

To the Banking Institution Representatives in receipt of this document:

Re: Request for Proposal for Installment Financing Agreement

Alleghany County, North Carolina desires to enter into an installment financing agreement pursuant to N.C.G.S. §160A-20 in the principal amount not to exceed \$ 6,849,620.00 for the purpose of financing the cost of the project described below. The Alleghany Finance Office is soliciting your proposal to provide the necessary financing for this project, subject to the terms and conditions set forth in this Request for Proposal.

A. Pertinent Information

The Project consists of construction of a new Alleghany County High School with \$59 million in awarded lottery funds and \$1.5 million appropriated of the County's fund balance. The requested amount represents the gap needed to complete the project per the awarded contract.

Alleghany County, North Carolina Municipal Council Rating is 79.

The financing will be bank eligible under Section 265 of the Internal Revenue Code of 1986. [If Bank Qualified.]

Alleghany County expects to obtain Local Government Commission approval of the installment financing agreement approximately January of 2025.

B. Contract Specifications

1. The desired amount of the financing is not to exceed \$ 6,849,620.00.
2. The desired term of the financing is ten (10) to fifteen (15) years. Alleghany County desires the debt service payment schedule to reflect amortization over a ten (10) or fifteen (15) year period.
3. Installment payments are to be made monthly in advance.
4. The interest rate(s) shall be fixed for the term.
5. The interest rate(s) proposed must be guaranteed for at least ninety (90) days. Alleghany County desires to close the transaction by the end of February 2025, but closing date will be determined by the Local Government Commission (LGC) processes for approval.
6. Prepayment terms will be negotiated between the County and the successful bidder. The County desires prepayment of principal at any time without penalty.
7. The County's obligations under the installment financing agreement will be secured by a deed of trust or security interest in all or a portion of the project being financed as negotiated between the County and the successful bidder. No deficiency judgment may be rendered against the County for breach of a contractual obligation under the Installment Financing Agreement, and the taxing power of the County will not be pledged to secure repayment thereunder.
8. The Installment Financing Agreement must not contain a non-substitution clause and there must be a non-appropriation clause in the installment financing agreement.

C. Submission of Proposal

Three copies of your proposal must be received by 3 PM on Friday, November 22, 2024, at the offices of the Alleghany County Finance Officer, Attention to April Hamm, 348 S. Main Street, LL60, Sparta, NC 28675 or PO Box 366, Sparta, NC 28675 (dependent on delivery of documents).

Proposals must specify at a minimum the following information.

1. The requested terms of the financing.
2. The interest rate.
3. The terms of repayment. Please attach a sample debt service schedule with each term.
4. Proposed terms for optional prepayment. Please also state whether you would allow a prepayment without penalty from excess construction proceeds.
5. A list of all additional costs to be associated with this transaction, including origination or placement fees, escrow fees, counsel fees and expenses. State whether or not any of such fees or expenses will be capped.
6. A statement to the effect that the bank agrees to the contract specifications set forth in Part B of this Request for Proposal.
7. Proposed collateral to secure financing and the method for creating the lien or security interest in such collateral.
8. Bids should be based on gross funding of The Project (without consideration of investment earnings).

Alleghany County reserves the right to request additional information from the bidders and reserves the right to reject all proposals and to waive any irregularity or informality. Although the selection will be based substantially on lowest total financing cost (including both interest cost and upfront fees and expenses), the County reserves the right to select the bidder that best meet the needs of Alleghany County.

If further information is needed or if you have any questions regarding this Request for Proposal, please contact April Hamm at 336-372-2946 or April.Hamm@alleghanycounty-nc.gov.

Thank you in advance for your consideration,



April Hamm
Alleghany County Assistant County Manager
Alleghany County Finance Officer