

PROCEDURES FOR LEASING/RENTING VEHICLES

UNIVERSITY OF WISCONSIN SYSTEM



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1. OVERVIEW OF VEHICLE LEASING PROGRAM

These procedures are designed to present the framework for utilizing the leased vehicle program at the UW institutions. It contains specific information and examples to assist individuals in the procurement office, business office, and end users to make the program work effectively.

UW System Institutions have authority to procure a leased vehicle under their state procurement delegation. However, Institutions **must** receive DOA approval before entering into a vehicle lease as outlined in [PRO-E-22](#) of the State Procurement Manual.

Additionally, the “[State of Wisconsin Fleet Driver and Management Policies and Procedures Manual](#)” contains important information regarding fleet policies and should be referred to in conjunction with campus specific standards.

On January 16, 2007, Debbie Durcan, Vice President for Finance, issued a memo to the Chancellors regarding *DOA Guidance on Chancellor Use of Personally Assigned University Vehicles* outlining limited exceptions to the State of Wisconsin Fleet Driver Policies.

2. CONTRACT

At this time there are no established contracts for leased vehicles, however, Institutions should reference section [PRO-E-12](#) for policy regarding leasing and rental agreements. Since a vehicle lease is under \$50,000, simplified bidding procedures as outlined in [PRO-C-8](#) can be used to procure a vehicle. The UWSA Procurement Office can assist with these leases and can be contacted at purchasesupport@uwsa.edu.

3. APPROVING AUTHORITY

The Department of Administration, State Bureau of Procurement (SBOP) Director, must approve in writing all requests to lease vehicles. All Institutions must receive this written approval prior to entering into any vehicle contract. Institutions must submit justification to the DOA Transportation Procurement Manager per section [PRO-E-22](#) of the State Procurement Manual. **Appendix A** contains an example of the letter providing justification and requesting approval for a lease. The Transportation Procurement Manager will make his/her recommendation to the SBOP Director for final consideration. **Appendix B** contains an example of the SBOP Director’s written approval.

4. VENDOR, LEASE OPTION, AND RATE INFORMATION

Institutions will choose the vendor offering the best overall package which is based on availability, rate, maintenance, insurance coverage, vehicle suitability, and other convenience factors such as delivery time to meet Institution needs. Justification is required when selecting a vendor that is not the lowest cost vendor.

The term of the lease may be 12, 24, or 36 months. If an Institution wishes to retain a vehicle after the initial lease period has expired, they may enter into a new lease for an extended period but **must first obtain DOA approval** for the extension.

5. LEASE AGREEMENT

Appendix C contains an example of the Lease Agreement that the vendor will provide. The Procurement Office should review it and modify any language prior to signing the document. To be valid, all contracts must be signed by the delegated purchasing agent of the campus leasing the vehicle(s).

6. VEHICLE COSTS/PAYMENT OPTIONS

The vendor is required to accept direct charges or purchase orders from campuses for leases. **Appendix D** contains an example of a purchase order.

Vehicle leases can be charged to the appropriate corporate travel card under contract. If that program is not available, the lease can be charged to an authorized procurement card.

The Voyager fuel card shall be the only acceptable method for purchasing fuel and vehicle services, i.e., oil changes, wipers, and washer fluid. *The procurement card should not be used for charging fuel purchases.* If the campus does not have an account with Voyager for use of the Voyager fuel card, contact the University of Wisconsin System Administration Fuel Card Manager.

Reporting Requirements - Submit a list, including the make, model, VIN number, lease term, and fuel card number, of all vehicles acquired under this contract to the University of Wisconsin System Administration Fuel Card Manager. Using the Fuel Card Reporting System (Fleet Commander), the System Administration Fuel Card Manager will submit an annual report to the Department of Administration SBOP, describing the total fuel used and miles driven by vehicles under lease.

7. INSURANCE/RISK MANAGEMENT

- A.** Vehicles leased under this program have restricted coverage under the State Risk Management Program and the indemnification provisions of s. 895.46 of the Wisconsin Statutes.

