



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

PAGE
 1

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

RFQ COPY

TYPE NAME/ADDRESS HERE

VENDOR

SHIP TO

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
0001	1	EA		946-54		
<p>STATE MASTER LEASE PURCHASE AGREEMENT</p> <p>REQUEST FOR QUOTATION (RFQ)</p> <p>THE WEST VIRGINIA STATE PURCHASING DIVISION FOR THE AGENCY, THE WEST VIRGINIA OFFICE OF TECHNOLOGY, IS SOLICITING BIDS TO PROVIDE FINANCING SERVICES FOR EQUIPMENT AND OTHER CAPITAL FINANCING NEEDS OF VARIOUS STATE AGENCIES IN THE FORM OF A MASTER LEASE PURCHASE AGREEMENT PER THE ATTACHED SPECIFICATIONS.</p> <p>TECHNICAL QUESTIONS CONCERNING THIS SOLICITATION MUST 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.</p> <p>DEADLINE FOR ALL TECHNICAL QUESTIONS IS 04/17/2012 AT THE CLOSE OF BUSINESS.</p> <p>ALL TECHNICAL QUESTIONS RECEIVED WILL BE ANSWERED BY FORMAL WRITTEN ADDENDUM TO BE ISSUED BY THE PURCHASING DIVISION AFTER THE DEADLINE HAS LAPSED.</p> <p>VERBAL COMMUNICATION: ANY VERBAL COMMUNICATION BETWEEN THE VENODR 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.</p>						

RECEIVED

2012 APR 25 AM 9:45

WV PURCHASING DIVISION

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>Jennifer E. Fobbie</i>	TELEPHONE 614-213-1863	DATE 4/26/12
TITLE vpt	FEIN	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 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).



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<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.: FAR 120000</p> <p>ADDENDUM ACKNOWLEDGEMENT</p> <p>I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.</p> <p>ADDENDUM NO.'S:</p> <p>NO. 1 <i>✓</i></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>						

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<p>AND ANY STATE PERSONNEL IS NOT BINDING. ONLY THE INFORMATION ISSUED IN WRITING AND ADDED TO THE SPECIFICATIONS BY AN OFFICIAL ADDENDUM IS BINDING.</p> <p style="text-align: center;"><i>Jennifer C. Inbbie</i> SIGNATURE <i>Chase Equipment Finance</i> COMPANY <i>4/26/12</i> DATE</p> <p>NOTE: THIS ADDENDUM ACKNOWLEDGEMENT SHOULD BE SUBMITTED WITH THE BID.</p> <p>REV. 09/21/2009</p> <p>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.</p> <p style="text-align: center;">NOTICE</p> <p>A SIGNED BID MUST BE SUBMITTED TO:</p> <p style="text-align: center;">DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST</p>						

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VENDOR PREFERENCE CERTIFICATE

Certification and application* is hereby made for Preference in accordance with *West Virginia Code*, §5A-3-37. (Does not apply to construction contracts). *West Virginia Code*, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the *West Virginia Code*. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.

- 1. **Application is made for 2.5% resident vendor preference for the reason checked:**
 Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,
 Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,
 Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; or,
- 2. **Application is made for 2.5% resident vendor preference for the reason checked:**
 Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
- 3. **Application is made for 2.5% resident vendor preference for the reason checked:**
 Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
- 4. **Application is made for 5% resident vendor preference for the reason checked:**
 Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; or,
- 5. **Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:**
 Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; or,
- 6. **Application is made for 3.5% resident vendor preference who is a veteran for the reason checked:**
 Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (*West Virginia Code*, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

Bidder: Chase Equipment Finance Signed: Jennifer C. Tribbie
 Date: 4/26/12 Title: Vice President

*Check any combination of preference consideration(s) indicated above, which you are entitled to receive.

