

RICHLAND-LEXINGTON AIRPORT DISTRICT REQUEST FOR PROPOSALS FROM BANKS TO PROVIDE SHORT-TERM FINANCING

The Richland-Lexington Airport District (the "District") is issuing this Request for Proposals ("RFP") to banks interested in providing the District with short-term financing. The District requests proposals for direct lending from a single financial institution (syndication is allowed). Proposals to provide short-term financing through the issuance of public debt (e.g., commercial paper) should not be submitted. Proposals can be submitted in the form of a line of credit, fixed-rate note, index-based floating-rate note with a fixed spread, draw-down note, or other forms of short-term financing directly with a lender. For the purpose of this RFP, the term "Short-Term Facility" will be used to describe the District's financing needs.

District Short-Term Facility Needs

The District's Short-Term Facility will be used to provide interim financing for costs associated with the design and construction of a baggage handling system and affected airline/rental car locations at the Columbia Metropolitan Airport (the "Airport"). The District prefers to be able to draw on the Short-Term Facility when needed but is not interested in a "revolving" feature (i.e. the ability to borrow to a maximum commitment and once repaid, the maximum commitment will become available for additional short term borrowing needs). **The Short-Term Facility will be tax-exempt, but subject to the AMT.**

The District seeks a Short-Term Facility in an amount not to exceed \$15 million. The District may consider a smaller initial amount with an ability to increase the commitment as often as quarterly.

Proposals are due by **Tuesday, December 8th, 2020 at 10:00 am EST.**

Source of Repayment for the Short-Term Facility

The Short-Term Facility will be a limited obligation of the District and will be payable from and secured solely by a pledge and lien upon the net revenues of the District derived from the operation of the Airport, excluding Passenger Facility Charges, Customer Facility Charges, and other Series Security, as described in the District's senior lien Trust Indenture (attached as **Appendix A**). Also attached is a form of a Credit Agreement (attached as **Appendix B**), form of an Eighth Supplemental Indenture to be used if the Short-Term Facility is issued on parity with the District's outstanding Bonds (attached as **Appendix C**), and a form of a Junior Lien Note Indenture to be used if the Short-Term Facility is issued on a junior lien basis (**attached as Appendix D**). No one shall ever have the right to compel the exercise of any taxing power of the District or taxation in any form or on any real or personal property to pay the principal and interest on the Short-Term Facility. The District has no taxing power. It is anticipated that the District will refinance all or a portion of the Short-Term Facility within three years; however, the District may pre-pay or refinance the Short-Term Facility prior to the end of the initial term.

Current Rating on the District's Airport Revenue Debt

The District's outstanding Bonds are rated Baa1 by Moody's Investors Service.

Information Requested From Banks

Banks submitting proposals to this RFP are hereby requested to answer sections I through IV. The District reserves the right to request any supplemental information it deems necessary to evaluate a bank's experience and qualifications or to clarify or substantiate any material contained in a proposal. The District will evaluate all proposals with the help of its financial advisor, PFM Financial Advisors LLC ("PFM") and along with bond counsel, Pope Flynn, LLC.

I. General Information

- a. Provide the name, title, address, phone number, and email for the main contact person regarding this RFP.
- b. Provide a brief description of the Short-Term Facility(s) your firm is proposing.
- c. Provide both short-term and long-term credit ratings and outlook from all major credit rating agencies currently maintaining such ratings, if applicable to the proposal. Please note if your firm is under review by any rating agency, or if your firm is on negative outlook, discuss any operational or capital changes being implemented to address any discrepancies.

II. Qualifications

- a. Describe your firm's ability to provide various short-term financing options, especially those options presented in your firm's response to I(b.) above.
- b. Provide supporting detail, in a separate appendix, of similar transactions for which your firm has provided a similar structure to that of the District's Short-Term Facility since January 1, 2017. For each transaction, include the name of the issuer, title of the financing, original issue date or date you became involved, liquidity utilized, amount authorized, and amount outstanding. Each table must include a total for the number of deals and a total for the dollar volume.
- c. Disclose any conflicts of interest or potential conflicts of interest that might arise as a result of your firm being selected as the provider of the Short-Term Facility. Identify fully any ongoing or recently (within the past three years) settled litigation involving your firm's activities relating to the provision of liquidity facilities or other short-term financing alternatives.