Reporting Requirements - In order to secure property coverage on the vehicle, report the vehicle's value to the Campus Risk Management Office for inclusion in the annual reporting to the University of Wisconsin System Administration Risk Management Office. Submissions to the System Administration Risk Management Office should be made using the *Inventory Valuation Summary Form* (<https://www.wisconsin.edu/risk-management/forms/>). *Failure to report the values and failure to document the reporting of values may exclude the vehicle from coverage whereby the campus shall be responsible for damages.*

- B.** Vehicles leased under this program shall be used as pool vehicles when the only liability coverage provided is that provided through the State Risk Management Program and indemnification provisions under s. 895.46, Wis. Stats.

Leased vehicles that are personally assigned and are used for personal miles are not authorized by law to be provided with liability protection under the State Risk Management Program or indemnified under s. 895.46, Wis. Stats. while being driven for personal miles.

Individuals must purchase liability insurance through their personal insurance agent for personally assigned vehicles, which are to be driven for personal use miles. What commonly is called an “Extended Non-Owned Vehicle Endorsement” can be added to the individual’s personal auto insurance for a modest expense to insulate an individual when operating the leased vehicle for personal miles.

Reporting Requirements - If a vehicle will be driven for personal miles, a certificate of insurance must be obtained from the individual’s personal insurance agent. The certificate of insurance must show, at a minimum, auto liability coverage of \$500,000/\$1,000,000/\$100,000. *This certificate of insurance should be maintained with the lease agreement.*

- C.** Auto property protection shall be provided through the State Risk Management Program. Coverage is not provided for loss of use of the vehicle. If the campus desires coverage for loss of use of the vehicle, it shall purchase this insurance through the leasing company or through a private insurance vendor. A lease agreement may provide for the leasing company to provide the

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leasing campus with a vehicle during a loss of use. If the leasing company charges the state for this service, the leasing campus shall be responsible for the costs.

8. LICENSING

Licensing and vehicle registration is handled by the leasing company. Each Institution should decide whether they want standard license plates or special red plates reserved for state vehicles. The state plates cost less than the standard plates and, unlike standard plates, do not need to be renewed annually.

9. AUTHORIZED DRIVERS

(NOTE: Section references refer to the *Fleet Driver and Management Policies and Procedures Manual*)

The [State of Wisconsin Fleet Driver and Management Policies and Procedures Manual](#) contains important information regarding fleet policies. All fleet drivers should thoroughly read Chapter One. ***In addition the UW System Driver Procedures can be found [here](#). All potential drivers should consult with the campus Risk Management Office for further information regarding campus specific standards and forms.***

- A. **Minimum Standards for Driving a State Vehicle (Section 1.1):** State employees, authorized University of Wisconsin System students, and other authorized agents of the state may be allowed to drive a state vehicle if the following minimum standards are met and approved by their employing campus:
 - Must have a valid operator's license,
 - Must have minimum of two years licensed driving experience, and
 - Must be eighteen (18) years of age.

- B. **Vehicle Use Agreements (Section 1.2):** All drivers must sign a [Vehicle Use Agreement](#).

10. PERSONAL MILES

(NOTE: Section references refer to the *Fleet Driver and Management Policies and Procedures Manual*)

- A. **Reimbursing Personal Miles (Section 1.10):** Internal Revenue Service (IRS) rules provide that the personal use of a state vehicle includes commuting to and from work, even if the vehicle is taken home for the convenience of the state. Personal use is considered a fringe benefit by the IRS unless the employee reimburses the state for the full value of the personal mileage based on the IRS Valuation rules. The value of the fringe benefit must be included in the employee's wages and is subject to income and employment taxes. No additional employee wages will need to be calculated if the employee reimburses the state for the value of the benefit, derived in accordance with the appropriate IRS rule.

The *Vehicle Log & Mileage Reimbursement.xls* spreadsheet (**Appendix E**) contains an example of a vehicle log which can be used to document business and personal use mileage. This spreadsheet also contains a mileage reimbursement form that can be used to calculate the amount of reimbursement required for the personal use mileage. This spreadsheet is available at: <http://www.uwsa.edu/fadmin/spectopics.htm>. Click on the Vehicle Log & Mileage Reimbursement link that is covered by the respective effective dates of applicable mileage rate changes.

