



## UNIVERSITY OF CALIFORNIA LEASE-PURCHASE AGREEMENT

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of 20\_\_\_\_ by Regents of the University of California, a political subdivision of the State of California, hereinafter referred to as "Lessee," and organized and existing under the laws of the State of California, a corporation, hereinafter referred to a "Lessor," is entered into for the purpose of financing the purchase an installation if required of the equipment described herein.

In consideration of the mutual covenants contained herein, Lessor and Lessee agree as follows:

1. For the purpose of this Agreement, the following terms shall be defined as specified below:
  - a. "Contractor": Each of the manufacturers or vendors from whom Lessee has ordered or with whom Lessee has contracted for the manufacture, delivery, sale and installation of the Equipment.
  - b. "Equipment": The personal property subject to this Agreement and described in Exhibit A attached hereto, Schedule of Equipment, as such Exhibit A may be amended upon receipt of the Final Delivery and Acceptance Receipt.
  - c. "Final Delivery and Acceptance Receipt": The receipt in the form attached hereto as Exhibit D executed by Lessee and delivered to Lessor to confirm (a) the delivery, installation and final acceptance of all of the Equipment; (b) the Final Acceptance Date; and (c) the agreement to pay the Lease Payments in Attachment E/Schedule of Payments.
  - d. "Lease Payments": The rental payments due from Lessee to Lessor on each Payment Date from the Final Acceptance Date as specified in Exhibit E hereto, the Schedule of Payments. Exhibit E will be executed contemporaneously with the Final Delivery and Acceptance Receipt.
  - e. "Partial Delivery and Acceptance Receipt": If applicable as noted on Exhibit A, the receipt in the form of Exhibit C hereto executed by Lessee and delivered to Lessor to confirm (a) the delivery, installation and final acceptance of the portion of the Equipment described therein; (b) the cost of such portion of Equipment; (c) instructions to Lessor to pay Contractor a Progress Payment for such portion of Equipment and (d) the rate at which interest will accrue on such Progress Payment until the Final Acceptance Date.
  - f. "Progress Payment": A payment made by Lessor to Contractor with respect to the portion of the Equipment described in a Partial Delivery and Acceptance Receipt.
2. Lessor, inconsideration of the covenants, promises, and agreements on the part of Lessee hereinafter contained, hereby leases the Equipment to Lessee in accordance with the terms of this Agreement.
3. This Agreement shall be in effect for a term (the "Lease Term") commencing on the date hereof and terminating upon the first of: (a) non-appropriation in accordance with Section 5; (b) the payment by Lessee of the applicable Purchase Option Price; (c) termination by Lessor upon an event of default in accordance with Section 20; (d) the payment by Lessee of all Lease Payments and all other amounts required to be paid by Lessee hereunder; or (e) Lessee's failure to deliver a Final Delivery and Acceptance Receipt in accordance with



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Section 7. Interest shall not accrue and be payable until Lessor has made a payment to Contractor which shall be, subject to Lessor's receipt of the documents listed in Section 7, the earlier of the date of the first Partial Delivery and Acceptance Receipt or the Final Acceptance Date. The due date of the first Lease Payment shall not be prior to the Final Acceptance Date. From and after the date of each Progress Payment with respect to a portion of the Equipment as described in an Exhibit C, interest will accrue and is payable with respect to the amount of such Progress Payment at a rate computed in accordance with *Exhibit B/Interest Rate on Progress Payments* and as set forth in *Exhibit C/Partial Delivery and Acceptance Receipt*.

4. Lessee agrees to make the Lease Payments to Lessor or its assignee in the amounts and on the dates specified in Exhibit E. Contemporaneously with Lessee's delivery to Lessor of the Final Delivery and Acceptance Receipt, Lessee and Lessor shall execute a Schedule of Payments in the form of Exhibit E hereto. The aggregate principal component of the Lease Payments shall equal the cost of the Equipment (including, if applicable, the sum of the Progress Payments) (the "Principal"). Interest shall be paid on the Principal at the annual percentage rate specified in Exhibit E (if Progress Payments were made, the annual percentage rate shall be calculated pursuant to the formula in Exhibit E). The obligations of Lessee under this Agreement, including its obligation to pay the Lease Payments, in any fiscal year for which this Agreement is in effect, 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 of California. Except as provided in Section 5, the obligation of Lessee to make Lease Payments or any other payments required hereunder shall be absolute and unconditional in all events. Notwithstanding any dispute between Lessee and Lessor or between Lessee and Contractor or any other person, Lessee shall make all Lease Payments and other payments required hereunder when due and shall not withhold any Lease Payment or other payment pending final resolution of such dispute nor shall Lessee assert any right of setoff or counterclaim against its obligation to make such Lease Payments or other payments required under this Agreement. Lessee's obligation to make Lease Payments or other payments shall not be abated through accident, unforeseen circumstances or failure of any Equipment to perform as desired.
  
