



STATE OF MISSOURI
 OFFICE OF ADMINISTRATION
 DIVISION OF PURCHASING AND MATERIALS MANAGEMENT

NOTIFICATION OF STATEWIDE CONTRACT

Date: December 14, 2015

CONTRACT TITLE: MASTER LEASE SERVICES

CURRENT CONTRACT PERIOD: OCTOBER 1, 2015 THROUGH SEPTEMBER 30, 2020

BUYER INFORMATION: Name: Gary Eggen
 Phone: (573) 751-2497
 Email address: gary.eggen@oa.mo.gov

	Original Contract Period	Potential Final Expiration
RENEWAL INFORMATION	November 8, 2012 through September 30, 2015	September 30, 2015 plus extensions to accommodate completion of lease commitments

THE ORIGINAL CONTRACTS HAVE EXPIRED FOR THE PURPOSE OF ESTABLISHING NEW LEASE AGREEMENTS.

THE CONTRACTS ARE EXTENDED FOR THE SOLE PURPOSE OF MAKING CONTINUED LEASE PAYMENTS ON LEASES ORIGINATED THROUGH THE CONTRACTS PRIOR TO SEPTEMBER 30, 2015.

FOR NEW LEASE REQUESTS, NEW CONTRACTS HAVE BEEN ESTABLISHED: CONTRACTS C216018001 AND C216008002.

The entire contract document may be viewed and printed from the Division of Purchasing & Materials Management's **Contract Document Search and Retrieval System** located on the Internet at <http://www.oa.mo.gov/purch>.

~ Instructions for use of the contract, specifications, requirements, and pricing are attached ~.

CONTRACT NUMBER	VENDOR NUMBER	VENDOR INFORMATION	MBE/WBE	COOP PROCUREMENT
C213001001 <i>(for 3-Year Term Leases)</i>	4309750020 F	CENTRAL BANK 238 MADISON STREET JEFFERSON CITY, MO 65101	NO	NO
C213001002 <i>(for 5-Year Term Leases)</i>		CONTACT INFORMATION: Laura Sampson Phone: (573) 634-1182 E-MAIL: laura.sampson@centralbank.net		

STATEWIDE CONTRACT HISTORY

The following summarizes actions related to this Notification of Statewide Contract since its initial issuance. Any and all revisions have been incorporated into the attached document.

Contract Period	Issue Date	Summary of Changes
11/8/12 – 6/30/15	11/8/12	Initial issuance of new statewide contract
11/8/12 – 9/30/15	4/15/15	Amendment to the contract to reduce 3-year lease rates from 275% of the base rate to 200% of the base rate (see section 3.2 of this document). Also, the contract expiration date has been misstated on this document and is being corrected to reference an expiration date of September 30, 2015, as per the original contract.
10/1/15 – 9/30/20	12/14/15	Contracts are extended for the <i>sole purpose</i> of making continued lease payments on leases originated through the contracts prior to September 30, 2015. See Section 1 on next page.
<i>11/4/15 – 9/30/18</i>	<i>1/4/16</i>	<i>Corrected contractor contact email address.</i>

1. GENERAL INFORMATION AND PURPOSE:

- 1.1 In November 2012, the State of Missouri established Contracts C213001001 and C213001002 for Master Lease Financing to enable state agencies to make purchases from normal sources and finance them through a leasing contractor. The initial period of the contract expired September 30, 2015 and *the contracts have been extended for the sole purpose of making continued lease payments on leases originated through the contracts prior to September 30, 2015. No further financing shall be originated through the contracts.*
- 1.2 For new lease requests, new contracts have been established: Contracts C216018001 and C216008002.

2. LEASE TERMS:

- 2.1 3-year lease terms shall be executed under Contract C213001001 and all lease schedules originated under the contract should be paid by September 30, 2018.
- 2.2 5-year lease terms shall be executed under Contract C213001002 and all lease schedules originated under the contract should be paid by September 30, 2020.