Reporting Requirements – The mileage reimbursement calculation includes the applicable sales taxes, per county, which must be remitted to the State of Wisconsin Department of

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Revenue with the Sales and Use Tax Report. The vehicle log and personal mileage reimbursement must be remitted to the Business Office on a monthly basis.

- B.** Automobile Lease Value Rule (Part 2. of Section 1.10): This method applies to all elected officials or state employees whose compensation rate is at least as great as federal government employees at Executive Level V (\$136,200 in 2007 and \$139,600 in 2008). (<http://www.opm.gov/oca/index.asp>, click on Salaries and Wages, click on Executive Schedule, click on desired file format to the right of Rates of Pay for the Executive Schedule.)

If an employee utilizes a state vehicle for personal use, including commuting, **and** the personal use of the vehicle is not reimbursed to the state, the value of any non-reimbursed personal use is considered a taxable fringe benefit.

Reporting Requirements – Annually, using the Lease Value Rule from the IRS Publication 15-B, the Business Office must calculate the annual lease value and compare it to the total of monthly mileage reimbursements to determine if an additional reimbursement is necessary to meet the Lease Value Rule.

Appendices



Office of Procurement

780 Regent Street, Room 145
Madison, Wisconsin 53715
(608) 263-4584
(608) 262-8589 Fax

website: <http://www.uwgsa.edu/proc>

May 12, 2006

To: Rob Severson,
DOA Procurement

From: Lori Taylor, Procurement Specialist
UW System Procurement

A handwritten signature in black ink, appearing to read 'Lori', written over the printed name 'Lori Taylor'.

Re: Automobile for UW Extension Chancellor David Wilson

The University of Wisconsin is requesting permission to lease a vehicle for the new, incoming Chancellor for University of Wisconsin – Extension, Dr. David Wilson.

President Reilly, with the The Board of Regents approval, has discontinued the monthly vehicle allowance of \$700.00 for Chancellors in order to be more fiscally efficient. We are now seeking to lease vehicles from the State contract.

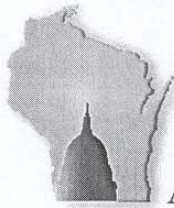
As we had not planned for this budgetary elimination and did not request an additional fleet vehicle for this purpose, it is imperative we are able to obtain a vehicle for the incoming Chancellor.

In order to maximize Chancellor Wilson's ability to be flexible and available to his constituents, as befits his position, we would like to lease either a Full Size Sedan or Small SUV from State Contract #15-97514-401 for a 3-year period.

Chancellor Wilson will be representing both Colleges and Extension and throughout this 3-year leasing period. He will be traveling extensively as he directs the mission of UW-Extension. The Colleges consist of 13 campuses throughout the state and the Extension offices are located in 72 counties. We are estimating that Chancellor Wilson will be putting 10,000-12,000 miles on this car per year.

Via the State contract, we looked at the cost of both the Full Size Sedan or Small SUV in the highest cost columns on the contract, and found that in leasing a Full Size Sedan for 15,000 miles, we will be spending \$525.00/month. If we lease for unlimited mileage, a Full Size Sedan would cost \$500.00/month. Both are well under the \$700.00 per month we have spent in the past.

We appreciate your prompt attention to this matter.



WISCONSIN DEPARTMENT OF
ADMINISTRATION

JIM DOYLE
GOVERNOR

MARC J. MAROTTA
SECRETARY

Division of Enterprise Operations
State Bureau of Procurement
101 East Wilson Street, 6th Floor
Post Office Box 7867
Madison, WI 53707-7867
Voice (608) 266-2605
Fax (608) 267-0600 TTY (608) 267-9629
<http://vendornet.state.wi.us>

May 24, 2006

Lori Taylor, Procurement Specialist
UW System Procurement
780 Regent St., Room 145
Madison, WI 53715

Dear Ms. Taylor,

Thank you for the materials requesting authorization to procure a maximum 1-year lease for a mid-size sedan in accordance with State of Wisconsin contract 15-97514-401.

