

(1) approximately \$4,500,000 will be used to pay, or reimburse the Hospital for the payment of, costs incurred by the Hospital after March 19, 1992 for construction of the Richland Springs Psychiatric Hospital;

(2) approximately \$5,015,000 will be used to pay, or reimburse the Hospital for the payment of, costs incurred by the Hospital after July 23, 1992 for the construction and equipping of the Bone Marrow Transplant project at the Hospital's Center for Cancer Treatment and Research;

(3) approximately \$1,150,000 will be used to pay, or reimburse the Hospital for the payment of, costs incurred by the Hospital after September 24, 1992 for the construction of the Northeast Portal;

(4) approximately \$1,000,000 of the proceeds will be used to renovate the elevators at the Hospital;

(5) approximately \$4,785,000 will be used to pay, or reimburse the Hospital for the payment of, costs incurred by the Hospital after April 24, 1992 for the construction of additional patient parking;

(6) approximately \$2,300,000 will be used to acquire a building located at 1801 Sunset Drive;

(7) approximately \$13,000,000 will be used to pay the costs of certain general capital expenditures during fiscal year 1993-1994;

(8) approximately \$14,000,000 will be used to pay the costs of certain general capital expenditures expected to be incurred during fiscal year 1994-1995; and

(9) approximately \$2,580,000 will be used to pay the costs of issuing the Series 1993 Bonds and related expenses;

provided, however, that the proceeds of the Series 1993 Bonds may be applied to any of the following expenditures if the effect of doing so would be to provide an advantage to the Hospital and at the time of any such expenditure all necessary certificate of need approvals have been obtained:

(i) approximately \$1,600,000 may be used to pay the cost of the acquisition of a new CT scanner at the Hospital.

06093

SINKLER & BOYD, P.A.

ATTORNEYS AT LAW

THE PALMETTO CENTER
1426 MAIN STREET, SUITE 1200
COLUMBIA, SOUTH CAROLINA 29201-2834
TELEPHONE (803) 779-3080
CABLE ADDRESS: PALMETTO
FAX (803) 765-1243

REPLY TO:
COLUMBIA OFFICE
POST OFFICE BOX 11889
COLUMBIA, S.C. 29211-1889

CHARLESTON OFFICE:
160 EAST BAY STREET
POST OFFICE BOX 340
CHARLESTON, S.C. 29402-0340
TELEPHONE (803) 722-3366
FAX (803) 722-2266

May 25, 1993

EXHIBIT

JUN 8 1993 3

STATE BUDGET & CONTROL BOARD

VIA HAND-DELIVERY

Donna K. Williams
Assistant Executive Director
State Budget and Control Board
600 Wade Hampton Office Building
Columbia, South Carolina 29201

Re: \$80,000,000 Richland County, South Carolina, Hospital Revenue Bonds, Series 1993

Dear Ms. Williams:

Kindly accept for filing on behalf of Richland Memorial Hospital the enclosed petition to the State Budget and Control Board for approval of the above-referenced bond. No allocation of private activity bond ceiling is requested for these Bonds. In accordance with Rule 19-102.01 of the Board, I enclose three copies of the following:

1. Budget and Control Board revenue bond transmittal form;
2. A form of petition for approval by the County Council of Richland County, South Carolina;
3. A form of resolution of the County Council of Richland County, South Carolina, authorizing the submission of such petition;
4. Form of resolution for consideration by the Budget and Control Board and public notice, including six copies for certification and return to the undersigned;
5. Check No. 103893 of Richland Memorial Hospital in the amount of \$5,000 for processing fees;
6. Copies of the certificates of need issued by DHEC for the capital projects listed on Schedule 1 of the Petition requiring such approval; and
7. Draft opinion of bond counsel.

06094

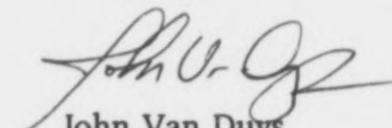


SINKLER & BOYD, P.A.

Donna K. Williams
May 25, 1993
Page 2

As we discussed earlier by telephone, the Administration and Finance Committee of the Richland County Council reviewed the resolution and petition at their meeting today and recommended the item be considered by the full County Council on June 1. I will deliver signed copies of Items 2 and 3 above on June 2 if the full County Council adopts the resolution at its June 1 meeting. If the full Council does not adopt the resolution I will advise you on June 2 to remove this item from the Board's agenda. Thank you for allowing this flexibility, the hospital has been informed of and appreciates your cooperation.

Sincerely yours,



John Van Duys

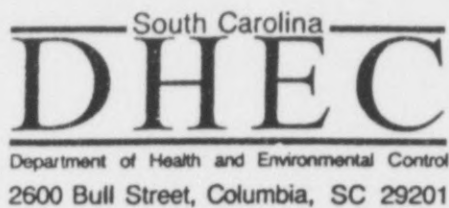
JVD/cg

Enclosures

cc: Robert Armistead (by First Class Mail with enclosures)
Brent Jeffcoat, Esq. (by First Class Mail with enclosures)

06095

SEP 24 1992



Interim Commissioner: Thomas E. Brown, Jr.

Board: John H. Burriss, Chairman
Richard E. Jabbour, DDS, Vice Chairman
Robert J. Stripling, Jr. Secretary

Promoting Health, Protecting the Environment

William E. Applegate, III,
Toney Graham, Jr., MD
Sandra J. Molander
John B. Pate, MD

September 16, 1992

RE: Establishment of a bone marrow transplantation program.
Richland Memorial Hospital
Columbia, South Carolina

Mr. Howard West, Vice President
Richland Memorial Hospital
Five Richland Medical Park
Columbia, SC 29203

EXHIBIT

JUN 8 1993

3

STATE BUDGET & CONTROL BOARD

Dear Mr. West:

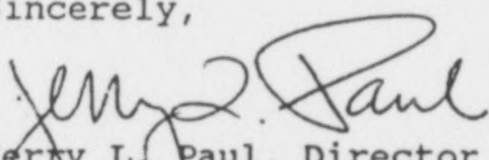
Based upon the information contained in your letter of September 15, 1992, the above referenced project does not require Certificate of Need review because:

1. No specific criteria or standards are listed in the State Health Plan for this type of program; and
2. Capital expenditures will not exceed \$812,000.

Therefore, the proposed bone marrow transplantation program is not reviewable under Regulation No. 61-15, Certification of Need for Health Facilities and Services. However, if this proposal should change from the information presented to the Department, this determination is not valid. This action does not remove your responsibility for the timely submission of necessary information to construction, licensing or certification. Further, this construction must be underway by March 15, 1993, or this exemption will be withdraw.

If I can be of further assistance, please call me at (803) 737-7200.

Sincerely,


Jerry L. Paul, Director
Health Facilities and Services

JLP/vmm

06096

South Carolina Department of Health and Environmental Control



CERTIFICATE OF NEED

THIS Certificate of Need is issued to: Richland Memorial Hospital, Columbia, S.C., Mr. William L. Ivey, President; Construction of 78 replacement beds by building a new tower to house all private patient rooms for Phase II of the Center for Cancer Treatment and Research; Conversion of 78 existing semi-private rooms in the original bed tower for use as private rooms.

For Project No. SC-89-60 in accordance with the Code of Laws of South Carolina.

In determining the need for this project, the South Carolina Department of Health and Environmental Control has taken into consideration the "Criteria for Project Review" and the State Medical Facilities Plan.

This Certificate of Need is valid for a period of twelve months from the date of issuance unless the applicant has awarded a construction contract or has made substantial progress toward implementation of the Project, as approved by the Department, within the twelve month period.

In Witness Whereof we have hereunto
set our hands and the seal of the
Department of Health and Environ-
mental Control this the 30th
day of August, 1989



Albert N. Whiteide JCC
Director, Division of Planning & Certification of Need

Lee B. Fushma
Director, Bureau of Health Facilities & Services
Development

Richard J. Curry
Deputy Commissioner, Health Facilities & Services
Regulations

06097

South Carolina Department of Health and Environmental Control



CERTIFICATE OF NEED

THIS Certificate of Need is issued to: Richland Memorial Hospital, Columbia, SC; Mr. William L. Ivey, President-Agent; Construction and equipment of an outpatient facility to be known as the Center for Cancer Treatment and Research (CCTR) and construction of a related parking garage.

For Project No. SC-88-9 in accordance with the Code of Laws of South Carolina.

In determining the need for this project, the South Carolina Department of Health and Environmental Control has taken into consideration the "Criteria for Project Review" and the State Medical Facilities Plan.

This Certificate of Need is valid for a period of twelve months from the date of issuance unless the applicant has awarded a construction contract or has made substantial progress toward implementation of the Project, as approved by the Department, within the twelve month period.

In Witness Whereof we have hereunto
set our hands and the seal of the
Department of Health and Environ-
mental Control this the 19th
day of February, 1988



Albert N. Winters

Director, Division of Planning & Certification of Need

Leo B. Fishman

Director, Bureau of Health Facilities & Services
Development

Richard A. Ivey

Deputy Commissioner, Health Facilities & Services
Regulations

06098

South Carolina Department of Health and Environmental Control



CERTIFICATE OF NEED

EXHIBIT

JUN 8 1993

3

STATE BUDGET & CONTROL BOARD

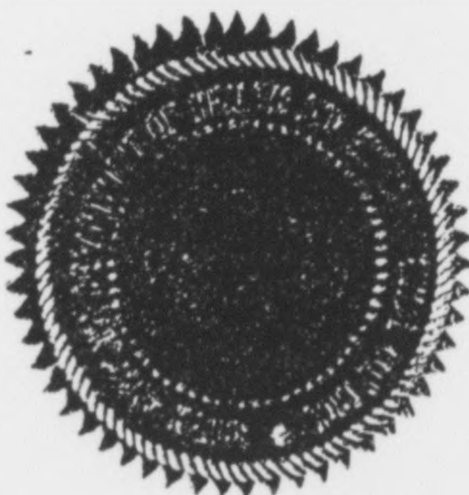
This Certificate of Need is issued to: Richland Memorial Hospital, Mr. William L. Ivey, Agent; Addition of 5 psychiatric and 10 alcohol and drug abuse beds to the existing 32 bed psychiatric service after its relocation to an adjoining site on the campus of Richland Memorial Hospital for a total licensed capacity of 37 psychiatric and 10 alcohol and drug abuse beds.

For Certificate No. SC-90-57 in accordance with the Code of Laws of South Carolina.

In determining the need for this project, the South Carolina Department of Health and Environmental Control has taken into consideration the "Criteria for Project Review" and the State Medical Facilities Plan.

This Certificate of Need is valid for a period of six months from the date of issuance unless the applicant receives an extension of this Certificate from the Department in accordance with regulations of the Department.

In Witness Whereof we have hereunto set our hands and the seal of the Department of Health and Environmental Control this the 30th day of July, 1990.



Albert N. Whiteside, Jr.

Director, Division of Planning and
Certification of Need

Leon B. Frishman

Director, Bureau of Health Facilities and
Services Development

Richard C. Over

Deputy Commissioner, Health Regulation

South Carolina Department of Health and Environmental Control



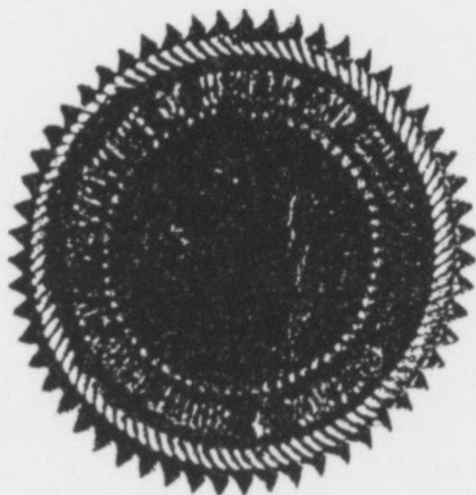
CERTIFICATE OF NEED

This Certificate of Need is issued to: Richland Memorial Hospital;
Mr. William L. Ivey, Agent; Construction of a new 32 bed psychiatric
facility on the campus of Richland Memorial Hospital for modernization
and relocation of the hospital's existing 32 licensed psychiatric beds.

For Certificate No. SC-90-55 in accordance with the Code of Laws
of South Carolina.

In determining the need for this project, the South Carolina
Department of Health and Environmental Control has taken into
consideration the "Criteria for Project Review" and the State
Medical Facilities Plan.

This Certificate of Need is valid for a period of six months from
the date of issuance unless the applicant receives an extension of
this Certificate from the Department in accordance with regulations
of the Department.



In Witness Whereof we have hereunto set our
hands and the seal of the Department of
Health and Environmental Control this the
23rd day of June, 1990

Ant N. White

Director, Division of Planning and
Certification of Need

Leon B. Frishman

Director, Bureau of Health Facilities and
Services Development

J. Richard Cane

Deputy Commissioner, Health Regulation

JAN 29 1993

South Carolina
DHEC
Department of Health and Environmental Control
2600 Bull Street, Columbia, SC 29201

Interim Commissioner: Thomas E. Brown, Jr.

Board: John H. Burriss, Chairman
Richard E. Jabbour, DDS, Vice Chairman
Robert J. Stripling, Jr. Secretary

Promoting Health, Protecting the Environment

William E. Applegate, III,
Toney Graham, Jr., MD
Sandra J. Molander
John B. Pate, MD

January 27, 1993

RE: Construction of a pedestrian connector and sheltered portal.
Richland Memorial Hospital
Columbia, South Carolina

Mr. Howard West, Vice President
Richland Memorial Hospital
Five Richland Medical Park
Columbia, SC 29203

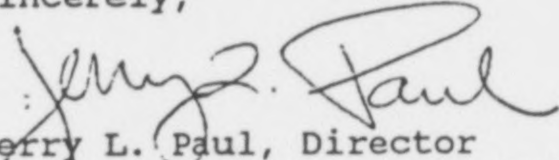
Dear Mr. West:

Based upon the information contained in your letter of January 11, 1993, the above referenced project does not require Certificate of Need review because it is considered an expenditure by a health care facility for a nonmedical item.

Therefore, this construction is exempted from review as stated in Section 104(6) of Regulation No. 61-15, Certification of Need for Health Facilities and Services. However, if this proposal should change from the information presented to the Department, this determination is not valid. This determination does not constitute approval for any proposed construction, licensing or certification changes. You should contact the following individuals for information concerning any remaining components: Division of Health Facilities Construction, Mr. Bill Lafferty, 737-7202; Division of Health Licensing, Mr. Alan Samuels, 737-7202; Bureau of Certification, Ms. Karen Price, 737-7205.

If I can be of further assistance, please call me at (803) 737-7200.

Sincerely,


Jerry L. Paul, Director
Health Facilities and Services

JLP/vmm

06101

South Carolina
DHEC
Department of Health and Environmental Control
2600 Bull Street, Columbia, SC 29201

Commissioner: Michael D. Jarrett

Board: William E. Applegate, III, Chairman
John H. Burriss, Vice Chairman
Richard E. Jabbour, DDS, Secretary

Promoting Health, Protecting the Environment

MAY 29 1992

C. Howard
Toney Graham, Jr., MD
Sandra J. Molander
John B. Pate, MD
Robert J. Stripling, Jr.

May 19, 1992

Re: Construction of a medical office
building and parking garage
Richland Memorial Hospital
Columbia, South Carolina

Mr. William L. Ivey, President
Richland Memorial Hospital
Five Richland Medical Park
Columbia, SC 29203

Dear Mr. Ivey:

Based upon the information contained in your letter of May 4, 1992, the above referenced project does not require Certificate of Need review because the development of physician office space and parking garages is considered an expenditure by a health care facility for a non-medical project.

Therefore, the proposed medical office building and parking garage is exempted from review as stated in Section 104(6) of Regulation No. 61-15, Certification of Need for Health Facilities and Services. However, if this proposal should change from the information presented to the Department, this determination is not valid. This action does not remove your responsibility for the timely submission and completion of any remaining components, including but not limited to construction plan approval, licensing or certification.

If I can be of further assistance, please call me at (803) 737-7200.

Sincerely,

L. B. Freshman for

Jerry L. Paul, Director
Health Facilities and Services

JLP:gad

06102

APR 1 1993

William E. Applegate, III,
Toney Graham, Jr., MD
Sandra J. Molander
John B. Pate, MD

March 30, 1993

RE: Addition of two passenger elevators.
Richland Memorial Hospital
Columbia, South Carolina

EXHIBIT

JUN 8 1993 3

STATE BUDGET & CONTROL BOARD

Mr. Howard West, Vice President
Richland Memorial Hospital
Five Richland Medical Park
Columbia, SC 29203

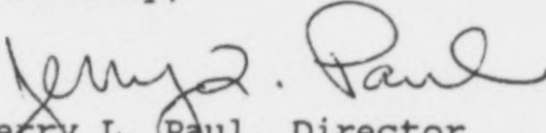
Dear Mr. West:

Based upon the information contained in your letter of March 4, 1993, the above referenced project does not require Certificate of Need review because it is considered an expenditure by a health care facility for a nonmedical purpose.

Therefore, the addition of two passenger elevators is exempted from review as stated in Section 104(6) of Regulation No. 61-15, Certification of Need for Health Facilities and Services. However, if this proposal should change from the information presented to the Department, this determination is not valid. This determination does not constitute approval for any proposed construction, licensing or certification changes. You should contact the following individuals for information concerning any remaining components: Division of Health Facilities Construction, Mr. Bill Lafferty, 737-7202; Division of Health Licensing, Mr. Alan Samuels, 737-7202; Bureau of Certification, Ms. Karen Price, 737-7205.

If I can be of further assistance, please call me at (803) 737-7200.

Sincerely,


Jerry L. Paul, Director
Health Facilities and Services

JLP/vmm

MAR 29 1993

William E. Applegate, III,
Toney Graham, Jr., MD
Sandra J. Molander
John B. Pate, MD

March 24, 1993

Re: Purchase of real estate
Richland Memorial Hospital
Columbia, South Carolina

Mr. Howard West, Vice President
Richland Memorial Hospital
Five Richland Medical Park
Columbia, SC 29203

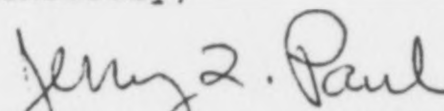
Dear Mr. West:

Based upon the information contained in your letter of March 2, 1993, the above referenced project does not require Certificate of Need review because it is the purchase of real estate.

Therefore, the project is exempted from review as stated in Section 104(10) of Regulation No. 61-15, Certification of Need for Health Facilities and Services. However, if this proposal should change from the information presented to the Department, this determination is not valid. This determination does not constitute approval for any proposed construction, licensing or certification changes. You should contact the following individuals for information concerning any remaining components: Division of Health Facilities Construction, Mr. Bill Lafferty, 737-7202; Division of Health Licensing, Mr. Alan Samuels, 737-7202; Bureau of Certification, Ms. Karen Price, 737-7205.

If I can be of further assistance, please call me at (803) 737-7200.

Sincerely,


Jerry L. Paul, Director
Health Facilities and Services

JLP/vmm

EXHIBIT

JUN 8 1993

3

STATE BUDGET & CONTROL BOARD

06104



Richland Memorial Hospital

Howard West
Vice President & General Counsel

(803) 765-6174
(803) 376-3127 (FAX)

March 2, 1993

Mr. Jerry L. Paul
Health Facilities and Services
South Carolina Department of Health &
Environmental Control
2600 Bull Street
Columbia, SC 29201

RE: Purchase of Real Estate
Richland Memorial Hospital

Dear Jerry:

This letter is to advise that Richland Memorial Hospital plans to purchase two parcels of real estate known as 1801 Sunset Drive and 1823 Sunset Drive in Columbia, South Carolina (located in the median between Sunset Drive and Marshall Street on the Emergency Room side of RMH - See attached map). The total purchase price of the real estate is \$2,225,000.00, plus approximately \$20,000.00 in closing cost and related fees for a total purchase price of approximately \$2,245,000.00. RMH plans to close on the purchase of this real estate in April, 1993.

The parcel known as 1823 Sunset Drive is approximately 1.08 acres of land with no improvements. The 1801 Sunset Drive parcel is approximately 1.23 acres of land with a 24,386 square feet office building. Approximately 17,886 square feet in the office building is currently occupied by the Columbia Area Mental Health Center. Columbia Area Mental Health Center has options to occupy that space into 1997. The remaining 6,500 square feet in the office building is occupied by the RMH OB/GYN Outpatient Clinic which provides services such as family planning and teen pregnancy clinics.

It is my understanding this acquisition is exempt from Certificate of Need requirements pursuant to Section 61-104-6 as a "non-medical expenditure and/or 61-104-10 as a purchase of real estate." Richland Memorial Hospital has no short-range plans to change the current uses of the above-referenced real estate. I understand that Certificate of Need law and regulations require that the costs associated with the

06105

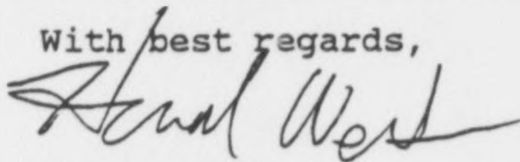


Mr. Jerry L. Paul
March 2, 1993
Page 2

purchase of real estate must be included in determining the total Project cost at the time the real estate is proposed to be developed as a medical project.

Should you have questions or require additional information, please do not hesitate to contact me at 765-6174.

With best regards,



Howard West
Vice President & General Counsel

/mrm
Attachment

EXHIBIT

JUN 8 1993

3

STATE BUDGET & CONTROL BOARD

06106

(Form of Bond Counsel Opinion)

July __, 1993

EXHIBIT

JUN 8 1993 3

STATE BUDGET & CONTROL BOARD

Richland County, South Carolina
Columbia, South Carolina

Re: \$80,000,000 Hospital Revenue Bonds (Richland Memorial Hospital), Series 1993

Dear Sirs:

We have acted as bond counsel in connection with the issuance by Richland County, South Carolina (the "County") of Richland County, South Carolina Hospital Revenue Bonds (Richland Memorial Hospital), Series 1993 in the aggregate principal amount of \$80,000,000 (the "Bonds") pursuant to the Hospital Revenue Bond Act, Title 44, Chapter 7, Article 11 of the Code of Laws of South Carolina, 1976, as amended (the "Act") and a Bond Trust Indenture dated as of July 1, 1993 (the "Indenture") between the County and *NAME OF TRUSTEE* as Trustee (the "Trustee"). We have examined the law in such certified proceedings and other papers as we deem necessary to render this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

The Bonds are issued pursuant to the Act and the Indenture. The proceeds of the sale of the Bonds will be loaned to Richland Memorial Hospital, a duly constituted hospital agency or public agency as defined in the Act (the "Hospital") pursuant to a Loan Agreement dated as of July 1, 1993 (the "Loan Agreement") and used to pay a portion of the cost of refunding certain bonds previously issued by the County to finance a portion of the cost of Hospital Facilities of the Hospital and to pay a portion of the cost of certain additional capital projects of the Hospital which qualify as Hospital Facilities as defined in the Act. In the Loan Agreement, the Hospital has agreed to make payments from its revenues to the Trustee on behalf of the County sufficient to pay the principal of, premium, if any, and interest on the Bonds when due. The Hospital's repayment obligations are evidenced by its 1993 Master Note in the principal amount of \$88,000,000 dated July 1, 1993 (the "Note") issued by the Hospital pursuant to that certain Master Trust Indenture dated as of July 1, 1993 (the "Master Indenture") among the Hospital,

06107

Richland Memorial Hospital, as agent for the obligated group (the "Agent") and *NAME OF MASTER TRUSTEE*, as Master Trustee (the "Master Trustee"). The payments to be received by the County under the Note and other revenues under the Indenture and the Loan Agreement (collectively the "Revenues") and the rights of the County under the Loan Agreement and the Note (except certain rights to indemnification, reimbursements, and administrative fees) are pledged and assigned by the County to the Trustee as security for the Bonds. The Bonds are payable solely from the Revenues.