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.

to its knowledge

WITNESS THE FOLLOWING SIGNATURE

Vendor's Name: Jennifer Tribbie - Chase Equipment Finance

Authorized Signature: Jennifer Tribbie Date: 4-18-12

State of Ohio

County of Delaware, to-wit:

Taken, subscribed, and sworn to before me this 18th day of April, 2012

My Commission expires 12-8, 2015

AFFIX SEAL



SUSAN J. McBRIDE
Notary Public, State of Ohio
My Comm. Expires Dec. 8, 2015

NOTARY PUBLIC

Susan J. McBride

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	Dependent on schedule size - please see included proposal
4 Year Financing Term	"
5 Year Financing Term	"
7 Year Financing Term	"

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)



CHASE EQUIPMENT FINANCE
 1111 Polaris Parkway
 Suite 3-A
 Columbus, Ohio 43240

Jennifer Tribbie
 Vice President
 Tel: 614-213-1863
jennifer.c.tribbie@jpmchase.com

April 26, 2012

Krista Ferrell
 West Virginia Department of Administration
 Purchasing Division
 Building 15
 2109 Washington Street E
 Charleston, WV 25305-0130

Dear Krista:

Chase Equipment Finance "CEF" is pleased to submit the following term financing proposal for your review and consideration. Your approval and acceptance of this proposal will constitute Lessee's application to Lessor. This letter is a proposal only and is contingent upon the Lessee's compliance with the requirements of the Internal Revenue Code of 1986 ("Code"), as amended, and all applicable state laws related to Lessee's ability to enter into a tax-exempt lease-purchase financing for the intended purposes. Upon your approval, this proposal will constitute Lessee's application to Lessor. This is for discussion purposes only and the terms and provisions are subject, among other things, to approval in accordance with Lessor's internal procedures, as well as certain additional conditions as set forth below.

Program Summary

We propose a \$25 million lease line to finance the capital expenditures for the State of West Virginia in response to RFQ #FAR12000. Takedowns will occur as requested by the State, and all schedules will have a fixed rate, with terms of three to seven years. The Lessor shall have the right to accept or reject a lease schedule. Please see the included Summary of Terms and Conditions for more details.

Please feel free to contact me at 614-213-1863 if you have any questions, or would like to discuss this proposal in greater detail. Upon receipt of the accepted proposal, we will promptly begin securing the required information and documentation, so we may be in a position to finalize this transaction within your timeline. Thank you for the opportunity. We truly appreciate it.

Sincerely,

CHASE EQUIPMENT FINANCE

Jennifer Tribbie

Vice President

CC: George Sesock, Chase Government Banker

State of West Virginia

Accepted Date: _____

By: _____

Title: _____

SUMMARY OF TERMS & CONDITIONS

TRANSACTION SUMMARY

Type of Transaction: This proposal is for a lease line, with associated schedules as fixed-rate, fully amortizing tax-exempt lease-purchase agreements.

Lessor: JPMorgan Chase Bank, NA or any affiliate of JPMorgan Chase Bank, NA, its successors and/or assigns

Lessee: State of West Virginia

Estimated Lease Line Amount: \$25,000,000

Minimum Schedule Size: \$100,000

Location of Equipment: West Virginia

Expected Financing Term: The initial term of this lease line is expected to be one year, with the possibility of renewal for two additional terms of one year each, upon mutual agreement of both parties.

TRANSACTION DETAILS

Payments: Lessee will be required to make consecutive monthly payments of principal and interest, each in arrears, beginning the first day of the month following the month in which the lease schedule is effective. Alternative payment schedules are available upon request.

Rate: Interest rates for each schedule will be calculated using the following formula:

$$\text{Rate} = [\text{Weekly Average Interest Rate Swap} * .6242] + \text{Spread}$$

- Interest Rate Swaps are published in the Federal Reserve Statistical Release Report H.15
- The swap rate is based upon the amortization of the equipment
- The spread is based upon schedule size
- Blended rates and amortization schedules can be created to accommodate different useful lives of assets on one combined schedule.