In accordance with the State Procurement Manual PRO-E-12 and PRO-E-22, I have approved your request to lease the vehicle which will be utilized by the University of Wisconsin by Chancellor, Dr. David Wilson, as described in you May 12th letter.

This approval is only for the 1 year indicated. If you wish to extend the lease you must obtain approval using the PRO-E-22 procedures.

Please contact Rob Severson at 608-266-8024 or robert.severson@wisconsin.gov via E-mail if you have any questions concerning this lease.

Sincerely,

Helen McCain
Director, Bureau of Procurement
Division of Enterprise Operations

CLOSED END LEASE AGREEMENT AND DISCLOSURE STATEMENTLease No. _UW1_ Date of Lease _6/14/2006_

This Lease Agreement (Lease) is between (Lessee) and (Lessor)

Name: University of WI Acme Auto Leasing, LLC Toll Free (800) 242-7767
 Address: 432 N Lake Street, Rm 527 440 Washington Avenue Telephone (203) 234-6850
 Madison, WI North Haven, CT 06473 Fax (203) 234-6858
 Telephone: 608-263-4380

Subject to the terms and conditions of this lease you agree to lease from Lessor the motor vehicle ("Vehicle") described below and will use the Vehicle primarily for personal or business use..

VEHICLE INFORMATION

Year: 2006 Model: Ford Plate: _____ Body Style: SUV Unit #: 68B6612
 Color: Silver VIN: 1FMEU73E86UB36612 Odometer Mileage: 15

LEASE DISCLOSURES**1. Total Payment Due at Inception:**

Capitalized Cost Reduction \$ _____
 Delivery Charge \$ _____
 Registration Fee \$ _____
 Advance Monthly Payment \$ _____
 Refundable Security Deposit \$ _____
 Other \$ _____
TOTAL \$ _____

c. The residual amount due to Lessor is

\$ _____

d. In the event that the Lease is terminated due to the total loss of the Vehicle, You are responsible for the amount by which the monthly payment multiplied by the number of remaining months in the Lease Term, together with the residual amount due to Lessor, minus any escrow amount which shall not become due, exceeds the amount of any insurance proceeds received as a result of the loss.

2. Term of Lease: 12 Months

The first payment of \$575.00 is due on the 15 day of the month of July and subsequent payments of \$ 575.00 are due on the 15th day of each month thereafter.

12. Security interest:

The Lessor has the right to assign your rental payments to a Bank and grant a security interest in the Lease and the Vehicle to Bank.

3. Total Monthly Payment: \$ 575.00

13. Late Payments and Penalties:

The charge for late payments is five percent (5%) of any rental or other payment due under the Lease which is not paid within ten (10) days after said payment is due.

In the event You cease to pay insurance, tax or maintenance expenses, etc., Lessor may pay these expenses and charge You for these costs, ~~plus interest at eighteen percent (18%) per annum until repaid to Lessor~~

4. Total of Monthly Payments: \$ 6900.00

5. Total other charges Payable to Lessor:

Disposition \$ _____
 Maintenance \$ _____ (est. *) (see Item 9)
 Other \$ _____

14. Option to Purchase: Yes _____ No

You have the option to purchase the vehicle at

\$ _____

Other _____

6. Fees and Taxes:

Total amount you will pay during the term for official fees, registration, Certificate of Title, license fees and taxes. \$ _____

* **Est. *** indicates estimated expenses based upon the best information reasonably available to the Lessor as of the date of these disclosures, and such expenses may change in accordance with the terms of this Lease.

