REQUEST FOR PROPOSALS

City of Anderson, South Carolina
Equipment Lease Purchase Financing, 2026

Response Due: October 7, 2026; 12:00 noon, South Carolina Time

BANK QUALIFIED

The City of Anderson, South Carolina (the "City"), is requesting proposals from various banks and financial institutions for a not exceeding $2,500,000 tax-exempt lease-purchase financing to defray the costs of acquisition of certain vehicles and related equipment as described herein. The City invites interested parties to submit a proposal to finance the vehicles by specifying a rate of interest and other conditions for such financing.

Delivery of Bids: All proposals must be electronically delivered by e-mail to the attention of Margot Martin, Chief Financial Officer of the City, at mmartin@cityofandersonsc.com and Tamara Lindley, Finance Director of the City, at tlindley@cityofandersonsc.com, with copies to Burr & Forman LLP, Special Counsel to the City, to the attention of Michael Burns and Brandon Norris at mburns@burr.com and bnorris@burr.com, and First Tryon Advisors, municipal advisor to the City, to the attention of David Cheatwood at dcheatwood@firsttryon.com.

PROPOSALS MAY BE DELIVERED ONLY BY E-MAIL TO THE ADDRESSES ABOVE, AND NO PROPOSAL SHALL BE CONSIDERED WHICH IS NOT ACTUALLY RECEIVED BY THE CITY BY THE DATE AND TIME APPOINTED. THE CITY SHALL NOT BE RESPONSIBLE FOR ANY FAILURE, MISDIRECTION, DELAY OR ERROR RESULTING FROM THE E-MAIL TRANSMISSION OF ANY BID.

Please note that this request for proposals is also being sent to a number of other institutions as well and that the City reserves the right to select the proposal determined to be the most advantageous to the City in its sole discretion. The selection process will be heavily weighted toward lowest financing costs; however, lowest financing cost is not the only factor that may be considered by the City. The City reserves the right to reject any or all bid proposals as well as negotiate with a single bidder.

I. Terms and Conditions

(a) Vehicles/Equipment: The vehicles and equipment to be financed by the lease (the "Equipment") consist of (i) a fire engine and related equipment, at an estimated cost of $1,105,346.50, and (ii) a rescue truck and related equipment, at an estimated cost of $1,244,653.50, for a total estimated cost of $2,350,000.

(b) Amount to be Financed: The amount to be financed will not exceed $2,500,000, which amount will cover the total cost of the Equipment as well as cost of issuance. After the receipt of proposals, the City reserves the right, in its sole discretion, to adjust the principal amount of the lease; provided, however, that the aggregate principal amount of the lease financing shall not exceed $2,500,000. A bid for less than the total principal amount of the lease will not be considered.

(c) Interest: Bidders must submit a bid containing one single fixed rate of interest for the total principal amount of the lease. Unless otherwise designated by a bidder, interest on the lease will be calculated based on a 360-day year comprised of twelve 30-day months.

Bids containing rates of interest which may adjust upon the occurrence of specified events, including changes in the Internal Revenue Code, changes in the bidder's capital requirements or cost of capital, or for any other reason (other than loss of tax exemption due to the actions or omissions of the City) will be rejected.

(d) Principal and Interest Payment Schedule; Release of Equipment: The City will make ten (10) approximately equal principal (rounded to the nearest $1,000) and interest payments to the lessor annually on November 1 of each year, commencing November 1, 2027 to and including November 1, 2036, on which date all Equipment shall be released from the lien of the lease.

(e) Guarantee of Interest Rate: The interest rates, costs and other terms of any bid submitted must be guaranteed from the date of the proposal to the closing date (expected to be November 12, 2026).

(f) Form of Equipment Lease-Purchase Agreement: A bidder's proposed form of lease agreement ("Lease Agreement") should be provided to the City's Special Counsel identified herein within three (3) business days of the award of the successful proposal.

