

MASTER EQUIPMENT LEASE AND SUBLEASE AGREEMENT
[for use with a private college]

THIS MASTER EQUIPMENT LEASE AND SUBLEASE AGREEMENT, dated as of _____, 20__ (the “Master Lease”), and entered into by and among _____ as Lessor (the “Lessor”), the New Jersey Educational Facilities Authority, a body corporate and politic and public instrumentality duly organized and validly existing under the laws of the State of New Jersey, as Lessee (the “Lessee”), and _____, a nonprofit educational institution for higher education organized and existing under the laws of the State of New Jersey, as Sub-Lessee (the “Sub-Lessee”);

WITNESSETH:

WHEREAS, the Lessee is authorized by the laws of the State of New Jersey including the New Jersey Educational Facilities Authority Law, Public Laws of 1967, Chapter 271, N.J.S.A. 18A:72A-1 et seq., as amended and supplemented (the “Act”) to provide for the financing of educational facilities, as defined in the Act; and

WHEREAS, the Sub-Lessee is a nonprofit corporation organized and existing under the laws of the State of New Jersey which is an institution of higher education described in Section 501(c)(3) of the Code (as hereinafter defined) and is authorized, pursuant to its organizational documents and/or N.J.S.A. 15A:3-1, to lease, acquire, purchase and hold real and personal property; and

WHEREAS, the parties hereto desire that the Lessee from time to time (a) lease from the Lessor certain Equipment to be specified by the Sub-Lessee and described in each Schedule (as hereinafter defined) and (b) sub-lease such Equipment to the Sub-Lessee on the terms and conditions set forth in each Lease (as hereinafter defined); and

WHEREAS, in connection with the execution of each Lease, the Lessor shall deposit into an Acquisition Fund with an Acquisition Fund Custodian to be held and administered under an Acquisition Fund and Account Control Agreement (as each such term is hereinafter defined) the amount specified in such Lease and represented by the Sub-Lessee to be sufficient to acquire the Equipment identified in such Lease; and

WHEREAS, the Sub-Lessee shall make Rental Payments (as hereinafter defined) and certain other payments directly to the Lessor on behalf of the Lessee for the possession, use and ownership of the Equipment; and

WHEREAS, no Lease shall be deemed to constitute a debt or liability or moral obligation of the State of New Jersey (the “State”) or any political subdivision thereof, or a pledge of the faith and credit or taxing power of the State or any political subdivision thereof, but shall be a special, limited obligation of the Lessee payable solely from the Rental Payments payable under such Lease by the Sub-Lessee to the Lessor on behalf of the Lessee; and

WHEREAS, as security for the payment of all of the Sub-Lessee’s obligations under each Lease, the Sub-Lessee grants to the Lessee and the Lessee assigns to the Lessor a first lien security interest in and to such Equipment and in and to moneys and investments held from time to time in the Acquisition Fund;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged and in consideration of the premises contained in each Lease, the Lessor, the Lessee and the Sub-Lessee agree as follows:

ARTICLE I

Section 1.01 Definitions. The following terms shall have the meanings indicated below unless the context clearly requires otherwise:

“*Acquisition Amount*” means the amount specified in each Lease and represented by the Sub-Lessee to be sufficient to acquire the Equipment identified in such Lease.

“*Acquisition Fund*” means, with respect to any Lease, the fund established and held by the Acquisition Fund Custodian pursuant to the related Acquisition Fund and Account Control Agreement, if any.

“*Acquisition Fund and Account Control Agreement*” means, with respect to each Lease, an Acquisition Fund and Account Control Agreement, if any, substantially in the form of Exhibit A attached hereto, executed and delivered by the Lessor, the Lessee, the Sub-Lessee and the Acquisition Fund Custodian in connection with such Lease, pursuant to which the related Acquisition Fund is to be established and administered.

“*Acquisition Fund Custodian*” means, with respect to any Acquisition Fund and Account Control Agreement, the party identified as such in such Acquisition Fund and Account Control Agreement, and its successors and assigns.

“*Acquisition Period*” means, with respect to each Lease, that period stated in the Schedule to such Lease during which the Lease Proceeds attributable to such Lease may be expended on Equipment Costs.

“*Annual Administrative Fee*” means such annual fee for the general administrative services of the Lessee as the Lessee in its sole discretion may from time to time determine.

“*Authority*” means the New Jersey Educational Facilities Authority.

“*Authorized Officer*” means: (a) in the case of the Lessor, [its President, any Vice President, its Treasurer, its Secretary or any Assistant Treasurer]; (b) in the case of the Lessee, the Chair, Vice Chair, Executive Director, Deputy Executive Director, Treasurer, Director of Project Management, Director of Compliance Management, Secretary, Assistant Treasurer or any Assistant Secretary of the Authority, and any other person authorized by resolution of the Authority, and any such officers designated as “acting” or “interim”; and (c) in the case of the Sub-Lessee, its _____, _____, _____ or _____.

“*Bond Counsel*” means nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to the Lessor and Lessee.

“*Certificate of Acceptance*” means a Certificate of Acceptance, in substantially the form set forth as Exhibit B hereto, whereby the Sub-Lessee acknowledges receipt in good condition of particular items of Equipment identified therein, confirms the date of delivery thereof and certain other matters.

“*Code*” means the Internal Revenue Code of 1986, as amended. Each reference to a Section of the Code shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder.

“*Equipment*” means the property listed in each of the Leases, to be used in connection with the Sub-Lessee’s educational purposes, which property shall be identified in a Schedule executed by or pursuant to the authority of the Lessee and the Sub-Lessee, accepted by the Lessor in writing and acknowledged by the Acquisition Fund Custodian in writing and identified as part of the related Lease, and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Section 9.05(b) or Article X. Whenever reference is made in this Master Lease to Equipment listed in a Lease, such reference shall be deemed to include all such replacements, repairs, restorations, modifications and improvements of or to such Equipment.

“*Equipment Costs*” means the total cost of the Equipment listed in each Lease, including all delivery charges, installation charges, capitalizable consulting and training fees, legal fees, financing costs, recording and filing fees and other costs necessary to vest full, clear legal title in and to the Equipment in the Sub-Lessee, subject to the security interest granted to the Lessee and assigned to the Lessor as set forth in each Lease, and otherwise incurred in connection with the financing provided by the installment purchase of the Equipment as provided in each Lease; provided that in no event shall the delivery charges, installation charges, taxes or other non-capitalizable costs relating to the Equipment listed in any Lease which are to be financed by the Lessor hereunder exceed 5% of the total cost of such Equipment as determined by the Lessor; and provided further that in no event shall the capitalizable consulting and training fees and similar capitalizable “soft costs” relating to such Equipment be included without Lessor’s prior consent.

“*Event of Default*” means an Event of Default described in Section 14.01.

“*Expense Fund*” means, with respect to any Lease, the fund, if any, established and held by the Acquisition Fund Custodian pursuant to the related Acquisition Fund and Account Control Agreement.

“*Initial Administrative Fee*” means, with respect to each Lease, the fee paid or payable to the Authority for its services in connection with entry into each Lease, calculated at the rate of [1/10 of 1%] of the principal amount of each Lease.

“*Lease*” means a Schedule and the terms of this Master Lease which are incorporated by reference into such Schedule. Each Schedule shall constitute a separate and independent Lease.

“*Lease Proceeds*” means, with respect to each Lease, the total amount of money to be paid by the Lessor to the related Acquisition Fund Custodian for deposit and application in accordance with such Lease and the related Acquisition Fund and Account Control Agreement.

“*Lease Term*” means, with respect to each Lease, the term specified in such Lease in accordance with Article V hereof.

“*Lessee*” means the entity referred to as Lessee in the first paragraph of this Master Lease, acting as lessee and sub-lessor under this Master Lease.

“*Lessor*” means (a) the entity referred to as Lessor in the first paragraph of this Master Lease or (b) any assignee or transferee of any right, title or interest of the Lessor in and to the Equipment under a Lease or any Lease (including Rental Payments thereunder) pursuant to Section 13.01, but does not include any entity solely by reason of that entity retaining or assuming any obligation of the Lessor to perform under a Lease.

“*Master Lease*” means this Master Equipment Lease and Sublease Agreement, including the exhibits hereto, together with any amendments and modifications to the Master Lease pursuant to Section 15.04.

“*PATRIOT Act*” means the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001).

“*Purchase Price*” means, with respect to the Equipment listed on a Lease, the amount that the Sub-Lessee may or must from time to time pay or cause to be paid to the Lessor to purchase the Equipment as set forth in the related Rental Payment Schedule, plus all other amounts due under such Lease.

“*Rental Payments*” means the basic rental payments payable by the Sub-Lessee under each Lease pursuant to Section 6.01. As provided in Article VI hereof, Rental Payments shall be payable by the Sub-Lessee directly to the Lessor on behalf of the Lessee in the amounts and at the times during the Lease Term as set forth in the applicable Lease.

“*Schedule*” means each separately numbered Schedule of Property substantially in the form of Exhibit C hereto together with a Rental Payment Schedule attached thereto substantially in the form of Exhibit C-1 hereto.

“*Scheduled Expiration Date*” means, with respect to each Lease, the date specified in the applicable Schedule.

“*State*” means the State of New Jersey.

“*Sub-Lessee*” means the entity referred to as Sub-Lessee in the first paragraph of this Master Lease.

“*Tax Certificate*” means a tax-exemption agreement and certificate executed by the Lessee and the Sub-Lessee, respectively, with respect to each Lease, in form and substance satisfactory to the Lessor and its special tax counsel.

“*Tax-Exempt Organization*” means an entity organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code and exempt from federal income taxes under Section 501(a) of the Code or corresponding provisions of federal income tax laws from time to time in effect.

“*Termination Date*” means, with respect to each Lease, the date upon which the applicable Lease Term ends, as provided in Section 5.02 hereof.

“*Vendor*” means the manufacturer or supplier of the Equipment or any other person as well as the agents or dealers of the manufacturer or supplier from whom the Lessor arranged the Lessee’s and the Sub-Lessee’s acquisition and financing of the Equipment pursuant to the applicable Lease.

ARTICLE II

Section 2.01 Representations and Covenants of the Lessee. The Lessee represents, covenants and warrants, for the benefit of the Lessor, on the date hereof and as of the date of execution and delivery of each Lease, as follows:

(a) The Lessee is a body corporate and politic and a public instrumentality duly created and validly existing under the Constitution and laws of the State.

(b) The Lessee is authorized under the Constitution and laws of the State to enter into this Master Lease, each Lease and the Acquisition Fund and Account Control Agreement and the transactions contemplated hereby and thereby and to perform all of its obligations hereunder and under each Lease and the Acquisition Fund and Account Control Agreement.

(c) The Lessee has duly authorized the execution and delivery of this Master Lease, each Lease and the Acquisition Fund and Account Control Agreement by proper action of its governing body at a meeting duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Master Lease, each Lease and the Acquisition Fund and Account Control Agreement against the Lessee.

(d) The Lessee has complied with such public bidding requirements as may be applicable to entry by the Lessee into this Master Lease and the Acquisition Fund and Account Control Agreement.

(e) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists as of the date this representation is made.

ARTICLE III

Section 3.01 Representations and Covenants of the Sub-Lessee. The Sub-Lessee represents, covenants and warrants, for the benefit of the Lessor and the Lessee, on the date hereof and as of the date of execution and delivery of each Lease, as follows:

(a) The Sub-Lessee is a nonprofit corporation organized and existing under the laws of the State which is an institution of higher education described in Section 501(c)(3) of the Code, duly created and validly existing and in good standing under the laws of the State. The Sub-Lessee has all necessary licenses and permits, if any, required to carry on its business and to operate all of its properties.