7. Insurance: (check one)

You are required to provide the following insurance coverage:
 Bodily Injury or Death \$1,000,000 combined single limits per accident
 Property Damage \$100,000
 Collision (\$500 deductible) for actual cash value of vehicle
 Comprehensive, Fire, Theft
 Uninsured Motorist Coverage
 Lessor will arrange insurance coverage for You at the initial monthly cost to you of \$ _____ (est. *)

LEASE TERMS AND CONDITIONS**8. Standards of Wear and Use of Vehicle:**

The following standards are applicable for determining your (Lessee's) Financial responsibility at the end of the Lease Term for the unreasonable wear and use of the Vehicle:

- a) Lessor's cost of reconditioning the Vehicle which exceeds \$100, and
 b) excessive mileage of \$ 10 per mile over 15,000 miles per year

9. Maintenance of Vehicle: (check one)

You are responsible for all maintenance and servicing of the Vehicle, including, but not limited to, gas, oil, tune-ups, repairs, tires and storage.
 Lessor is responsible for the following maintenance:

 Maintenance charge is included in lease fee**10. Warranties:**

The Vehicle is subject to ONLY those express warranties provided by the manufacturer's standard warranty of the Vehicle. **THE LESSOR MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE VEHICLE OR ANY PART OR ACCESSORY THEREOF, ITS MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.**

11. Early Termination & Default:

- a. You have no right to terminate the Lease prior to its scheduled termination without the written consent of the Lessor and, if given, Lessee must comply with any conditions imposed in the sole discretion of the Lessor.
 b. Lessor may terminate the Lease upon the occurrence of an Event of Default as set forth below and proceed against You for unpaid rentals due and payable for the remainder of the Lease Term, the residual amount set forth below, collection costs, and any cost incurred in repossessing, repairing, and disposing of the Vehicle, including reasonable attorneys' fees.

15. Lease Only: The Lessee acquires no right, title or interest in the Vehicle

except the right to use it for the Lease Term set forth above, which shall commence on the date the Lessee accepts in writing delivery of the Vehicle ("Delivery Date"). The Lessor's ownership shall be evidenced by the registration and licensing of the Vehicle with the appropriate governmental authorities showing title in the name of the Lessor. The Lessee agrees not to take any action or omit to take any action which is inconsistent with the Lessor's ownership of the Vehicle and to keep it free and clear of any and all liens and encumbrances.

The Lessee shall also pay upon the termination of this Lease:

- (a) the Charge for Excess Mileage at the rate set forth above for each mile in excess of the mileage allowance; and
 (b) any amount in excess of One Hundred Dollars (\$100.00) incurred by the Lessor in reconditioning each Vehicle. Any dispute between the Lessor and the Lessee as to the amount due under this Subparagraph (b) shall be submitted to arbitration by an independent appraiser appointed by agreement of Lessor and Lessee, whose determination shall be final and binding upon the parties.

The Lessee shall also pay to the Lessor a delinquency charge equal to five percent (5%) of any rental payment or other payment not paid hereunder when due or within ten (10) days thereafter. The Security Deposit set forth above is security for the performance of all Lessee's obligations under this Lease, which shall be returned to the Lessee, without interest, only upon the satisfaction of the Lessee's obligations hereunder.

Lease Terms and Conditions continued

17. Lessee's Use of the Vehicle

The Vehicle may be operated only by the Lessee, members of Lessee's immediate family, and authorized employees and agents. Every operator must be properly authorized and licensed to operate the Vehicle and must obey all laws, statutes and ordinances of all governmental authorities applicable to the operation of the Vehicle, including without limitation those regarding use of alcohol and drugs. The Vehicle shall be garaged at the Address of Lessee set forth above unless Lessor agrees in writing to a different location. The Vehicle shall not be used for any unlawful purpose, for any commercial activities other than the Business Use of Vehicle, if any, described above, for any purpose which causes insurance coverage on the Vehicle to be suspended or cancelled, or in excess of its rated capacity.

Lessee agrees that Lessee shall:

