

THE BANK OF NEW YORK

NEW YORK'S FIRST BANK - FOUNDED 1784 BY ALEXANDER HAMILTON

ONE WALL STREET, NEW YORK, N.Y. 10286

July 9, 1998

Mr. James M. Holly
Deputy State Treasurer
State of South Carolina
Office of the Treasurer
P.O. Box 11778
Columbia, SC 29211

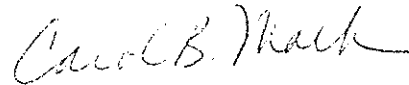
JUL 16 1998

Dear Jim:

This will confirm our previous conversation indicating that as of July 1, 1998, the Bank has adjusted the current securities lending split to 70/30; ie, 70% of earnings paid to the State of South Carolina, 30% of the earnings paid to the Bank of New York. As this will update the securities lending contract dated November 27, 1996, Section V, number 8 (Agent's Fee), please indicate your agreement by signing and returning this letter.

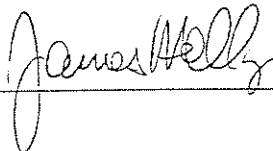
We look forward to continue to serve as South Carolina's custodian and securities lending agent.

Sincerely,



Carol B. Mark
Vice President

Agreed to:



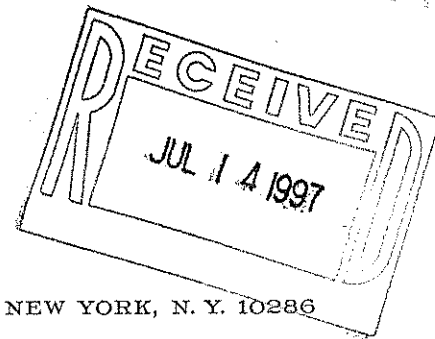
Date:

July 16, 1998

Fax 212 635.8780
This Page Only

Copy to Treas. ECKstrom
John Pownall
Chuck Sanders

THE BANK OF NEW YORK
NEW YORK'S FIRST BANK - FOUNDED 1784 BY ALEXANDER HAMILTON



101 BARCLAY STREET, NEW YORK, N. Y. 10286

July 7, 1997

Mr. John M. Pownall
Deputy State Treasurer
State of South Carolina
Office of the State Treasurer
P.O. Box 11778
Columbia, S.C. 29211

Dear John:

It was a pleasure seeing all of you on June 25th. Hope you had a terrific 4th of July!

As a follow-up to our conversation, this letter serves as an addendum to the Securities Lending Agreement, dated November 27, 1996, authorizing the Bank of New York, acting as Securities Lending Agent on behalf of the State Treasurer of the State of South Carolina, to invest in debentures issued by banking organizations meeting the credit and maturity restrictions as outlined in Schedule I.

If you are in agreement, please sign below; retain a copy for your files and return this original for our files.

Yours sincerely,

A handwritten signature in cursive script that reads "Carlos Rosa".

Carlos Rosa
Vice President
Securities Lending Division

A handwritten signature in cursive script that reads "John M. Pownall".

State of South Carolina
Authorized Signature

cc: C. Sanders
S. Tahiliani