Reference is made to an opinion of even date of Richardson, Plowden, Grier & Howser, Columbia, South Carolina, counsel to the Hospital, with respect, among other matters, to the status, good standing and qualification to do business of the Hospital, the power of the Hospital to enter into and perform the Loan Agreement and the Note and the authorization, execution and delivery of the Loan Agreement and the Note by the Hospital and with respect to the Loan Agreement and the Note being binding and enforceable upon the Hospital.

As to questions of fact material to our opinion, we have relied upon representations of the County and the Hospital contained in the Indenture, the Loan Agreement and the Note, the certified proceedings and other certifications of public officials furnished to us, and certifications furnished by or on behalf of the Hospital, without undertaking to verify the same by independent investigation.

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

1. The County is duly created and validly existing as a political subdivision of the State of South Carolina with the corporate power to enter into and perform the Indenture, the Loan Agreement and to issue the Bonds.
2. The Indenture and Loan Agreement have each been duly authorized, executed and delivered by the County and each is a valid and binding obligation of the County enforceable upon the County. The Indenture creates a valid lien on the Revenues and on the rights of the County under the Loan Agreement (except certain rights to indemnification, reimbursements, and administrative fees) on a parity with other Bonds (if any) issued or to be issued under the Indenture.
3. The Bonds have been duly authorized, executed and delivered by the County and are valid and binding special obligations of the County, payable solely from the Revenues.
4. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for the purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinion set forth in the preceding sentence is subject to the condition that the County and the Hospital comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The County and the Hospital

06108

have covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. The Bonds and the interest thereon are exempt from all State, county, municipal, school district, and all other taxes or assessments imposed thereon within the State, except inheritance, estate and transfer taxes.
6. The Bonds are exempt from registration under the Securities Act of 1933, as amended and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Indenture and the Loan Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors rights heretofore or hereafter enacted to the extent constitutionally applicable and that there enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

EXHIBIT

JUN 8 1993 3

STATE BUDGET & CONTROL BOARD

06109


EXHIBIT

JUN 8 1993

3

STATE BUDGET & CONTROL BOARD

05/24/93

 **Richland Memorial Hospital** COLUMBIA, SOUTH CAROLINA

103893

VENDOR NO.	EXPLANATION OF PAYMENT	NET AMOUNT
V	<p>PROCESSING FEE FOR FILING PETITION FOR APPROVAL OF \$88,000,000.00 HOSPITAL REVENUE BONDS SERIES 1993 XX 8100-39 5000.00</p>	5000.00
TOTAL ----->		5000.00

THE FACE OF THIS DOCUMENT HAS A MULTICOLORED BACKGROUND ON WHITE PAPER


 **Richland Memorial Hospital**
FIVE RICHLAND MEDICAL PARK COLUMBIA, S.C. 29203

No. **103893** 67-448
539

NATIONSBANK OF
SOUTH CAROLINA

CHECK NUMBER	DATE	NET AMOUNT
103893 V	05/24/93	*****\$5,000.00

INVALID IF NOT CASHED WITHIN SIX MONTHS OF DATE

PAY  FIVE THOUSAND DOLLARS AND 00 CENTS *****

TO
THE
ORDER
OF

SC BUDGET AND CONTROL BOARD
P O BOX 12444
COLUMBIA SC 29211

VOID OVER \$5000.00

Elliott C. Cooper
Kurt S. Leamon Jr
Mary C. Thibodeau

⑈ 103893 ⑈ ⑆053904483⑆ 707793448⑈

06110

SINKLER & BOYD, P.A.

ATTORNEYS AT LAW

THE PALMETTO CENTER
1426 MAIN STREET, SUITE 1200
COLUMBIA, SOUTH CAROLINA 29201-2834
TELEPHONE (803) 779-3080
CABLE ADDRESS: PALMETTO
FAX (803) 765-1243

REPLY TO:
COLUMBIA OFFICE
POST OFFICE BOX 11889
COLUMBIA, S.C. 29211-1889

CHARLESTON OFFICE:
160 EAST BAY STREET
POST OFFICE BOX 340
CHARLESTON, S.C. 29402-0340
TELEPHONE (803) 722-3366
FAX (803) 722-2266

June 2, 1993

EXHIBIT

JUN 8 1993

3

STATE BUDGET & CONTROL BOARD

VIA HAND DELIVERY

Ms. Donna K. Williams
Assistant Executive Director
State Budget and Control Board
Wade Hampton Office Bldg., Rm. 601
Capitol Complex
Columbia, SC 29201

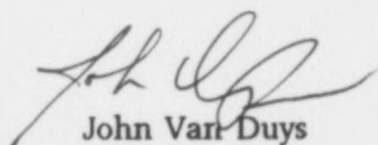
Re: Richland Memorial Hospital Financing

Dear Donna:

I enclose with this letter a signed resolution of the County Council of Richland County, South Carolina and a signed petition to the State Budget and Control Board relating to an issue of not to exceed \$80,000,000.00 of hospital revenue bonds. Please supplement, amend and complete the filing which was made last week on behalf of the hospital with this enclosure. Please let me know if anything further is required to perfect this matter for consideration by the State Board next Tuesday.

Thanks again for your cooperation on this and I apologize for any inconvenience caused by the delay.

Sincerely yours,


John Van Duys

JVD/aps

Enclosure

06111



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



CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

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

May 25, 1993

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

MEMORANDUM

TO: Treva Ashworth, Wayne Rush, Rosa Hughes
FROM: Donna K. Williams *[Signature]*
SUBJECT: Review of Revenue Bond Proposal

The following proposal for the issuance of bonds has been submitted for the June 8, 1993, Budget and Control Board agenda:

Richland County
\$80,000,000 Hospital Revenue Bonds
Richland Memorial Hospital Project

For this proposal to be included on the June 8 agenda, I must have the written results of your review before 9:30 a.m. on Tuesday, June 1.

W
Enclosure

EXHIBIT

JUN 8 1993

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STATE BUDGET & CONTROL BOARD

06112

SINKLER & BOYD, P.A.

ATTORNEYS AT LAW

THE PALMETTO CENTER
1426 MAIN STREET, SUITE 1200
COLUMBIA, SOUTH CAROLINA 29201-2834
TELEPHONE (803) 779-3080
CABLE ADDRESS: PALMETTO
FAX (803) 765-1243

REPLY TO:
COLUMBIA OFFICE
POST OFFICE BOX 11889
COLUMBIA, S.C. 29211-1889

CHARLESTON OFFICE:
160 EAST BAY STREET
POST OFFICE BOX 340
CHARLESTON, S.C. 29402-0340
TELEPHONE (803) 722-3366
FAX (803) 722-2266

August 13, 1993

VIA HAND DELIVERY

Ms. Donna Williams
Assistant Executive Director
State Budget and Control Board
Wade Hampton Office Building, Room 601
Columbia, South Carolina 29201

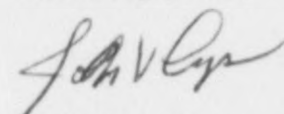
Re: Richland Memorial Hospital Revenue Bonds, Series 1993

Dear Donna:

As we discussed this morning, I enclose herewith an Affidavit of Publication of the Notice of Approval by the Budget and Control Board of the above-referenced project. Please accept this affidavit for your files and give the certified copies of the approving Resolution of the Board to my courier.

Thanks again for your kind cooperation.

Sincerely yours,


John Van Duys

JVD/aps

Enclosure

06113

NOTICE PURSUANT
TO THE PROVISIONS
OF SECTION 44-7-1590,
CODE OF LAWS
OF SOUTH CAROLINA,
1976, AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Title 44, Chapter 7, Article 11, Code of Laws of South Carolina, 1976, as amended (the "Act"), that the 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 "County").

The issuance by the County of its Richland County, South Carolina, Hospital Revenue Bonds (Richland Memorial Hospital) Series 1993 in the aggregate principal amount of not exceeding \$80,000,000 (the "Bonds"), and the lending of the proceeds of the Bonds to Richland Memorial Hospital (the "Hospital") for the purposes of refunding all or any part of the Series 1988A Bonds and Series 1990A Bonds previously issued by the County for the benefit of the Hospital and defraying all or any part of the cost of the following hospital facilities: (i) the Richland Springs Psychiatric Hospital, (ii) the Bone Marrow Transplant project at the Hospital's Center for Cancer Treatment and Research, (iii) the construction of the Northeast Portal, (iv) the renovation of patient elevators, (v) the construction of additional patient parking, (vi) the acquisition of 1801 Sunset Drive, (vii) the financing of the Hospital's general capital expenditures for its 1993-1994 and 1994-1995 fiscal years (the above purpose items are collectively referred to herein as the "Undertaking").

The Department of Health and Environmental Control issued Certificates of Need to the Hospital for the items described in (i) and (ii) and have determined that no Certificate of Need is required for the items described in (iii), (iv), (v) and (vi) above. Copies of each of the Certificates of Need have been filed with the State Budget and Control Board. The Hospital has determined that certificates of need were not required for the other capital projects listed above.

In accordance with the provisions of Section 44-7-1408 of the Act, the County has found (i) that there is a need for such Projects in the area where they are to be located; (ii) the Hospital is financially responsible and capable of fulfilling its obligations to make payments required to be made in connection with the issuance of the Bonds and to operate, repair and maintain at its own expense such Projects; (iii) adequate provision has been made for the payment of the principal of and the interest on the Bonds and no reserves are needed in connection therewith; and (iv) the public facilities, including utilities, and public services necessary for the Projects will be made available thereto.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterward, challenge the validity of the action taken by the State Budget and Control Board, the County Council of Richland County, or the South Carolina Department of Health and Environmental Control, by action de novo instituted in the Circuit Court for Richland County, South Carolina.

STATE BUDGET AND
CONTROL BOARD
By: Donna K. Williams,
Secretary

Dated: June 8, 1993

92851

THE STATE-RECORD CO., INC.

Columbia, South Carolina

publisher of

The State

OF SOUTH CAROLINA
COUNTY OF RICHLAND

personally appeared before me Mort Goldstrom, Classified Advertising Manager

STATE, and makes oath that the advertisement,

Notice Pursuant to the provisions of Section 44-7-1590, Code of Laws of South Carolina, 1976 as amended - \$80,000,000 Revenue Bonds Richland Memorial Hospital, Series 1993

is published in THE STATE, a daily newspaper of general circulation published in the Columbia, State and County aforesaid, in the issues of

June 14, 1993

Mort Goldstrom

and sworn to before me

16th day of June 19 93

Evelyn F. Hardman

Notary Public

My Commission Expires May 5, 2003

"Errors - the liability of the publisher on account of errors in or omissions from any advertisement will in no way exceed the amount of the charge for the space occupied by the item in error, and then only for the first incorrect insertion."

06114

EXHIBIT

JUN 8 1993

4

STATE BUDGET AND CONTROL BOARD
MEETING OF June 8, 1993

STATE BUDGET AND CONTROL BOARD
ITEM NUMBER 4

AGENCY: Budget Division

SUBJECT: 1992-93 Authorized Personal Service Transfers Report, April

The Budget Division reports that the transfer of \$638,974 of personal service funds was approved during April (\$606,795 to other operating expenses and \$32,179 to equipment).

This brought the total of personal service funds approved for transfer during the fiscal year to \$6,640,828.

BOARD ACTION REQUESTED:

Receive as information a Budget Division report that the transfer of \$638,974 of personal service funds was approved during April to bring the total approved for transfer during the fiscal year to \$6,640,828.

ATTACHMENTS:

Agenda item worksheet and attachment

06115

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

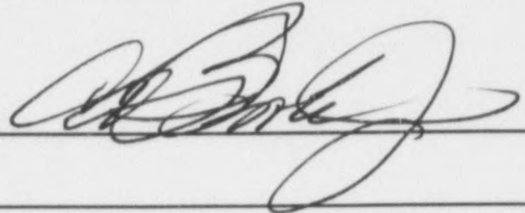
93-58

Meeting Scheduled for: June 8, 1993

Regular Agenda

1. Submitted By:

- (a) Agency: State Budget Division
(b) Authorized Official Signature: _____



2. Subject:

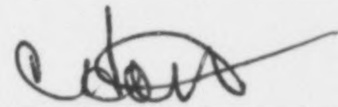
FY 1992-93 Authorized Personal Service Transfer Report for the Month of April

3. Summary Background Information:

The State Budget Division's Report of Fiscal Year 1992-93 Authorized Personal Service Transfer Requests for April is attached.

4. What is Board asked to do?
Information only.

5. What is recommendation of Board Division involved?
Information only.



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

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

7. Supporting Documents:

(a) List Those Attached:

1. Authorized Personal Service Transfer Report for April.

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

06116

STATE BUDGET DIVISION
ANALYSIS OF 1992-93 AUTHORIZED PERSONAL SERVICE
TRANSFER REQUESTS

DATE	REQUEST NO.	AGENCY	SOURCE OF FUNDS	FROM PERSONAL SERVICE	TO OTHER OPERATING EXPENSES	EQUIPMENT
	Total Authorized Transfers (90)			\$ 6,001,894	\$ 5,398,743	\$ 603,151
	Correction-March Report:					
		H06 Higher Ed. Tuition Grants	State	(40)	(40)	
	Corrected Total through March			\$ 6,001,854	\$ 5,398,703	\$ 603,151

April
Authorized Transfers

(A)	04/21/93	-	A20 Legislative Audit Council	State	\$ 2,000	\$ 2,000	
(B)	04/23/93	-	A42 Jt. Leg. Appropri. Review	State	10,897	10,897	
(C)	04/28/93	-	A50 Jt. Leg. Com. Alcohol & Drug	State	35	35	
(D)	04/13/93	-	B06 Sentencing Guidelines Comm.	State	231	231	
(E)	04/26/93	-	E04 Lieutenant Governor	State	2,000	2,000	
(F)	04/22/93	-	E16 State Treasurer's Office	Other	50,784	50,784	
(G)	04/21/93	-	E22 Appellate Defense	State	29,204	29,204	
(H)	04/28/93	-	H06 Higher Ed. Tuition Grants	State	1,577	1,577	
(I)	04/23/93	-	H63 Education	Other	88,813	88,813	
(J)	04/23/93	-	H63 Education	State	176,644	176,644	
(K)	04/23/93	-	H63 Education	State	11,063	11,063	
(L)	04/23/93	-	H63 Education	Other	3,342	3,342	
(M)	04/27/93	-	H87 State Library	State	630	630	
(N)	03/15/93	-	J04 DHEC	State	20,869	20,869	
(O)	04/01/93	-	J04 DHEC	State	1,539	1,539	
(P)	04/29/93	-	J20 Alcohol & Drug Abuse	State	24,899	-	\$ 24,899
(Q)	04/13/93	-	N04 Dept. of Corrections	Federal	66,494	66,494	
(Q)	04/13/93	-	N04 Dept. of Corrections	Other	3,939	3,939	
(R)	04/21/93	-	N04 Dept. of Corrections	Federal	4,500	2,990	1,510
(S)	04/21/93	-	N08 Probation, Parole & Pardon	State	60	60	
(T)	03/22/93	-	P08 Land Resources	Federal	12,500	6,730	5,770
(U)	04/21/93	-	P25 Coastal Council	State	14,500	14,500	
(V)	04/21/93	-	P26 Sea Grant Consortium	State	1,054	1,054	
(W)	04/21/93	-	R12 Worker's Compensation Fund	Other	60,000	60,000	
(X)	04/19/93	-	R28 Consumer Affairs	State	15,000	15,000	

STATE BUDGET & CONTROL BOARD

JUN 8 1993

4

EXHIBIT

06117

STATE BUDGET DIVISION
ANALYSIS OF 1992-93 AUTHORIZED PERSONAL SERVICE
TRANSFER REQUESTS

<u>DATE</u>	<u>REQUEST NO.</u>	<u>AGENCY</u>	<u>SOURCE OF FUNDS</u>	<u>FROM PERSONAL SERVICE</u>	<u>TO OTHER OPERATING EXPENSES</u>	<u>EQUIPMENT</u>
(Y) 04/22/93	-	R44 Tax Commission	State	16,000	16,000	
(Z) 04/26/93	-	U04 Aeronautics	State	20,400	20,400	

Total Authorized Transfers
For April (27)

\$ 638,974 \$ 606,795 \$ 32,179

Total Authorized Transfers
Year-To-Date (117)

\$ 6,640,828 \$ 6,005,498 \$ 635,330

NOTE:

	<u>Current Month</u>	<u>Year-To-Date</u>
State Funds	\$ 348,602	\$6,058,807
Federal Funds	83,494	116,686
Other Funds	<u>206,878</u>	<u>465,335</u>
TOTAL FUNDS	<u>\$ 638,974</u>	<u>\$6,640,828</u>

Prepared
May 6, 1993

EXHIBIT
JUN 8 1993
STATE BUDGET & CONTROL BOARD

06118

EXHIBIT

JUN 8 1993

5

STATE BUDGET AND CONTROL BOARD

STATE BUDGET & CONTROL BOARD

MEETING OF June 8, 1993

ITEM NUMBER 5

AGENCY: General Services

SUBJECT: Trade-In Request for Cath Lab Equipment - MUSC

In accordance with Regulation 19-445.2150 of the South Carolina Consolidated Procurement Code, the Division of General Services has approved the trade-in request for cath lab equipment in the amount of \$60,000 for the Medical University of South Carolina. The amount offered for the trade-in was found to be both fair and reasonable, considering the age of the equipment and the fact that the old equipment will be removed at no additional charge.

BOARD ACTION REQUESTED:

Receive as information a report that, in accordance with Regulation 19-445.2150, the Division of General Services has approved the MUSC trade-in of cath lab equipment for \$60,000.

ATTACHMENTS:

Agenda item worksheet; attachments

06119

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

For meeting scheduled for:

June 8, 1992

☒ Blue Agenda

☐ Regular session

☐ Executive session

1. Submitted by: (a) Agency: Division of General Services
(b) Authorized Official Signature: Richard W. Kelly, Director

Richard W. Kelly

2. Subject: Trade-In Request for Cath Lab Equipment for the
Medical University of South Carolina

3. Summary Background Information:

In accordance with Regulation 19-445.2150 of the South Carolina Consolidated Procurement Code, the Division of General Services has approved the trade-in request for Cath Lab equipment in the amount of \$60,000.00 for the Medical University of South Carolina. Amount offered for the trade-in was found to be both fair and reasonable, considering the age of the equipment and the fact that the old equipment will be removed at no additional charge.

4. What is Board asked to do?

Receive the report as information

EXHIBIT

JUN 8 1993

5

STATE BUDGET & CONTROL BOARD

5. What is recommendation of Board division involved?

That the report be received as information

6. Recommendation of other office (as required)?

Office Name _____

Authorized
Signature _____

7. Supporting Documents:

List those attached:

List those not attached
but available:

-Copy of Regulation 19-445.2150 of the Procurement Code
-Letter from Bill Brice of the Materials Management Office
-Letter from Marion Watson of the Medical University of SC
-Copy of Request For Trade-In Document

06120

and other relevant information entered into an automated inventory system. Inventory tags listing all necessary information shall be attached to each item.

(3) Display.

Items shall be displayed in locations with other like commodities to allow for easy viewing.

(4) Issuing property.

All items sold by the SPMO to governmental bodies, political subdivisions and nonprofit health or educational institutions shall be recorded on a Bill of Sale and all required information shall be listed on the document. The Bill of Sale must be signed by the signatory authority of the governmental body, political subdivision or nonprofit health or educational institution as defined in Subsection C, Item 1 of these regulations. At the time of sale, the eligible entity shall receive a copy of the Bill of Sale.

(5) Invoicing.

Invoices shall be generated and mailed to the acquiring agency. All cash and accounts receivable transaction records shall be properly maintained. All transfers of funds to various accounts will be performed in accordance with these regulations.

(6) Deletions.

Items shall be deleted from the SPMO's inventory simultaneously with the invoicing process.

(7) Property sold to the public shall be paid for in full at the time of purchase. Transactions shall be documented by a Bill of Sale enumerating all conditions of the sale i.e., "as is, where is," etc. and must be signed by the purchaser.

Personal checks with proper identification, certified checks, or money orders made payable to the State of South Carolina shall be accepted as a form of payment. No cash shall be accepted.

A copy of the Bill of Sale shall be presented to the purchaser and a copy along with the payment shall be forwarded to the Internal Operations Cashier. Two copies shall be retained internally by the SPMO, one as the source document for updating the computer records and the other for filing.

G. Trade-In Sales.

Governmental bodies may trade in personal property, the trade-in value of which must be applied to the purchase of new like items. The trade-in value of such personal property shall not exceed \$500. When the trade-in value exceeds \$500, the governmental body shall refer the matter to the Materials Management Officer, the ITMO, or the designee of either, for disposition.

Trade-in value is determined by the value established by an offeror for a used item or group of items in offsetting the cost of a new like item or group of items in one specific transaction. The Materials Management Officer or the ITMO, or the designee of either, shall have the authority to determine whether the property shall be traded in and the value applied to the purchase of new like items or classified as surplus and sold in accordance with the provisions of Section 11-35-3820 of the Procurement Code. When the trade-in value exceeds \$25,000, the Materials Management Officer or the ITMO, or the designee of either, shall make a written determination as to its reasonableness and report such trade-in transaction to the Board as information.

H. Definition and Sale of Junk.

Junk is State-owned supplies and equipment having no remaining useful life in public service or the cost to repair to refurbish the property in order to return it to public use would exceed the value of like used equipment with remaining useful life.

Section 11-35-4020 of the Procurement Code shall be strictly enforced pertaining to junk items. It shall be the responsibility of the SPMO to inspect and/or declare items as junk. Upon declaration as junk, if the owning agency determines to sell the property, it shall advertise the property in a newspaper of general circulation for fifteen (15) days in advance of sale.

I. Unauthorized Disposal.

(1) The ratification of an act of unauthorized and/or improper disposal of State property by any persons without the requisite authority to do so by an appointment or delegation under the Procurement Code rests with the Materials Management Officer.

(2) Corrective Action and Liability.

In all cases, the head of the governmental body shall prepare a written determination describing the facts and circumstances surrounding the act, corrective action being taken to prevent recurrence, and action taken against the individual committing the act and shall report the matter in writing to the Materials Management Officer within ten (10) days after the determination.

Materials Management Office
1201 Main Street, Suite 600
Columbia, South Carolina 29201
(803) 737-0600

May 18, 1993

MEMORANDUM

TO: Helen Zeigler
FROM: Bill Brice *BB*
SUBJECT: Trade-In Request From MUSC

I have received a trade-in request from the Medical University of South Carolina for Cath Lab equipment. The amount of the trade-in is \$60,000.

The equipment being offered for trade is approximately 13 years old and almost to the point where repairs are not practical. The new, more technically advanced Cath lab will be a little over one million dollars. I find the amount offered by Phillips for the trade to be both fair and reasonable, considering the age of the equipment and the fact that the old will be removed at no additional charge.

