

\$1,430,000*

**TOWN OF LEXINGTON,
SOUTH CAROLINA
GENERAL OBLIGATION BOND
OF 2017 (TAXABLE)**



**Direct Placement to Qualified
Financial Institution**

**REQUEST FOR PROPOSALS
RFP: 16 - 013**

Submission Deadline: December 1, 2016**

**Town of Lexington
111 Maiden Lane
Lexington, South Carolina 29072
(803) 358-1587**

**ASSISTANT TOWN ADMINISTRATOR
Stuart Ford**

REQUEST FOR PROPOSALS

*** Preliminary, subject to change.**

**** Submission deadline: December 1, 2016 at 4:30 pm**

SECTION 1. REQUEST FOR PROPOSALS

The Town of Lexington, South Carolina (“Town”) is seeking proposals (“Proposals”) from qualified financial institutions (“Qualified Financial Institutions”) to provide funding for the Town’s \$1,430,000* General Obligation Bond of 2017 (Taxable) (the “2017 Bond”).

SECTION 2. BACKGROUND

Town of Lexington

Incorporated in 1861, the Town is the County seat of Lexington County, South Carolina, the third most rapidly-growing county in South Carolina. 12 miles west of the City of Columbia, the 10-square mile town is a bedroom community to the State Capital. Technology, agriculture and retailing contribute to the local economy. Residents have access to nearby Lake Murray and are served by several regional highways. Lexington School District #1 ranks as one of the best-performing public school systems in South Carolina, based on test scores, and is seen as a principal driver of local population growth. Lexington’s estimated population in 2016 is approximately 20,748.

Ratings

Moody’s Investors Service has assigned an issuer credit rating of Aa1 to the Town of Lexington. The Town has not applied for a rating for the 2017 Bond.

Financial Disclosure

The Town does not plan to provide official statements or a limited offering memoranda in connection with the 2017 bond. The Town’s Comprehensive Annual Financial Reports (CAFRs) for the years ended June 30, 2002-2015 and annual budgets for fiscal years 2003-2017 can be accessed on the Town’s website: www.lexsc.com by navigating to the menu button titled “Public Records” and then pulling down “Additional Financial Records.” Copies of prior years’ audited financial statements and other disclosures of the Town can be found on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (“EMMA”) website: <http://emma.msrb.org/TownHomePage/Map> under the “Browse Issuers” option. Unaudited financial information concerning the Town for the year ended June 30, 2016 will be made available upon request to qualifying financial institutions responding to the RFP.

Contact

The Town maintains offices at its Town Hall at 111 Maiden Lane, Lexington, South Carolina 29072, tel: (803) 359 - 4164. Contact information for the persons and organizations directly involved with the preparation and distribution of this RFP are as follows:

Town of Lexington

Stuart Ford
Assistant Town Administrator

Town of Lexington
111 Maiden Lane
Lexington, SC 29072

*Preliminary, subject to change.

Phone: (803) 358-1587
Fax: (803) 996-4460
Email: sford@lexsc.com

Kathy Roberts
Finance Director

Town of Lexington
111 Maiden Lane
Lexington, SC 29072

Phone: (803) 951-4657
Email: kroberts@lexsc.com

Bond Counsel

Howell Linkous & Nettles, LLC
106 Broad Street
Charleston, SC 29401

Att: Samuel Howell
Tel: (843) 266-3801
Email: samhowell@bond-law.com

Att: Alan Linkous
Tel: (843) 266-3802
Email: alanlinkous@bond-law.com

Financial Advisor

Municipal Advisors
Group of Boston, Inc.
P.O. Box 389
North Scituate, MA 02060

Att: John Canney
Tel: (617) 688-9336
Email: advisor@bostonmuni.com

SECTION 3. THE 2017 BOND

Purpose

The Town is issuing the 2017 Bond to currently refund its \$1,590,000 General Obligation Bond Anticipation Notes of 2016, whose proceeds were used, along with other funds of the Town, to currently refund and pay, when due, the Town's \$2,640,000 General Obligation Bond Anticipation Notes of 2015, which were issued to provide interim financing, pending the issuance of the 2017 Bond, of a portion of the costs of acquisition and construction of off-street public parking, certain street and road improvements and repairs, and other infrastructure and municipal improvements in the Town of Lexington.