(g) Non-appropriation: A non-appropriation provision acceptable to the City must be included in the Lease Agreement. Any and all amounts due including, but not limited to, scheduled lease payments, reimbursements, penalties or fees under each Lease Agreement or any Acquisition/Escrow Account (as defined below) must be subject to annual appropriation by the City.

(h) Non-substitution: A non-substitution provision is not permitted to be included in the Lease Agreement.

(i) Deficiency Judgment: No deficiency judgment can be assessed or imposed against the City, nor will the full faith, credit and taxing power of the City be pledged to the payment of any Lease Agreement.

(j) Title: Title to the Equipment will be in the name of the City subject to the lessor's rights under the Lease Agreement. Unencumbered title to the Equipment must be provided to the City, and the lessor's lien on the Equipment must be released, on the dates and in the manner more particularly described in item (d) above.

(k) Acquisition Account: The City will require the successful bidder(s) to transfer by Federal funds wire the full amount of the financing on the date of the closing. If a bidder requires that one or more acquisition or escrow accounts (collectively, the "Acquisition/Escrow Account") be held by it or its designee, the bidder must so indicate on its proposal (including any fees required thereunder). Otherwise, the City retains the right to designate a bank or the South Carolina Treasurer's Office or South Carolina Local Government Investment Pool ("LGIP") to act as custodian of the Acquisition/Escrow Account established in connection with the Lease Agreement, or to deposit the proceeds of the Lease Agreement in an account of the City (including, without limitation, an LGIP account), subject to terms of disbursement and use of such proceeds to be agreed upon with the lessor. Interest earnings on all proceeds of the Lease Agreement, whether held in an Acquisition/Escrow Account or in an account of the City, must accrue to the City. Payments therefrom may be made either to the City as reimbursement for prior expenditures or directly to the equipment vendor for payment of the equipment as directed by the City. Without limitation of the foregoing, funds on deposit in an Acquisition/Escrow Account must be made available upon request of the City for periodic partial payments to equipment vendors for the manufacture and/or assembly of equipment prior to delivery and acceptance of such equipment by the City. In such cases, funds will be paid to the City as reimbursement for prior expenditures, or directly to the equipment vendor, as directed by the City. All funds invested or deposited in an Acquisition/Escrow Account shall at all times be invested or deposited, as applicable, in a manner which satisfies the requirements of the laws of the State of South Carolina relating to investment or deposit of public funds, including, without limitation, Section 6-5-10 or Section 6-5-15 of the Code of Laws of South Carolina 1976, as amended, as applicable.

(l) Costs of Issuance: All costs relating to the preparation of the Lease Agreement and fees of special counsel will be paid by the City. Any fees and costs of the bidder to be paid by the City must be stated in the response to this Request for Proposals. The Lease Agreement must allow the City to pay its legal fees and costs related to execution and delivery of such Lease Agreement out of the proceeds of the Lease Agreement.

(m) Insurance: The City provides insurance through the South Carolina Municipal Insurance and Risk Financing Fund for equipment/personal property. The equipment will be insured in a similar manner at face value. The lessor may be listed as a loss-payee, but may not be listed as an additional insured.

(n) Closing: The City expects to close the transaction on or about November 12, 2026.

(o) Lease Agreement Designated as Qualified Tax-Exempt Obligation: The City will designate the Lease Agreement as a "qualified tax-exempt obligation" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended (the "Code"), relating to the ability of financial institutions to deduct from income for federal income tax purposes interest expense that is allocable to carrying and acquiring tax-exempt obligations.

(p) Prepayment: Unless otherwise specifically provided in a bidder's proposal and agreed to by the City, the Lease Agreement will be subject to prepayment at the option of the City in whole or in part at any time without any prepayment penalty. However, bidders may propose other prepayment options/features.

II. Form of Proposal

(a) All proposals must be in writing. It is preferred that a bidder's proposal not be subject to further credit or underwriting approval.

(b) No proposal may be modified by a bidder after it has been submitted, except with the consent of the City.

(c) Proposals should include: the name, address, telephone number of your institution; the primary contact; and identity of legal counsel, if any.

(d) All proposals must be accompanied with a list of all requirements and conditions associated therewith.