- (a) maintain the Vehicle in its original condition as to appearance and mechanical performance, reasonable wear and tear excepted; make all necessary and required repairs and purchase parts which shall accrue to the benefit, and become the property of the Lessor; and pay all costs and expenses of whatever nature, resulting from the use and operation of each Vehicle, including but not limited to, expenses for gasoline, oil, lubrication, antifreeze, adjustments, tune-ups, repairs, tires, storage, washing, tools, tolls, fines, traffic violations, towing and servicing of any kind;
- (b) pay when due, and be liable for the payment of all sales, use, excise, personal property, ad valorem or other taxes, except Lessor's income taxes; all assessments, fees and charges payable with respect to the ownership, possession, rental, transportation or delivery of any Vehicle hereunder; and all expenses resulting from the licensing, registration, inspection or other governmental requirements now or hereafter existing and;
- (c) provide, maintain and at all times comply with the terms of during this Lease at Lessee's sole cost and expense and with a duly licensed insurer acceptable to the Lessor, the following minimum insurance coverage for each Vehicle hereunder:
 - (1) Liability for bodily injury or death (per person) One Million Dollars (\$1,000,000);
 - (2) Liability for bodily injury or death (per accident) One Million Dollars (\$1,000,000);
 - (3) Liability for property damage One Hundred Thousand Dollars (\$100,000)
 - (4) Collision and upset for the actual cash value of the Vehicle, subject to Five Hundred Dollars (\$500) deductible;
 - (5) Fire, theft, and comprehensive (for passenger cars), or fire, theft and combined additional coverage (for trucks); and
 - (6) Uninsured motorist coverage.

Evidence of such coverage, naming the Lessor as an ADDITIONAL INSURED for any Vehicle hereunder, and protecting it and its assignees as their interests may appear, shall be provided to the Lessor on the Delivery Date. At least thirty (30) days prior written notice of cancellation shall be provided to the Lessor. If any insurance coverage is suspended or cancelled, the Lessee shall immediately return the Vehicle to the Lessor, who may elect any of its remedies hereunder, including storage of the Vehicle for the Lessee's account until coverage is reinstated. In the event of any loss or damage to a Vehicle, Lessee shall be responsible for the payment of the deductible required by any policy of insurance. Lessee shall not be responsible for the payment of the amounts set forth in Subparagraphs (a), (b) and (c) of this Paragraph to the extent that those amounts are included in the Monthly Payment set forth above and are actually received by Lessor.

In the event of total loss for any reason, including confiscation, for which the Lessor is not compensated by insurance in an amount equal to the monthly payments multiplied by the number of months remaining in the term of the Lease, together with the residual amount due to Lessor, minus any escrow amounts which shall not become due ("Total Amount Due") determined as of the time immediately preceding the loss, then the Lessee, in addition to his other obligations hereunder, shall immediately pay to the Lessor an amount equal to the difference between such insurance and the Total Amount Due.

The Lessee will promptly report to the Lessor, in writing, all accidents, collisions and damage to the Vehicle, irrespective of fault, injury, loss or damage and any suit, demand or claim, whether or not justified. Lessee shall cooperate fully with the Lessor and insurer in all accident investigation, claim and litigation procedures.

liability-claims-judgments-loss-damage-costs-or-expenses-including-reasonable-attorneys-fees-incurred-by-or-arising-out-of-the-operation-use-or-theft-of-any-Vehicle-or-the-contents-or-cargo-thereof.

If the Lessee fails to make any payments for taxes, insurance, repairs and the like, referred to in this Lease, the Lessor may, but shall not be required to, make such payments and if it does so, the Lessor shall reimburse the Lessor upon demand for all such disbursements made on behalf of the Lessee hereunder, and said amounts will be interest until paid to Lessor by Lessee in the amount of eighteen percent (18%) per annum.

18. Lessor's Liabilities With Respect to the Leased Vehicle:

It is expressly agreed and understood that the Vehicle has been selected by the Lessee and that THE LESSOR MAKES NO WARRANTY, EITHER EXPRESSED OR IMPLIED, AS TO THE CONDITION OF THE VEHICLE OR ANY PART OR ACCESSORY THEREOF, ITS MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, or as to any patent or latent defects in material, workmanship, or otherwise, and no such defect or unliveness shall in any way affect the obligations of the Lessee to comply with the terms of this Lease; and that the only warranties applicable to any Vehicle are warranties made by the manufacturer, or its dealers and representatives, and that the Lessee's rights under any manufacturer's new vehicle warranty shall not be impaired hereunder.

The Lessor shall not be liable for any failure or delay in the delivery of any Vehicle; and failure to perform hereunder resulting from fire, or other casualty, riot, strike, or other labor difficulty, governmental regulation or restriction, or any other cause beyond the Lessor's control, and any loss of profits or time, or other consequential damages resulting from theft, damage, loss, defect or failure of any Vehicle, or through the recovery, repair, adjustment, service or replacement of any Vehicle.