(b) The Sub-Lessee is a Tax-Exempt Organization, and is not a “private foundation” as defined in Section 509(a) of the Code. The Sub-Lessee has not impaired its status as a Tax-Exempt Organization and shall, during the term of any Lease, do or cause to be done all things necessary to preserve and keep in full force and effect its existence and status as a Tax-Exempt Organization. The use of the Equipment subject to any Lease will not result in any unrelated trade or business income to the Sub-Lessee.

(c) The Sub-Lessee received a ruling letter or determination from the Internal Revenue Service to that effect, and such letter or determination has not been modified or revoked. The Sub-Lessee is in compliance with all terms, conditions and limitations, if any, contained in or forming the basis of such letter or determination, and the facts and circumstances which form the basis of such letter or determination continue substantially to exist as represented to the Internal Revenue Service.

(d) The Sub-Lessee is exempt from federal income taxes under Section 501(a) of the Code and is in compliance, and will remain in compliance, with the provisions of the Code and any applicable regulations thereunder necessary to maintain such status.

(e) The Sub-Lessee (i) will not perform any acts, enter into any agreements, carry on or permit to be carried on with respect to the Equipment, or permit the Equipment to be used in or for any trade or business, which shall adversely affect the basis for its exemption under Section 501 of such Code; (ii) will not use the proceeds of any Lease or permit the same to be used, directly or indirectly, in any trade or business carried on by any person or persons who are not governmental units or Tax-Exempt Organizations or in an unrelated trade or business of any Tax-Exempt Organization; unless it has received the opinion of Bond Counsel that such use will not adversely affect the tax exempt status under the Code of the interest component of any Lease; (iii) will not directly or indirectly use the proceeds of any Lease to make or finance loans to persons other than governmental units or Tax-Exempt Organizations; (iv) will not take any action or permit any circumstances within its control to arise or continue, if such action or circumstances, or its expectation on the date of issue of any Lease, would cause such Lease to be an “arbitrage bond” under the Code or cause the interest component of any Lease Payment to be subject to federal, state or local income tax in the hands of the Lessor, and (v) will, to the extent within its power to do so to maintain the tax-exempt status of the interest components of the Lease Payments.

(f) The Sub-Lessee is authorized under the laws of the State and its organizational documents to enter into this Master Lease, each Lease and the Acquisition Fund and Account Control Agreement and the transactions contemplated hereby and thereby and to perform all of its obligations hereunder and under each Lease and the Acquisition Fund and Account Control Agreement.

(g) The Sub-Lessee has been duly authorized to execute and deliver this Master Lease, each Lease and the Acquisition Fund and Account Control Agreement under the terms and provisions of a resolution of its Board of Trustees, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Master Lease, each Lease and the Acquisition Fund and Account Control Agreement against the Sub-Lessee.

(h) The execution and delivery by the Sub-Lessee of this Master Lease, each Lease and the Acquisition Fund and Account Control Agreement and the other documents contemplated herein and the compliance with the provision of any and all of the foregoing documents, and the application of the proceeds of each Lease, together with certain other moneys, for the purposes in this Master Lease, do not and will not constitute a default under any agreement or instrument to which the Sub-Lessee is a party or by which the Sub-Lessee or any of its properties is or may be bound, nor will such action result in any violation of the organizational documents of the Sub-Lessee, any statute, order, rule or regulation applicable to the Sub-Lessee, or any order of any Federal, state or other regulation agency or other governmental body having jurisdiction over the Sub-Lessee, and all consents, approvals, authorizations and orders of any governmental or regulatory agency that are required for the consummation of the transactions contemplated hereby, insofar as they may relate to the Sub-Lessee, have been obtained and are or will be in full force and effect upon entry into this Master Lease, any Lease and the Acquisition Fund and Account Control Agreement.

(i) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists as of the date this representation is made. No default, event of default or event which, with notice or lapse of time, or both, would constitute a default or an event of default under any other material agreement or material instrument to which the Sub-Lessee is a party or by which the Sub-Lessee is or may be bound or to which any properties of the Sub-Lessee are or may be subject, has occurred and is continuing.

(j) The [audited] [unaudited] financial statements of the Sub-Lessee as of _____, 20__ provided to Lessor and Lessee present fairly the financial position of the Sub-Lessee as of the date indicated and the information contained therein is accurate and complete and is not misleading in any material respect as of the date thereof and hereof. There has been no material adverse change in the condition, financial or otherwise, of the Sub-Lessee since the date set forth in such [audited] [unaudited] financial statements, as of and for the period ended that date.]

(k) This Master Lease, the Acquisition Fund and Account Control Agreement and the Lease entered simultaneously herewith are the legal, valid and binding general obligations of the Sub-Lessee and each other Lease entered into pursuant to the Master Lease will be legal, valid and binding general obligations of the Sub-Lessee and all of such Agreements are enforceable in accordance with their respective terms, except as the same may be limited by (a) applicable insolvency, reorganization, liquidation, moratorium, receivership, readjustment of debt, or other similar laws affecting the enforcement of creditor's rights generally, as such laws may be applied in the event of an insolvency, reorganization, liquidation, moratorium, receivership, readjustment of debt or other similar proceedings, and (b) equitable principles (whether in a proceeding in equity or at law).

(l) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any public board or body pending or, to the knowledge of the Sub-Lessee, threatened against or affecting the Sub-Lessee or any of its properties (or, to the best of the Sub-Lessee's knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse effect on (i) the title of the Sub-Lessee's officers to their respective offices, (ii) the existence or the organization of the Sub-Lessee or any power of the Sub-Lessee, (iii) the validity of the proceedings, for the adoption, authorization, execution, with repayment of the Master Lease, the Leases and the Acquisition Fund and Account Control Agreement or its performance in connection with therewith, or (iv) the validity or the enforceability of this Master Lease, the Leases and the Acquisition Fund and Account Control Agreement or of any agreement or instrument to which the Sub-Lessee is a party and which is used or contemplated for use in consummation of the transactions contemplated by this Master Lease

(m) The Sub-Lessee either has complied or will comply with such public bidding requirements as may be applicable to this Master Lease, each Lease and the Acquisition Fund and Account Control Agreement and the acquisition by the Sub-Lessee of the Equipment as provided in each Lease.

(n) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists as of the date this representation is made.

(o) During each Lease Term, except as otherwise permitted by this Master Lease, the Equipment will be used by the Sub-Lessee, the Sub-Lessee agrees that the Equipment shall be used by the Sub-Lessee as educational facilities, as defined in the Act and which, in the opinion of the Sub-Lessee, are necessary, desirable and to the benefit and best interest of the Sub-Lessee.

(p) The Sub-Lessee further covenants and agrees, however, that at no time shall the Equipment, or any part thereof, be used or be allowed to be used for sectarian instruction or as a place for religious worship.

[(q) In connection with the installation of any Equipment, the Sub-Lessee hereby acknowledges that the provisions of N.J.S.A. 18A:72A-5.1 to -5.4 relating to payment of the prevailing wage rate determined by the Commissioner of Labor and Workforce Development pursuant to the Prevailing Wage Act (N.J.S.A. 34:11-56.25 *et seq.*) may apply, to the extent such installation is deemed to constitute "construction" within the meaning of such statutes. The Sub-Lessee covenants to comply with such requirements to the extent the same may be applicable.]

(r) The Sub-Lessee hereby agrees that the Lessee may use photographs or videos taken on the Sub-Lessee's campus (whether taken by the Authority or other person) in Lessee's newsletters, reports or other publications or materials (including powerpoint presentations) in connection with the Authority's operations.

(s) During the period this Master Lease is in force, the Sub-Lessee shall furnish or cause to be furnished to the Lessor and the Lessee, at the Sub-Lessee's expense, as soon as available and in any event not later than 180 days after the end of each of its fiscal years, the

audited financial statements of the Sub-Lessee as of the close of and for such fiscal year, audited by and with the report of the Sub-Lessee's auditor who shall be an independent certified public accountant acceptable to the Lessor, in accordance with Generally Accepted Accounting Principles and such other financial information relating to the ability of the Sub-Lessee to continue performing under each Lease as may be reasonably requested by the Lessor or the Lessee, including management prepared budget updates presented to the Board of Trustees of the Sub-Lessee and operating and statistical information which the Sub-Lessee is obligated to provide pursuant to existing continuing disclosure agreements pursuant to Securities and Exchange Commission Rule 15c2-12.

(t) The Sub-Lessee has kept, and throughout each Lease Term shall keep, its books and records in accordance with generally accepted accounting principles.

(u) The weighted average maturity (determined in accordance with the Code) of any Lease will not exceed one hundred twenty percent (120%) of the weighted average reasonably expected economic life in the hands of the Sub-Lessee of the Equipment financed by Lease Proceeds derived from such Lease.

(v) (A) Sub-Lessee is, and will at all times remain, in compliance with the following (collectively, "Anti-Terrorism Law"): (1) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, (2) the USA PATRIOT Act, Public Law 107-56, as amended; (3) Executive Order No. 13,224 of September 24, 2001, Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism, 66 U.S. Fed. Reg. 49,079 (2001), as amended ("Executive Order No. 13,224"), and (4) any statute, treaty, law (including common law), ordinance, regulation, rule, order, opinion, release, injunction, writ, decree or award of any governmental authority relating to terrorism or money laundering; (B) neither Sub-Lessee nor any Affiliate (as defined in any applicable Anti-Terrorism Law) of Sub-Lessee, or to Sub-Lessee's knowledge, any of its respective agents acting or benefitting in any capacity in connection with any transactions hereunder, is any of the following (each a "Blocked Person"): (i) a person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order No. 13,224, (ii) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13,224, (iii) a person with which Lessor is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law, (iv) a person that commits, threatens or conspires to commit or supports "terrorism" as defined in Executive Order No. 13,224, (v) a person that is named as a "specially designated national" on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control at its official website or any replacement website or other replacement official publication of such list, or (vi) a person who is affiliated with a person listed above; and (C) Sub-Lessee shall not, directly or indirectly, make any payments to any government official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

Section 3.02. Representations and Covenants of the Lessor. The Lessor represents, covenants and warrants, for the benefit of the Lessee and the Sub-Lessee, on the date hereof and as of the date of execution and delivery of each Lease, as follows:

(a) The Lessor is a [corporation] [limited liability company] duly created and validly existing and in good standing under the laws of the State of _____. The Lessor has all necessary licenses and permits, if any, required to carry on its business and to operate all of its properties.

(b) The Lessor is authorized under the laws of the State of _____ and of the State and its organizational documents to enter into this Master Lease, each Lease and the Acquisition Fund and Account Control Agreement and the transactions contemplated hereby and thereby and to perform all of its obligations hereunder and under each Lease and the Acquisition Fund and Account Control Agreement.

(c) The Lessor has been duly authorized to execute and deliver this Master Lease, each Lease and the Acquisition Fund and Account Control Agreement under the terms and provisions of a resolution of its [board of trustees] [members], and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Master Lease, each Lease and the Acquisition Fund and Account Control Agreement against the Lessor.

(d) The execution and delivery by the Lessor of this Master Lease, each Lease and the Acquisition Fund and Account Control Agreement and the other documents contemplated herein and the compliance with the provision of any and all of the foregoing documents, and the application of the proceeds of each Lease, together with certain other moneys, for the purposes in this Master Lease, do not and will not constitute a default under any agreement or instrument to which the Lessor is a party or by which the Lessor or any of its properties is or may be bound, nor will such action result in any violation of the [articles of incorporation or by-laws] [operating agreement] of the Lessor, any statute, order, rule or regulation applicable to the Lessor, or any order of any Federal, state or other regulation agency or other governmental body having jurisdiction over the Lessor, and all consents, approvals, authorizations and orders of any governmental or regulatory agency that are required for the consummation of the transactions contemplated hereby, insofar as they may relate to the Lessor, have been obtained and are or will be in full force and effect upon entry into this Master Lease, any Lease and the Acquisition Fund and Account Control Agreement.

