

RESULTS OF
STATE OF FLORIDA
DIVISION OF BOND FINANCE
REQUEST FOR PROPOSALS
CONSOLIDATED EQUIPMENT FINANCING PROGRAM LESSOR
RFP NO. 2024-2

Two responses were received. The rankings are as follows:

1. Banc of America Public Capital Corp.
2. BankFunding, LLC

**STATE OF FLORIDA
DIVISION OF BOND FINANCE**

**REQUEST FOR PROPOSALS
CONSOLIDATED EQUIPMENT FINANCING PROGRAM LESSOR**

RFP NO. 2024-2

**RFP Posting Date:
September 16, 2024**

**Proposals due:
No later than 3:00 P.M., Eastern Time
Friday, October 4, 2024**

**STATE OF FLORIDA
DIVISION OF BOND FINANCE
RFP NO. 2024-2**

CONSOLIDATED EQUIPMENT FINANCING PROGRAM LESSOR

TERM SHEET

TERM	<p><u>Term of the Agreement:</u> three years, with no available renewals or extensions, subject to termination annually by either party with 90 days' prior notice.</p> <p><u>Term of each Agency Lease:</u> three-, four-, or five-year terms, but no longer than the weighted average useful life of the equipment being financed.</p>
AMOUNT	<p>The State's financing needs are estimated to be approximately \$30,000,000 over the three-year term of the Agreement; the Agreement will be for up to \$10,000,000 and, subject to Agencies financing needs, may be amended to increase the amount to up to \$30,000,000 upon mutual agreement of the parties.</p>
INTEREST RATE	<p>Selection of Lessor will be based on lowest interest cost to the State, calculated on the basis of the Offeror's proposed index (treasury, MMD, SOFR, or SOFR swap) and formulas.</p>
INTEREST RATE ADJUSTMENT	<p>Interest index and interest rate formulas may be revised annually.</p>
PAYMENTS	<p>Each Lessee's performance and obligation to pay under the agreement contingent upon annual appropriation.</p>
EQUIPMENT	<p>Nine categories of equipment to be financed.</p>
MINIMUM	<p>Each financing will be for a minimum of \$100,000.</p>
CREDIT REVIEW	<p>Any credit reviews of the State or its Agencies which Offerors deem necessary must be completed prior to executing the Master Equipment Financing Agreement.</p>
RENTAL PAYMENTS	<p>Rental payments under each Agency Lease will be made quarterly, commencing thirty (30) Business Days after each funding date.</p>
PREPAYMENT PENALTIES	<p>Agency Leases may be prepaid on any Payment Date, subject to the following prepayment penalties, expressed as a percentage of the principal amount outstanding:</p> <ul style="list-style-type: none">• 3% from the Acceptance Date through the 6th month of the Agency Lease;• 2% during the 7th through 12th months of the Agency Lease;• 1% during months 13th through 18th months of the Agency Lease; and• Without prepayment penalty after 18th month of the Agency Lease.
TITLE	<p>Title to equipment will be held by the State.</p>
CONTACT	<p>Whitney Fason, (850) 488-4782; bond@sbafla.com</p>

**STATE OF FLORIDA
DIVISION OF BOND FINANCE
RFP NO. 2024-2**

CONSOLIDATED EQUIPMENT FINANCING PROGRAM LESSOR

TABLE OF CONTENTS

	<u>Page</u>
I. DESCRIPTION OF FINANCING PROGRAM	1
A. Background and Purpose	1
B. Recent Financing Activity	2
C. Equipment Acquisition and Financing Process	3
II. SUBMISSION AND EVALUATION PROCESS	3
A. Submission of Proposals	3
B. Public Records Requirements	4
C. Evaluation of Proposals	5
D. Amendments to Request for Proposals	6
E. Investigation of Offeror	6
F. Costs Incurred by Offerors	6
G. Waiver of Irregularities	6
H. Opinion of Counsel to Lessor	6
I. Questions	6
III. BASIS OF AWARD AND INTEREST RATE INDEX	6
A. Lowest Interest Cost	6
B. Interest Rate Index and Interest Rate Formulas	7
C. Interest Rate All Inclusive	8
IV. GENERAL PROVISIONS OF THE AGREEMENT	8
Appendix A Form of Opinion of Counsel to Lessor	A-1
Appendix B Technical Proposal Form	B-1
Appendix C Price Proposal Form	C-1
Appendix D Form of Master Equipment Financing Agreement	D-1

It is the responsibility of the Offeror to obtain the complete Request for Proposal, including addenda, if any are issued. If you are unable to download all pages, contact the Division of Bond Finance by phone at (850) 488-4782, or by email to Bond@sbafla.com.

**STATE OF FLORIDA
DIVISION OF BOND FINANCE
RFP NO. 2024-2**

CONSOLIDATED EQUIPMENT FINANCING PROGRAM LESSOR

REQUEST FOR PROPOSALS NO. 2024-2

I. DESCRIPTION OF FINANCING PROGRAM:

A. *Background and Purpose:* Section 287.064, Florida Statutes, authorizes the Division of Bond Finance of the State Board of Administration of Florida (the “Division of Bond Finance”) and the Chief Financial Officer of the State of Florida (the “Chief Financial Officer”) to plan and coordinate deferred-payment, installment sale, and lease-purchases of equipment made by or on behalf of the State of Florida (the “State”) and the various State departments, boards, commissions, divisions, bureaus and councils and any other unit of organization, however designated, of the executive branch of State government, and the legislative branch or the judicial branch of State government, any of the college system institutions of the Florida College System or universities of the State University System, and any State governmental entities (each an “Agency” and collectively, the “Agencies”). Pursuant to Section 287.064, Florida Statutes, the Division of Bond Finance is responsible for an agreement with a financial institution or a consortium of financial institutions (the “Master Equipment Financing Agreement” or “Agreement”), which implements a program for the consolidated financing of the acquisition of equipment by deferred-payment, installment sale, or lease-purchases by or on behalf of the State and Agencies (the “Consolidated Equipment Financing Program” or the “Program”). It is estimated that the equipment financing needs of the Agencies will be approximately \$30,000,000 over the three-year term of this Master Equipment Financing Agreement for the Consolidated Equipment Financing Program. The Master Equipment Financing Agreement will provide for financings of up to \$10,000,000 and may be amended to increase the amount to up to \$30,000,000 upon mutual agreement of the parties.

The Division of Bond Finance is requesting competitive sealed proposals (“Proposals”) from financial institutions (“Offerors”) interested in becoming the lessor for the Program (the “Lessor”). After a selection process conducted by the Division of Bond Finance pursuant to this Request for Proposals, the Chief Financial Officer will execute the Agreement with the Offeror whose Proposal conforms in all material respects to this Request for Proposals and is determined based on the lowest total cost to the State, as more fully described herein. The Agreement shall be in substantially the form attached hereto as Appendix D. ***While the term of the Agreement is established as three (3) years, either party may terminate the Agreement annually with 90 days’ written notice prior to the end of the first or second year of the Agreement.***

Pursuant to the Agreement, the Lessor will be required to finance equipment for the State and its Agencies included in any of the categories listed below:

1. Computer equipment-main frames;
2. Computer equipment-peripherals;
3. Office automation and personal computers;
4. Photocopy/duplication and office equipment;
5. Telecommunications or telephone systems;
6. Printing and typesetting equipment;
7. Tractors, non-road use vehicles, material handling equipment;
8. Laboratory equipment and medical equipment; and
9. Other tangible personal property permitted by law and computer software approved by the Chief Financial Officer and the Lessor.

B. Recent Financing Activity: Agency equipment financing activity under the most recent Program, from November 10, 2021 through August 9, 2024, is presented below. *This information is provided for informational purposes only, and is not meant as an indication or prediction of future financing activity, which could differ materially from past experience.*

i. Annual Funding Amounts: No Agency Leases were funded in the first year of the most recent Program, from November 10, 2021 through August 9, 2024. Agency Leases were funded in the second and third year of the most recent Program, as follows:

<u>Date Range</u>	<u>No. of Leases</u>	<u>Amount</u>
11/10/2021 – 11/09/2022	0	\$0.00
11/10/2022 – 11/09/2023	8	\$4,574,845.61
11/10/2023 – 08/09/2024	<u>2</u>	<u>\$3,891,676.42</u>
TOTAL	10	\$8,466,522.03

ii. Financing Term: Financings have been approved, including those which have been approved for funding but not yet funded, under the most recent Program, from November 10, 2021, through August 9, 2024, in the following aggregate amounts for the respective repayment terms:

<u>Lease Term</u>	<u>No. of Leases</u>	<u>Amount</u>
3 years	3	\$2,136,637.50
4 years	0	\$0.00
5 years	<u>13</u>	<u>\$14,720,588.22</u>
TOTAL	16	\$16,857,225.72

iii. Types of Equipment: The following table indicates the amounts of each equipment category which have been approved for funding and the amounts which have been funded under the most recent Program, from November 10, 2021, through August 9, 2024:

<u>Equipment Category:</u>	<u>Amount</u>		
	<u>Approved¹</u>	<u>Funded¹</u>	<u>Unfunded¹</u>
• Computer equipment-main frames	\$1,185,910.00	\$0.00	\$1,185,910.00
• Computer equipment-peripherals	0.00	0.00	0.00
• Office automation and personal computers	0.00	0.00	0.00
• Photocopy/duplication and office equipment	0.00	0.00	0.00
• Telecommunications or telephone systems	0.00	0.00	0.00
• Printing and typesetting equipment	0.00	0.00	0.00
• Tractors, non-road vehicles, material handling equip.	0.00	0.00	0.00
• Laboratory and medical equipment	0.00	0.00	0.00
• Other equipment	<u>\$15,671,315.72</u>	<u>\$8,466,522.03</u>	<u>\$6,115,798.52</u>
TOTAL	\$16,857,225.72	\$8,466,522.03	\$7,301,708.52

¹ As of August 9, 2024.

iv. Frequency of draws: During the term of the most recent Program, from November 10, 2021, through August 9, 2024, there have been a total of ten (10) draws to fund equipment leases. Twenty-seven (27) months had no draws; three (3) months had one (1) draw each; and three (3) months had two (2) or more draws.

v. Amounts Financed: The minimum amount for each Agency Lease under the Program is \$100,000. During the term of the most recent Program, from November 10, 2021, through August 9, 2024, the ranges of amounts financed for the Agency Leases were as follows:

<u>Amount Financed</u>	<u>No. of Leases</u>
\$100,000 – \$250,000	0
\$250,001 – \$500,000	0
\$500,001 – \$1,000,000	9
Over \$1,000,000	1

The largest principal amount of any Agency Lease under the most recent Program is \$3,334,702 and the smallest is \$522,975.51, and the average original principal amount is \$846,652.20.

vi. Prepayment History: None of the Agency Leases funded under the most recent Program have been prepaid.

C. Equipment Acquisition and Financing Process: Prior to an Agency financing equipment under the Agreement, the Agency will be required to submit certain information to the Chief Financial Officer for the purpose of pre-audit review and approval. Information submitted by the Agency to the Chief Financial Officer must be sufficient to allow the Chief Financial Officer to determine that the acquisition is in compliance with law, is cost effective, and is a prudent use of funds. The Agency must certify to the Chief Financial Officer that sufficient funds are legally available for payments due in the current fiscal year and that the Agency is able to meet all of the requirements of the Agreement.

After approval of the equipment acquisition by the Chief Financial Officer, the Agency and the Lessor will be notified of the equipment acquisition and the estimated payment schedule based on the amount to be financed, the duration of the financing period, and the current interest rate as of the approval date.

The Agency will then issue a purchase order to obtain delivery of the equipment. When the equipment has been accepted from the vendor, the Agency and vendor will prepare and execute a certificate indicating acceptance of the equipment by the Agency. The Agency will present the vendor's approved invoice to the Lessor, at which time the actual interest rate will be determined. Within five (5) Business Days of receiving the invoice, the completed documentation required under the Agreement will be prepared by the Lessor for execution by the Agency. The Lessor will be required to pay the vendor according to the invoice within thirty (30) days after receipt of such documentation. Failure to pay within the permitted time may lead to sanctions as provided in the Agreement.

The Lessor will be required to submit to the Agency an amortization schedule which will serve as an invoice for payments due under the Agreement. The invoice must be in sufficient detail to afford a pre-audit and post-audit of the transaction. The Agency will be responsible for the timely payment of the invoice by a periodic warrant or electronic funds transfer. In the event the computer software used by Lessor to calculate amortization schedules is inconsistent with that used by the Chief Financial Officer, the Chief Financial Officer's calculation shall control. The Chief Financial Officer currently uses Time Value Software® to calculate amortization schedules.

II. SUBMISSION AND EVALUATION PROCESS:

A. Submission of Proposals: Proposals must be received by the Division of Bond Finance **no later than 3:00 P.M., Eastern Time, on Friday, October 4, 2024.**

Offerors must submit their Proposals by email to Bond@sbafla.com with “**Florida Division of Bond Finance RFP Number 2024-2 for Consolidated Equipment Financing Program**” in the subject line of the email.

Proposals may be withdrawn by written notice to the Division of Bond Finance at any time prior to 3:00 P.M., Eastern Time, on Friday, October 4, 2024.

Technical Proposal. The Technical Proposal shall include the completed Technical Proposal in the form attached hereto as Appendix B. If the Division of Bond Finance has issued any addenda to this Request for Proposals, the signed addenda acknowledgments must also be included with the Technical Proposal.

Price Proposal. The Price Proposal shall include the completed price proposal in the form attached hereto as Appendix C.

FAILURE TO COMPLETE, SIGN, AND SUBMIT THE REQUIRED DOCUMENTS (INCLUDING ADDENDA ACKNOWLEDGMENTS, IF ANY) BY THE DUE DATE AND TIME MAY RESULT IN DISQUALIFICATION.

