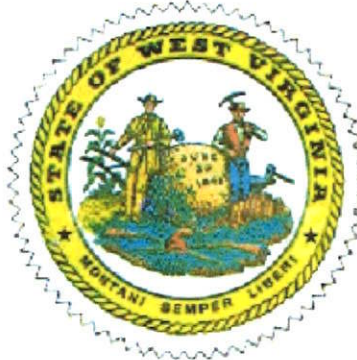




**Carlyle Capital Markets Inc.**

Date: April 24, 2012

**STATE OF WEST VIRGINIA**



**Financing Services for Equipment & Other Capital Needs  
for Various State Agencies in the form of a Master Lease  
Purchase Agreement  
RFP # FAR120000**

**Due Date: Thursday, April 26, 2012 by 1:30 pm**

**Contact:**

**Barry L. Friedman  
President  
Carlyle Capital Markets Inc.  
14755 Preston Road, Suite 510  
Dallas, Texas 75254  
972-404-8686  
barry@cemi-dallas.com**

RECEIVED

2012 APR 26 AM 9:57

WV PURCHASING  
DIVISION

# Carlyle Capital Markets Inc.

April 24, 2012

State of West Virginia  
Department of Administration  
Purchasing Division  
Building 15  
2019 Washington Street, East  
Charleston, WV 25305-0130

RE: Proposal for Financing Services for Equipment & Other Capital Needs for Various State Agencies in the form of a Master Lease Purchase Agreement RFP # FAR120000

Due: Thursday, April 26, 2012 by 1:30 pm

Dear Ms Ferrell:

Carlyle Capital Markets Inc. ("CCMI") is pleased to offer its proposal for consideration to the State of West Virginia in reference to the above captioned request for proposal.

Pursuant to our bid proposal, please find attached the following documents and/or forms:

1. Original proposal
2. Amortization schedule

Should the State have any questions regarding our proposal or wishes to schedule a meeting to further discuss our proposal, please contact Brenda Lake at 972-404-8686, or by email at [Brenda@ccmi-dallas.com](mailto:Brenda@ccmi-dallas.com). For further information on our background, and milestone transactions, please visit our website at [www.carlylecapitalmarkets.com](http://www.carlylecapitalmarkets.com). Thank you for your consideration. On behalf of CCMI, I look forward to the State's decision.

Sincerely,



Barry L. Friedman  
President


## Table of Contents

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2	Cost Sheet.....	5
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# **1 Request for Quotation Forms**

Please see attached Request for Quotation forms (Pages 1-4).

## Request for Quotation

	State of West Virginia Department of Administration Purchasing Division 2019 Washington Street East Post Office Box 50130 Charleston, WV 25305-0130	RFQ NUMBER	PAGE
		FAR120000	1
		ADDRESS CORRESPONDENCE TO ATTENTION OF:	
		KRISTA FERRELL 304-558-2596	
V E N D O R	Carlyle Capital Markets Inc. 14755 Preston Road, Suite 510 Dallas, TX 75254  972-404-8686	S H I P  T O	DEPARTMENT OF ADMINISTRATION FINANCIAL ACCOUNTING AND REPORTING SECTION 2101 WASHING ST E CHARLESTON, WV 25305-1510
			304-558-4083
DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.
			FREIGHT TERMS
BID OPENING DATE: 4/26/2012		BID OPENING TIME 01:30 P.M.	
LINE	QUANTITY	UOP	CAT. NO.
			ITEM NUMBER
			UNIT PRICE
			AMOUNT
0001		EA	946 - 54
STATE MASTER LEASE PURCHASE AGREEMENT  REQUEST FOR QUOTATION (RFQ)  THE WEST VIRGINIA STATE PURCHASING DIVISION FOR THE AGENCY, THE WEST VIRGINIA OFFICE OF TECHNOLOGY, IS SOLICITING BIDS TO PROVIDE FINANCING SERVICES FOR VARIOUS STATE AGENCIES IN THE FORM OF A MASTER LEASE PURCHASE AGREEMENT PER THE ATTACHED SPECIFICATIONS.  TECHNICAL QUESTIONS CONCERNING THIS SOLICITATION MUTS BE SUBMITTED IN WRITING TO KRISTA FERRELL IN THE WEST VIRGINIA STATE PURCHASING DIVISION VIA FAX AT 304-558- 4115 OR VIA EMAIL AT KRISTA.S.FERRELL@WV.GOV.  DEADLINE FOR ALL TECHNICAL QUESTIONS IS 04/17/2012 AT THE CLOSE OF BUSINESS.  ALL TECHNICAL QUESTIONS RECEIVED WILL BE ANSWERED BY FORMAL WRITTEN ADDENDUM TO BE ISSUED BY THE PURCHASING DIVISION AFTER THE DEADLINE HAS LASPED.  VERBAL COMMUNICATION: ANY VERBAL COMMUNICATION BETWEEN THE VENDOR AND ANY STATE PERSONNEL IS NOT BINDING. ONLY INFORMATION ISSUED IN WRITING AND ADDED TO THE RFQ SPECIFICATIONS BY AND OFFICIAL WRITTEN ADDENDUM BY THE PURCHASING DIVISION IS BINDING.			
<b>SEE REVERSE SIDE FOR TERMS AND CONDITIONS</b>			
SIGNATURE	<i>Krista Ferrell</i>	TELEPHONE	972-404-8686
		DATE	<i>4/25/12</i>
TITLE	President	FEIN	75-1832984
ADDRESS CHANGES TO BE NOTED ABOVE			
WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'			