(e) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists as of the date this representation is made. No default, event of default or event which, with notice or lapse of time, or both, would constitute a default or an event of default under any other material agreement or material instrument to which the Lessor is a party or by which the Lessor is or may be bound or to which any properties of the Lessor are or may be subject, has occurred and is continuing.

(f) This Master Lease, the Acquisition Fund and Account Control Agreement and the Lease entered simultaneously herewith are the legal, valid and binding general obligations of the Lessor and each other Lease entered into pursuant to the Master Lease will be legal, valid and

binding general obligations of the Lessor and all of such Agreements are enforceable in accordance with their respective terms, except as the same may be limited by (a) applicable insolvency, reorganization, liquidation, moratorium, receivership, readjustment of debt, or other similar laws affecting the enforcement of creditor's rights generally, as such laws may be applied in the event of an insolvency, reorganization, liquidation, moratorium, receivership, readjustment of debt or other similar proceedings, and (b) equitable principles (whether in a proceeding in equity or at law).

(g) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any public board or body pending or, to the knowledge of the Lessor, threatened against or affecting the Lessor or any of its properties (or, to the best of the Lessor's knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse effect on (i) the title of the Lessor's officers to their respective offices, (ii) the existence or the organization of the Lessor or any power of the Lessor, (iii) the validity of the proceedings, for the adoption, authorization, execution, with repayment of the Master Lease, the Leases and the Acquisition Fund and Account Control Agreement or its performance in connection with therewith, or (iv) the validity or the enforceability of this Master Lease, the Leases and the Acquisition Fund and Account Control Agreement or of any agreement or instrument to which the Lessor is a party and which is used or contemplated for use in consummation of the transactions contemplated by this Master Lease.

ARTICLE IV

Section 4.01 Lease and Sub-Lease of Equipment. Subject to the terms of this Master Lease, the Lessor agrees to provide the funds specified in each Lease to be provided by it to acquire the Equipment. Upon the execution of each Lease, the Lessor demises, leases, transfers and lets to the Lessee, and the Lessee acquires, rents, leases and hires from the Lessor, the Equipment set forth in such Lease, all in accordance with the provisions of such Lease. The Lessee agrees to lease from the Lessor and sub-lease to the Sub-Lessee, and the Sub-Lessee agrees to sub-lease from the Lessee, the Equipment set forth in such Lease, in accordance with the provisions of such Lease. The Sub-Lessee and the Lessee hereby acknowledge and agree that the Lessor shall retain a first lien on the Equipment in accordance with each Lease, as provided in Section 8.02 hereof. The Lessor acknowledges and agrees that, if Sub-Lessee has acquired certain Equipment prior to execution hereof, then such Equipment shall be deemed to be acquired pursuant hereto and that Sub-Lessee shall be entitled to be reimbursed for costs incurred to acquire such Equipment.

Section 4.02 Conditions to Lessor's Performance Under Leases.

(a) As a prerequisite to the performance by the Lessor of any of its obligations pursuant to a Lease, the conditions provided in subsection (b) of this Section 4.02 shall be satisfied and the Lessee shall deliver or cause to be delivered to the Lessor the following:

- (i) a fully completed Schedule, executed by the Lessee;

(ii) an Acquisition Fund and Account Control Agreement, executed by the Lessee and the Acquisition Fund Custodian, unless the Lessor pays 100% of the Acquisition Amount directly to the Vendor upon execution of the Lease;

(iii) a copy of the resolution of the governing body of the Lessee authorizing the execution of such Schedule, the Acquisition Fund and Account Control Agreement and related documents, certified by an Authorized Officer of the Lessee;

(iv) an opinion of the Lessee's bond or special tax counsel as to the exclusion from gross income of the interest component of the Rental Payments payable pursuant to such Schedule and other related matters in the form set forth in Exhibit D hereto and an opinion of the Attorney General of the State of New Jersey addressed to the Lessee substantially in the form attached hereto as Exhibit E;

(v) Tax Certificate, executed by an Authorized Officer of the Lessee;

(vi) an IRS Form 8038 with respect to the Lease, completed and executed by the Lessee;

(vii) evidence of publication of notice required pursuant to Section 147(f) of the Code;

(viii) evidence that the financing of the Equipment has been approved by the "applicable elected representative" of the Lessee after a public hearing held upon reasonable notice;

(ix) an incumbency certificate of the Lessee, as to the identity of those individuals authorized to execute and deliver the Lease and all related documents, including specimen signatures of such individuals; and

(x) such other items, if any, as are set forth in such Lease or are reasonably required by the Lessor.

(b) As a prerequisite to the performance by the Lessor of any of its obligations pursuant to a Lease, the conditions provided in subsection (a) of this Section 4.02 shall be satisfied and the Sub-Lessee shall deliver or cause to be delivered to the Lessor the following:

(i) a fully completed Schedule, executed by the Sub-Lessee;

(ii) an Acquisition Fund and Account Control Agreement, executed by the Sub-Lessee, unless the Lessor pays 100% of the Acquisition Amount directly to the Vendor upon execution of the Lease;

(iii) a copy of the resolution of the Board of Trustees of the Sub-Lessee authorizing the execution of such Schedule, the Acquisition Fund and Account Control Agreement and related documents, certified by an Authorized Officer of the Sub-Lessee;

(iv) the Tax Certificate executed by an Authorized Officer of the Sub-Lessee;

(v) an incumbency certificate of the Sub-Lessee as to the identity of those individuals authorized to execute and deliver the Lease and all related documents, including specimen signatures of such individuals;

(vi) certificates of insurance demonstrating compliance with the insurance provisions of Section 9.03 with respect to the Equipment financed by such Lease;

(vii) appropriate financing statements on Form UCC-1 required to perfect the security interest in the Equipment to be financed by such Lease, and notice of security interest and assignment to the Acquisition Fund Custodian with respect to the Acquisition Fund;

(viii) an opinion of counsel of the Sub-Lessee, addressed to the Lessor and Lessee, substantially in the form attached hereto as Exhibit F;

(ix) executed cop(ies) of any waiver(s), release(s) and/or subordination(s) required by Section 8.05 of this Agreement;

(x) evidence satisfactory to the Lessor that the Sub-Lessee has complied with any covenants of the Sub-Lessee contained in any documents to which it is a party, including without limitation covenants relating to the incurrence of indebtedness and the creation of liens on its properties; and

(xi) such other items, if any, as are set forth in such Lease or are reasonably required by the Lessor.

(c) Notwithstanding anything in this Master Lease to the contrary, this Master Lease is not a commitment by the Lessor to enter into any Lease not currently in existence, and nothing in this Master Lease shall be construed to impose any obligation upon the Lessor to enter into any proposed Lease, it being understood that whether the Lessor enters into any proposed Lease shall be a decision solely within the Lessor's discretion.

(d) The Lessee and the Sub-Lessee will each cooperate with the Lessor in the Lessor's review of any proposed Lease. Without limiting the foregoing, the Lessee and the Sub-Lessee will each provide the Lessor with any documentation or information the Lessor may request in connection with the Lessor's review of any proposed Lease. Such documentation may include, without limitation, documentation concerning the Equipment and its contemplated use and location and documentation or information concerning the financial status of the Sub-Lessee and other matters related to the Lessee and the Sub-Lessee.

(e) Lessor agrees, upon execution of this Master Lease and entry into any Lease hereunder to provide to Lessee and Sub-Lessee a copy of the resolution of Lessor's governing body authorizing entry by Lessor into such transaction, an opinion of Lessor's counsel as to the due authorization and enforceability of this Master Lease and each such Lease and such certifications or other documents as are required by Lessee's bond or special tax counsel and/or to provide the opinion required of Lessee's bond or special tax counsel hereunder.

ARTICLE V

Section 5.01 Commencement of Lease Term. The Lease Term applicable to each Lease shall commence and interest shall begin to accrue on the date specified in such Lease and shall continue until all Rental Payments and all other amounts due under such Lease have been paid in full, unless terminated earlier as provided in Section 5.02.

Section 5.02 Termination of Lease Term. The Lease Term applicable to each Lease shall terminate upon the earliest to occur of any of the following events:

- (a) the exercise by the Sub-Lessee of the option granted under the provisions of Article X or XII hereof to purchase the Equipment identified in such Lease and the payment of all other amounts due from the Sub-Lessee with respect to such Lease; or
- (b) the Lessor's election to terminate a Lease under Article XIV due to the Sub-Lessee's default under such Lease; or
- (c) the date on which the Sub-Lessee has paid all amounts due from the Sub-Lessee under all Leases that have been entered into as provided in this Master Lease.

ARTICLE VI

Section 6.01 Payment of Rental Payments. The Sub-Lessee shall promptly pay to the Lessor, on behalf of the Lessee, Rental Payments in lawful money of the United States of America, in the amounts and on the dates set forth in each Lease. All other amounts required to be paid by the Sub-Lessee under a Lease shall be paid in lawful money of the United States of America. Any and all payment obligations hereunder or on account of breach hereof or of any lease shall be the sole obligation of the Sub-Lessee and no provision, covenant or agreement contained in any Lease or any obligation imposed on the Lessee in a Lease, or the breach thereof, shall constitute or give rise to or impose upon the Lessee a pecuniary liability, a charge upon its general credit or taxing powers or a pledge of its general revenues. In making the agreements, provisions and covenants set forth in any Lease, the Lessee has no obligation other than a special, limited obligation to make payments solely from Rental Payments made by the Sub-Lessee. The Sub-Lessee shall pay directly to the Lessor for the benefit of the Lessee a charge on any Rental Payment not paid on the date such payment is due at the rate of 12% per annum from such date, computed daily on the basis of a 360 day year and actual days elapsed. The obligations of Sub-Lessee under each Lease shall be general obligations of the Sub-Lessee payable from any legally available funds of the Sub-Lessee.

Section 6.02 Interest and Principal Components. A portion of each Rental Payment is paid as, and represents payment of, interest, and the balance of each Rental Payment is paid as, and represents payment of, principal. Each Lease shall set forth the principal and interest components of each Rental Payment payable thereunder during the Lease Term.

Section 6.03 Rental Payments to Be Unconditional. The obligations of the Sub-Lessee to make payment of the Rental Payments required under this Article VI and to make other payments under each Lease and to perform and observe the covenants and agreements contained in each Lease shall be absolute and unconditional in all events, without abatement, diminution,

deduction, set-off or defense for any reason, including without limitation any failure of the Equipment to be delivered or installed, any defects, malfunctions, breakdowns or infirmities in the Equipment or any accident, condemnation, destruction or unforeseen circumstances. Notwithstanding any dispute between the Sub-Lessee and any of the Lessee, the Lessor, any Vendor or any other person, the Sub-Lessee shall make all Rental Payments when due and shall not withhold any Rental Payments pending final resolution of such dispute, nor shall the Sub-Lessee assert any right of set-off or counterclaim against its obligation to make such payments required under any Lease. The Lessor shall promptly notify the Lessee of any interruption of payments due under any Lease.

Section 6.04 Tax Covenant.

(a) It is the intention of the parties hereto that the interest portion of the Rental Payments received by the Lessor under any Lease be and remain excludible from gross income for purposes of federal income taxation.

(b) The Lessee and the Sub-Lessee each covenant that it will take no action or permit any action which would cause the interest component of Rental Payments to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes, nor will it omit to take or cause to be taken, in timely manner, any action, which omission would cause the interest component of Rental Payments to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes.

(c) The Sub-Lessee covenants that it will pay any rebate due to the United States of America in connection with each Lease and that it will take any and all other action lawfully within its powers and applicable to the acts done or omitted by the Sub-Lessee so as to maintain such exclusion from gross income for federal income tax purposes of the interest component of the Rental Payments under each Lease, and that it will not perform an act or enter into any agreement or use or permit the use of the Equipment or any portion thereof in a manner that shall have the effect of terminating such exclusion from gross income for federal income tax purposes of the interest component of the Rental Payments received by the Lessor, including, without limitation, leasing or transferring all or any portion of the Equipment or contracting with a third party for the use or operation of all or any portion of the Equipment if entering into such lease, transfer or contract would have such effect.

