

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,

Signature Redacted

Carol B. Mark
Vice President

Signature Redacted

Agreed to: _____

Date: _____

July 16, 1998

Fax 212 635.8780
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Copy to Treas. ECKstrom
John Pownall
Chuck Sanders