**GENERAL TERMS & CONDITIONS**  
**REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)**

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
4. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods this Purchase Order/Contract becomes void and of no effect after June 30.
5. Payment may only be made after the delivery and acceptance of goods or services.
6. Interest may be paid for late payment in accordance with the *West Virginia Code*.
7. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
8. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
9. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
10. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern the purchasing process.
11. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
12. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.
13. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at [www.state.wv.us/admin/purchase/vrc/hipaa.html](http://www.state.wv.us/admin/purchase/vrc/hipaa.html) and is hereby made part of the agreement provided that the Agency meets the definition of a Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
14. **CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.
15. **LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, and the West Virginia Insurance Commission. The vendor must provide all necessary releases to obtain information to enable the director or spending unit to verify that the vendor is licensed and in good standing with the above entities.
16. **ANTITRUST:** In submitting a bid to any agency for the State of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the State of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.


I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, or person or entity submitting a bid for the same material, supplies, equipment or services and is in all respects fair and without collusion or Fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

---


**INSTRUCTIONS TO BIDDERS**

1. Use the quotation forms provided by the Purchasing Division. Complete all sections of the quotation form.
2. Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Unit prices shall prevail in case of discrepancy. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
4. All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130
5. Communication during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited (W.Va. C.S.R. §148-1-6.6).

## Request for Quotation


	State of West Virginia Department of Administration Purchasing Division 2019 Washington Street East Post Office Box 50130 Charleston, WV 25305-0130	RFQ NUMBER		PAGE		
		FAR120000		2		
		ADDRESS CORRESPONDENCE TO ATTENTION OF:				
		KRISTA FERRELL 304-558-2596				
V E N D O R	Carlyle Capital Markets Inc. 14755 Preston Road, Suite 510 Dallas, TX 75254  972-404-8686	S H I P  T O	DEPARTMENT OF ADMINISTRATION FINANCIAL ACCOUNTING AND REPORTING SECTION 2101 WASHING ST E CHARLESTON, WV 25305-1510			
304-558-4083						
DATE PRINTED		TERMS OF SALE		SHIP VIA		
F.O.B.		FREIGHT TERMS				
BID OPENING DATE:		4/26/2012		BID OPENING TIME 01:30 P.M.		
LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>NO CONTACT BETWEEN THE VENDOR AND ANY AGENCY REGARDING THE SUBJECT MATTER OF THIS RFQ IS PERMITTED WITHOUT THE EXPRESS WRITTEN CONSENT OF THE STATE BUYER. VIOLATION MAY RESULT IN REJECTION OF THE BID. THE STATE BUYER NAMED ABOVE IS THE SOLE CONTACT FOR ANY AND ALL INQUIRIES AFTER THIS RFQ HAS BEEN RELEASED.</p> <p>EXHIBIT 10</p> <p>REQUISITION NO.: _____</p> <p>ADDENDUM ACKNOWLEDGMENT</p> <p>I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATIONS, ETC.</p> <p>ADDENDUM NO.'S</p> <p>NO. 1 _____</p> <p>NO. 2 _____</p> <p>NO. 3 _____</p> <p>NO. 4 _____</p> <p>NO. 5 _____</p> <p>I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.</p> <p>VENDOR MUST CLEARLY UNDERSTAND THAT ANY VERBAL REPRESENTATION MADE OR ASSUMED TO BE MADE DURING ANY ORAL DISCUSSION HELD BETWEEN VENDOR'S REPRESENTATIVES</p>						
SEE REVERSE SIDE FOR TERMS AND CONDITIONS						
SIGNATURE <i>Barry Friedman</i>		TELEPHONE 972-404-8686		DATE <i>4/25/12</i>		
TITLE President		FEIN 75-1832984		ADDRESS CHANGES TO BE NOTED ABOVE		
WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'						