B. Public Records Requirements: The Division of Bond Finance is obligated to make available for inspection or copying any non-exempt public record pursuant to the requirements of Chapter 119, Florida Statutes (the “Public Records Act”), and Article I, section 24 of the State Constitution. Accordingly, upon receipt of a request to inspect or copy a response to this solicitation, the Division of Bond Finance will make responses to this solicitation that are no longer exempt pursuant to Section 119.071(1)(b), Florida Statutes, available.

Confidential Trade Secret Information: Trade secrets are not solicited or desired as submissions with responses. Pursuant to Section 812.081, Florida Statutes, a person who claims that information is a trade secret must take measures to protect such information and to prevent it from becoming generally available. If Offeror includes in its response information that it considers to be a trade secret that meets the definition in Section 812.081, Florida Statutes, Offeror shall file a notice of trade secret with the Division of Bond Finance that puts the Division of Bond Finance on notice that Offeror has included trade secret information in its response. Furthermore, if an Offeror reserves the right to assert that a portion of its response is a trade secret, Offeror shall provide the Division with an additional copy of its response that has been redacted to conceal only that information that Offeror claims to be a confidential trade secret meeting the definition of a trade secret as provided in Section 812.081, Florida Statutes, and is clearly identified as having had trade secret information redacted, that is labeled “CONFIDENTIAL TRADE SECRETS.”

Other Confidential Records: In the event the Division of Bond Finance requests other information deemed confidential or exempt from the Florida Public Records Act, then the Offeror shall provide the Division of Bond Finance with an additional copy of its response that has been redacted to conceal only that information that Offeror claims to be confidential.

Public Records Requests: If the Division of Bond Finance receives a public records request related to the response, the Offeror shall be solely responsible for taking whatever action it deems appropriate to legally protect its claim of exemption from the public records law. The Offeror should be prepared to defend against its release if the Offeror decides that such documents, data, or information should not be disclosed in response to a public record request. The Division of Bond Finance will not provide access to the confidential information of the Offeror, including, but not limited to, information identified by the Offeror as confidential pursuant to Section 812.081, Florida Statutes, to any other party without first providing notice to the Offeror. The Offeror shall notify the Division in writing within ten (10) Business Days of receipt of such notice from the Division of Bond Finance whether it intends to defend the confidentiality of such public records. The Offeror shall file an action to prevent disclosure within an additional three (3) Business Days. If not filed within such time, the Offeror is deemed to have released the Division of Bond Finance from liability for disclosure of the applicable public records. Any Offeror

acknowledges that the protection afforded by Section 815.045, Florida Statutes, is incomplete, and it is hereby agreed that no right or remedy for damages arises from any disclosure.

The Offeror shall require the Offeror's employees and subcontractors to comply with public records laws, specifically to:

- i. Keep and maintain the public records that ordinarily and necessarily would be required by the Division of Bond Finance or the Chief Financial Officer's office in order to perform the service or activity.
- ii. Provide the public with access to such public records on the same terms and conditions that the Division of Bond Finance would provide the records and at a cost that does not exceed that provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- iii. Ensure that public records that are exempt or public records that are confidential and exempt are not disclosed except as authorized by law.
- iv. Meet all requirements for retaining records and transfer to the Division of Bond Finance, at no cost, all public records in possession of the Offeror upon termination of the Agreement and destroy any duplicate public records that are exempt or confidential and exempt. All records stored electronically must be provided to the Chief Financial Officer's office in a format that is compatible with the information technology systems of the Chief Financial Officer's office.

Offerors should note that, by signing the Technical Proposal, they are making certain representations and certifications upon which the Division of Bond Finance and the Chief Financial Officer will rely in selecting the Lessor pursuant to this Request for Proposal. These representations and certifications address such areas as public entity crimes, discriminatory actions, antitrust violations, dealings with certain foreign countries, campaign contributions, and prohibited business solicitation communications during the selection period, which began September 16, 2024, and will run until the Lessor is selected.

The selected Offeror must complete any credit review of the State or its Agencies which it deems necessary prior to executing the Master Equipment Financing Agreement. Offerors may obtain copies of the State's Annual Financial Report through the Fiscal Year ended June 30, 2023, on the Chief Financial Officer's website at <https://www.myfloridacfo.com/transparency/state-financial-reports> or by contacting the Division of Bond Finance at (850) 488-4782 or Bond@sbafla.com.

C. Evaluation of Proposals: Each Offeror's Proposal will be reviewed to determine the Offeror's compliance with the terms of this Request for Proposals and the Offeror's ability to perform pursuant to the Agreement. The Technical Proposal must provide the information requested in this Request for Proposals and should be in the form attached hereto as Appendix B, which is incorporated herein and made a part of this Request for Proposals by reference.

The qualified Offeror submitting the responsive Proposal with the lowest overall cost to the State, calculated as provided in Section III hereof, whose conditions are determined to be acceptable to the State, will be selected. However, prior to the selection becoming final, the selected Offeror must provide a copy of one of the following as evidence of its financial position and resources:

- i. Financial statements, which include balance sheets and income statements for the Offeror's two (2) most recent fiscal years, which have been audited by a certified public accountant. The statements should be those of the entity funding the program, rather than any affiliate, agent, or other entity, and should break out subsidiary data if the Offeror is part of a larger entity.

ii. An irrevocable commitment to issue a surety bond by an insurer rated in one of the two highest rating categories by A.M. Best Company, in an amount equal to \$30,000,000.

iii. An irrevocable commitment to issue a letter of credit by a financial institution rated in one of the two highest full rating categories by S&P Global Ratings, Moody's Ratings, or Fitch Ratings, in an amount equal to \$30,000,000.

Any surety bond or letter of credit for which a commitment is provided pursuant to (ii) or (iii) above must be issued on the date of signing of the Agreement by the Chief Financial Officer; must remain in effect throughout the term of the Agreement; must provide for the funding of equipment purchases in accordance with the terms of the Agreement; and must be without cost to the State or its Agencies. The form of any such surety bond or letter of credit is subject to the approval of the Division of Bond Finance and the Chief Financial Officer.

If the above documentation is found to be satisfactory to the office of the Chief Financial Officer, the selected Offeror will be required to execute the completed Agreement and provide an opinion of counsel in the form of Appendix A. The completed Agreement will then be presented to the Chief Financial Officer for award and execution. It is anticipated that the evaluation will be completed by October 14, 2024, with the selection being announced as soon as practicable after completion of the evaluation.

D. Amendments to Request for Proposals: The Division of Bond Finance reserves the right to amend this Request for Proposals or to provide additional information by addendum prior to the date for proposal submission. Any addendum shall be posted on the Division of Bond Finance's website at <https://bondfinance.sbafla.com> under the heading "News and Updates" and notice thereof shall be supplied to prospective Offerors via email or other means determined by the Director of the Division of Bond Finance. Each addendum shall include an Addendum Acknowledgment Form, which must be signed by a representative of the Offeror and returned with the Offeror's Technical Proposal.

E. Investigation of Offeror: The Division of Bond Finance reserves the right to conduct any investigation of the qualifications of any Offeror submitting a proposal and to request additional information.

F. Costs Incurred by Offerors: Neither the Chief Financial Officer nor the Division of Bond Finance will be liable for any costs incurred in the preparation and production of a response to this Request for Proposals.

G. Waiver of Irregularities: The Division of Bond Finance reserves the right to accept or reject any or all proposals, to correct arithmetic errors in any proposal, to waive irregularities in any proposal, and to negotiate modifications to any of the items proposed in the responses to the Request for Proposals.

H. Opinion of Counsel to Lessor: The Offeror selected to serve as Lessor shall be required to provide an opinion of counsel in the form attached hereto as Appendix A, simultaneously with Lessor's execution of the Master Equipment Financing Agreement. Lessor will be provided an opinion of counsel to the State, upon execution of the Agreement by the Chief Financial Officer.

I. Questions: All questions regarding the Request for Proposal should be directed to Whitney Fason or Bess Grasswick of the Division of Bond Finance at (850) 488-4782 or via email to Bond@sbafla.com.

III. BASIS OF AWARD AND INTEREST INDEX:

A. Lowest Interest Cost: The responsive Proposal of the qualified Offeror with the lowest interest cost to the State, calculated on the basis of the index and interest rate formulas proposed by the Offeror, whose conditions are determined to be acceptable to the State, will be selected. The fixed interest rate for each funding and corresponding Agency Lease under the Agreement will be based on the index and interest rate formula for the

selected repayment term, as provided below, *subject to revision as provided in the last paragraph of Section IV.A., herein*. The price proposal must specify on Appendix C, for each financing term, the formula for determining the applicable interest rate. **The lowest overall interest cost to the State will be calculated on a true interest cost basis. The annual true interest cost rate will be the interest rate necessary to discount quarterly rental payments to the aggregate amount assumed to be funded, using quarterly compounding. The proposals will be evaluated using the respective indexes in effect as of the day and time such evaluation takes place, as determined by the Division of Bond Finance.**

Determination of the true interest cost proposed by each Offeror will be based on the assumptions that: (i) the aggregate amount of Agency Leases funded equals \$10,000,000; (ii) the entire principal amount is funded at the beginning of the program; (iii) that quarterly payments, consisting of principal and interest, over each lease term will be substantially equal; and (iv) the amounts funded under each possible repayment term are as follows:

3 years	\$2,100,000
4 years	\$1,500,000
5 years	\$6,500,000

B. Interest Index and Interest Rate Formulas: Offerors shall complete all portions of the price proposal attached hereto as Appendix C by (i) selecting the index on which to base their price proposals from among those listed below; (ii) clearly specifying the method or formula for applying the index to calculate the interest rate on Agency Leases for each possible lease term (3, 4, and 5 years); and (iii) providing calculations of the interest rates for each lease term applying the specified formula to the interest rate or yield of the selected index as of 10:00AM Eastern Time on Monday, September 16, 2024, and a copy of the selected index and applicable tenor/maturities as of 10:00AM Eastern Time on Monday, September 16, 2024.

The index selected by the Offeror must be from the source specified below. Offerors may use any of the specified indexes, however, the same index (but not the same tenor/maturities) must be used for the interest rate formulas for all lease terms. Offerors are required to provide an interest rate formula for each of the three (3), four (4), and five (5) year lease terms available to Agencies under the Agreement. The interest rate formula for each lease term, using the specified index, must be clearly stated, including any discount premium and basis point spread, so the Division of Bond Finance and the Chief Financial Officer can independently calculate and/or verify the fixed interest rate applicable to any lease term. *The Interest Index and the Interest Rate Formulas will remain fixed for the three-year term of the Agreement, but may be revised annually; see the last paragraph of Section IV.A., below.*

<u>Allowable Interest Indexes</u>
MMD: MMD fair market yields on AAA rated general obligation bonds with maturities as specified by the Offeror, based on the most recent available yield published by The Municipal Market Monitor at www.tm3.com
SOFR: The most recent Standard Overnight Financing Rate (SOFR) or a SOFR average as specified by the Offeror, published by the New York Federal Reserve at https://www.newyorkfed.org/markets/reference-rates/sofr
SOFR Swap: An interest rate swap index identified by the Offeror with tenor as specified by the Offeror, based on the most recent available yields using SOFR.
Treasury: The U.S. Treasury Constant Maturity with maturities as specified by the Offeror, based on the most recent available yield published in H15: Federal Reserve Statistical Release of Selected Interest Rates (daily) at www.federalreserve.gov/releases/h15

C. Interest Rate All Inclusive: The interest rates proposed by any Offeror will be inclusive of all costs to the State (i.e., there will be no additional costs to the State or its Agencies such as surety bond premiums, letter of credit fees, origination fees, or administrative fees).

IV. GENERAL PROVISIONS OF THE AGREEMENT:

The following summary of certain provisions of the Agreement are for general informational purposes only. Offerors should carefully review the Agreement in its entirety.

A. The Lessor will be required to provide financing for equipment purchased during the three-year period beginning November 15, 2024. The Agreement may be terminated by either party upon ninety (90) days' written notice prior to the end of the first or second year of the Agreement. Lessor will also be required to provide financing for equipment that is approved and purchased through an Approval Letter, prior to November 15, 2024, but for which a Certificate of Acceptance has not yet been executed.

Each financing under the Agreement must be for at least \$100,000 of equipment and for a term of three, four or five years, but in no case longer than the weighted average useful life of the equipment financed, as determined by the Chief Financial Officer. Equipment financing needs are estimated to be up to \$30,000,000 for the three-year term of the Agreement. The Lessor will provide financing to Agencies for up to \$10,000,000 over the three-year term of the Agreement; the Agreement may be amended to increase the amount available for Agency financings to up to \$30,000,000 at any time during the term of the Agreement, upon mutual agreement of the Lessor and the Chief Financial Officer.

The Lessor must agree to provide financing for equipment purchases at the request of any Agency during the term of the Agreement, at the lesser of (i) the fixed interest rate determined as provided in the price proposal of the Lessor, or (ii) the maximum interest rate allowed by law. Section 287.063(1)(b), Florida Statutes, provides that the interest rate may not exceed an average net interest cost rate computed by adding 150 basis points to the 20 "Bond Buyer" average yield index published immediately preceding the first day of the calendar month in which the equipment acquisition is submitted to the Chief Financial Officer for pre-audit review and approval.

Notwithstanding the three-year term of the Agreement, the Interest Index and the Interest Rate Formulas may, with thirty (30) days' notice, be revised at the request of either party for each one-year period upon mutual agreement between Lessor and the Chief Financial Officer, provided that the Interest Index must be one of the indexes permitted by the Request for Proposal. Failure to reach such mutual agreement will be cause for termination of the Agreement by either party, although termination is not required if the parties agree to continue to try to come to an agreement.

B. The execution of the Agreement only provides an option for the financing of equipment and does not obligate the State to conduct any financing through such Agreement.