5. Lessee reasonably believes that it will have a need for the Equipment for the duration of the Lease Term and that funds will be available and appropriated to make all payments under this Agreement. The continuation of the Lease Term is contingent upon an appropriation of funds to fulfill the requirements of this Agreement and Lessee will seek appropriations sufficient for the payment of all Lease Payments due hereunder for each of its fiscal years during the Lease Term. If sufficient funds are not appropriated for the acquisition of the Equipment and the services and functions for the performance of which the Equipment was leased, Lessee may terminate, without penalty, this Agreement in whole, but not in part, as to all of the Equipment upon forty-five (45) days prior written notice and such termination shall be effective as of the end of Lessee's fiscal year in which such notice is given; provided however, that in the event of termination due to non-appropriation of funding by a federal agency, such termination shall be effective as of the date which is the later of the date specified by said agency in its notice of funding termination or 45 days written notice by Lessee. After compliance by Lessee with Section 16, such termination shall relieve Lessee of any obligations under this Agreement, including, but not limited to, Lease Payments, except for those Lease Payments accrued prior to such termination. If Lessee has not complied with the instructions of Lessor provided under Section 16 hereof within ten (10) days of termination of this Agreement, Lessee shall be responsible for the payment of damages in an amount equal to the amount of Lease Payments which would have thereafter come due (except for the termination) that are attributable to the number of days after such ten (10) day period during which Lessee fails to take such actions as instructed



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by Lessor. Lessee agrees not to lease, acquire or use similar equipment for the same purpose and location as the Equipment leased hereunder for a period of forty-five (45) days after termination of this Agreement.

6. Lessee shall order the Equipment from the Contractor. Notwithstanding the designation of as Lessor, Lessor does not own the Equipment and by this Agreement 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 the Lessee or the Lessee's operation, use, storage or maintenance of the Equipment. Lessee is solely responsible for the selection of the Equipment, the Contractor, and the manufacturer and vendor thereof, and is solely responsible for the use, maintenance, operation and storage of the Equipment.
7. Lessor will pay the purchase price of the Equipment to Contractor and/or reimburse Lessee for payments made by Lessee to Contractor for the Equipment and Lessor will fund a maximum of Progress Payments to the Contractor subject to the satisfaction of each of the following: (a) Lessor and Lessee have executed an Exhibit A, Schedule of Equipment which may be amended by Lessor and Lessee after all Equipment has been accepted if Progress Payments have been made; (b) if no Progress Payments are to be made, a Final Delivery and Acceptance Receipt executed by Lessee; (c) if no Progress Payments are to be made, an Exhibit E, Schedule of Payments executed by Lessor and Lessee; (d) if one or more Progress Payments, are to be made, a Partial Delivery and Acceptance Receipt; (e) when agreed to by the parties, the provision of evidence of insurance with respect to the Equipment as provided in Section 12 of this Agreement; (f) Contractor invoice(s) relating to the Equipment or, as applicable, the portion thereof described in the related Partial Acceptance and Delivery Receipt and if such Contractor's invoice has been paid by Lessee, evidence of payment thereof and, if appropriate, evidence of official intent to reimburse such payment in compliance with the regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Code"); (g) a financing statement executed by Lessee as debtor in the form attached hereto as Exhibit G, and/or the original certificate of title, or manufacturer's certificate of origin and title application if any of the Equipment is subject to certificate of title laws; (h) an opinion of counsel (if this Agreement is the first such Agreement between Lessee and Lessor) and certificate of signing authority in the form attached hereto as F-2; and (i) a completed and executed Form 8038-G or -GC or evidence of filing thereof with the Secretary of the Treasury. Upon final acceptance of the Equipment by Lessee, Lessee will execute and deliver a Final Delivery and Acceptance Receipt in the form of Exhibit D relating to all the Equipment and Lessor and Lessee will enter into *Exhibit E/Schedule of Payments*. If Lessee terminates its order with the Contractor for the Equipment described in Exhibit A and fails to deliver to Lessor a Final Delivery and Acceptance Receipt, Lessee will provide prompt notice in writing to Lessor of such event and reimburse the Lessor the sum of all Progress Payments and accrued interest thereon (the "Advances") within [ ] days of the notice date. Upon receipt of the Advances, Lessor will assign all of its interests under this Agreement to Lessee.
8. Lessee will use the Equipment in a careful manner for the use contemplated by this Agreement and shall comply with all applicable laws, ordinances, claims, damages, fees and charges arising out of its possession, use or maintenance. Lessee, at its expense, shall be responsible for and shall pay all charges for upkeep and/or storage of said Equipment in proper condition and working order and, from time to time, at its own expense will make all repairs and replacements to keep the Equipment in such condition.



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9. Lessee will not use or permit the use of the Equipment in any manner as would result in the loss of exemption from federal income tax of the interest portion of any Lease Payment under Section 103 of the Code.
  
10. During the Lease Term, and so long as Lessee is not in default hereunder, legal title to the Equipment and any and all repairs, replacements, substitutions, modifications, improvements and upgrades to it shall be in Lessee. To secure all of its obligations hereunder, Lessee hereby grants to Lessor and its assigns a security interest constituting a first lien on the Equipment, including all repairs, replacements or modifications thereto and proceeds thereof. Lessee agrees to execute the documents necessary to evidence such security interest. Upon termination of the Lease Term through exercise of Lessee's option to purchase pursuant to Section 15, through payment by Lessee of all Lease Payments and other amounts due hereunder, or through repayment of all Advances pursuant to Section 7, Lessor's security interest in the Equipment shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may request to evidence the termination of Lessor's security or other interest in the Equipment. Upon termination of the Lease Term pursuant to Sections 5 or 20, pursuant to written notice and instructions given by Lessor to Lessee, full and unencumbered legal title to all the Equipment shall pass to Lessor, and Lessee shall have no further interest in the Equipment. In such event, Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of legal title to the Equipment to Lessor.
  
