




The following documentation is an electronically-submitted vendor response to an advertised solicitation from the *West Virginia Purchasing Bulletin* within the Vendor Self-Service portal at *wvOASIS.gov*. As part of the State of West Virginia's procurement process, and to maintain the transparency of the bid-opening process, this documentation submitted online is publicly posted by the West Virginia Purchasing Division at *WVPurchasing.gov* with any other vendor responses to this solicitation submitted to the Purchasing Division in hard copy format.

## Header 2

[List View](#)**General Information** | Contact | Default Values | Discount | Document Information | Clarification Request**Procurement Folder:** 791475**Procurement Type:** Statewide MA (Open End)**Vendor ID:**  **Legal Name:** JPMORGAN CHASE BANK NA**Alias/DBA:****Total Bid:** \$30,000,000.00**Response Date:**  **Response Time:** **Responded By User ID:**  **First Name:** **SO Doc Code:** CRFQ**SO Dept:** 0212**SO Doc ID:** SWC2100000005**Published Date:** 10/6/20**Close Date:** 10/22/20**Close Time:** 13:30**Status:** Closed**Solicitation Description:** (FINANCE21) - Statewide Contract for Financing Services**Total of Header Attachments:** 2**Total of All Attachments:** 2



Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Ln Total Or Contract Amount
1	Financing Agreement				30000000.00

Comm Code	Manufacturer	Specification	Model #
84120000			

**Commodity Line Comments:** Please see the attached bid.

**Extended Description:**

Note: Vendor shall complete the Exhibit\_A Pricing Page for bid pricing and must attach with bid.  
 If submitting a bid online, Vendor should enter \$0.00 in the Oasis commodity line.  
 See section 18 of Instructions to Bidders for additional information.

**EXHIBIT A**

**PRICING PAGE  
Vendor Bid Evaluation Only**

**NO ALTERATIONS TO THIS SPREADSHEET WILL BE ACCPTED**

**VENDOR NAME:** \_\_\_\_\_

Vendor must insert values for all four terms in Columns D and E even if that value is zero.

Spreadsheet is set to perform calculations automatically, but vendor must ensure that spreadsheet accurately calculates desired interest rate in column F prior to bid submission.

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
Term (YRS)	Average Life Swap Rate	ICE SWAP RATE (from Attachment L, Report Date 9/10/2020)	Less Discount Premium to Convert Rate for Tax Exemption (Express as Percentage)	Plus Fixed Spread/Base Points (Expressed as Percentage Point Increase)	Interest Rate (Percent Per Year)	Estimated Principal (for Evaluation Only)	Annual Interest Charges
3	2	0.2280	0.7900	0.8599	1.0400	\$2,679,118.52	\$27,862.83
4	2	0.2280	0.7900	0.8649	1.0450	\$16,672,670.00	\$174,229.40
5	3	0.2390	0.7900	0.8912	1.0800	\$733,291.00	\$7,919.54
7	4	0.2770	0.7900	0.9712	1.1900	\$1,780,846.00	\$21,192.07
						<b>Total Annual Interest</b>	<b>\$231,203.84</b>

# J.P.Morgan

**JPMorgan Chase Bank, N.A.**

## **The State of West Virginia Department of Administration, Finance Division**

### **Request for Quotation CRFQ 0212 SWC2100000005 (FINANCE21)**

October 22, 2020

**JPMorgan Equipment Finance Contact:**

**Michael J. Lucas, Executive Director  
Senior Territory Manager**  
JPMorgan Chase Bank, N.A.  
10 S. Dearborn St FL 22, Chicago, IL 60603  
(312) 732-7333  
[Michael.j.lucas@jpmorgan.com](mailto:Michael.j.lucas@jpmorgan.com)

**JPMorgan Chase Bank, N.A. Relationship Contact:**

**Greg Mullins, Vice President  
Commercial Banker**  
JPMorgan Chase Bank, N.A.  
201 E Main St, Floor 02 Lexington, KY, 40507  
(859) 231-2618  
[Greg.mullins@jpmorgan.com](mailto:Greg.mullins@jpmorgan.com)

**J.P.Morgan**

# Cover Letter

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October 22, 2020

State of West Virginia  
Department of Administration, Purchasing Division  
Mark Atkins, Senior buyer  
2019 Washington Street, East  
Charleston, WV 25305  
Mark.A.Atkins@wv.gov

**Re:** CRFQ 0212 SWC2100000005

Mr. Mark Atkins,

JPMorgan Equipment Finance (“Equipment Finance”), a division of JPMorgan Chase Bank, N.A. (“JPMorgan Chase”), is pleased to propose for discussion indicative terms to the State of West Virginia, for a \$30,000,000 lease line to finance the capital expenditures for the State of West Virginia in response to the RFQ for the Central Master Agreement. 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.