*Preliminary, subject to change.

Payments of Principal and Interest

Interest due on the 2017 Bond shall be paid semiannually on each January 1 and July 1, beginning on July 1, 2017. Principal due on the 2017 Bond will be paid annually, beginning on January 1, 2018.

Amortization

Principal of the 2017 Bond shall be amortized as set forth in the Bid Sheet attached hereto.

Interest Rate(s)

The rate(s) of interest payable on the 2017 Bond shall be as set forth in the completed Bid Sheet submitted with the selected Proposal

Tax Status of Interest

The Town has taken no action to cause interest on the 2017 Bond to be exempt from federal income taxation.

Prepayment

The 2017 Bond shall be subject to optional prepayment by the Town in whole or in part at the price of par plus accrued interest on any interest payment date.

Security for the 2017 Bond

The 2017 Bond is a general obligation of the Town and as such are secured by an irrevocable pledge of the full faith, credit, and taxing power of the Town.

Legal Opinion

The Town’s Bond Counsel will provide a written opinion (“Bond Counsel’s Opinion”)with respect to the legality and authorization of issuance of the 2017 Bond. A copy of the form of Bond Counsel’s Opinion will be provided upon request.

SECTION 4. RFP TIMELINE/RESPONDANT REQUIREMENTS/SELECTION

Timeline

The Town reserves the right to modify this timeline at any time. Any changes will be provided to Respondents electronically as soon as the information is available. All times are Eastern Standard Time (EST)

1. Issue Date	11-10-16	4:30 PM
2. Questions Due from Financial Institutions (via email)	11-15-16	3:00 PM
3. Notify intention to submit RFP	11-23-16	3:00 PM

4. Addendum Released with Answers To Outstanding Questions	11-28-16	3:00 PM
5. Proposals Due	12-01-16	3:00 PM
6. Preliminary selection of Financial Institution	12-02-16	3:00 PM
7. Formal Approval by Town	12-02-16	7:00 PM
8. Issuance of notice ("Notice of Award") to selected Institution	12-05-16	12:00 PM
9. Closing of 2017 Bond (estimated)	01-09-17	4:00 PM

Instructions to Responders

The Town endeavors to provide a uniform distribution of information to Financial Institutions and conduct a fair selection process. We ask that you please follow all of these instructions carefully. Any submittal that does not meet the requirements set forth in this document and any Addendums may be excluded from being considered by the Town.

Responding Qualified Financial Institutions must submit the following for their Proposals to be considered:

- Cover letter stating proposed terms of your agreement to purchase and fund the 2017 Bond as described in Section 3 above, including interest rate(s) and purchase price as set forth in the Bid Sheet submitted as part of your Proposal.
- Copies of relevant materials concerning the Qualified Financial Institution, if deemed helpful. Active links to websites are fine. Please submit as much as necessary but as little information as possible.
- Details of Respondent’s capitalization, credit strength and public finance operations.
- Valid email address for inclusion in this RFP’s email distribution list (optional).
- Completed Bid Sheet.
- Completed Signature Block.

Note: Please be advised that, based on recent amendments and additions to policies and rules of the MSRB and recently announced requirements of Moody’s Investors Service, terms, covenants and other details of the 2017 Bond must be posted on the MSRB’s EMMA website and fully disclosed to Moody’s.

SECTION 5. CONDITIONS

Contingencies

It must be understood that this Request for Proposals (“RFP”) does not commit the Town to accept any response submitted. The Town reserves the right to accept or reject any or all of the responses, to negotiate with selected Financial Institutions, or to cancel this RFP in part or in its entirety. All responses will become part of the Town’s official files without obligation on its part. The lack of response to this RFP would not prevent inclusion in future requests. However, we do appreciate that you communicate to us in writing in case you do not intend to submit a response.

