

ORDINANCE NO. 18-03

TO AUTHORIZE THE EXECUTION AND DELIVERY OF A LEASE PURCHASE AGREEMENT IN ORDER TO PROVIDE FOR THE ACQUISITION AND INSTALLATION OF CERTAIN HEATING, VENTILATION AND AIR CONDITIONING (HVAC) EQUIPMENT; TO AUTHORIZE THE EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS IN CONNECTION THEREWITH; AND OTHER MATTERS RELATING THERETO.

WHEREAS, Dorchester County, South Carolina, a public body corporate and politic and a political subdivision organized and existing under the laws of the State of South Carolina (the "County"), proposes to finance the acquisition and installation of certain heating, ventilation and air conditioning (HVAC) equipment in various County facilities, all as shown on Exhibit A hereto (collectively, the "Equipment") in the principal amount of \$1,000,000; and

WHEREAS, Section 4-9-30 of the Code of Laws of South Carolina 1976, as amended, grants to counties the power to lease personal property; and

WHEREAS, the acquisition and installation of the Equipment serves a valid corporate and public purpose of the County; and

WHEREAS, the County did, on February 15, 2018, receive proposals for the financing of the Equipment; and

WHEREAS, after canvassing the bids, the County Council of Dorchester County (the "Council"), the governing body of the County, has determined, and hereby determines, that it is in the County's best interest to accept the proposal of South State Bank (the "Bank") as shown on Exhibit B hereto and, specifically, to accept the Bank's offer to finance the acquisition and installation of the Equipment for a term of approximately three years with interest payable at the fixed rate of two and 60/100 per centum (2.60%) per annum; and

WHEREAS, the County intends to lease the Equipment from the Bank pursuant to the terms of a Lease Purchase Agreement (the "Lease"), between the Bank and the County; and

WHEREAS, under the terms of the Lease, the County shall convey a security interest in the Equipment acquired under the Lease to the Bank.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNTY COUNCIL OF DORCHESTER COUNTY, the governing body of Dorchester County, South Carolina, in meeting duly assembled:

1. It is hereby declared that the recitals set forth in the preambles to this Ordinance are in all respects true and correct.

2. The Council hereby authorizes, ratifies, confirms and approves all actions heretofore taken in canvassing the bids with respect to this transaction.

3. The proposal of the Bank dated February 14, 2018 and attached hereto as Exhibit B is hereby approved and accepted, and Council specifically accepts the Bank's offer to finance the acquisition and installation of the Equipment for a term of approximately three years with interest payable at the rate of two and 60/100 per centum (2.60%) per annum.

4. The lease of the Equipment by the County from the Bank pursuant to the terms, including the principal amount and the interest rate, as follows is hereby approved. The Lease shall be in the principal amount of \$1,000,000, and shall bear interest at the rate of 2.60% per annum from the date of the execution and delivery of the Lease. Principal and interest payments shall be due on April 1 in the years 2019 through 2021, inclusive. The Lease is subject to prepayment at any time prior to final maturity upon payment of the outstanding principal amount plus interest accrued thereon to the date of prepayment.

5. The Chairman of Council (the "Chairman") is hereby authorized and directed to execute and deliver the Lease on behalf of the County in such form as he approves, with the advice of counsel, his execution being conclusive evidence of his approval; and the Clerk to Council is hereby authorized and directed to affix the corporate seal of the County to the Lease and to attest the same.

6. The conveyance by the County to the Bank or its assigns of a security interest in the Equipment acquired pursuant to the Lease is hereby approved.

7. The consummation of all transactions contemplated by the Lease is hereby approved.

8. The Chairman, the County Administrator, the Chief Financial Officer, the Clerk to Council and all other appropriate officials of the County are hereby authorized to execute, deliver, and receive any other agreements and documents as may be required by the County or the Bank in order to carry out, give effect to, and consummate the transactions contemplated by the Lease, including the conveyance by the County to the Bank or its assigns of a security interest in the Equipment.


9. This Ordinance shall be construed and interpreted in accordance with the laws of the State of South Carolina.

10. This Ordinance shall become effective immediately upon third reading by the Council.


11. The provisions of this Ordinance are hereby declared to be severable and if any section, phrase, or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, that declaration shall not affect the validity of the remainder of the sections, phrases, and provisions hereunder.

12. All orders, resolutions, and parts thereof in conflict herewith are, to the extent of the conflict, hereby repealed.

(SEAL)


James Lex Byars III, Chairman
County Council of Dorchester County

ATTEST:


Tracey L. Langley, Clerk
County Council of Dorchester County

First Reading: February 5, 2018
Second Reading: February 20, 2018
Third Reading: March 5, 2018

EXHIBIT A

Equipment Description

Air handling units and condensing units

Chiller fans, motors, and interfacing technology

Roof top units

Controls and thermostats



5542 Memorial Ave. |
Saint George, SC 29477

February 14, 2018

Dorchester County, South Carolina
David Cheatwood, Finance Advisor, First Tryon Advisors
Attn: Carol Clark, Bond Counsel, Haynsworth Sinkler Boyd, P.A.
Saint George, SC 29477

Re: Proposal for a \$1,000,000 Lease Purchase Agreement, Series 2018 dated January 31, 2018

Dear Mr. Cheatwood:

For all, but not part, of the \$1,000,000 Lease Purchase Agreement of Dorchester County, South Carolina, (the "Lease Agreement") as more fully described in the attached Request for Proposals (RFP), which is, by reference, hereby made a part of this bid, we will fund \$1,000,000.

Term: Issue date on or about March 8, 2018. All outstanding principal and interest due April 1, 2021 (3 year) or April 1, 2023 (5 year) as shown on the payment schedule in the RFP.

Rate: Non-Bank Qualified Tax Free rate equaling 2.60% (3 year) or 2.79% (5 year). Rate shall be fixed for the duration of the term.

Payment: Annual payments of principal and interest shall be due and payable beginning on April 1, 2019 and continuing annually thereafter until paid in full as further described in the RFP.

Fees: None will be paid to or on behalf of the Bank. This includes the initial closing of the Lease Agreement and on an annual basis. It is understood that the County's Bond Counsel will prepare documents to be reviewed by Bank and its counsel.

Security: A lien upon the HVAC equipment, as further described in the RFP.

Prepayment: No prepayment penalty.

Acquisition/Escrow Account: Funds will be deposited into an interest bearing account at South State Bank.

We acknowledge that County may reject any and all proposals as well as negotiate with the lowest responsible proposer. We acknowledge that we may not alter, modify, or withdraw our bid after we have submitted it to the County.



5542 Memorial Ave. |
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We acknowledge that the aggregate principal amount is subject to adjustment, both before and after the receipt and opening of sealed bids for their purchase. We acknowledge that the dollar amount bid for the principal by the successful bidder may be adjusted to reflect any reduction in the aggregate principal amount of the Lease Agreement, but the interest rate specified by the successful bidder for the Lease Agreement will not change.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Larry D. Windham, Jr.'.

Larry D. Windham, Jr.
Senior Vice President
South State Bank
(843) 563-5129

Accepted this 5th ^{March of} day of ~~February~~, 2018.

Dorchester County, South Carolina:

By: Donald T. Reed

Its: Chief Financial Officer

Attachment