Equipment Finance has been the market leader in municipal equipment finance credit for over 30 years. JPMorgan Chase Bank ranks among the largest providers of credit facilities in the municipal market today. Our deep familiarity with this sector is viewed as a strong benefit by the municipal clients with whom we do business. We believe that our experience in providing credit support, coupled with our long experience in deal execution, will ensure an efficient, cost-effective transaction for State of West Virginia.

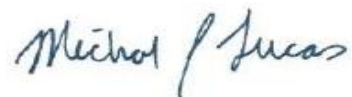
The State of West Virginia will be supported by our dedicated relationship team via the firm’s Government Banking practice, led by Greg Mullins. In addition, I will be your primary point of contact for this contract. My equipment financing experience goes back over 15 years and includes servicing many municipal entities’ lease-purchase financing programs.

Equipment Finance has extensive tax-exempt leasing experience and a partnership approach to building our relationships. By choosing Equipment Finance, with over 30 years of financing experience, you can have confidence that you will be working with a team of experienced and highly qualified professionals who bring a wealth of knowledge and the fortress balance sheet backing of one of the largest U.S. banks.

We appreciate the opportunity to participate in the State’s RFQ. Should you have any questions about any aspect of this proposal, please do not hesitate to contact me at (312) 732-7333.

Thank you, and we look forward to the opportunity to work with the State of West Virginia.

Sincerely,



Michael J. Lucas  
Executive Director

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# JPMorgan Chase Bank, N.A. Summary of Terms & Conditions

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**The State of West Virginia  
Department of Administration, Finance Division  
Tax-Exempt, Non-Bank Qualified Installment Purchase Financing  
Summary of Terms and Conditions  
October 22, 2020**

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J.P. Morgan is pleased to submit the following equipment financing proposal. This document is for discussion purposes 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. The final terms and conditions are subject to credit approval and may be different from the terms and conditions outlined below.

## **TRANSACTION SUMMARY**

Lessees:	The State of West Virginia, Department of Administration, Finance Division
Lessor:	JPMorgan Chase Bank, N.A. or any affiliate of JPMorgan Chase Bank, N.A., its successors and/or assigns ("JPMorgan Chase"/"Lessor"/ or "Bank").
Transaction:	Fixed-rate, fully amortizing, tax-exempt lease-purchase agreement ("Agreement").
Use of Proceeds:	To finance various vehicles and miscellaneous equipment, the legal title of which will vest with Lessee during the term of the Agreement. All equipment proposed for financing must be essential use equipment and will be subject to final review and acceptance by Lessor prior to closing.
Financing Amount:	As per the RFP, the expected usage is approximately \$30,000,000. The Master Line of Credit is to be drawn in discreet schedules over one year with (3) three (1) one year renewals subject to mutual agreement of Lessor and Lessee. Minimum draws required of \$100,000.
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.
Commencement Date:	On or around December 1, 2020.

## **TRANSACTION DETAILS**

Financing Term:	Up to 7 Years	
Payment / Frequency:	Equal annual payments of principal and interest in arrears.	
Interest Rate:	<u>Tenor</u>	<u>Interest Rate- Calculated on a 30/360 basis</u>
	3 Years	1.04%
	4 Years	1.045%
	5 Years	1.08%
	7Years	1.19%
Adjustment to Rate:	The Interest Rate and Payment will be subject to the index in the "Exhibit A Pricing Page" based upon the then current Interest Rate Swap ("Index Rate") as published in	

Intercontinental Exchange (ICE) Swaps Benchmark Index, USD Rates 1100 "ICE", The Interest Rate will be the applicable Swap Rate multiplied by the Bank's Tax Exempt Factor of 79% plus a Spread, as outlined below. For every change (increase or decrease) in the index rate a corresponding adjustment will be made to the Interest Rate to maintain Lessor's economics.

Please see attached Exhibit A Pricing Page for calculations.

Rate Calculation:  $(IR \text{ Swap} * 79\%) + \text{Spread} = \text{All-In Rate}$

Lessor reserves the right to adjust the pricing proposed in order to maintain Lessor's anticipated economic return as a result of material adverse change.

**Prepayment:** Option 1: Lessor requests a prepayment provision that states that the amounts due under a Contract may be prepaid, in whole or in part, on any payment date, subject to 30 days prior written notice. All pre-payments may be subject to a break funding "make whole" charge.