11. Lessee shall keep the Equipment free and clear of all liens and encumbrances except those created under this Agreement. Lessee shall pay, when due, all charges and taxes which may now or hereafter be imposed upon the ownership, leasing, rental, sales, purchase, possession or use of the Equipment excluding, however, taxes on or measured by Lessor's net or gross income. If Lessee fails to pay said charges and taxes, when due, Lessor shall have the right, but not be obligated, to pay said charges and taxes and recover them from Lessee. Lessor agrees to cooperate with Lessee and do all acts reasonably necessary and appropriate to secure and maintain the property tax exemption of the Equipment leased hereunder pursuant to [Article XIII, Section 3 of the California Constitution](#).
  
12. During the Lease Term after delivery of a Partial or Final Delivery and Acceptance Receipt, Lessee shall keep the Equipment in its care, custody and control insured, at its expense, through a commercially available program or an equivalent program of self-insurance for an amount at least equal to the lesser of replacement cost of the Equipment (i.e., cost for new equipment) or the applicable Purchase Option Price. In addition, Lessee shall carry commercially available general liability insurance or maintain an equivalent program of self-insurance for both personal injury and property damage resulting from the negligent acts or omissions of its officers, agents and employees providing coverage in amounts deemed by Lessee appropriate for an organization of its scope and size. Lessor shall be deemed as additional insured and loss payee thereunder with respect to the obligations of Lessee under this Section 12. Lessee assumes all risks of loss or damage to the Equipment and, other than Lessor's acts or omissions, all liabilities for injury to or death of any person or damage to or loss of any property caused by the Equipment or arising out of its operation by Lessee.
  
13. If all or any part of the Equipment is lost, stolen, destroyed or damaged beyond repair or becomes nonfunctional for any reason, Lessee shall as soon as practicable after such event either (a) replace the same at Lessee's sole cost and expense with equipment of like kind and quality to the 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 Exhibit A and the other related documents by appropriate



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endorsement or amendment; (b) if prior to execution of a Final Delivery and Acceptance Receipt, with Lessor's approval, repay the Advance related to such Equipment, whereupon it shall be removed in Exhibit A and the other related documents by appropriate endorsement or amendment; or (c) pay the applicable Purchase Option Price as of the date of the last Lease Payment paid to Lessor as set forth in *Exhibit E/Schedule of Payments* pursuant to Section 15 hereof. Lessee shall notify Lessor of which course of action it will take within ninety (90) days after the loss occurrence. If Lessee fails or refuses to notify Lessor within the required period, Lessor may, at its option, declare the applicable Purchase Option Price immediately due and payable, and Lessee shall be obligated to pay the same. If Lessee determines to replace the Equipment and Lessor approves the replacement equipment, Lessee shall proceed in a diligent manner to complete the replacement pursuant to a schedule agreed to by Lessor. If Lessee elects to pay the Purchase Option Price of the Equipment Group, such payment must be made within three (3) months of the loss occurrence and shall be made pursuant to the provisions of Section 15 hereof. The net proceeds of all insurance payable with respect to the Equipment shall be available to Lessee and shall be used to discharge Lessee's obligation under this Section.

14. Lessee acknowledges that the Equipment is of a size, design and capacity selected by Lessee, and that Lessor is neither a manufacturer nor a vendor of said Equipment, and LESSOR MAKES NO REPRESENTATION OR WARRANTY AND ASSUMES NO OBLIGATIONS WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALITY OR FITNESS OF THE EQUIPMENT OR THE ENFORCEMENT OF THE MANUFACTURER'S WARRANTIES AND GUARANTEES. No defect or unfitness of the Equipment shall relieve Lessee of the obligation to pay rent or perform any other obligation under this Agreement after execution of the Final or any Partial Delivery and Acceptance Certificate by Lessee. Lessor assigns to Lessee, for and during the term of this Agreement, so long as Lessee shall not be in default, all manufacturer warranties and guarantees, express or implied, issued on or applicable to the Equipment and Lessor authorizes Lessee to obtain the customary services in connection with such warranties and guarantees at Lessee's expense.
15. Lessee shall have the option to purchase Lessor's interest in the Equipment at any time during the Lease Term for (a) the repayment of all Advances, or (b) the Purchase Option Price as shown in Exhibit E attached hereto, plus any applicable taxes, charges or any other amounts due under this Agreement. Lessee may elect to pay said Purchase Option Price, provided there is no default hereunder. On payment of the Advances or the Purchase Option Price with respect to the Equipment, Lessee thereupon shall become entitled to the Equipment AS IS, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE, except that the Equipment shall not be subject to any lien or encumbrance created by or arising through Lessor.
16. In the event the Lease Term is terminated for any reason other than the election by Lessee to exercise its purchase option in Section 15, the payment of all Advances pursuant to Section 7, or the payment of all Lease Payments and other amounts due hereunder, Lessee, at its expense, shall de-install and return all of the Equipment in good repair, less reasonable wear and tear, by delivering it packed and ready for shipment to the address within the State of California specified by Lessor or its assignee and, if so instructed by Lessor or assignee, Lessee will convey to Lessor or release its interest in the Equipment.
17. Without Lessor's prior written consent, Lessee will not assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Agreement or the



