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Newark, OH 43055

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April 26, 2012

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

**Subject: State Master Lease Purchase Agreement
RFQ # FAR120000**

Dear Sir or Madam:

Capital One Public Funding, LLC is pleased to present this proposal letter to the State of West Virginia.

Please note that COPF has not obtained final credit approval for the financing; rather, this term sheet is intended to express our strong interest in the above referenced transaction and set forth the terms and conditions under which COPF would recommend final approval to credit committee. Accordingly, this term sheet does not constitute a commitment by COPF to provide financing, and notwithstanding any discussions we may have, COPF shall not have any commitment or other obligation hereunder unless and until a commitment letter is executed.

Type of Financing: Tax-exempt financing provided under a Master Lease Financing Program ("Program") which will allow the State (the "State") to finance the purchase of capital equipment, vehicles or personal property ("Equipment").

Estimated Financed Amount: \$15,000,000 During the term of the Program, Capital One and the State may negotiate new credit limits.

Lessee: State of West Virginia ("State").

Lessor: Capital One Public Funding, LLC ("COPF"). COPF is the tax-exempt lending unit of Capital One Bank, a top-10 U.S. bank, based on deposits. Complete financial information about Capital One Financial is online at www.capitalone.com in the company section. Please see Exhibit A for further information on Capital One.

Term of the Program: Financing would be provided on an "as needed" basis for a period of one (1) year.

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WV PURCHASING
DIVISION

- Security:** A first lien and security interest in the Equipment.
- Structure:** The Program shall be implemented through use of a Master Equipment Lease-Purchase Agreement (“Lease”) with a series of separate Equipment Schedules (“Schedule”) thereto. Payments due under any Schedule would be subject to annual appropriation.
- Eligible Equipment:** The Program will be available for all essential use items of new or reconditioned personal property or other such items as may be permitted by the laws of the State of West Virginia.
- Schedule Approval:** Before funding of any Schedule under the Lease, the State shall submit to Capital One a funding request which outlines the equipment to be financed, the function it will perform and the term requested. Each request for funding shall be approved on an individual basis after satisfactory evaluation of essentiality and appropriate term. Capital One will provide the State with its approval/disapproval within two (2) business days of funding request.
- Payment Frequency:** Monthly payments in arrears
- Lease Terms:** Lease Schedules shall have a term of three (3), four (4), five (5) years, and seven (7), as negotiated between COPF and the State.
- Minimum Take Down:** \$100,000
- Pricing Chart:**

(65% LIBOR) + Fixed Spread								
<u>Term</u>	<u>Index</u>	<u>Current Libor Swap Rate*</u>	<u>Tax Haircut</u>		<u>Base Rate*</u>		<u>Fixed Spread</u>	<u>Lease Rate as of Now*</u>
3	like-term swap	.69	0.65	=	.45	+	1.50	= 1.95
4	Like-term swap	.90	0.65	=	.59	+	1.45	= 2.04
5	like-term swap	1.14	0.65	=	.74	+	1.40	= 2.14
7	like-term swap	1.60	0.65	=	1.04	+	1.30	= 2.34

*Subject to change; to be determined one week prior to pricing individual schedules based upon Federal Reserve H.15 data.

- Fees:** No fees shall be charged by COPF to the State for execution of the Lease.
- Escrow:** Lease proceeds shall be funded into an escrow account held by Deutsche Bank National Trust Company, with disbursements made as Equipment is delivered and accepted. Escrow set-up fees will be paid by COPF. All income earned in respect to the escrow account shall accrue to the benefit of the State. Funds may be invested in the Capital One collateralized money market account.



Documentation: COPF will utilize the State's form of documentation. The State shall provide an opinion of legal counsel attesting to the legal, valid, and binding nature of the Lease and stating that the interest component of the Lease payments is exempt from taxation.

Rating: COPF reserves the right to have this transaction rated and/or insured at COPF's sole cost at any time during the term of the Lease. The State agrees to cooperate with COPF and the rating agency/insurer in providing any requested financial or non-financial information that may be material to obtaining the rating/insurance.

Prepayment: The Lessee shall have the right to pre-pay the Lease on any payment date provided that the State gives COPF at least thirty (30) days prior written notice of its intent to do so. The prepayment price shall be equal to 102% of the outstanding Lease balance.

Role of COPF as Lessor: Lessor is acting solely as Lessor for its own account and not as a fiduciary for Lessee or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor. Lessor has not provided, and will not provide, financial, legal, tax, accounting or other advice to or on behalf of Lessee with respect to the proposed Lease. Lessee shall represent in the Lease documentation that Lessee has sought and obtained financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the proposed Lease from its financial, legal and other advisors (and not Lessor) to the extent that Lessee desired to obtain such advice.

Credit Approval: COPF shall make a credit approval decision within five (5) business days of the execution of this term sheet. This letter contains an outline of suggested terms only, and it does not represent a commitment by Capital One or create any obligation whatsoever on Capital One's part. It is for discussion purposes only, and the outlined terms have not received final approval by the appropriate Capital One lending authorities.

Proposal Expiration: This term sheet shall expire if the transaction has not closed by May 25, 2011.