In accordance with Regulation 19-445.2150 of the Consolidated Procurement Code, I am approving this trade-in transaction. This item will be submitted as information to the Budget and Control Board at their next meeting scheduled for June 8, 1993. The agenda item will be prepared and forwarded to you for the next agenda review meeting on May 27, 1993, at 3:00 p.m.

attachments

06122

SION OF FINANCE
13) 792-4131

Controller 792-4131
Procurement 792-4521
Materials Management 747-0453



MEDICAL UNIVERSITY OF SOUTH CAROLINA
171 Ashley Avenue
Charleston, South Carolina 29425-1040

MEMORANDUM

TO: Mr. Bill Brice
State MMO

FROM: Marion H. Watson
Procurement - MUSC

SUBJECT: Trade-in Cath Lab

DATE: March 25, 1993

EXHIBIT

JUN 8 1993 5

STATE BUDGET & CONTROL BOARD

I am requesting trade-in of like equipment per the authority of the SC Consolidated Procurement Code 11-35-3830 (2) and regulation 19-445-2150 Section E. Attached are the supporting details.

I am trading in a cath lab that was purchased from Phillips in 1979. Phillips is offering us a trade-in value of \$60,000.00 for the old lab. This includes removing the lab from the Medical University at no cost.

Considering the age of the equipment and the cost to upgrade to a current model, I think this is a fair and just trade-in for the Medical University of SC and the State of SC.

Thank you for your help in this matter and if you should have any questions, please give me a call.

06123

REQUEST FOR TRADE-IN DOCUMENT

To: Materials Management Office
 1201 Main Street, Suite 600
 Columbia, SC 29201

MMO USE ONLY

Trade-In Approved ☒ Y ☐ N
 Approving Authority's Signature

5/17/93
 Date

- Agency Name Medical University of SC Street 171 Ashley Ave.
 City, State, Zip Code Charleston, SC 29425
- Requestor's Name Marion H. Watson Telephone No. 792-4521
 Title Procurement Officer
- Location of Property Main Hospital 6th Floor Adult Cath Lab
- Agency Contact Person for Viewing Property John Irick Telephone No. 792-3402
- Is trade-in to be applied to a sole source procurement? ☒ Y ☐ N
- New Property Being Purchased Phillips Cath Lab

Commodity Code (A)	Description (B)	Year Purchased (C)	Make (D)	Model Number (E)	Serial Number (F)	Unit of Measure (G)	Acquisition Cost Per Unit (H)	Total (I)	Condition of Property * (J)	Trade-in Value Offered (K)
46500	Procedure Room	1979	Phillips	RM101B	n/a	1	158,000	158,000	4	60,000
46500	Image Intensifier	1981	Phillips		9315010236	1	n/a		4	
46500	Camera	1979	Phillips	sg9210	9133	1	n/a		4	
46500	Table	1979	Phillips		D20314	1	n/a		4	
46500	Collimator	1979	Phillips	18010/30	087	1	n/a		4	

(Attach separate sheet if necessary)

EXHIBITTotal \$ 60,000.00
(L)

*Condition of Property

06124

JUN 8 1993

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STATE BUDGET & CONTROL BOARD

- New or no repairs necessary.
- Used - Repairs of 10% or less of AC necessary.
- Used - Repairs of 11% to 50% of AC necessary.
- Used - Repairs of 51% to 75% of AC necessary.
- Spare parts only.

EXHIBIT

JUN 8 1993

6

STATE BUDGET AND CONTROL BOARD

STATE BUDGET & CONTROL BOARD
BLUE AGENDA

MEETING OF June 8, 1993

ITEM NUMBER

6

AGENCY: General Services

SUBJECT: Property Sale

The Division recommends approval of the following property sale in accord with Code Section 1-11-65 and Proviso 27.2:

(a) <u>Agency:</u>	Greenville Technical College
<u>Acreage:</u>	32.3 acres
<u>Location:</u>	Near Simpsonville
<u>County:</u>	Greenville County
<u>Purpose:</u>	Dispose of property under standard procedures whose utility will be lost by planned highway construction
<u>Appraised Value:</u>	\$1,961,000. This value may be adjusted somewhat due to the value of railroad right-of-way
<u>Special Request:</u>	Greenville Tech desires to retain proceeds from this sale under Section 27.2 of the 92-93 Appropriations Act
<u>Approved by:</u>	State Tech Board on 2/24/93 and JBRC on 5/18/93

BOARD ACTION REQUESTED:

Approve the sale of 32.3 acres near Simpsonville by Greenville Technical College, with the proceeds of the sale to be deposited in the capital improvement account of the College, in accordance with Proviso 27.2.

ATTACHMENTS:

Code Section 1-11-65; Proviso 27.2

06125

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

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

EXHIBIT

JUN 8 1993

6

STATE BUDGET & CONTROL BOARD

06126

H59-BD. FOR TECHNICAL & COMPREHENSIVE EDUC-27

	<u>TOTAL FUNDS</u>	<u>GENERAL FUNDS</u>
VI. NON-RECURRING APPROPRIATION		
SPECIAL ITEMS		
TOTAL NON-RECURRING		
FORMULA ADJUSTMENT	<u>9,076,049</u>	<u>9,076,049</u>
TOTAL NON-RECURRING APPRO.	<u>9,076,049</u>	<u>9,076,049</u>
TOTAL NON-RECURRING	<u>9,076,049</u>	<u>9,076,049</u>
TOTAL BD. FOR TECHNICAL & COMPREHENSIVE EDUCA	225,619,893	120,683,355
TOTAL AUTHORIZED FTE POSITIONS (3,592.19)		<u>(2,962.50)</u>

27.1. Before any local technical education area commission may acquire any real property, the approval of the State Board for Technical and Comprehensive Education and the State Budget and Control Board and the Joint Bond Review Committee shall be obtained.

27.2. Local area commissions may dispose of real property that is surplus to their needs upon prior approval of the State Board for Technical and Comprehensive Education and the Budget and Control Board and the Joint Bond Review Committee. Proceeds from the sale of such property shall be deposited in the capital improvement account of the local institution.

27.3. Notwithstanding the amounts appropriated in this section for "Special Schools", it is the intent of the General Assembly that the State Board for Technical and Comprehensive Education expend whatever available funds as are necessary to provide direct training for new and expanding business or industry. In the event expenditures are above the appropriation, the appropriation in this section for "Special Schools" shall be appropriately adjusted, if and only if, revenues exceed projections and the Budget and Control Board and the Joint Appropriations Review Committee approve the adjustment.

27.4. (Training of New & Expanded Industry Carry Forward) In addition to the funds appropriated in this section, up to \$500,000 of the funds appropriated under this section for the prior fiscal year which is not expended during that fiscal year may be carried forward and expended for direct training of new and expanding industry in the current fiscal year.

EXHIBIT

JUN 8 1993

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STATE BUDGET & CONTROL BOARD

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EDUCATION

06127

EXHIBIT

JUN 8 1993 7

STATE BUDGET AND CONTROL BOARD

BLUE AGENDA
STATE BUDGET & CONTROL BOARD

MEETING OF June 8, 1993

ITEM NUMBER

7

AGENCY: General Services

SUBJECT: Property Acquisitions

The Divisions recommends approval of the following property acquisitions in accord with Code Section 1-11-65:

- (a) Agency: University of South Carolina
Acreage: 2.0 acres
Location: 700/720 College Street
County: Richland
Purpose: Purchase at below appraised value to avoid continued lease payments on this long term facility
Appraised Value: \$878,500
Price/Seller: \$850,000/James E. Smith
Source of Funds: Excess Debt Service - Tuition
Project Number: H27-9694
Environmental Study: Acceptable
Approved by: JBRC on 5/18/93 and CHE 6/3/93
- (b) Agency: Wildlife and Marine Resources
Acreage: ±214 acres
Location: Clarendon County
County: Clarendon County
Purpose: Addition to Bennetts Bay Preserve
Appraised Value: \$46,300
Sale Price: \$46,300/Alderman-Shaw Company
Source of Funds: Heritage Trust Funds
Project Number: P24-9636
Environmental Study: Acceptable
Approved by: JBRC on 5/18/93
- (c) Agency: Highways and Public Transportation
Acreage: 3.4 acres
Location: Greer
County: Spartanburg County
Purpose: Site for new DMV license and truck testing facility
Appraised Value: \$129,000
Price/Seller: \$129,000/Roy E. Collins and Roy E. Collins, III
Source of Funds: Gas tax revenue
Project Number: U12-9583
Environmental Study: Acceptable
Approved by: JBRC on 5/18/93

06128

AGENCY: General Services

SUBJECT: Property Acquisitions

- (d) Agency: **Mental Health**
 Acreage: 1.5 acres
 Location: Varnville
 County: Hampton County
 Purpose: To construct a new mental health facility
 Appraised Value: N/A
 Price/Seller: Donation/Kevarn, Inc.
 Source of Funds: N/A
 Project Number: J12-9548
 Environmental Study: Acceptable
 Approved by: JBRC on 5/18/93
- (e) Agency: **Mental Health**
 Acreage: 1.5 acres
 Location: Near the intersection of Pine Street and Memorial
 Avenue in Allendale
 County: Allendale County
 Purpose: To construct a new mental health facility
 Appraised Value: N/A
 Price/Seller: Donation/Allendale County
 Source of Funds: N/A
 Project Number: J12-9546
 Environmental Study: Acceptable
 Approved by: JBRC on 5/18/93

BOARD ACTION REQUESTED:

Approve the referenced property acquisitions.

ATTACHMENTS:

Code Section 1-11-65

06129

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

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

EXHIBIT

JUN 8 1993

7

STATE BUDGET & CONTROL BOARD

06130

EXHIBIT

JUN 8 1993

8

STATE BUDGET AND CONTROL BOARD
MEETING OF June 8, 1993

STATE BUDGET & CONTROL BOARD
BLUE AGENDA
ITEM NUMBER 8

AGENCY: General Services

SUBJECT: Permanent Improvement Projects

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

- (a) Summary 14-93: Item 2: Francis Marion College
Project: 9503, Stokes Administration Building Expansion
Request: Increase budget to \$2,788,276.07 (add \$17,031 Other, Manville Settlement funds) to abate asbestos for Phase V. These funds are from the Manville Property Damage Settlement Trust.
- (b) Summary 14-93: Item 3: Medical University
Project: 9060, Student Wellness Center
Request: Increase budget to \$15,775,871 (add \$1,100,000 Other, Health Science Foundation funds) to rebid the swimming pool. All previous bids were over the budget. The completion of the swimming pool will complete the facility.
- (c) Summary 14-93: Item 4: Criminal Justice Academy
Project: 9518, Dormitory/Learning Resource Center Construction
Request: Increase budget to \$2,222,000 (add \$922,000 Other, Court Fine funds) to expand project to include not only construction of a 100-bed dormitory, but also a learning resource center with classroom space. The Academy now has sufficient funds to expand the scope of the original project to enlarge the various media capabilities of the Academy. Approximately \$800,000 of the \$2.2 million budget will cover the cost of constructing the 14,670 square foot learning resource center. The learning resource center will provide additional library space, and interactive multi-media training which is not now provided by the Academy.
- (d) Summary 15-93: Item 2: Mental Health
Project: 9610, Asbestos Abatement-Fewell Pavilion
Request: Establish project and budget (\$300,00 Excess Debt Service funds). The existing floor covering, which is an asbestos containing material, will remain serviceable for only three more years. In view of the fact that the building is currently vacant, abatement, replacement of floor covering, and repainting can be conveniently accomplished at this time.

06131

STATE BUDGET AND CONTROL BOARD
MEETING OF June 8, 1993

BLUE AGENDA
ITEM NUMBER 8, Page 2

AGENCY: General Services

SUBJECT: Permanent Improvement Projects

- (e) Summary 15-93: Item 3: Department of Corrections
Project: 9544, State Park Mary White Building - Asbestos Abatement
Request: Establish project and budget (\$68,330 Other, Asbestos Settlement funds) to immediately remove all asbestos-containing materials and debris. This building is currently in use and the urgency of this project is underlined by the Warden's concerns of inmate lawsuits as well as the health hazards posed by the currently exposed areas. The asbestos is friable. These funds are from the Manville Property Damage Settlement Trust.

EXHIBIT

JUN 8 1993 8

STATE BUDGET & CONTROL BOARD

BOARD ACTION REQUESTED:

Approve the referenced permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee.

ATTACHMENTS:

06132

EXHIBIT

JUN 8 1993

9

STATE BUDGET AND CONTROL BOARD
MEETING OF June 8, 1993

STATE BUDGET & CONTROL BOARD

ITEM NUMBER

9

AGENCY: General Services

SUBJECT: Clemson University Procurement Certification

The Division of General Services, in accord with Section 11-35-1210, has audited the procurement system of Clemson University and recommends its certification within the parameters described in the audit report for the following limits (total potential purchase commitment whether single- or multi-year contracts are used) for a period of three years: goods and service, \$100,000; construction services, \$100,000; consultant services, \$100,000; information technology in accordance with the approved information technology plan, \$100,000; vending/concessions management services, \$2,500,000.

BOARD ACTION REQUESTED:

In accord with Section 11-35-1210, grant procurement certification to Clemson University within the parameters described in the audit report for the following limits (total potential purchase commitment whether single- or multi-year contracts are used) for a period of three years: goods and service, \$100,000; construction services, \$100,000; consultant services, \$100,000; information technology in accordance with the approved information technology plan, \$100,000; vending/concessions management services, \$2,500,000.

ATTACHMENTS:

Agenda item worksheet and attachment

06133

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

For meeting scheduled for:

June 8, 1993

☒ Blue Agenda
☐ Regular session
☐ Executive session

1. Submitted by: (a) Agency: Division of General Services
(b) Authorized Official Signature: Richard W. Kelly, Director
Richard W. Kelly
2. Subject: Procurement Certification of Clemson University

3. Summary Background Information:

In accordance with Consolidated Procurement Code Section 11-35-1210, the Division of General Services has audited Clemson University's procurement system and recommends its recertification within the parameters described in the audit report for the following limits for a period of three (3) years:

- | | |
|---|--------------------------------------|
| I. Goods and Services | *\$100,000 per purchase commitment |
| II. Construction Services | *\$100,000 per purchase commitment |
| III. Consultant Services | *\$100,000 per purchase commitment |
| IV. Information Technology | *\$100,000 per purchase commitment |
| in accordance with the approved Information Technology Plan | |
| V. Vending/Concessions Management Services | *\$2,500,000 per purchase commitment |

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

All recommended limits are the same as the current certification except for vending/concession management services which is new.

4. What is Board asked to do?

Grant procurement certification for Clemson University by approval of the Blue Agenda.

5. What is recommendation of Board division involved?

Grant certification by approval of the Blue Agenda

6. Recommendation of other office (as required)?

Office Name _____	Authorized Signature _____
-------------------	----------------------------

7. Supporting Documents:

List those attached:

List those not attached but available:

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

06134

Section 11-35-1020. Advisory Groups.

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

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

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

SUBARTICLE 9**Auditing and Fiscal Reporting****Section 11-35-1210. Certification.**

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

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

- (a) adherence to the provisions of this code and the ensuing regulations, particularly concerning competitive procurement methods;
- (b) responsiveness to user needs;
- (c) obtaining of the best prices for value received.

(3) **Adherence to Provisions of the Code.** All procurements shall be subject to all the appropriate provisions of this code, especially regarding competitive procurement methods and nonrestrictive specifications.

Section 11-25-1220. Collection of Data Concerning Public Procurement.

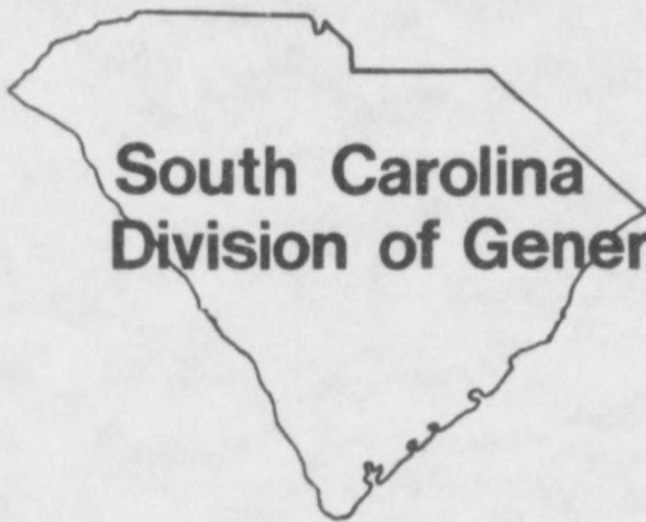
The Division of General Services shall prepare statistical data concerning the procurement, use and disposition of all supplies, services and construction. All using agencies shall furnish such reports as the Division of General Services may require concerning use, needs and stocks on hand, and the chief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

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

(1) **Auditing.** The Division of General Services through consultation with the chief procurement officers shall develop written plans for the auditing of state procurements.

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

(2) **Fiscal Reporting.** Beginning with the first quarter of fiscal year 1981-82 and each quarter thereafter, in



**South Carolina
Division of General Services**

PROCUREMENT AUDIT AND CERTIFICATION

CLEMSON UNIVERSITY

AGENCY

JULY 1, 1989 - SEPTEMBER 30, 1992

DATE

06136

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



CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

1201 MAIN STREET, SUITE 420
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-3880

HELEN T. ZEIGLER
DEPUTY DIRECTOR

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

May 27, 1993

Mr. Richard W. Kelly
Director
Division of General Services
1201 Main Street, Suite 420
Columbia, South Carolina 29201

Dear Rick:

I have attached the Clemson University procurement audit report and recommendations made by the Office of Audit and Certification. I concur and recommend the Budget and Control Board grant the University a three (3) year certification as outlined in the audit report.

Sincerely,

Helen T. Zeigler
Helen T. Zeigler

HTZ/jj

Attachment

06137

CLEMSON UNIVERSITY
PROCUREMENT AUDIT REPORT

JULY 1, 1989 - SEPTEMBER 30, 1992

06138

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



CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
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MATERIALS MANAGEMENT OFFICE
1201 MAIN STREET, SUITE 600
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-0600

JOHN DRUMMOND
CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

May 26, 1993

Helen T. Zeigler
Deputy Division Director
Division of General Services
1201 Main Street, Suite 420
Columbia, South Carolina 29201

Dear Helen:

We have examined the procurement policies and procedures of Clemson University for the period July 1, 1989 - September 30, 1992. As part of our examination, we studied and evaluated the system of internal control over procurement transactions to the extent we considered necessary.

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

The administration of Clemson University is responsible for establishing and maintaining a system of internal control over procurement transactions. In fulfilling this responsibility,

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STATE
PROCUREMENT

INFORMATION
TECHNOLOGY
MANAGEMENT

STATE & FEDERAL
SURPLUS
PROPERTY

CENTRAL SUPPLY
& INTERAGENCY
MAIL SERVICE

OFFICE OF AUDIT
& CERTIFICATION

estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance of the integrity of the procurement process, that affected assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and are recorded properly.

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

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

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

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

R. Voight Shealy

R. Voight Shealy, CFE, Manager
Audit and Certification

SCOPE

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

We selected random samples of procurement transactions for the period July 1, 1990 - June 30, 1992, for compliance testing and performed other audit procedures that we considered necessary to formulate this opinion. Specifically, our review of the system included, but was not limited to, the following areas:

- (1) All sole source and emergency procurements and trade-in sales for the audit period
- (2) Purchase transactions for the audit period as follows:
 - a) 240 systematically selected procurement transactions each exceeding \$500.00
 - b) A random sample of 47 Direct Purchase Vouchers for compliance with internal procurement procedures
 - c) An additional 30 sealed bids issued and awarded from the periods 7/1/89-6/30/90 and 7/1/92-9/30/92
- (3) Twelve permanent improvement projects out of which nine A&E selections and eleven contracts were reviewed for compliance with the Manual for Planning and Execution of State Permanent Improvements
- (4) All real property leases

- (5) The most recent solicitations for the following vending/concessions management procurements: vending machines-drinks and snacks, concessions-novelties, vending machines-restroom, amusement machines, concessions-athletics. Further, we discussed the most recent procurement of radio/television rights for athletics.
- (6) Minority Enterprise Plans and reports
- (7) Information Technology plans
- (8) Procurement Policies and Procedures Manual
- (9) Property management and fixed asset procedures
- (10) Supply Warehouse management procedures
- (11) Physical Plant work orders and blanket purchase agreement files
- (12) Procurement staff and training

RESULTS OF EXAMINATION

The Office of Audit and Certification performed an examination of the internal procurement operating policies and procedures and related manual of Clemson University for the period July 1, 1989 through September 30, 1992.

Our on-site review was conducted October 8 through December 4, 1992, and was made under the authority as described in Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code. The audit was primarily instituted because the most recent three year certification granted the University by the Budget and Control Board is to expire on June 18, 1993. Additionally, the University requested increased certification limits as follows:

Goods and Services	\$125,000
Construction	100,000
Consultants	100,000
Information Technology	125,000
Vending Management Services	2,500,000

Since our previous audit in 1989, Clemson University has maintained what we consider to be a professional, efficient procurement system. We did note, however, the below listed items which should be addressed by management.

(1) Vending/Concessions Management Contracts - Believing that vending/concessions management agreements were exempt from the Code, the University entered into the following four revenue generating contracts without consideration of compliance:

- a - Vending machines - drinks and snacks
 - exceeded certification - unauthorized
 - no 16 day intent to award
 - no determination to award an RFP

- b - Vending machines - restroom
 - exceeded certification - unauthorized
- c - Amusement Machines
 - exceeded certification - unauthorized
- d - Concessions - Athletics
 - exceeded certification - unauthorized
 - no evaluation committee score sheets
 - no documented bidders list
 - no determinations to do or to award an RFP
 - no list of evaluation factors other than price
 - no Drug-Free Workplace Act certification

Otherwise, we find that these procurements were made openly and competitively. In fact, a concessions-novelties procurement was made in complete compliance with the Code and the vending machines-restroom and amusement machines procurements were in compliance with virtually all of the Code's procedures.

We recommend that future vending, concessions and athletics purchases funded through anticipated future revenues be competed in accordance with the Code.

(2) We noted twenty sole source procurements for \$50,000 or greater where the University did not obtain the required certification from vendors certifying that they were in compliance with the State of South Carolina Drug-Free Workplace Act. A schedule of these purchase orders can be seen at the Exhibit attached. In the future, all sole source procurements greater than \$50,000 must be supported by a certification from the vendor regarding their compliance with the Drug-Free Workplace Act.

(3) We noted the following four unauthorized sole source procurements.

<u>PO#</u>	<u>Amount</u>	<u>Contract Period</u>	<u>Sole Source Approval Date</u>
202464	\$ 2,500.00	09/22/91-09/21/92	11/21/91
201974	1,500.00	09/01/91-09/30/92	10/10/91
201719	1,354.00	09/01/91-06/30/92	10/10/91
200405	16,560.28	07/01/91-06/30/92	07/19/91

The above contracts were all for information technology maintenance. These sole source determinations were not approved by the requisite authority in advance, therefore; they must be considered unauthorized. Ratification of these procurements must be requested from the University President in accordance with Regulation 19-445.2015(1).

(4) Request for Proposal #9931 dated June 11, 1990 for photographic services was not done in compliance with the Code. Exceptions noted in the proposal package are as follows:

- a) Written determination to do a request for proposal was not prepared (Code 11-35-1530,1).
- b) Evaluation factors were not stated as to the relative importance of price to other evaluation factors (Code 11-35-1530,5).
- c) Only the three lowest bidders were invited to make a portfolio presentation to the selection committee.
- d) The proposal package stated that this was a "sealed bid". A sealed bid is awarded on low bid price, not portfolio criteria.

This solicitation package was a combination of a sealed proposal and a sealed bid. Since both are awarded differently, it is imperative that the two not be confused in the bidding and award process.

(5) Direct Purchase Voucher (DPV) 5124-E20012 for \$2,965.96 for office equipment maintenance seems to misquote Clemson's DPV procedures by indicating that the \$500 limit applies "per line item". In fact, the procedure reads "maintenance contracts on office and equipment (not to exceed \$500 annually)." This

procurement should have been supported by competition or a sole source determination. The total cost of the contract, not the cost per line item, must be considered.