C. Rental Payments under the Agreement shall be made quarterly, commencing each Agency Lease funding date, and every ninety (90) days thereafter. Amortization of any amount financed will be based on payments due at the beginning of each payment period, not in arrears, and will be for a term of three (3), four (4), or five (5) years, but in no instance longer than the weighted average useful life of the equipment being financed. Prepayment shall be permitted on any Payment Date, subject to a prepayment penalty expressed as a percentage of the principal amount outstanding. Prepayment penalties apply as follows:

Acceptance date – 6 months	3%
7 – 12 months	2%
13 – 18 months	1%
Over 18 months	0%

Interest will be compounded quarterly and will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

D. The title to equipment being financed under the Agreement will be held by the State or its respective agencies acquiring such equipment.

E. The equipment financed under the Agreement will be insured with the State self-insurance fund that covers the contents of buildings owned, leased, or rented by the State for loss due to fire, lightning, sinkhole, and hazards customarily insured by extended coverage, as well as loss from the removal of personal property from such buildings when endangered by covered perils. If for any reason the equipment is not eligible for such fund, insurance coverage for the equipment will be procured with a carrier authorized to do business in the State.

F. If, for any reason, the Lessor fails to fulfill its obligations under the Agreement in a timely and proper manner, the Chief Financial Officer shall have the right to terminate the Agreement by specifying the date of termination in a written notice to the Lessor. Such termination shall not alter the obligation of an Agency to make payments for any equipment previously financed under the Agreement.

G. In the event the Agreement is terminated for any reason, all finished or unfinished documents, data, studies, correspondence, reports, and other products prepared by or for the Lessor under the Agreement shall be made available to and for the exclusive use of the Chief Financial Officer. Notwithstanding the above, the Lessor shall not be relieved of liability for damages sustained by the Chief Financial Officer, Division of Bond Finance, or any Agency by virtue of any breach of the Agreement by the Lessor.

H. The Lessor shall not sell, assign, or transfer any interest in the Agreement or subcontract any of the Lessor's responsibilities under the Agreement and shall not transfer any interest in the same without prior written consent of the Chief Financial Officer or his designee. The Agreement contains specific requirements which must be satisfied in connection with assignments.

I. The Agreement shall be governed by the laws of the State of Florida. Venue for all legal or administrative actions regarding the Agreement will be Leon County, Florida.

J. After selection of the Lessor, the Request for Proposals (including addenda thereto, if any), the Proposal of the Lessor, the executed Agreement and the applicable Agency Leases will constitute the entire agreement of the parties and will supersede any prior representations, commitments, conditions, or agreements between the parties. In the event of conflict among the terms and conditions of the various documents, the Agreement shall prevail over the Request for Proposals and the Request for Proposals shall prevail over the terms of the proposal. The term "Proposal" includes both the Technical and Price Proposals submitted in response hereto.

K. The Lessor shall hold harmless, indemnify, and defend the Division of Bond Finance, the Chief Financial Officer, and the State and its Agencies, as well as their officers and employees, against any claim, action, loss, liability, cost, and expense of whatsoever kind or nature (including, but not by way of limitation, attorney's fees and court costs) arising out of any negligence or misconduct of the Lessor in the performance of its duties under the Agreement. Nothing herein shall be construed as waiving the sovereign immunity of the State of Florida.

L. The Lessor shall comply with any and all applicable federal, State, and local laws, rules, and regulations as the same exist and may be amended from time to time.

M. In the performance of its duties under the Agreement, the Lessor will be acting in the capacity of an independent contractor, and not as an agent, employee, partner, joint venture or associate of the Chief Financial Officer, the State, or any Agency thereof. The Lessor shall be solely responsible for the means, methods, techniques, sequences, and procedures it utilizes in the performance of such duties and responsibilities.

N. The Agreement may be modified or amended only by written instrument signed by the Chief Financial Officer, or his or her designee, Lessee, and an authorized representative of the Lessor.

O. Lessor shall certify that it is not on the statutorily created Convicted Vendor List, Forced Labor Vendor List, Discriminatory Vendor List, Suspended Vendor List, or Antitrust Violator Vendor List, that are available at: https://www.dms.myflorida.com/business_operations/state_purchasing/state_agency_resources/vendor_registration_and_vendor_lists.

P. Lessor shall certify that it is not engaged in a boycott of Israel and that it is not on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List (collectively, "Scrutinized List of Prohibited Companies"). The Scrutinized Companies that Boycott Israel List may be obtained through the link to "Quarterly List of Scrutinized Companies that Boycott Israel" at <https://www.sbafla.com/governance/global-governance-mandates/>. The Scrutinized Lists of Prohibited Companies may be found through the link to "Scrutinized List of Prohibited Companies" at <https://www.sbafla.com/reporting/>.

Q. Lessor shall disclose to the Chief Financial Officer's office any current or prior interest of any contract with, or any grant or gift with a value of \$50,000 or more received from a Foreign Country of Concern, as required by Section 286.101, Florida Statutes.

APPENDIX A
FORM OF OPINION OF COUNSEL TO LESSOR

[date]

Jimmy Patronis
Chief Financial Officer of the State of Florida
Florida Department of Financial Services
200 E. Gaines Street
Tallahassee, Florida 32399-0300

[LESSOR]

Re: State of Florida Master Equipment Financing Agreement dated as of November 15, 2024, by and between _____ (“Lessor”) and the State of Florida acting by and through the Chief Financial Officer of the State of Florida

Ladies and Gentlemen:

I have acted as counsel to _____, the Lessor, in connection with the State of Florida Master Equipment Financing Agreement (the “Agreement”) described above and various related matters, and in this capacity have reviewed such corporate records, certificates, and other documents as I deem relevant. Based upon and subject to the foregoing, and assuming due and proper execution of the Agreement by the Chief Financial Officer of the State of Florida, it is my opinion that as of the date of this letter:

1. _____ has been duly organized and is validly existing as a _____ in good standing under the laws of the state of _____.

2. The Agreement has been duly authorized, executed, and delivered by the Lessor, and upon due execution thereof by the Chief Financial Officer of the State, constitutes the legal, valid, and binding contract of the Lessor enforceable in accordance with its terms, except to the extent limited by State and federal law affecting remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors’ rights.

Very truly yours,

[Counsel to Lessor]

**APPENDIX B
TECHNICAL PROPOSAL**

This Proposal is presented in response to State of Florida, Division of Bond Finance Request for Proposals No. 2024-2, dated September 16, 2024 (the “RFP”). By signing and submitting this Proposal, the entity making this proposal (the “Offeror”) is making certain representations upon which the State of Florida will rely in making its selection pursuant to the RFP. The Offeror acknowledges that the State of Florida may make such further investigation and inquiry as it deems necessary in order to select a Lessor as provided in the RFP. If the State of Florida discovers that any of the information on this RFP is false, the State of Florida reserves the right to deem the Offeror non-responsive and cease any consideration of its Proposal. The Offeror may withdraw this proposal in writing at any time prior to 3:00 P.M. Eastern Time on Friday, October 4, 2024. Thereafter, it may not be withdrawn and shall be binding on Offeror.

Please provide the following information in the space provided:

1. Give the name, primary address, and federal employer identification number of the Offeror.

2. The following person will be authorized to conduct contract administration if Offeror is selected as Lessor pursuant to the RFP.

Name:

Title:

Address:

Telephone number:

Email address:

3. If selected as Lessor, the following person(s) will be executing the Master Equipment Financing Agreement in substantially the form set forth in Appendix D to the RFP (the “Agreement”) on behalf of Offeror:

Name:

Title:

Telephone number:

Email address:

Name:

Title:

Telephone number:

Email address:

[illegible]

Customer: _____

Contact Person: _____

Address: _____

Telephone number: _____

Customer: _____

Contact Person: _____

Address: _____

Telephone number: _____

Customer: _____

Contact Person: _____

Address: _____

Telephone number: _____

6. List all actual or potential conflicts of interest relating to this procurement. If none are disclosed by the Offeror, the Offeror affirms by signing this proposal that none exist. *You may attach up to two (2) additional pages if necessary to answer this question.*

7. Identify any litigation or administrative proceeding in which the Offeror is or was a party, related to the Offeror's professional activities with respect to financing equipment during the two (2) years prior to the date of this Proposal, or any investigation in which any question with respect to such activities is or has been addressed during such period. If none are disclosed by the Offeror, the Offeror affirms by signing this proposal that none exist. Include the current status or disposition and contact person for each matter listed. *You may attach up to two (2) additional pages if necessary to answer this question.*

8. Has your firm retained any person or firm for the purpose of seeking to be selected as a Lessor pursuant to this RFP? Will your firm pay or be obligated to pay any firm or an individual who is not a full-time employee of your firm if you serve as Lessor to the State? If so, identify the individual or firm, provide specific information relating to compensation paid or to be paid, and provide a copy of any written contract relating to such arrangement.

9. List any current or prior interest of, any contract with, or any grant or gift received from a foreign the People's Republic of China, the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the Venezuelan regime of Nicolás Maduro, or the Syrian Arab Republic, including any agency of or any other entity under significant control of such country for any interest, contract, grant, or gift with a value of \$50,000 or more and for which such interest existed at any time or such contract, grant, or gift was received or in force at any time during the previous five (5) years. Include the amount of the contract or grant or gift or the value of the interest disclosed, the applicable foreign country of concern, and, if applicable, the date of termination of the contract or interest, the date of receipt of the grant or gift, and the name of the agent or controlled entity that is the source or interest holder.

10. Submission of this Proposal constitutes a representation and certification by the Offeror that each of the statements below are true and correct:

A. Neither the Offeror nor any of its affiliates has been placed on the Convicted Vendor List referenced in Section 287.133, Florida Statutes, within the 36-month period prior to the date of submission hereof, or the Forced Labor Vendor List referenced in Section 287.133, Florida Statutes, within the 365-day period prior to the date of submission hereof, or if placed on either of such lists within such time periods, it has been removed from such list(s) in accordance with State law, prior to the date of submission hereof.

B. Neither the Offeror nor any of its affiliates is on the Discriminatory Vendor List referenced in Section 287.134, Florida Statutes, the Suspended Vendor List referenced in Section 287.1351, Florida Statutes, or the Antitrust Violator Vendor List referenced in Section 287.137, Florida Statutes, as of the date of submission hereof.

C. To the best of the Offerors knowledge any commodities the Offeror is offering to the State have not been produced, in whole or in part, by forced labor.

D. Neither the Offeror nor any of its affiliates is engaged in a boycott of Israel; is engaged in business in Cuba or Syria; or is on the Scrutinized Companies that Boycott Israel List, the Scrutinized Companies with Activities in Sudan List, or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List referenced in Section 287.135, Florida Statutes, as of the date of submission hereof.

E. The Offeror has neither knowingly employed, hired, recruited, or referred an alien who is not duly authorized to work by the immigration laws or the Attorney General of the United States, in violation of Section 448.09, Florida Statutes, nor had a contract terminated for such a violation pursuant to Section 448.095(2)(c), Florida Statutes.

F. The Offeror will cooperate with the Inspector General in any investigation, audit, inspection, review, or hearing, as required by Section 20.055, Florida Statutes.

11. Submission of this Proposal constitutes a representation by the Offeror that it and its agents, officers, principals, and professional employees have not participated and will not participate in any prohibited business solicitation communication. A prohibited business solicitation communication is a written or verbal communication which occurs during a selection period between the Offeror and a member or employee of a member of the Governing Board of the Division of Bond Finance, regarding the merits of the Offeror or whether the Offeror should be selected under the Request for Proposals. An Offeror may be disqualified for participating in a prohibited business solicitation communication.

12. Submission of this Proposal constitutes a representation by the Offeror that it understands and agrees that prior to the final selection as Lessor, the selected Offeror must provide a copy of one of the following as evidence of the Offeror's financial position and resources:

A. Financial statements, which include balance sheets and income statements for the Offeror's two most recent fiscal years, which have been audited by a certified public accountant. The statements should be those of the entity funding the program, rather than any affiliate, agent, or other entity, and should break out subsidiary data if the Offeror is part of a larger entity.

B. An irrevocable commitment to issue a surety bond by an insurer rated in one of the two highest rating categories by AM Best Company, in an amount equal to \$30,000,000.*

C. An irrevocable commitment to issue a letter of credit by a financial institution rated in one of the two highest full rating categories by S&P Global Ratings, Moody's Investors Service or Fitch Ratings, in an amount equal to \$30,000,000.*

** Any surety bond or letter of credit for which a commitment is provided pursuant to (ii) or (iii) above must be issued on the date of signing of the Agreement by the Chief Financial Officer; must remain in effect throughout the term of the Agreement; must provide for the funding of equipment purchases in accordance with the terms of the Agreement; and must be without cost to the State or its Agencies. The form of any such surety bond or letter of credit is subject to the approval of the Division of Bond Finance and the Chief Financial Officer.*

13. How did you find out about the Request for Proposals?

The undersigned is authorized to sign on behalf of the Offeror and certifies that the information contained in this Proposal is true and correct. The Offeror is in compliance with all requirements of the Request for Proposals, including the certification requirements.

Offeror: _____

By: _____
[Signature]

[Name]

[Title]

Date: _____

APPENDIX C PRICE PROPOSAL

A. In the table below, specify the index to be used as the basis for calculating the interest rates by marking “X” in the appropriate box.

Offerors may use any of the specified indexes; however, the same index, but not the same tenor/maturities, must be used for the interest rate formulas for all three lease terms (three-, four-, and five-year repayment terms).

