

ORDINANCE NO. 15-13

TO AUTHORIZE THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT IN ORDER TO PROVIDE FOR THE FURNISHING AND EQUIPPING OF JAIL FACILITIES OF DORCHESTER COUNTY; 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"), has heretofore issued its \$18,000,000 General Obligation Bonds, Series 2012 in order to obtain funds for the purpose of defraying the cost of the acquisition of certain real property and the cost of the acquisition, construction, furnishing and equipping thereon of buildings and related site improvements to serve as jail facilities for the County (the "Project"); and

WHEREAS, the County proposes to finance additional costs of the furnishing and equipping of the Project (collectively, the "Equipment") in the principal amount of \$1,414,000; 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 of the Equipment serves a valid corporate and public purpose of the County; and

WHEREAS, the County did, on May 6, 2015, 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 "Bank") as shown on Exhibit A hereto and, specifically, to accept the Bank's offer to finance the acquisition of the Equipment for a term of approximately eight years with interest payable at the fixed rate of one and 80/100 per centum (1.80%) per annum; and

WHEREAS, the County intends to lease the Equipment from the Bank pursuant to the terms of a Lease 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 May 6, 2015 and attached hereto as Exhibit A is hereby approved and accepted, and Council specifically accepts the Bank's offer to finance the acquisition of the Equipment for a term of approximately eight years with interest payable at the rate of one and 80/100 per centum (1.80%) 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 \$1,414,000, and shall bear interest at the rate of 1.80% per annum from the date of the execution and delivery of the Lease. Principal payments shall be due on April 1 in the years 2016 through 2023, inclusive, and interest shall be payable on October 1, 2015 and thereafter annually on April 1 until the final maturity or prepayment of the Lease.

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)


Chairman, County Council of
Dorchester County

ATTEST:


Clerk, County Council of
Dorchester County

First Reading: April 20, 2015
Second Reading: May 4, 2015
Third Reading: May 18, 2015



THIS PROPOSAL IS CONFIDENTIAL AND ONLY INTENDED FOR THE RECIPIENT TO WHICH IT IS ADDRESSED

Maggie Morris
Vice President – Regional Manager
40 Calhoun Street
Charleston, SC 29401
Phone : 301 289 3527
Email margaret.morris@td.com

Financing Bid

For:

First Tryon Advisors

On behalf of:

Dorchester County, South Carolina

MJM



Equipment Finance

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May 6, 2015

Mr. Walter Goldsmith
Financial Advisor
First Tryon Advisors
1355 Greenwood Cliff, Suite 400
Charlotte, NC 28204
Proposal for Dorchester County, SC

County Lease Purchase Financing of Various Projects

Dear Mr. Goldsmith:

Thank you for this opportunity to bid on your request for a Municipal Lease Purchase ("Lease") in the amount of \$1,414,000.00. TD Equipment Finance, Inc. is pleased to offer the following Lease Proposal, which is subject to the following terms and conditions:

- 1. **Lessor** TD Equipment Finance, Inc., its successors and assigns
- 2. **Lessee** Dorchester County, South Carolina
- 3. **Equipment Description** Various Projects as described in the Project Description Section of the RFP.
- 4. **Maximum Purchase Price** \$1,414,000.00
- 5. **Term**
 - a.) Commencement Date: The Lease will commence on the day of funding following funds disbursement in Escrow Account, but in no event later than June 10, 2015.
 - b.) Lease Term: See Amortization.