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Equipment or any interest in this Agreement or the Equipment. Lessor may assign its rights, title and interest in and to this Agreement, the Equipment and any other documents executed with respect to this Agreement and/or grant or assign a security interest in this Agreement and the Equipment, in whole or in part; provided, however, in the event any assignment by Lessor involves multiple assignees, the assignment shall provide for the appointment of a single agent to act on behalf of all assignees with respect to this Agreement through whom the Lessee may exclusively deal. Any such assignees shall have all the rights and obligations of Lessor under this Agreement. This Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties hereto. Lessee shall make payments required under this Agreement directly to the assignee if assigned in whole, or if assigned in part, payments shall be made to a single agent to act on behalf of all assignees, without abatement or reduction of any kind. No assignment or reassignment of any Lessor's rights, title or interest in this Agreement or the Equipment shall be effective unless and until Lessee shall have received a duplicate original counterpart of the documents by which the assignment or reassignment is made, disclosing the name and address of each such assignee; provided, however, that if such assignment is made to a bank or trust company as paying or escrow agent for holders of certificates of participation in the Agreement, it shall thereafter be sufficient that a copy of the agency agreement shall have been deposited with Lessee until Lessee shall have been advised that such agency agreement is no longer in effect. The foregoing notwithstanding, Lessor shall not participate any portion of the Agreement in a public offering as such term is defined by applicable Federal laws, regulations, rules and interpretations thereof in effect at the time of the proposed participation without the prior written consent of Lessee, which Lessee may provide at its sole discretion.

In the event Lessor undertakes to assign, transfer or participate any interest under this Agreement in a transaction other than a public offering approved by the Lessee, the private placement memorandum, offering letter or similar solicitation disclosure document provided by Lessor shall set forth on its cover page, in bold face capital letters the same size as the largest type on the page, the following statement:

***"THE REGENTS OF THE UNIVERSITY OF CALIFORNIA HAS NOT PARTICIPATED IN THE PREPARATION OF THE INFORMATION APPEARING ELSEWHERE IN THIS DISCLOSURE DOCUMENT AND HAS NO RESPONSIBILITY FOR ITS CONTENT. THE REGENTS IS NOT A PARTY TO THE ISSUANCE OF THE LEASE INTERESTS DESCRIBED HEREIN."***

18.
  - a. Lessee represents and warrants to Lessor as follows:
    - i. Lessee is a corporation organized and existing under and by virtue of [Article IX, Section 9, of the Constitution of the State of California](#) and is authorized to enter into this Agreement and the transactions contemplated hereby, and to perform all of its obligations hereunder.
    - ii. The execution and delivery of this Agreement, including any Exhibits hereto and any Partial and/or Final Delivery Acceptance Receipts, have been duly authorized pursuant to a duly adopted resolution of Lessee's governing body, or by other appropriate official action, and such action has complied with all public bidding and other State and Federal Laws applicable to this Agreement and the acquisition and financing of the Equipment by Lessee.



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- iii. When duly executed and delivered by the parties, together with appropriately completed related schedules and exhibits, this Agreement and the related documents constitute a legal, valid and binding obligation of Lessee, enforceable in accordance with their terms, subject, however, as to enforcement of remedies, to any applicable bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally, to the application of equitable principles relating to enforceability and to the exercise of judicial discretion in appropriate cases.
- b. Lessee covenants with Lessor that it will fulfill the following obligations:
- i. Lessee will use the Equipment during the Lease Term to perform essential governmental functions of Lessee.
  - ii. Lessee will take no action that would cause the interest portion of the Lease Payments to become includable in gross income of the recipient for federal income tax purposes under the Code, and Treasury Regulations promulgated thereunder (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 Lease Payments does not become includable in gross income of the recipient for federal income tax purposes under the Code and
  - iii. Regulations; all as amended from time to time (including, without limitation, the calculation and payment of any rebate required to preserve such exclusion).
  - iv. Lessee will submit to the Internal Revenue Service (the "IRS"), information reporting statements and other information relating to this Agreement and Equipment at the times and in the forms required by the Code and the Regulations issued thereunder.
  - v. In the event that amendments to the Code and Regulations issued thereunder or to the information reporting requirements of the IRS are applicable to and modify the obligations of Lessee under clause b.iii of this Section, Lessee will comply therewith and will negotiate in good faith with Lessor to develop suitable amendments to this Agreement so that the interest portion of the Lease Payments will remain excludable from gross income of the recipients for federal income tax purposes.
- c. Lessor covenants with Lessee that it will fulfill the following obligations:
- i. Lessor will, in accordance with applicable provisions of the Code and the Regulations issued thereunder, calculate and furnish to Lessee such information as may be requested by Lessee to complete the information reporting statement, including calculation of the weighted average maturity of the Lease.
  - ii. Lessor will furnish such information to Lessee not later than the earlier of the last day of the calendar quarter in which the Final Acceptance Date occurs, or if Progress Payments are to be made, the last day of the calendar quarter in which the date of the first Progress Payment occurs.
  - iii. In the event that amendments to the Code and the Regulations issued thereunder or to the information reporting requirements of the IRS are applicable to and modify obligations of Lessor under clause c.i or c.ii of this Section, Lessor will comply therewith and will negotiate in good faith with Lessee to develop suitable