III. Proposed Short-Term Facility

- a. Clearly propose one or more Short-Term Facilities your firm believes would best serve the District's interim financing needs with regard to flexibility, cost, and limiting the District's future risks. Provide information regarding pricing and material terms and conditions related to the financing proposed.
- b. Describe, in detail, the proposed Short-Term Facility including a discussion of flexibility, process and timing for making draws, frequency of issuance allowed, ability to roll or extend the financing, risk considerations, liquidity requirements, pricing methodology, term length, and any other details pertinent to your firm's proposal.
- c. If the proposed Short-Term Facility includes LIBOR based pricing as the index, please include the proposed alternative index language to be applied post LIBOR phase-out at the end of 2021.
- d. Proposals must include a detailed term sheet that outlines any material representations, warranties, covenants, requirements and other provisions applicable to the District, other than what is included in the District's Trust Indenture, to be included in the loan documentation. Proposals should also not simply state that loan documentation will include "usual and customary provisions". Any required terms or conditions must be clearly described in the proposal. Please note the District's bond counsel will ultimately draft the credit agreement and all related documents, and a general form of the credit agreement is attached. Other than additions to conform the credit agreement to the terms and draw mechanics of the winning proposal, proposed modifications of, deletions of and/or additions to any of the provisions of the credit agreement must be set out in the proposal.
- e. Proposals must provide a detailed overview of documentation in addition to the credit agreement necessary for your product and your ability to execute the form of the credit agreement in **Appendix A**.

IV. Financing Details, Fees and Expenses

- a. Indicate your fees and expenses for the proposed financing vehicle(s). Please itemize each component of your proposed fees, including a detailed list of expenses. Fee quotes should specify:

- i. Annual Fee, if applicable
 - ii. Any upfront fee (bank fee, commitment fee, bank counsel fee etc.), other than the fee proposed in "i" above, due at closing, if applicable.
 - iii. Any unused balance fee, if any.
 - iv. Draw fee if applicable, and a brief description of what constitutes a draw fee.
 - v. Date of expiration
- b. Provide the name of the firms that you would be utilizing as legal counsel
 - c. Please specify if your proposal and associated pricing is dependent on the Short-Term Facility's security being on parity with the District's outstanding airport revenue debt or if a junior lien is acceptable.
 - d. Describe any potential fee decreases and increases due to a rating upgrade or downgrade of the District after the District has selected a Short-Term Facility.
 - e. Identify the amount of time required to obtain credit approval upon selection as the provider to the District.

Requirements Related to this RFP

Failure to submit the required information shall be deemed sufficient cause for disqualification of a proposal from further consideration. Proposals should not include extraneous marketing materials or other information not specifically requested.

The District reserves the right to:

1. Cancel this solicitation;
2. Reject any or all proposals;
3. Request an interview with, or request additional or supplemental information from, individuals or firms prior to final selection;
4. For the proposed issues, select any firm or combination of firms for contract negotiations which, in the District's judgment, will best meet the District's needs regardless of any differences in estimated costs between any firm's and all others' proposals;
5. Change the due date or cancel this RFP without any financial obligations for services provided, out of pocket expenses incurred, or any other obligations to the proposing firms;
6. Waive any technicalities and make any award(s) that is determined to be in the District's best interests.

Question Deadline

It is the responsibility of the proposer to inquire about and clarify any aspect of the RFP that is not understood. Questions and requests for clarification should be directed to the District's financial advisor at the email address noted below. Questions must be submitted via email and received before **3:00 pm EST on Tuesday, November 24th, 2020.**

William Case
Financial Advisor
PFM Financial Advisors, LLC
casew@pfm.com

Response Deadline

For this RFP, the District is requesting digital copies of your response. Electronic responses to the RFP are to be sent to the email addresses below no later than **Tuesday, December 8th, 2020 at 10:00 am EST.**

Gregg Hornsby
Director of Finance and
Administration
Richland-Lexington Airport District
g.hornsby@flycae.com

William Case
Financial Advisor
PFM Financial Advisors LLC
casew@pfm.com

Acceptance and Rejection

Any response submitted by a bank will be accepted or rejected within a period of 180 days from due date. The District reserves the right to waive any informality or irregularity in any proposal, to negotiate for the modification of any proposal(s), to accept the proposal(s) that in the District's sole judgment is deemed the most desirable and advantageous to the District, to reject any and all proposals, or to re-advertise for proposals to such extent as the District, in its sole opinion, deems necessary or desirable. Any proposal that is incomplete, conditional, ambiguous, and obscure or contains unacceptable additions or alterations, or irregularities of any kind, may be rejected for such reason or reasons.

PFM Disclosures to Qualified Providers

PFM is soliciting your interest in the Short-Term Facility pursuant to Securities and Exchange Commission Release No. 34-89074 (June 16, 2020) granting a temporary conditional exemption from the broker requirements of Section 15(a) of the Securities Exchange Act of 1934 for certain activities of registered municipal advisors. In connection with such solicitation please be advised of the following.

- PFM ("we" or "us") represents solely the interests of the District with respect to the Short-Term Facility and does not represent your interests.
- We have not conducted any due diligence on your behalf.
- Neither PFM nor the District have engaged a broker-dealer to act as a placement agent with respect to the Short-Term Facility.
- You may choose to engage the services of a broker-dealer to represent your interests.

Each party that reviews this RFP must provide written acknowledgment of this disclosure with their response. This can be done by returning **Exhibit E** to this RFP on or before the submittal deadline.