Incurring Costs

This RFP does not commit the Town to pay any costs incurred by responding Qualified Financial Institutions (“Responders”) in preparation of their responses to this RFP and Responders agree that all costs incurred by them in developing this response are the responders own responsibility.

Submission

To be considered, all responses must be submitted in the manner set forth in this RFP. It is the responder’s responsibility to ensure that its response arrives on or before the specified time. Responses should be sealed, in writing clearly marked with RFP 16-013 and addressed to:

Stuart Ford, Assistant Town Administrator, Town of Lexington, 111 Maiden Lane, Lexington, South Carolina 29072. Additionally, copies of responses should be sent electronically to the Town’s Bond Counsel at the following address:

samhowell@bond-law.com as well as the Town’s Financial Advisor at: advisor@bostonmuni.com.

For any questions related to this RFP, Stuart Ford can be reached at (803) 358-1587 or through e-mail at: sford@lexsc.com. All responses must be received by the deadline given in the calendar appearing above in Section 4 for submitting responses. In the interest of timeliness, the Town may accept responses made electronically for selection, though selection based on electronic submissions will be contingent and receipt of executed hard copy will be required for purposes of any final award (“Award”).

Right to Negotiate and/or Reject Responses and/or Waive or Amend

The Town reserves the right to negotiate any price or provision, accept any part or all of any responses, waive any irregularities, and to reject any and all, or parts of any and all responses, whenever, in the sole opinion of the Town, such action shall serve its best interests. Financial Institutions are encouraged to submit their best prices in their responses, and the Town intends to negotiate only with the Financial Institution(s) whose response(s), in the judgment of the Town, most closely meet(s) its requirements, as stated in this RFP, at the lowest estimated cost. The Award, if any is awarded, will go to the financial institution whose response is deemed by the Town, in its sole opinion, to best meet the Town’s needs. The Town expressly reserves the right to waive or amend any requirement, condition or definition stated in this RFP at its sole discretion.

Addenda

The Town may modify this RFP before the date scheduled for submission of responses by issuance of addenda to all parties who received the RFP for the purpose of submitting a response. In the event of an addendum, the Town will provide electronic notice, including text of and supporting information, if any, for the addendum electronically to all Respondents at the email addresses given in the contact information contained in their responses.

Independence of Qualified Financial Institution - not Municipal Advisor

It is expressly understood that the Financial Institution named in any Agreement

entered into by the Town in connection with this RFP is acting independently, solely as a lender, is not being advised by and is not affiliated with the Town's Financial Advisor and is not acting as a Municipal Advisor to the Town as that term is defined in the Municipal Advisor Rule of the U.S. Securities and Exchange Commission.

Interviews

Responses deemed suitable by the Town for final consideration may be subject to telephonic or in-person interviews prior to final selection. For purposes of conducting such interviews, the Town wishes to speak with persons who will be providing the services described in this RFP.

General Legal Conditions

The following contract conditions will apply to any contractual agreement(s) to be entered into by the Town with respect to the purchase and funding of the 2017 Bond:

1. Choice of Law - The terms of the 2017 Bond any related legal agreements shall be subject to the laws of the State of South Carolina.
2. Conformance of Agreements - The selected Financial Institution(s) shall enter into a binding contractual arrangement, involving one or more legal agreements, for the funding of the 2017 Bond that is consistent with the provisions of this RFP.

Arbitration

Respondent shall agree to submit any disputes with respect to the 2017 Bond or any related matter to binding arbitration. Respondents agree to the selection of Columbia, South Carolina as the venue for any arbitration with respect to the Agreements, the Services, the RFP process or any related matter.

