

Quote/Bid Proposal for
**Installment Purchase Contract Lease/Purchase Financing for
“Energy Performance Contract”**

R.G. Timbs, Inc. at the request of:

Niagara Wheatfield Central School District
Niagara County, New York
(the “School District”)

1. Requests for written, email, or fax bids for providing Installment Purchase Contract (Lease/Purchase) Financing are due no later than **April 10, 2019 at 11:00 o’clock A.M. EST** at the office of:

R.G. Timbs, Inc.
24 Sherman Oaks Drive
New Hartford, NY 13414
Attn: Jessica Bianchi`
Phone:(585) 747-8111
Email: JessicaB@rgtimbsinc.net
Fax Bid Number: (315) 266-9212

2. The principal amount of the installment purchase contract will be \$2,478,271.
3. The lease purchase financing will be used to fund various projects of the School District as defined in “Project Scope” attached as “Exhibit – A” to this Request for Proposals. The energy service company is Siemens Industry, Inc., Building Technologies Division, 1000 Deerfield Parkway, Buffalo Grove, Illinois 60089.
4. The interest rate quoted will be fixed as of the time of the bid and will remain constant throughout the lease term and will include any and all fees or expenses associated with this financing.
5. The financing entity will be provided with an opinion of Bond Counsel to the effect that the interest component of payments to be made by the School District pursuant to the financing contract (“interest”) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum taxes. The opinion set forth in the preceding sentence will be subject to the condition that the School District comply with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”) that must be satisfied subsequent to the date of the financing contract in order that interest be, or continue to be, excluded from gross income for federal income tax purposes. The School District will covenant to comply with all such requirements. Failure to comply with all such requirements may cause the interest to be included in the gross income for federal income tax purposes retroactive to the date of closing. Bond Counsel will not express opinion regarding other federal tax consequences arising with respect to the lease and the related documents. **The installment purchase contract will NOT be designated by the School District as a “qualified tax-exempt obligation” pursuant to the provisions of Section 265 of the Code.**

6. All bids shall remain in effect for 30 days from the day quotes are due. It is expected that the District Board of Education will approve the lease purchase agreement at their regular meeting scheduled on April 17, 2019. It is anticipated that funds will need to be available on or about April 24, 2019. All quotes should be based upon this estimated time line.
7. Each bid accompanied by a repayment schedule listing principal, interest and total annual payments. Such schedule shall be compliant with Article 9 of the NYS Energy Law. **No award is final until formally approved by the Board of Education.** Upon verbal or written notification of successful bid award, (which shall be conditional upon successful negotiation of all transactional documents and opinions), the successful bidder shall be required to deliver the proposed forms of the leasing documents to R.G. Timbs, Inc. (address listed on page 1) and to Bond Counsel and School Attorney at:

Hawkins Delafield & Wood LLP
Attention: Daniel G. Birmingham, Esq.
7 World Trade Center
250 Greenwich Street
New York, New York 10007
Tel: (212) 820-9563 Fax: (212) 514-8425
Email: dbirmingham@hawkins.com

Harris Beach PLLC
Attention: Charles Schachter
99 Garnsey Road
Pittsford, New York 14534
Tel: (585) 419-8633
Email: cschachter@harrisbeach.com

Tracie Lopardi, Esq.
Harris Beach, PLLC
726 Exchange Street
Buffalo, New York 14210
Tel: (716) 200-5050
Email: tlopardi@harrisbeach.com

8. **There shall be no prepayment penalty.**
9. The current Moody's Investors Service bond rating of the School District is "Aa3".
10. The School District is in material compliance with its Continuing Disclosure requirements related to SEC Rule 15c2-12 for the past five years.
 - a. A copy of the School District's most recent Continuing Disclosure Statement for fiscal year ending June 30, 2018 can be found here: <https://emma.msrb.org/ER1180447-ER922810-ER1323492.pdf>
 - b. A copy of the School District's audited financial statements for the fiscal year ending June 30, 2018 can be found here: <https://emma.msrb.org/ER1180447-ER922810-ER1323493.pdf>
11. Among other factors, the low bid/quote will be determined by the lowest amount indicated for a total of payments with the requirement that the quote will meet all other conditions listed herein that are not affirmatively waived by the School District.
12. Prior to complete delivery of equipment, it will be necessary to make partial payment to vendor(s). In this case, unexpended funds shall be held in an interest bearing escrow fund account established by the winning bidder (the "Lessor") in the name of the School District. Interest earnings will begin to accrue to the School District on the date of the deposit to the escrow fund. All interest earnings shall be applied to reduce the last scheduled payment(s)

at the end of the financing term. Any unexpended funds after payment to all vendors shall be recalculated to reduce remaining payment amounts equally unless otherwise authorized by the School District. The escrow agent must be a bank or trust company located in and authorized to do such business in New York State. The bank must have an office in New York State which is stated in the proposed Escrow Contract. Investments shall be made solely at the prior written direction of the School District and shall be made in accordance with the requirements of General Municipal law Sections 10 and 11 and the School District's formal investment policy. The School District is not authorized to invest in mutual funds or similar liquid investment vehicles. All monies held in escrow fund are monies of the School District and shall not be subject to levy, attachment or lien of escrow agent. All charges of the escrow agent shall be paid by the Lessor.