(6) Clemson's DPV procedure should be amended as follows:

- a) Procedure reads, maintenance contracts on office and equipment (not to exceed \$500 annually). This should be changed to eliminate the word "annually".
- b) Procedure reads, equipment repairs (not to exceed \$500) unless totally reimbursable by insurance other than insurance reserve fund. The language "unless totally reimbursable by insurance other than insurance reserve fund" should be eliminated.
- c) Procedure reads, insurance premiums (not to exceed \$500 unless involving insurance reserve fund and paid on IDT). The language should be changed to read "Total potential premiums not to exceed \$500 unless involving insurance reserve fund and paid on IDT".

Hopefully, these changes will eliminate any potential misunderstanding of the \$500.00 amount. It applies to the total potential commitment over the life of any contract.

(7) Bid number 200732 for computer equipment had an award value of \$24,425.00. However, the solicitation was sent to only six potential bidders according to the bid folder. Regulation 19-445.2035(A) requires solicitation of bids from a minimum of ten qualified sources if the purchase is \$10,000.00 or more. If the minimum number of qualified bidders cannot be solicited, the head of the governmental body must certify in writing that all known sources were solicited.

(8) We noted in bid number 200489 for the "Demolition of a Building" that this was handled as a goods and services project under Article 5 of the Code rather than as a construction project under Article 9. Section 11-35-2910(2) defines construction as

"the process of building, altering, repairing, remodeling, improving, or demolishing any public structure or building..." (Emphasis Added).

Therefore, this project should have been handled in accordance with Section 11-35-3020, Construction Procurement Procedures, and 11-35-3030, Bond and Security, procedures for construction projects.

(9) We noted a payment on check number 144383, for an honorarium in the amount of \$1,500.00 to a visiting professor, was not supported by competition or a sole source determination. Honorariums are not exempt and must be handled in compliance with the Code and regulations.

(10) Overpayments were noted in two instances during our sample review. First, on purchase order number 202387 for tree shelters and stakes, the vendor bid the items FOB destination at Clemson University. However, a \$250.00 shipping fee was invoiced and paid. A refund should be requested from the vendor for the overpayment.

Second, on purchase order 204930 for computer software, the low bidder gave the University a \$60.00 discount from the total purchase of \$2,149.57. However, Purchasing never reflected the discount on the purchase order and the University paid the full invoice price without taking the discount. All discounts given by a successful vendor should be reflected on the purchase orders and taken by the University.

(11) Purchase order number 200212 for landscape maintenance was for \$13,200. The bid allowed for the contract to be renewed for

one additional year if mutually agreed by both parties. This constitutes a multi-term contract. A multi-term contract may be used when it is determined in writing by the Procurement Officer of the governmental body that the contract serves the best interest of the State. These specific factors for the contract were not stated. In the future, all multi-term contracts must be justified in accordance to Regulation 19-445.2135(D).

(12) Six transactions were unnecessarily reported as sole source procurements.

<u>PO#</u>	<u>PO Amount</u>	<u>Description</u>
200751	\$ 1,360.00	Performing artist approved by SC Arts Commission
997852	22,000.00	University membership fee
203391	12,560.63	License agreements for software
203294	9,474.15	License agreements for software
200245	2,322.60	License agreements for software
100760	11,700.00	License agreements for software

The requirements for sole source procurements are waived for those items which have been exempted from the Procurement Code and therefore, should not be reported.

CERTIFICATION RECOMMENDATIONS

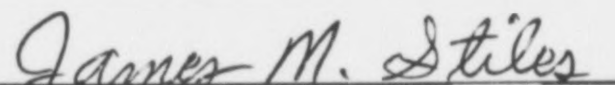
As enumerated in our transmittal letter, corrective action based on the recommendations described in this report, we believe, will in all material respects place Clemson University in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations. Corrective action should be accomplished by May 30, 1993.


Under the authority described in Section 11-35-1210 of the Procurement code, subject to this corrective action, we recommend Clemson University be recertified to make direct agency procurements for three years up to the limits as follows:

<u>Procurement Areas</u>	<u>Recommended Certification Limits</u>
I. Goods and Services	\$100,000 per purchase commitment*
II. Construction Services	100,000 per purchase commitment*
III. Consultant Services	100,000 per purchase commitment*
IV. Information Technology in accordance with the approved Information Technology Plan	100,000 per purchase commitment*
V. Vending/Concessions Management Services	2,500,000 per purchase commitment*

*The total potential commitment to the State whether single year or multi-term contracts are used.

We do not believe that the University's procurement activity warrants its requested increases in certification for goods and services or information technology. Therefore, we are not making that recommendation.


James M. Stiles, CPPB
Audit Manager


R. Voight Shealy, CFE, Manager
Audit and Certification

Exhibit

Clemson University
Schedule of Sole Source Procurements Not Supported
By Drug-Free Workplace Certifications
January 1, 1990 - September 30, 1992

<u>PO#</u>	<u>Amount</u>	<u>Item/Service Description</u>
204570	\$126,671.70	Air jet spinning frame
204567	92,925.00	Tensile testing machine
204368	102,091.50	Laundry center readers and interface units
203318	197,400.00	Computer hardware maintenance
203686	134,400.00	Computer memory upgrade
203739	179,621.88	Computer equipment
203814	50,000.00	Research services
204389	122,171.00	Lease and maintenance for computer equipment
202912	114,537.60	Lasers and generators
201838	78,750.00	Wind test tunnel system
200795	125,700.00	Laser Doppler Anemometer system
201294	1,074,789.20	Computer equipment and maintenance
201297	447,996.45	Lease and maintenance of disk controllers
201302	130,092.00	Computer controllers and maintenance
999349	108,000.00	Laboratory dioxin analysis
999044	59,543.00	Upgrade to ID system
999345	198,000.00	Computer hardware maintenance
78878	100,000.00	Research services
78928	153,104.00	Research services
78929	143,867.00	Research services



CLEMSON
UNIVERSITY

VICE PRESIDENT FOR BUSINESS AND FINANCE

April 2, 1993

Mr. R. Voight Shealy, Manager
Office of Audit and Certification
1201 Main Street, Suite 600
Columbia, SC 29201

Dear Voight:

We have received the results of the procurement audit for the period July 1, 1989 - September 30, 1992, addressed in your report of March 12, 1993. These findings have been thoroughly discussed with procurement personnel at Clemson University. There are two points the procurement staff felt deserved a clarification as to procedures followed.

First, item #7 involved less than the minimum number of qualified bidders being solicited. This was an information technology procurement; and while actually six bidders were initially mailed a bid package, the solicitation was advertised in South Carolina Business Opportunities which generated mailings to fifteen additional bidders. Therefore, we exceeded the required minimum of ten bidders.

Secondly, item #8 involved demolition of a building being handled as goods and services instead of a construction project. Our procurement personnel discussed this with Mr. Flanagan and explained the procedures being followed. It was their understanding that Mr. Flanagan had approved these procedures as indicated in a letter from him included in the package.

Clemson University procurement personnel have taken steps to comply with all your audit recommendations to allow continuation of a strong procurement operation at Clemson University. In view of the audit findings and our understanding of the necessary corrective actions to be taken, I do not feel an exit conference is necessary.

I wish to express Clemson University's appreciation for the excellent job done by you and your staff and the spirit of cooperation in performing the certification audits. These audits have proven to be very valuable tools to our procurement personnel. Again, we appreciate the willingness of you and your staff to assist Clemson University in improving its procurement operation.

Sincerely,

David R. Larson
Vice President for Business and Finance

CC: P. Michael Hughey

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06153

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



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CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

MATERIALS MANAGEMENT OFFICE
1201 MAIN STREET, SUITE 600
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-0600

May 26, 1993

Ms. Helen T. Zeigler
Deputy Division Director
Division of General Services
1201 Main Street, Suite 420
Columbia, South Carolina 29201

Dear Helen:

We have reviewed Clemson University's response to our audit report covering the period July 1, 1989 - September 30, 1992. Combined with our discussions and correspondence with University officials, we are satisfied that the University has corrected the problem areas we found.

We, therefore, recommend that the certification limit for Clemson University as outlined in the audit report be granted for a period of three (3) years.

Sincerely,

A handwritten signature in cursive script, reading "R. Voight Shealy".

R. Voight Shealy, Manager
Audit and Certification

RVS/jj

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06154

EXHIBIT

JUN 8 1993 10

STATE BUDGET AND CONTROL BOARD
MEETING OF June 8, 1993

STATE BUDGET & CONTROL BOARD
BLUE AGENDA
ITEM NUMBER 10

AGENCY: General Services

SUBJECT: Easements

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

County Location:	Richland
From:	Budget and Control Board
To:	City of Columbia
Description/Purpose:	deed for water lines for Fire Academy relocation
Consideration:	\$-0-

BOARD ACTION REQUESTED:

In accord with Code Sections 1-11-80, 1-11-90 and 1-11-100, approve a deed from the Budget and Control Board to the City of Columbia for water lines for the Fire Academy Relocation.

ATTACHMENTS:

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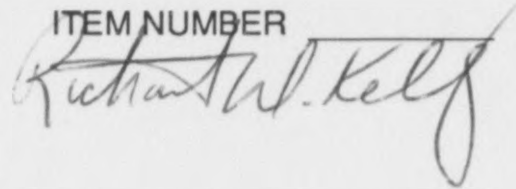
STATE BUDGET AND CONTROL BOARD

BLUE AGENDA

MEETING OF June 8, 1993

ITEM NUMBER

AUTHORIZED OFFICIAL SIGNATURE



AGENCY: General Services

SUBJECT: Easements

A. The Division of General Services recommends approval of the following easements in accord with Code Sections 1-11-80, 1-11-90, and 1-11-100;

- | | | |
|----|----------------------|-----------------------------|
| 1. | County Location: | Richland County |
| | From: | SC Budget and Control Board |
| | To: | City of Columbia |
| | Description/purpose: | Deed for Water Lines |
| | Consideration: | \$ 0 |

B. The Division recommends that the Board concur and acquiesce in the granting of the following easements in accord with Code Section 10-1-130:

BOARD ACTION REQUESTED:

- A. Approve the referenced easements as recommended by the Division of General Services.
- B. Concur and acquiesce in the referenced easement.

ATTACHMENTS:

1. Code Sections 1-11-90.

EXHIBIT

JUN 8 1993 1 0

STATE BUDGET & CONTROL BOARD

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

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

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

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

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

Cross references—

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

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

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

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

Cross references—

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

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

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

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

Cross References—

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

Research and Practice References—

63A Am Jur 2d, Public Lands § 115.

73B CJS, Public Lands §§ 178, 180.

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

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

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

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

Cross references—

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

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

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

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

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

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

EXHIBIT
JUN 8 1993
STATE BUDGET & CONTROL BOARD

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STATE OF SOUTH CAROLINA) DEED FOR WATER LINES FOR SOUTH CAROLINA FIRE
ACADEMY RELOCATION, RICHLAND COUNTY TMS 6400,
BLOCK 01, LOT 03 and TMS 7800, BLOCK 01, LOT
06

COUNTY OF RICHLAND)

THE STATE OF SOUTH CAROLINA - DIVISION OF GENERAL SERVICES

TO

THE CITY OF COLUMBIA

FOR VALUE RECEIVED, It, The State of South Carolina - Division of General Services, of Columbia, South Carolina, does hereby bargain, sell, transfer and convey unto The City of Columbia, its successors or assigns, all its right, title and interest in and to the below described water line:

All those certain water lines, the same being 12" in diameter including valves, valve boxes, fire hydrants, meter boxes, service lines to fire hydrants and meter boxes and all components to complete the system.

All metes, courses, bounds and measured distances described herein are approximate. The precise metes, courses, bounds and measured distances are more particularly described and shown on C.F. #199-04 which is incorporated herein by specific reference thereto.

A 12" water line beginning at an existing 12" City of Columbia water main at the eastern right-of-way of U.S. Hwy. #215; thence extending in a northwesterly direction, crossing U.S. Hwy. #215 and along a private road of grantor and Martin Marietta Company, for a distance of one hundred forty-four and five tenths (144.5) feet; thence turning and extending in a more southerly direction for a distance of fifty-three (53) feet; thence turning and extending in a slightly more southerly direction for a distance of fifty (50) feet; thence turning and extending in a slightly more northerly direction, along said private road and property owned by grantor, for a distance of two hundred sixty-two (262) feet; thence turning and extending in a northeasterly direction crossing said private road, for a distance of thirty-seven and five tenths (37.5) feet; thence turning and extending in a northwesterly direction along the northeastern right-of-way of said private road, for a distance of seven hundred (700) feet; thence turning and extending in a slightly more westerly direction for a distance of forty (40) feet; thence terminating. All measurements being a little more or less.

Also, an 8" water line, beginning at a point along the aforementioned 12" water line, five hundred nine and five tenths (509.5) feet northwest of the beginning point; thence extending in a southwesterly direction for a distance of six and eight tenths (6.8) feet; thence terminating. All measurements being a little more or less.

Also, a 12" water line, beginning at a point along the aforescribed 12" water line, forty (40) feet southeast of the termination point; thence extending in a westerly direction, crossing said private road for a distance of seventy (70) feet; thence terminating. All measurements being a little more or less.

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

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served by said lines, and the Grantor shall either effect necessary repairs or reimburse the City for the cost of repairs at the option of the City.

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

This conveyance also includes a non-exclusive easement on all water line easements shown on a set of record drawings, prepared for South Carolina Fire Academy Relocation, in Richland County, near Columbia, South Carolina, plans dated May 14, 1993, prepared for the State of South Carolina by Site Consultants, Inc., and being on file in the City's Director of Utilities and Engineering under file reference #199-04.

These water lines are more clearly delineated on a set of record drawings for South Carolina Fire Academy Relocation, in Richland County, near Columbia, South Carolina, plans dated May 14, 1993, prepared for the State of South Carolina, by Site Consultants, Inc., and being on file in the office of the City's Director of Utilities and Engineering, Columbia, South Carolina under file reference #199-04.

LS:gg D-13

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

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

WITNESS hand and seal this 9th day of June, 1993.

Richard W. Kelly
Title: Director, Division of General Services

WITNESSES

Ann M. Beatty
Hettie W. Cross

STATE OF SOUTH CAROLINA)

COUNTY OF RICHLAND)

PERSONALLY APPEARED before me Ann M. Beatty and made oath that she saw the within named The State of South Carolina - Division of General Services sign, seal and as its act and deed deliver the written instrument for the uses and purposes therein mentioned and that she with Hettie W. Cross witnessed the execution thereof.

Ann M. Beatty

SWORN to before

me this 11th day of June, 1993.

Monna S. Williams (L.S.)
Notary Public for South Carolina

My Commission Expires April 28, 1999

Approved by BUDGET AND CONTROL BOARD
at its meeting on June 8, 1993
Luther F. Carter
Luther F. Carter, Executive Director

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STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

MORTGAGE RELEASE

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

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

In the presence of

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

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

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

(L.S.)
Notary Public for South Carolina

My Commission Expires _____

Original Mortgagor _____

06161

EXHIBIT

JUN 8 1993 11

STATE BUDGET AND CONTROL BOARD
MEETING OF June 8, 1993

STATE BUDGET & CONTROL BOARD
REGULAR SESSION

ITEM NUMBER /

AGENCY: Southeast Compact Commission

SUBJECT: 1993-94 Compact Commission Budget

The Southeast Interstate Low-level Radioactive Waste Management Compact and the Atomic Energy and Radiation Control Act provide that South Carolina, as host state for the regional disposal facility, must levy a special fee on all users of the facility to provide sufficient funds to cover the annual budget of the Southeast Compact Commission.

The Commission has approved a budget of \$406,888 for 1993-94 (see attachment).

The Board is asked to approve a disposal fee of 87¢ per cubic foot for the Barnwell facility for 1993-94. This fee should allow funding for the Commission budget and the annual \$40,000 for administrative expenses for the Governor's Office, Division of Natural Resources. The fee is based on a volume estimate of 514,000 cubic feet for 1993-94. The estimated volume does not include waste from several states for which the Compact Commission is considering revocation of access privileges.

BOARD ACTION REQUESTED:

Approve a disposal fee of 87¢ per cubic foot for the Barnwell facility for 1993-94 to allow funding for the Commission budget and the annual \$40,000 for administrative expenses for the Governor's Office, Division of Natural Resources.

ATTACHMENTS:

Roberts May 25 memo; Visocki May 12 letter; Southeast Compact Commission 1993-94 budget

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EXHIBIT

JUN 8 1993

11

STATE BUDGET & CONTROL BOARD

State of South Carolina
Office of the Governor

CARROLL A. CAMPBELL, JR.
GOVERNOR

OFFICE OF EXECUTIVE
POLICY AND PROGRAMS

MEMORANDUM

TO: Luther F. Carter, Ph.D.
Executive Director, Budget and Control Board

FROM: Carlisle Roberts, Jr. *CR*
Commissioner, Southeast Compact Commission
Director, Governor's Division of Natural Resources

DATE: May 25, 1993

RE: June 8, 1993, Budget and Control Board Agenda:
FY 1993-94 Budget for Southeast Compact Commission

The Southeast Interstate Low-Level Radioactive Waste Management Compact and the Atomic Energy and Radiation Control Act provide that South Carolina, as host state for the regional disposal facility, must levy a special fee on all users of the facility to provide sufficient funds to cover the annual budget of the Southeast Compact Commission.

The Southeast Compact Commission has approved a budget for fiscal year 1993-94 in the amount of \$406,888.00. Attached are copies of the approved budget and a letter dated May 12, 1993, from the Executive Director of the Compact Commission.

I request the Budget and Control Board approve a disposal fee for the Barnwell facility in FY 1993-94 in the amount of \$0.87 per cubic foot. This fee should allow funding for the Southeast Compact Commission budget and the annual \$40,000 for administrative expenses for the Governor's Office, Division of Natural Resources. The fee is based on a volume estimate for FY 1993-94 of 514,000 cubic feet. This volume estimate does not include waste from several states for which the Compact Commission is considering revocation of access privileges.

Please place this matter on the agenda for the next Budget and Control Board meeting, which I understand is scheduled for June 8, 1993. Thank you for your assistance in this matter. Please contact me if I can provide further information.

cc: Eddie Gunn

06163



Southeast Compact Commission
for Low-Level Radioactive Waste Management

May 12, 1993

Mr. Carlisle Roberts, Jr., Director
Division of Energy, Agriculture & Natural Resources
1205 Pendleton St., Suite 333
Columbia, SC 29201

Dear Carl:

Article IV H of the Southeast Interstate Low-Level Radioactive Waste Management Compact provides that a surcharge must be levied by the host state upon all users of the regional disposal facility to provide sufficient funds to cover the annual budget of the Southeast Compact Commission.

At a meeting on April 14, 1993, acting upon the recommendation of the Finance Committee, the Commission adopted a budget for July 1, 1993-June 30, 1994 in the amount of \$406,888.00 (see attached document). We ask that you request the South Carolina Budget and Control Board to take appropriate steps for the provision of this level of funding for the coming year.

If it is necessary for this office to provide any further assistance, please let me know.

Sincerely,

Kathryn Visocki, M.P.H.
Executive Director

Enclosure

cc: Chairman and Members of
Finance Committee

EXHIBIT

JUN 8 1993 11

STATE BUDGET & CONTROL BOARD

Richard S. Hodes, M.D.
Chairman

James L. Setser
Vice-Chairman

Capt. William H. Briner
Secretary-Treasurer

Kathryn Visocki, M.P.H.
Executive Director

AL

FL

GA

MS

NC

SC

TN

VA

	SOUTHEAST COMPACT COMMISSION			
	BUDGET FY 93/94			
	ADOPTED APRIL 14, 1993			
SALARIES AND BENEFITS				\$194,888
PROFESSIONAL FEES				\$24,000
COMMISSION TRAVEL				\$60,000
STAFF TRAVEL/CONT. EDUCATION				\$29,000
TELECOMMUNICATIONS				\$10,500
RENT				\$12,500
INSURANCE				\$8,300
POSTAGE				\$4,700
GENERAL OFFICE				\$13,000
INTERIM OPTIONS				<u>\$50,000</u>
TOTAL				\$406,888

EXHIBIT

JUN 8 1993 11

STATE BUDGET & CONTROL BOARD

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EXHIBIT

JUN 8 1993 12

STATE BUDGET & CONTROL BOARD
REGULAR SESSION

ITEM NUMBER 2

STATE BUDGET AND CONTROL BOARD

MEETING OF June 8, 1993

AGENCY: Medical University of South Carolina

SUBJECT: Hospital Facilities Revenue Bonds

At its meeting on March 23, 1993, the Board adopted a resolution authorizing the issuance of not exceeding \$22,850,000 Hospital Facilities Revenue Bonds of the Medical University of South Carolina.

MUSC now has increased the amount of the issue from not exceeding \$22,850,000 to not exceeding \$25,000,000.

The MUSC Board of Trustees has adopted a resolution providing for the issuance and sale of a series of Hospital Facilities Revenue Bonds, Series 1993, of the Medical University in an aggregate principal amount not to exceed \$25,000,000.

BOARD ACTION REQUESTED:

Adopt a resolution authorizing the issuance of not exceeding \$25,000,000 of Hospital Facilities Revenue Bonds of the Medical University of South Carolina.

ATTACHMENTS:

Resolution

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EXHIBIT

JUN 8 1993

12

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

STATE BUDGET & CONTROL BOARD
Medical University

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

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

His Excellency, Carroll A. Campbell, Jr., Governor and Chairman of the Board;

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

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

The Honorable John Drummond, Chairman of the Senate Finance Committee; and

The Honorable William D. Boan, 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 1:30 p.m. on Tuesday, June 8, 1993, was given to all members in writing at least four days prior to the meeting and that, in compliance with the Freedom of Information Act, public notice of and the agenda index for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, in the lobby of the Wade Hampton Office Building, and near the Board Secretary's Office on the Sixth Floor of the Wade Hampton Office Building at 12:00 noon on Thursday, June 3, 1993.

That all members of the Board were present at the meeting except Governor Campbell and Mr. Patterson (during consideration of this item).

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

FOR MOTION

3

AGAINST MOTION

0

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

June 9, 1993

Donna K. Williams

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EXHIBIT

JUN 8 1993

1 2

STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA & CONTROL BOARD

A RESOLUTION

AUTHORIZING THE ISSUANCE OF NOT EXCEEDING TWENTY-FIVE MILLION DOLLARS OF HOSPITAL FACILITIES REVENUE BONDS OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA.