Option 2: Each Appendix may be prepaid for any takedown less than \$15,000,000 without penalty, in whole but not in part, prior to maturity, on any payment date after the initial 12 months from commencement of such Appendix, so long as 0.095% is added to the interest rate in the applicable Appendix, subject to 30 days prior written notice. If Lessee prepays the amounts owing under an Appendix prior to the 12th month from the commencement date of such Appendix, the payment may be subject to a Breakfunding Charge.

**Disbursement of Proceeds:** The transaction will fund via an initial escrow deposit, to a mutually agreeable escrow agent, equal to the full Financing Amount. Disbursements will be made to vendors or as reimbursements to Lessee (in compliance with Treasury Reg. 1.150-2) as funds are required. All escrow fees will be for Lessee's account. Lessor typically uses Deutsche Bank as escrow agent, which charges a one time \$1,500 setup fee, but is open to reviewing and approving other escrow agents and their documents that have been previously used by Lessee.

**Security:** Lessee will grant Lessor a first priority security interest in the financed equipment. UCC I and UCCII filings will be completed as applicable.

**Appropriation:** This Agreement shall be subject to appropriation. The Agreement will require appropriation for payment for any and all equipment on a lease schedule. Appropriation for partial payment or for select assets within a schedule will not be permitted.

## **OTHER TERMS**

**Documentation:** The terms of this financing will be evidenced by agreements, instruments and documents ("Lease Documents") usual and customary for a Tax-Exempt Lease Purchase. The Lease Documents must be acceptable to Lessor and its counsel. Lessor does not anticipate any documentation costs or other expenses.

**Conditions Precedent:** Usual and customary conditions to issuance of the financing including acceptable legal documentation which will include an opinion of counsel that the financing is valid, binding and enforceable. Additionally, documentation will provide that interest earned by the Lessor in this transaction will be excluded from gross income for federal tax purposes.

**Representations and Warranties:** Usual representations and warranties for like situated Lessees and the Facility's type and tenor, including, without limitation, absence of material adverse change, absence of material litigation, absence of default or potential default and continued accuracy of representations.

Maintenance & Insurance:	All maintenance and insurance are the responsibility of Lessee. Lessee shall bear all risk of loss or damage of the Equipment and will be responsible for keeping the Equipment insured to the satisfaction of the Lessor. JPMorgan has approved for self-insurance.
Tax Gross Up:	If interest on the Lease is determined to be taxable for any reason the interest on the Lease will increase from the effective date of such taxability to the taxable equivalent rate per annum.
Waiver of Jury Trial:	The Lessee and the Bank will waive, to the fullest extent permitted by applicable law, any right to have a jury participate in resolving any dispute in any way related to this term sheet, any related documentation or the transactions contemplated hereby or thereby.
Anti-Corruption Laws and Sanctions:	The documentation shall contain representations and warranties that the Lessee has implemented and maintains in effect policies and procedures designed to ensure compliance by the Lessee, its subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Lessee, its subsidiaries and their respective officers and employees and to the knowledge of the Lessee, its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Lessee, any subsidiary or any of their respective directors, officers or employees, or (b) to the knowledge of the Lessee, any agent of the Lessee or any subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or credit facility, use of proceeds or other transaction contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions.
Governing Law:	All aspects of the credit(s) being discussed including this Term Sheet and any Lease Documents would be governed by the laws of the State of West Virginia.
Proposal Expiration:	This proposal will expire if acceptance does not occur by December 1, 2020 (unless extended in writing by Lessor).
Confidentiality Statement:	J.P. Morgan 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 J.P. Morgan of such services for other companies. You also acknowledge that J.P. Morgan will not use in connection with the potential transaction contemplated by this preliminary proposal, or furnish to you, confidential information obtained from other companies.  Municipal Advisor Disclosures and Disclaimers: The Lessee acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the Lessee and the Bank, (ii) in connection with such transaction, the Bank is acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the Lessee, (iii) the Bank is relying on the Bank exemption in the Municipal Advisor Rules, (iv) the Bank has not provided any advice or assumed any advisory or fiduciary responsibility in favor of the Lessee with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Bank, or any affiliate of the Bank, has provided other services or advised, or is currently providing other services or advising the Lessee on other matters), (v) the Bank has financial and other interests that differ from those of the Borrower, and (vi) the Lessee has consulted with its own financial, legal, accounting, tax, and other advisors, as applicable, to the extent it deemed appropriate.

Please feel free to contact me 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 the approval process so that we may be in a position to finalize this transaction with you. Thank you for allowing us to be of service!