(e) It is requested that proposals include an amortization schedule showing annual payment amounts for the term of the financing based on the desired level annual debt service structure.

(f) Proposals must provide full disclosure of all financing costs, including any closing, legal, and tax opinion charges.

(g) Any prepayment penalty or other fee requirements should be detailed in the proposals.

III. Evaluation of Proposals and Award. The Lease Agreement will be awarded to the bidder that provides the most advantageous proposal, as determined by the City in its sole and absolute discretion. After the proposals are received, they will be evaluated by the officials of the City based on various factors, including, but in no way limited to, the interest rate, prepayment penalties or limitations, additional credit or underwriting approval, additional covenants and terms, if any, and other conditions set forth therein. The City reserves the right to reject any and all bids or to waive irregularities in any proposal. The City expects to accept the successful proposal by October 13, 2026.

IV. Legal Opinion. The execution and delivery of the Lease Agreement is subject to the respective opinions of Burr & Forman LLP, Special Counsel, and the City Attorney, J. Franklin McClain, Esquire.

V. Tax Exemption and Other Tax Matters. The Code, and the Treasury Regulations promulgated thereunder, include provisions that relate to tax exempt obligations, such as the Lease Agreement, including, among other things, permitted uses and investment of the proceeds of the Lease Agreement and the rebate of certain net arbitrage earnings from the investment of such proceeds to the United States Treasury. Noncompliance with these requirements may result in interest paid under the Lease Agreement becoming subject to federal income taxation retroactive to the date of issuance of the Lease Agreement. The City has covenanted to comply with the requirements of the Code to the extent required to maintain the exclusion of interest on the Lease Agreement from gross income for federal tax purposes. Failure of the City to comply with these covenants could cause the interest on the Lease Agreement to be taxable retroactively to its date of issuance.

The Code imposes an alternative minimum tax on a taxpayer's alternative minimum taxable income. Interest on the Lease Agreement is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Lease Agreement is taken into account in determining the adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Lease Agreement may affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Prospective purchasers of the Lease Agreement should be aware that ownership of the Lease Agreement may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies and taxpayers otherwise entitled to claim the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Lease Agreement. Special Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Lease Agreement should consult their tax advisors as to collateral federal income tax consequences.

Special Counsel has not undertaken to determine (or to inform any person) whether any action taken (or not taken) or event occurring (or not occurring) after the date of issuance of the Lease Agreement may affect the tax status of interest on the Lease Agreement. In rendering its opinion, Special Counsel will rely upon certificates and representations of the City with respect to certain material facts solely within the knowledge of the City relating to the application of the proceeds of the Lease Agreement.

VI. Loan Treatment. By submitting a bid in response to this RFP, each bidder acknowledges and represents to the City and First Tryon Advisors that (1) no official statement or other offering material will be furnished other than this Request for Proposals; (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 lease purchase financing and is financially able to bear the economic risk of holding the lease purchase financing; (3) no CUSIP number will be obtained for the lease purchase financing; and (4) the bidder intends to hold the lease purchase financing solely for its own account as a vehicle for making a commercial loan and with no present intention to distribute or resell the lease purchase financing or any portion thereof.

VII. Investment Letter. The lessor will be required to execute a letter to the City acknowledging, among other things, that (1) no official statement or other offering material has been furnished other than this Request for Proposals; (2) the lessor had an opportunity to make inquiries of, and receive answers from such officials, employees, agents and attorneys of the City; (3) the lessor 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 lease purchase financing and is financially able to bear the economic risk of holding the lease purchase financing; (4) the lessor is acquiring the lease purchase financing 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 lessor is acquiring the lease purchase financing solely for its own account and no other person now has any direct or indirect beneficial ownership or interest therein. The lessor will also be required to covenant that it will not voluntarily dispose of all or any portion of the lease purchase financing unless it procures from each assignee thereof representations and covenants in form and content substantially the same as those made by the Bank.

Additional Information. If you should have any questions regarding this request for proposals, you should contact:

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