WHEREAS, the Board of Trustees (the "Trustees") as the governing body of The Medical University of South Carolina ("MUSC"), an institution of higher learning of the State of South Carolina and an agency thereof, is authorized by Section 14 of Act No. 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, 1980 ("Act No. 518") to borrow money on behalf of MUSC and issue bonds pursuant to Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended (the "Hospital Revenue Bond Act") in order to raise moneys required for hospital facilities for MUSC and to pledge for the payment of such bonds hospital revenues (as permitted by Act No. 518); and

WHEREAS, the Trustees have determined that it is in the best interest of MUSC to raise moneys to complete the construction of two additional floors to the psychiatric hospital, the construction of, improvements to, or renovations of the trauma unit, the chest pain clinic, the employee health services clinic, the physical medicine unit, the outpatient cardiovascular unit, and the high risk obstetrics and gynecology unit, and the renovation of other existing hospital facilities, to the extent they have been approved by appropriate authorities (the "Project"); and

WHEREAS, on May 16, 1985, the Trustees adopted a resolution to make general provision for the issuance of hospital facilities revenue bonds of MUSC (as amended and restated to the date hereof, the "Bond Resolution"); and

WHEREAS, the Bond Resolution was adopted by the Trustees for the purpose above recited and additionally to declare that property which shall constitute "Hospital Facilities" and to define those receipts and revenues derived from the Hospital Facilities which shall constitute "Hospital Revenues," which Hospital Revenues shall be pledged to the payment of bonds issued under the Bond Resolution; and

WHEREAS, on May 20, 1993, and pursuant to the Bond Resolution, the Trustees adopted a resolution making provision for the issuance of a new series of Hospital Facilities Revenue Bonds of MUSC in an aggregate principal amount not to exceed Twenty-Five Million Dollars (\$25,000,000) at a net interest cost not to exceed six and one-half percent (6-1/2%) per annum (the "Series 1993 Bonds"); and

WHEREAS, MUSC has arranged for the public, competitive sale of the Series 1993 Bonds which sale is tentatively scheduled to take place in the Office of the State Treasurer of South Carolina (the "State Treasurer") on June 17, 1993; and

WHEREAS, the Trustees now seek permission to issue the Series 1993 Bonds in an aggregate principal amount not to exceed Twenty-Five Million Dollars (\$25,000,000) and at a net interest cost not to exceed six and one-half percent (6-1/2%) per annum to obtain funds which, together with the expected investment earnings from any Construction Fund and/or Reserve Fund created in connection therewith, will be sufficient to:

1. Fund the cost of constructing the Project;
 2. Fund any Reserve Fund with respect to the Series 1993 Bonds or in the alternative pay the sums necessary to provide a letter of credit or other credit facility in support thereof; and
 3. Pay the other expenses incurred in connection with the issuance of the Series 1993 Bonds;
- and

WHEREAS, the State Board has determined that it is in the interest of the State and MUSC that action be taken which would permit the sale of the Series 1993 Bonds;

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

After due consideration, approval is hereby given to:

1. The issuance of not exceeding \$25,000,000 of Hospital Facilities Revenue Bonds of MUSC the net interest cost of which shall not exceed six and one-half percent (6-1/2%) per annum in order to raise money for the purposes set forth in the recitals hereto, such bonds to be in such principal amounts, to be sold at such prices (not less than ninety-eight and one-half percent (98-1/2%) of par), to be dated, to mature, to bear interest, and to be subject to redemption in such manner as the State Treasurer shall approve; and
2. The creation of a Reserve Fund with respect to the Series 1993 Bonds or in the alternative the arrangement for the provision of a letter of credit or other credit facility in support of the Series 1993 Bonds, such decision to be approved by the State Treasurer.
3. The distribution of a Preliminary Official Statement and an Official Notice of Sale in connection with the sale of the Series 1993 Bonds by MUSC in such form as shall be approved by the State Treasurer.
4. The taking by the State Treasurer of such further action and/or the granting of approval by the State Treasurer to such further action of the Trustees as shall not be inconsistent with the foregoing provisions of this resolution and as may be necessary to consummate the sale of the Series 1993 Bonds.

EXHIBIT

JUN 8 1993 12

STATE BUDGET & CONTROL BOARD

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EXHIBIT

JUN 8 1993

12

STATE BUDGET & CONTROL BOARD

A RESOLUTION

PROVIDING FOR THE ISSUANCE AND SALE OF A SERIES OF REVENUE BONDS OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED TWENTY-FIVE MILLION DOLLARS (\$25,000,000) TO BE DESIGNATED HOSPITAL FACILITIES REVENUE BONDS, SERIES 1993 AND OTHER MATTERS RELATING THERETO.

[SERIES RESOLUTION]

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SERIES RESOLUTION

WHEREAS, the Board of Trustees (the "Board") of the Medical University of South Carolina ("MUSC") has made general provision for the issuance of Hospital Facilities Revenue Bonds of MUSC through the means of a resolution entitled "A Resolution Providing For The Issuance Of Hospital Facilities Revenue Bonds Of The Medical University Of South Carolina And Other Matters Relating Thereto" adopted July 12, 1985 (as supplemented and amended to the date hereof, the "Bond Resolution"); and

WHEREAS, it is provided in and by the Bond Resolution that, upon adoption of a Series Resolution there may be issued one or more series of Bonds for the purposes, *inter alia*, of obtaining funds for the expansion, improvement, construction, or acquisition of additional Hospital Facilities (as defined in the Bond Resolution); and

WHEREAS, pursuant to Series Resolutions heretofore adopted, four series of Hospital Facilities Revenue Bonds have been issued under and pursuant to the Bond Resolution; and

WHEREAS, in order to provide funds for further needs of MUSC, the Board has determined to issue a fifth series of Hospital Facilities Revenue Bonds (the "Series 1993 Bonds") under and pursuant to the Bond Resolution in an aggregate principal amount not to exceed \$25,000,000 to provide funds with which to pay the costs of acquisition, construction, and installation of certain renovations and improvements to the MUSC Hospital (the "Project"), to pay a portion of the interest accruing on the Series 1993 Bonds during the acquisition, construction, and installation of the Project, either to fund a Reserve Fund with respect to the Series 1993 Bonds or to provide for a letter of credit or other credit facility in support of the Series 1993 Bonds, and to pay the expenses incurred in connection with the issuance of the Series 1993 Bonds; and

WHEREAS, the aggregate principal amount of not exceeding \$25,000,000 of Series 1993 Bonds to be issued hereunder are to be in the form of fully registered Bonds in the denomination of \$5,000 or any multiple thereof and, together with the Certificate of Authentication, Assignment and Certificate of Approving Legal Opinion to appear thereon, are to be in substantially the following form with necessary and appropriate variations, omissions, and insertions as permitted or required by the Bond Resolution or this resolution, to wit:

EXHIBIT

JUN 8 1993 12

STATE BUDGET & CONTROL BOARD

06173

(FORM OF BOND)

(Face of Bond)

No. R- _____

\$ _____

**THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
HOSPITAL FACILITIES REVENUE BONDS,
SERIES 1993**

Interest Rate:

Maturity Date:

Date of Issue:

CUSIP

_____%

July 1, _____

June 1, 1993

Registered Owner:

Principal Amount:

Dollars

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA (the "Medical University") an institution of higher learning of the State of South Carolina (the "State") and an agency and instrumentality thereof, acknowledges itself indebted and for value received hereby promises to pay, solely from the sources and as hereinafter provided, to the Registered Owner named above or registered assigns, the Principal Amount set forth above on the Maturity Date stated above, unless this Bond be subject to redemption and shall have been redeemed prior thereto as hereinafter provided, upon presentation and surrender of this Bond at the office of _____, as Paying Agent (the "Paying Agent") in the City of Columbia, South Carolina, and to pay interest on such principal amount at the annual Interest Rate stated above (calculated on the basis of a 360-day year of twelve 30-day months), until the obligation of the Medical University with respect to the payment of such principal amount shall be discharged.

REFERENCE IS MADE TO THE ADDITIONAL PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF WHICH SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH HEREIN.

This Bond shall not be valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been duly executed by _____, as Registrar (the "Registrar").

IN WITNESS WHEREOF, THE MEDICAL UNIVERSITY OF SOUTH CAROLINA has caused this Bond to be signed by its President, by [facsimile/manual] signature, its corporate seal to be [imprinted/reproduced] hereon, and the same to be attested by the Secretary of its Board of Trustees, by [facsimile/manual] signature.

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA

(SEAL)

By _____
President

Attest:

By _____
Secretary, Board of Trustees

(Form of Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 1993 Bonds of the issue described in the within mentioned Resolutions.

By _____, as Registrar

By: _____
Authorized Signatory

Date: _____

EXHIBIT

JUN 8 1993 12

(Back of Bond)

STATE BUDGET & CONTROL BOARD

ADDITIONAL PROVISIONS

**THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
HOSPITAL FACILITIES REVENUE BONDS,
SERIES 1993**

This Bond is one of an issue of Bonds in the aggregate principal amount of _____ Dollars (\$) (the "Series 1993 Bonds") of like tenor, except as to number, rate of interest, date of maturity and redemption provisions, issued pursuant to and in accordance with (i) the Constitution and statutes of the State, particularly Title 44, Chapter 7, Article 11, Code of Laws of South Carolina 1976, as amended, Act No. 518 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, 1980, Title 11, Chapter 21, Code of Laws of South Carolina 1976, as amended, Title 6, Chapter 17, Code of Laws of South Carolina 1976, as amended, and all other statutes enabling the action taken under the Bond Resolution, as such statutes are now constituted or hereafter amended, (ii) a resolution duly adopted by the Board of Trustees (the "Board") of the Medical University on July 12, 1985 (the "Bond Resolution") (iii) a resolution duly adopted by the Board on May 20, 1993 (the "Series 1993 Resolution") (the Bond Resolution and the Series 1993 Resolution are herein collectively called the "Resolutions"), and (iv) a resolution duly adopted by the State Budget and Control Board of South Carolina (the "State Board") on June 8, 1993, approving the issuance of the Series 1993 Bonds for the purpose of obtaining funds to defray the cost of acquiring, constructing, and installing certain improvements (the "Project") to the hospital facilities owned and operated by the Medical University (the "Hospital Facilities"), to pay a portion of the interest accruing on the Series 1993 Bonds during the acquisition, construction, and installation of the Project, to [fund all or a portion of the Reserve Fund/provide for a letter of credit or other credit facility in support of the Series 1993 Bonds], and to pay the expenses incurred in connection with the issuance of the Series 1993 Bonds.

Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Resolutions. Certified copies of the Resolutions are on file in the office of the State Treasurer of South Carolina, as Trustee under the Bond Resolution (the "Trustee") and in the office of the Secretary of State of South Carolina.

The Series 1993 Bonds will bear interest at the respective rates per annum and will mature on July 1 in the respective principal amounts and in the respective years set forth below:

<u>Interest Rate</u>	<u>Amount</u>	<u>Year</u>
%	\$	
%	\$	
%	\$	
%	\$	
%	\$	
%	\$	

Each of the Series 1993 Bonds will bear interest from the Bond Payment Date immediately preceding the date of its authentication, unless authentication shall be on a Bond Payment Date, in which case it will bear interest from the date of its authentication, or unless authentication thereof precedes July 1, 1993, in which case it will bear interest from the Date of Issue; provided, however, if the date of authentication of a Series 1993 Bond is after a Record Date and before the corresponding Bond Payment Date therefor, such Series 1993 Bond will bear interest from such Bond Payment Date; notwithstanding the foregoing, if at the time of authentication of any Series 1993 Bond, any interest on such Bond is in default, such Bond will bear interest from the date to which interest on such Bond has been paid or if interest is not paid on July 1, 1993, such Bond will bear interest from the Date of Issue.

Interest on this Bond is payable on January 1 and July 1 of each year beginning January 1, 1994. The interest so payable on any January 1 or July 1 will be paid to the person in whose name this Bond is registered at the close of business on the December 15 or June 15 immediately preceding such January 1 or July 1 (the "Record Date").

Interest hereon shall be payable by check or draft mailed at the times provided herein from the office of the Paying Agent to the person in whose name this Bond is registered on the Record Date at the address shown on the registration books. The principal of, redemption premium, if any, and interest on this Bond are 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.

This Series 1993 Bond has been issued and is held under a book-entry only system administered by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York (together with its successors and assigns, the "Securities Depository").

The Trustee and MUSC may treat the Securities Depository (or the Nominee) as the sole and exclusive owner of the Series 1993 Bonds registered in the name of the Nominee for the purposes of (i) paying the principal of or interest on the Series 1993 Bonds, (ii) selecting the Series 1993 Bonds or portions thereof to be redeemed, (iii) giving any notice permitted or required to be given to Holders of Series 1993 Bonds under the Resolutions, (iv) registering the transfer of Series 1993 Bonds, and (v) requesting any consent or other action to be taken by the Holders of the Series 1993 Bonds and for all other purposes whatsoever; and neither the Trustee nor MUSC will be affected by any notice to the contrary. Neither the Trustee nor MUSC will have any responsibility or obligation to any broker-dealer, bank or other financial institution for which the Securities Depository holds Series 1993 Bonds as securities depository (collectively, the "Participants" and each, a "Participant"), any person in whose name a Series 1993 Bond is recorded as the beneficial owner of such Series 1993 Bond by a Participant on the records of such Participant or such person's subrogee (collectively, the "Beneficial Owners" and each, a "Beneficial Owner") or any other person claiming a beneficial ownership interest in the Series 1993 Bonds under or through the Securities Depository or any Participant, or any other person which is not shown on the registration books of the Registrar as being a Holder of Series 1993 Bonds, with respect to (vi) the accuracy of any records maintained by the Securities Depository or any Participant; (vii) the payment to the Securities Depository, any Participant or any Beneficial Owner of any amounts in respect of the principal of or interest on the Series 1993 Bonds; (viii) any notice which is permitted or required to be given to Holders of the Series 1993 Bonds under the Resolutions; (ix) the selection by the Securities Depository or any Participant or any other person to receive payment in the event of a partial redemption of the Series 1993 Bonds; or (x) any consent given or other action taken by the Securities Depository as such Holder. The Trustee will pay all principal of and premium, if any, and interest on the Series 1993 Bonds only to the Securities Depository (or the Nominee), and all such payments will be valid and effectual to fully satisfy and discharge MUSC's obligations with respect to the principal of and premium, if any, and interest on the Series 1993 Bonds to the extent of the sum or sums so paid. Except as provided in the immediately succeeding paragraph, no person other than the Securities Depository will receive an authenticated Series 1993 Bond certificate. Upon delivery by the Securities Depository to the

Trustee of written notice to the effect that the Securities Depository has determined to substitute a new Nominee in place of the Nominee, the Series 1993 Bonds will be transferable to such new Nominee in accordance with the provisions of the Bond Resolution.

In the event MUSC determines that it is in the best interests of MUSC not to continue the book-entry only system of transfer with respect to the Series 1993 Bonds, or that the interests of the Beneficial Owners might be adversely affected if the book-entry only system of transfer is continued with respect to the Series 1993 Bonds, then MUSC may notify the Securities Depository and the Trustee of such determination, whereupon the Securities Depository will notify the Participants, of the availability through the Securities Depository of Series 1993 Bond certificates. In such event, the Trustee will issue, transfer and exchange Series 1993 Bond certificates as requested by the Securities Depository and any Participant or Beneficial Owner in appropriate amounts in accordance with the Bond Resolution. The Securities Depository may determine to discontinue providing its services with respect to the Series 1993 Bonds at any time by giving notice to MUSC and the Trustee and discharging its responsibilities with respect thereto under applicable law or MUSC may determine that the Securities Depository is incapable of discharging its duties as such and may so advise the Securities Depository. In either such event, MUSC will either (i) establish its own book-entry only system, (ii) locate another Securities Depository, or (iii) deliver Series 1993 Bond certificates as provided in the Series 1993 Resolution and as requested by any Participant or Beneficial Owner.

Notwithstanding any other provision of the Resolutions to the contrary, so long as any Series 1993 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on such Series 1993 Bond and all notices with respect to such Series 1993 Bond will be made and given, respectively, to DTC as provided in the Letter of Representations from MUSC and the Trustee to DTC, with respect to the Series 1993 Bonds.

In connection with any notice or other communication to be provided to the Holders of Series 1993 Bonds pursuant to the Resolutions by MUSC or the Trustee with respect to any consent or other action to be taken by the Holders of Series 1993 Bonds, MUSC, or the Trustee, as the case may be, will establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Such early notice to DTC will be given only when DTC is the Securities Depository.

Both the principal of and interest on this Bond, as the same shall become due, are secured solely by a pledge of the Pledged Revenues and are payable solely from the Pledged Revenues and other moneys legally available for such payment, and a first priority lien upon and security interest in the Pledged Revenues has been granted to the Trustee for the benefit of the Holders of all Bonds from time to time Outstanding. Neither this Bond nor the interest hereon shall in any event constitute an indebtedness of the State within the meaning of any provision, limitation, or restriction of the Constitution or statutes of the State, or a charge, lien or encumbrance, legal or equitable, upon any property of the Medical University save and except the Pledged Revenues.

The Bond Resolution authorizes the issuance of additional bonds on a parity with the Bonds of this issue which, when issued in accordance with the provisions of the Bond Resolution, will rank equally and be on a parity therewith.

The Medical University has covenanted to maintain a schedule of rates and charges which shall be sufficient together with other Revenues (a) to provide for the payment of Expenditures and all other expenses required for the operation of the Hospital Facilities, (b) to maintain the Debt Service Fund and thus provide for the punctual payment of the principal of, premium, if any, and interest on the Series 1993 Bonds, (c) to maintain the Reserve Fund in the manner prescribed by the Bond Resolution, (d) to discharge all obligations relating to Nonparity Debt other than payments of principal as to which, pursuant to an Officer's Certificate, it is certified that such is intended to be and can be refinanced by the Medical University prior to the date on which such principal becomes due and (e) to discharge all obligations imposed by the Act and the Bond Resolution.

The Bond Resolution provides that, in addition to other remedies, upon the occurrence of an Event of Default, the Trustee may, and upon the written request of the Holders of not less than 25% in aggregate principal amount of Bonds Outstanding shall, declare all Bonds Outstanding immediately due and payable.

This Bond and the interest hereon are exempt from all State, county, municipal, school district, and all other taxes or assessments imposed within the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes.

The Series 1993 Bonds are issuable only as fully registered bonds without coupons in the denomination of \$5,000 or any multiple thereof.

This Bond is transferable, as provided in the Bond Resolution, only upon the registration books of the Medical University kept for that purpose, by the Holder hereof in person or by his duly authorized attorney, upon (a) surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder hereof or his duly authorized attorney and (b) payment of the charges, if any, prescribed in the Bond Resolution. Thereupon a new Bond or Bonds of the same aggregate principal amount, maturity and interest rate shall be issued to the transferee in exchange therefor as provided in the Bond Resolution. The Board, the Trustee, and the Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest due hereon and for all other purposes.

For every exchange or transfer of the Series 1993 Bonds, the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer.

The Series 1993 Bonds are subject to redemption, at the option of the Board, prior to maturity at any time, in whole, but not in part, at 100% of the principal amount thereof, plus interest accrued to the redemption date if the Hospital Facilities, or any part thereof, is damaged, destroyed or condemned and the net proceeds of any insurance or condemnation awards received in connection therewith and deposited into a separate account, under the provisions of the Bond Resolution, for the redemption or payment of the Series 1993 Bonds exceed twenty percent (20%) of the principal amount of Bonds Outstanding.

If less than all of the Series 1993 Bonds of any maturity are to be redeemed, the particular Bonds, or portions of Bonds, to be redeemed will be selected by lot not less than forty-five (45) days prior to the date fixed for redemption by the Registrar and while the Series 1993 Bonds are being held under a book-entry only system, the Trustee or the Registrar will give notice to the Securities Depository of the particular Series 1993 Bonds or portions thereof so selected not less than thirty-five (35) days prior to the date fixed for redemption. If less than all of the Series 1993 Bonds of any maturity are to be redeemed while the Series 1993 Bonds are being held under a book-entry only system, the Securities Depository will select or arrange for the selection for redemption of beneficial ownership interests of Participants in such manner as it shall deem fair and equitable and pursuant to its rules and procedures. In selecting Series 1993 Bonds for redemption, the Registrar will treat each Series 1993 Bond in a denomination of more than \$5,000 as representing that number of Series 1993 Bonds of \$5,000 denomination that is obtained by dividing the principal amount of such Series 1993 Bond by \$5,000.

If any of the Series 1993 Bonds, or portions thereof, are called for redemption, the Registrar shall give notice to the Holders of any such Bonds to be redeemed, in the name of the Medical University, of the redemption of such Bonds, or portions thereof, which notice will specify the Series 1993 Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Series 1993 Bonds are to be redeemed, the numbers of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice will also specify the respective portions of the principal amount thereof to be redeemed. Such notice will be given by mailing a copy of the redemption notice by first class mail at least thirty (30) days prior to the date fixed for redemption to the Holder of each Bond to be redeemed, at the address shown on the registration books; provided, however, that failure to give such notice by mail, or any defect in the notice mailed to the Holder of any Series 1993 Bond, shall not affect the validity of the proceedings for the redemption of any other Bond. Provided funds for their redemption are on deposit with the Trustee or the Paying Agent, all Bonds so called for redemption will cease to bear interest on the specified redemption date.

The Holder of this Bond shall have no right to institute any suit, action or proceeding in equity or at law for the enforcement of the Bond Resolution or the Series 1993 Resolution or for the execution of any trust thereunder or for any remedy thereunder, except as otherwise expressly provided in the Bond Resolution or the Series 1993 Resolution.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened.

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____ the within bond and does hereby irrevocably constitute and appoint _____, Attorney, to transfer the same bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

This signature must be guaranteed by a duly authorized representative of a commercial bank or NYSE brokerage firm.

NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particulars without alteration or enlargement or any change whatsoever.

(PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE)

(Form of Certificate of Approving Legal Opinion)

CERTIFICATE OF APPROVING LEGAL OPINION

IT IS HEREBY CERTIFIED that the following is a true and correct copy of the complete legal opinion of Sinkler & Boyd, P.A., the original of which was manually executed, dated and issued as of the date of delivery of and payment for the Series 1993 Bonds, and a copy of which is on file with the Trustee.

THE MEDICAL UNIVERSITY OF SOUTH CAROLINA

By _____
President

EXHIBIT

JUN 8 1993 12

STATE BUDGET & CONTROL BOARD

06179

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE MEDICAL UNIVERSITY OF SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:

ARTICLE I

DEFINITIONS, AUTHORITY, AND FINDINGS

Section 1.01. Definitions.

(a) Except as provided in subsection (b) below, all terms which are defined in Section 1.01 of the Bond Resolution shall have the same meanings in this Series 1993 Resolution as such terms are prescribed to have in the Bond Resolution.

(b) As used in this Series 1993 Resolution, unless the context shall otherwise require, the following terms shall have the following respective meanings:

"Beneficial Owner" means, whenever used with respect to a Series 1993 Bond, the person in whose name such Series 1993 Bond is recorded as the beneficial owner of such Series 1993 Bond by a Participant on the records of such Participant or such person's subrogee.

"Chairman" shall mean the Chairman of the Board. The term shall include the Vice Chairman or Acting Chairman of the Board whenever, by reason of absence, illness or other reason, the person who is the Chairman is unable to act.

"DTC" means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"Nominee" means the nominee of the Securities Depository which shall be the Holder of the Series 1993 Bonds while held under a book-entry only system and any successor appointed by the Securities Depository. The initial Nominee shall be Cede & Co.

"Participants" means those broker-dealers, banks and other financial institutions for which the Securities Depository holds Series 1993 Bonds as securities depository.

"President" shall mean the President of MUSC. The term shall include the Vice President for Finance of MUSC whenever, by reason of absence, illness or other reason, the person who is the President is unable to act.

"Project" shall mean the construction of two additional floors to the psychiatric hospital, the construction of, improvements to, or renovations of the trauma unit, the chest pain clinic, the employee health services clinic, the physical medicine unit, the outpatient cardiovascular unit, and the high risk obstetrics and gynecology unit, and the renovation of other existing hospital facilities.

"Representations Letter" means the Letter of Representations from the MUSC and the Trustee to DTC, with respect to the Series 1993 Bonds, which shall be deemed to be a part of this Series 1993 Series 1993 Resolution and shall be the binding obligation of the MUSC and the Trustee.

"Securities Depository" means the administrator of the book-entry only system for the Series 1993 Bonds, as further described in Section 2.05 hereof and any successor appointed as provided in Section 2.05(a)(iii) hereof. The initial Securities Depository shall be DTC.