(d) It is the intention of the parties hereto that the Sub-Lessee shall be treated as the owner of the Equipment for federal income tax purposes. Neither the Lessor nor the Lessee shall take any action inconsistent with the Sub-Lessee's ownership of the Equipment for federal income tax purposes except pursuant to the exercise of remedies under Article XIV.

Section 6.05 Initial and Annual Administrative Fees; Expenses of Rebate Calculations and Compliance. The Sub-Lessee shall pay the Initial Administrative Fee to the Lessee on the date of original execution and delivery of each Lease. The Sub-Lessee shall also pay to the Lessee the Annual Administrative Fee (if any) within thirty (30) days after the Sub-Lessee's receipt of an invoice therefor from the Lessee. The obligation to pay the Annual Administrative Fee (if any) shall continue until all of the Sub-Lessee's obligations under this Master Lease have

been paid in full. The Sub-Lessee agrees to pay all costs of complying with rebate requirements including without limitation fees of professionals retained by the Lessee for purposes of complying with rebate requirements.

ARTICLE VII

Section 7.01 Delivery, Installation and Acceptance of Equipment. The Sub-Lessee shall order the Equipment, cause the Equipment to be delivered and installed at the location specified in each Lease and pay any and all delivery and installation costs and other Equipment Costs in connection therewith. When the Equipment listed in any Lease has been delivered and installed, the Sub-Lessee shall immediately accept such Equipment and evidence said acceptance by executing and delivering to the Lessor and the Lessee a Certificate of Acceptance.

Section 7.02 Enjoyment of Equipment. The Lessor and the Lessee shall provide the Sub-Lessee with quiet use and enjoyment of the Equipment during the respective Lease Term, and the Sub-Lessee shall peaceably and quietly have, hold and enjoy the Equipment during each respective Lease Term, without suit, trouble or hindrance from the Lessor or the Lessee, except as expressly set forth in the related Lease. Neither the Lessor nor the Lessee shall interfere with such quiet use and enjoyment during such respective Lease Term so long as the Sub-Lessee is not in default under the related Lease.

Section 7.03 Location; Inspection. Once installed, no item of the Equipment will be moved from the location specified for it in the Lease on which such item is listed without the Lessor's consent, which consent shall not be unreasonably withheld. The Lessor and the Lessee shall have the right at all reasonable times during regular business hours, upon reasonable advance notice to the Sub-Lessee, to enter into and upon the property of the Sub-Lessee for the purpose of inspecting the Equipment.

ARTICLE VIII

Section 8.01 Title to the Equipment. During each Lease Term, and so long as the Sub-Lessee is not in default under Article XIV hereof, all right, title and interest in and to each item of the Equipment shall be vested in the Sub-Lessee immediately upon its acceptance of each item of Equipment, subject to the terms and conditions of the applicable Lease. The Sub-Lessee shall at all times protect and defend, at its own cost and expense, its title in and to the Equipment from and against all claims, liens and legal processes of creditors of the Sub-Lessee, and keep all Equipment free and clear of all such claims, liens and processes. Upon the occurrence of an Event of Default or upon termination of a Lease pursuant to Section 5.02(b) hereof, full and unencumbered legal title to the Equipment shall pass to the Lessor, and the Sub-Lessee shall have no further interest therein. In addition, upon the occurrence of such an Event of Default or such termination, the Sub-Lessee shall execute and deliver to the Lessor such documents as the Lessor may request to evidence the passage of such legal title to the Lessor and the termination of the Sub-Lessee's interest therein, and upon request by the Lessor shall deliver possession of the Equipment to the Lessor in accordance with Section 14.02. Upon purchase of the Equipment under a Lease by the Sub-Lessee pursuant to Section 12.01 or 12.02, the Lessor's security interest or other interest in the Equipment shall terminate, and the Lessor shall execute and

deliver to the Sub-Lessee such documents as the Sub-Lessee may request to evidence the termination of the Lessor's security interest in the Equipment subject to the related Lease.

Section 8.02 Security Interest in Equipment and Acquisition Fund. As security for the Sub-Lessee's payment to the Lessor on behalf of the Lessee of Rental Payments and all other amounts payable to the Lessor under each Lease and performance of all other obligations under each Lease, the Sub-Lessee hereby grants to the Lessee and the Lessee hereby assigns to the Lessor a security interest constituting a first lien on (a) the Equipment under such Lease, (b) moneys and investments held from time to time in the Acquisition Fund and (c) any proceeds of any of the foregoing. The Lessee and the Sub-Lessee agree to execute such additional documents, including financing statements, chattel mortgages, affidavits, notices and similar instruments, in form satisfactory to the Lessor, which the Lessor deems necessary or appropriate to establish and maintain its security interest. The Lessor acknowledges and agrees that any representations and covenants in this agreement as to the priority of the security interests granted herein are representations and covenants solely of the Sub-Lessee and that the Lessee makes no such representations or covenants.

Section 8.03 Change in Name or Corporate Structure of Sub-Lessee; Change in Location of Sub-Lessee's Principal Place of Business. The Sub-Lessee shall provide written notice to the Lessor and the Lessee of any change in its name, corporate structure or principal place of business. Such notice shall be provided thirty (30) days in advance of the date that such change is planned to take effect. This Section shall also apply to any of the Sub-Lessee's assignees or subassignees. The Sub-Lessee may not change its corporate structure unless the Lessor and the Lessor are provided with an opinion of Bond Counsel, that such change does not adversely affect the exclusion from gross income of the interest component of Rental Payments or adversely affect the security interests granted to the Lessor herein.

Section 8.04 Liens and Encumbrances to Title. The Sub-Lessee shall keep the Equipment free of all levies, liens and encumbrances except those created by each Lease. The Sub-Lessee shall promptly discharge any mechanics' or materialmen's liens placed on the Equipment under each Lease.

Section 8.05 Personal Property. The Equipment is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. Upon the request of the Lessor, the Sub-Lessee shall, at the Sub-Lessee's expense, furnish to the Lessor and the Lessee a waiver, release and/or subordination of any interest in the Equipment from any party having an interest in any such real estate or building.

ARTICLE IX

Section 9.01 Maintenance of Equipment by Sub-Lessee. At all times during each Lease Term, the Sub-Lessee shall, at its own cost and expense, maintain, preserve and keep the Equipment in good repair, working order and condition, and from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. Neither the Lessor nor the Lessee shall have any responsibility in any of these matters or for the making of improvements

or additions to the Equipment. The Sub-Lessee shall perform or have performed at its own expense any maintenance or repair necessary to keep the Equipment in working order.

Section 9.02 Taxes, Other Governmental Charges and Utilities Charges. The parties to this Master Lease contemplate that the Equipment will be used for the tax-exempt purposes of the Sub-Lessee and, therefore, that the Equipment will be exempt from all property taxes. In the event that the use, possession or acquisition of the Equipment is nevertheless determined to be subject to taxation in any form (except for income taxes of the Lessor), the Sub-Lessee shall pay during each Lease Term, as the same respectively come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to such Equipment, as well as all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment; provided that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, the Sub-Lessee shall be obligated to pay only such installments as accrue during each Lease Term.

Section 9.03 Provisions Regarding Insurance. The Sub-Lessee shall, at its own expense, cause casualty, public liability and property damage insurance to be carried and maintained, or demonstrate to the satisfaction of the Lessor and the Lessee that adequate self-insurance is provided, with respect to the Equipment sufficient to protect the full replacement value of the Equipment and to protect the Lessor, the Lessee and the Sub-Lessee from liability in all events. All insurance proceeds from casualty losses shall be payable to the Lessor and the Sub-Lessee as hereinafter provided. The Sub-Lessee shall furnish to the Lessor and the Lessee, upon request, certificates of insurance evidencing such coverage throughout each Lease Term. Alternatively, upon the written approval of the Lessor and the Lessee, the Sub-Lessee may insure the Equipment under a blanket insurance policy or policies that cover not only the Equipment but also other properties.

Any insurance policy pursuant to this Section shall be so written or endorsed as to make losses, if any, payable to the Lessor and the Sub-Lessee as their respective interests may appear and naming both the Lessor and the Lessee as additional insureds for liability. The Net Proceeds (as defined in Section 10.01) of the insurance required in this Section shall be applied as provided in Article X hereof. Each insurance policy provided for in this Section shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of the Lessor without first giving written notice thereof to the Lessor and the Lessee at least thirty (30) days in advance of such cancellation or modification; provided however that notice must be given no less than ten (10) days in advance of cancellation or modification for nonpayment if such ten (10) day cancellation period is customary in the insurance industry.

Section 9.04 Advances. In the event that the Sub-Lessee shall fail to maintain the full insurance coverage required by each Lease or shall fail to keep the Equipment in good repair and operating condition, the Lessor may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Lessor, together with interest thereon at the rate of twelve percent (12%) per annum, the Sub-Lessee shall pay to the Lessor on demand.

Section 9.05 Modifications and Substitutions.

(a) The Sub-Lessee shall not, without the prior written consent of the Lessor, make any material alterations, modifications or additions to the Equipment that cannot be removed without materially damaging the functional capabilities or economic value of the Equipment. Upon return of the Equipment to the Lessor in accordance with Section 14.02, and at the request of the Lessor, the Sub-Lessee, at its sole cost and expense, shall remove all alterations, modifications and additions and repair the Equipment as necessary to return the Equipment to the condition in which it was furnished, ordinary wear and tear and permitted modifications excepted.

(b) Notwithstanding the provisions of subsection (a) of this Section, the Sub-Lessee may, with the prior written consent of the Lessor, substitute for parts, elements, portions or all of the Equipment, other parts, elements, portions, equipment or facilities; provided, however, that any substitutions made pursuant to the Sub-Lessee's obligations to make repairs referenced under Section 9.01 or 10.01 hereof shall not require such prior written consent. The Sub-Lessee shall provide such documents or assurances as the Lessor may reasonably request to maintain or confirm the Lessor's security interest in the Equipment as so modified or substituted.

ARTICLE X

Section 10.01 Damage, Destruction and Condemnation. Unless the Sub-Lessee shall have exercised its option to purchase the Equipment by making payment of the Purchase Price as provided in the related Lease, if prior to the termination of the applicable Lease Term (a) the Equipment or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty, or (b) title to, or the temporary use of, the Equipment or any part thereof or the estate of the Sub-Lessee in the Equipment or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, then the Sub-Lessee, the Lessee and the Lessor will cause the Net Proceeds (as hereinafter defined) of any insurance claim to be applied to the prompt repair, restoration, replacement, modification or improvement of the Equipment and the Net Proceeds of any condemnation award or sale under threat of condemnation to be applied to the prompt repair, restoration, replacement, modification or improvement of the Equipment. Any balance of the Net Proceeds remaining after application in accordance with the preceding sentence shall be paid to the Sub-Lessee.

If the Sub-Lessee elects to replace any item of Equipment (the "Replaced Equipment") pursuant to this Section, the replacement equipment (the "Replacement Equipment") shall be of similar type, utility and condition to the Replaced Equipment and shall be of equal or greater value than the Replaced Equipment. The Sub-Lessee shall represent, warrant and covenant to Lessor that each item of Replacement Equipment is free and clear of all claims, liens, security interests and encumbrances, excepting only those liens created by or through the Lessor, and shall provide to the Lessor any and all documents as the Lessor may reasonably request in connection with the replacement, including, but not limited to, documentation in form and substance satisfactory to Lessor evidencing Lessor's security interest in the Replacement Equipment. The Lessor, the Lessee and the Sub-Lessee hereby acknowledge and agree that any Replacement Equipment acquired pursuant to this paragraph shall constitute "Equipment" for

purposes of this Master Lease and the related Lease. Lessee shall complete the documentation of Replacement Equipment on or before the next Rent Payment date after the occurrence of a casualty event, or be required to exercise the Purchase Option with respect to the damaged equipment.