**EXHIBIT A**

**PRICING PAGE  
Vendor Bid Evaluation Only**

**NO ALTERATIONS TO THIS SPREADSHEET WILL BE ACCPTED**

**VENDOR NAME:** JPMorgan Chase Bank, N.A.

**Vendor must insert values for all four terms in Columns D and E even if that value is zero.**

**Spreadsheet is set to perform calculations automatically, but vendor must ensure that spreadsheet accurately calculates desired interest rate in column F prior to bid submission.**

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
Term (YRS)	Average Life Swap Rate	ICE SWAP RATE (from Attachment L, Report Date 9/10/2020)	Less Discount Premium to Convert Rate for Tax Exemption (Express as Percentage)	Plus Fixed Spread/Base Points (Expressed as Percentage Point Increase)	Interest Rate (Percent Per Year)	Estimated Principal (for Evaluation Only)	Annual Interest Charges
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						<b>Total Annual Interest</b>	<b>\$231,203.84</b>



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

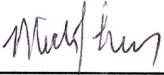
State of West Virginia  
 Centralized Request for Quote  
 Financial

<b>Proc Folder:</b> 791475		<b>Reason for Modification:</b>	
<b>Doc Description:</b> (FINANCE21) - Statewide Contract for Financing Services			
<b>Proc Type:</b> Statewide MA (Open End)			
<b>Date Issued</b>	<b>Solicitation Closes</b>	<b>Solicitation No</b>	<b>Version</b>
2020-10-06	2020-10-22 13:30	CRFQ 0212 SWC2100000005	1

<b>BID RECEIVING LOCATION</b>
BID CLERK DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION 2019 WASHINGTON ST E CHARLESTON WV 25305 US

<b>VENDOR</b>		
<b>Vendor Customer Code:</b>		
<b>Vendor Name :</b> JPMorgan Chase Bank, N.A.		
<b>Address :</b> 1111		
<b>Street :</b> Polaris Parkway Floor 4N		
<b>City :</b> Columbus		
<b>State :</b> Ohio	<b>Country :</b> United States	<b>Zip :</b> 43240
<b>Principal Contact :</b> Michael J. Lucas		
<b>Vendor Contact Phone:</b> (312) 732-7333		<b>Extension:</b> Not applicable.

<b>FOR INFORMATION CONTACT THE BUYER</b>
Mark A Atkins (304) 558-2307 mark.a.atkins@wv.gov

<b>Vendor Signature X</b> 	<b>FEIN#</b> 13-4994650	<b>DATE</b> 10/20/2020
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All offers subject to all terms and conditions contained in this solicitation

**ADDITIONAL INFORMATION**

The West Virginia Purchasing Division for the Agency, The West Virginia Finance Division is soliciting bids from qualified vendors to establish an "Open-End" Statewide Contract for Financing Services per the attached documents.

INVOICE TO	SHIP TO
DEPARTMENT OF ADMINISTRATION 2019 WASHINGTON ST E PO BOX 50121 CHARLESTON WV 25305-0121 US	DEPARTMENT OF ADMINISTRATION BLDG 17 2101 WASHINGTON ST E CHARLESTON WV 25305 US

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
1	Financing Agreement				

Comm Code	Manufacturer	Specification	Model #
84120000			

**Extended Description:**

Note: Vendor shall complete the Exhibit\_A Pricing Page for bid pricing and must attach with bid.

If submitting a bid online, Vendor should enter \$0.00 in the Oasis commodity line.

See section 18 of Instructions to Bidders for additional information.

**SCHEDULE OF EVENTS**

Line	Event	Event Date
1	Questions due by 2:00pm EDT	2020-10-13

	Document Phase	Document Description	Page
SWC2100000005	Final	(FINANCE21) - Statewide Contract for Financing Services	3

**ADDITIONAL TERMS AND CONDITIONS**

See attached document(s) for additional Terms and Conditions

West Virginia Ethics Commission  
**Disclosure of Interested Parties to Contracts**

(Required by W. Va. Code § 6D-1-2)

Name of Contracting Business Entity: JPMorgan Chase Bank, N.A. Address: 1111 Polaris Parkway Floor 4N  
Columbus, OH 43240

Name of Authorized Agent: Frank A. Pielsticker Address: Same as above.

Contract Number: CRFQ 0212 SWC2100000005 Contract Description: Lease Financing Services

Governmental agency awarding contract: Department of Administration, Finance Division

Check here if this is a Supplemental Disclosure

List the Names of Interested Parties to the contract which are known or reasonably anticipated by the contracting business entity for each category below (attach additional pages if necessary):

1. Subcontractors or other entities performing work or service under the Contract

Check here if none, otherwise list entity/individual names below.

