

ORDINANCE NO. 21-05

TO AUTHORIZE THE EXECUTION AND DELIVERY OF A LEASE PURCHASE AGREEMENT IN ORDER TO PROVIDE FOR THE ACQUISITION AND INSTALLATION OF CERTAIN EQUIPMENT AND THE FURNISHING AND EQUIPPING OF CERTAIN FACILITIES; 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 (i) the acquisition and installation of certain heating, ventilation and air conditioning (HVAC) equipment including air handlers, condensers and intelligent building controls in various County buildings, a replacement phone system and new security cameras at the Dorchester County Courthouse and (ii) the furnishing and equipping of buildings to serve as law enforcement, emergency operations, consolidated dispatch, educational, fire and emergency medical services facilities for the County, all as shown on Exhibit A hereto (collectively, the "Equipment") in the principal amount of not exceeding \$4,650,000; 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 11, 2021, 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 TD Equipment Finance, Inc. (the "Lessor") as shown on Exhibit B hereto and, specifically, to accept the Lessor's offer to finance the acquisition and installation of the Equipment for a term of approximately eight years with interest payable at the fixed rate of one and 13/100 per centum (1.13%) per annum; and

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

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 Lessor dated February 11, 2021 and attached hereto as Exhibit B is hereby approved and accepted, and Council specifically accepts the Lessor's offer to finance the acquisition and installation of the Equipment for a term of approximately eight years with interest payable at the rate of one and 13/100 per centum (1.13%) per annum.

4. The lease of the Equipment by the County from the Lessor 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 not exceeding \$4,650,000, and shall bear interest at the rate of 1.13% per annum from the date of the execution and delivery of the Lease. Principal and interest payments shall be due on March 1 in the years 2022 through 2029, inclusive. The Lease is subject to prepayment prior to final maturity upon the terms set forth therein.

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 (the "Clerk") is hereby authorized and directed to affix the corporate seal of the County to the Lease and to attest the same. In the absence of the Chairman, the Vice Chairman of Council is hereby authorized to execute and deliver the Lease on behalf of the County and to take such further action as is necessary in connection therewith. In the absence of the Clerk, the deputy or acting Clerk is authorized to attest the same.

6. The conveyance by the County to the Lessor 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 Lessor in order to carry out, give effect to, and consummate the transactions contemplated by the Lease, including the conveyance by the County to the Lessor or its assigns of a security interest in the Equipment.

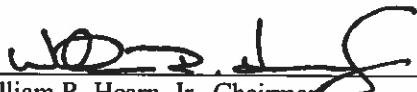
9. This Ordinance shall be construed and interpreted in accordance with the laws of the State of South Carolina.

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.

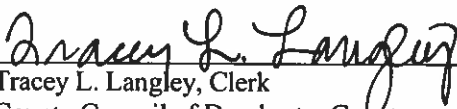
12. All orders, resolutions, and parts thereof in conflict herewith are, to the extent of the conflict, hereby repealed.

(SEAL)



William R. Hearn, Jr., Chairman
County Council of Dorchester County,
South Carolina

ATTEST:



Tracey L. Langley, Clerk
County Council of Dorchester County,
South Carolina

First Reading: February 1, 2021
Second Reading: February 16, 2021
Third Reading: March 1, 2021

EXHIBIT A

Equipment Description

Furniture, Fixtures and Equipment for the following facilities:

- Emergency Operations Complex
- Harleyville Fire & EMS Station
- Ladson Road Fire & EMS Station
- Law Enforcement Center
- Summers Corner Fire & EMS Station
- Trident Technical College – Dorchester Campus

HVAC Improvements for the following facilities:

- Dorchester County Troy Knight Building Controls
- Ashley River Fire Station
- Department of Social Services
- Human Services Building IT
- Sheriff's Annex
- Lower Dorchester Wastewater Treatment Plant
- VAV Replacements as needed

Information Technology Improvements:

- New Phone System
- Replacement Security Camera System – Courthouse

From:

Maggie Morris
Vice President - Regional
Manager
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Equipment
financing
that works.



Turn to TD Equipment Finance for solutions that fit your needs.

Count on the professionals at TD Equipment Finance to deliver the creative financing solutions you need, along with the highly personal service you demand.

F

Financing Proposal For:

First Tryon Advisors

On behalf of:

Dorchester County, South Carolina

February 11, 2021

Dear David,

Thank you for this opportunity to bid on your request for a Municipal Lease Purchase ("Lease") in the amount of \$4,650,000.00 for Dorchester County, South Carolina. TD Equipment Finance, Inc. is pleased to offer the following Lease Proposal, which is subject to the following terms and conditions:

Sincerely,

Maggie Morris

Vice President - Regional Manager

TD Equipment Finance, Inc.