## Request for Quotation

	State of West Virginia Department of Administration Purchasing Division 2019 Washington Street East Post Office Box 50130 Charleston, WV 25305-0130	RFQ NUMBER		PAGE		
		FAR120000		3		
		ADDRESS CORRESPONDENCE TO ATTENTION OF:				
		KRISTA FERRELL 304-558-2596				
V E N D O R	Carlyle Capital Markets Inc. 14755 Preston Road, Suite 510 Dallas, TX 75254  972-404-8686	S H I P  T O	DEPARTMENT OF ADMINISTRATION FINANCIAL ACCOUNTING AND REPORTING SECTION 2101 WASHING ST E CHARLESTON, WV 25305-1510                      304-558-4083			
DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS		
BID OPENING DATE: 4/26/2012		BID OPENING TIME 01:30 P.M.				
LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
AND ANY STATE PERSONNEL IS NOT BINDING. ONLY THE INFORMATION ISSUED IN WRITING AND ADDED TO THE SPECIFICATIONS BY AN OFFICIAL ADDENDUM IS BINDING.						
_____ SIGNATURE						
Carlyle Capital Markets Inc. COMPANY						
April 25, 2012 DATE						
NOTE: THIS ADDENDUM ACKNOWLEDGEMENT SHOULD BE SUBMITTED WITH THE BID.						
REV. 09/21/2009						
ANY INDIVIDUAL SIGNING THIS BID IS CERTIFYING THAT: (1) HE OR SHE IS AUTHORIZED BY THE BIDDER TO EXECUTE THE BID OR ANY DOCUMENTS RELATED THERETO ON BEHALF OF THE BIDDER, (2) THAT HE OR SHE IS AUTHORIZED TO BIND THE BIDDER IN A CONTRACTUAL RELATIONSHIP, AND (3) THAT THE BIDDER HAS PROPERLY REGISTERED WITH ANY STATE AGENCIES THAT MAY REQUIRE REGISTRATION.						
NOTICE  A SIGNED BID MUST BE SUBMITTED TO:  DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST						
<b>SEE REVERSE SIDE FOR TERMS AND CONDITIONS</b>						
SIGNATURE <i>Barry Freedman</i>		TELEPHONE 972-404-8686		DATE <i>4/25/12</i>		
TITLE President		FEIN 75-1832984		<b>ADDRESS CHANGES TO BE NOTED ABOVE</b>		
WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'						



## Request for Quotation

	State of West Virginia Department of Administration Purchasing Division 2019 Washington Street East Post Office Box 50130 Charleston, WV 25305-0130	RFQ NUMBER	PAGE
		FAR120000	4
		ADDRESS CORRESPONDENCE TO ATTENTION OF:	
		KRISTA FERRELL 304-558-2596	

V E N D O R	Carlyle Capital Markets Inc. 14755 Preston Road, Suite 510 Dallas, TX 75254  972-404-8686	S H I P  T O	DEPARTMENT OF ADMINISTRATION FINANCIAL ACCOUNTING AND REPORTING SECTION 2101 WASHING ST E CHARLESTON, WV 25305-1510	304-558-4083
----------------------------	-------------------------------------------------------------------------------------------------------	--------------------------------	------------------------------------------------------------------------------------------------------------------------------------	--------------

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS		
BID OPENING DATE: 4/26/2012		BID OPENING TIME 01:30 P.M.				
LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT

CHARLESTON, WV 25305-0130

THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:

SEALED BID

BUYER: KRISTA FERRELL – FILE 21

RFQ NO.: FAR12000

BID OPENING DATE: 04/26/2012

BID OPENING TIME: 1:30 PM

PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID:

