

January 19, 2022

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 2021-17 on November 1, 2021.

1. EQUIPMENT DESCRIPTION:

No.	Qty.	Department	Description	Amount
1	1	Property Maintenance	Walker Mower	\$ 16,755
2	1	Property Maintenance	3/4 Ton Pick Up Truck	27,805
3	1	Property Maintenance	Crew Cab 4x4 Pick Up Truck	30,932
4	9	Public Safety	Patrol Vehicles	615,000
5	1	Streets & Drains	24" Planer	21,000
6	1	Parks	3/4 Ton Duty Cab Pick Up Truck	31,037
7	1	Parks	Carryall 4x4 Golf Cart	15,463
8	1	Sanitation	Flat Bed Truck	55,266
9	1	Material Recovery	Transfer Truck	166,950
10	1	Material Recovery	Transfer Trailer	87,805
11	1	Stormwater	Compact Pick Up Truck	29,942
12	1	Stormwater	Trailer Mounted Jetter	90,000
13	1	Utilities Admin	1/2 Ton Crew Cab Truck	33,363
14	1	Utilities Admin	1/2 Ton Cab Truck	24,688
15	1	Water O&M	1 Ton Truck	57,165
16	1	Wastewater O&M	1 Ton Truck	57,165
				<u>\$ 1,360,336</u>

2. LESSEE:

The City of North Augusta, South Carolina.



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3. AMOUNT TO BE FUNDED:

Approximately \$1,360,336

4. EQUIPMENT LOCATION:

The City of North Augusta, South Carolina.

5. ANTICIPATED FUNDING DATE:

February 25, 2022. 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 4, 2022, and the proposals should be valid until February 25, 2022. 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. 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.

Sincerely,

Cammie T. Hayes
Chief Financial Officer