2. Any person or entity who owns 25% or more of contracting entity (not applicable to publicly traded entities)

Check here if none, otherwise list entity/individual names below.

JPMorgan Chase & Co. the parent of the bank owns 100% of the shares.

3. Any person or entity that facilitated, or negotiated the terms of, the applicable contract (excluding legal services related to the negotiation or drafting of the applicable contract)

Check here if none, otherwise list entity/individual names below.

Signature: *Frank A. Pielsticker*

Date Signed: October 13, 2020

**Notary Verification**

State of Illinois, County of Cook:

I, Frank A. Pielsticker, the authorized agent of the contracting business entity listed above, being duly sworn, acknowledge that the Disclosure herein is being made under oath\* and under the penalty of perjury. \*to the best of my knowledge

Taken, sworn to and subscribed before me this 13 day of October, 2020

*Lisa Nordstrom*

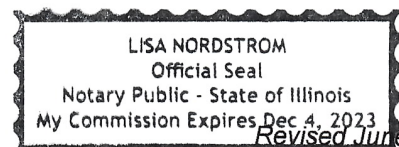
Notary Public's Signature

**To be completed by State Agency:**

Date Received by State Agency: \_\_\_\_\_

Date submitted to Ethics Commission: \_\_\_\_\_

Governmental agency submitting Disclosure: Purchasing Division





STATE OF WEST VIRGINIA  
Purchasing Division

**PURCHASING AFFIDAVIT**

**CONSTRUCTION CONTRACTS:** Under W. Va. Code § 5-22-1(i), the contracting public entity shall not award a construction contract to any bidder that is known to be in default on any monetary obligation owed to the state or a political subdivision of the state, including, but not limited to, obligations related to payroll taxes, property taxes, sales and use taxes, fire service fees, or other fines or fees.

**ALL CONTRACTS:** Under W. Va. Code §5A-3-10a, 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: (1) the debt owed is an amount greater than one thousand dollars in the aggregate; or (2) the debtor is in employer default.

**EXCEPTION:** The prohibition listed above does not apply where a vendor has contested any tax administered pursuant to chapter eleven of the W. Va. 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.

**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.

**"Employer default"** means having an outstanding balance or liability to the old fund or to the uninsured employers' fund or being in policy default, as defined in W. Va. Code § 23-2c-2, failure to maintain mandatory workers' compensation coverage, or failure to fully meet its obligations as a workers' compensation self-insured employer. An employer is not in employer default if it has entered into a repayment agreement with the Insurance Commissioner and remains in compliance with the obligations under the repayment agreement.

**"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.

\*to his knowledge, information and belief

**AFFIRMATION:** By signing this form, the vendor's authorized signer affirms\*and acknowledges under penalty of law for false swearing (W. Va. Code §61-5-3) that: (1) for construction contracts, the vendor is not in default on any monetary obligation owed to the state or a political subdivision of the state, and (2) for all other contracts, that neither vendor nor any related party owe a debt as defined above and that neither vendor nor any related party are in employer default as defined above, unless the debt or employer default is permitted under the exception above.

**WITNESS THE FOLLOWING SIGNATURE:**

Vendor's Name: JPMorgan Chase Bank, N.A.

Authorized Signature: [Signature] Date: October 13, 2020

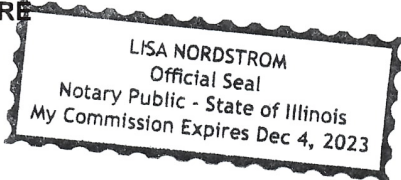
State of Illinois

County of Cook, to-wit:

Taken, subscribed, and sworn to before me this 13 day of October, 2020.

My Commission expires Dec. 4, 2023, 20    .

**AFFIX SEAL HERE**



**NOTARY PUBLIC** [Signature]

**DESIGNATED CONTACT:** Vendor appoints the individual identified in this Section as the Contract Administrator and the initial point of contact for matters relating to this Contract.