13. The installment purchase contract financing will be in the amount of \$2,478,271. Interest will be due and payable on April 15, 2020 and semi-annually thereafter on October 15 and April 15. Principal will be payable on October 15, 2020 and due semi-annually thereafter on April 15 and October 15 until April 15, 2035. **The School District reserves the right to modify the above principal payments post sale, in any amounts as deemed necessary to achieve substantially level annual payment and/or equal annual payments.**
14. There shall be no additional fees for charges (including any Escrow Agent Fees) to the School District other than the annual debt service payments.
15. There shall be a \$1 (one dollar) buyout option in favor of the School District at lease expiration.
16. All manufacturers' warranties shall be assigned by the Lessor to the School District.
17. The Agreement shall be subject to cancellation by the School District annually and shall include the following paragraph:

“Pursuant to the requirements of Energy Law Section 9-103 and General Municipal Law section 109-b, the financing contract shall contain the appropriate executory clause which shall state in substance as required by such cited statutes that should financing contract payments not be appropriated by the School District the School District will not be obligated to pay the amounts due beyond the end of last funded fiscal year. The financing contract shall be deemed executory only to the extent of monies appropriated and available therefor, and no liability on account thereof shall be incurred by the School District beyond the amount of such monies. The financing contract is not a general obligation of the School District. Neither the full faith and credit nor the taxing power of the School District are pledged to the payment of any amount due or to become due under the financing contract. In the case of a failure to appropriate, the sole security shall be the improvements that are the subject of the financing contract. It is understood that neither this contract nor any representation by any public employee or officer creates any legal or moral obligation to appropriate or make available monies available for the purpose of the financing contract. In the event that no funds or insufficient funds are appropriated by the School District the financed improvements may be acquired and sold by or on behalf of the financing entity entitled to receive payments provided that any excess proceeds from such a sale, after deduction for and payment of fees, expenses and any taxes levied on the sale, shall be paid to the School District as provided in section 109-b of the General Municipal Law.
18. The sole security shall be the equipment, machinery or apparatus financed pursuant to the Agreement. In the event insufficient funds are appropriated to pay this obligation, such equipment, machinery and apparatus may be sold on behalf of the Lessor entitled to receive such payments, provided that any excess proceeds from such a sale shall be paid to the School District after deduction of obligations, taxes or other expenses of the Lessor.

19. Payments by the Lessor shall be made only at the written direction of the School District and may likely require multiple payments. Payments required by either check or electronic wiring depending on equipment vendor requirements. All associated costs for these services must be included in the quote.
20. Proposals will be evaluated based on total cost, ability to perform, requirements of the bidder, experience in New York State, and any other terms or conditions stipulated in each proposal.
21. The School District reserves the right to reject any or all bids/quotes, to waive any or all informalities, to request new proposals, and to award based upon the overall best interests of the School District. The attached Quote Proposal Form must be completed and included with each quote. The proposed forms of the lease purchase agreement, escrow contract and related documents must be submitted with the bid. Closing is subject to successful negotiation and approval of all such documents by counsel to the School District. The School District reserves the right to rescind an award due to failure of successful negotiation of the parties to agree to terms and conditions thereof.
22. All agreements and contractual conditions are required to conform with the laws of the State of New York, including, but not limited to, the General Municipal Law, the Energy Law, the Education Law, and regulations of the State Education Department and the Office of the State Comptroller. The School District's legal counsel will review and approve all documents on behalf of the Board of Education.
23. The Lessor shall be responsible for all of the Lessor's legal issuance and closing costs.
24. Annual Appropriation: The annual lease payments are subject to appropriation each year by the Board of Education of the School District.
25. The School District will not provide a legal description for each School District property in connection with this financing. In the event the Lessor requires this information for the purposes of making a fixture filing pursuant to the applicable provisions of the Uniform Commercial Code, the Lessor may obtain such information at its own effort and expense.
26. By submitting a bid/quote, each bidder is agreeing to abide by all provisions of this Request for Proposals. No terms or conditions of the Lessor may be imposed on the School District that supersede or contradict the terms set forth in this Request for Proposals.
27. The Municipal Advisor intends to provide the purchaser of the issue with CUSIP identification numbers in compliance with MSRB Rule G-34, (a)(i)(A)(H). As is further discussed in Rule G-34 the purchaser, as the "dealer who acquires" the issue, is responsible for the registration fee to the CUSIP Bureau for this service. The District assumes no responsibility for any CUSIP Service Bureau charge or other charges that may be imposed for the assignment of such number.

Dated: April 1, 2019

EXHIBIT A
Project Scope