Equipment Amortization	Applicable Swap Rate
3 Year Equipment	2 Year Interest Swap Rate
4 Year Equipment	2 Year Interest Swap Rate
5 Year Equipment	3 Year Interest Swap Rate
7 Year Equipment	4 Year Interest Swap Rate

Schedule Size	3 Yr Equipment	4 Yr Equipment	5 Yr Equipment	7 Yr Equipment
	Applicable Spread			
\$100,000 up to \$249,999	1.16%	1.27%	1.32%	1.45%
\$250,000 up to \$499,999	.86%	.96%	1.02%	1.13%
\$500,000 up to \$999,999	.73%	.85%	.91%	1.06%
\$1,000,000 or More	.71%	.84%	.89%	1.04%

Pricing Example: If equipment has a three year amortization, and the schedule size is \$600,000, the formula will be:

$$[2\text{-Year Interest Rate Swap} \times .6242] + .73\%$$

Non-Bank Qualified: This proposal assumes that Lessee will issue more than \$10 million in tax-exempt obligations this calendar year and that the Lessee will not designate this lease as a “qualified” tax-exempt obligation.

Use of Proceeds/Title: To finance the acquisition of essential capital assets, the legal title of which shall vest in the Lessee during the term of the Agreement.

Prepayment: Any lease schedule may be prepaid, in whole or in part, without penalty after the 24th month.

Security: Lessee will grant Lessor a first priority security interest in the financed equipment.

Disbursement of Proceeds: Lessor will fund directly to vendor or reimburse the Lessee, unless an escrow account is used.

Escrow Account: For schedules utilizing an escrow account, the transaction will be funded via an initial escrow deposit with JPMorgan Chase Bank, N.A. (‘JPM’) equal to the full Financing Amount from which disbursements will be made to vendors, or reimbursements to Lessee (in compliance with Treasury Reg. 1.150-2) as funds are required. Interest earned will be utilized for Lessee’s benefit to conform to the escrow agreement

Assignment: This proposal assumes that Lessor will assign the transaction to JPMorgan Chase Bank & Co.

Tax Opinion: Lessor does not require tax opinions

Legal Opinion: Lessor will require an opinion letter for every lease schedule

EXPENSES AND FEES

Lessee shall be responsible for all out-of-pocket expenses, including, but not limited to, Lessor's outside counsel, other attorney fees, search and registrations, and appraisals. *Documentation fees will not be charged on any transaction, and no additional expenses are anticipated at this time.*

OTHER TERMS

Documentation: Lessor shall use the documentation provided with the RFQ. Exceptions to the documents are listed below. The Lessee shall be responsible for its own expenses related to review of the lease documents and delivery of legal/validity opinion to the Lessor.

Documentation Exceptions: The Lessor and Lessee shall agree to reasonably negotiate specific terms to the Master Lease Purchase Financing Agreement, detailed in the attached exceptions list.

Reporting Requirements: Lessee shall deliver audited annual financial statements within 180 days of end of each fiscal year.

Events of Default: The Events of Default will be standard and customary for transactions of this nature.

Maintenance and Insurance: All maintenance and insurance are the responsibility of Lessee. Lessee shall bear all risk of loss or damage to the Equipment and shall be responsible for keeping the Equipment insured with companies satisfactory to and for such amounts as required by Lessor. Lessor, its parent and affiliates, its successors, and assigns, must be named as loss payee and additional insured as applicable, on all insurance policies. Evidence of such insurance must be satisfactory to Lessor.

Representation and Warrants: Usual representations and warranties in connection with the financing, including without limitation, absence of material adverse change, absence of material litigation, absence of Default or potential default and continued accuracy of representations.

Conditions Precedent: Usual and customary conditions related to the issuance of the Tax-Exempt financing, including acceptable legal documentation and standard approvals from the City, State and local officials, as may be required.

Governing Law: All aspects of the financing being discussed including this Proposal and any loan documents would be governed by the laws of the State of West Virginia.

Proposal Only: This proposal is not a commitment to undertake this financing. A commitment can be issued only after full credit and economic review and subsequent approval by the appropriate officers of JPMorgan Chase Bank, NA or any affiliate of JPMorgan Chase Bank, NA, its successors and/or assigns. A commitment shall not be binding on Lessor unless it is in writing and signed by Lessor and accepted by Lessee. Lessor will have the sole right of assignability of this proposal or any lease between Lessee and Lessor.