INTEREST INDEX	
MMD fair market yields on AAA rated general obligation bonds with maturities as specified by the Offeror , based on the most recent available yield published by The Municipal Market Monitor (www.tm3.com)	
The most recent Standard Overnight Financing Rate (SOFR) or a SOFR average as specified by the Offeror, published by the New York Federal Reserve (https://www.newyorkfed.org/markets/reference-rates/sofr)	
An interest rate swap index identified by the Offeror with tenor as specified by the Offeror, based on the most recent available yields using SOFR.	
The U.S. Treasury Constant Maturity with maturities as specified by the Offeror , based on based on the most recent available yield published in H15: Federal Reserve Statistical Release of Selected Interest Rates (daily) (www.federalreserve.gov/releases/h15)	

A copy of the selected index and applicable tenor/maturities as of 10:00AM Eastern Time on Monday, September 16, 2024, must be provided with this price proposal. If a SOFR-based interest rate swap index is selected, Offerors must identify the name of the index, its source, and attach a screenshot clearly showing the selected index and applicable tenor/maturities at 10:00AM Eastern Time on Monday, September 16, 2024.

B. For each lease term (three-, four-, or five-year repayment term), specify (i) the tenor/maturity of the index, (ii) the rate/yield for such tenor/maturity as of 10:00AM Eastern Time on Monday, September 16, 2024, (iii) and the formula for applying the selected index. The interest rate formulas for each lease term, including any discount premium, basis point spread, or other mathematical calculation. must be clearly stated so that the Division of Bond Finance and the Chief Financial Officer can independently calculate and/or verify the applicable interest rates. The index on which Offerors may base the interest rate calculations must be from the source specified in paragraph A above. The tenor/maturities of the index used in the interest rate formula for any lease term is not required to match the length of such lease term. *The Interest Index and the Interest Rate Formulas may be revised annually; see the last paragraph of Section IV.A. of the Request for Proposals.*

LEASE TERM	INDEX AND TENOR/MATURITY	INDEX RATE/ YIELD AS OF 10:00AM SEPT. 16, 2024	INTEREST RATE FORMULA
Three Years			
Four Years			
Five Years			

C. For each lease term, in the space provided below, calculate an interest rate using the same interest rate formula described in paragraph B above, using the selected index and applicable tenor/maturities, to arrive at a sample interest rate for each lease term. *Offerors must use the yields/interest rates for selected index and applicable tenor/maturities as of 10:00AM Eastern Time on Monday, September 16, 2024, in the interest rate*

formulas below for the calculation of the sample interest rate for each lease term. Make sure all assumptions are clearly stated and a copy of the selected index and applicable tenor/maturities as of 10:00AM Eastern Time on Monday, September 16, 2024, is attached. This calculation is for verification purposes only by the Division of Bond Finance and/or the Chief Financial Officer. A separate sheet may be attached if necessary.

LEASE TERM	INTEREST RATE CALCULATION	INTEREST RATE
Three Years		
Four Years		
Five Years		

Offeror: _____

By: _____
[Signature]

[Name]

[Title]

Date: _____

APPENDIX D
FORM OF THE MASTER EQUIPMENT FINANCING AGREEMENT

THE STATE OF FLORIDA
CONSOLIDATED EQUIPMENT FINANCING PROGRAM
MASTER EQUIPMENT FINANCING AGREEMENT

Dated as of November 15, 2024

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I: DEFINITIONS AND EXHIBITS	3
Section 1.1. Definitions.....	3
Section 1.2. Exhibits	6
ARTICLE II: REPRESENTATIONS, WARRANTIES AND COVENANTS	6
Section 2.1. Representations, Warranties and Covenants of the Chief Financial Officer	6
Section 2.2. Acknowledgment by Lessee of Representations, Warranties and Covenants of Lessee.....	7
Section 2.3. Representations, Warranties and Covenants of Lessor	7
Section 2.4. Transmission of Documents by Electronic Means	8
ARTICLE III: LEASE OF EQUIPMENT.....	8
Section 3.1. Acquisition of Equipment	8
Section 3.2. Lease; Enjoyment; Inspection	9
ARTICLE IV: TERM.....	10
Section 4.1. Term	10
Section 4.2. Termination	10
Section 4.3. Intent to Continue Lease Term; Appropriations.....	10
Section 4.4. Termination of Lease Term.....	11
Section 4.5 Effect of Termination for Non-Appropriation.....	11
ARTICLE V: RENTAL PAYMENTS	12
Section 5.1. Rental Payments	12
Section 5.2. Current Expense	12
Section 5.3. Rental Payments to Be Unconditional.....	12
ARTICLE VI: INSURANCE AND RISK OF LOSS	13
Section 6.1. Insurance	13
Section 6.2. Damage to or Destruction of Equipment.....	13
ARTICLE VII: OTHER OBLIGATIONS OF LESSEE	13
Section 7.1. Use; Permits	13
Section 7.2. Taxes, Other Governmental Charges and Utility Charges	14
ARTICLE VIII: TITLE AND LIENS	14
Section 8.1. Title	14
Section 8.2. Liens	14
Section 8.3. Modification of Equipment	14
Section 8.4. Personal Property	14
ARTICLE IX: EQUIPMENT SELECTION AND WARRANTIES	14
Section 9.1. Selection of Equipment	14
Section 9.2. Contractor's Warranties	15
Section 9.3. Disclaimer of Warranties	15
ARTICLE X: OPTION TO PREPAY	15
Section 10.1. Prepayment.....	15
Section 10.2. Exercise of Option.....	15
ARTICLE XI: ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING	15
Section 11.1 Assignment by Lessor	15
Section 11.2 Assignment and Subleasing by Lessee.....	16
ARTICLE XII: EVENTS OF DEFAULT AND REMEDIES	16
Section 12.1. Events of Default Defined.....	16
Section 12.2. Remedies	17
Section 12.3. Return of Equipment; Release of Lessee's Interest.....	18
Section 12.4. No Remedy Exclusive.....	18
Section 12.5. Late Charges.....	18
Section 12.6. Public Records.....	19

ARTICLE XIII: REPORTING.....	19
Section 13.1. Semi-Annual Report.....	19
ARTICLE XIV: ADMINISTRATIVE PROVISIONS	19
Section 14.1. Notices.....	19
Section 14.2. Financial Information.....	19
Section 14.3. Binding Effect	19
Section 14.4. Severability.....	19
Section 14.5. Entire Agreement, Amendments, Changes and Modifications	19
Section 14.6. Captions.....	20
Section 14.7. Further Assurances and Corrective Instruments.....	20
Section 14.8. Execution in Counterparts.....	20
Section 14.9. Applicable Law, Venue.....	20
Section 14.10. Interest; Usury.....	20
Section 14.11. Time of the Essence	20
Section 14.12. No Waiver of Sovereign Immunity	20
Section 14.13. E-Verify Employment Verification.....	20
Section 14.14. Audits	21
Section 14.15. Interest Index Sources	21
Section 14.16. Vendor Ombudsman	21
Section 14.17. Denial or Revocation of Right to Transact Business with the State for Discriminatory, Suspended, Antitrust Violator, and Convicted Vendors.....	21
Section 14.18. Record Retention.....	22
Section 14.19 Scrutinized Companies.....	22
Section 14.20 Gifts and Contracts with Foreign Countries of Concern.	21

EXHIBITS

A.	Form of Approval Letter	A-1
B.	Form of Equipment Schedule, Rental Payments, etc.	B-1
C.	Form of Certificate of Acceptance & Acknowledgment of Agency Lease.....	C-1
D.	Form of Opinion of State Counsel.....	D-1
E.	Form of Arbitrage and Tax Certificate.....	E-1
F.	Interest Rate Options.....	F-1
G.	Form of Special Tax Counsel Opinion	G-1
H.	Interest Index and Interest Rate Formula	H-1

**STATE OF FLORIDA
MASTER EQUIPMENT FINANCING AGREEMENT**

THIS STATE OF FLORIDA MASTER EQUIPMENT FINANCING AGREEMENT (this “Agreement”), dated as of the Agreement Date, is made and entered into by and between _____, a corporation duly organized and existing under the laws of the State of _____, as lessor (“Lessor”), whose principal business address is as shown on the execution page hereof; and the State of Florida (the “State”) acting by and through the Chief Financial Officer of the State (or such other financial officer of the State as shall succeed to the powers of the Chief Financial Officer under Florida law) (the “Chief Financial Officer”) whose address is as shown on the execution page hereof.

In consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

**ARTICLE I:
DEFINITIONS AND EXHIBITS**

Section 1.1. Definitions. The following terms have the meanings specified below unless the context clearly requires otherwise.

“Acceptance Date” means the date an Agency accepts Equipment as evidenced in the applicable Exhibit C.

“Acquisition Period” means the period during which leases of Equipment may be funded pursuant to this Agreement. Such period shall commence on November 15, 2024, and end on November 14, 2027 (or such other date permitted by law and agreed to by the Chief Financial Officer and Lessor), unless terminated earlier pursuant to Section 4.2 hereof. However, if Equipment is approved and purchased pursuant to an Approval Letter, shown as Exhibit A to this Agreement, but for which a Certificate of Acceptance has not yet been executed prior to the expiration of this Agreement, Lessor shall fund the approved Agency Lease.

“Agency” means any of the various State departments, boards, commissions, divisions, bureaus and councils and any other unit of organization, however designated, of the executive branch of State government., State community colleges and universities, and any State governmental entity succeeding to the powers and duties of any of the foregoing pursuant to law or governmental reorganization.

“Agency Acknowledgment” means the acknowledgment by an Agency executing an Exhibit B, subjecting it to the provisions of this Agreement, in the form set forth in Exhibit C hereto.

“Agency Lease” means, with respect to each Equipment Group leased by an Agency, this Agreement, together with the Agency Acknowledgment, and the fully executed Equipment Schedule relating thereto, which shall constitute a separate contract relating to such Equipment Group. Each Agency Lease shall be dated as of the date all documents Lessee is required to submit hereunder are finally submitted.

“Agreement” or **“Master Equipment Financing Agreement”** means this State of Florida Master Equipment Financing Agreement between the Chief Financial Officer and _____, dated as of November 10, 2024 and executed pursuant to Section 287.064, Florida Statutes, for the purpose of implementing the Consolidated Equipment Financing Program.

“Agreement Date” means November 15, 2024.

“Business Day” means any day other than Saturday, Sunday, or a day on which the offices of the State are permitted by law to be closed. When a notice is due or a deadline occurs on a day that is not a Business Day, the notice shall be due or the deadline shall occur on the first Business Day following.

“Code” means the Internal Revenue Code of 1986, as amended.

“Contractor” means each of the manufacturers or vendors from which Lessee has ordered or with which Lessee has contracted for the manufacture, delivery and/or installation of the Equipment.

“Division of Bond Finance” means the Division of Bond Finance of the State Board of Administration of Florida.

“Equipment” means all items of tangible personal property described in Equipment Schedules and any other items of tangible personal property and constituting: computer equipment—main frames; computer equipment—peripherals; office automation and personal computers; photo copy/duplication and office equipment; telecommunications or telephone systems; printing and typesetting equipment; tractors, non-road use vehicles, material handling equipment; laboratory equipment, medical equipment, and such other tangible personal property permitted by law and computer software approved by the Chief Financial Officer and Lessor.

“Equipment Group” means the Equipment listed in a particular Exhibit B.

“Equipment Schedule” means Exhibit B which has been completed with respect to an Equipment Group and executed by Lessor and an Agency.

“Events of Default” means those events described in Section 12.1.

“Final Invoice” means the Contractor’s invoice(s) for an Equipment Group.

“Fiscal Year” means the 12-month fiscal period of Lessee which commences in every year on July 1 and ends in every year on June 30.

“Funding Date” means, with respect to each Agency Lease, the date Lessor makes payment to the Contractor(s) for the purchase price of the related Equipment Group.

“Interest” means the portion of any Rental Payment designated as and comprising interest as shown in any Exhibit A or B.

“Interest Rate Formula” means the interest rate formula set forth on Exhibit F for the initial year of this Agreement or as identified by any interest rate adjustment pursuant to Section 3.1 herein.

“Interest Index” means the interest index set forth on Exhibit F for the initial year of this Agreement or as identified by any interest rate adjustment pursuant to Section 3.1 herein.

“Interest Reset Date” means November 15, 2025, and November 15, 2026.

“Lease Term” means, with respect to any Equipment Group, the period during which the related Agency Lease is in effect as specified in Section 4.1 hereof, commencing on the Funding Date and ending upon final payment or earlier termination in accordance with Section 4.4 hereof.

“Lessee” means an Agency that has executed an Agency Lease.

“Lessor” means _____.

“Lessor Commitment Date” means the date Lessor acknowledges its commitment to fund a purchase of Equipment so designated in each Exhibit A for each Agency Lease.

“Minimum Acquisition Amount” means the minimum amount permitted to be financed under a single Agency Lease, which is \$100,000.

“Non-Appropriation” means either (i) the failure of the Florida Legislature to appropriate money for any Fiscal Year sufficient for the continued performance by Lessee of all of Lessee’s obligations under any Agency Lease, as evidenced by no general appropriations act becoming law which includes funding sufficient in amount and category to pay all Rental Payments due under any Agency Lease for such Fiscal Year, or (ii) the failure of the Governor’s Office of Policy and Budget to release appropriated funds for such payment.

“Payment Date” means the date upon which any Rental Payment is due and payable as provided in any Exhibit B.

“Prepayment Price” means, with respect to any Equipment Group, as of the Payment Dates specified in the Exhibit B relating thereto, the amount so designated and set forth opposite each such date in such Exhibit B, plus any other amounts of principal and/or interest accrued and unpaid on the applicable Payment Date. Prepayment shall be subject to the following prepayment penalties, expressed as a percentage of the principal amount outstanding:

Acceptance Date – 6 months	3%
7 – 12 months	2%
13 – 18 months	1%
Over 18 months	0%

“Principal” means the portion of any Rental Payment designated as principal in any Exhibit A or B.

“Regulations” means the regulations of the United States Treasury Department proposed and promulgated under the Code.