972-404-1231 \_\_\_\_\_

CONTACT PERSON (PLEASE PRINT CLEARLY)

Barry Friedman \_\_\_\_\_

<b>SEE REVERSE SIDE FOR TERMS AND CONDITIONS</b>			
SIGNATURE <i>Barry Friedman</i>	TELEPHONE 972-404-8686	DATE <i>4/26/12</i>	
TITLE President	FEIN 75-1832984	<b>ADDRESS CHANGES TO BE NOTED ABOVE</b>	
WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'			

## 2 Cost Sheet

Bidders are asked to complete the below Costing Table. Vendors failing to complete this section in its entirety may be disqualified as the submitted bid may not be able to be evaluated.

Financing Period	Discount/Premium from H.15
3 Year Financing Term	plus 140 basis points
4 Year Financing Term	plus 108 basis points
5 Year Financing Term	plus 90 basis points
7 Year Financing Term	plus 60 basis points

### 3 Purchasing Affidavit

STATE OF WEST VIRGINIA  
Purchasing Division

#### PURCHASING AFFIDAVIT

**West Virginia Code §5A-3-10a states:** No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate.

#### DEFINITIONS:

“Debt” means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers’ compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

“Debtor” means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions. “Political subdivision” means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. “Related party” means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

**EXCEPTION:** The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers’ compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (West Virginia Code §61-5-3), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

#### WITNESS THE FOLLOWING SIGNATURE

Vendor’s Name: Carlyle Capital Markets Inc.

Authorized Signature:  Date: April 25, 2012

State of Texas

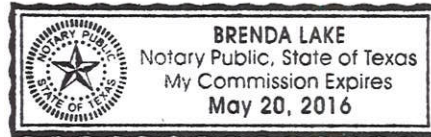
County of Dallas, to-wit:

Taken, subscribed, and sworn to before me this 25<sup>th</sup> day of April, 2012.

My Commission expires May 20<sup>th</sup>, 2016.

NOTARY PUBLIC Brenda Lake

AFFIX SEAL HERE



## **4 Firm Qualifications and Experience**

Carlyle Capital Markets Inc., (“CCMI”) is the longest serving corporate lessor in the municipal leasing market established to provide financing for municipal appropriation debt secured by real or personal property. CCMI is credited with pioneering many successful financing structures for city, county, and state governments and the Federal Government as well, in addition to universities, community colleges, public schools, and other special entities.

Friedman, Luzzatto & Co. (“FLCO”), CCMI’s affiliate broker/dealer has been a FINRA-registered broker/dealer since 1986, a SIPC member since 1989, and a Registered Municipal Advisor since 2010. FLCO is a women-owned business (WBE) and works with state and local governments as well as other municipal entities. FLCO has 25 years of financial advisory and underwriting experience in the public and private markets for issuance of tax-exempt and taxable debt obligations, specializing in lease revenue and other revenue-supported issues. FLCO has provided financial advisory services, underwritten or served as senior/co-manager, placement agent, or selling group member for more than \$17.7 billion in transactions. Since 1982, neither CCMI, nor FLCO has experienced an event of non-appropriation under the capital lease structure by a municipality.

Please see a list of our attached milestone transactions for more information, or visit our website at [www.carlylecapitalmarkets.com](http://www.carlylecapitalmarkets.com)

## 5 Terms and Conditions

Carlyle Capital Markets Inc., as the Lessor (“CCMI”) is willing to negotiate any of the following with the State of West Virginia (the “State” or “Lessee”) acting by and through the Director of Purchasing Divisions:

1. CCMI requests the right to arrange for the Trustee to execute and deliver, pursuant to the Trust Agreement, **publicly-offered** Equipment Trust Receipts (the “Receipts”), in order to make available the moneys required to accomplish the financing. The Receipts will evidence the investors’ right to receive proportionate interests in the Rental Payments. The Receipts will be offered in minimum denominations of \$5,000 to investors. The Receipts will be placed through Friedman, Luzzatto & Co., CCMI’s affiliated municipal broker-dealer.
2. CCMI will deposit funds at closing to pay all costs of the equipment into the State’s Master Lease acquisition account. At the State’s option, CCMI can deposit funds into escrow account (the “Escrow Account”) held by the Trustee. Funds deposited to the Escrow Account would be invested in eligible investments allowed under the Lessee’s investment policy or guidelines, and all investment earnings derived from the investment of the Escrow Account would inure to the benefit of the Lessee and may be utilized by the Lessee in accordance with its written directions. The Lessee may request payments to vendors by submitting a disbursement request to CCMI. CCMI will coordinate with the Lessee and the escrow agent regarding vendor payments. Upon receipt of a properly completed disbursement request, the escrow agent will pay each vendor according to the Lessee’s instructions. The costs for the Trustee to serve as escrow agent for the term of the Agreement are included in the quoted APR. Generally, the Trustee also serves as escrow agent for the Escrow Account; however, if the Lessee elects to choose a different escrow agent, the Trustee’s annual fee would not be decreased. If a separate Escrow Agreement is not prepared, CCMI requests that the Agreement be revised to accommodate the creation of an escrow account and the expenditure of the funds from the account.
3. CCMI requests that financings be at least \$1,000,000 per appendice.
4. The State agrees to provide audited financial statements for the most recent fiscal year for which such statements are available, and agrees to authorize the inclusion of the most recent financial statements to investors.
5. CCMI reserves the right to re-index the rates bid in this proposal should the State be downgraded or placed on credit watch by any of the nationally recognized rating agencies.
6. The Lessee agrees to provide such equipment descriptions including a full description of the essentiality of the equipment and such demographic information as CCMI may reasonably request.
7. Special tax counsel for CCMI, **at its expense**, will prepare and deliver a written opinion to the effect that the interest portion of the Rental Payments and the allocable portion distributable in respect thereof in connection with the Receipts is exempt from federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended, and from applicable State income taxation, if appropriate.
8. CCMI requires the State to obtain a perpetual license for any software procured under the Agreement.

9. The Lessee is responsible for titling any vehicle obtained under the Agreement, including the payment of any costs associated with the titling. Please note that the Lessee should include the trustee to be provided as lienholder on all title applications.
10. CCMI will require that the State provide a policy of commercial insurance or provide evidence that the State is self-insured for any liability or property damage occurring in connection with the vehicles acquired pursuant to the Agreement.
11. CCMI will assist the State with all ongoing disclosure requirements.
12. Counsel for the Lessee will prepare and deliver its written opinion to the State of West Virginia and CCMI to the effect that, among other things, (i) the execution of the Master Lease and Sublease Agreement (the "Agreement") has been duly authorized, approved, executed and delivered by and on behalf of the Lessee; (ii) the Agreement is a valid and binding contract of the Lessee and (iii) that Lessee has complied with all applicable public bidding requirements.
13. Cost Sheet referenced in Section 2 above is based on The Board of Governors of the Federal Reserve System Interest Rate Swap Rate as of April 24, 2012.
14. CCMI, **at its expense**, reserves the right to obtain rating on the Receipts.

West Virginia  
 12.005  
 04/25/12

Lease Amount \$1,000,000.00  
 APR 2.1000%  
 Payment \$172,844.98  
 Average Life 21.18

Dated Date 6/1/2012  
 First Payment 12/1/2012  
 Final Payment 6/1/2015  
 Frequency Semi-Annual

**THREE YEAR AMORTIZATION SCHEDULE**

\$1,037,069.88    \$1,000,000.00    \$37,069.97

Date	Payment #	Payment	Principal	Interest	Purchase Option Price
12/1/2012	1	172,844.98	162,344.98	10,500.00	NA
6/1/2013	2	172,844.98	164,049.60	8,795.38	NA
12/1/2013	3	172,844.98	165,772.12	7,072.86	517,291.78
6/1/2014	4	172,844.98	167,512.73	5,332.25	346,601.74
12/1/2014	5	172,844.98	169,271.61	3,573.37	175,200.63
6/1/2015	6	172,844.98	171,048.96	1,796.11	-



West Virginia  
 12.005  
 04/25/12

Lease Amount \$1,000,000.00  
 APR 1.9900%  
 Payment \$130,661.50  
 Average Life 27.31

Dated Date 6/1/2012  
 First Payment 12/1/2012  
 Final Payment 6/1/2016  
 Frequency Semi-Annual