"Series 1993 Bonds" shall mean the Bonds of MUSC of the Series authorized by this Series 1993 Resolution and designated "The Medical University of South Carolina, Hospital Facilities Revenue Bonds, Series 1993."

"Series 1993 Resolution" shall mean this Resolution.

Section 1.02. Authority For This Series 1993 Resolution.

This Series 1993 Resolution is adopted pursuant to the provisions of the Bond Resolution.

Section 1.03. Findings of the Board.

Incident to the adoption of this Resolution, the Board makes the following findings:

(a) The Project is necessary and the acquisition, construction, and installation thereof can be accomplished with the proceeds of the Series 1993 Bonds; and

(b) The maturity of the Series 1993 Bonds does not exceed the period of usefulness of the Project.

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*

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EXHIBIT

JUN 8 1993 1 2

STATE BUDGET & CONTROL BOARD

ARTICLE II

AUTHORIZATION AND TERMS OF THE SERIES 1993 BONDS

Section 2.01. Determination by the Board.

In accordance with Section 3.01 of the Bond Resolution, the Board hereby determines that the issuance of the Series 1993 Bonds is necessary to obtain funds for the expansion, improvement, construction, or acquisition of Hospital Facilities, to pay a portion of the interest accruing on the Series 1993 Bonds during the acquisition, construction, and installation of the Project, either to fund all or a portion of the Reserve Fund or to provide for a letter of credit or other credit facility in support of the Series 1993 Bonds, and to pay the expenses incurred in connection with the issuance of the Series 1993 Bonds and that all other conditions imposed by Sections 3.01 and 3.02 of the Bond Resolution have or will be met on or before the delivery of the Series 1993 Bonds.

Section 2.02. Principal Amount; Designation of Series.

Pursuant to the provisions of the Bond Resolution, a Series of Bonds of MUSC entitled to the benefits, protection, and security of the provisions of the Bond Resolution is hereby authorized and shall be issued in an aggregate principal amount not to exceed Twenty-Five Million Dollars (\$25,000,000) with the final amount to be approved by the Chairman and the President and set forth in Exhibit "A" to be attached hereto and, by this reference thereto, made a part hereof. The Series 1993 Bonds shall be designated "The Medical University of South Carolina, Hospital Facilities Revenue Bonds, Series 1993."

Section 2.03. Purposes.

The Series 1993 Bonds are authorized to pay the costs of acquisition, construction, and installation of the Project, to pay a portion of the interest accruing on the Series 1993 Bonds during the acquisition, construction, and installation of the Project, either to fund all or a portion of the Reserve Fund or to provide for a letter of credit or other credit facility in support of the Series 1993 Bonds, and to pay the expenses incurred in connection with the issuance of the Series 1993 Bonds.

Section 2.04. Date; Maturities; Interest Rates; and Prices.

(a) The Date of Issue of the Series 1993 Bonds shall be June 1, 1993. The Series 1993 Bonds shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) from the Date of Issue at the respective rates per annum and shall mature on July 1 in the respective principal amounts and in the respective years as shall be approved by the Chairman and the President and set forth in Exhibit "A" to be attached hereto and, by this reference thereto, made a part hereof; **provided, however, the net interest cost of the Series 1993 Bonds shall not exceed six and one-half percent (6-1/2%) per annum.**

(b) The Series 1993 Bonds shall be sold at a price not less than ninety-eight and one-half percent (98.5%) of par as shall be approved by the Chairman and the President and set forth in Exhibit "A" to be attached hereto and, by this reference thereto, made a part hereof.

Section 2.05. Book-Entry; Registered Form; Denominations.

(a) Book-Entry Bonds.

(i) Except as provided in paragraph (iii) of this subsection (a), the Series 1993 Bonds shall be held under a book-entry only system administered by the Securities Depository and shall be registered in the name of the Nominee. Payment of interest on any Series 1993 Bond registered in the name of the Nominee shall be made by New York Clearing House or equivalent next day funds to the account of the Nominee on the interest payment date for the Series 1993 Bonds at the address indicated for the Nominee on the registration books kept by the Registrar.

(ii) The Series 1993 Bonds shall be initially issued in the form of separate, single, authenticated fully-registered Series 1993 Bonds in the amount of each separately stated maturity of the Series 1993 Bonds. Upon initial issuance, the ownership of each such Series 1993 Bond shall be registered on the registration books kept by the Registrar in the name of the Nominee. The Trustee

and MUSC may treat the Securities Depository (or the Nominee) as the sole and exclusive owner of the Series 1993 Bonds registered in the name of the Nominee for the purposes of (A) paying the principal of or interest on the Series 1993 Bonds, (B) selecting the Series 1993 Bonds or portions thereof to be redeemed, (C) giving any notice permitted or required to be given to Holders of Series 1993 Bonds under the Resolutions, (D) registering the transfer of Series 1993 Bonds, and (E) requesting any consent or other action to be taken by the Holders of the Series 1993 Bonds and for all other purposes whatsoever; and neither the Trustee nor MUSC shall be affected by any notice to the contrary. Neither the Trustee nor MUSC shall have any responsibility or obligation to any Participant, any Beneficial Owner or any other person claiming a beneficial ownership interest in the Series 1993 Bonds under or through the Securities Depository or any Participant, or any other person which is not shown on the registration books of the Registrar as being a Holder of Series 1993 Bonds, with respect to (F) the accuracy of any records maintained by the Securities Depository or any Participant; (G) the payment to the Securities Depository, any Participant or any Beneficial Owner of any amounts in respect of the principal of or interest on the Series 1993 Bonds; (H) any notice which is permitted or required to be given to Holders of the Series 1993 Bonds under the Resolutions; (I) the selection by the Securities Depository or any Participant or any other person to receive payment in the event of a partial redemption of the Series 1993 Bonds; or (J) any consent given or other action taken by the Securities Depository as such Holder. The Trustee shall pay all principal of and premium, if any, and interest on the Series 1993 Bonds only to the Securities Depository (or the Nominee), and all such payments shall be valid and effectual to fully satisfy and discharge MUSC's obligations with respect to the principal of and premium, if any, and interest on the Series 1993 Bonds to the extent of the sum or sums so paid. Except as provided in paragraph (iii) below, no person other than the Securities Depository shall receive an authenticated Series 1993 Bond certificate. Upon delivery by the Securities Depository to the Trustee of written notice to the effect that the Securities Depository has determined to substitute a new Nominee in place of Cede & Co., the Series 1993 Bonds shall be transferable to such new Nominee in accordance with the provisions of the Bond Resolution.

(iii) In the event MUSC determines that it is in the best interests of MUSC not to continue the book-entry only system of transfer with respect to the Series 1993 Bonds, or that the interests of the Beneficial Owners might be adversely affected if the book-entry only system of transfer is continued with respect to the Series 1993 Bonds, then MUSC may notify the Securities Depository and the Trustee of such determination, whereupon the Securities Depository will notify the Participants, of the availability through the Securities Depository of Series 1993 Bond certificates. In such event, the Trustee shall issue, transfer and exchange Series 1993 Bond certificates as requested by the Securities Depository and any Participant or Beneficial Owner in appropriate amounts in accordance with the Bond Resolution. The Securities Depository may determine to discontinue providing its services with respect to the Series 1993 Bonds at any time by giving notice to MUSC and the Trustee and discharging its responsibilities with respect thereto under applicable law or MUSC may determine that the Securities Depository is incapable of discharging its duties as such and may so advise the Securities Depository. In either such event, MUSC shall either (A) establish its own book-entry only system, (B) locate another Securities Depository, or (C) deliver Series 1993 Bond certificates as provided herein and as requested by any Participant or Beneficial Owner.

(iv) Notwithstanding any other provision of the Resolution or this Series 1993 Resolution to the contrary, so long as any Series 1993 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, premium, if any, and interest on such Series 1993 Bond and all notices with respect to such Series 1993 Bond shall be made and given, respectively, to DTC as provided in the Representations Letter.

(v) In connection with any notice or other communication to be provided to the Holders of Series 1993 Bonds pursuant to the Bond Resolution or this Series 1993 Resolution by MUSC or the Trustee with respect to any consent or other action to be taken by the Holders of Series 1993 Bonds, MUSC or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Such early notice to DTC shall be given only when DTC is the Securities Depository.

EXHIBIT

JUN 8 1993

12

06183

(b) Registered Form; Denominations; Numbers.

The Series 1993 Bonds shall be issued only in fully registered form without coupons, in the denomination of \$5,000 or any multiple thereof. Each Series 1993 Bond shall be numbered in such fashion as to maintain a proper record thereof.

Section 2.06. Authentication; Payment of Interest.

(a) Each of the Series 1993 Bonds shall be authenticated on such date as it shall be delivered and shall bear interest from the Bond Payment Date immediately preceding the date of its authentication, unless authentication shall be on a Bond Payment Date, in which case it shall bear interest from the date of its authentication, or unless authentication thereof precedes July 1, 1993, in which case it shall bear interest from the Date of Issue; provided, however, if the date of authentication of a Series 1993 Bond is after a Record Date and before the corresponding Bond Payment Date therefor, such Series 1993 Bond shall bear interest from such Bond Payment Date; notwithstanding the foregoing, if at the time of authentication of any Series 1993 Bond, any interest on such Bond is in default, such Bond shall bear interest from the date to which interest on such Bond has been paid or if interest is not paid on July 1, 1993, such Bond shall bear interest from the Date of Issue.

(b) The interest on all Series 1993 Bonds shall be paid by check or draft mailed from the office of the Paying Agent to the person in whose name the Bond is registered at the close of business on the Record Date.

Section 2.07. Maintenance of Offices for Payment, Transfer, and Exchange of the Series 1993 Bonds.

As long as any Series 1993 Bond remains outstanding, the Board shall maintain a Paying Agent and a Registrar therefor. Bonds shall be presented for payment and for registration of transfers and exchanges, and notices and demands to or upon the Trustee and the Board in respect of the Series 1993 Bonds may be served, at the corporate trust office of the Registrar.

Section 2.08. Extraordinary Optional Redemption.

The Series 1993 Bonds shall also be subject to redemption, at the option of the Board, prior to maturity at any time, in whole, but not in part, at one hundred percent (100%) of the principal amount, plus interest accrued to the redemption date if the Hospital Facilities, or any part thereof, is damaged, destroyed, or condemned and the net proceeds of any insurance or condemnation awards received in connection therewith and deposited into a separate account, under the provisions of the Bond Resolution, for the redemption or payment of the Bonds exceed twenty percent (20%) of the principal of Bonds Outstanding.

Section 2.09. Mandatory Sinking Fund Redemption.

The Series 1993 Bonds shall be subject to mandatory sinking fund redemption on such terms as shall be approved by the Chairman and the President and set forth in Exhibit "A" to be attached hereto and, by this reference thereto, made a part hereof.

Section 2.10. Redemption of Portions of the Series 1993 Bonds.

(a) If less than all of the Series 1993 Bonds of any maturity are to be redeemed, the particular Bonds, or portions of Bonds, to be redeemed shall be selected by lot not less than forty-five (45) days prior to the date fixed for redemption by the Registrar and while the Series 1993 Bonds are being held under a book-entry only system, the Trustee or the Registrar shall give notice to the Securities Depository of the particular Series 1993 Bonds or portions thereof so selected not less than thirty-five (35) days prior to the date fixed for redemption. If less than all of the Series 1993 Bonds of any maturity are to be redeemed while the Series 1993 Bonds are being held under a book-entry only system, the Securities Depository shall select or arrange for the selection for redemption of beneficial ownership interests of Participants in such manner as it shall deem fair and equitable and pursuant to its rules and procedures. In selecting Series 1993 Bonds for redemption, the Registrar shall treat each Series 1993 Bond in a denomination of more than \$5,000 as representing that number of Series 1993 Bonds of \$5,000 denomination that is obtained by dividing the principal amount of such Series 1993 Bond by \$5,000.

(b) If there shall be drawn for redemption less than all of a Series 1993 Bond, MUSC shall execute and the Registrar shall authenticate and deliver, upon surrender of such Series 1993 Bond, without charge, a new Series 1993 Bond in the principal amount equal to the unredeemed balance in any authorized denomination.

Section 2.11. Appointment of Registrar and Paying Agent.

The Registrar and Paying Agent for the Series 1993 Bonds shall be appointed by the Chairman and the President after competitive bids are received through the Office of the State Treasurer, and such selection shall be set forth in Exhibit "A" to be attached hereto and, by this reference thereto, made a part hereof. The Registrar and Paying Agent shall signify its acceptance of the duties of Registrar and Paying Agent under this Series Resolution prior to or upon the issuance of the Series 1993 Bonds.

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ARTICLE III

EXECUTION; NO RECOURSE

Section 3.01. Execution of the Series 1993 Bonds.

The President is hereby authorized and directed to execute, by manual or facsimile signature, the Series 1993 Bonds, and the Secretary of the Board is hereby authorized and directed to attest, by manual or facsimile signature, the seal of MUSC impressed or imprinted thereon, all in the manner described in Section 3.04 of the Bond Resolution.

Section 3.02. No Recourse on the Series 1993 Bonds.

All covenants, stipulations, promises, agreements, and obligations of the Board or MUSC contained in this Series 1993 Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Board or MUSC and not of any director, member, officer or employee of the Board or MUSC in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Series 1993 Bonds or for any claim based thereon or on this Series 1993 Resolution, either jointly or severally, against any director, member, officer, or employee of the Board or MUSC or any person executing said Bonds.

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ARTICLE IV

APPLICATION OF THE SERIES 1993 BOND PROCEEDS

Section 4.01. Creation of the 1993 Construction Fund.

(a) There is hereby created a fund to be known as the "1993 Construction Fund." There shall be paid into the 1993 Construction Fund the sums prescribed by Sections 4.02(a)(i), (iii), and (iv) hereof. The 1993 Construction Fund shall be established with and held, maintained and controlled by the State Treasurer of South Carolina, and, except as provided in subsection (b) below, moneys therein shall be used to pay the costs of the acquisition, construction, or installation of the Project.

(b) There shall be established in the 1993 Construction Fund a Capitalized Interest Account to provide for the payment of interest on the Series 1993 Bonds that will be funded with the proceeds of the Series 1993 Bonds. Any funds deposited in the Capitalized Interest Account not used to pay interest on the Series 1993 Bonds may be expended as provided in Section 603(D) of the Bond Resolution.

(c) The Construction Period for the Series 1993 Bonds shall be determined by the Chairman and the President, and such determination shall be set forth in Exhibit "A" to be attached hereto and, by this reference thereto, made a part hereof.

Section 4.02. Use and Disposition of Series 1993 Bond Proceeds and Other Money.

(a) On or upon the delivery of the Series 1993 Bonds and receipt of the proceeds thereof, such proceeds and other available funds shall be disposed of as follows:

(i) An amount equal to the accrued interest on the Series 1993 Bonds from the Date of Issue to the date of delivery thereof shall be deposited in the Capitalized Interest Account in the 1993 Construction Fund;

(ii) Either an amount equal to the Reserve Fund Requirement shall be deposited in the Reserve Fund and shall be invested and disposed of as prescribed by Section 6.04 of the Bond Resolution, or the sum necessary to provide a letter of credit or other credit facility in support of the Series 1993 Bonds shall be paid to the provider thereof;

(iii) An amount equal to the costs attributable to the issuance of the Series 1993 Bonds shall be deposited in the 1993 Construction Fund to defray such costs; and

(iv) The remaining moneys shall be deposited in the 1993 Construction Fund to defray the costs of acquiring, constructing, and installing the Project.

(b) The exact amounts to be deposited to the various accounts and funds as described in subsection (a) hereof shall be set forth in Exhibit "A" to be attached hereto and, by this reference thereto, made a part hereof.

Section 4.03. Investment of Construction Fund Moneys.

Moneys in the 1993 Construction Fund (including moneys in the Capitalized Interest Account) shall be invested and reinvested in Authorized Investments maturing not later than the date on which such moneys are required to be used to pay the costs of the Project or, in the case of moneys in the Capitalized Interest Account, to pay interest on the Series 1993 Bonds. All earnings (including earnings on the Capitalized Interest Account) shall be added to and become a part of the 1993 Construction Fund.

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ARTICLE V

SALE OF THE SERIES 1993 BONDS

Section 5.01. Determination of Time to Receive Bids - Form of Notice of Sale.

The Series 1993 Bonds shall be sold at public sale, at not less than ninety-eight and one-half percent (98.5%) of par plus interest accrued to the date of delivery. Bids shall be received until 12:00 Noon (local time) on a date to be selected by the President. The Series 1993 Bonds shall be advertised for sale in *The State*, a newspaper published in the City of Columbia, South Carolina, or in a financial journal published in the City and State of New York; and which shall appear at least once, not less than ten (10) days before the date set for sale. The form of the Notice, and the conditions of sale, shall be substantially those set forth in Exhibit "B" attached hereto and, by this reference thereto, made a part hereof.

Section 5.02. Award of the Series 1993 Bonds.

Upon the receipt of bids for the Series 1993 Bonds, the President, or his designee, shall award the Series 1993 Bonds to the bidder offering the lowest net interest cost. If more than one bidder shall name the lowest rate of interest, then the Series 1993 Bonds shall be awarded to that one of such bidders as shall offer the greatest premium; **PROVIDED**, that if it shall happen that tie bids are received, the Series 1993 Bonds shall be awarded jointly or in such other manner as those submitting such tie bids shall determine. The President, or his designee, shall have the right to reject all proposals, and to waive technicalities, but no auction sale will be conducted.

Section 5.03. Approval of Official Statements.

The preparation and distribution of a Preliminary Official Statement and a Final Official Statement signed by the Chairman or the President in connection with the marketing of the Series 1993 Bonds are hereby authorized, directed, and approved.

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EXHIBIT
JUN 8 1993 12
STATE BUDGET & CONTROL BOARD

ARTICLE VI
MISCELLANEOUS

Section 6.01. Severability.

If any one or more of the provisions of this Series 1993 Resolution should be contrary to law, then such provision shall be deemed severable from the remaining provisions, and shall in no way affect the validity of the other provisions of this Series 1993 Resolution.

Section 6.02. Table of Contents and Section Headings Not Controlling.

The Table of Contents and the Headings of the several Articles and Sections of this Series 1993 Resolution have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this Series 1993 Resolution.

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DONE, RATIFIED AND ADOPTED THIS 20th day of May, 1993.

(SEAL)

Chairman, Board of Trustees, The Medical University of
South Carolina

Attest:

By _____
Secretary, Board of Trustees, The Medical
University of South Carolina

Exhibit "A"

Final Terms of the Series 1993 Bonds

1. The Series 1993 Bonds shall be issued in the aggregate principal amount of _____ Dollars (\$_____).

2. (a) The Series 1993 Bonds shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) from the Date of Issue at the respective rates per annum and shall mature on July 1 in the respective principal amounts and in the respective years as are set forth below:

<u>Interest Rate</u>	<u>Amount</u>	<u>Year</u>
%	\$	
%	\$	
%	\$	
%	\$	
%	\$	
%	\$	

(b) The Series 1993 Bonds shall be sold at _____% of par.

3. _____ is hereby appointed Registrar and Paying Agent for the Series 1993 Bonds.

4. The Construction Period for the Series 1993 Bonds shall be the period beginning on the date of the issuance of the Series 1993 Bonds and ending on _____, 199__.

5. (a) \$_____, representing accrued interest on the Bonds, shall be deposited in the Capitalized Interest Account in the 1993 Construction Fund;

(b) [\$_____ representing the Reserve Fund Requirement shall be deposited in the Reserve Fund/the sum of \$_____ shall be paid to _____, the provider of _____];

(c) \$_____ shall be deposited in the 1993 Construction Fund for the purpose of defraying the costs attributable to the issuance of the Series 1993 Bonds; and

(d) \$_____ shall be deposited in the 1993 Construction Fund for the purpose of defraying the costs of acquiring, constructing, and installing the Project.

EXHIBIT

JUN 8 1993 12

STATE BUDGET & CONTROL BOARD

06191

Exhibit "B"

Form of Notice of Sale

OFFICIAL NOTICE OF SALE

\$
THE MEDICAL UNIVERSITY OF SOUTH CAROLINA
HOSPITAL FACILITIES REVENUE BONDS,
SERIES 1993

SEALED PROPOSALS, addressed to the undersigned, will be received by the Medical University of South Carolina ("MUSC"), until 12:00 Noon (local time)

_____, 1993

(the "Sale Date") at the Office of the State Treasurer of South Carolina, Room 118, Wade Hampton Office Building, Columbia, South Carolina, at which time said proposals will be publicly opened for the purchase of \$ _____ THE MEDICAL UNIVERSITY OF SOUTH CAROLINA, HOSPITAL FACILITIES REVENUE BONDS, SERIES 1993 (the "Bonds"). The Bonds initially will be dated June 1, 1993, and will mature on July 1 in the years and the amounts following:

THE BONDS will bear interest from June 1, 1993, at a rate or rates to be named by the bidder, payable on January 1 and July 1 of each year (the "Bond Payment Dates") commencing January 1, 1994, at which time interest for seven (7) months will be due. The Bonds will be issued in the form of fully registered bonds in the denomination of \$5,000 or any multiple thereof not exceeding the principal amount maturing in any year and in book-entry form only. Owners of the Bonds will not receive certificates representing their interest in the Bonds. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York.

The Bonds will be subject to redemption, at the option of MUSC, prior to maturity at any time, in whole, but not in part, at one hundred percent (100%) of the principal amount thereof, plus interest accrued to the redemption date if the Hospital Facilities, as such term is defined in the bond resolution adopted by the Board of Trustees of MUSC on July 12, 1985 (as amended and supplemented to the date hereof, the "Resolution"), or any part thereof, is damaged, destroyed, or condemned and the net proceeds of any insurance or condemnation awards received in connection therewith and deposited into a separate account,

under the provisions of the Bond Resolution, for the redemption or payment of the bonds outstanding under the Bond Resolution exceed twenty percent (20%) of the principal of all of such outstanding bonds.

Principal of the Bonds when due will be paid upon presentation and surrender of such bonds at the Corporate Trust Office of the Paying Agent. The Paying Agent and the Registrar will be _____, _____, Columbia, South Carolina.

Bidders are invited to name the rate or rates of interest which the Bonds are to bear, and unless all bids are rejected, they will be awarded to the bidder offering to purchase them at the lowest net interest cost to MUSC at a price of not less than ninety-eight and one-half percent (98.5%) of par plus interest accrued to the date of delivery. Bidders may name any number of rates of interest, in any variations selected by the bidder except that:

- (a) all Bonds of the same maturity shall bear the same rate of interest;
- (b) no rate of interest shall be more than 2% higher than the lowest rate of interest named;
- (c) each interest rate named shall be a multiple of 1/20th of 1%; and
- (d) any sum named by way of premium shall be paid in cash as a part of the purchase price.

Net interest cost will be determined by adding discount, if any, to and deducting premium, if any, from the aggregate of interest on the Bonds from June 1, 1993, until their respective maturities. Bidders are requested to present tabulations showing aggregate interest cost in dollars and cents, but such tabulations are not required and will not be regarded as a part of the bid. The right is reserved to reject all proposals, and to waive technicalities, but no auction sale will be conducted.

Bids will be accepted or rejected by 2:00 P.M. (local time) on the day of the sale.