“Rental Payment” means, with respect to any Equipment Group, the payment due from Lessee to Lessor on each Payment Date during the Lease Term as shown in the Exhibit B completed for such Equipment Group.

“Request for Proposals” or **“RFP”** means the Division of Bond Finance Request for Proposals No. 2024-2, pursuant to which Lessor was selected to provide equipment financing pursuant to this Agreement.

“Specifications” means the procurement specifications and/or purchase order pursuant to which Lessee has ordered any Equipment from a Contractor.

“Special Tax Counsel” means any attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the Internal Revenue Code and the tax laws of the State, and duly admitted to practice law before the highest court of any state of the United States of America or the District of Columbia.

“State” means the State of Florida.

“State and Federal Law” or **“Laws”** means the Constitution and any law of the State and any rule of any Agency of the State; and any law of the United States, and any rule or regulation of any federal agency, as the same may be amended from time to time.

“State Counsel” means the attorney, or the firm of attorneys, rendering the opinion in the form of Exhibit D hereto.

Section 1.2. Exhibits.

Exhibit A: Form of Approval Letter.

Exhibit B: Form of Equipment Schedule, Rental Payments, etc.

Exhibit C: Form of Certificate of Acceptance and Agency Acknowledgment of Lease.

Exhibit D: Form of Opinion of State Counsel.

Exhibit E: Form of Arbitrage and Tax Certificate of Lessee relating to each Agency Lease.

Exhibit F: Schedule of interest rate options Lessor has agreed to provide Lessees.

Exhibit G: Form of Special Tax Counsel Opinion.

**ARTICLE II:
REPRESENTATIONS, WARRANTIES AND COVENANTS**

Section 2.1. Representations, Warranties and Covenants of the Chief Financial Officer. The Chief Financial Officer represents, warrants, and covenants as follows:

(a) The Chief Financial Officer is a constitutional officer of the State independently elected statewide every four years and a member of the State Cabinet. Pursuant to Section 20.121, Florida Statutes, the Chief Financial Officer is the head of the Department of Financial Services of the State of Florida and has authority to execute this Agreement under and pursuant to Section 287.064, Florida Statutes, and the laws of the State of Florida.

(b) The execution and delivery of this Agreement by the Chief Financial Officer is in compliance with all public procurement and other State and Federal Laws applicable to this Agreement.

(c) The Chief Financial Officer agrees not to authorize or do anything (nor allow any Agency to do anything) which would violate or render untrue any representation or undertaking in the Arbitrage and Tax Certificate or the form 8038-G filed pursuant to Section 2.1(d) hereof.

(d) Upon the initial Agency Lease funding hereunder, the Chief Financial Officer will submit to the Secretary of the Treasury the required information reporting statement (IRS form 8038-G) and other information relating to the Agency Leases as may be requested by the Division of Bond Finance or Special Tax Counsel as being required by the Code and the Regulations.

(e) Upon execution of this Agreement, the Chief Financial Officer will provide to Lessor an Opinion of State Counsel in the form attached hereto as Exhibit D and upon the initial Agency Lease funding hereunder, will cause to be delivered to Lessor an opinion of Special Tax Counsel in the form of Exhibit G hereto.

(f) The Chief Financial Officer acknowledges that (i) under Article XII of this Agreement, upon an Event of Default of a Lessee, Lessor may elect to terminate each Agency Lease with such defaulting Lessee hereunder and (ii) upon a Non-Appropriation relating to any Agency Lease or any Equipment, such Agency Lease as to which such Non-Appropriation occurred shall terminate and, at the option of Lessor, all other Agency Leases of such Lessee may terminate, and such Lessee is required upon the occurrence of (i) or (ii) to deliver all Equipment as instructed by Lessor under Section 12.3 hereof.

Section 2.2. Acknowledgment by Lessee of Representations, Warranties and Covenants of Lessee. Lessee by execution of the Agency Acknowledgment represents, warrants and covenants as follows:

(a) Lessee is an Agency of the State, duly organized and existing under the Constitution and laws of the State, and is authorized under the Constitution and laws of the State to enter into the Agency Lease and the transactions contemplated hereby and thereby, and to perform all of its obligations under the Agency Lease.

(b) The execution and delivery of the Agency Lease to which it is a party, by the officer of Lessee executing such documents has been duly authorized by Lessee, or by other appropriate official action, and such action is in compliance with all public procurement and other State and Federal Laws applicable to the Agency Lease and the acquisition and financing of the Equipment by the Agency. All requirements have been met and procedures have occurred in order to ensure the enforceability of the Agency Lease against Lessee.

(c) Lessee will take no action that would cause the Interest portion of the Rental Payments to become includable in gross income of the recipient for federal income tax purposes under the Code and the Regulations, and Lessee will take and will cause its officers, employees and agents to take all affirmative actions legally within its power necessary to ensure that the Interest portion of the Rental Payments does not become includable in gross income of the recipient for federal income tax purposes under the Code and Regulations; all as amended from time to time as such are applicable hereto (including, without limitation, the calculation and payment of any rebate required to preserve such exclusion).

(d) Pursuant to procurement specifications, acceptance, delivery, and installation of any Equipment Group or part thereof, Lessee will inspect such Equipment Group and if it meets Agency's Specifications, provide to Lessor a completed and executed Certificate of Acceptance relating thereto in the form attached hereto as Exhibit C.

(e) Lessee acknowledges that (i) under Article XII of this Agreement, upon an Event of Default of a Lessee, Lessor may elect to terminate each Agency Lease with such defaulting Lessee hereunder and (ii) upon a Non-Appropriation by a Lessee relating to any Agency Lease or any Equipment, such Agency Lease as to which such Non-Appropriation occurred shall terminate and, at the option of Lessor, all other Agency Leases of such Lessee may terminate, and such Lessee is required upon the occurrence of (i) or (ii) to deliver all Equipment as instructed by Lessor under Section 12.3 hereof.

(f) It is not Lessee's intent to become a reseller or re-marketer of Equipment purchased pursuant to this Agreement.

Section 2.3. Representations, Warranties and Covenants of Lessor. Lessor represents, warrants and covenants as follows:

(a) Lessor is a corporation, duly organized and existing under the laws of _____ and has all necessary power and authority to enter into this Agreement and the transactions contemplated hereby, and to perform all of its obligations hereunder.

(b) The execution and delivery of this Agreement by Lessor has been duly authorized by appropriate official action, and such action is in compliance with all State and Federal Laws applicable to Lessor. All requirements have been met and procedures have occurred in order to ensure the enforceability of this Agreement against Lessor.

(c) Lessor shall comply with any and all State and Federal Laws applicable to this Agreement.

(d) In the performance of its duties under this Agreement, Lessor will be acting in the capacity of an independent contractor, and not as an agent, employee, partner, joint venturer or associate of the Chief Financial

Officer, the State, or any Agency. Lessor shall be solely responsible for the means, methods, techniques, sequences, and procedures it utilizes in the performance of such duties and responsibilities.

Section 2.4. Transmission of Documents by Electronic Means. The parties hereto agree that all information and documents required to be transmitted hereunder, including manually executed documents, may be transmitted by electronic means, and that the receipt of such information and documents by electronic means shall have the same effect as if the original of such document had been received.

ARTICLE III: LEASE OF EQUIPMENT

Section 3.1. Acquisition of Equipment.

(a) By execution hereof, Lessor commits to lease Equipment to Lessees, up to the aggregate amount of \$10,000,000 over the three-year term of this Agreement; provided, however, that nothing in this Agreement obligates any Agency, the Chief Financial Officer, the State, or any combination of them, to enter into any leases in any amount, nor does anything in this Agreement prohibit any Agency, the Chief Financial Officer, the State or any combination of them from entering into another similar agreement with another lessor while this Agreement is in effect. In the event Equipment is approved and purchased pursuant to an Approval Letter, the form of which is attached hereto as Exhibit A, but for which a Certificate of Acceptance has not yet been executed prior to the expiration of this Agreement, Lessor shall fund the approved Agency Lease. This Agreement may be amended to increase the Lessor's commitment to lease Equipment to Lessees, up to the aggregate amount of up to \$30,000,000, at any time during the term of the Agreement, upon mutual agreement of the Lessor and the Chief Financial Officer, provided such amendment must be accompanied by an opinion of Special Tax Counsel that such increase will not adversely effect the exclusion of the interest portion of each Rental Payment from gross income of the Lessor for purposes of federal income taxation.

(b) With respect to each proposed Agency Lease, Lessee shall advise the Chief Financial Officer of its intention to lease Equipment, the Equipment cost, the Contractor, expected delivery date and the desired lease terms for such Equipment, by submission of an application in the form provided by the Chief Financial Officer. After review and approval, the Chief Financial Officer shall prepare an Approval Letter in substantially the form attached hereto as Exhibit A (reflecting the estimated interest rate and including an estimated payment schedule based on the Interest Rate Formula then in effect, which may not be the actual interest rate) and promptly forward the same to Lessor. Within two (2) Business Days of receipt of the Approval Letter, Lessor shall review the information therein, execute the approval block, and forward the Approval Letter to Lessee, with a copy to the Chief Financial Officer. Upon receipt of the Approval Letter, as approved by Lessor, Lessee shall order the Equipment Group from the designated Contractor or Contractors.

(c) After installation of such Equipment Group, Lessee shall provide the Chief Financial Officer with the Final Invoice for processing. The rate of interest for each Agency Lease shall be determined as of the date Lessor receives the Final Invoices from the Chief Financial Officer, in accordance with the then-current interest rate options set forth in Exhibit F to this Agreement (rounded to the nearest one-hundredth of a percent), subject to the statutory maximum set forth in each respective Exhibit A. Within five (5) Business Days of receipt of the Final Invoice or as soon as practicable thereafter with Lessor's best efforts, Lessor will transmit the following documents to Lessee for execution and completion, as applicable, with copies to the Chief Financial Officer: (i) the Equipment Schedule, prepared and executed by Lessor, as appropriate (see Exhibit B), consisting of the Equipment Group Location, the Equipment List, the Rental Payments information, and the Payment Schedule, completed utilizing an assumed Funding Date which is ten (10) Business Days after the date such final documents are transmitted to Lessee for execution; (ii) the form of the Certificate of Acceptance and Acknowledgment of Agency Lease to be completed by the Lessee (see Exhibit C); and (iii) the form of the Arbitrage and Tax Certificate to be completed by the Lessee (see Exhibit E). In the event Lessor's calculation of the payment schedule shall differ from that of the Chief

Financial Officer, Lessor and the Chief Financial Officer shall cooperate to resolve such difference in a mutually acceptable manner.

(d) The Interest Index and the Interest Rate Formula set forth in Exhibit F may be revised for the one-year period following each Interest Reset Date for any new Agency Lease approved during such period upon mutual agreement between Lessor and the Chief Financial Officer and the delivery of an opinion of Special Tax Counsel that such revision will not adversely effect the exclusion of the interest portion of each Rental Payment from gross income of the Lessor for purposes of federal income taxation, provided that the Interest Index must be one of the indexes permitted by the RFP. The party requesting such a revision must notify the other party in writing no later than thirty (30) days prior to each Interest Reset Date of its desire to revise the Interest Index and/or the Interest Rate Formula, and must state the specific terms of the desired revision. Any such revision shall be effective on the next Interest Reset Date. The rate of interest applicable to each new Agency Lease shall be based on the Interest Index and Interest Rate Formula in effect on the date the interest rate is determined pursuant to subsection (c) above. If either party fails to request a revision to the Interest Index and/or the Interest Rate Formula by the date prescribed in this subsection, they shall remain in force until the Interest Reset Date following the next one-year period, and thereafter until and unless revised pursuant to this subsection.

Notwithstanding the foregoing, in the event the Interest Index selected by the Lessor is no longer available from the source specified in the RFP and an equivalent source is identified pursuant to Section 14.15 of this Agreement, the Interest Rate Formula may be revised at such time upon the mutual agreement thereto between Lessor and the Chief Financial Officer and shall be in effect until the following Interest Reset Date. Further, in the event that the Interest Index selected by the Lessor is based on the Standard Overnight Financing Rate ("SOFR"), and such Interest Index ceased to be SOFR-based, the Interest Rate Formulas associated with such Interest Index may be revised at such time upon the mutual agreement thereto between Lessor and the Chief Financial Officer and shall be in effect until the following Interest Reset Date.

(e) Lessor shall make payment to a Contractor for an Equipment Group within thirty (30) Business Days after Lessor has received all of the following in form and substance satisfactory to Lessor: (i) Equipment Schedule, consisting of the Equipment Group Location, the Equipment List, the Rental Payments information, and the Payment Schedule, executed by Lessor and Lessee and the Payment Schedule acknowledged by the Chief Financial Officer (see Exhibit B); (ii) the Certificate of Acceptance and Acknowledgment of Agency Lease executed by the Lessee (see Exhibit C); (iii) the Arbitrage and Tax Certificate executed by Lessee (see Exhibit E); (iv) evidence of insurance and/or self-insurance with respect to the Equipment Group in compliance with Article VI of this Agreement; (v) the Final Invoice(s) and/or bill of sale relating to the Equipment Group (with the original being sent by Lessee to the Chief Financial Officer); and (vii) any other documents or items reasonably required by Lessor. Lessor shall notify Lessee and the Chief Financial Officer of the actual Funding Date not later than two (2) Business Days after such Funding Date. If the actual Funding Date is a date other than the Funding Date that was utilized in preparing Exhibit B, Lessor shall include a revised Payment Schedule based on the actual Funding Date with such notification. In such case, the Chief Financial Officer shall acknowledge the revised Payment Schedule and send the same to Lessor and Lessee.