3. LEASE PAYMENTS:

- 2.3 Quarterly payments shall be made to the contractor (lessor) in accordance with the lease schedule.
- a. All lease schedules will have common quarterly payment dates of February 1, May 1, August 1 and November 1. If the Disbursement Request and Individual Lease Schedule is finalized less than one month prior to a quarterly payment date, the contractor shall establish the first payment due on the following quarterly payment date. For example, an individual agency lease is finalized on January 15; the first quarterly payment would not be due until May 1. If the Disbursement Request and Individual Lease Schedule is finalized more than one month prior to a quarterly payment date, the contractor shall establish the first full quarterly payment due on that next quarterly payment date. For example, an individual agency lease is finalized on December 15; the first quarterly payment would be due February 1.
- 2.4 Lease Payments to be Unconditional:
- a. Except as provided by provisions relating to non-appropriation of funds, the obligations of lessee to make lease payments and to perform and observe the other covenants and agreements contained in this document shall be absolute and unconditional in all events without abatement, diminution, deduction, set-off or defense, for any reason, including without limitation any failure of the equipment to be delivered or installed, any defects, malfunctions, breakdowns or infirmities in the equipment or any accident, condemnation or unforeseen circumstances.
- 2.5 Advanced Payments:
- a. The state shall have the ability to make payments in advance, when funds are available, in order to lower the principal balance and thereby reduce the length of term. Any such full or partial prepayment for any eligible property/service financed under the contract may be made at any time without any penalty or prepayment fees.
- b. The frequency of advance payments shall be limited to one advanced payment per fiscal year period (July 1 through June 30) per individual lease schedule. The amount of any advance payment shall be at least the amount of the agreed to quarterly payment amount including principal and interest.
- c. Such advance payment shall not result in any penalties or increase in the remaining principal amount. Nor shall advance payments change the quarterly payment amount identified in the individual lease schedule or the effective interest rate, unless such rate is lower.

- d. At such time as the state makes such advance payments, the contractor shall provide a revised amortization schedule reflecting the newly revised principal balance and the reduction in term length. Advance payments shall not be construed as refinancing the lease obligation.
- e. In the event of a partial prepayment, such advance shall not change the quarterly lease payment amount identified in the individual lease schedule or the effective interest rate, unless such rate is lower. As a result, the prepayment shall result in a reduction in the term length and number of lease payments required. Upon receipt of the prepayment, the contractor must provide to the lessee a new amortization schedule that reflects the new principal balance and reduction in term length as a result of the prepayment. Prepayments shall not be construed as refinancing the lease obligation.

3. OTHER MASTER LEASE FINANCING TERMS/CONDITIONS AND PROVISIONS:

- 3.1 **Single Point of Contact and Responsibility:** The contractor shall be the single point of contact and responsibility for the State of Missouri regardless of any subcontract relationships including those involving third party sources of funds. In no event will the State of Missouri approve of an assignment of individual lease schedules nor will the state issue any orders or payments to third party organizations.
- 3.2 **Title to the Property:** Upon acceptance of the property by agency, title to the leased property shall vest in the agency, subject to the provisions of the contract including the Lease Schedule. The agency shall immediately surrender possession and title of that property to the Contractor, upon (a) any termination of the Lease Schedule as allowed herein or (b) the occurrence of a default with respect to the individual lease. Any transfer of title to Contractor pursuant to this section shall occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. The agency shall, nevertheless, execute and deliver any such instruments as the Contractor may request to evidence such transfer.
- 3.3 **Loss of or Damage to Leased Property:** The State Agency shall be responsible for all loss of or damage to the leased property. In the event of theft, damage, destruction or other loss of use of the leased property, the state will be responsible to continue payments in fulfillment of the contract, subject to the provisions of the contract relating to non-appropriation. If lost or damaged, the lessee shall be required to replace, repair or restore the leased property to its condition prior to the loss or destruction.
- 3.4 **Personal Property:** The leased property shall remain personal property and shall not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the property or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon.
- 3.5 **Disclaimer of Warranties:** As the state agency has selected the equipment and the vendor(s) of the leased property, the Contractor shall not be responsible for any warranty or representation, either express or implied, as it would relate to the value, design, condition, merchantability or fitness for purpose of the leased property. In no event shall the Contractor be liable for any actual, incidental, indirect, special or consequential damage in connection with the Lessee's use or maintenance of the leased property.
- 3.6 **Liens, Taxes, Other Governmental Charges and Utility Charges:** The State Agency shall keep the leased property free of all liens, charges and encumbrances except those created by the contract including the Lease Schedules. The leased property shall be used for a governmental or proprietary purpose of state and, therefore, the leased property shall be exempt from all property taxes. If the use, possession or acquisition of the leased property is nevertheless determined to be subject to taxation, the State Agency shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to the leased property. The State Agency shall pay all utility and other charges incurred in the use and maintenance of the leased property.
- 3.7 **Events of Default:** Events of Default shall be deemed to occur when provisions of the lease contract, Lease Schedule and the disbursement authorization have not been performed by either the lessee or the Lessor as required. When an Event of Default occurs, written notification of the default shall be sent to the defaulting party identifying the parameters of the default. The defaulting party shall have ten (10) calendar days from receipt of the notification to provide a cure or a sufficient plan to cure the default.