Expiration Date: This proposal will expire unless Lessee acknowledges its acceptance by signing and returning a copy of this proposal to Lessor by May 30, 2012.

Confidentiality: You further acknowledge that Lessor and its affiliates (collectively, "Chase") may, from time to time, be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which you may have conflicting interests regarding the transaction described herein and otherwise. In return, Chase confirms that it will not use confidential information obtained from you by virtue of the potential transaction contemplated by this proposal or our other relationships with you in connection with the performance by Chase of such services for other companies. You also acknowledge that Chase will not use in connection with the potential transaction contemplated by this preliminary proposal, or furnish to you, confidential information obtained from other companies.

IRS Circular 230 Disclosure: JPMorgan Chase & Co. and its affiliates do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with JPMorgan Chase & Co. of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.



EXHIBIT NO. 1

Exceptions List

Attached to RFQ Proposal Number # FAR120000 Bid Submitted by JPMorgan Chase Bank, NA ("JPMCB" or "Lessor") for the State of West Virginia Department of Administration Purchasing
Dated April 4, 2012

The Lessor and Lessee shall agree to reasonably negotiate specific terms to the Master Lease Purchase Financing Agreement, detailed below:

1. With regard to the **Lease Purchase Agreement** Section 9. Lease Payments.

In Section 9 of the Lease Purchase Agreement, Lessor will require Lessee to make a late payment fee of 5% of the overdue amount (after the applicable grace period).

2. With regard to the **Lease Purchase Agreement** Section 13. Taxes and Other Charges.

In Section 13 of the Lease Purchase Agreement, Lessor will require the incorporation of a provision providing that Lessee will be responsible for the payment of taxes (other than taxes based on the income of the Lessor) relating to any equipment or its ownership, leasing, rental, sale, purchase, possession or use, or upon any lease/rental payments under the Lease Purchase Agreement, whether such tax is a state, local or federal tax.

3. With regard to the **Lease Purchase Agreement** Section 14. Assignment.

JPMorgan Chase Bank, N.A. typically assigns its rights (as a matter of internal procedure) to JPMorgan Chase & Co. on the day of closing; accordingly, Lessor requests the incorporation of a statement in Section 14 of the Lease Purchase Agreement permitting such assignment.

Our preference is that Lessor receives an assignment of the guaranty as well.

4. With regard to the **Lease Purchase Agreement** Section 17. Option to Purchase.

In Section 17 of the Lease Purchase Agreement, Lessor will require incorporation of a break-funding (i.e. prepayment penalty) during the first 24 months.

5. With regard to the **Lease Purchase Agreement** Section 18 (a). Event of Default.

In Section 18 (a), Lessor will require a 10-day grace period instead of a 45-day grace period for late lease payments.

6. With regard to the **Lease Purchase Agreement** Section 18. Event of Default.

In Section 18, Lessor will require the incorporation of additional remedies: (i) no material adverse change shall have occurred in the financial condition of Lessee or any Supplier, and (ii) Lessee has not filed a petition in a proceeding under any federal or state bankruptcy, insolvency or similar law, or a petition, filed against Lessee is not dismissed within sixty (60) days.

7. With regard to the **Lease Purchase Agreement** Section 19. Remedies on Default.

In Section 19, Lessor will require the incorporation of two additional remedies: (i) the ability to exercise any other right, remedy or privilege under applicable law or take court action at law or in equity and (ii) payment of reasonable attorney's fees.

8. With regard to the **Lease Purchase Agreement** Section 21. Escrow Agent.

An escrow agent will be proposed, subject to State's approval (not to be unreasonably withheld), if JPMCB is awarded the bid.

9. With regard to Issues of Sovereign Immunity.

Lessor will require a limited waiver of governmental immunity. If the State requires the defense of sovereign immunity for tort liability but has waived the defense of sovereign immunity for contract claims, it should be acceptable to Lessor.

10. With regard to Issues of Waiver of Jury Trial.

All parties to this lease waive all rights to trial by jury in any action, proceeding or counterclaim brought by any party against any other party on any matter whatsoever arising out of, in connection with or in any way related to this lease.