MEMORANDUM FOR THE RECORD
QUESTIONS & CLARIFICATIONS

TO: All Prospective Respondents
FROM: Michael Sibert, Director of Procurement & Materials Management
DATE: 11 March 2009
RE: University of Central Missouri, RFP 9115, ESCO Financing

To All:

This document shall serve to answer questions and clarify portions of the original RFP document (UCM 9115). Please take these responses into consideration. This shall be a Question and Answer format, in each case a specific question posed by a prospective lender will be answered by the University.

**Question:** Is there any way possible for an extension of the due date to March 17?
**Answer:** Not at this time.

**Question:** Is this transaction expected to be a Taxable or Tax-Exempt facility?
**Answer:** At this time, the University is proceeding as though the agreement would be a tax-exempt purchase.

**Question:** Are you requesting a rate for the term-out financing as well after the construction period of 12-18 months? If so, are you looking for the term-out piece in the form of a fixed rate?
**Answer:** At this time the University is looking at fixed rate financing for the duration of the 15 year note.

**Question:** Who is the University planning to use as counsel on the transaction?
**Answer:** The University will use the University of Central Missouri, Office of the General Counsel.

**Question:** Are you looking for a bid on all 3 scenarios or just Scenario #1 for $17,000,000?
**Answer:** The University would like to receive options for all three scenarios, but at this time, Scenario Three for $36 million is under stronger consideration – subject to approval or change by the University Administration and Board of Governors.
Question: Can the bank submit a proposal via email or fax?
Answer: No. Proposals must be received in the Office of Procurement & Materials Management in a sealed envelope by the date and time required. Prospective Lenders are encouraged to seek guaranteed delivery to Warrensburg, MO.

Question: Is it the intention to pay draws directly to the University or vendor?
Answer: At this time the University would consider using a trustee to pay the draws directly to the vendor based on monthly disbursement (draw) requests from the University.

Question: Have you contemplated on using a trustee to manage the funding?
Answer: Yes

Question: Who is the general contractor involved in installing equipment? (is this also Trane U.S., Inc.?) Is this a fixed rate contract?
Answer: At this time, if the contract is approved by the Board of Governors it would be Trane U.S., Inc.

Question: Please clarify the security and sources of repayment for the debt.
Answer: Please examine the Trane pro-forma.

Question: As of the FYE 2008 audited statement for the University, the B/S reports $34.6 Million in Investments. What level, if any, of this could be utilized for debt service payments?
Answer: Senior Management at the University may consider several different funds to meet any required debt service payments.

Question: In the current economic climate, are state appropriations from the State of Missouri to be stable relative to 2008 levels in Nonoperating revenues?
Answer: In the current State budget cycle, it is the University’s understanding that the Governor of Missouri has proposed a flat budget for the coming year – neither an increase or decrease – subject to the Legislature’s approval.

Question: Is the expected energy savings for this project to cover all Principal and Interest payments for debt on this obligation? If not, where are the expected sources of repayment from the University to come from?
Answer: At this time, it is believed that the University Administration has several funding options to meet any required debt service payments.
**Question:** What is the equipment cost breakout including installation costs for each energy conservation measure.

**Answer:** A summarized cost was provided in the RFP document (page 9-10). The information in detail will be provided in the final Investment Grade Audit which has not been completed at this date, but it is expected to be available in the near future.

**Question:** Please provide UCM’s unaudited interim financial statements for the period ending December 31, 2008.

**Answer:** The University is providing as an attachment, the end of year Auditor reports, June 30, 2008.

**Question:** Please provide a copy of the draft energy performance contracting agreement between UCM and the Energy Service Company.

**Answer:** The University is currently completing a draft contract but does not have the document available the week of March 9-13th. At this time it is anticipated that the agreement will be similar to other contracts signed by agencies of the State of Missouri (in terms of ESCO).

**Question:** What is the probability (stated in percentage terms) that UCM will proceed with Scenario 1 versus Scenario 2 versus Scenario 3?

**Answer:** The University cannot offer probabilities in this fashion; however, financing is being requested in the three scenarios provided. At this time Scenario 3 is of the most interest for the University.

**Question:** Can this bid be changed to a 10 year term?

**Answer:** Under Missouri State Statutes for Energy Conservation projects, the term must be 15 years.

**Question:** Clarification on Obligations: Is this an appropriation based on tax-exempt financing or a general tax-exempt obligation by the University not subject to annual appropriations by the state?

**Answer:** At this time, the obligation is subject to State Statutes, and may be a general tax-exempt obligation.

**Question:** Clarification: Total financing? For example Scenario 1 for $17mm; Scenario 2 for $23mm or Scenario three for $36mm? Is it a possibility a lesser could have one “scenario” and another lesser another?

**Answer:** At this time, this is not anticipated.

**Question:** Can UCM provide criteria for “Qualified investments” for escrow account?

**Answer:** As the University understands this question, it is believed the lender is asking what type of investments the University would consider for escrow. That answer would be Treasuries or Government Securities.
**Question:** What payment frequency does the University prefer? Annual, Semi-Annual, etc.

**Answer:** Semi-Annual

**Question:** Is this a fully amortizing tax-exempt loan?

**Answer:** The University would seek an amortized payment schedule over 15 years

Respectfully,

Michael Sibert  
Director Procurement & Materials Management