Proposal Evaluation Criteria**

All submitted Proposals will be reviewed initially to determine if the requested information has been provided in its entirety. Any Proposal that was submitted and determined to be incomplete may be excluded from further consideration. The decision of the Town to set aside any proposal from further consideration shall be deemed final on the issue of completeness of the required information.

Town officials will evaluate Proposals to identify the best value for the Town. Specifically, the selection committee will select the winning proposer based on the following criteria in **no order of importance or weighting**:

- A. Pricing and other terms of Proposal.
- B. Lending experience with governmental entities and other indications of qualification.
- C. Economic factors, including closing costs and interest rates.

- D. Financial Institution financial strength.
- E. Ease and timeliness of funding process.

*** Criteria may be modified in subsequent Addenda.*

6. INFORMATION AND DOCUMENTS REQUIRED

- I. The response should contain information responsive to each of the following areas:

Information Concerning Responder

- 1. Legal status of Responder.
- 2. Length of time the Responder has been in existence.
- 3. Location of Responder's principal office and, as applicable, any South Carolina offices.
- 4. Name, title, address, phone number and email address of the person(s) authorized to make representations for the respondent.

- II. Submittal Instructions and Evaluation/Award Procedures:

- A. Submittal Instructions: All submittals must adhere to the instructions provided above to be considered by the Town. Responses that do not fully address the required items requested in this RFP's Section 3 above and this Section 6 may be excluded from consideration by the Town.
- B. Signature Block: All proposals must be signed by an authorized representative of your firm. Any responder submitting a signed proposal shall be deemed to have read and understood all the terms, conditions, and requirements of this RFP.
- C. Withdrawal of Proposal: You may withdraw your proposal at any time prior to the date and time set for the Town's issuance of its Notice of Award.
- D. Award: Award shall be made by issuance of the Notice of Award to the responsible Responder whose submittals are determined to be most advantageous to the Town based on the evaluation factors described above. Price, although a consideration, will not be the sole determining factor. The Town reserves the right to ask for the "Best and Final Offer" from any or all Respondents. The governing body of the Town of Lexington, South Carolina is the final authority on any and all contracts and agreements administered by the Town.
- E. Pre-award Presentations: The Town may ask Responders to make one or more presentations. Presentations may be made telephonically or in person.
- F. Bond Purchase Agreement: The successful Responder is expected to enter into a bond purchase agreement ("Bond Purchase Agreement") with the Town for the direct purchase of the 2017 Bond that will conform to the provisions of Section 3 and Section 6 of this RFP as to the laws of the State of South Carolina. Such agreements shall be subject to review by the Town's Bond Counsel.

- G. Indemnification: The selected Responder shall indemnify and save the Town harmless, to the extent permitted by law, from any and all claims, demands, suits, and actions which may arise from errors or omissions caused by the respondent in conjunction with its contractual obligations including, but not limited to, obligations for the preparation of any and all documents required by the Town in conjunction therewith, and shall defend any and all claims against the Town where applicable, and shall pay all costs and judgments which may issue thereon.

IV Investor Letter(s)

- A. Prior to closing of the 2017 Bond, the selected Qualified Financial Institution(s) will be required to execute an investor letter ("Investor Letter") stating that:
1. The Responder has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other financing obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the 2017 Bond;
 2. The Responder is aware that the conduct of the affairs of the Town involves certain economic variables and risks that could adversely affect the security of the investment in the 2017 Bond;
 3. The Responder is able to bear the economic risks of such investment;
 4. The Responder understands that no official statement, prospectus, offering circular, or other comprehensive offering statement containing material information with respect to the Town and the 2017 Bond is being issued, and that, in due diligence, it has made its own inquiry and analysis with respect to the Town, the 2017 Bond and the security therefor, and other material factors affecting the security for and payment of the 2017 Bond;
 5. The Responder acknowledges that it has either been supplied with or has access to information, including financial statements and other financial information, regarding the Town to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Town, the 2017 Bond and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase and/or enter into the Agreement;
1. The Responder understands that the 2017 Bond (i) is not registered under the Securities Act of 1933 and is not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (ii) is not listed on any stock or other securities exchange, and (iii) carries no rating from any rating service;
 2. The Responder represents that it is purchasing the 2017 Bond for its own account and not with a present view to resale or other distribution thereof, and

that it does not currently contemplate a resale of the 2017 Bond;