Mich J Lucas Executive Director  
(Name, Title)  
Michael J. Lucas, Executive Director  
(Printed Name and Title)  
10 S. Dearborn, 22nd Floor Chicago, IL 60603  
(Address)  
(312) 732-7333 / (312) 732-7607  
(Phone Number) / (Fax Number)  
michael.j.lucas@jpmorgan.com  
(email address)

**CERTIFICATION AND SIGNATURE:** By signing below, or submitting documentation through wvOASIS, I certify that I have reviewed this Solicitation in its entirety; that I understand the requirements, terms and conditions, and other information contained herein; that this bid, offer or proposal constitutes an offer to the State that cannot be unilaterally withdrawn; that the product or service proposed meets the mandatory requirements contained in the Solicitation for that product or service, unless otherwise stated herein; that the Vendor accepts the terms and conditions contained in the Solicitation, unless otherwise stated herein; that I am submitting this bid, offer or proposal for review and consideration; that I am authorized by the vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

JPMorgan Chase Bank, N.A.  
(Company)

Mich J Lucas Executive Director  
(Authorized Signature) (Representative Name, Title)

Michael J. Lucas, Executive Director  
(Printed Name and Title of Authorized Representative)

October 20, 2020  
(Date)

(312) 732-7333 / (312) 732-7607  
(Phone Number) (Fax Number)

**REQUEST FOR QUOTATION  
CRFQ 0212 SWC210000005  
(FINANCE21)**

Financing Services for equipment and other capital  
financing needs of various State agencies in the form of a Master Lease Purchase Agreement

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**8.1.4.** Failure to remedy deficient performance upon request.

**8.2.** The following remedies shall be available to Agency upon default.

**8.2.1.** Immediate cancellation of the Contract.

**8.2.2.** Immediate cancellation of one or more release orders issued under this Contract.

**8.2.3.** Any other remedies available in law or equity.

**9. MISCELLANEOUS:**

**9.1. Contract Manager:** During its performance of this Contract, Vendor must designate and maintain a primary contract manager responsible for overseeing Vendor's responsibilities under this Contract. The Contract manager must be available during normal business hours to address any customer service or other issues related to this Contract. Vendor should list its Contract manager and his or her contact information below.

**Contract Manager:** Michael J. Lucas, Executive Director

**Telephone Number:** (312) 732-7333

**Fax Number:** (312) 732-7607

**Email Address:** michael.j.lucas@jpmorgan.com

# Exceptions

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Below is a brief outline of the terms and conditions that we respectfully request be modified in accordance with our recommended revisions. The actual terms and conditions are subject to good faith negotiations between the parties.

**1. Specifications, Section B, Lease Payment, shall be modified:**

Lease Payment: The initial lease payment will be due on the first day of the month following the month in which the appendix became effective, with subsequent payments due on the first day of each following month for the term of the financing, unless otherwise agreed. Lease payments will be calculated on a level payment basis, using a single fixed rate of interest for either: three, four, five, or seven-year terms. Interest will be calculated on a ~~360/365~~ 30/360-day basis.

**2. MLPFA Section 1, MLPFA (page 1), shall be modified:**

Pursuant to the provisions of Chapter 5A of the West Virginia Code, Purchasing, on behalf of the Lessees specified in the attached appendices, as body politics duly organized and existing under the laws of the State of West Virginia, agrees to lease from Lessor the various items of equipment specified in each appendix ("Equipment"), and Lessor, as specified above, agrees to lease to Lessees the Equipment in accordance with the terms and conditions of this MLPFA. Upon execution, this MLPFA is binding on and enforceable against Lessor and Lessees in accordance with its terms and each appendix.

This MLPFA will control each financing completed, and an appendix evidencing each financing will be issued as a Central Delivery Order ("CDO") for each user agency referencing this MLPFA (an "Appendix" or "Appendices"). As each agency has its own various accounts, internal approval requirements, etc., a separate Appendix and CDO must be issued for each financing. The Lessor shall have the sole right to accept or reject an Appendix to the MLPFA.

Several items for an agency may be combined into one Appendix. Therefore, funds for certain Appendices may need to be escrowed, while in other cases no escrow will be needed. Lessor must be able to provide escrowed funds or offer an alternative acceptable to Purchasing and Lessee.

If the Equipment should constitute an aircraft, additional transaction documents will be necessary to the satisfaction of the Lessor, additional insurance requirements including commercial insurance will be necessary to the satisfaction of Lessor, and the Lessee shall be responsible for any additional FAA and IR filing and opinion requirements, including Lessor's costs of using outside Counsel.

**3. MLPFA Section 11, Insurance and Loss of Equipment (page 5), shall be modified:**

Lessees are self-insured through the West Virginia Board of Risk and Insurance Management and will protect the interests of the Lessor and Lessee against Equipment losses or damage. Lessees are also self-insured against liability related to the Equipment. In the event of any loss, damage, injury or accident involving the Equipment, the appropriate Lessee shall promptly provide the Lessor with written notice thereof and make available to Lessor all information and documentation thereof.