Section 3.2. Lease; Enjoyment; Inspection. Lessor hereby agrees to lease to Lessee each Equipment Group made subject to an Equipment Schedule hereto, and each Lessee by execution of an Agency Lease leases from Lessor such Equipment Group, upon the terms and conditions set forth herein and therein and in the related Equipment Schedule. During the Lease Term, Lessee shall peaceably and quietly have and hold and enjoy the Equipment Group, except as expressly set forth in this Agreement and the Agency Lease. Lessee agrees by the Agency Lease that Lessor and its agents shall have the right at all reasonable times to examine and inspect the Equipment, and Lessor and its agents shall have such rights of access to the Equipment as may be reasonably necessary to cause the proper maintenance of the Equipment in the event of failure by Lessee to perform its obligations hereunder and under each Agency Lease.

Notwithstanding the designation of _____, as Lessor, _____, does not own the Equipment and by this Agreement and each Agency Lease is merely financing the acquisition thereof for Lessee. Lessor has not been in the chain of title of the Equipment, does not operate, control, or have possession of the Equipment and has no control over Lessee or Lessee's operation, use, storage, or maintenance of the Equipment. Lessee is solely responsible for the selection of the Equipment, and the manufacturer and Contractor thereof, and is solely responsible for the use, maintenance, operation, and storage of the Equipment.

ARTICLE IV: TERM

Section 4.1. Term. This Agreement shall be in effect for three years; however, the terms of this Agreement applicable to the Agency Leases shall be in effect from the Agreement Date until the final payment date for any Rental Payment under any Agency Lease. Equipment Groups can be acquired by Lessee and funded by Lessor under this Agreement during the Acquisition Period, unless this Agreement is terminated in accordance with Section 4.2 hereof. Each Agency Lease shall be in effect for a Lease Term commencing upon the Funding Date and ending as provided in Section 4.4, but in no case longer than the weighted average useful life of the Equipment financed, as determined by the Chief Financial Officer. The provisions of this Agreement shall apply to each Agency Lease for the respective Lease Term.

Section 4.2. Termination.

(a) This Agreement may be terminated by either party upon written notice at least 90 days prior to the end of the first or second year of this Agreement. Termination of this Agreement pursuant to this subsection shall not operate to terminate any Agency Lease.

(b) This Agreement is subject to termination with respect to a particular Agency Lease upon the occurrence of an Event of Default, as provided in Sections 4.4 and 12.2 hereof.

(c) No Equipment Schedules shall be executed after any Non-Appropriation or Event of Default with respect to a defaulting Lessee or a Lessee as to which a Non-Appropriation has occurred.

(d) This Agreement may be terminated on the next Interest Reset Date by Lessor or the Chief Financial Officer if either party has timely notified the other party pursuant to subsection 3.1(d) hereof that it wishes to revise the Interest Index and/or the Interest Rate Formula, and no mutual agreement concerning the revision thereof is reached by the applicable Interest Reset Date. Alternatively, the parties may agree to continue negotiating revisions to the Interest Index and/or the Interest Rate Formula past the applicable Interest Reset Date without terminating this Agreement, and in the event an agreement is reached as to the new Interest Index and/or Interest Rate Formula, such new Interest Index and/or Interest Rate Formula shall apply to Agency Leases with an Approval Letter dated after the date on which the new Interest Index and/or Interest Rate Formula is agreed upon. Termination of this Agreement pursuant to this subsection shall not operate to terminate any Agency Lease.

Section 4.3. Intent to Continue Lease Term; Appropriations. Each Lessee intends to continue each Agency Lease hereunder for its entire Lease Term and to pay all Rental Payments relating thereto. Each Agency executing an Agency Lease has agreed to direct the person within such Agency in charge of preparing Lessee's budget to include in the budget request for each Fiscal Year the Rental Payments becoming due in such Fiscal Year. The parties acknowledge that appropriation for Rental Payments is a governmental function which the Chief Financial Officer and Lessee cannot contractually commit the Florida Legislature to perform and this Agreement and the Agency Lease do not constitute such a commitment. However, Lessee reasonably believes that money in an amount sufficient to make all Rental Payments can and will lawfully be appropriated and made available to permit continued utilization of the Equipment in the performance of its essential functions during the applicable Lease Terms.

Each Lessee is an Agency of the State and each Lessee's performance and obligation to pay under this Agreement and any applicable Agency Lease is contingent upon an annual appropriation. Lessee, as an Agency of the State, is subject to the appropriation of funds by the Florida Legislature in an amount sufficient to allow continuation of its performance in accordance with the terms and conditions of this Agreement and each Agency Lease for each and every Fiscal Year in which this Agreement and any applicable Agency Lease is in effect. Lessee shall, upon receipt of notice that sufficient funds are not available to continue its full and faithful performance under this Agreement and any applicable Agency Lease, provide prompt written notice to Lessor of such event and upon the expiration of the period of time for which funds were appropriated be thereafter released of all further obligations in any way related to such Equipment. Each Lessee agrees (1) not to cancel any applicable Agency Lease under this provision if any funds are appropriated to it for the acquisition (by purchase, lease, or otherwise) of other functionally equivalent equipment for the Fiscal Year of termination provided such action is not contrary to any expressed legislative intent, and (2) to expressly include in its appropriation request each year of this Agreement and any applicable Agency Lease a request for an appropriation to fund this Agreement and any applicable Agency Lease.

In the event that the general appropriations act for the State has not been adopted by the Florida Legislature and executed by the Governor prior to the expiration of a Fiscal Year, and no declaration of an intent not to appropriate has been made by the State or the respective Lessee, the Lease Term of each Agency Lease will be deemed renewed pending the enactment of such general appropriations act. If any Rental Payments are due under an Agency Lease during such period, such Lease Terms will be so extended only if: (a) an interim or emergency budget implemented by the State pending enactment of a final budget makes available to Lessee money that may legally be used to make Rental Payments during such period; or (b) sums are otherwise available to make such Rental Payments.

Section 4.4. Termination of Lease Term.

(a) The Lease Term with respect to any Agency Lease shall not exceed the lesser of five years or the average useful life, as determined by the Chief Financial Officer, of all items of Equipment in the related Equipment Group weighted on the basis of purchase price and any Agency Lease will terminate sooner upon the occurrence of the first of the following events: (i) the termination of such Agency Lease in accordance with Section 4.2; (ii) the payment of the Prepayment Price by Lessee pursuant to Article X; (iii) an Event of Default by Lessee and Lessor's election to terminate such Agency Lease pursuant to Article XII; or (iv) the payment by Lessee of all Rental Payments and all other amounts authorized or required to be paid by Lessee pursuant to such Agency Lease.

(b) In the event of Non-Appropriation, an Agency Lease and each Equipment Schedule thereunder with respect to which such Non-Appropriation has occurred, shall terminate and, at the option of Lessor, after notice in writing to Lessee by Lessor, all other Agency Leases of such Lessee, may terminate, in whole, but not in part, as to all Equipment listed thereon, effective upon the last day of the Fiscal Year for which funds were appropriated, in the manner and subject to the terms specified in this Article. Lessor may effect such termination by giving the other party a written notice of termination at which time Lessee shall pay to Lessor any Rental Payments and other amounts which are due and have not been paid at or before the end of its then current Fiscal Year with respect to such terminated Agency Leases. Lessee shall endeavor to give reasonable notice of such termination prior to the end of the Fiscal Year for which appropriations were made, and shall notify Lessor of any anticipated termination upon its determination thereof. In the event of termination of an Agency Lease as provided in this Section, Lessee shall comply with written instructions received from Lessor in accordance with Section 12.3.

Section 4.5 Effect of Termination for Non-Appropriation. Upon termination of an Agency Lease for non-appropriation as provided in this Article, Lessee shall not be responsible for the payment of any additional Rental Payments coming due in succeeding Fiscal Years, but if Lessee has not complied with the instructions received from Lessor in accordance with Section 12.3, the termination shall nevertheless be effective, and Lessee shall pay, on demand to Lessor, from legally available funds, the unpaid balance of the applicable Agency Lease which is

stipulated to be the aggregate of the Prepayment Prices as shown on each Exhibit B as of the last day of the Fiscal Year for which funds were appropriated.

ARTICLE V: RENTAL PAYMENTS

Section 5.1. Rental Payments.

(a) Upon receipt by Lessor of all documents required pursuant to Section 3.1 of this Agreement, Lessor shall pay the Contractor and provide the Agency with the final amortization schedule for such Agency Lease, which shall include the Funding Date and serve as the invoice for the periodic payments due under such Agency Lease.

(b) Lessee agrees to pay Rental Payments with respect to each Agency Lease of an Equipment Group during the related Lease Term in the amounts and on the dates specified in the applicable payment schedule, commencing on the Payment Date specified in the applicable Payment Schedule.

(c) A portion of each Rental Payment is paid as and represents the payment of Interest. Each Agency Lease shall bear interest at a fixed rate determined pursuant to subsection 3.1(c) hereof. Interest shall be compounded quarterly, and shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Lessor is authorized to insert the due date of the first Rental Payment on the applicable Exhibit B, provided that Lessee shall have a grace period of thirty (30) Business Days after the Funding Date within which to make such initial payment.

(d) All Rental Payments shall be paid to Lessor at such place as Lessor may from time to time designate by written notice to Lessee. Lessee shall pay the Rental Payments exclusively from money legally available therefor, in lawful money of the United States of America.

Section 5.2. Current Expense. The obligations of Lessee, including its obligation to pay the Rental Payments due in any Fiscal Year of a Lease Term, shall constitute a current expense of Lessee for such Fiscal Year and shall not constitute an indebtedness of Lessee within the meaning of the Constitution and laws of the State. Nothing herein shall constitute a pledge by Lessee of any taxes or other money (other than money lawfully appropriated from time to time by or for the benefit of Lessee for the related Agency Lease) to the payment of any Rental Payment or other amount coming due hereunder. The Rental Payments due hereunder are to be made only after an appropriation of funds therefor from legally available money and neither Lessee, the State nor any political subdivision or agency thereof shall be obligated to make any such appropriation and neither the full faith and credit of Lessee, the State nor any political subdivision or agency thereof is pledged for the payment of Rental Payments hereunder or under each Agency Lease.

Section 5.3. Rental Payments to Be Unconditional. Except as provided in Sections 4.2 and 4.4(b), the obligation of Lessee to make Rental Payments from appropriated legally available funds required hereunder and under each Agency Lease shall be absolute and unconditional in all events. Notwithstanding any dispute between Lessee and Lessor, Lessee and the Chief Financial Officer or Lessee and the Contractor or any other person, and except as expressly provided by law, e.g., Section 213.67(9), Florida Statutes, Lessee shall make all Rental Payments required hereunder when due and shall not withhold any Rental Payment pending final resolution of such dispute nor shall Lessee assert any right of set-off or counterclaim against its obligation to make Rental Payments required hereunder. Lessee's obligation to make Rental Payments shall not be abated through accident, unforeseen circumstances, failure of the Equipment to perform as desired, damage or destruction to the Equipment, loss of possession of the Equipment, or obsolescence of the Equipment.

ARTICLE VI: INSURANCE AND RISK OF LOSS

Section 6.1. Insurance.

(a) At its own expense, Lessee will cause the Equipment to be enrolled in the State Risk Management Trust Fund pursuant to Chapter 284, Part I, Florida Statutes, which is the State self-insurance fund covering the contents of buildings owned, leased, or rented by the State from loss due to fire, lightning, sinkhole, and hazards customarily insured by extended coverage, as well as loss from the removal of personal property from such buildings when endangered by covered perils.

(b) If for any reason the Equipment is not eligible for enrollment in the State self-insurance fund, Lessee agrees to procure and maintain insurance coverage for the Equipment with a carrier authorized to do business in the State. Procurement of such insurance by Lessee shall be subject to the provisions of Chapter 287, Florida Statutes.

Section 6.2. Damage to or Destruction of Equipment. Lessee shall provide a complete written report to Lessor immediately upon any loss, theft, damage, or destruction of any Equipment and of any accident involving any Equipment. If all or any part of the Equipment is lost, stolen, destroyed or damaged beyond repair ("Damaged Equipment"), Lessee shall as soon as practicable after such event either: (a) replace the same at Lessee's sole cost and expense with equipment having substantially similar Specifications and of equal or greater value, utility, and capacity to the Damaged Equipment immediately prior to the time of the loss occurrence, such replacement Equipment to be subject to Lessor's approval, whereupon such replacement Equipment shall be substituted in the applicable Agency Lease and the other related documents by appropriate endorsement or amendment; or (b) pay the applicable Prepayment Price of the Damaged Equipment as set forth in the related Exhibit B.

Lessee shall notify Lessor in writing of which course of action it will take within fifteen (15) days after the loss occurrence. If, within forty-five (45) days of the loss occurrence, (a) Lessee fails to notify Lessor; (b) Lessee and Lessor fail to execute an amendment to the applicable Equipment Schedule to delete the Damaged Equipment and add the replacement Equipment; or (c) Lessee has failed to pay the applicable Prepayment Price, then Lessor may, at its sole discretion, declare the applicable Prepayment Price of the Damaged Equipment, to be immediately due and payable, and Lessee is required to pay the same from legally available funds.

ARTICLE VII: OTHER OBLIGATIONS OF LESSEE

Section 7.1. Use; Permits. Lessee shall exercise due care in the installation, use, operation, and maintenance of the Equipment, and shall not install, use, operate or maintain the Equipment improperly, carelessly or for a purpose or in a manner contrary to that contemplated by the Agency Lease. Lessee shall operate and maintain the Equipment fully in accordance with any insurance policy provision, applicable prevailing industry standards and, if applicable, the manufacturer's specifications therefor. Lessee shall obtain all permits and licenses necessary for the installation, operation, possession, and use of the Equipment. Lessee shall comply with all State and Federal Laws applicable to the installation, use, possession, and operation of the Equipment, and if compliance with any such State and Federal Law requires changes or additions to be made to the Equipment, such changes or additions shall be made by Lessee at its expense. Except to the extent essential to an Agency's performance of its governmental function of implementing or enforcing laws relating to environmental regulation, Lessee shall not use any item of Equipment to haul, convey, store, treat, transport, or dispose of any "hazardous substances" or "hazardous waste" as such terms are defined in any federal, state or local law, rule or regulation pertaining to the protection of the environment (together, "Environmental Laws"). Lessee agrees that if Lessee is required to deliver any item of Equipment to Lessor or Lessor's agent, the Equipment shall be delivered free of all substances which are regulated by or form a basis for liability under any Environmental Law. Lessee shall comply with all license and copyright requirements of any software used in connection with the Equipment.