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6. **Payment**
- a.) Payment Amount: One (1) Semi-Annual Interest only payment on October 1, 2015, followed by eight (8) Principal and Interest Payments (see attached amortization schedules).
 - b.) Payments Due: Annual in arrears.
 - c.) Prepayment:
 - Option 1 - The Lessee may pay-off the Lease at Par after first anniversary date.
 - Option 2 - The Lessee may pay-off the Lease at Par after first anniversary date. There will be a Yield Maintenance Fee.
7. **Tax-exempt Interest Rate**
- Option 1 – 1.97%
 - Option 2 – 1.80%
8. **Index**
- The tax-exempt rate will be valid until June 10, 2015. After June 10, 2015, the payments will be adjusted on, or about, the commencement date to reflect any change in the index in effect at that time. The payment amounts will be based upon the Five (5) year SWAP rate. In any event, the payments will be fixed for the duration of the Lease term. SWAP rates are published daily in the Federal Reserve's H-15 Statistical Release report which may be found at www.federalreserve.gov/releases/h15/update
9. **Purchase Option**
- Lessee will purchase all, but not less than all, of the Equipment for \$1.00
10. **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.



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- 11. 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.
- 12. 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. The Lessee will take all actions necessary to maintain its tax exempt status. In the event the Lease becomes taxable, then the Bank is entitled to increase the rate to offset the increase cost and expense
- 13. Legal Opinion**

This transaction is subject to a legal opinion, provided by Lessee's counsel, which must include a statement that the Lease represents a valid and binding obligation of the Lessee.
- 14. Costs & Expenses**

Lessee shall be responsible for any TD Bank Escrow Fees incurred by Lessor in connection herewith in the amount of \$1,000 per year. This Escrow Fee can be paid from the escrow earnings. Non TD Bank escrow may be used subject to TDEF approval.
- 15. 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.
- 16. 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.



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17. **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.
18. **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 (if not already provided), and shall be furnished annually thereafter, if not otherwise published on the Lessee's website
 - Copy of meeting minutes (if available)
 - Copy of budget
 - Statement of essential use
 - Other supporting data as may be requested
19. **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.

MJM



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20. **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. This Proposal is not intended to and does not create any binding legal obligation on the part of either party until; the execution and receipt of this Proposal, all necessary Lease documentation completed in a form satisfactory to the Lessor, Lessor verifies the Equipment specifications including, but not limited to, model number, number of units, installation costs, year of manufacturing and maintenance contracts; and approves the final Equipment configuration, and acceptance of the financing.

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.

21. **Expiration**

This Lease Proposal shall expire, if not accepted by a qualified official by 5:00 pm, on May 29, 2015.

Thank you for this opportunity to present our Lease Proposal to you. If these terms are acceptable to you, please sign and return it with the requested information. Please feel free to address any questions or comments with me. My contact information follows for your convenience.

Sincerely,

Maggie Morris
Vice President
TD Equipment Finance, Inc.
Margaret.morris@td.com
(o) 301 289 3527 (c) 240 938 1653

Enclosed
--Amortization Schedules



Equipment Finance

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--Amortization Schedules



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APPROVED AND ACCEPTED:

Dorchester County, South Carolina ("Lessee")

By: _____

Print Name: _____

Title: _____

Date: _____

MJM

Dorchester County, SC 050615 Option 1

Compound Period : Annual

Nominal Annual Rate : 1.970 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1	Loan 06/03/2015	1,414,000.00	1		
2	Payment 10/01/2015	Interest Only	1		
3	Payment 04/01/2016	168,000.00	1		
	Fixed Principal (+Int.)				
4	Payment 04/01/2017	167,000.00	1		
	Fixed Principal (+Int.)				
5	Payment 04/01/2018	170,000.00	1		
	Fixed Principal (+Int.)				
6	Payment 04/01/2019	174,000.00	1		
	Fixed Principal (+Int.)				
7	Payment 04/01/2020	178,000.00	1		
	Fixed Principal (+Int.)				
8	Payment 04/01/2021	182,000.00	1		
	Fixed Principal (+Int.)				
9	Payment 04/01/2022	186,000.00	1		
	Fixed Principal (+Int.)				
10	Payment 04/01/2023	189,000.00	1		
	Fixed Principal (+Int.)				