3. The Responder understands that the scope of engagement of Howell Linkous & Nettles, LLC, as Bond Counsel with respect to the 2017 Bond, has been limited to preparation of bond documents and matters set forth in their opinion based on their view of such legal proceedings as they deem necessary to approve the validity of the 2017 Bond;
4. The Responder understands that any transfer of ownership of the Agreement by the Financial Institution may be subject to federal and/or state securities laws and/or regulations and the Responder will consult with its own legal counsel and compliance officers prior to making such transfer;
5. The Town and the Responder acknowledge and agree that this transaction is an arm's-length commercial transaction between the Town and the Responder. In connection with this transaction, the Responder is acting solely as a principal and not as the Issuer's agent, advisor or fiduciary. The Responder has not assumed a fiduciary responsibility with respect to this transaction, and nothing in this transaction or in any prior relationship between the Issuer and the Bank will be deemed to create an advisory, fiduciary or agency relationship between the Town or the Bank in respect of this transaction. The Town has consulted its own legal and other advisors to the extent it has deemed appropriate.

Bid Sheet and Signature Block

Note: Please return the following pages 11 and 12 with your Proposal.

PROPOSAL FOR DIRECT PURCHASE OF \$1,430,000 TOWN OF LEXINGTON,
SOUTH CAROLINA GENERAL OBLIGATION BOND OF 2017 (TAXABLE)

The Honorable Mayor Steve MacDougall
and Town Council, Town of Lexington,
South Carolina

_____, ____, 2016

For the \$_____ principal amount of General Obligation Bonds of 2017 (Taxable) (the "2017 Bond"), as described in your Request for Proposals dated November 9, 2016, said Bonds to be dated as of the date of original issuance and delivery thereof, which is expected to be January 9, 2017 (and should be considered to be the dated date for purposes of this Proposal) and to bear interest as follows:

January 1	Principal Maturing		Price
2018	\$ 275,000 *	Interest Rate _____%	\$ _____
2019	280,000 *	Interest Rate _____%	_____
2020	285,000 *	Interest Rate _____%	_____
2021	290,000 *	Interest Rate _____%	_____
2022	<u>300,000*</u>	Interest Rate _____%	_____
Totals	\$1,430,000*		\$ _____

** Subject to change as provided in the Request for Proposals*

The undersigned will pay a purchase price equal to the amount stated below (which is not less than \$1,430,000*).

Purchase Price \$_____.

The following computations are for information purposes and are not part of this Proposal.

Total interest on the Bonds calculated to maturity at rates specified: \$_____.

Premium (if any): \$_____.

True Interest Cost: _____%.

This Proposal is subject to all terms and conditions contained in the Request for Proposals, and if the undersigned is the successful bidder, the undersigned will comply with all of the provisions contained in said Request for Proposals.

Submitted By:

*Preliminary, subject to change.

SIGNATURE BLOCK: REQUEST FOR PROPOSALS: \$1,430,000* TOWN OF LEXINGTON, SOUTH CAROLINA GENERAL OBLIGATION BOND OF 2017 (TAXABLE) - DIRECT PLACEMENT TO QUALIFIED FINANCIAL INSTITUTION

The undersigned, an authorized representative of his/her company, hereby certifies:

- () the receipt of RFP and _____ addenda (if any).
- () familiarization with all terms, conditions and specifications herein stated.
- () the company is qualified to perform work and services as proposed.
- () that the proposal is valid until _____ (date).

Name of Qualified Financial Institution

Authorized Signature

Mailing Address

Printed Name

City, State, Zip Code

Title

Federal Employer ID Number

Phone Number

Type of Entity

Official EMAIL Address

URL Web Site