

To the Persons on the Attached Distribution List:

Re: Request for Proposal for Installment Financing Agreement

The Ocean Sands Water and Sewer District, a blended component unit of the County of Currituck, 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 \$8,000,000 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 the construction of a new **Ocean Sands Wastewater Treatment Plant** and the demolition of the existing sewage treatment plant and all related appurtenances. (the "Project").

The County is currently rated Aa3 by Moody's Investors Service and AA by Standard & Poor's Ratings Service. The County's North Carolina Municipal Council Rating is 81.

The financing will be bank eligible under Section 265 of the Internal Revenue Code of 1986.

The County expects to obtain Local Government Commission approval of the installment financing agreement on October 3, 2017.

B. Contract Specifications

1. The desired amount of the financing is not to exceed \$8,000,000.
2. The desired term of the financing is 15 years. The Ocean Sands Water and Sewer District desires the debt service payment schedule to reflect amortization over a fifteen year period.
3. Installment payments are to be made semiannually in arrears.
4. The interest rate(s) shall be fixed for the term.
5. The interest rate(s) proposed must be guaranteed for at least sixty (60) days. The Ocean Sands Water and Sewer District desires to close the transaction by the end of October 2017.
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 Ocean Sands Water and Sewer District 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 Ocean Sands Water and Sewer District or 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 17th of August, 2017 at the offices of Sandra Hill, Finance Director, County of Currituck, 153 Courthouse Rd, Ste 102, Currituck, NC 27929. You may also submit your proposal via facsimile transmission at 252-232-2141 or via e-mail at Sandra.Hill@CurrituckCountyNC.gov. If you do not hand deliver, please call 252-232-2381 to confirm receipt prior to proposal deadline.

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.**
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).

The Ocean Sands Water and Sewer District and the County reserve 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 the County.

If further information is needed or if you have any questions regarding this Request for Proposal, please contact Sandra Hill, Finance Director, 252-232-2381 or Sandra.Hill@CurrituckCountyNC.gov

Thank you in advance for your consideration of this proposal.

Very truly yours,

Sandra Hill
Finance Director