**FOUR YEAR AMORTIZATION SCHEDULE**

\$1,045,292.00    \$1,000,000.00    \$45,292.21

Date	Payment #	Payment	Principal	Interest	Purchase Option Price
12/1/2012	1	130,661.50	120,711.50	9,950.00	NA
6/1/2013	2	130,661.50	121,912.58	8,748.92	NA
12/1/2013	3	130,661.50	123,125.61	7,535.89	NA
6/1/2014	4	130,661.50	124,350.71	6,310.79	NA
12/1/2014	5	130,661.50	125,588.00	5,073.50	389,376.34
6/1/2015	6	130,661.50	126,837.60	3,823.90	260,409.59
12/1/2015	7	130,661.50	128,099.63	2,561.87	130,881.51
6/1/2016	8	130,661.50	129,374.37	1,287.34	-

West Virginia  
 12.005  
 04/25/12

Lease Amount \$1,000,000.00  
 APR 2.0500%  
 Payment \$105,723.71  
 Average Life 33.50

Dated Date 6/1/2012  
 First Payment 12/1/2012  
 Final Payment 6/1/2017  
 Frequency Semi-Annual

**5 YEAR AMORTIZATION SCHEDULE**

\$1,057,237.10 \$1,000,000.00 \$57,237.19

Date	Payment #	Payment	Principal	Interest	Purchase Option Price
12/1/2012	1	105,723.71	95,473.71	10,250.00	NA
6/1/2013	2	105,723.71	96,452.32	9,271.39	NA
12/1/2013	3	105,723.71	97,440.95	8,282.76	NA
6/1/2014	4	105,723.71	98,439.72	7,283.99	NA
12/1/2014	5	105,723.71	99,448.73	6,274.98	NA
6/1/2015	6	105,723.71	100,468.08	5,255.63	NA
12/1/2015	7	105,723.71	101,497.88	4,225.83	321,070.36
6/1/2016	8	105,723.71	102,538.23	3,185.48	216,868.39
12/1/2016	9	105,723.71	103,589.25	2,134.46	112,172.55
6/1/2017	10	105,723.71	104,651.13	1,072.67	-

West Virginia  
 12.005  
 04/25/12

Lease Amount \$1,000,000.00  
 APR 2.1978%  
 Payment \$77,455.00  
 Average Life 46.07

Dated Date 6/1/2012  
 First Payment 12/1/2012  
 Final Payment 6/1/2019  
 Frequency Semi-Annual

**SEVEN YEAR AMORTIZATION SCHEDULE**

\$1,084,370.00 \$1,000,000.00 \$84,370.00

Date	Payment #	Payment	Principal	Interest	Purchase Option Price
12/1/2012	1	77,455.00	66,465.79	10,989.21	NA
6/1/2013	2	77,455.00	67,196.20	10,258.80	NA
12/1/2013	3	77,455.00	67,934.63	9,520.37	NA
6/1/2014	4	77,455.00	68,681.18	8,773.82	NA
12/1/2014	5	77,455.00	69,435.93	8,019.07	NA
6/1/2015	6	77,455.00	70,198.97	7,256.03	NA
12/1/2015	7	77,455.00	70,970.41	6,484.59	NA
6/1/2016	8	77,455.00	71,750.32	5,704.68	455,651.57
12/1/2016	9	77,455.00	72,538.79	4,916.21	380,778.25
6/1/2017	10	77,455.00	73,335.94	4,119.06	305,480.71
12/1/2017	11	77,455.00	74,141.84	3,313.16	229,756.54
6/1/2018	12	77,455.00	74,956.60	2,498.40	153,603.32
12/1/2018	13	77,455.00	75,780.32	1,674.68	77,018.62
6/1/2019	14	77,455.00	76,613.08	841.92	0.00

## Highlights in Our History

Carlyle Capital Markets Inc. (CCMI) is a financial services company specializing in municipal leasing, project financing, and financial consulting for alternative energy projects. Founded in 1982, it is the oldest corporate lessor in the municipal leasing market and is credited with pioneering many financing structures during the past three decades including the master lease program used by government agencies throughout the country.

CCMI's broker/dealer affiliate, Friedman, Luzzatto & Co. (FLCO), was founded in 1986. Together, the two firms have a portfolio of more than \$15 billion in completed transactions and have served more than 400 states, cities, counties, school districts, university systems, community colleges, transit and port authorities, federal government agencies, private entities, and not-for-profit organizations nationwide.