For purposes of Section 9.03 and this Article X, the term “Net Proceeds” shall mean the amount remaining from the gross proceeds of any insurance claim, condemnation award or sale under threat of condemnation after deducting all expenses (including attorneys’ fees) incurred in the collection thereof.

Section 10.02 Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, replacement, modification or improvement referred to in Section 10.01 hereof, the Sub-Lessee shall either (a) complete such repair, restoration, replacement, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, in which event the Sub-Lessee agrees that if the Sub-Lessee shall make any payments pursuant to the provisions of this Section, the Sub-Lessee shall not be entitled to any reimbursement therefor from the Lessor or the Lessee nor shall the Lessee or the Sub-Lessee be entitled to any diminution of the amounts payable under Article VI hereof; or (b) pay or cause to be paid to the Lessor the amount of the then applicable Purchase Price for the Equipment, and, upon such payment, the applicable Lease Term shall terminate and the Lessor’s security interest in the Equipment shall terminate as provided in Article VIII hereof. The amount of the Net Proceeds in excess of the then applicable Purchase Price, if any, shall be retained by the Sub-Lessee.

ARTICLE XI

Section 11.01 Disclaimer of Warranties. THE LESSOR AND THE LESSEE MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE EQUIPMENT, OR ANY OTHER WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT THERETO AND, AS TO THE LESSOR AND THE LESSEE, THE SUB-LESSEE’S ACQUISITION OF THE EQUIPMENT SHALL BE ON AN “AS IS” BASIS. In no event shall the Lessor or the Lessee be liable for any loss or damage in connection with or arising out of this Master Lease, any Lease, the Equipment or the existence, furnishing, functioning or the Sub-Lessee’s use of any item or products or services provided for in this Master Lease or any Lease.

Section 11.02 Vendor’s Warranties. The Lessor and the Lessee hereby irrevocably appoint the Sub-Lessee their agent and attorney-in-fact during each Lease Term, so long as the Sub-Lessee shall not be in default under a Lease, to assert from time to time whatever claims and rights including warranties of the Equipment which the Lessor or the Lessee may have against the Vendor. The Sub-Lessee’s sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Equipment, and not against either or both of the Lessor and the Lessee, nor shall such matter have any effect whatsoever on the rights and obligations of the Lessor or the Lessee with respect to this Master Lease or any Lease, including the right to receive full and timely payments under any Lease. The Sub-Lessee expressly acknowledges that the Lessor and the Lessee make, and have made, no representation or

warranties whatsoever as to the existence or availability of such warranties of the Vendor of the Equipment.

Section 11.03 Use of the Equipment. The Sub-Lessee shall not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by the related Lease. The Sub-Lessee shall obtain all permits and licenses, if any, necessary for the installation and operation of the Equipment. The Sub-Lessee shall comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each item of the Equipment) with all laws of the jurisdictions in which its operations involving any component of Equipment may extend and of any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the items of the Equipment or its interest or rights under each Lease; provided that the Sub-Lessee may contest in good faith the validity or application of any such law, regulation or ruling in any reasonable manner that does not, in the opinion of the Lessor (as to its interests) and the Lessee (as to its interests), adversely affect the respective interests of the Lessor and the Lessee, as applicable, in and to the Equipment or their respective interests or rights under the related Lease.

Section 11.04 The Sub-Lessee's Indemnification. The Sub-Lessee waives and releases any claim now or hereafter existing against the Lessor, the Lessee, any company controlled by, controlling, or under common control with the Lessor or the Lessee and all of their directors, officers, employees, agents, attorneys, successors and assigns (each, an "Indemnified Person") on account of, and shall, to the extent permitted by law, indemnify, reimburse and hold each Indemnified Person harmless from, any and all claims (including, but not limited to, claims based on or relating to copyright, trademark or patent infringement, environmental liability, negligence, strict liability in tort, statutory liability or violation of laws), losses, damages, obligations, penalties, liabilities, demands, suits, judgments or causes of action (collectively, "Claims"), and all legal proceedings, and any reasonable costs or expenses in connection therewith, in each case imposed on, incurred by or asserted against the Indemnified Person in any way relating solely to, connected solely with or arising solely in any manner out of: (i) the registration, purchase, or the ownership, delivery, condition, lease, assignment, storage, transportation, possession, use, operation, return, repossession, sale or other disposition of, any Equipment, before or during its Lease Term, (ii) any alleged or actual defect in any Equipment (whether arising from the material or any article used therein, the design, testing, use, maintenance, service, repair or overhaul thereof or otherwise) regardless of when such defect is discovered or alleged, provided that the Equipment is in Sub-Lessee's possession; (iii) any assertion or determination by the Internal Revenue Service that the interest component of Rental Payments is not excludable from gross income for federal income tax purposes or (iv) this Lease or any other related document, the enforcement hereof or thereof or the consummation of the transactions contemplated hereby or thereby, other than (x) any Claim against Lessor resulting solely from the negligence or willful misconduct of the Lessor (other than any negligence or willful misconduct of another party imputed to the Lessor), or (y) any Claim against Lessee resulting solely from the gross negligence or willful misconduct of the Lessee (other than gross negligence or willful misconduct of another party imputed to the Lessee), unless covered by the insurance the Sub-Lessee is required to maintain hereunder.

Section 11.05 Taxes.

(a) The Sub-Lessee shall pay or reimburse the Lessor and the Lessee for any and all fees (including, but not limited to, license, documentation, recording or registration fees) and all sales, use, gross receipts, property, occupational, value added or other taxes, levies, imposts, duties, assessments, charges or withholdings of any nature whatsoever, together with any penalties, fines or additions to tax, or interest thereon (each of the foregoing being hereafter referred to as an "Imposition"), arising at any time before or during the Lease Term, or upon any termination of this Lease or return of the Equipment to the Lessor, and levied or imposed on the Lessor, directly or otherwise, by any federal, state or local government or taxing authority in the United States or by any foreign country or foreign or international taxing authority on or with respect to (a) any of the Equipment, (b) the exportation, importation, registration, purchase, ownership, delivery, leasing, possession, use, operation, storage, maintenance, repair, transportation, return, sale, transfer of title or other disposition thereof, (c) the rents, receipts, or earnings arising from any of the Equipment or (d) the Lease or any payment made hereunder, excluding, however, taxes measured by the Lessor's net income imposed or levied by the United States or any state thereof unless such taxes are in lieu of or in substitution for any Impositions the Sub-Lessee would otherwise have been obligated to pay or reimburse hereunder.

(b) The Sub-Lessee shall pay on or before the time or times prescribed by law each Imposition for which the Sub-Lessee is primarily responsible under applicable law and any other Imposition (except any Imposition excluded by Section 11.05(a) hereof), but the Sub-Lessee shall have no obligation to pay an Imposition that the Sub-Lessee is contesting in good faith and by appropriate legal proceedings and the nonpayment thereof does not, in the reasonable opinion of the Lessor, adversely affect the title, property, use, disposition or other rights of the Lessor with respect to the Equipment. If any Imposition (except an Imposition excluded by Section 11.05(a) hereof) is charged or levied against the Lessor or the Lessee directly and paid by the Lessor or the Lessee, the Sub-Lessee shall reimburse the Lessor or the Lessee on presentation of an invoice therefor.

(c) If the Lessor or the Lessee is not entitled to a corresponding and equal deduction with respect to any Imposition the Sub-Lessee is required to pay or reimburse under Section 11.05(a) or Section 11.05(b) and the payment or reimbursement constitutes income to the Lessor or the Lessee, then the Sub-Lessee shall also pay to the Lessor or the Lessee the amount of any Imposition the Lessor or the Lessee is obligated to pay in respect of (i) such payment or reimbursement by the Sub-Lessee and (ii) any payment by the Sub-Lessee made pursuant to this Section 11.05(c).

The Sub-Lessee shall prepare and file, in a manner satisfactory to the Lessor and the Lessee, any reports or returns required with respect to the Equipment. The Sub-Lessee shall furnish on the Lessor's or the Lessee's request reports or returns so filed.

ARTICLE XII

Section 12.01 Purchase Option. The Sub-Lessee shall be entitled to full title and all ownership interests in the Equipment identified in a particular Lease, and the Lessor's security interests in and to the Equipment subject to such Lease shall be terminated:

(a) from and after the date specified in the related Schedule (the “Purchase Option Commencement Date”), upon not less than thirty (30) and not more than 120 days’ prior written notice to the Lessor and the Lessee from the Sub-Lessee, and upon the payment to the Lessor of the applicable Purchase Price, which may include a prepayment premium on the unpaid principal balance as set forth in the applicable Schedule, unless otherwise provided in the applicable Lease, and all other amounts due from the Sub-Lessee with respect to such Lease; or

(b) upon payment to the Lessor of the applicable Purchase Price pursuant to Section 10.02(b) and all other amounts due from the Sub-Lessee with respect to such Lease.

Section 12.02 Consummation of Purchase. The Lessor’s security interests in and to the Equipment identified in a particular Lease and in the related Acquisition Fund will be terminated and released in conjunction with the Lessor’s receipt of the full Purchase Price or the final Rental Payment due under such Lease unless an Event of Default shall have occurred and be continuing as of such date. On such date, the Lessor shall deliver to the Lessee and the Sub-Lessee such deeds, releases, termination statements, bills of sale and other documents and instruments as the Lessee and Sub-Lessee shall reasonably require to evidence the transfer of all right, title and interest of the Lessor in and to such Equipment to the Sub-Lessee free and clear of all liens and encumbrances created by or arising, directly or indirectly, through the Lessor.

Section 12.03 Mandatory Prepayment.

(a) A Lease shall be subject to mandatory prepayment in the event that at the end of the Acquisition Period there are unspent funds in the account within the Acquisition Fund relating to such Lease. In such event, such unspent funds shall, on the next Rental Payment date under the Lease, be applied pro rata to the prepayment of the principal components of outstanding Rental Payments, unless otherwise provided in such Lease. The remaining Rental Payments shall be recomputed based upon the reduced principal balance and the Lease shall be amended to reflect such prepayment of principal. The Lessor, the Lessee and the Sub-Lessee shall execute the revised Lease to acknowledge such prepayment of principal.

(b) All or substantially all of the assets of the Sub-Lessee, including the Sub-Lessee’s interest in the Equipment under each Lease, may be acquired in any manner by another entity, subject to the opinion of the Lessor’s special tax counsel as to the continued exclusion from gross income of the interest component of the Rental Payments. However, if all or substantially all of the assets of the Sub-Lessee, including the Sub-Lessee’s interest in the Equipment under each Lease, are acquired in any manner by another entity, the Sub-Lessee shall, at the direction of the Lessor, prepay in whole the then applicable Purchase Price of all Equipment identified under all Leases.

ARTICLE XIII

Section 13.01 Assignment by Lessor. (a) The Lessor’s right, title and interest in and to Rental Payments and any other amounts payable by the Sub-Lessee under any and all of the Leases and the Lessor’s security interest in the Equipment subject to each such Lease and in the Acquisition Fund or any portion thereof, and all proceeds therefrom, may be assigned and reassigned in whole or in part to one or more assignees or subassignees by the Lessor without the

necessity of obtaining the consent of the Lessee or the Sub-Lessee; provided, however, that no such assignment or reassignment shall be effective unless and until (a) the Lessee and Sub-Lessee shall have received notice of the assignment or reassignment disclosing the name and address of the assignee or subassignee, and (b) in the event that such assignment or reassignment is made to a bank or trust company as trustee for holders of certificates representing interests in such a Lease, such bank or trust company agrees to maintain, or cause to be maintained, a book-entry system by which a record of the names and addresses of such holders as of any particular time is kept and agrees, upon request of the Lessee, to furnish such information to the Lessee. During the term of each Lease, the Lessee shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149 of the Code. The Lessee and the Sub-Lessee agree to execute all documents, including notices of assignment and chattel mortgages or financing statements, which may be reasonably requested by the Lessor to protect its interest in the Equipment, in any Lease and in the Acquisition Fund. The Sub-Lessee shall not have the right to and shall not assert against any assignee of the Lessor any claim, counterclaim or other right that the Sub-Lessee may have against the Lessor, the Lessee or any Vendor; the parties acknowledge and agree that the foregoing does not limit or restrict the Sub-Lessee in the exercise of any of its rights against the Lessor, Lessee or any Vendor. Assignments in part may include without limitation assignment of all of the Lessor's security interest in and to the Equipment listed in a particular Lease and all rights in, to and under the Lease related to such Equipment. The option granted in this Section may be separately exercised from time to time with respect to the Equipment listed in each Lease, but such option does not permit the assignment of less than all of the Lessor's interests in all of the Equipment listed in a single Lease.

