

Request for Proposal
Western Piedmont Council of Governments
Building Expansion Project
\$2,750,000 Installment Financing Agreement
Bids due by: Monday, November 7, 2024 @ 2:00pm

The Western Piedmont Council of Governments (the “WPCOG”), is requesting proposals from financial institutions with respect to a commercial loan to be evidenced by an estimated \$2,750,000* Installment Financing Agreement (the “Agreement”). NC State Legislative Award of \$3,000,000 will also fund this project. The estimated loan amount is based on projected need, but is subject to change as the agreement is finalized. Your response to the RFP would be greatly appreciated. The following key assumptions are to be utilized in preparing your proposal:

Issuer: Western Piedmont Council of Governments (WPCOG)

Use of Proceeds: The proceeds of the Agreement will be used to fund (1) the construction of an expansion of the Western Piedmont COG Administrative Building; (2) related costs such as land improvements such as parking and landscaping, acquisition of furniture and equipment, and other costs consistent with the stated use; and (3) improvements to the existing Western Piedmont COG building.

Tax Treatment: Tax-Exempt

Bank Qualified: Yes

Audit: The WPCOG’s audited financial statements are available upon request to Finance Director Andrea Roper at andrea.roper@wpcog.org. Please also copy Assistant Finance Officer Ashley Adkins on the request at ashley.adkins@wpcog.org.

Security: As security for its obligations under the Agreement, the WPCOG will execute and deliver a deed of trust granting a second lien of record on the Building Expansion and the property. The WPCOG's obligation to make the debt service payments under the Agreement does not constitute a pledge of the WPCOG's full faith, credit and taxing power but will be subject to annual appropriation by the WPCOG Board.

Authorization: The WPCOG is entering into the Agreement under the provisions of Section 160A-475 of the General Statutes of North Carolina, as amended. The WPCOG Board, at its meeting on November 26, 2024, is expected to approve the winning bank bid and authorize the execution and delivery of the Agreement to the Local Government Commission (the “LGC”) for their consideration. It is anticipated that the LCG will approve this transaction at its meeting on January 7, 2025. The execution and delivery of the Agreement is subject to the approvals by the WPCOG Board and the LGC.

Rating: No rating is expected to be obtained for the Agreement.

Debt Structure: The WPCOG anticipates a straight-line amortization over either a ten year period, a fifteen year period, or a twenty year period. Please note that bidders are not required to bid on each option. The WPCOG will consider either annual or semi-annual principal payment structures, and relative or a single fixed rate for the entire term of the amortization.

Optional Prepayment: The WPCOG is seeking flexibility with respect to prepayment provisions. The agreement must include the option to make unscheduled additional payments of principal during the term of the loan, up to and including fully paying off the entire loan prior to its maturity, all without penalty, additional fees or any other costs. Please specify the redemption structure(s) that would provide the WPCOG with flexibility at the lowest cost of funds. Proposals with multiple redemption options are permitted.

Counsel/Documentation: David Hood will serve as counsel to the WPCOG in connection with the Agreement. The lender's counsel will prepare the necessary legal documentation for the WPCOG's review and approval. By submitting a proposal, the bank waives any conflict of interest with respect to David Hood serving as counsel to the WPCOG in connection with the Agreement and with respect to his firm, Patrick Harper Dixon, LLP. All loan documents must meet the requirements of N.C.G.S. Section 160A-475 and other applicable North Carolina statutes.

Closing Costs: None anticipated to be paid to or on behalf of the bank. Please specify any exceptions.

Annual/Ongoing Costs: None anticipated to be paid to or on behalf of the bank. Please specify any exceptions.

Increased Cost: The WPCOG will not consider any proposals that include future interest rate adjustments relating to the bank's increased costs, changes in tax rate, capital adequacy, capital requirements, etc.

Conditions: Please specify any conditions to the closing of the transaction (other than finalizing acceptable documents) and any rights reserved to withdraw the proposal.

Closing: Closing is anticipated to take place on or about **Thursday, January 9, 2025**. The interest rate bid must be held firmly until close of day **Friday, January 10, 2025**.

Ongoing Disclosure: In accordance with its customary practice, the WPCOG will post its annual financial statements to the WPCOG's website on an annual basis.

Award: The WPCOG reserves the right to request additional information from the bidders and to waive any irregularity or informality and to negotiate provisions and covenants directly with any bidder. The WPCOG also reserves the right to reject all proposals for any reason. Although

the selection will be based substantially on lowest total financing cost (including both interest cost and upfront fees and expenses), the WPCOG reserves the right to select the bidder that best meets the needs of the WPCOG. Final award is subject to the approval of WPCOG Board.

Delivery: The Agreement is expected to be delivered on or about **Thursday, January 9, 2025**. The loan proceeds must be paid in federal funds or other immediately available funds. All proceeds from the issuance of the Agreement will be disbursed to the WPCOG at closing.

Representations: The winning bidder will be required to execute a letter to the WPCOG acknowledging, among other things, that (1) no official statement or other offering material has been furnished other than the Request for Proposals; (2) the winning bidder had an opportunity to make inquiries of, and receive answers from such officials, employees, agents and attorneys of the WPCOG; (3) the winning bidder has knowledge and experience in financial and business matters and that it is capable of evaluating the merits and risks of making the loan to be evidenced by the Agreement and is financially able to bear the economic risk of holding the Agreement; (4) the winning bidder is issuing the Agreement as a vehicle for making a commercial loan and without a present view to the distribution or resale thereof (subject, nevertheless, to any requirement of law that the disposition of its property shall at all times be under its control) within the meaning of the Federal securities laws; and (5) the winning bidder is issuing the Agreement solely for its own account and no other person now has any direct or indirect beneficial ownership or interest therein.

Loan Treatment: By submitting a bid in response to this RFP, each bidder acknowledges and represents to the WPCOG and its Financial Advisor that (1) no official statement or other offering material will be furnished other than this RFP; (2) the bidder has knowledge and experience in financial and business matters and that it is capable of evaluating the merits and risks of making the commercial loan to be evidenced by the Agreement and is financially able to bear the economic risk of holding the Agreement; (3) no CUSIP number will be obtained for the Agreement; and (4) the bidder intends to enter into the Agreement solely for its own account as a vehicle for making a commercial loan and with no present intention to distribute or resale the Agreement or any portion thereof.

To be considered, a proposal must be received by 2:00 p.m. on Thursday, November 7, 2024 at the office of Andrea Roper, Finance Director of the Western Piedmont Council of Governments, 1880 2nd Avenue NW, Hickory, NC 28601. Email submission of the proposal to the following person is preferred and please include "RFP WPCOG Building Expansion" in the subject line.

Email proposals to both Andrea Roper, Finance Director at andrea.roper@wpcog.org AND Ashley Adkins, Assistant Finance Director at ashley.adkins@wpcog.org

Questions can be addressed to the Western Piedmont Council of Governments to Finance Director Andrea Roper at andrea.roper@wpcog.org AND copy Ashley Adkins, Assistant Finance Director at ashley.adkins@wpcog.org