CCMI has been involved in the financing of energy related projects for more than 20 years. The firm's experience in energy began with the financing of energy efficiency equipment and projects and has progressed to a specialty today in providing financial consulting services for alternative energy projects, ranging from wind and solar to biomass and biofuels.

The firm's notable history of project and equipment financing illustrates both its attention to detail and its ability to optimize financial structures that bring taxable and tax-exempt municipal securities to the marketplace at the lowest interest rate for its clients.

### The 1980's

1985 CCMI structured a tax-exempt lease-purchase financing, using Lease Revenue Certificates of Participation, through which Reeves County, TX constructed a prison facility. This was the first prison facility in the State of Texas financed through a lease-purchase structure.

1986 *Engineering News-Record* nominated CCMI President Barry Friedman for Construction's "Man of the Year Award" in recognition of CCMI's work in mapping out the financial framework that facilitated the construction of the Reeves County prison facility.

Prior to the elimination of Tax Benefit Transfers (TBTs) in 1986, CCMI successfully structured nearly 100 TBTs for approximately 30 transit authorities, including Dallas, San Antonio, San Francisco, Los Angeles, and Washington DC.

CCMI structured the first lease-sublease transaction of real property in Texas by a home-rule city for Austin, Texas. This innovative financing allowed the city to construct a \$23 million office complex.

CCMI provided turnkey build finance for the construction of a \$9.1 million telecommunications system facility for the State of New Jersey that represented the first time the State financed a real property transaction using a lease-leaseback structure.

1987 CCMI developed the State of Maryland's first Master Lease Program for equipment procurement, financing state agencies' acquisition of \$6 million of computer equipment.

CCMI structured a lease-purchase financing for the acquisition of \$65 million in supercomputers by the Regents of the University of California at Los Alamos National Laboratory, which is a Department of Energy laboratory. CCMI has structured more than \$167 million of lease-purchase transactions for Los Alamos National Laboratory over the course of a 20-plus year relationship.

Texas Governor William Clements appointed CCMI President Barry Friedman to the Select Interim Committee on Capital Construction of Texas. The Committee developed a financing program for public capital facilities in Texas which was based on CCMI's lease-purchase financing structure for Reeves County and subsequently adopted by the Governor and Legislature.

## **The 1990's**

1990 The SEC issued a "no action" letter to CCMI under Rule 15c2-12 stating that as long as CCMI clearly states that it intends to offer publicly offered Certificates of Participation in its initial bid to a governmental issuer, CCMI can serve as the issuer's agent and deem the official statement nearly final. This letter ultimately paved the way for CCMI to efficiently bring capital leasing transactions to the public markets.

CCMI pioneered the original Master Lease Program for the State of Mississippi Institutions of Higher Learning, which was heralded as a major achievement for the State. In 1992, 2001, and 2002, similar programs were implemented for Mississippi's state agencies, independent school districts, and community and junior colleges, respectively. Institutions of the State of Mississippi now participate in one of the most sophisticated aggregate leasing programs in the country, with the Master Lease Program maintaining a Standard and Poor's underlying rating of "AA-" since 2002. CCMI and FLCO have structured, underwritten, or provided financial advisory services on more than \$700 million in financings since the program's inception.

1999 FLCO acted as financial advisor to the State of Mississippi in the first competitive sale of Grant Anticipation Revenue Vehicle (GARVEE) Bonds. With FLCO's assistance, the State was able to obtain the highest rating to date (AAA by Fitch and S&P, Aa1 by Moody's) for an issuance of GARVEE Bonds in this \$200 million transaction.

## **The 2000's**

2000 In a one-of-a-kind lease-purchase financing structure, CCMI acted as lessor and FLCO acted as placement agent for the construction of the one-mile Martin Luther King Parkway in Sierra Vista, Arizona through \$4.24 million in privately placed Certificates of Participation. The Parkway remains one of the only highway systems in the United States successfully financed via a lease-purchase structure.

FLCO served as placement agent for a lease-purchase transaction using \$17.2 million in tax-exempt revenue bonds to fund the construction of a 250,000-square foot parking garage with office/retail space in Boston, MA, with East Concord Medical Foundation, Inc. (a partnership of Boston Medical Center Corporation and Boston University) acting as lessor and Massachusetts Health and Educational Facilities Authority as the issuer.