- a. In the event the defaulting party fails to cure the default as allowed above, the resulting remedy shall include termination of the lease and return of the leased property to the lessor.

5.13 Representations and Covenants of the State Agency (Lessee): Lessee shall represent, covenant and warrant for the benefit of Lessor the following:

- a. The contract along with all Lease Schedules executed under the authority of the contract constitute the legal, valid and binding obligation of Lessee enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.
- b. Lessee has full power and authority to enter into the contract and the transactions contemplated hereby and to perform all of its obligations hereunder.
- c. Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current fiscal year to make the lease payments scheduled to come due during the current fiscal year and to meet its other obligations under the is agreement for the current fiscal year, and such funds have not been expended for other purposes.
- d. Lessee has acquired the Eligible Property in accordance with all applicable procurement laws.
- e. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against or affecting Lessee, nor to the best knowledge of Lessee is there any basis therefore wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this or other document or certificate which is used or contemplated for use in the consummation of the transactions executed under the contract.
- f. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by Lessee of the contract or in connection with the carrying out by Lessee of its obligations hereunder have been obtained.
- g. The entering into and performance of the lease by the Lessee will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance on any assets of Lessee or the Eligible Property pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which Lessee is a party or by which it or its assets may be bound, except as herein provided.
- h. During the Lease Term, the Eligible Property will be used by Lessee only for the purpose of performing governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority.
- i. Lessee currently intends to continue the lease term for the subject Lease through the current contract period and all of the subsequent renewal periods of the contract and to pay the lease payments hereunder. The agency (lessee) will include in its budget request for each fiscal year the lease payments to become due in that fiscal year with respect to all Eligible Property leased hereunder for its benefit and will use all reasonable and lawful means available to secure the appropriation of money for each fiscal year sufficient to pay all lease payments coming due in that fiscal year with respect to that leased property. The parties acknowledge that appropriation for lease payments is a governmental function which Lessee cannot contractually commit itself in advance to perform and the contract does not constitute such a commitment. However, Lessee reasonably believes that moneys in an amount sufficient to make all lease payments can and will lawfully be appropriated and made available to permit Lessee's continued utilization of the Eligible Property in the performance of its essential functions during the applicable lease term.
- j. Non-appropriation: Lessee is obligated only to pay such lease payments under the schedule as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current fiscal year.
- k. If a Lease is terminated as a result of non-appropriation, Lessee agrees, at Lessee's cost and expense, to peaceably deliver the Eligible Property then subject to that lease to Lessor at the location or locations to be specified by Lessor. If Lessee fails to deliver Equipment that is subject to a lease terminated under this

Section within 10 business days after the termination of that lease, the termination shall nevertheless be effective, but Lessee shall be responsible for the payment of damages in an amount equal to the amount of the lease payments that would thereafter have come due under that Lease if it has not been terminated and which are attributable to the number days after the termination of that lease during which Lessee fails to so deliver that leased property.

- l. Location and Inspection: Once installed, no leased item will be moved from the location specified for it in the Lease Schedule on which that item is listed without notice to Lessor specifying the new location. After giving sufficient advanced notice, the Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting the leased property.
- m. Use and Maintenance of the Equipment: Lessee will not install, use, operate or maintain the leased property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this schedule. Lessee will, at Lessee's own cost and expense, maintain, preserve and keep the leased property in good repair, working order and condition. Lessor shall have no responsibility to maintain, repair or make improvements or additions to the leased property.