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amendments to this Agreement so that the interest portion of the Lease Payments will remain excludable from gross income of the recipients for federal income tax purposes.

19. The following shall be "Events of Default" under this Agreement and the terms "Events of Default" and "Default" shall, mean, whenever they are used in this Agreement, with any one or more of the following events:
- a. Failure by Lessee to pay any Lease Payment or other payment required to be paid hereunder at the time specified herein and the continuation of said failure for a period of ten (10) days.
  - b. Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in Clause (a) of this Section, for a period of sixty (60) days (or ten (10) days with respect to Lessee's obligations under Sections 12 and 13 hereof) after written notice specifying such failure and requesting that it be remedied has been given to Lessee by Lessor, unless Lessor 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, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected.
  - c. The determination by Lessor that any representation or warranty made by Lessee in this Agreement was untrue in any material respect upon execution of this Agreement.
20. Whenever any event of default shall have happened and be continuing, 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:
- a. Lessor, with or without terminating this Agreement, may declare all Lease Payments due or to become due during Lessee's fiscal year in effect when the default occurred to be immediately due and payable by Lessee whereupon all such Lease Payments shall be immediately due and payable.
  - b. Lessor, with or without terminating this Agreement, may repossess all of the Equipment by giving Lessee written notice to deliver all of the Equipment pursuant to Lessor's instructions, whereupon Lessee shall return the Equipment in the manner provided in Section 16; or in the event Lessee falls to do so within ten (10) days after receipt of such notice, Lessor may enter upon Lessee's premises where the Equipment is kept and take possession of the Equipment and charge Lessee for costs incurred in repossessing the Equipment, including reasonable attorneys' fees. Lessee hereby expressly waives any damages occasioned by such repossession, provided that the repossession was carried out by Lessor without negligence and in a commercially reasonable manner. Notwithstanding the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the Lease Payments due with respect thereto during the remainder of Lessee's fiscal year in effect when the default occurred.
  - c. If Lessor takes possession and disposes (whether by sale, lease or otherwise) 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) all costs, including



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attorneys' fees, incurred in securing possession of the Equipment; (ii) all expenses incurred in completing the disposition; (iii) the Advances or the Purchase Option Price; and (iv) the balance of any Lease Payments due in Lessee's fiscal year of the lease then in effect. Any disposition proceeds remaining after the requirements of Clauses (i), (ii), (iii) and (iv) have been met shall be paid to Lessee.

- d. Lessor may take any other remedy available at law or in equity with respect to such event of default.
21. All written notices required hereunder shall be given by U.S. certified mail, return receipt requested, such notice or demand to be effective on the date of delivery as shown by the date indicated on the return receipt. All notices shall be addressed to the addresses shown on the execution page thereof unless a party directs in writing that notice be sent to a different address.
22. Should Lessee fail to pay the Lease Payments to Lessor within ten (10) days after the due date thereof, Lessee shall pay to Lessor interest on such delinquent payment from the due date until paid at the maximum rate permitted by law or the rate of ten percent (10%) per annum, whichever is lesser.
23. All attachments hereto are incorporated herein.
24. This Agreement shall in all respects be governed by, and construed in accordance with the laws of the State of California.
25. This Agreement sets forth the entire agreement between the parties and supersedes any previous oral or written agreement on the subject matter herein. No alterations, amendments, qualifications or modifications of this agreement shall be binding or of any force and effect, unless in writing and signed by the Lessor and Lessee, or their respective assignees.
26. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.
27. 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.
28. 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 in this Agreement, in no event shall this Agreement 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 the principal portion of the Lease Payments, and when no principal portion remains, refunded to Lessee. In determining whether the interest paid or payable exceeds the highest lawful rate, the total amount of interest shall be spread through the Lease Term so that the interest is uniform through such term.



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IN WITNESS WHEREOF, this Agreement has been duly executed by an authorized officer of the Lessor and the Lessee.