(b) Lessor or its assignees may not sell or distribute, in fractionalized interests or participations, its interest in its rights to receive Rental Payments under any Lease without the prior written consent of the Lessee and the Sub-Lessee. If Lessee and Sub-Lessee consent to such sale or distribution of such fractionalized interests or participations, Lessor or its assignee (i) shall limit the number of holders of such interests or participations to thirty-five (35) or fewer "sophisticated investors"; (ii) shall issue any such interest or participation in the amount of \$100,000 or more; (iii) shall maintain, on behalf of the Lessee, registration books or a book entry system with respect to the ownership and transfer of such participations or interests that complies with the requirements of Section 149(a) of the Code; (iv) shall not establish any such participations or interests in a manner that would cause interest payments on this Lease received by owners of such participations or interests to be includable in gross income for federal income tax purposes; and (v) shall provide the Lessee and Sub-Lessee with a copy of all offering materials thirty (30) days prior to the time any such interests or participations are offered for sale or distribution. Lessor (i) shall be solely responsible for the allocation of Rental Payments received by Lessor in accordance with subsection (b) hereof among any such participants as their interests may appear; and (ii) shall be solely responsible for the costs and other financial or other liabilities attendant to the establishment, maintenance, and operation of the aforesaid registration books or book entry system. Lessee and Sub-Lessee shall be given notice of the establishment of any such registration books or book entry system and a full written explanation of how such books or system works, including the right to inspect the same during normal business hours, or, if Lessor is not conveniently located for such inspection, Lessee and Sub-Lessee shall be furnished, upon request, with photocopies of such books and records and/or book entry system.

The foregoing to the contrary notwithstanding, Lessee, with the consent of the Sub-Lessee may, at its option and expense, appoint another agent to establish, maintain, and operate the registration books or book entry system contemplated hereunder.

(c) The Lessee has not prepared an Official Statement or other offering materials in connection with the Lease and does not intend to prepare such materials. The Lessor shall not use Certificates of Participation in connection with any Lease.

Section 13.02 No Sale, Assignment or Subleasing by Sub-Lessee. None of the Sub-Lessee's right, title and interest in, to and under any Lease or any portion of the Equipment may be assigned, sold, subleased or encumbered by the Sub-Lessee for any reason; except that the Sub-Lessee may sublease all or part of any Equipment if the Sub-Lessee obtains the prior written consent of the Lessor and the Lessee and an opinion of Bond Counsel that such subleasing will not adversely affect the exclusion of the interest components of the Rental Payments from gross income for federal income purposes. Any such sublease of all or part of any Equipment shall be subject to the applicable Lease and the rights of the Lessor and Lessee in, to and under such Lease and with respect to the Equipment.

ARTICLE XIV

Section 14.01 Events of Default. The following constitute "Events of Default" under a Lease:

(a) failure by the Sub-Lessee to pay any Rental Payment or other payment required to be paid under any Lease at the time when due; or

(b) failure by the Sub-Lessee to maintain insurance on the Equipment in accordance with Section 9.03 hereof; or

(c) failure by the Sub-Lessee to observe and perform any other covenant, condition or agreement on its part to be observed or performed for a period of thirty (30) days after written notice is given to the Sub-Lessee by the Lessor or the Lessee, specifying such failure and requesting that it be remedied; provided, however, that if the Sub-Lessee cannot reasonably cure such failure within thirty (30) days, there shall not be an Event of Default if Sub-Lessee commences cure within said thirty (30) days and diligently pursues the same to completion; or

(d) any statement, representation or warranty made by the Sub-Lessee in or pursuant to any Lease or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made; or

(e) any default occurs under any other agreement for borrowing money or receiving credit under which the Sub-Lessee may be obligated as borrower for an amount greater than \$1,000,000 if such default consists of (i) the failure to pay any indebtedness when due or (ii) the failure to perform any other obligation thereunder and gives the holder of the indebtedness the right to accelerate the indebtedness; or

(f) the Sub-Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of the Sub-Lessee, or of all or a substantial part of its assets, (ii)

be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against the Sub-Lessee in any bankruptcy, reorganization or insolvency proceeding; or

(g) an order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of the Sub-Lessee or of all or a substantial part of its assets, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days; or

(h) the Sub-Lessee liquidates, dissolves, dies or enters into any partnership, joint venture (other than in its ordinary course of business), consolidation, merger or other combination, or sells, leases or disposes of a substantial portion of its business or assets.

Notwithstanding anything to the contrary foregoing, failure of the Sub-lessee to make payment when due under paragraph (a) or to maintain insurance in accordance with Section 9.03 under paragraph (b) shall not be an Event of Default unless Sub-lessee fails to correct the failure within 10 days after written notice from the Lessor.

Section 14.02 Remedies on Default. Whenever any Event of Default shall have occurred and be continuing, the Lessor shall have the right, at its sole option without any further demand or notice, to take any one or any combination of the following remedial steps from time to time insofar as the same are otherwise accorded to the Lessor or the Lessee by applicable law:

(a) By written notice to the Sub-Lessee and the Lessee, declare immediately due and payable an amount equal to all Rental Payments and other amounts then due and unpaid under the related Lease, all interest accrued thereon and unpaid and the entire unpaid principal portion of all remaining Rental Payments due during the applicable Lease Term, whereupon the same shall become immediately due and payable without any further action or notice;

(b) With or without terminating the Lease Term under such Lease, retake possession of the Equipment wherever situated, without any court order or other process of law and without liability for entering the premises, and lease, sub-lease or make other disposition of the Equipment for use over a term in a commercially reasonable manner, all for the account of the Lessor or the Lessee; provided that the Sub-Lessee shall remain directly liable for the deficiency, if any, between the rent or other amounts paid by a lessee or sub-lessee of the Equipment pursuant to such lease or sublease during the same period of time, after deducting all costs and expenses, including reasonable attorney's fees and expenses, incurred with respect to the recovery, repair and storage of the Equipment during such period of time and the Rental Payments due under the related Lease;

(c) With or without terminating the Lease Term under such Lease, retake possession of the Equipment wherever situated, without any court order or other process of law and without liability for entering the premises, and sell the Equipment in a commercially reasonable manner;

(d) Proceed by appropriate court action to enforce performance by the Lessee or the Sub-Lessee of the applicable covenants of such Lease or to recover for the breach thereof, including the payment of all amounts due from the Sub-Lessee. The Sub-Lessee shall pay or repay to the Lessor or the Lessee all costs of such action or court action other than attorneys' fees;

(e) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights with respect to the Equipment subject to such Lease. The Sub-Lessee shall pay or repay to the Lessor or the Lessee all costs of such action or court action other than attorneys' fees; or

(f) Deliver written notice to the Acquisition Fund Custodian to liquidate immediately all investments held in the Acquisition Fund and the Acquisition Fund Custodian shall liquidate such investments and transfer the proceeds thereof and all other moneys held in the Acquisition Fund to the Lessor.

Notwithstanding the provisions of any Lease relative to the passage of legal title to the Equipment thereunder to the Lessor upon an Event of Default by the Sub-Lessee and the delivery of possession to the Lessor or the taking of possession of the Equipment by the Lessor upon an Event of Default by the Sub-Lessee, the Lessor has not and does not hereby agree to accept or retain the Equipment in discharge of the Sub-Lessee's obligations under any Lease. The Lessor, the Lessee and the Sub-Lessee hereby acknowledge and agree that the passage of legal title to the Lessor upon an Event of Default by the Sub-Lessee and the Lessor's obtaining possession of the Equipment is not an election by the Lessor under Section 9-620 of the applicable Uniform Commercial Code or any other provision to accept the Equipment in discharge and satisfaction of the Sub-Lessee's obligations under each Lease. Notwithstanding any other remedy exercised under any Lease, the Sub-Lessee shall remain obligated to pay to the Lessor any unpaid portion of the Purchase Price and all other amounts due under the related Lease.

All of the Sub-Lessee's right, title and interest in and to any Equipment the possession of which is retaken by the Lessor upon the occurrence of an Event of Default (including, without limitation, construction contracts, warranties, guaranties or completion assurances applicable to such Equipment) shall terminate immediately upon such repossession.

Section 14.03 Return of Equipment. Upon any Event of Default, the Sub-Lessee shall promptly, but in any event within ten (10) days after written demand by the Lessor, at the Sub-Lessee's own cost and expense: (a) perform any testing and repairs required to restore such Equipment to the condition required by Section 9.01 hereof; (b) if deinstallation, disassembly or crating is required, cause such Equipment to be deinstalled, disassembled and crated by an authorized manufacturer's representative or such other service person as is satisfactory to the Lessor; and (c) return such Equipment to a location specified by the Lessor within the continental United States, freight and insurance prepaid by the Sub-Lessee. If the Sub-Lessee refuses to return such Equipment in the manner designated as provided herein, the Sub-Lessee shall permit the Lessor to recover such Equipment at the Sub-Lessee's sole cost and expense, including (without limitation) all costs of transportation. In the event that the Sub-Lessee made modifications to a site to accommodate the Equipment and such modifications impede the

removal of the Equipment, the cost of removing the impediments and restoring the site shall be the sole responsibility of the Sub-Lessee.

Section 14.04 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under a Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lessor to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice other than such notice as may be required by this Article.

Section 14.05 Application of Moneys. Any net proceeds from the exercise of any remedy under a Lease (after deducting all expenses of the Lessor in exercising such remedies including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing Equipment and all brokerage, auctioneer's or attorney's fees) shall be applied as follows:

FIRST, to pay all proper and reasonable costs and expenses associated with the recovery, repair, storage and sale of the Equipment, including, but not limited to, sales taxes, and expenses but not including attorneys' fees;

SECOND, to pay (i) the Lessor the amount of all unpaid Rental Payments, if any, which are then due and owing, together with interest and late charges thereon, (ii) the Lessor the then applicable Purchase Price (taking into account the payment of past due Rental Payments as aforesaid), plus a pro rata allocation of interest, at the rate utilized to establish the interest component for the Rental Payment next due pursuant to the applicable Lease, from the next preceding due date of a Rental Payment until the date of payment by the buyer, and (iii) any other amounts due hereunder, including indemnity payments, reimbursement of any advances and other amounts payable to the Lessor under such Lease; and

THIRD, to pay the remainder of the sale proceeds, purchase moneys or other amounts paid by a buyer of the Equipment, to the Sub-Lessee.

Section 14.06 Interest on Late Payment. Any unpaid Rental Payment or other amount payable by the Sub-Lessee to or for the benefit of the Lessor hereunder shall bear interest at the lesser of the maximum interest rate permitted by law or twelve percent (12%) per annum, from the due date until paid and collected.

Section 14.07 Force Majeure. If by reason of force majeure the Sub-Lessee is unable in whole or in part to carry out its agreement herein contained, other than the obligations on the part of the Sub-Lessee contained in Article VI and Sections 9.03 and 11.04 hereof, the Sub-Lessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or the State or any of their respective

departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods or explosions.

