



ROWAN COUNTY

REQUEST FOR PROPOSAL FOR INSTALLMENT FINANCING AGREEMENT

Rowan County, North Carolina (the County) desires to enter into an installment financing agreement pursuant to N.C.G.S. §160A-20 in the principal amount of \$2,500,000 for the purpose of financing the cost of the Project described below. The County 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 HVAC and Health Science Program improvements for the Rowan-Cabarrus Community College North Campus (the "Project").

The County is currently rated Aa2 by Moody's Investors Service, AA by Fitch Ratings and AA- by Standard & Poor's Ratings Service. The County's North Carolina Municipal Council Rating is 88.

The financing will NOT be bank qualified under Section 265 of the Internal Revenue Code of 1986.

The County expects to obtain Local Government Commission approval of the installment financing agreement in October 2015.

B) Contract Specifications

- 1) The Project cost and desired amount of financing is \$2,500,000.
- 2) The desired term of the financing is approximately ten (10) years. The County desires to close the loan on October 15, 2015, with the debt service payment schedule to reflect amortization from the date of financing through October 1, 2025.
- 3) Installment payments are to be made semiannually in arrears with the first payment due on April 1, 2016. The County desires equal principal payments.
- 4) The interest rate shall be fixed for the term.
- 5) The interest rate proposed must be guaranteed for at least sixty (60) days.
- 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

Two copies of your proposal must be received by 2:00 p.m. on August 19, 2015, at which time there will be a public opening of the bids. Please submit your proposal to Rowan County Finance Department, Attention: Rita Peters, 130 W. Innes Street, Salisbury, NC 28144. You may also submit your proposal via email to rita.peters@rowancountync.gov. Label the envelope or email subject line "RCCC HVAC". This bid opening will be held at the J. Newton Cohen, Sr. Rowan County Administration Building, 130 W. Innes Street, Room 101, Salisbury, North Carolina.

Proposals must specify at a minimum the following information:

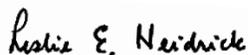
- 1) The term of the financing.
- 2) The interest rate.
- 3) The terms of repayment. **Please attach a sample debt service schedule with a loan date of October 15, 2015.**
- 4) A list of all additional costs to be associated with this transaction, including origination or placement fees, escrow fees, counsel fees and expenses. State whether or not any of such fees or expenses will be capped.
- 5) A statement to the effect that the bank agrees to the contract specifications set forth in Part B of this Request for Proposal.
- 6) Proposed collateral to secure financing and the method for creating the lien or security interest in such collateral.
- 7) Bids should be based on gross funding of the Project (without consideration of investment earnings).

The 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 meets the needs of the County.

If further information is needed or if you have any questions regarding this Request for Proposal, please contact Rita Peters at 704-216-8171.

Thank you in advance for your consideration of this proposal.

Sincerely,



Leslie E. Heidrick
Assistant County Manager/Finance Director

August 7, 2015