19. Termination of the Lease; Return of Vehicle:

This Lease shall terminate with respect to a Vehicle upon the scheduled expiration of the Lease Term set forth above, the return of the Vehicle at the Lessee's expense to Lessor at the location of its delivery to Lessee or at such other location as the Lessor may specify in writing, and the payment of all sums due by the Lessee to the Lessor hereunder. Lessee shall have no right to terminate this Lease prior to the scheduled termination of the Lease, unless Lessor and any assignee of Lessor shall have granted prior written consent to such termination and Lessee shall have complied with any conditions imposed in the sole discretion of Lessor or its assignee in said written consent.

20. Lessor's Right to Substitute Vehicle:

The Lessor may, at any time, but without additional expense to the Lessee, substitute for any Vehicle another vehicle similar in value, condition, mileage and accessories, and such substitute vehicle shall then be subject to the terms and conditions of this Lease.

21. Default By Lessee and Additional Rights of Lessor:

In the event any one or more of the following events shall occur:

- (a) Lessee fails to pay any amount, including rental payments, due hereunder, and continues to fail to pay for ten (10) days after payment is due; or
- (b) Lessee files a petition in bankruptcy, or makes an assignment for the benefit of creditors, or if any receiver or trustee in bankruptcy is appointed for the Lessee in any suit or proceeding; or
- (c) any insurance coverage required hereunder is cancelled or not renewed, or the Lessee is determined to be an uninsurable risk by any insurer; or
- (d) the death of a natural lessee, the death of any partner or dissolution of any partnership lessee or on the sale of stock of, dissolution or merger with or into any other corporation by a corporate lessee; or
- (e) the Vehicle is confiscated by a political or governmental agency, as a result of the illegal use of the Vehicle; or
- (f) failure to perform any other covenant, term or agreement contained in this Lease.

Lessor may, at its sole discretion and without notice to the Lessee, undertake either or all of the following remedies:

- (1) declare immediately due and payable from Lessee all unpaid lease payments, the residual amount and other payment obligations due hereunder;
- (2) terminate this Lease and take immediate possession of any Vehicle hereunder, with or without legal process, regardless of where such Vehicle may be found, and the Lessee hereby specifically authorizes and empowers the Lessor, or its agent and employees, to enter upon any of the Lessee's property or premises for the purpose of taking immediate possession of any Vehicle and any equipment, accessories and property located therein, which the Lessor may hold or store at the Lessee's expense; and
- (3) pursue any other remedy, legal or equitable, which Lessor may have against Lessee.

The Lessee agrees that Lessee is liable for all expenses including reasonable attorney's fees, incurred by the Lessor in connection with any retaking, storage, repair or resale of any Vehicle and the enforcement of any other right under this Lease. The Lessor shall not be liable for any peaceful repossessions taken hereunder, and the Lessor's remedies shall not be exclusive of any other remedy, but shall be cumulative and in addition to every other remedy of the Lessor in law or in equity.

22. General Provisions:

This Lease shall not be assigned by the Lessee without the Lessor's prior written consent. The Lessor shall have the right to assign this Lease without prior notice to, or consent of, the Lessee. Lessee acknowledges that Lessor intends to assign this Lease and its right to the payment under this Lease to Bank. In the event that Lessor assigns its rights to Bank, Bank shall succeed to all the rights and powers of Lessor pursuant to this Lease, but shall not be obligated to perform any of Lessor's obligations pursuant to the Lease, and Lessee's obligation to pay directly to Bank the amounts due under this Lease shall be absolutely unconditional and payable notwithstanding any defense, offset or counterclaim whatever, by reason of breach of this Lease or otherwise, which Lessee may or might now or hereafter have against Lessor, Bank or any other person (Lessee reserving its right to have recourse directly against Lessor on account of any such defense, counterclaim or offset). In the event of any such assignment, this Lease shall not be modified or amended except upon the written consent of Bank. The Lessor may grant a security interest in the Vehicle and in this Lease to any financial institution of its selection. Lessee acknowledges that Lessor intends to grant a security interest in the Vehicle and in this Lease to Bank. If the Lessee is a corporation, the Lessee warrants that the officer executing this Lease on its behalf has been duly authorized to execute the Lease by prior corporate action. All covenants, agreements, representations and warranties in this Lease contained and made by and on behalf of Lessor and the Lessee respectively, shall be binding on, and inure to the benefit of the respective successors and assigns, of the Lessor and the respective successors and assigns, and the heirs, executors, administrators, legal representatives and assigns of the Lessee.