**Proposal for Dorchester County, South Carolina
Lease Purchase Agreement, Series 2021**

Lessor	TD Equipment Finance, Inc., its successors and assigns
Lessee	Dorchester County, South Carolina
Equipment Description	HVAC, Air Handlers, Intelligent Building Controls, Replacement Phone System, Security Camera's on a single Lease Purchase Agreement.
Maximum Purchase Price	\$4,650,000.00
Term	<ul style="list-style-type: none"> • <u>Commencement Date:</u> The Lease shall commence upon Lessee's acceptance of the Equipment, but in no event later than March 18, 2021 • <u>Lease Term:</u> ninety-six (96) months • <u>Payment Amount:</u> See amortization scheduled attached hereto and made a part hereof
Payment	<ul style="list-style-type: none"> • <u>Payments Due:</u> Annual, compounded monthly, Commencing March 1, 2022. • <u>Prepayment:</u> • Option A: The Lease may be prepaid at any time in whole, but not in part, subject to a premium based on 1% of the Lease balance. • Option B: The Lease may be prepaid at any time in whole, but not in part, subject to a premium based on the greater of Yield Maintenance or 1% of the Lease balance.
Tax-Exempt Interest Rate	Option A: 1.20%
Index	Option B: 1.13%
Purchase Option	The Tax-Exempt rate quoted above is fixed and will be held until March 18, 2021. If the Closing Date does not occur by March 18, 2021, the final rate will be adjusted to reflect any change in the Lessor's Cost of Funds. Thereafter the rate and payments will be fixed for the term of the Lease.
Purchase Option	Lessee will purchase all, but not less than all, of the Equipment for \$1.00

Structure	This Lease shall be a Lease intended as a secured transaction to the extent allowable by law. Titles, if any, shall list Lessee as owner and Lessor as lienholder. The Lease shall be subject to, and contain a non-appropriation clause; and, the Lessor will require bona fide best efforts by Lessee to include all payments under this master Lease purchase in all its budget requests during each Lease term in accordance with the terms of the Lease.
Municipal Lease Purchase	This Lease shall be considered a "Municipal Lease Purchase" by all parties. The Lessee will represent and warrant that it is a state or a political sub-division thereof, within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "Code") and that the Lease will constitute a Tax-Exempt Obligation of the Lessee as described in Section 103(a) of the Code.
Tax Status	This agreement is not a qualified Tax-Exempt obligation under Section 265 (b) (3) of the Internal Revenue Code of 1986. The interest portion of the payments under this Lease will not be includable in the gross income of the Lessor for federal income taxation purposes. The Lessee will supply at closing a tax opinion from qualified bond counsel.
Legal Opinion	This transaction is subject to a legal opinion which must include a statement that the Lease represents a valid and binding obligation of the Lessee.
Costs & Expenses	NONE
Insurance	Lessee shall bear all risk of loss, damage and liability to the Equipment and Lessee shall be responsible to keep the Equipment insured or self-insured in an amount and in a form acceptable to Lessor.
Warranties	Lessor shall Lease the Equipment to Lessee without representation or warranty on an "AS IS BASIS". However, Lessor shall assign to Lessee all warranties, guarantees and services provided by the manufacturer(s) and/or vendor(s) to the extent that they can be assigned. LESSOR SHALL NOT BE RESPONSIBLE FOR PROVIDING ANY OF THE FOREGOING.
Lease Documents	All legal matters, and all documents to be executed in connection herewith, shall be in satisfactory form and substance to Lessor, or Lessor's counsel, as may be the case, in its sole discretion. Lessor shall verify the Equipment specifications including, but not

limited to, model number, number of units, installation costs, year of manufacturing and maintenance contracts; and approve the final Equipment configuration, and acceptance of the financing.

**Lessor's
Proposal/Financial
Information**

This Lease Proposal is subject to final credit review, and not, nor should it be construed as, a commitment by Lessor or any affiliate to enter into the proposed Lease transaction. In order to complete its credit due diligence, Lessee shall provide Lessor with the following:

- Three years most current audited annual financial statements, and shall be furnished annually thereafter, if not otherwise published on the Lessee's website
- Copy of meeting minutes
- Copy of budget
- Statement of essential use
- Other supporting data as may be requested

Authorization

Lessee acknowledges and agrees that Lessor may furnish all Lessee-presented information, financials, analysis, and related credit and review materials to its employees, counsel and agents, as well as its participants and/or assigns. Lessee authorizes Lessor to contact TD Bank, N.A. and other references of Lessee, and to order any and all credit checks and investigative reports, all as Lessor deems necessary in connection with the evaluation of the transaction.

General

The Lease will be a "Triple Net Lease" in which the Lessee will be responsible for all expenses relating to the Equipment including, but not limited to, Equipment maintenance, insurance coverage, and all taxes (e.g. sales, use and personal property). The Lessee will carry any and all insurance coverage required by Lessor in accordance with the Lease.

TD Equipment Finance, Inc. complies with Section 326 of the USA Patriot Act. This Act mandates that we verify certain information about the Lessee while processing any Lease request.

Expiration

This Lease Proposal shall expire, if not accepted by a qualified official by 5:00 pm, on February 18, 2021.

Thank you for this opportunity to present our Lease Proposal to you. If these proposed terms are acceptable to you, please sign and return it with the requested credit information. Upon receipt, we will conduct a formal credit review and seek approval for the Lease Proposal described herein. Please feel free to address any questions or comments with me. My contact information follows for your convenience.

Sincerely,

Maggie Morris

Vice President - Regional Manager

(240 938 1653)

Margaret.Morris@td.com

Enclosed.

-Payment amortization schedule

-References