If any Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty, or if title to, or the temporary use of, the Equipment or any part thereof is taken under the exercise of the power of eminent domain, Lessee and Lessor will cause the net proceeds of any insurance claim or condemnation award to be applied either to the prompt repair, restoration, modification or replacement of the Equipment or, at Lessee's option, to the payment of the ratable portion of the purchase option price plus any Breakfunding Charge as outlined in Section 17 of this MLPFA.

Any balance of the net proceeds remaining after such work or purchase has been completed shall be paid to the appropriate Lessee. Net proceeds shall mean the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses incurred in the collection of such claims or award. If the net proceeds are insufficient to pay in full the cost of any repair, restoration, modification or replacement, Lessee shall either: (a) Complete the work and pay any cost in excess of the amount of net proceeds; or (b) pay to Lessor the purchase option price. The amount of the net proceeds in excess of the then applicable purchase option price, if any, may be retained by Lessee.

In the event the purchase option payment for any item(s) of Equipment is paid in accordance with this section Lessor agrees to release any security interest on that item(s) of Equipment.

**4. MLPFA Section 13, *Taxes and Other Charges* (pages 5-6), shall be modified:**

Lessees represent that they are exempt from federal, state and local taxation, and as such, shall not be liable or responsible for the payment or reimbursement of any tax of any type incurred in connection with this MLPFA, nor will they file any tax returns or reports on behalf of Lessor or its assignees.

As title to the Equipment shall vest in the appropriate Lessees during the term of this MLPFA, the Equipment is exempt from personal property tax pursuant to West Virginia Code § 11-3-9(a)(27). Each Lessee also represents that, to the best of its knowledge, no licensing or titling fees based upon the use, possession or acquisition of the Equipment are due under the current laws of West Virginia.

Notwithstanding any other provisions of this section, Lessee shall pay when due all Taxes which may now or hereafter be imposed upon any Equipment or its ownership, lease, rental, sale, purchase, possession or use, upon any Appendix or upon any lease payments or any other payments due under any Appendix. If Lessee fails to pay such Taxes when due, Lessor shall have the right, but not the obligation, to pay such Taxes. If Lessor pays any such Taxes, then Lessee shall, upon demand, immediately reimburse Lessor therefor. "Taxes" means present and future taxes, levies, duties, assessments or other governmental charges that are not based on the net income of Lessor, whether they are assessed to or payable by Lessee or Lessor, including, without limitation (a) sales, use, excise, licensing, registration, titling, gross receipts, stamp and personal property taxes, and (b) interest, penalties or fines on any of the foregoing.

**5. MLPFA Section 14, *Assignment* (pages 6-7), shall be modified:**

This MLPFA, the Appendices, and the obligations of Lessees to make payments thereunder, may not be sold, assigned or otherwise disposed of in whole or in part to one or more successors, grantors, holders, assignees or sub-assignees by Lessor, except upon the written consent of the appropriate Lessee, the Purchasing Division, and the Attorney General's office (as to form) which consent will not be unreasonably withheld or delayed.

Further, Lessor hereby covenants not to sell or offer to sell this MLPFA through, nor shall this MLPFA be sold through, (1) a certificate of participation program, whereby two or more interests are created in the MLPFA, the Equipment or the lease payments; or (2) other similar instruments, agreements, securitizations and obligations through a pool, trust, limited partnership, or other entity, except with the express written consent of Lessee.

Notwithstanding the limitations provided herein, upon notice to Lessee, Lessor may assign its interests to DNT Asset Trust or any other affiliate of Lessor without the written consent of the Lessee.

**6. MLPFA Section 17, *Option to Purchase* (pages 7-8), shall be modified:**

Option to ~~Purchase~~ **repurchase**

Lessees shall be entitled to ~~purchase~~ **repurchase** the Equipment as follows:

(a) Upon payment of all lease and other payments required under an Appendix; or

(b) Upon written notice delivered to Lessor by the appropriate Lessee at least thirty (30) days before the proposed date for payment, and upon the payment on such date of the ~~P~~repaymenturchase option price for that Appendix.

As used herein, ~~P~~repaymenturchase option price means the amount equal to the outstanding principal, as set forth in the payment schedule, plus any unpaid interest that has accrued on such principal to the date of payment of the purchase option price, provided that any other sum due under this MLPFA has or is being paid, payable at the option of Lessee for the purpose of purchasing the Equipment.