- 2002 CCMI structured a Master Lease Program for the State of Mississippi using approximately \$5 million in Lease Revenue Certificates of Participation which were competitively sold by FLCO, the State's financial advisor. The Master Lease Program enabled the State's community and junior colleges to launch energy efficiency projects on four of the State's campuses.
- 2003 FLCO privately placed \$18 million in Certificates of Participation after CCMI structured a Master Facilitator Agreement for the State of North Carolina that allowed 58 different school districts to simultaneously finance the acquisition of school buses. As a result of CCMI's inclusion of an "intercept" mechanism – the first the State had used in a master lease program for school districts – school districts were able to lower their costs by leveraging the State's credit rating.
- In the first medical equipment lease financing for the State of Louisiana through Louisiana State University Health Sciences Center, CCMI structured a Master Lease Program for the acquisition of \$30 million in medical equipment by the State's nine public hospitals. FLCO acted as placement agent for the Certificates of Participation.
- 2010 Since 1985, CCMI has structured multiple financings totaling \$170 million on behalf of Reeves County, Texas, which have made Reeves County Detention Center—located in a community of less than 12,000 people—one of the nation's largest prison facilities housing federal inmates. FLCO provided underwriting for the taxable Lease Revenue Certificates of Participation used in these financings.

#### **Energy sector experience:**

Since 1990, CCMI has been providing capital lease financing for various energy efficiency and power generation projects. CCMI has acted as the lessor and FLCO as the underwriter of Certificates of Participation for all of these financings, which have included energy projects for Southern Arkansas University; Tulsa Airport Authority; Philadelphia Municipal Authority; the State of Mississippi Department of Mental Health; School Districts of the State of Mississippi; Community College Districts of the State of Mississippi; Jefferson Parish, Louisiana; Board of Education of the Township of Livingston, New Jersey; the State of Kansas' Facility Conservation Improvement Projects (at Pittsburg State University); Board of Public Utilities of the City of Springfield, Missouri; and Louisiana State University and Agricultural and Mechanical College.

Furthermore, in 2003 CCMI not only provided the financing, but also constructed a 22MW electrical generation power project at the U.S. Department of Energy's Los Alamos National Laboratory. The project was designed to provide the "peak" power required during periods of high electrical usage. With FLCO acting as the underwriter, CCMI structured \$14 million of taxable revenue bonds supported by an operating lease through the Regents of the University of California as prime contractor for the Department of Energy.

Additionally, CCMI has provided financial consulting services for alternative energy projects—including wind, solar, biomass, and biofuels—for nearly a decade. Beginning in 2002, CCMI took part in the research and development of an advanced biofuels refinery project, undertaking risk mitigation in the input and output as well as reviewing site selection, design, and permitting.

CCMI's experience in biofuels led to CCMI President Barry Friedman's appointment to the State of California Energy Commission Resource Group, on which he served from 2003 to 2006. CCMI was one of the only financial services companies to be a part of this key policy-drafting agency.

In 2008, CCMI provided financial advisory services to a development company for the development of a \$110 million, 37MW biomass-fired electric generating project to be located in the State of Mississippi.

CCMI has also provided consulting for projects involving bio-coal, a new alternative energy biomass product based upon torrefaction technology. In 2009, CCMI was engaged as a consultant to an emerging biomass company to assist in the structuring of initial equity capital and debt financing for multiple bio-coal projects.

CCMI's affiliate, FLCO, recently submitted a proposal to the U.S. Department of Energy (DOE) to develop an alternative energy financing program for the State and Local Government and FIPP Loan Guarantee Programs under Section 1705 of the Energy Policy Act of 2005 (EPAAct). DOE has approved FLCO's taxable revenue bond financial structure, which provides liquidity under the Loan Guarantee Programs in a market that is somewhat constrained today. FLCO's taxable revenue bond financial structure is applicable to the USDA Loan Guarantee Program as well. In addition to providing the financial structure, FLCO is also able to undertake due diligence for alternative energy projects under the Loan Guarantee Programs, including reviewing all financial documentation, such as loan documentation, contracts for construction, power purchase/lease/off-take agreements, supply contracts, offering statements, and letters of credit; reviewing site selection, permitting, regulatory requirements, environmental assessments, power resource evaluations, and government programs and incentives; as well as undertaking structural sensitivity analysis and project modeling.