Thank you for the opportunity to offer this proposal. We appreciate your consideration and look forward to your favorable response. Should you have any questions regarding COPF or this proposal, please do not hesitate to contact me toll-free at 866-617-2337 or email me at jaci.bretz@capitalonebank.com.

Sincerely,



Jacqueline Bretz
Capital One Public Funding



ACCEPTED BY: STATE OF WEST VIRGINIA

By

Name

Title

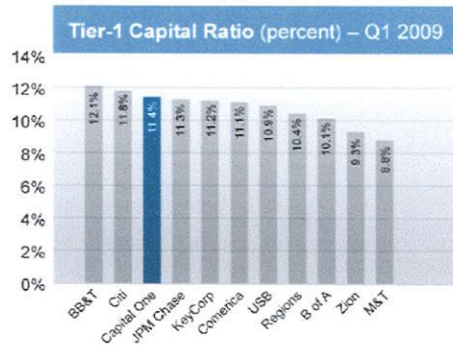
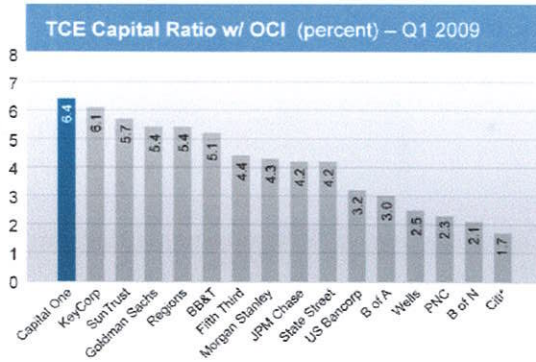


EXHIBIT A – INFORMATION ON CAPITAL ONE

Through a series of key strategic acquisitions, Capital One:
- is a Member of the Fortune 500
- is the #1 Bank in Louisiana, based on market share*
- is the 6th largest retail depository institution in New York*
- is the 7th largest bank in the U.S. , based on deposits*
- is one of the Top 20 Commercial Lenders in U.S. ¹
- will be the 3rd largest retail depository institution in the Washington D.C. area**
- will have the most branch locations in the Washington D.C. area**

Capital One – Strong Capital Ratios

- A Tier-1 risk-based capital ratio above 11.4%
- A TCE ratio of 6.4%



*Will rise once government investment in preferred shares is converted to common stock.
 TCE Capital Ratio w/ OCI chart - Source: New York Times, April 25, 2009, *New Woes for Next Tier of Banks*
 Tier-1 Capital Ratio chart - Source: Company Reports Q1 2009





State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
 FAR120000

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ADDRESS CORRESPONDENCE TO ATTENTION OF:
 KRISTA FERRELL
 304-558-2596

RFQ COPY
 TYPE NAME/ADDRESS HERE

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DEPARTMENT OF ADMINISTRATION
 FINANCIAL ACCOUNTING AND
 REPORTING SECTION
 2101 WASHINGTON ST E
 CHARLESTON, WV
 25305-1510 304-558-4083

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
04/04/2012				

BID OPENING DATE: 04/26/2012 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
				CHARLESTON, WV 25305-0130		
<p>THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:</p> <p>SEALED BID</p> <p>BUYER: KRISTA FERRELL-FILE 21</p> <p>RFQ. NO.: FAR120000</p> <p>BID OPENING DATE: 04/26/2012</p> <p>BID OPENING TIME: 1:30 PM</p> <p>PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID: <i>Phone 866-667-2337 Fax 866-667-2330</i></p> <p>CONTACT PERSON (PLEASE PRINT CLEARLY): <i>Jaci Bretz</i></p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

The contractor shall procure all necessary permits and licenses to comply with all applicable laws, Federal State, or municipal, along with all regulations, and ordinances of any regulating body.

The Vendor shall pay any applicable sales, use, or personal property taxes arising out of this contract and the transactions contemplated thereby. Any other taxes levied upon this contract, the transaction, the equipment, or services delivered pursuant hereto shall be borne by the contractor. It is clearly understood that the State of West Virginia is exempt from any taxes regarding performance of the scope of work of this contract.

Section 4: 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	* _____
4 Year Financing Term	* _____
5 Year Financing Term	* _____
7 Year Financing Term	* _____

** PLS see attached proposal*

Section 5: Attachments

Attachment A: State of West Virginia Master Lease Purchase Financing Agreement including Appendices and Attachments to Appendices.

Attachment B: State of West Virginia Master Lease Program Blanket Purchase Order

Attachment C: State of West Virginia Master Lease Program Submission Form

Attachment E: Listing of State Equipment Financed from 2009-March 2012

Attachment F: Selected Interest Rate Schedule (Federal Reserve in Publication H.15)

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 exceed 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: Capital One Public Funding, LLC

Authorized Signature: [Signature] Date: 4-25-12

State of Ohio

County of Licking, to-wit:

Taken, subscribed, and sworn to before me this 25 day of April, 2012.

My Commission expires 3/17/15 AMH, 2015.



ALISA M. HEDRICK
Notary Public, State of Ohio
My Commission Expires
March 17, 2015

NOTARY PUBLIC [Signature]