The Sale Date is expected to be June 17, 1993. If the Sale Date is other than June 17, 1993, the Sale Date will be announced in a Supplemental Notice of Sale (the "Supplemental Notice of Sale") to be transmitted via Munifacts Wire System, Inc. ("Munifacts") approximately twenty-four (24) hours prior to 11:00 a.m. Eastern Daylight Time on the Sale Date. Such Supplemental Notice of Sale, if one is necessary, (1) shall confirm the Sale Date by which proposals to purchase the Bonds must be received; (2) shall state the estimated delivery date of the Bonds; and (3) may update the information contained in the Official Statement.

Hospital Facilities Revenue Bonds of MUSC are presently rated A+ by Standard and Poor's Corporation and A by Moody's Investors Service, Inc. An application for a rating of the bonds is pending. Evidence shall be provided by MUSC that the Bonds have been rated by both Standard & Poor's Corporation and Moody's Investors Service, Inc.

The Bonds may be transferred only on registration books of MUSC maintained by the Registrar at the expense of MUSC, as more fully set forth in the Resolution (hereinafter).

No proposal for the purchase of less than all of the Bonds, or, at a price less than ninety-eight and one-half percent (98.5%) of par plus interest accrued to the date of delivery, will be considered.

Each bid shall be enclosed in a sealed envelope and marked "PROPOSAL FOR \$ _____ THE MEDICAL UNIVERSITY OF SOUTH CAROLINA, HOSPITAL FACILITIES REVENUE BONDS, SERIES 1993" and be directed to the undersigned, and must be accompanied by a cashier's or certified or treasurer's check upon an incorporated bank or trust company for \$ _____, payable to the State Treasurer of the State of South Carolina. There is an official bid form. The check of the successful bidder will be applied in part payment for the Bonds or to secure MUSC from any loss resulting from the failure of such bidder to comply with the terms of his bid. The good faith deposit will be returned to the successful bidder if MUSC fails to deliver the Bonds. No interest will be allowed on the good faith deposit.

Both the principal of and interest on the Bonds, as the same shall become due, are secured solely by a pledge of the Pledged Revenues and are payable solely from the Pledged Revenues and other moneys legally available for such payment, and a first priority lien upon and security interest in the Pledged Revenues has been granted to the Trustee for the benefit of the Holders of all Bonds from time to time Outstanding. Neither the Bonds nor the interest thereon will in any event constitute an indebtedness of the State within the meaning of any provision, limitation or restriction of the Constitution or statutes of the State, or a charge, lien or encumbrance, legal or equitable, upon any property of MUSC save and except the Pledged Revenues.

The Bonds will be issued pursuant to the Resolution on a parity with the outstanding \$16,795,000 Hospital Facilities Revenue Bonds, Series 1985, the outstanding \$39,125,000 Hospital Facilities Revenue Bonds, Series 1990A, the outstanding \$9,155,000 Hospital Facilities Revenue Bonds, Series 1990B and the \$9,800,000 Hospital Facilities Revenue Bonds, Series 1991.

Purchasers will be furnished with the printed Bonds and an opinion on their validity and tax exempt status by Sinkler & Boyd, P.A., a copy of which will be printed on the back of each Bond, and with the usual closing proofs, which will include (a) a certificate that there is no litigation threatened or pending to restrain the issuance or sale of the Bonds, and (b) certifications by appropriate officials to the effect that the Official Statement, as of its date and as of the date of delivery of the Bonds does not contain an untrue statement of a material fact and does not omit to state a material fact which should be included therein for the purpose

for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances in which they were made, not misleading.

The successful bidder may at its option refuse to accept the Bonds if prior to their delivery any income tax law of the United States of America shall provide that the interest on the Bonds is taxable, or shall be taxable at a future date, for federal income tax purposes, except as indicated in the Official Statement (hereinafter defined) and in such case the good faith deposit made by it will be returned and it will be relieved of its contractual obligation arising from the acceptance of its bid.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereto to accept delivery of and pay for the Bonds in accordance with terms of this Notice of Sale. The cost of obtaining such CUSIP identification numbers shall be borne by the purchaser of the Bonds.

MUSC has authorized the preparation of an Official Statement containing pertinent information relating to the Bonds, and said Official statement will serve as a nearly-final official statement as required by Rule 15c2-12 of the Securities and Exchange Commission. Copies of the Official Statement, Notice of Sale, the Resolution and additional information may be obtained from and questions may be addressed to F. Mitchell Johnson, Jr., Sinkler & Boyd, P.A., 160 East Bay Street, P. O. Box 340, Charleston, South Carolina 29402, 803-722-3366. A copy of the Official Statement will be furnished to any interested bidder upon request.

The Official Statement, when further supplemented by an addendum or addenda specifying the interest rates of the Bonds, together with any other information required by law, shall constitute a "Final Official Statement" of MUSC with respect to the Bonds, as that term is defined in Rule 15c2-12. By awarding the Bonds to any underwriter or underwriting syndicate submitting a bid therefore, MUSC agrees that, no more than seven (7) business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded fifty (50) copies of the Official Statement and the addendum or addenda described above. MUSC shall designate the senior managing underwriter of the syndicate to which the Bonds are awarded as its agent for purposes of distributing copies of the Final Official Statement to each participating underwriter. Any underwriter executing and delivering a bid with respect to the Bonds agrees thereby that if its bid is accepted by MUSC (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all participating underwriters of the

Bonds for purposes of assuring the receipt by each such participating underwriter of a Final Official Statement.

The Bonds will be delivered to within thirty (30) days of their award against payment in federal or other immediately available funds.

There is an official bid form. Each bid shall be conditioned in accordance with this Notice of Sale.

JAMES B. EDWARDS, President
The Medical University of South Carolina

06196

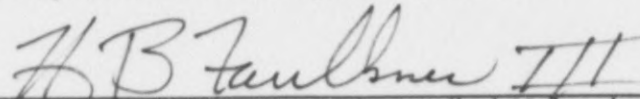
STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

I, the undersigned, Secretary of the Board of Trustees of The Medical University of South Carolina (the "Board"), DO HEREBY CERTIFY:

That the foregoing constitutes a true, correct and verbatim copy of a Resolution adopted by the Board at a duly called meeting of the Board held on May 20, 1993.

IN WITNESS WHEREOF, I have hereunto set my Hand this 20th day of May, 1993.


Secretary, Board of Trustees, The Medical University of
South Carolina

EXHIBIT

JUN 8 1993 12

STATE BUDGET & CONTROL BOARD

06197

MAY 21 1993
8:30 a.m.

SINKLER & BOYD, P.A.

ATTORNEYS AT LAW

160 EAST BAY STREET

CHARLESTON, SOUTH CAROLINA 29401-2120

TELEPHONE (803) 722-3366

FAX (803) 722-2266

MAILING ADDRESS:

POST OFFICE BOX 340

CHARLESTON, SOUTH CAROLINA 29402-0340

COLUMBIA OFFICE

THE PALMETTO CENTER

1426 MAIN STREET, SUITE 1200

COLUMBIA, SOUTH CAROLINA 29201-2834

TELEPHONE (803) 779-3080

CABLE ADDRESS: PALMETTO

FAX (803) 765-1243

MAILING ADDRESS:

POST OFFICE BOX 11889

COLUMBIA, SOUTH CAROLINA 29211-1889

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JOHN K. VAN DUYS
STANLEY H. MCGUFFIN

JOHN C. BRUTON 1907-1969
W. C. BOYD 1904-1975
HUGER SINKLER 1908-1987
CHARLES W. KNOWLTON 1923-1990

May 19, 1993

VIA FEDERAL EXPRESS

Ms. Donna K. Williams
Secretary
South Carolina State Budget
and Control Board
601 Wade Hampton Office Building
Columbia, South Carolina 29201

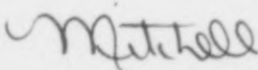
Re: Not Exceeding \$25,000,000 The Medical University of South Carolina, Hospital Facilities
Revenue Bonds, Series 1993

Dear Donna:

Enclosed are an original and ten copies of a Budget and Control Board Resolution for the June 8, 1993 meeting. The Bonds authorized by this Resolution will be issued in substitution for the bonds authorized by the March 23, 1993 Resolution. We have increased the amount of the issue from not exceeding \$22,850,000 to not exceeding \$25,000,000.

If you have any questions, please call me.

Very truly yours,



F. Mitchell Johnson, Jr.

FMJjr\glm
Enclosures
c:\musc\93\lt04

EXHIBIT

JUN 8 1993

12

STATE BUDGET & CONTROL BOARD

06198

EXHIBIT

JUN 8 1993

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STATE BUDGET AND CONTROL BOARD
MEETING OF June 8, 1993

STATE BUDGET & CONTROL BOARD
REGULAR SESSION

ITEM NUMBER 3

AGENCY: Human Resource Management

SUBJECT: Regulation 19-101.18

The Americans with Disabilities Act (ADA) requires that reasonable accommodation be made for disabled employees to afford them equal access to employment and job-related activities, including travel.

Regulation 19-101.18 outlines that if handicapped employees are required to travel as part of their employment, the most economic mode of travel, consistent with the disability, should be used. The regulation further states "No expenses will be authorized for attendants traveling with State employees."

Under the ADA, employers are mandated to accommodate disabled employees who are required to travel as part of their jobs. In such situations, it is often necessary for an attendant to accompany the disabled employee. Accordingly, all state agencies are required to pay for such assistance for the disabled employees unless the expense is deemed an undue hardship, which would be decided on a case-by-case basis. In light of this federal law and Proviso 129.44E which allows payment of expenses for attendants of state board and commission members, the Comptroller General's Office currently pays such expenses for attendants for state employees.

In order to bring Regulation 19-101.18 in line with this mandated practice, the Division recommends that Regulation 19-101.18 be amended to read as follows: "Expenses at the same rates allowed to State employees will be authorized for attendants traveling with State employees if the travel is required by the job."

BOARD ACTION REQUESTED:

Approve the following revision of Regulation 19-101.18 to comply with the ADA: "Expenses at the same rates allowed to State employees will be authorized for attendants traveling with State employees if the travel is required by the job."

ATTACHMENTS:

Agenda item worksheet; facts sheet; Regulation 19-101.18; Proviso 129.44E

06199

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

For meeting scheduled for:

June 8, 1993

☐ Blue Agenda
☒ Regular
☐ Executive Session

1. Submitted by: (a) Agency: Office of the Executive Director
 (b) Authorized Official Signature Phyllis M. Mayes
 2. Subject: Revision of Section 19-101.18 of the Budget and Control Board's Office of the Executive Director Regulations.

3. Summary Background Information:

The Americans With Disabilities Act (ADA) requires that reasonable accomodation be made for disabled employees to afford them equal access to employment and job-related activities, including travel. Section 19-101.18 of the Office of the Executive Director's Regulations outlines that if handicapped employees are required to travel as part of their employment, the most economical mode of travel, consistent with the disability, should be used. The regulation further states "No expenses will be authorized for attendants traveling with State employees." Under the ADA, employers are mandated to accommodate disabled employees who are required to travel as part of their jobs. In such situations, it is often necessary for an attendant to accompany the disabled employee. Accordingly, all state agencies are required to pay for such assistance for the disabled employees unless the expense is deemed an undue hardship, which would be decided on a case-by-case basis. In light of this federal law and a proviso which allows payment of expenses for attendants of state Board and Commission members, the Comptroller General's Office currently pays such expenses for attendants for state employees. In order to bring this Regulation in line with this legally mandated practice, it is recommended that Regulation 19-101.18 be amended to read as follows: "Expenses at the same rates allowed to State employees will be authorized for attendants traveling with State employees if the travel is required by the job."

4. What is Board asked to do?

Approve the revision of Regulation 19-101.18 to comply with the ADA.

5. What is recommendation of the Board division involved?

Approve the revision.

EXHIBIT

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STATE BUDGET & CONTROL BOARD

6. Recommendation of other office (as required)?

Office Name _____ Authorized Signature _____

7. Supporting Documents:

List those attached:

List those not attached
but available:

Facts Sheet.
 Section 19-101.18 of the Budget and Control Board's
 Office of Executive Director Regulations.
 Section 129.44 E. of the 1992-93 Appropriation Act.

06200

FACTS SHEET

Historical Background

1. The Americans With Disabilities Act, effective July 26, 1992, mandates equal opportunity be provided to disabled persons in all aspects of everyday life, including employment. As a basic premise, the Act requires that disabled Americans are no longer treated differently based on their disabilities. Further, the ADA mandates that employers provide reasonable accommodation to employees to allow them to perform the essential duties of the job.
2. Section 129.44 E. of the 1992-93 Appropriation Act currently provides for the following: "Members of the State Boards, Commissions, or Committees whose duties are not full-time and who are paid on a per diem basis, shall be allowed reimbursement for actual expenses incurred at the rates provided in Paragraph A and I of this Section while away from their places of residence on official business of the State. One person accompanying a handicapped member of a State Board, Commission, or Committee on official business of the State shall be allowed the same reimbursement for actual expenses incurred at the rates provided in Paragraph A through I of this Section."
3. In light of the above mentioned federal law and proviso, the Comptroller General's Office is currently paying such expenses for attendants traveling with disabled state employees on travel that is required by the job.

Facts

1. Regulation 19-101.18 pertaining to the Budget and Control Board's Office of the Executive Director should be changed to comply with the requirements of the ADA, to provide equal accommodation to Board and Commission members and state employees, and to reflect the current practice of the Comptroller General's Office.

19-101.15. Members of State Boards, Commissions or Committees.

Members of State boards, commissions, or committees who are not State employees may claim reimbursement for the full cost of individual meals provided that the total does not exceed the daily maximum as set forth in the General Appropriation Act.

19-101.16. Overnight Accommodations.

No reimbursement for overnight accommodations will be made within fifty (50) miles of the employee's official headquarters or place of official residence.

19-101.17. Foreign Travel.

Any foreign travel of a State employee will require prior approval of the Budget and Control Board regardless of the source of funds financing such travel. For the purpose of this regulation, foreign travel is defined as any destination outside the continental limits of the United States except Alaska, Hawaii, Canada, Puerto Rico, or the Virgin Islands.

19-101.18. Handicapped Employees.

If a handicapped employee, because of his handicap, is unable to use the most economical mode of travel he may avail himself of the most economical mode compatible with his handicap. In determining the next most economical mode of travel, the following must be considered:

- A. Cost of fare or mileage.
- B. Subsistence expenses incurred due to extra days of travel, if any.
- C. Lodging expenses incurred due to extra days of travel, if any.
- D. Other allowable expenditures incurred due to extra days of travel, if any.

The agency director of the employee's agency must certify as to the employee's handicap and as to his inability to use the most economical mode of travel.



No expenses will be authorized for attendants traveling with State employees.

19-101.19. Advances for Travel Expenses.

Travel expense advances may be made subject to the following:

- A. No travel advance shall be made to an employee for travel within the State without specific approval of the Budget and Control Board.

General, Superintendent of Education and the Commissioner of Agriculture shall be reimbursed actual expenses for subsistence.

D. Non-legislative members of committees appointed pursuant to Acts and Resolutions of the General Assembly whose membership consists solely of members of the General Assembly or members of the General Assembly and other personnel who are not employees of the State of South Carolina shall be allowed subsistence expenses of \$35 per day while traveling on official business. Members of such committees may opt to receive actual expenses incurred for lodging and actual expenses incurred in the obtaining of meals in lieu of the allowable subsistence expense.

E. Members of the State Boards, Commissions, or Committees whose duties are not full-time and who are paid on a per diem basis, shall be allowed reimbursement for actual expenses incurred at the rates provided in Paragraph A and I of this Section while away from their places of residence on official business of the State. One person accompanying a handicapped member of a State Board, Commission, or Committee on official business of the State shall be allowed the same reimbursement for actual expenses incurred at the rates provided in Paragraph A through I of this Section.

F. No subsistence reimbursement shall be allowed to a Justice of the Supreme Court or Judge of the Court of Appeals while traveling in the county of his official residence. When traveling on official business of said court within 40 miles outside the county of his official residence, a Supreme Court Justice and a Judge of the Court of Appeals shall be allowed subsistence expenses in the amount of \$35 per day plus such mileage allowance for travel as is provided for other employees of the State. When traveling on official business of said Court 40 or more miles outside the county of his official residence, each Justice and Judge of the Court of Appeals shall be allowed subsistence expenses in the amount as provided in this Act for members of the General Assembly plus such mileage allowance for travel as is provided for other employees of the State. The Chief Justice, or such other person as he designates, while attending the Conference of Chief Justices and one member of the Supreme Court while attending the National Convention of Appellate Court Judges, and three Circuit Judges while attending the National Convention of State Trial Judges shall be allowed actual subsistence and travel expenses.

Upon approval of the Chief Justice, Supreme Court Justices, Judges of the Court of Appeals, Circuit Judges, and Family Court Judges shall be reimbursed for actual expenses incurred for all other official business requiring out-of-state expenses at the rate provided in paragraph A of this section.

EXHIBIT

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STATE BUDGET AND CONTROL BOARD
MEETING OF June 8, 1993

STATE BUDGET & CONTROL BOARD
REGULAR SESSION

ITEM NUMBER

4

AGENCY: General Services

SUBJECT: Asbestos Settlement Funds

The Division recommends approval of the disbursement of Asbestos Settlement Funds for the following agencies:

- (a) Office of the Attorney General: In 1987, the Board requested that the Attorney General file a lawsuit on behalf of the State against manufacturers of asbestos products. Due to budget constraints caused by budget reductions in the past two years, the Attorney General's Office is requesting \$35,000 out of anticipated settlement funds to help support the ongoing legal effort.
- (b) Division of General Services: The Division is requesting the use of \$75,000 of asbestos settlement funds for use in abating asbestos in the following two projects to be submitted in its 1993-94 APIP:
 - (1) Governor's Mansion - Renovation of Servants' Quarters. To renovate (or demolish if future study shows that to be feasible action), the asbestos will have to be abated; estimated asbestos abatement funds needed, \$55,000.
 - (2) Sumter Street Building - HVAC Renovation. The survey by Davis & Floyd indicates asbestos in some areas that will be impacted by HVAC work; estimated asbestos abatement funds needed, \$20,000.

There is \$215,004 available at present in the asbestos settlement fund plus an additional \$59,188.81 in interest through March 31, 1993.

BOARD ACTION REQUESTED:

Approve the following disbursement of Asbestos Settlement Funds: (a) Attorney General's Office, \$35,000; and General Services (two permanent improvement projects), \$75,000.

ATTACHMENTS:

Agenda item worksheet; Woodington January 6 letter; Proviso 129.45

06204

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

Meeting Scheduled for: June 8, 1993

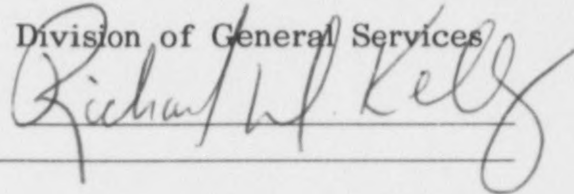
☐ Blue Agenda
☒ Regular Session
☐ Executive Session

1. Submitted by:

(a) Agency:

Division of General Services

(b) Authorized Official Signature:



2. Subject:

Office of Attorney General and the Division of General Services request to use Asbestos Settlement Funds.

3. Summary Background Information

A. Office of Attorney General

In 1987 the Board requested that the Office of Attorney General (OAG) file a lawsuit on behalf of the state against manufacturers of asbestos products. Due to budget constraints caused by budget reductions in the past two years the OAG is seeking monetary assistance out of anticipated settlement funds to help support the ongoing legal effort. The Office of Attorney General is requesting \$35,000.00 in funds.

B. Division of General Services

The S.C. State Budget and Control Board's Division of General Services is requesting the use of \$75,000.00 of asbestos settlement funds for use in abating asbestos in two (2) of the projects it will submit in its FY 1993-94 Annual Permanent Improvement Program (APIP).

The Division will have a project entitled "Governor's Mansion - Renovation of Servants Quarters" in which there is asbestos present. In order to accomplish the renovation (or demolition if future study shows this is the feasible action) the asbestos in the structure will have to be abated. The asbestos abatement funds needed for this project are \$55,000.00.

The Division of General Services will also have a project entitled "Sumter Street Building - HVAC Renovation" in its FY 1993-94 APIP. The asbestos survey by Davis & Floyd indicates there is asbestos in some areas that will be impacted by this HVAC work. The asbestos abatement funds needed for this project are \$20,000.00.

At the present time there is \$215,004.00 available in the asbestos settlement fund plus an additional \$59,188.81 in interest through March 31, 1993.

4. What is Board asked to do?

Approve the disbursement of Asbestos Settlement Funds in the amount of \$35,000.00 to the Office of the Attorney General and \$75,000.00 to the Division of General Services.

06205

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

Meeting Scheduled for: June 8, 1993

_____ Blue Agenda
_____ X Regular Session
_____ Executive Session

5. What is the recommendation of Board division involved?

The Division of General Services recommends the disbursement of \$35,000.00 in Asbestos Settlement Funds to the Office of Attorney General and the disbursement of \$75,000.00 to the Division of General Services.

6. Recommendation of other office (as required)?

Office Name: _____ N/A

Authorized Signature: _____ N/A

7. Supporting Documents:

(a) List Those Attached:

Letter from Office of Attorney General to the Division of General Services

Proviso that allows the Asbestos Settlement Funds to be used to defray expenses relating to asbestos litigation and asbestos abatement.

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

EXHIBIT

JUN 8 1993 14

STATE BUDGET & CONTROL BOARD

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The State of South Carolina



Office of the Attorney General

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE: 803-734-3680
FACSIMILE: 803-253-6283

January 6, 1993

RECEIVED
FEB 16 1993
Division of General Services
Agency Services Administration

EXHIBIT

JUN 8 1993 14
STATE BUDGET & CONTROL BOARD

Mr. William J. Clement, AIA
Assistant Division Director
SC Budget & Control Board
Division of General Services
1201 Main Street, Suite 420
Columbia, SC 29201

Dear Bill:

As you will recall, our Office, at the request of the Budget & Control Board, filed in 1987 a comprehensive lawsuit on behalf of the State against manufacturers of asbestos products seeking recovery of damages to State owned buildings. Since 1987, this case has been proceeding with pretrial discovery and motions aimed at narrowing the issues involved in the case. Because of its complexity, the case will be tried in different stages. The Federal District Court is now considering setting some or all of the first phase of the case for trial sometime during the spring of 1993. At this trial, the State will utilize the testimony of a number of different experts in presenting its case. Funding for these experts and for continuing discovery is essential to adequately present the State's position in the case.

The initial understanding was that funding for this complex litigation would be provided through our budget. However, budget reductions totaling more than \$700,000 since mid-1991 have severely impacted all of the operations of this Office, including the asbestos property damage litigation.

Proviso 129.45 of the 1992-93 Appropriations Act establishes an account for asbestos case settlement funds. The proviso permits use of these funds for several purposes, including asbestos litigation. Funds exceeding \$900,000 have already flowed into this account as a result of the Manville bankruptcy proceeding, a separate case in which this Office is also representing the State. In addition, a minimum of \$200,000 more is expected to be received this spring as a result of additional proceedings in the Manville

06207

Mr. William J. Clement, AIA

Page 2

January 6, 1993

case, bringing the total recovered in the Manville case so far to at least \$1,100,000.00.

Because our budget for litigation is currently stretched to the breaking point, the Office requests that \$35,000 from the anticipated Manville funds be allocated to this Office for litigation costs on behalf of the Budget & Control Board and other agencies whose buildings are involved in the property damage case. If any of the requested funds are not expended by June 30, we will ask for a proviso in our FY 93/94 appropriations section to permit their carry forward.

I am sure you understand that the current budget crisis puts us in a very difficult position, and the Attorney General would appreciate the support of the Division in this matter. Please let me know if I can provide any other information.

