

January 15, 2021

Sir or Madam,

The City of North Augusta is soliciting proposals for the lease purchase financing of certain City equipment as described below. Funding for this lease purchase financing and the authorization to execute all documents related thereto has been approved by City Council with the adoption of Ordinance 2020-28 on November 2, 2020.

1. EQUIPMENT DESCRIPTION:

No.	Qty.	Department	Description	Amount
1	1	Building Standards	Compact Pick Up Truck	\$ 24,572
2	1	Planning	Space Saver File System	36,000
3	1	Property Maintenance	3/4 Ton Pick Up Truck	27,618
3	1	Property Maintenance	Right of Way Tractor	42,296
4	8	Public Safety	Patrol Vehicles	407,000
5	1	Public Safety	Transportation Van	49,000
6	1	Public Safety	Airpacks	159,000
7	1	Streets and Drains	Mini Excavator	45,678
8	1	Parks	John Deere 521 Loader	10,357
9	1	Stormwater	3/4 Ton Pick Up Truck	29,995
10	1	Sanitation	28yd Frontloader	256,316
11	1	Sanitation	Streetsweeper	250,509
12	1	MRF	Transfer Truck	128,715
13	1	MRF	Skid Steer	51,235
14	1	Water O&M	Pipe Locator	15,600
15	1	Water Production	Elevated Tank Transmitters	18,000
16	1	Wastewater O&M	1 1/2 Ton Pick Up Truck	62,495
17	1	Wastewater O&M	Mini Track Excavator	58,456
18	1	Wastewater O&M	Willow Wick 125HP Pump Phase II	55,377
				<u>\$ 1,728,219</u>

2. LESSEE:

The City of North Augusta, South Carolina.

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3. AMOUNT TO BE FUNDED:

Approximately \$1,728,219

4. EQUIPMENT LOCATION:

The City of North Augusta, South Carolina.

5. ANTICIPATED FUNDING DATE:

February 22, 2021. The City is interested in an up-front advanced funding with proceeds deposited in an interest bearing account. The lessor will disburse funds when equipment is delivered.

6. LEASE TERM:

Four (4) years, complete amortization.

7. LEASE PAYMENTS:

The Lessee shall make five (5) annual payments of \$ \_\_\_\_\_, *in advance*, calculated at a lease rate of \_\_\_\_\_%. The repayment schedule shall commence at funding, with the first annual payment. The first annual payment to be made in advance shall be credited 100% to the principal balance. *An amortization schedule must be submitted with your proposal.*

8. LEASE DEPOSIT:

The Lessee will be required to remit a deposit equal to \_\_\_\_\_ percent (\_\_\_\_%) of the cost of the equipment.

9. PURCHASE OPTION:

Zero at end of lease term. \_\_\_\_\_% of remaining principal at any time during term.

10. TITLE:

Title to all equipment and vehicles should pass to the Lessee on the acceptance date. Title will remain in the Lessee's name so long as all payments are made annually in advance.



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11. NON-APPROPRIATION/TERMINATION:

The lease must provide that the Lessee is to make reasonable efforts to obtain funds to satisfy the obligation in each fiscal year. However, the lease may be terminated without penalty in the event of non-appropriation. In such event, the Lessee agrees to provide an attorney's opinion confirming the events of the non-appropriation and the Lessee's exercise of diligence to obtain funds.

12. TAX STATUS:

The Lessee qualifies as a governmental entity or "political" subdivision within the meaning of Section 103(A) of the Internal Revenue Code of 1954 as amended. The Lessee agrees to cooperate with the Lessor in providing evidence as deemed necessary or desirable by the Lessor to substantiate such tax status.

13. RENTAL ADJUSTMENT:

The Lessee represents this lease is to be designated as a qualifying obligation under the \$10,000,000 small issue exemption as described within Section 265b3 of the Tax Reform Act of 1986.

14. INSURANCE:

Limits of liability on vehicles required by the lease: \$ \_\_\_\_\_ / \$ \_\_\_\_\_ / \$ \_\_\_\_\_.  
Comprehensive and collision on vehicles required by the lease: Yes \_\_\_ No \_\_\_.

15. OTHER:

The Lessee has already purchased, taken possession of and paid for certain pieces of equipment authorized in the budget and would expect to be reimbursed from the lease proceeds.

16. MISCELLANEOUS:

Please list any additional information required by your lease agreement.

The deadline for the receipt of proposals is 5:00 P. M., February 5, 2021, and the proposals should be valid until February 22, 2021. Proposals should be sent to the attention of Cammie T. Hayes, Chief Financial Officer, City of North Augusta, P. O. Box 6400, North Augusta, SC 29861-6400, and clearly marked "Lease Purchase Financing Proposal." Electronic proposals should be sent to [chayes@northaugusta.net](mailto:chayes@northaugusta.net). If you have any questions concerning this request for proposals, please call me at (803) 441-4206 or e-mail me at [chayes@northaugusta.net](mailto:chayes@northaugusta.net).

Sincerely,

Cammie T. Hayes  
Chief Financial Officer