Section 7.2. Taxes, Other Governmental Charges and Utility Charges. Except as expressly limited by this Section, Lessee shall pay all taxes and other charges of any kind which are at any time lawfully assessed or levied against or with respect to the Equipment or the Rental Payments or any part thereof, or which become due during the Lease Term. Lessee shall also pay when due all utilities and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment, and all special assessments and charges lawfully made by any governmental body that may be secured by a lien on the Equipment; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as are required to be paid during the Lease Term as and when the same become due. Lessee shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate, or other similar tax payable by Lessor, its successors or assigns, unless such tax is made in lieu of or as a substitute for any tax, assessment or charge which is the obligation of Lessee under this Section.

It is hereby acknowledged between the parties hereto that Lessee considers itself a nontaxable governmental agency and not usually and customarily subject to the imposition of any tax, assessment, franchise fee, levy, or other governmental charge levied for Lessee's ownership or use of the Equipment.

ARTICLE VIII: TITLE AND LIENS

Section 8.1. Title. During the Lease Term, legal title to and ownership of all Equipment and any and all repairs, replacements, substitutions, and modifications thereto shall be in Lessee, and Lessee shall take all actions necessary to vest such title and ownership in Lessee.

Section 8.2. Liens. During the Lease Term, Lessee shall not, directly or indirectly, create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Equipment (together, "Liens"), other than the respective rights of Lessor and Lessee as herein provided. Except as expressly provided in Section 7.2 and this Article, Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such Lien. Lessee shall reimburse Lessor for any expenses incurred by Lessor to discharge or remove any Lien if Lessee first refuses to remove such Lien. In the event that the installation of any component of any item of Equipment could be deemed to require a performance and payment bond under Section 255.05, Florida Statutes, or be deemed subject to the mechanic's lien provisions of Chapter 713, Florida Statutes, or any successor statute to each, as same may be amended from time to time, Lessee shall require such bonds, post such notices and do all other things provided for under such laws in order to keep the Equipment free of and exempt from all Liens.

Section 8.3. Modification of Equipment. Lessee will not, without the prior written consent of Lessor, affix or install any accessory equipment or device on any of the Equipment if such addition will adversely and permanently change or impair the originally intended functions, value, or use of the Equipment. If Lessee shall transfer to Lessor possession and/or title to any Equipment pursuant to Section 12.3 hereof in the event of default or as otherwise permitted, additions would become the property of Lessor.

Section 8.4. Personal Property. The Equipment is and shall at all times be and remain personal property and not fixtures.

ARTICLE IX: EQUIPMENT SELECTION AND WARRANTIES

Section 9.1. Selection of Equipment. The Equipment and the Contractor have been selected by Lessee, and Lessor shall have no responsibility or liability in connection with the selection of the Equipment, the ordering of the Equipment, its suitability for the use intended by Lessee, the acceptance by the Contractor or its sales

representative of the order submitted, or any delay or failure by the Contractor or its sales representative to manufacture, deliver or install the Equipment for use by Lessee.

Section 9.2. Contractor's Warranties. So long as no Event of Default has occurred with respect to a particular Agency Lease, Lessor hereby assigns to Lessee for and during the related Lease Term, all of its interest, if any, in all Contractor's warranties, guarantees and patent indemnity protection, express or implied, issued on or applicable to the related Equipment Group, and Lessee may obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense. Lessor has no obligation to enforce any Contractor's warranties or obligations on behalf of itself or Lessee.

Section 9.3. Disclaimer of Warranties. BY EXECUTION OF THE AGENCY ACKNOWLEDGMENT, LESSEE ACKNOWLEDGES THAT IT SELECTED THE EQUIPMENT WITHOUT ASSISTANCE OF LESSOR, ITS AGENTS, OR EMPLOYEES. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE EQUIPMENT OR LESSEE'S USE OF THE EQUIPMENT.

ARTICLE X: OPTION TO PREPAY

Section 10.1. Prepayment. Agency Leases may be prepaid on any Payment Date at the Prepayment Price.

Section 10.2. Exercise of Option. Lessee shall give written notice to Lessor of its intention to exercise its prepayment option with respect to any Agency Lease not less than thirty (30) days prior to the Payment Date on which the option will be exercised and shall deposit with Lessor on the date of exercise an amount equal to the applicable Prepayment Price set forth in the related Exhibit B.

ARTICLE XI: ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 11.1 Assignment by Lessor. Lessor's right, title and/or interest in and to this Agreement or any Agency Lease hereunder, including, but not limited to, the Rental Payments and other amounts payable by Lessee, may be assigned in whole or in part by Lessor at any time to an entity with corporate trust powers, upon the prior written consent of the Chief Financial Officer or his designee, which consent shall not be unreasonably withheld or delayed; provided that in no event shall Lessor assign this Agreement, any Agency Lease or the Rental Payments as part of a plan to publicly offer participation interests therein. The Chief Financial Officer hereby consents to assignment by Lessor in connection with the private placement of participation interests as to which the following conditions are met:

- (a) Rental Payments continue to be made to Lessor;
- (b) participation interests will be sold only to accredited investors as defined in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended (the "1933 Act");
- (c) such participation interests shall be sold in denominations of no less than \$100,000;
- (d) any disclosure documents prepared in connection with such assignment must include a legend to the effect that neither the Chief Financial Officer, the State, the Department nor any other Agency has participated in

preparation of the disclosure materials, nor have any of them undertaken to provide continuing disclosure with respect thereto; and

(e) Lessor must agree to defend, indemnify, and hold harmless the Chief Financial Officer, the State and Lessee against any third-party claims arising as a result of such assignment. No assignment shall become effective until Lessee has received written notice thereof from Lessor.

IN NO EVENT SHALL THE STATE OR LESSEE BE LIABLE TO LESSOR OR ANY THIRD PARTY FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF LESSOR'S ASSIGNMENT OF ANY OF ITS RIGHT, TITLE AND/OR INTEREST UNDER THIS AGREEMENT.

Section 11.2 Assignment and Subleasing by Lessee. Neither this Agreement nor any Agency Lease hereunder or any Equipment may be sold, assigned, subleased, transferred, pledged, or mortgaged by Lessee to any person which has not executed an Agency Lease and which does not amend or supplement Exhibit B thereto.

ARTICLE XII: EVENTS OF DEFAULT AND REMEDIES

Section 12.1. Events of Default Defined. The following are Events of Default under this Agreement and any particular Agency Lease:

(a) Failure, other than by reason of non-appropriation, by Lessee to pay any Rental Payment or other payment required to be paid when due and the continuation of said failure beyond the grace period of ten (10) Business Days after such due date (, or with respect to the first Rental Payment, beyond the grace period of thirty (30) days after the Funding Date pursuant to section 5.1(c) hereof.

(b) Failure by Lessee to maintain insurance on Equipment as required by Article VI and the continuation of said failure for a period of ten (10) Business Days after written notice specifying such failure and requesting that it be remedied has been given to Lessee, unless Lessor shall agree in writing to an extension of such time prior to its expiration.

(c) Failure by either party to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder or under the applicable Agency Lease, other than as referred to in subsections (a) and (b) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the other party, unless the non-defaulting party shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the non-defaulting party will not unreasonably withhold its consent to an extension of such time if corrective action is instituted within the applicable period and diligently pursued until the default is corrected.

(d) Any representation or warranty made by Lessee in this Agreement or the Agency Acknowledgment was untrue in any material respect upon execution of this Agreement or any Agency Acknowledgment.

(e) The filing of a petition in bankruptcy by or against Lessee, or failure to promptly lift any execution, garnishment or attachment of such consequence as would impair the ability of Lessee to carry on its governmental functions; assignment by Lessee for the benefit of creditors, or the entry into an agreement of composition with creditors; or the approval by a court of competent jurisdiction of any adjustment of indebtedness of Lessee, or the dissolution or liquidation thereof.

Section 12.2. Remedies.

(a) Whenever any Event of Default by Lessee defined in Section 12.1 hereof shall have occurred, Lessor shall have the right, at its option and without any further demand or notice, to take one or any combination of the following remedial steps:

(1) Lessor, with or without terminating any Agency Lease, may declare all Rental Payments due or to become due with respect to such defaulted Agency Lease (and, at the option of Lessor pursuant to a writing delivered to Lessee and the Chief Financial Officer by Lessor, all other Agency Leases of such Lessee) during the Fiscal Year in effect when the default occurs to be immediately due and payable by Lessee, whereupon such Rental Payments shall be immediately due and payable.

(2) Lessor, with or without terminating any Agency Lease, may by written notice to Lessee, request that Lessee, within thirty (30) days of such written notice, cause all Equipment subject to the defaulted Agency Lease and, at the option of Lessor pursuant to a writing delivered to Lessee and the Chief Financial Officer by Lessor, all other Agency Leases of such Lessee (together with all documents necessary to transfer legal and beneficial title thereto to Lessor) to be delivered to Lessor or Lessor's designee at a place in the State designated by Lessor in accordance with Section 12.3. If Lessee fails or refuses to voluntarily transfer such Equipment to Lessor as herein provided, to the extent permitted by law, Lessor shall have the right to obtain a judgment against Lessee from legally available funds for compensatory damages in the amount of the unpaid principal under such defaulted Lease, plus accrued interest. If the Equipment or any portion of it has been destroyed or damaged beyond repair, Lessee shall pay the applicable unpaid principal allocable to the damaged or destroyed Equipment.

(3) Following an Event of Default hereunder and upon failure of Lessee to voluntarily comply with Section 12.3, Lessor shall have whatever rights and remedies are available at law against Lessee's legally available funds. Each party shall be responsible for its own attorney's fees and costs. Lessor and Lessee agree that there is no intention to create under this Agreement and the applicable Agency Leases a right in Lessor to dispossess Lessee involuntarily of the legal title to or the use of the Equipment. Lessor hereby waives any right to specific performance of Lessee's covenant to transfer legal title to and return possession of the Equipment to Lessor.

(4) If Lessor terminates any Agency Lease and, in its discretion, takes possession and disposes of the Equipment or any portion thereof, Lessor shall apply the proceeds of any such disposition to pay the following items in the following order: (i) reasonable expenses incurred in completing the disposition; (ii) any sales or transfer taxes; (iii) the applicable Prepayment Prices of the applicable Equipment Groups; and (iv) the balance of any Rental Payments owed by Lessee on such defaulted Agency Lease during the Fiscal Year then in effect. Any disposition proceeds remaining after the requirements of Clauses (i), (ii), (iii), and (iv) have been met shall be paid into the State Treasury.

(5) If the proceeds of sale of the items of returned Equipment are not sufficient to pay the balance of any Rental Payments owed by Lessee on the defaulted Agency Lease and any other Agency Leases of such Lessee which Lessor has declared to be in default during the Fiscal Year then in effect, Lessor may pursue such other remedies as are available at law or in equity to collect the balance of such Rental Payments from Lessee's legally available funds.

(b) Whenever an Event of Default by Lessor shall have occurred, the Chief Financial Officer shall have the right to terminate this Agreement by specifying the date of termination in a written notice to Lessor. Such termination shall not alter the obligation of an Agency to make payments for any Equipment previously financed under this Agreement. In such event, Lessee may, regardless of whether this Agreement has been terminated by the Chief Financial Officer, institute such legal action against Lessor as Lessee may deem necessary to compel the

performance of such obligation or to recover damages therefor; provided, however, that Lessor's default shall not relieve any Agency of its obligation to make rental payments pursuant to any Agency Lease in effect prior to the occurrence of such Event of Default by Lessor.

Section 12.3. Return of Equipment; Release of Lessee's Interest. Upon termination of this Agreement and/or any Agency Lease hereunder prior to the payment of all Rental Payments or the applicable Prepayment Price for such Agency Lease in accordance with each Exhibit B, Lessee shall promptly, but in any event within thirty (30) days after such termination, at its own cost and expense:

(a) perform any testing and repairs required to place the Equipment in the condition required by Article VII;

(b) if deinstallation, disassembly or crating is required, cause the Equipment to be uninstalled, disassembled, and crated by an authorized manufacturer's representative or such other service person as is satisfactory to Lessor; and

(c) return the Equipment to a location within the State specified by Lessor, freight and insurance prepaid by Lessee.

Upon termination of an Agency Lease by Lessor upon the exercise of remedies in accordance with Article IV or Article XII hereof, at the election of Lessor and upon Lessor's written notice to Lessee, full and unencumbered legal title and ownership of the Equipment shall pass to Lessor, Lessee shall have no further interest therein and Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of legal title and ownership to Lessor and termination of Lessee's interest in the Equipment.

Section 12.4. No Remedy Exclusive.

(a) No remedy conferred upon or reserved to Lessor by this Article is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient by Lessor.

(b) No remedy conferred upon or reserved to Lessee by this Article is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient by Lessee.

Section 12.5. Late Charges.

(a) Lessor shall endeavor to pay the purchase price for each item of Equipment within thirty (30) days of the Acceptance Date, but in no event shall Lessor make any payment more than ten (10) Business Days after receipt of the completed Agency Lease from any Agency. If Lessor does not make the payment due the Contractor within the time limits established in Section 215.422, Florida Statutes, then Lessor shall pay from its own funds any interest assessed for untimely payment. The interest rate, if applicable, will be the rate set pursuant to Section 55.03, Florida Statutes. If Lessor makes any payment after the 10 Business Day period permitted by subsection 3.1(e) above, Lessor shall pay to the Agency liquidated damages at the rate of one percent (1%) per month of the principal amount of the amount to be financed under the Agency Lease.