ARTICLE XV

Section 15.01 Notices. All notices, certificates or other communications under any Lease shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at the addresses immediately after the signatures to this Master Lease (or at such other address as either party hereto shall designate in writing to the other for notices to such party) and to any assignee at its address as it appears on the registration books maintained by the Lessee.

Section 15.02 Binding Effect. Each Lease shall inure to the benefit of and shall be binding upon the Lessor, the Lessee, the Sub-Lessee and their respective successors and assigns.

Section 15.03 Severability. In the event any provision of any Lease shall be invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 15.04 Amendments. The terms of this Master Lease or any Lease shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the Lessor, the Lessee and the Sub-Lessee.

Section 15.05 Execution in Counterparts. Each Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

Section 15.06 Applicable Law. Each Lease shall be governed by and construed in accordance with the laws of the State of New Jersey, including without limitation, but only as to the Lessee, the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq. and the New Jersey Contractual Liability Act, N.J.S.A. 59: 13-1 et seq., without regard to conflict of laws principles. The parties agree that pursuant to the New Jersey Contractual Liability Act, venue and jurisdiction regarding any matter pertaining to this Agreement shall be in the Superior Court of New Jersey, Law Division, and consent to same.

Section 15.07 Compliance with P.L. 2005, c. 51 and Executive Order No. 117. Each of the Lessor and the Sub-Lessee represents and warrants that all information, certifications and disclosure statements previously provided in connection with P.L. 2005, c. 51, and Executive Order No. 117 (Corzine, 2008) (“Executive Order 117”), are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Lessee has relied upon the truth of the statements contained therein in engaging the Lessor and the Sub-Lessee in connection with the Master Lease or any Lease. The Lessor agrees that it will maintain continued compliance with P.L. 2005, c. 51, Executive Order 117 and any regulations pertaining thereto. Each of the Lessor and the Sub-Lessee acknowledges that upon its failure to make required filings thereunder or the making of a contribution prohibited thereunder the Lessee may remove the Lessor as lessor under this Master Lease, or the Sub-Lessee as sub-lessee under this Master Lease, and may exercise any remedies afforded to it at law or in equity.

Section 15.08 Compliance with P.L. 2005, c. 271 Reporting Requirements. Each of the Lessor and the Sub-Lessee hereby acknowledges that it has been advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (“ELEC”) pursuant to N.J.S.A. 19:44A-20.13 (P.L. 2005, c. 271, section 3) if the Lessor enters into agreements or contracts such as this Master Lease or any Lease, with a New Jersey public entity, such as the Lessee, and receives compensation or fees in excess of \$50,000 or more in the aggregate from New Jersey public entities, such as the Lessee, in a calendar year. It is the responsibility of each of the Lessor and the Sub-Lessee to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

Section 15.09 Covenant as to P.L. 2005, c. 92. In accordance with P.L. 2005, c. 92, each of the Lessor and the Sub-Lessee covenants and agrees that all services performed under this Master Lease or any Lease or any amendment to this Master Lease or any Lease thereto shall be performed within the United States of America.

Section 15.10 Compliance with N.J.S.A. 52:32-58. Each of the Lessor and the Sub-Lessee represents and warrants that it has complied with the requirements of N.J.S.A. 52:32-58 and has filed a certification with the Lessee that it is not identified on the list of persons engaging in investment activities in Iran.

Section 15.11 Business Registration. Each of the Lessor and the Sub-Lessee agrees that it will comply with the provisions of P.L. 2004, c. 57, which requires all companies doing business with the State of New Jersey or instrumentalities of the State of New Jersey to register with the New Jersey Department of Treasury. Each of the Lessor and the Sub-Lessee shall be required to provide Lessee with proof of business registration in accordance with P.L. 2004, c. 57 upon the execution of this Master Lease.

Section 15.12 EEO/Affirmative Action. Each of the Lessor and the Sub-Lessee agrees that it does not discriminate in the hiring or promotion of any minorities, as designated by the Equal Opportunity Commission of the United States of America, or the Department of Civil Rights of the State of New Jersey, and that it does not discriminate against any person or persons on the basis of race, religion, age, color, sex, national origin, sexual orientation or handicap. Each of the Lessor and the Sub-Lessee agrees to abide by all anti-discrimination laws, including, but not limited to, those contained within N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A. 10:5-1 and N.J.S.A. 10:5-31 through 10:5-38, and all rules and regulations thereunder.

In addition, each of the Lessor and the Sub-Lessee agrees to complete a Mandatory Language for Professional Contracts form and a State of New Jersey Affirmative Action employee Information Report (AA-302 Form). However, if the Lessor or the Sub-Lessee maintains a current Certificate of Employee Information Report Approval as issued by the New Jersey Department of Treasury, it may be submitted in lieu of the AA-302 Form indicated above.

Section 15.13 PATRIOT Act. Lessor hereby notifies Sub-Lessee that, pursuant to the requirements of the PATRIOT Act, Lessor is required to obtain, verify and record information that identifies Sub-Lessee, which information includes the name and address of Sub-Lessee and

other information that will allow Lessor to identify Sub-Lessee in accordance with the PATRIOT Act.

Section 15.14 Captions. The captions or headings in this Master Lease and in each Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Master Lease or any Lease.

DRAFT

IN WITNESS WHEREOF, the parties hereto have duly executed this Master Equipment Lease and Sublease Agreement in their respective names by their duly authorized officers, all as of the date first written above.

LESSOR:

LESSEE:

New Jersey Educational Facilities Authority
103 College Road East
Princeton, New Jersey 08540

By: _____
Name:
Title:

By: _____
Name:
Title:

[SEAL]

[SEAL]

Attest:

Attest:

By: _____
Name:
Title:

By: _____
Name:
Title:

SUB-LESSEE:

By: _____
Name:
Title:

[SEAL]

Attest:

By: _____
Name:
Title:

EXHIBIT A
ACQUISITION FUND AND CONTROL AGREEMENT

DRAFT

EXHIBIT B

ACCEPTANCE CERTIFICATE

Re: Schedule of Property No. __, dated _____, 20__, to Master Equipment Lease and Sublease Agreement, dated as of _____, 20__, among _____, as Lessor, the New Jersey Educational Facilities Authority, as Lessee, and _____, as Sub-Lessee

Ladies and Gentlemen:

In accordance with the Master Equipment Lease and Sublease Agreement (the “*Master Lease*”) described above, the undersigned Sub-Lessee hereby certifies and represents to, and agrees with, the Lessor and the Lessee as follows:

(1) All of the Equipment (as such term is defined in the Master Lease) listed in the above-referenced Schedule of Property (the “*Schedule*”) has been delivered, installed and accepted on the date hereof.

(2) The Sub-Lessee has conducted such inspection and/or testing of the Equipment listed in the Schedule as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.

(3) The Sub-Lessee is currently maintaining the insurance coverage required by Section 9.03 of the Master Lease.

(4) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Master Lease) exists at the date hereof.

Date: _____, 20__

SUB-LESSEE:

By: _____

Name:

Title:

[SEAL]

EXHIBIT C

SCHEDULE OF PROPERTY NO. __

Re: Master Equipment Lease and Sublease Agreement, dated as of _____, 20__, among _____, as Lessor, the New Jersey Educational Facilities Authority, as Lessee, and _____, as Sub-Lessee

1. *Defined Terms.* All terms used herein have the meanings ascribed to them in the above-referenced Master Equipment Lease and Sublease Agreement (the “Master Lease”).

2. *Equipment.* The following items of Equipment are hereby included under this Schedule to the Master Lease.

Quantity	Description	Estimated Aggregate Cost	Lease Term (Years)

3. *Payment Schedule.*

(a) *Rental Payments.* The Rental Payments shall be in such amounts and payable on such dates as set forth in the Rental Payment Schedule attached to this Schedule as Exhibit C-1. Interest shall accrue on Rental Payments from the date on which the Equipment listed in this Schedule is accepted by the Sub-Lessee as indicated in a Certificate of Acceptance substantially in the form of Exhibit B to the Master Lease or the date on which sufficient moneys to purchase the Equipment are deposited for that purpose into the Acquisition Fund, whichever is earlier.

(b) *Purchase Price Schedule.* The Purchase Option Commencement Date is _____ 1, 20__. The Purchase Price on each Rental Payment date for the Equipment listed in this Schedule shall be the amount set forth for such Rental Payment date in the “Purchase Price” column of the Rental Payment Schedule attached to this Schedule. The Purchase Price is in addition to all Rental Payments then due under this Schedule (including the Rental Payment shown on the same line in the Rental Payment Schedule).

4. *Representations, Warranties and Covenants.* The Lessee and the Sub-Lessee hereby represent, warrant and covenant that their respective representations, warranties and covenants set forth in the Master Lease are true and correct as though made on the date of commencement of Rental Payments under this Schedule. The Sub-Lessee further represents and warrants that no material adverse change in Sub-Lessee’s financial condition has occurred since the date of the Master Lease.

5. *The Lease.* The terms and provisions of the Master Lease (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules) are hereby incorporated into this Schedule by reference and made a part hereof.

6. *Lease Proceeds.* The Lease Proceeds which the Lessor shall pay to the Acquisition Fund Custodian in connection with this Schedule is \$_____ [of which \$_____ is for deposit to the Expense Fund, if any, and the balance is for deposit to the Acquisition Fund].

7. *Acquisition Period.* The Acquisition Period applicable to this Schedule shall end at the conclusion of the _____ month following the date hereof.

8. *Scheduled Expiration Date.* The Scheduled Expiration Date applicable to this Schedule is _____ 1, 20__.

9. *Counterparts.* This Schedule may be executed in counterparts each of which shall constitute an original and all of which shall constitute but one instrument.

DRAFT

Dated: _____, 20__.

LESSOR:

LESSEE:

New Jersey Educational Facilities Authority
103 College Road East
Princeton, New Jersey 08540

By: _____
Name:
Title:

By: _____
Name:
Title:

[SEAL]

[SEAL]

Attest:

Attest:

By: _____

By: _____
Name:
Title:

SUB-LESSEE:

By: _____
Name:
Title:

[SEAL]

Attest:

By: _____
Name:
Title:

Counterpart No. __ of ____ (__) manually executed and serially numbered counterparts. To the extent that this Lease constitutes chattel paper (as defined in the Uniform Commercial Code in effect in the State), no security interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

EXHIBIT C-1

RENTAL PAYMENT SCHEDULE

Rental Payment Date	Rental Payment Amount	Interest Portion	Principal Portion	Purchase Price

LESSEE:
New Jersey Educational Facilities Authority

SUB-LESSEE:

By: _____
Name:
Title:

By: _____
Name:
Title:

After payment of the applicable Purchase Price, the Sub-Lessee will own the related Equipment free and clear of any obligations under the related Lease.

EXHIBIT D

FORM OF OPINION OF BOND OR SPECIAL TAX COUNSEL

_____, 20__

New Jersey Educational Facilities Authority
103 College Road East
Princeton, New Jersey 08540

_____ [Lessor]

_____ [Sub-Lessee]

Re: Schedule of Property No. __, dated _____, 20__, to the Master Equipment Lease and Sublease Agreement dated as of _____, 20__ by and among _____, as Lessor, the New Jersey Educational Facilities Authority, as Lessee, and _____, as Sub-Lessee

Ladies and Gentlemen:

We have acted as [Bond] [Special Tax] Counsel to the New Jersey Educational Facilities Authority, as Lessee (the "Lessee"), in connection with entry into the within defined Master Lease with _____, as Lessor (the "Lessor"), and _____, as Sub-Lessee (the "Sub-Lessee"), and the within defined Schedule. The Master Lease and Schedule are entered under and pursuant to the provisions of the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Public Laws of 1967, as amended and supplemented (the "Act") and a "Resolution Authorizing the Financing of the Purchase and Installation of Equipment for _____ Through the New Jersey Educational Facilities Authority Lease Financing Program" adopted on _____, 20__ (the "Lessee Resolution").