As used herein, and whenever the context so requires, the masculine gender shall include the feminine or neuter, and the singular number shall include the plural, and conversely. This Lease shall be construed and enforced in accordance with the laws of the state in which the Address of Lessee is located. The section headings contained herein are inserted for convenience only, and shall not control or affect the meaning or construction of any of the provisions thereof. This Lease constitutes the entire agreement between the Lessor and Lessee, and no other agreement in any way modifying any of the terms hereof will be binding upon the Lessor or Bank, unless made in writing and signed by the Lessor and Bank. All prior proposals, negotiations and representations, if any, made with reference hereto are merged herein. If any of the provisions hereof are determined to be invalid, illegal, or unenforceable, the remaining provisions of this Lease shall not be affected thereby.

23. Special Provision:

- Check if Applicable
- Refer to Lease Rider whose terms and conditions shall govern over the terms and conditions of this lease agreement.

Signing this lease indicates understanding of, and agreement to, the TERMS AND CONDITIONS described herein.

In witness whereof, the lessor and the Lessee Have signed and executed this Lease by their authorized representatives, all as of the date first above written.

Witness:	Lessor	Acme Auto Leasing, LLC
_____		By: <u>Karris-Linn Velms</u>
Witness:	Lessee	
_____		By: _____

UW-Extension
 UNIVERSITY OF WISCONSIN- EXTENSION
 PURCHASING DEPARTMENT
 432 N LAKE ST RM 104
 MADISON, WI 53706-1498

State of Wisconsin Purchase Order **CHANGE ORDER - REPRINT**

Show purchase order number on all correspondence.

Date	Page	Revision	Purchase Order Number
07/03/2006	1	1 - 06/21/2006	UTG230B974
Payment Terms	Freight Terms	Ship Via	
NET 30	DESTINATION	UPS	
Buyer	Inflekofer, Richard		
Contract/Bid/File:	15-97514-401		

Vendor: 0000015525
 ACME AUTO LEASING LLC
 440 WASHINGTON AVE
 NORTH HAVEN, CT 06473

Ship To: PO# UTG230B974
 UW COLLEGES & UW-EXTENSION
 CHANCELLOR DAVID WILSON
 432 N LAKE ST RM 527
 MADISON, WI 53706-1498

Fnd	P	Org.	Acct.	Subcls	Proj.	Amount
150	1	401000	2140			6,900.00

Line-Schd	Item	Quantity	UOM	PO Price	Extended Amt
1 - 1	BLANKET PURCHASE ORDER - for the Lease of 2006 Ford Explorer, Unit # 68B6612 and VIN: 1FMEU73E86UB36612. Order covers Monthly Payment of \$575.00 which includes 15,000 annual miles. Overage assessed at \$0.10 per mile. Per attached Disclosure Statement from Karrie-Lynn Velms.	1	EA	6,900.00	6,900.00

For further details on this Purchase Order please contact Barb Sandridge at phone 608-262-3786.

Total PO Amount	6,900.00
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COPY

Note terms and conditions on reverse.

Copy 2

No Saturday, Sunday, or holiday deliveries. Acknowledge this order promptly. Accompany each delivery with a shipping ticket or memo showing purchase order number and material furnished.

TAX EXEMPTIONS

We are a State of Wisconsin agency, and as such, exempt from all federal, state, and local taxes. Federal Registration No. 39-73-1021-K. State No. ES 40706.

Vendor Phone No: 234-6850

Richard L. Inflekofer
 PURCHASING AGENT