A Lessee may, at Lessee's option, make partial prepayments of a portion of the purchase option price upon written notice delivered at least thirty (30) days in advance of the proposed date for payment and upon payment on such date of the partial prepayment, being an amount equal to a portion of the outstanding principal set forth in the payment schedule and any unpaid interest that has accrued on such portion of the outstanding principal to the date of payment of the partial prepayment. As provided herein, if any portion of the Equipment is not accepted or the cost of the Equipment is less than the funding under an Appendix, then the amount of the funding remaining shall be applied as a partial prepayment toward that Appendix.

In addition to the prepayment option price as provided herein, a Breakfunding Charge shall be due and payable if (i) exceeds (ii) where (i) equals the interest portion of each of the lease payments which would have been paid if such prepayment had not occurred calculated at the interest rate swap including any forward rate swap, if any, which Lessor shall be deemed to have entered into on the earlier of (a) the date the Appendix was originally funded or (b) the date a rate lock letter was signed, if any, and (ii) equals the interest portion of each of the lease payments which would have been paid if such prepayment had not occurred calculated at the interest rate swap which Lessor shall be deemed to have entered into on the date of prepayment (the "Replacement Swap"). Such difference between clauses (i) and (ii) in the foregoing sentence shall equal the "Breakfunding Charge."

Alternatively, each Appendix may be prepaid for any takedown less than \$15,000,000 without penalty, in whole but not in part, prior to maturity, on any payment date after the initial 12 months from commencement of such Appendix, so long as 0.095% is added to the interest rate in the applicable Appendix, subject to 30 days prior written notice. If Lessee prepays the amounts owing under an Appendix prior to the 12th month from the commencement date of such Appendix, the payment may be subject to a Breakfunding Charge.

A revised payment schedule reflecting all partial prepayments, consistent with the financing structure contemplated herein, to reflect such partial prepayment shall be attached to the related Appendix as a change order to the Appendix. Partial prepayments shall entitle Lessee to a release of any security interest on the item(s) of Equipment which have been prepaid in full.

**7. MLPFA Section 18(a), *Event of Default* (page 8), shall be modified:**

The following constitute an "Event of Default" under this MLPFA:

(a) Failure by a Lessee to pay any lease payment or other payment required to be paid under an Appendix within ~~tenforty five~~ (1045) days of when due; or

**8. MLPFA Section 19, *Remedies on Default* (pages 8 -9), shall be modified to add the following as the last paragraph of the section:**

Lessor may require Lessee to pay (and Lessee agrees that it shall pay) all out-of-pocket costs and expenses incurred by Lessor as a result (directly or indirectly) of the Event of Default and/or of Lessor's actions under this section, including, without limitation, any attorney fees and expenses and any costs related to the repossession, safekeeping, storage, repair, reconditioning or disposition of any Equipment.

**9. MLPFA Section 21, *Escrow Agent* (pages 9-10), shall be modified to revise the first paragraph and remove the remaining paragraphs:**

Lessor shall have the right to designate an entity to act as the Escrow Agent for the purpose of holding and administering special trust funds designated as Acquisition Funds for the benefit of Lessor and the appropriate Lessee. ~~The appointment of \_\_\_\_\_ as Escrow Agent is hereby acknowledged. The terms of the applicable Escrow Agreement shall be as agreed to by Lessee, Lessor and the Escrow Agent. Lessee is responsible for any fee associated with the escrow agent.~~

**10. MLPFA Section 32, *Offshoring*, shall be added:**

Offshoring. Certain services may be performed by Lessor or any affiliate, including affiliates, branches or units located in any country in which Lessor conducts business or has a service provider. The Lessee authorizes Lessor to transfer Lessee information to such affiliates, branches or units at such locations as the Lessor deems appropriate. Lessor reserves the right to store, access, or view data in locations it deems appropriate for the services provided.

**11. MLPFA Section 33, *Anti-Corruption*, shall be added:**

(a) Use of Proceeds. Lessee shall not use, or permit any proceeds of the Lease to be used, directly or indirectly, by Lessee or any of its subsidiaries or its or their respective directors, officers, employees and agents: (1) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws; (2) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country; or (3) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

(b) Definitions. For the purposes of this Section, the following terms shall have the following meanings: "Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Lessee or its subsidiaries from time to time concerning or relating to bribery or corruption. "Person" means any individual, corporation, partnership, limited liability company, joint venture, joint stock association, association, bank, business trust, trust, unincorporated organization, any foreign governmental authority, the United States of America, any state of the United States and any political subdivision of any of the foregoing or any other form of entity. "Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State. "Sanctioned Country" means, at any time, a country or territory which is the subject or target of any Sanctions. "Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

**12. MLPFA *Jury Waiver*, shall be added:**

JURY WAIVER: ALL PARTIES TO THIS CONTRACT 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 CONTRACT.