(b) If the Agency fails to deliver the completed documents required under this Agreement to Lessor within 20 days after the Acceptance Date and a late payment penalty is assessed by the Contractor, the Agency shall reimburse Lessor (i) for the entire amount of penalty assessed if Lessor paid the full amount due to the Contractor within ten (10) Business Days after receipt of the completed Agency Lease from the Agency, or (ii) if Lessor fails to pay the full amount due to the Contractor within ten (10) Business Days after receipt of the completed Agency Lease from the Agency, the Agency shall reimburse Lessor for the portion of penalty assessed expressed as a ratio with the numerator being the number of days the Agency was late providing the completed documents to Lessor and the denominator being the number of days in the numerator plus the number of days Lessor was late.

Section 12.6. Public Records. The Chief Financial Officer shall have the right to terminate this Agreement upon Lessor's refusal to allow public access to all documents, papers, letters or other materials subject to the State Public Records Law, Chapter 119, Florida Statutes, and made or received by Lessor in conjunction herewith; provided, however, that Lessor's refusal to allow such public access shall not relieve any Agency of its obligation to make rental payments pursuant to any Agency Lease in effect prior to such refusal by Lessor.

ARTICLE XIII: REPORTING

Section 13.1. Semi-Annual Report. Semi-annually, Lessor shall submit to the Chief Financial Officer a report of all outstanding Agency Leases. The report shall be submitted by January 15 and July 15 of each year until the final payment date for any Rental Payment under any Agency Lease, in an excel format and shall include, at a minimum, for each Agency Lease, the following information: (1) the Lessee Name; (2) the Lease Agreement Approval Number assigned by Chief Executive Officer; (3) the Payment Dates; (4) a schedule of Rental Payments received through the date of report, showing for each Rental Payment received: (i) the Principal Component of Rental Payment, (ii) the Interest Component of Rental Payment, (iii) any late fees or penalties paid by Lessee through the date of the report, and (iv) the total Payment amount; and (5) the Outstanding Balance.

ARTICLE XIV: ADMINISTRATIVE PROVISIONS

Section 14.1. Notices. All notices, certificates, legal opinions or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or upon the date of the certification of receipt if deposited in the United States mail in registered form with postage fully prepaid, to the addresses specified on the execution page hereof; provided that Lessor and Lessee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates, legal opinions or other communications will be sent.

Section 14.2. Financial Information. Lessee will provide Lessor with current financial statements, budgets, proof of appropriation for the ensuing Fiscal Year and such other financial information relating to the ability of Lessee to continue this Agreement and any Agency Lease as may be requested by Lessor.

Section 14.3. Binding Effect. This Agreement and each Agency Lease hereunder shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 14.4. Severability. In the event any provision of this Agreement or any Agency Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 14.5. Entire Agreement, Amendments, Changes and Modifications. This Agreement, the applicable Agency Leases, the Request for Proposals and the proposal of Lessor (consisting solely of the information solicited by the RFP, and excluding any special terms or conditions proposed by Lessor unless agreed to by the Chief Financial Officer as evidenced by the inclusion of such terms or conditions in this Agreement) constitute the entire

agreement of the parties with respect to the subject matter hereof and supersede all prior and contemporaneous writings, understandings, agreements, representations, commitments or conditions made orally or in writing, express or implied. In the event of conflict between the terms and conditions of the various documents, the terms and conditions of this Agreement shall prevail over the provisions of the Request for Proposals and the terms and conditions of the Request for Proposals shall prevail over the terms of Lessor's response to the Request for Proposals. This Agreement may be amended or modified only by written documents duly authorized, executed and delivered by Lessor and the Chief Financial Officer.

Section 14.6. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions, Articles, Sections or Clauses hereof.

Section 14.7. Further Assurances and Corrective Instruments. Lessor and Lessee agree that they will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Equipment hereby leased or intended so to be, or for otherwise carrying out the expressed intention of this Agreement and the applicable Agency Leases.

Section 14.8. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument, provided there shall be only one fully executed original of this Agreement and each Equipment Schedule.

Section 14.9. Applicable Law, Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. Venue of any suit or proceeding brought with respect to this Agreement shall be in Leon County, Florida.

Section 14.10. Interest; Usury. The Interest component of the Rental Payments shall not, as of the Funding Date for any Agency Lease, exceed the rate computed by adding 150 basis points to The Bond Buyer "20 Bond Index" published immediately preceding the first day of the calendar month in which the Agency Lease is submitted to the Chief Financial Officer for pre-audit review and approval, in accordance with the provisions of Section 287.063, Florida Statutes, as amended. It is the intention of the parties hereto to comply with any applicable usury laws; accordingly, it is agreed that, notwithstanding any provisions to the contrary herein or in any Exhibit A or B, in no event shall this Agreement or any Agency Lease hereunder require the payment or permit the collection of Interest or any amount in the nature of Interest or fees in excess of the maximum amount permitted by applicable law. Any such excess Interest or fees shall first be applied to reduce Principal, and when no Principal remains, refunded to Lessee.

Section 14.11. Time of the Essence. Time is of the essence. The failure by either party at any time to require strict performance by the other party of any of such other party's obligations shall not waive or diminish the rights thereafter to demand strict compliance by such other party.

Section 14.12. No Waiver of Sovereign Immunity. Nothing herein shall be construed as waiving the sovereign immunity of the State of Florida.

Section 14.13. Employment Eligibility Verification. Lessor must register with and use the Internet-based system operated by the United States Department of Homeland Security that allows participating employers to electronically verify the employment eligibility of newly hired employees (the "E-Verify system") to verify the work authorization status of all newly hired employees during the term of this Agreement.

Lessor agrees to comply with all requirements for contracting with a Public Employer set forth in Section 448.095, Florida Statutes, and provide documentation of enrollment in the E-Verify system upon execution of the Agreement. Lessor further agrees that it will require each subcontractor that performs work under this Agreement

to enroll in and use the E-Verify system. Lessor shall include this provision in any subcontract and obtain from the subcontractor(s) an affidavit stating that the subcontractor does not employ, contract with, or subcontract with an unauthorized alien and make such records available to the Chief Financial Officer's office upon request

Compliance with the terms of this Section 14.13 and Section 448.095, Florida Statutes, are express conditions of this Agreement, and the Chief Financial Officer's office may treat a failure to comply as a material breach of this Agreement. Further, if the Chief Financial Officer's office has a good faith belief that the Lessor has knowingly employed, hired, recruited, or referred an unauthorized alien in violation of Section 448.09(1), Florida Statutes, then the State shall terminate the Agreement and the Lessor shall reimburse the State for any additional costs incurred as a result of such termination.

Section 14.14. Cooperation with the Inspector General. Lessor understands its duty, pursuant to Section 20.055(5), Florida Statutes, to cooperate with the Inspector General in any investigation, audit, inspection, review, or hearing, and to ensure that any subcontractors used in performance of this Agreement are informed of and comply with this duty.

Section 14.15. Interest Index Sources. In the event that an Interest Index is no longer available from the source specified in the RFP, the parties, in consultation with the Division of Bond Finance, shall determine if an equivalent source is available. If an equivalent source is available, the Chief Financial Officer shall issue a memorandum specifying the equivalent source and, if the source identified in the RFP was published on a weekly basis but the equivalent source is published on a more frequent basis, any calculation Lessor is required to complete to determine the equivalent weekly average.

Section 14.16. Vendor Ombudsman. A Vendor Ombudsman has been established within the Department of Financial Services. The duties of this individual include acting as an advocate for contractors who may be experiencing problems in obtaining timely payment(s) from an Agency. The Vendor Ombudsman may be reached at (850) 413-5516.

Section 14.17. Denial or Revocation of the Right to Transact Business with the State.

(a) Any person or affiliate that has been placed on the Convicted Vendor List created by Section 287.133, Florida Statutes, may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bid, proposal or reply on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of \$35,000 for a period of 36 months following the date of being placed on the Convicted Vendor List. Lessor shall promptly notify the Chief Financial Officer if it or any of its suppliers, subcontractors, or consultants is placed on the Convicted Vendor List during the life of this Agreement.

(b) Any entity or affiliate that has been placed on the Discriminatory Vendor List created by Section 287.134, Florida Statutes, the Suspended Vendor List created by Section 287.1351, Florida Statutes, or the Antitrust Violator Vendor List created by Section 287.137, Florida Statutes, may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit bid, proposal or reply on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity. Lessor shall promptly notify the Chief Financial Officer if it or any of its suppliers, subcontractors, or consultants is placed on the Discriminatory Vendor List, the Suspended Vendor List, or the Antitrust Violator Vendor List during the life of this Agreement.

(c) Any company that has been placed on the Forced Labor Vendor List created by Section 287.1346, Florida Statutes, may not submit a bid, proposal, or reply on a contract to provide any commodities to an agency; be awarded a contract or perform work as a contractor, supplier, subcontractor, or consultant with an agency for the provision of commodities; or transact business for the provision of commodities with any agency for a period of 365 days after the date the company was placed on the Forced Labor Vendor List unless the company is removed prior to such date. Lessor shall promptly notify the Chief Financial Officer if it is placed on the Forced Labor Vendor List during the life of this Agreement. At the Chief Financial Officer's option, this Agreement may be terminated if such certification is false, if Lessor is placed on the Forced Labor Vendor List.

Section 14.18. Record Retention; Inspection of Records.

(a) Lessor shall retain all records related to this Agreement for the longer of five years after the expiration of all Agency Leases under this Agreement, or the period required by the General Records Schedules, which are maintained by the Florida Department of State at <https://files.floridados.gov/media/706717/gsl-sl-june-2023.pdf>. Compliance with Section 119.0701(2), Florida Statutes, will fulfill the above stated requirement. In the event Lessor's record retention requirements terminate prior to the requirements stated herein, the Lessor may comply with the terms of this Section 14.18 by transferring its records to the Chief Financial Officer's office at that time, and by destroying duplicate records in accordance with Sections 119.0701 and 501.171(8), Florida Statutes. Lessor agrees to adhere to established information destruction standards, such as those established by the National Institute of Standards and Technology Special Publication 800-88, "Guidelines for Media Sanitization" (2014), which are available at <http://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-88r1.pdf>.

(b) Lessor shall permit the Chief Financial Officer's office to inspect (1) financial records, papers, and documents directly related to the performance of this Agreement, and (2) programmatic records, papers, and documents which the Chief Financial Officer's office determines are necessary to monitor the performance of or compliance with the terms of this Agreement. Lessor agrees to provide the requested records, papers, and documents to the Chief Financial Officer's office within ten (10) Business Days of any such request.

Section 14.19 Scrutinized Companies.

(a) Pursuant to Section 287.135(5), Florida Statutes, this contract may be terminated if Lessor is found to have submitted a false certification that it is not participating in a boycott of Israel. Lessor shall promptly notify the Chief Financial Officer if it or any of its suppliers, subcontractors, or consultants is placed on the Scrutinized Companies that Boycott Israel List created by Section 215.4725, Florida Statutes, or becomes engaged in a boycott of Israel during the life of this Agreement. At the Chief Financial Officer's option, this Agreement may be terminated if such certification is false, if Lessor is placed on the Scrutinized Companies that Boycott Israel List, or if Lessor becomes engaged in a boycott of Israel.

(b) By entering into this Agreement, in accordance with the requirements of Section 287.135, Florida Statutes, Lessor certifies that it is not on either the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List created by Section 215.473, Florida Statutes (collectively, the "Scrutinized Lists of Prohibited Companies") and, to the extent that it is not preempted by Federal law, that it has not been engaged in business operations in Cuba or Syria. Lessor shall promptly notify the Chief Financial Officer if it or any of its suppliers, subcontractors, or consultants is placed on the Scrutinized Lists of Prohibited Companies or becomes engaged in business operations in Cuba or Syria during the life of this Agreement. At the Chief Financial Officer's option, this Agreement may be terminated if such certification is false; if Lessor is placed on the Scrutinized Lists of Prohibited Companies; or, to the extent not preempted by Federal law, if Lessor engages in business operations in Cuba or Syria.

Section 14.20 Gifts and Contracts with Foreign Countries of Concern. Lessor shall disclose to the Chief Financial Officer's office any interest of, contract with, or any grant, or gift with a value of \$50,000 or more received

from a Foreign Country of Concern (currently defined in Section 286.101(1)(b), Florida Statutes as the People's Republic of China, the Russian Federation, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Republic of Cuba, the Venezuelan regime of Nicolás Maduro, or the Syrian Arab Republic, including any agency of or any other entity under significant control of such country). Such disclosure shall include the amount of the contract, grant, or gift, or the value of the interest disclosed, the applicable foreign country of concern and, if applicable, the date of termination of the contract or interest, the date of receipt of the grant or gift, and the name of the agent or controlled entity that is the source or interest holder. At the Chief Financial Officer's option, this Agreement may be terminated pursuant to Section 268.101(7), Florida Statutes, following a third or subsequent failure to make the requires statutory disclosures by Lessor.

Dated as of the 15th day of November, 2024

IN WITNESS WHEREOF, Lessor has caused this Agreement to be executed in its corporate name by its duly authorized officer, and the State of Florida has caused this Agreement to be executed in its name by the Chief Financial Officer of the State of Florida.

THE STATE OF FLORIDA

By: _____
Jimmy Patronis
Chief Financial Officer of the
State of Florida

By: _____

Date: _____

Date: _____

Address:
State of Florida
Department of Financial Services
200 E. Gaines St.
Tallahassee, FL 32399-0354
Telephone: (850) 413-5594
Facsimile: (850)413-3232

Address:

Telephone: _____
Facsimile: _____