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
Loan 06/03/2015				1,414,000.00
1 10/01/2015	9,158.07	9,158.07	0.00	1,414,000.00
2015 Totals	9,158.07	9,158.07	0.00	
2 04/01/2016	181,966.06	13,966.06	168,000.00	1,246,000.00
2016 Totals	181,966.06	13,966.06	168,000.00	
3 04/01/2017	191,546.20	24,546.20	167,000.00	1,079,000.00
2017 Totals	191,546.20	24,546.20	167,000.00	
4 04/01/2018	191,256.30	21,256.30	170,000.00	909,000.00
2018 Totals	191,256.30	21,256.30	170,000.00	
5 04/01/2019	191,907.30	17,907.30	174,000.00	735,000.00
2019 Totals	191,907.30	17,907.30	174,000.00	
6 04/01/2020	192,479.50	14,479.50	178,000.00	557,000.00
2020 Totals	192,479.50	14,479.50	178,000.00	
7 04/01/2021	192,972.90	10,972.90	182,000.00	375,000.00

Dorchester County, SC 050615 Option 1

Date	Payment	Interest	Principal	Balance
2021 Totals	192,972.90	10,972.90	182,000.00	
8 04/01/2022	193,387.50	7,387.50	186,000.00	189,000.00
2022 Totals	193,387.50	7,387.50	186,000.00	
9 04/01/2023	192,723.30	3,723.30	189,000.00	0.00
2023 Totals	192,723.30	3,723.30	189,000.00	
Grand Totals	1,537,397.13	123,397.13	1,414,000.00	

MM

Dorchester County, SC 050615 Option 2

Compound Period : Annual

Nominal Annual Rate : 1.800 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1	Loan 06/03/2015	1,414,000.00	1		
2	Payment 10/01/2015	Interest Only	1		
3	Payment 04/01/2016	168,000.00	1		
	Fixed Principal (+Int.)				
4	Payment 04/01/2017	167,000.00	1		
	Fixed Principal (+Int.)				
5	Payment 04/01/2018	170,000.00	1		
	Fixed Principal (+Int.)				
6	Payment 04/01/2019	174,000.00	1		
	Fixed Principal (+Int.)				
7	Payment 04/01/2020	178,000.00	1		
	Fixed Principal (+Int.)				
8	Payment 04/01/2021	182,000.00	1		
	Fixed Principal (+Int.)				
9	Payment 04/01/2022	186,000.00	1		
	Fixed Principal (+Int.)				
10	Payment 04/01/2023	189,000.00	1		
	Fixed Principal (+Int.)				

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
Loan 06/03/2015				1,414,000.00
1 10/01/2015	8,367.78	8,367.78	0.00	1,414,000.00
2015 Totals	8,367.78	8,367.78	0.00	
2 04/01/2016	180,760.87	12,760.87	168,000.00	1,246,000.00
2016 Totals	180,760.87	12,760.87	168,000.00	
3 04/01/2017	189,428.00	22,428.00	167,000.00	1,079,000.00
2017 Totals	189,428.00	22,428.00	167,000.00	
4 04/01/2018	189,422.00	19,422.00	170,000.00	909,000.00
2018 Totals	189,422.00	19,422.00	170,000.00	
5 04/01/2019	190,362.00	16,362.00	174,000.00	735,000.00
2019 Totals	190,362.00	16,362.00	174,000.00	
6 04/01/2020	191,230.00	13,230.00	178,000.00	557,000.00
2020 Totals	191,230.00	13,230.00	178,000.00	
7 04/01/2021	192,026.00	10,026.00	182,000.00	375,000.00

Dorchester County, SC 050615 Option 2

Date	Payment	Interest	Principal	Balance
2021 Totals	192,026.00	10,026.00	182,000.00	
8 04/01/2022	192,750.00	6,750.00	186,000.00	189,000.00
2022 Totals	192,750.00	6,750.00	186,000.00	
9 04/01/2023	192,402.00	3,402.00	189,000.00	0.00
2023 Totals	192,402.00	3,402.00	189,000.00	
Grand Totals	1,526,748.65	112,748.65	1,414,000.00	