LESSEE:

LESSOR:

\_\_\_\_\_  
THE REGENTS OF  
THE UNIVERSITY OF CALIFORNIA

Address: University of California

Address: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Attachments (List all items):

- Attachment A: Schedule of Equipment
- Attachment B: Interest Rate on Progress Payments
- Attachment B-1: Variable Rate Examples
- Attachment C: Partial Delivery and Acceptance Receipt
- Attachment D: Final Delivery and Acceptance Receipt
- Attachment E: Schedule of Payments
- Attachment F-1: Opinion of Counsel
- Attachment F-2: Certificate of Signing Authority
- Attachment G: UCC Form 1



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**SCHEDULE OF EQUIPMENT**

The Equipment listed below is the Equipment referred to in the Lease-Purchase Agreement dated as of \_\_\_\_\_, 20\_\_\_\_, between the Lessor and Lessee to which this Attachment A is attached:

Anticipated Progress Acceptance \_\_\_\_\_, 20\_\_  
\_\_\_\_\_, 20\_\_  
\_\_\_\_\_, 20\_\_  
\_\_\_\_\_, 20\_\_  
\_\_\_\_\_, 20\_\_  
\_\_\_\_\_, 20\_\_  
Anticipated Final Acceptance Date: \_\_\_\_\_, 20\_\_

Lessee certifies that during the Lease Term, the Equipment will be used by Lessee to perform essential governmental functions, including, but not limited to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Equipment is located at the following address:

\_\_\_\_\_  
\_\_\_\_\_

Prior to relocation of the Equipment, Lessee will provide written notice to Lessor including the following information:

Description of Equipment: \_\_\_\_\_

Quantity: \_\_\_\_\_

Cost: \_\_\_\_\_

Serial Number: \_\_\_\_\_



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**INTEREST RATE ON PROGRESS PAYMENTS**

The undersigned Lessor and Lessee agree that, with respect to Progress Payments made by Lessor to Contractor pursuant to the Lease Purchase Agreement dated \_\_\_\_\_, 20 between Lessor and Lessee to which this Attachment B is attached, that:

1. The interest rate applicable to Progress Payments (the "Progress Payment Rate" shall be in effect from the date the Lessor disburses each Progress Payment to the Contractor ("Disbursement Date") to the date of final acceptance of the Equipment as evidenced by Exhibit D, Final Delivery and Acceptance Receipt.
2. The Progress Payment Rate shall be set forth in Exhibit C for each Partial Delivery and Acceptance Receipt. Accrued interest on the Progress Payments shall be payable as set forth in Exhibit C and in full on Final Acceptance Date of the Equipment as evidenced by Exhibit D, the Final Delivery and Acceptance Receipt.
3. The Progress Payment Rate shall be: (choose one method):
  - a. A fixed rate of \_\_\_\_\_%.
  - b. A variable rate which shall be calculated to be \_\_\_\_\_% of \_\_\_\_\_ (state the index) as of the Disbursement Date.
  - c. A variable rate, as defined below, which shall be calculated to be the sum of the Base Rate and the Margin, which may result in a rate that is below the Base Rate:

Base Rate means \_\_\_\_\_%

Index means \_\_\_\_\_% of \_\_\_\_\_(state the index)

Initial Index Rate means \_\_\_\_\_%, of the interest rate as defined by the Index as of the date of the Lease.

Current Index Rate means the interest rate as defined by the Index as of the Disbursement Date.

Margin means \_\_\_\_\_% of the sum of the Current Index Rate less the Initial Index Rate.

(See Exhibit B-1 for variable rate examples)

**The Regents of the University of  
California**

**Lessor**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Campus: \_\_\_\_\_

Date: \_\_\_\_\_



**UNIVERSITY OF CALIFORNIA**  
**LEASE-PURCHASE AGREEMENT**

**VARIABLE RATE EXAMPLES**

An Attachment B 3(b) variable rate which shall be calculated to be \_\_\_\_\_% of \_\_\_\_\_ (state the index) as of the Disbursement Date.

Examples:

\_\_\_\_\_ % of 90-Day Labor

\_\_\_\_\_ % of three year Treasury

\_\_\_\_\_ % of H15 Treasury Notes for 60 Months

An Attachment B 3(c) variable rate shall be calculated as shown below to be the sum of the Base Rate and the Margin, which may result in a rate that is below the Base Rate:

Base Rate means 5.82%

Index means 100% of H15 Treasury Notes for 60 Months (state the index)

Initial Index Rate means 6.06%, the interest rate as defined by the Index as of the date of the Lease.

Current Index Rate means the interest rate as defined by the Index as of the Disbursement Date, (assumed to be 6.25%)

Margin means 56% of the sum of the Current Index Rate less the Initial Index Rate.

Calculation:

Margin = .56 (6.25% - 6.06%) = .11%

Progress Payment Rate: 5.82% Base Rate + .11 Margin = 5.93%



**UNIVERSITY OF CALIFORNIA**  
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**PARTIAL DELIVERY AND ACCEPTANCE RECEIPT**

I, the undersigned, hereby certify that I am a duly qualified and acting employee of the Lessee identified below; and, with respect to the Lease – Purchase Agreement dated as of \_\_\_\_\_, 19 (the “Agreement”), between Lessor and Lessee to which this Exhibit C is attached, hereby further certify that:

1. The equipment described in Schedule 1 hereto comprises a portion of the Equipment described in Attachment A to the Agreement, has been delivered and installed in accordance with Lessee’s specifications, and has been accepted by Lessee on or before the date indicated below.
2. Lessee has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Lease Payments required to be paid under the Agreement during the current Fiscal Year of Lessee, and such moneys will be applied in payment of all such Lease Payments due and payable during such current Fiscal Year.
3. There is no litigation, action, suit or proceeding pending or before any court, administrative agency, arbitrator or governmental body with service of process having been made that challenges the organization or existence of Lessee; the authority of Lessee or its officers or its employees to enter into the Agreement; the proper authorization, approval and execution of the Agreement or any other related documents; the appropriation of moneys, or any other action taken by Lessee to provide moneys, sufficient to make Lease Payments coming due under the Agreement in Lessee’s current Fiscal Year, or the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.
4. This Certificate constitutes the request by Lessee and Lessee’s authorization to Lessor to make a Progress Payment in the amount of \$ \_\_\_\_\_ to the following Contractor. Such Progress Payment relates to the Equipment described in Schedule 1 hereto and the Contractor’s invoice therefore is attached hereto.

Lessee agrees that from \_\_\_\_\_, 20\_\_\_\_, the date of Lessor’s disbursement of Progress Payment to Contractor, the Progress Payment Interest Rate applicable to this Progress Payment shall be determined below. Such interest shall be payable \_\_\_\_\_ in arrears commencing on \_\_\_\_\_ and on the date of final acceptance of the Equipment as evidenced by Attachment D, Final Delivery and Acceptance Receipt.





**UNIVERSITY OF CALIFORNIA**  
**LEASE-PURCHASE AGREEMENT**

**FINAL DELIVERY AND ACCEPTANCE RECEIPT**

I, the undersigned, hereby certify that I am a duly qualified and acting officer of the lessee identified below (Lessee); and, with respect to the Lease Purchase Agreement dated as of \_\_\_\_\_, 20\_\_ (the "Agreement"), between Lessor and Lessee to which this Attachment D is attached, hereby further certify that:

1. All of the Equipment described in Attachment A has been delivered and installed in accordance with Lessee's specifications, has been tested, is fully operational and in good working order, and has been fully and finally accepted by Lessee.
2. Lessee has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Lease Payments required to be paid under the Agreement during the current Fiscal Year of Lessee, and such moneys will be applied in payment of all such Lease Payments due and payable during such current Fiscal year.
3. There is no litigation, action, suit or proceeding pending or before any court, administrative agency, arbitrator or governmental body with service of process having been made that challenges the organization or existence of Lessee; the authority of Lessee or its officers or its employees to enter into the Agreement; the proper authorization, approval and execution of the Agreement and other documents contemplated thereby; the appropriation of moneys, or any other action taken by Lessee to provide moneys, sufficient to make Lease Payments coming due under the Agreement in Lessee's current Fiscal Year; or the ability of Lessee otherwise to perform its obligations under the Agreement and the transactions contemplated thereby.
4. Lease Payments shall be due and payable by Lessee on the dates and in the amounts indicated on *Exhibit E/Schedule of Payments*.
5. All representations and warranties of Agreement contained in the Agreement are true and correct as of the date hereof, and no event of non-appropriation and no event of default, or event which with the giving of notice or passage of time, or both, would constitute an event of default, has occurred.

**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, Lessee**

By: \_\_\_\_\_

Title: \_\_\_\_\_

UC Location: \_\_\_\_\_

Date: \_\_\_\_\_



**UNIVERSITY OF CALIFORNIA  
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**SCHEDULE OF PAYMENTS**

- 1. Accrued interest on Progress Payments payable by Lessee upon Final Delivery and Acceptance is \$\_\_\_\_\_.
- 2. The principal component of the Lease Payments and the weighted average interest rate have been determined as follows:

3. Total Principal: \$\_\_\_\_\_ 100% Weighted Average  
Interest Rate: \_\_\_\_\_

Final or Progress Payment and Date	Amount	% of Total Principal (x)	Progress Payment Rate (y)	Weighted Interest Rate (x times y)
<b>D or C-1</b>	\$_____	_____ %	_____ %	_____ %
<b>C-2</b>	\$_____	_____ %	_____ %	_____ %
<b>C-3</b>	\$_____	_____ %	_____ %	_____ %
<b>C-4</b>	\$_____	_____ %	_____ %	_____ %
<b>C-5</b>	\$_____	_____ %	_____ %	_____ %

- 4. Lessee will make the following Lease Payments each consisting of Principal and Interest as set forth in the following schedule:

Date Total Payment Principal Interest Purchase Price Option\*

- 5. After payment of Lease Payment due on such date.

**The Regents of the University of California**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Campus: \_\_\_\_\_  
Date: \_\_\_\_\_

Lessor: \_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**UNIVERSITY OF CALIFORNIA**  
**LEASE-PURCHASE AGREEMENT**

**OPINION OF COUNSEL**

TO [name of Lessor]:

**[Date]**

Re: Lease Agreements between The Regents of the University of California and Lessors Using the University of California Standard Lease-Purchase Agreement Form (Insert UC Form #).

Ladies and Gentlemen:

This is an opinion of counsel regarding the legal status of The Regents of the University of California ("The Regents") and the authority of the University and its designated officials to enter into lease-purchase agreements to enable the purchase, installation and financing of equipment to be used by the University.