Sincerely yours,

Kenneth P. Woodington
Senior Assistant Attorney General

EXHIBIT

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STATE BUDGET & CONTROL BOARD

KPW/rho

06208

their use is practical and an employee of the State shall request for his own benefit to use his or her personal vehicle in traveling on necessary official business, a charge of 21.5 cents per mile will be allocated for the use of such vehicle and the employee shall bear the expense of supplies and upkeep thereof. When such travel is by a State-owned automobile, the State shall bear the expense of supplies and upkeep thereof but no mileage will be allowed. Agencies and employees are directed to use State fueling facilities to the maximum extent possible, when such use is cost beneficial to the State. When using commercial fueling facilities, operators of State-owned vehicles are directed to use self-service pumps. In traveling on the business of the State, employees are required to use the most economical mode of transportation, due consideration being given to urgency, schedules and like factors.

Mileage between an employee's home and his/her place of employment is not subject to reimbursement. However, when an employee leaves on a business trip directly from his/her home, and does not go by the employee's headquarters, the employee shall be eligible for reimbursement for actual mileage beginning at his/her residence.

K. That a State agency may advance travel and subsistence expense monies to employees of that agency for the financing of ordinary and necessary travel required in the conducting of the business of the agency. The Budget and Control Board is directed to develop and publish rules and regulations pertaining to the advancing of travel expenses and no State agency shall make such advances except under the rules and regulations as published. All advances for travel and subsistence monies shall be repaid to the agency within thirty (30) days after the end of the trip or by the end of the fiscal year, whichever comes first.

L. That the State institutions of higher learning are authorized to reimburse reasonable relocation expenses for new employees when such reimbursements are considered by the agency head to be essential to successful recruitment of professionally competent staff members.

M. The State Budget and Control Board is authorized to promulgate and publish rules and regulations governing travel and subsistence payments.

129.45. (Asbestos Litigation Funds) All funds involved in the settlement of asbestos litigation cases, with the exception of those funds involving the University of South Carolina system and Clemson University, must be deposited into an interest bearing account in the State Treasurer's Office entitled "Asbestos Expense Trust Account". [The University of South Carolina system and Clemson University must deposit all funds involved in the settlement of asbestos litigation into separate institutional interest bearing accounts entitled "Asbestos Expense Trust

Account", with each institution's name appropriately captioned in their respective accounts, to be maintained in the State Treasurer's Office. These accounts shall only be used for expenses relating to asbestos litigation, asbestos abatement, or other asbestos related expenses or projects. Such projects must be approved by the Budget and Control Board after review by the Joint Bond Review Committee.

129.46. (State Port Authority Funds - Rent) Any funds derived by the State Port Authority from the rental, lease or sale of any of its facilities shall be expended for the benefit of the particular Port where such facilities are located.

129.47. (Rental Charges, Collections - State Offices)

Subsection (a). The Budget and Control Board is hereby directed to assess and collect a rental charge from all departments and agencies of the State Government occupying space in State-controlled office buildings. The amount charged each department or agency shall be calculated on a square foot, or other equitable basis of measurement, and at such rates as will yield sufficient total annual revenue to cover, unless the Budget and Control Board determines otherwise, in priority order, both (1) the annual principal and interest due on the Capital Improvement Obligations authorized by Act No. 829 of the 1964 Acts, Act No. 1273 of the 1970 Acts and Act No. 508 of the 1971 Acts and Act No. 1377 of the 1968 Acts as amended for projects administered by the Division of General Services and (2) maintenance and operation costs of State-controlled office buildings in the City of Columbia. The amount so collected which is applicable to the payment of principal and interest due on obligations authorized by Act 1377 of the 1968 Acts as amended shall be paid into the State's General Fund to apply on debt service appropriations under the Section 119 of this Act.

Subsection (b). All departments and agencies against which rental charges are assessed and whose operations are financed in whole or in part by Federal and/or other non appropriated funds are directed to apportion the payment of such charges equitably among all such funds, so that each shall bear its proportionate share. All appropriations in this Act applicable to the rental of space in State controlled buildings (exclusive of the Department of High ways and Public Transportation), shall be available only for payment of that portion of rental charges applicable to State-appropriated operations.

Subsection (c). Rental collections shall be deposited by the Budget and Control Board in the State Treasury in a special account and shall be expended only for (1) payment of principal and interest due on the obligations referred to in Subsection (a) above and (2) maintenance and operations costs of the buildings referred to in Subsection (a) above.

EXHIBIT

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STATE BUDGET AND CONTROL BOARD
MEETING OF June 8, 1993

STATE BUDGET & CONTROL BOARD
REGULAR SESSION
ITEM NUMBER 5

AGENCY: General Services

SUBJECT: Renewal and Extension of Leases

Regulation 19-445.2121 requires that leases that commit \$1,000,000 or more in a five-year period be approved by the Budget and Control Board and reviewed by the Joint Bond Review Committee. The following leases were reviewed and approved by the JBRC on April 6.

Through Property Management, the agencies have taken the appropriate procurement steps according to regulation. All prior approvals have been made, including that of the agencies, and adequate funds are available for the lease payments. The agencies have submitted multi-year financial plans. Property Management is of the opinion that the payments represent a fair rate. The lease terms and conditions will be according to the state standard office lease document.

- (a) The Department of Insurance leases 30,658 square feet at 1612 Marion Street. The lease expires June 30, 1996. The proposal is to extend the lease to June of 2001.

Current annual rent is \$442,320 including operating costs (rate of \$14.42 per square foot of rentable area). The proposed rental is a reduction beginning March 1, 1993, to \$410,438 (rate of \$13.39) for eight years and four months. The rate remains at \$13.30 for the entire period. Total rent over the term will be \$3,420,317.

- (b) The Worker's Compensation Commission leases 32,320 square feet at 1612 Marion Street. The lease expires October 31, 1995. The proposal is to extend the lease to June of 2001.

Current annual rent is \$484,800 including operating costs (rate of \$15.00 per square foot of rentable area). The proposed rental is a reduction beginning February 1, 1993 (retroactive) to \$452,480 (rate of \$14.00) for eight years and five months. The rate remains at \$14.00 for the entire period. Total rent over the term will be \$3,808,374.

BOARD ACTION REQUESTED:

In accord with Code Section 11-35-1590 and Regulation 19-445.2121, approve lease renewals and extensions for (a) the Department of Insurance, and (b) Worker's Compensation Commission, as recommended by the Division of General Services.

ATTACHMENTS:

Agenda item worksheets; Code Section 11-35-1590

06210

§ 11-35-1590. Leasing of real property for governmental bodies.

(1) *Designation of Board as Single Central Broker.* The board is hereby designated as the single central broker for the leasing of real property for governmental bodies. No governmental body shall enter into any lease agreement or renew any existing lease except in accordance with the provisions of this Section.

(2) *Notification as to Need When State-Owned Property is Unavailable.* When any governmental body needs to acquire real property for its operations or any part thereof and state-owned property is not available, it shall notify the Division of General Services of its requirement on rental request forms prepared by the division. Such forms shall indicate the amount and location of space desired, the purpose for which it shall be used, the proposed date of occupancy and such other information as the division may require.

Upon receipt of any such request, the division shall conduct an investigation of available rental space which would adequately meet the governmental body's requirements, including specific locations which may be suggested and preferred by the governmental body concerned. When suitable space has been located which the governmental body and the division agree meets necessary requirements and standards for state leasing as prescribed in regulations of the board as provided for in subsection (3) of this Section, the division shall give its written approval to the governmental body to enter into a lease agreement. In the event the governmental body and the division fail to reach agreement with regard to the appropriate property for leasing, the controversy shall be referred to the board which shall make a final determination of the matter. All proposed lease renewals shall be submitted to the division by the time specified by the division.

(3) *Promulgation of Regulations.* The board shall promulgate regulations to implement the provisions of this Section which shall include:

- (a) Procedures for governmental bodies to apply for rental space.
- (b) Flexible cost standards for rental space.
- (c) Procedures for competitive bidding where feasible.

HISTORY: 1981 Act No. 148, § 1.

~~Cross references—~~

As to provisions of this section constituting exception to requirements governing competitive sealed bidding in § 11-35-1520, see § 11-35-1510.

~~Research and Practice References—~~

64 Am Jur 2d, Public Works and Contracts § 45.

EXHIBIT

JUN 8 1993

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STATE BUDGET & CONTROL BOARD

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EXHIBIT

JUN 8 1993

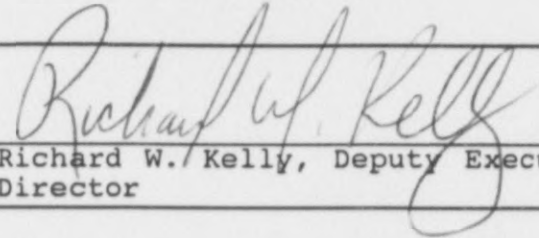
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BUDGET AND CONTROL BOARD AGENDA ITEM WORK STATE BUDGET & CONTROL BOARD

Meeting Scheduled for: June 8, 1993

Agenda: Regular

1. Submitted By:
(a) Agency: Division of General Services
(b) Authorized Official Signature:


Richard W. Kelly, Deputy Executive Director

2. Subject:
Renew and extend Department of Insurance lease

3. Summary Background Information:

Regulation 19-445.2121 requires that leases which commit 1 million dollars or more in a five year period be approved by the Budget and Control Board and reviewed by the Joint Bond Review Committee. The JBRC reviewed and approved this request at its meeting of April 6, 1993.

The Department of Insurance leases 30,658 square feet of space at 1612 Marion Street in Columbia under a lease which expires June 30, 1996. The Department proposes to extend this lease to June of 2001. Concurrent with this extension, the state is granted an option to purchase during 1994 at 98% of market value.

Current annual rent is \$442,320 including operating costs, a rate of \$14.42 per square foot of rentable area. The proposed rental is a reduction beginning March 1, 1993 to \$410,438, a rate of \$13.39, for eight years four months. The rate remains at \$13.39 for the entire period. Total rent over the term will be \$3,420,317.

The agency has taken, through Property Management, the appropriate procurement steps according to regulation. All prior approvals have been made including that of the Department and adequate funds are available for the lease payments. The agency has submitted a multi-year financial plan. Property Management is of the opinion that the payments represent a fair rate. The lease terms and conditions will be according to the state standard office lease document. Property Management is also of the opinion that the option terms are fair.

4. What is the Board asked to do?
Approve this lease renewal and option.

5. What is the recommendation of General Services?
Approve.

6. Recommendation of other Division/agency (as required)?
(a) Authorized Signature:
(b) Division/Agency Name:

7. List of Supporting Documents:
(a) List those attached:
1. SC Code 11-35-1590
(b) List those available but not attached:
1. Regulation 19-445.2121

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(a)

EXHIBIT

JUN 8 1993

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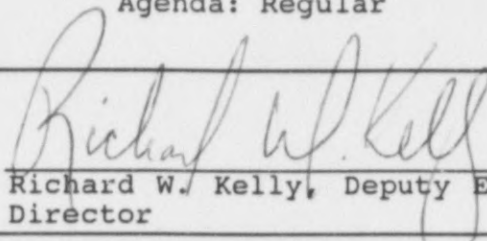
BUDGET AND CONTROL BOARD AGENDA ITEM WORK SHEET

STATE BUDGET & CONTROL BOARD

Meeting Scheduled for: June 8, 1993

Agenda: Regular

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


Richard W. Kelly, Deputy Executive
Director

2. Subject:
Renew and extend Worker's Compensation Commission lease
-

3. Summary Background Information:

Regulation 19-445.2121 requires that leases which commit 1 million dollars or more in a five year period be approved by the Budget and Control Board and reviewed by the Joint Bond Review Committee. The JBRC reviewed and approved this request at its meeting of April 6, 1993.

The Worker's Compensation Commission leases 32,320 square feet of space at 1612 Marion Street in Columbia under a lease which expires October 31, 1995. The Commission proposes to extend this lease to June of 2001. Concurrent with this extension, the state is granted an option to purchase during 1994 at 98% of market value.

Current annual rent is \$484,800 including operating costs, a rate of \$15.00 per square foot of rentable area. The proposed rental is a reduction beginning February 1, 1993 (retroactive) to \$452,480, a rate of \$14.00, for eight years five months. The rate remains at \$14.00 for the entire period. Total rent over the term will be \$3,808,374.

The agency has taken, through Property Management, the appropriate procurement steps according to regulation. All prior approvals have been made including that of the Commission and adequate funds are available for the lease payments. The agency has submitted a multi-year financial plan. Property Management is of the opinion that the payments represent a fair rate. The lease terms and conditions will be according to the state standard office lease document. Property Management is also of the opinion that the option terms are fair.

4. What is the Board asked to do?
Approve this lease renewal and option.
-

5. What is the recommendation of General Services?
Approve.
-

6. Recommendation of other Division/agency (as required)?
(a) Authorized Signature:
(b) Division/Agency Name:
-

7. List of Supporting Documents:
(a) List those attached:
1. SC Code 11-35-1590
(b) List those available but not attached:
1. Regulation 19-445.2121

06213

(b)

EXHIBIT

JUN 8 1993

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STATE BUDGET AND CONTROL BOARD
MEETING OF June 8, 1993

STATE BUDGET & CONTROL BOARD
REGULAR SESSION

ITEM NUMBER

6

AGENCY: General Services

SUBJECT: Property Sale to Retired Employees

On October 21, 1986, the Budget and Control Board adopted a policy on the sale of surplus State-owned property to retiring employees (see attachment). The policy provides in part that:

- the employee must declare an intention to retire from active service within 90 days and be eligible to receive retirement or disability benefits immediately upon retiring
- the property must be declared surplus by the agency head
- the property must have been assigned to and used by the employee
- the employee is limited to the use of one item or a logical grouping of items

The Division recommends approval of the Wildlife and Marine Resources Department request to sell a 1984 Boston Whaler boat, with 1988 motor and 1984 trailer, with a fair market appraised value of \$3,125 to retired employee Major Leonard Mishoe who used the property in the performance of his duties. In requesting this approval, the Department's executive director states that the items are in need of replacement due to age and/or condition. The Department also requests that it be allowed to retain the proceeds of the sale "to purchase like property."

BOARD ACTION REQUESTED:

In accord with Board policy, authorize the Department of Wildlife and Marine Resources to sell a 1984 Boston Whaler boat, with 1988 motor and 1984 trailer, with a fair market appraised value of \$3,125 to retired employee Major Leonard Mishoe who used the property in the performance of his duties; and authorize the Department to retain the proceeds of the sale to purchase like property.

ATTACHMENTS:

Excerpt from 10/21/86 BCB minutes; Timmerman 5/13 and 5/12 letters; Turn-in Document (TID) Surplus Property; Rayfield 7/10/92 memo

06214

JUN 8 1993

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Minutes of State Budget and Control Board Meeting
Regular Session — October 21, 1986 — Page 13

\$39,000; and (b) Spartanburg County, \$40,000 on behalf of the Meenaville-Riley Road Water Company.

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

General Services: Sale of North Charleston Armory (Regular #9)

The Division of General Services advised that, in March 1982, the State entered into a contract with the City of North Charleston for the purchase of the North Charleston Armory for \$80,000 and a 15-acre parcel for the construction of a new armory.

It also advised that the new armory is now complete, the Adjutant General has vacated the old armory, and the City of North Charleston has requested the conveyance of the property in accord with the 1982 contract.

Upon a motion by Mr. Patterson, seconded by Mr. Edwards, the Board approved the conveyance of the Old North Charleston Armory to the City of North Charleston.

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

General Services: Sale of Surplus Property to Retiring Employees (R10)

Deputy Executive Director E. A. Laurent reviewed the procedures recommended by General Services on the sale of surplus State-owned property to retiring State employees.

He noted that the proposal:

- (1) pertains to retiring employees;
- (2) requires that the property to be sold be declared surplus by the agency head;
- (3) requires that the property to be purchased must have been assigned to and used by the retiring employee purchaser;
- (4) limits the property which may be purchased to a single item or a logical grouping;
- (5) requires that the property to be sold must meet replacement schedule requirements; and

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- (6) authorizes the Materials Management Office to approve sales of surplus property to retiring employees in accord with these procedures if the value involved is under \$2,500, with values between \$2,500 and not more than \$5,000 to be approved by the Board.

Mr. Morris asked about the minimum time an employee must have worked to be eligible to purchase surplus property. Dr. Laurent said staff wrestled with that without success.

Mr. Wilson was advised that the procedures do not apply to Constitutional Officers.

The Board agreed to include a requirement for five years of service, after further discussion.

Upon the recommendation of the Division of General Services and upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board adopted the following procedures on the sale of surplus State-owned property to retiring State employees:

Sale of surplus State-owned property to retiring State employees is subject to the following conditions:

1. To qualify for the purchase of State-owned property, an employee must have been an employee for a minimum of five years and must have formally stated an intention to retire from active service within 90 days and be eligible to receive a retirement benefit or a disability retirement benefit immediately upon leaving active service.
2. Property to be sold to a retiring State employee must be declared, in writing, to be surplus by the agency head of the using agency.
3. A retiring employee may purchase only property assigned to and used by the employee while in State service. A written statement from the agency head attesting to the assignment of such property during active service and a justification as to why the employee should receive special treatment with respect to a particular piece of property must be part of the request to purchase.
4. A retiring State employee is limited to the purchase of one (1) item of equipment except where the Materials Management Officer determines that a logical grouping exists. Examples of logical groupings include (1) boat, motor, and trailer or (2) desk and cradanza.
5. All proceeds from such sales minus customary fees or charges assigned by the State Surplus Property Program will be returned to the General Fund unless the agency justifies a need to keep the funds because they will be needed to finance the replacement of the surplus property which has exceeded replacement schedules.

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6. Motor vehicles considered for sale to a retiring State employee must meet disposal criteria established by the Division of Motor Vehicle Management. Minimum mileage or age requirements for surplus disposition and sale shall be those in effect at the time of the proposed sale.
7. Any property that has a specified replacement schedule whether by age, mileage, or use cannot be declared surplus for employee purchase unless minimum requirements for surplus disposition and sale have been met.
8. The established sale price, plus applicable taxes, shall represent the most accurate or current assessment of the value of the asset. Any deviation from this standard must be supported by a written determination and approved by the Materials Management Officer.
9. The approval of the Materials Management Officer or his designee shall be required for all purchases involving \$2,500 or less upon submission of proper documentation and necessary appraisals. Specific Budget and Control Board approval is required for purchases involving more than \$2,500 and not more than \$5,000. In no case will the Budget and Control Board approve the direct sale of property the value of which exceeds \$5,000.
10. These procedures apply to all sales of State property to retiring State employees unless clearly indicated otherwise by existing laws.

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

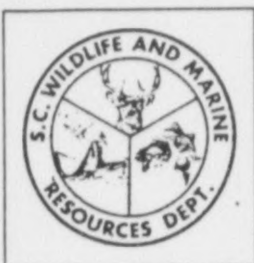
General Services: Information Technology Equipment Trade-in (Regular #11)

Upon the recommendation of the Division of General Services and upon a motion by Mr. Patterson, seconded by Senator Dennis, the Board approved the trade-in value of \$50,718 for two 3705 communication controllers to be applied by the Division of Information Resource Management on the acquisition of two 3726 IBM communication controls at a cost of \$287,791.

Dr. Griswold advised the Board that these devices serve like traffic cops on phone lines. He said they are needed to handle IRM's larger networks.

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

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Equal Opportunity Agency

*South Carolina
Wildlife & Marine
Resources Department*

James A. Timmerman, Jr., Ph.D.
Executive Director

May 13, 1993

Helen T. Zeigler, Deputy Director
Division of General Services
1201 Main Street, Suite 420
Columbia, S.C. 29201

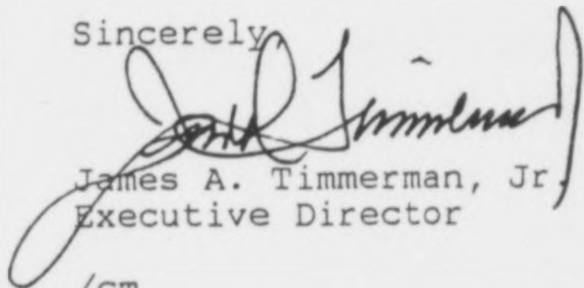
Ref: Turn-In Document #93
Sale of Property/Retiree Leonard S. Mishoe

RECEIVED
MAY 13 1993
Division of General Services
Administration

Dear Ms. Zeigler,

On May 12, 1992, this department forwarded a request to have property appraised for the possible sale to retiring Major Leonard S. Mishoe. This process progressed to the point where the final authorization was to be presented to the State Budget and Control Board. Due to state budget restraints, it was mutually agreed to that the possible sale of this equipment would not appear to be in the best interest of the state. This consideration, however, did not take into account state regulations to retiring state employees, provided the property in question is truly obsolete and surplus to the needs of the agency. This property has not been needed since the request was originally made. This department, therefore, respectfully requests that Mr. Mishoe's original request to purchase this property be reactivated at the appraised value. If any question or problem, please advise.

Sincerely,


James A. Timmerman, Jr.
Executive Director

/cm

EXHIBIT

JUN 8 1993 16

STATE BUDGET & CONTROL BOARD

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EXHIBIT



South Carolina Wildlife & Marine Resources Department

JUN 8 1993

16

STATE BUDGET & CONTROL BOARD

James A. Timmerman, Jr., Ph.D.
Executive Director

John B. Reeves
Director of
Administrative Services
803-734-3883



May 12, 1992

Tom Rayfield, Manager
Surplus Property
1441 Boston Avenue
W. Columbia, S.C. 29170

Dear Tom,

South Carolina Wildlife and Marine Resources employee, Major Leonard S. Mishoe is retiring from the State on June 30, 1992. He has expressed a desire to purchase certain equipment assigned to him that was utilized in the performance of his assigned duties. The equipment listed below is in need of replacing due to age and/or condition due to its extensive use. Therefore, all of this equipment is surplus to this Agency's current needs.

Listed on the enclosed is all the pertinent information concerning this equipment. Any proceeds derived from this possible disposal will be utilized by this Agency to purchase like property. I am also instructing Mr. Terry M. Hughey of my staff to make himself available to coordinate any necessary arrangements for these appraisals.

Sincerely,

James A. Timmerman, Jr.
Executive Director

/sb
enclosure: TID #93

Personnel Albert G. Courie Jr. 734-4000	Purchasing William T. Pace, Jr. 734-3884	Boating Titling and Registration W.C. West 734-3857	Supply & Equipment Terry M. Hughey 734-3990	Engineering James W. Duke 734-4009	Business & Finance Carl E. Wilkes 734-3974	Data Processing David L. Busby 734-3828
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[illegible]

EXHIBIT

JUN 8 1993

16

STATE BUDGET & CONTROL BOARD

MEMORANDUM

TO: Walter A. Taylor
Executive Manager
Supply & Surplus Property

FROM: B. Thomas Rayfield, Jr.
Manager
SC Surplus Property *Tom*

DATE: July 10, 1992

The fair market appraised value of the following property which Major Leonard Mishoe of the SCWMRD wishes to purchase upon his retirement is:

1984 Boston Whaler Boat	1,575.00
15 ft., Ser#BWC3364CM84G	
B-11173	
1988 Evinrude Motor	1,425.00
70 hp, Ser#G1752577	
M-18830	
1984 Wesco Trailer	<u>125.00</u>
Ser#1W71517D8E1000925	
T-11176	
	3,125.00
SC Sales Tax	<u>156.25</u>
TOTAL VALUE	3,281.25

This needs to be submitted to the Budget & Control Board for approval since the total appraised value is over the \$2,500.00 limit set by the board.

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