The University-generated documents typically utilized in such contractual arrangements are a purchase order, a standard form of lease-purchase agreement and a certificate of signing authority. Documents typically required by lessors may include a schedule of the equipment to be leased, a schedule of lease payments, a form of partial delivery and acceptance receipt if progress payments are to be made by the lessor, a form of final delivery and acceptance receipt, an IRS Form 8038-G and a UCC Form 1.

As a condition to entering into such agreements, lessors typically request an opinion of counsel to the effect that such lease-purchase agreements are legal, valid and binding obligations of the University. The purpose of this letter is to provide that opinion.

I have acted as counsel to The Regents of the University of California ("The Regents") in connection with the preparation of a standard form of Lease-Purchase Agreement (Insert UC Form #) (the "Agreement", a copy of which is attached hereto), a form that is suitable for repeated use, and in that regard, I have examined or caused to be examined relevant documents, records, proceedings, Bylaws, Standing Orders and resolutions of The Regents, as well as relevant constitutional provisions, legislative enactments and such other information as in my judgment was reasonably necessary to enable me to render the opinions expressed below. Capitalized terms used herein and not otherwise defined herein are used as defined in the Agreement.

Based on the foregoing, it is my opinion that:

1. The Regents is a public corporation existing and operating pursuant to article IX, section 9 of the Constitution of the State of California vested with the authority for governance of the University, including holding legal title to the property of the University. The Regents is a political subdivision of the State of California within the meaning of section 103 of the Internal Revenue Code of 1986 and related regulations and rulings thereunder existing on the date of this opinion.
2. Pursuant to the authority granted under said Constitution, the University is authorized and has power to enter into lease-purchase agreements including, without limitation, an Agreement in the form attached hereto.



**UNIVERSITY OF CALIFORNIA**  
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3. Pursuant to standing resolution of the Board of Regents of the University of California (Standing Order 100.4, a copy of which is attached hereto) and delegation by the President of the University, the Chancellors of the University's campuses and the Directors of the University's Department of Energy Laboratories have been granted continuing powers to act on behalf of the University in specified matters, including entering into lease-purchase agreements to meet the equipment needs of their respective campuses and Laboratories. A copy of the most recent such delegation of authority, dated June 19, 1995, is attached hereto. Each Chancellor or Director, in turn, has granted specific authority to certain individuals employed at his or her campus or Laboratory to execute lease-purchase agreements and related documents necessary to consummate such transactions. Since such individuals may have different limits of authority, you may wish to confirm, by use of a certificate of signing authority executed by the campus or Laboratory Materiel Manager or other management official acceptable to you, that the proposed execution of a specific agreement using the form of standard lease-purchase agreement for a particular transaction is within such delegated authority.
  
4. Assuming due execution by the lessor, a lease-purchase agreement substantially identical to (Insert UC Form #) attached hereto (with properly completed related schedules and attachments) will, upon execution by an individual authorized to do so on behalf of the University as described above, be a legal, valid and binding obligation of the University enforceable in accordance with its terms, subject, however, as to enforcement of remedies, to any applicable bankruptcy, reorganization, insolvency, moratorium or other law affecting the enforcement of creditor's rights generally, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases.

I understand that lessors may rely on this opinion in entering into lease/purchase agreements with the University.

Respectfully submitted,

Romulus Portwood  
Special Counsel

Attachments:

Standard Form Lease-Purchase Agreement (Insert UC Form #) Regents'  
Standing Order 100.4  
President's Delegation of Authority Letter dated June 19, 1995



**UNIVERSITY OF CALIFORNIA**  
**LEASE-PURCHASE AGREEMENT**

**CERTIFICATE OF SIGNING AUTHORITY**

The To: Dated: \_\_\_\_\_  
P. O. No.: \_\_\_\_\_  
UC Location: \_\_\_\_\_  
Re: Lease-Purchase Agreement between \_\_\_\_\_ and The Regents of the University of \_\_\_\_\_

undersigned hereby certifies as follows:

1. The Chancellor of the campus or the Director of the Department of Energy Laboratory identified above has been delegated authority by the President of the University pursuant to a delegation of authority dated June 19, 1995 (the "President's Delegation") to execute purchase contracts, subcontracts and standard purchase orders for goods and services subject to the conditions set forth in the President's Delegation. The President's Delegation has not been rescinded, superseded, amended or supplemented and remains in full force and effect.
2. Said authority has been re-delegated by said Chancellor or Director and by further re-delegations attached hereto, if any, in accordance with the terms of the President's Delegation to the following person(s):

Name	Title	Signature	3. Full, true and correct
_____	_____	_____	

t copies are attached hereto of (i) said re-delegation and (ii) further re-delegations, if any

4. The Lease-Purchase Agreement identified above (the "Lease") has been issued in accordance with University policy and with procedures specified in Business and Finance Bulletin BUS-43/Materiel Management.
5. Funds are available and have been appropriated to pay all payments coming
6. If required, approval of the contracting agency has been secured and is in full force and effect.

Dated: \_\_\_\_\_ Name: \_\_\_\_\_ Title: \_\_\_\_\_

Attachments: Chancellor's or Director's re-delegation of signing authority  
Further re-delegations of signing authority (if any).