Capitalized terms used in this opinion and not otherwise defined herein shall have the same meanings are set forth in the Master Lease and the Lessee Resolution.

The Master Lease and Schedule of Property No. __, dated _____, 20__ (the "Schedule") to the Master Lease are being entered for the purpose of financing the acquisition and installation of the equipment listed in the Schedule (the "Equipment") and the payment of related costs.

The Master Lease and Schedule are special and limited obligations of the Lessee payable from and secured solely by Rental Payments made by the Sub-Lessee directly to the Lessor pursuant to the Master Lease and Schedule and moneys held by the Acquisition Fund Custodian designated pursuant to that certain Acquisition Fund and Account Control Agreement, dated as of _____, 20__ (the "Acquisition Fund Agreement"), by and among the Lessor, the Lessee, the Sub-Lessee and the _____ as Acquisition Fund Custodian. Pursuant to the Master Lease and Schedule, the Sub-Lessee agrees, *inter alia*, to pay Rental Payments directly to the Lessor from any legally available funds of the Sub-Lessee.

The Sub-Lessee has represented that it is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), is not a "private foundation" within the meaning of Section 509(a) of the Code, and is exempt from federal income tax under Section 501(a) of the Code, except for unrelated business income subject to taxation under Section 511 of the Code.

In our capacity as [Bond] [Special Tax] Counsel and as a basis for the opinions set forth below, we have examined certified copies of the Lessee Resolution, an executed copy of the Master Equipment Lease and Sub-Lease dated as of _____, 20__ by and among the Lessor, the Lessee and the Sub-Lessee (the "Master Lease"), an executed copy of the Schedule which, among other things, provides for the lease and sublease to the Sub-Lessee of the Equipment, an executed copy of the Acquisition Fund Agreement, and such other opinions, documents, certificates and matters of law as we have deemed necessary or appropriate. We have also relied upon an opinion of _____, _____, New Jersey, counsel to the Sub-Lessee, of even date herewith, that the Sub-Lessee has been determined to be and is exempt from Federal income taxes under Section 501(a) of the Code, by virtue of being an organization described in Section 501(c)(3) of the Code, except for unrelated business income subject to taxation under Section 511 of the Code, and is not a "private foundation" as defined in Section 509(a) of the Code and, to the best knowledge of such counsel after due inquiry, has done nothing to impair its status as an exempt organization, and the projects financed with the proceeds of the Master Lease and Schedule are and will be, if used as described in the Master Lease and Schedule, used in furtherance of the Sub-Lessee's exempt purpose under the Code and will not adversely impact the Sub-Lessee's status as an organization described in Section 501(c)(3) of the Code. As to matters of fact, we have relied upon the genuineness, accuracy and completeness of all the documents and other instruments which we have examined. We have assumed and relied upon the genuineness, accuracy and completeness of all of the documents, certificates and other instruments which we have examined.

Based on the foregoing, we are of the opinion that:

1. The Lessee is a body corporate and politic duly created and validly existing under the laws of the State of New Jersey, with full power and authority under the Act to enter into the Master Lease and Schedule, to adopt or execute, as appropriate, and deliver and perform its obligations under the Lessee Resolution, the Master Lease, Schedule and Acquisition Fund Agreement.

2. The Lessee Resolution has been duly and lawfully adopted by the Lessee, is in full force and effect and is valid and binding upon the Lessee, enforceable in accordance with its terms.

3. The Master Lease, Schedule and Acquisition Fund Agreement have been duly authorized by the Lessee pursuant to law, have been properly executed by the Lessee and, assuming the due authorization and proper execution by the parties thereto other than the Lessee, constitute valid and legally binding agreements of the Lessee, enforceable against the Lessee in accordance with their respective terms.

4. The obligations of the Lessee under the Master Lease and Schedule are special and limited obligations of the Lessee payable only out of the Rental Payments made directly by the Sub-Lessee to the Lessor under the Master Lease and Schedule and amounts held by the Acquisition Fund Custodian under the Acquisition Fund Agreement.

5. Under existing law, assuming continuing compliance by the Lessee and the Sub-Lessee with certain provisions of the Code applicable to the Master Lease and Schedule, and subject to certain provisions of the Code, the portion of the Rental Payments designated as interest (the "Interest Component") is excludable from gross income for Federal income tax purposes. We express no opinion regarding any other Federal income tax consequences arising with respect to the Rental Payments.

6. Under existing law, the Interest Component on the Rental Payments and net gains from the sale thereof are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

With respect to our Federal income tax opinion, we note that the Code imposes certain requirements that must be met on the date of entry into the Master Lease and Schedule and on a continuing basis subsequent to the entry into the Master Lease and Schedule in order for the Interest Component on the Rental Payments to be excluded from gross income for Federal income tax purposes under Section 103 of the Code. Failure of the Lessee or the Sub-Lessee to comply with such requirements may cause the Interest Component on the Rental Payments to lose the exclusion from gross income for Federal income tax purposes, retroactive to the date of entry into the Master Lease and Schedule. The Lessee and the Sub-Lessee have each made representations in their respective tax certificates. In addition, the Lessee and the Sub-Lessee have covenanted to comply with the provisions of the Code applicable to the Master Lease and Schedule and have covenanted not to take any action or fail to take any action which would cause the Interest Component on the Rental Payments to lose the exclusion from gross income for Federal income tax purposes under Section 103 of the Code or cause the Interest Component on the Rental Payments to be treated as an item of tax preference under Section 57 of the Code. We have relied on the representations made in the tax certificates of the Lessee and the Sub-Lessee, respectively, and we have assumed continuing compliance by the Lessee and the Sub-Lessee with the above covenants in rendering our opinion with respect to the exclusion of the Interest Component on the Rental Payments from gross income for Federal income tax purposes and with respect to the Interest Component on the Rental Payments not constituting an item of tax preference.

We express no opinion herein with respect to the adequacy of the security for the Master Lease and Schedule or the sources of payment for the Master Lease and Schedule or with respect to the accuracy or completeness of any placement documents or other information pertaining to the placement of the Master Lease and Schedule.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors' rights, and by equitable principles, and the phrases "enforceable in accordance with their respective terms" and "enforceable in accordance with their terms" shall not mean that specific performance would necessarily be available as a remedy in every situation.

We call to your attention the fact that the obligations of the Lessee pursuant to the Master Lease and Schedule are special and limited obligations of the Lessee payable only out of Rental Payments and certain other moneys held by the Acquisition Fund Custodian under the Acquisition Fund Agreement, and that neither the Master Lease, the Schedule, the Lessee Resolution, the Sub-Lessee Resolution nor the Acquisition Fund Agreement pledge the credit or taxing power of the State of New Jersey or any political subdivision thereof. The Lessee has no taxing power.

The opinions expressed herein are limited to and based upon the laws and judicial decisions of the State of New Jersey and the federal laws and judicial decisions of the United States of America as of the date hereof, and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions or to any laws or judicial decisions hereafter enacted or rendered.

Our engagement by the Lessee with respect to the opinions expressed herein does not require, and shall not be construed to constitute, a continuing obligation on our part to notify or otherwise inform the addressee hereof of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for this opinion letter or of any laws or judicial decisions hereafter enacted or rendered that impact on this opinion letter.

Very truly yours,

EXHIBIT E

FORM OF OPINION OF ATTORNEY GENERAL

_____, 20__

New Jersey Educational Facilities Authority
103 College Road East
Princeton, New Jersey 08540

Re: Schedule of Property No. __, dated _____, 20__, to the Master Equipment Lease and Sublease Agreement dated as of _____, 20__ by and among _____, as Lessor, the New Jersey Educational Facilities Authority, as Lessee, and _____, as Sub-Lessee

Ladies and Gentlemen:

We have acted as Counsel to the New Jersey Educational Facilities Authority, as Lessee (the "Lessee"), in connection with entry into the within defined Master Lease with _____, as Lessor (the "Lessor"), and _____, as Sub-Lessee (the "Sub-Lessee"), and the within defined Schedule. The Master Lease and Schedule are entered under and pursuant to the provisions of the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Public Laws of 1967, as amended and supplemented (the "Act") and a "Resolution Authorizing the Financing of the Purchase and Installation of Equipment for _____ Through the New Jersey Educational Facilities Authority Lease Financing Program" adopted on _____, 20__ (the "Lessee Resolution").

Capitalized terms used in this opinion and not otherwise defined herein shall have the same meanings are set forth in the Master Lease and the Lessee Resolution.

The Master Lease and Schedule of Property No. __, dated _____, 20__ (the "Schedule") to the Master Lease are being entered for the purpose of financing the acquisition and installation of the equipment listed in the Schedule (the "Equipment") and the payment of related costs.

The Master Lease and Schedule are special and limited obligations of the Lessee payable from and secured solely by Rental Payments made by the Sub-Lessee directly to the Lessor pursuant to the Master Lease and Schedule and moneys held by the Acquisition Fund Custodian designated pursuant to that certain Acquisition Fund and Account Control Agreement, dated as of _____, 20__ (the "Acquisition Fund Agreement"), by and among the Lessor, the Lessee, the Sub-Lessee and the _____ as Acquisition Fund Custodian. Pursuant to the Master Lease and Schedule, the Sub-Lessee agrees, *inter alia*, to pay Rental Payments directly to the Lessor from any legally available funds of the Sub-Lessee.

In our capacity as Counsel to the Lessee and as a basis for the opinions set forth below, we have examined a certified copy of the Lessee Resolution, an executed copy of the Master Equipment Lease and Sub-Lease dated as of _____, 20__ by and among the Lessor, the Lessee and the Sub-Lessee (the “Master Lease”), an executed copy of the Schedule which, among other things, provides for the lease and sublease to the Sub-Lessee of the Equipment, an executed copy of the Acquisition Fund Agreement, and such other opinions, documents, certificates and matters of law as we have deemed necessary or appropriate. As to matters of fact, we have relied upon the genuineness, accuracy and completeness of all the documents and other instruments which we have examined. We have assumed and relied upon the genuineness, accuracy and completeness of all of the documents, certificates and other instruments which we have examined.

Based on the foregoing, we are of the opinion that:

1. The Lessee is a body corporate and politic duly created and validly existing under the laws of the State of New Jersey, with full power and authority under the Act to enter into the Master Lease and Schedule, to adopt or execute, as appropriate, and deliver and perform its obligations under the Lessee Resolution, the Master Lease, Schedule and Acquisition Fund Agreement.
2. The Lessee Resolution has been duly and lawfully adopted by the Lessee, is in full force and effect and is valid and binding upon the Lessee, enforceable in accordance with its terms.
3. The Master Lease, Schedule and Acquisition Fund Agreement have been duly authorized by the Lessee pursuant to law, have been properly executed by the Lessee and, assuming the due authorization and proper execution by the parties thereto other than the Lessee, constitute valid and legally binding agreements of the Lessee, enforceable against the Lessee in accordance with their respective terms.
4. There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to the best of our knowledge based upon such inquiry and investigation as we have deemed sufficient, threatened against or directly affecting the Lessee contesting the due organization and valid existence of the Lessee or the validity, due execution and authorization of the Master Lease, Schedule and Acquisition Fund Agreement, with respect to the Lessee.

We express no opinion herein with respect to the adequacy of the security for the Master Lease and Schedule or the sources of payment for the Master Lease and Schedule or with respect to the accuracy or completeness of any placement documents or other information pertaining to the placement of the Master Lease and Schedule.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors’ rights, and by equitable principles, and the phrases “enforceable in accordance with their respective terms” and “enforceable in accordance with

their terms” shall not mean that specific performance would necessarily be available as a remedy in every situation.

We call to your attention the fact that the obligations of the Lessee pursuant to the Master Lease and Schedule are special and limited obligations of the Lessee payable only out of Rental Payments and certain other moneys held by the Acquisition Fund Custodian under the Acquisition Fund Agreement, and that neither the Master Lease, the Schedule, the Lessee Resolution, the Sub-Lessee Resolution nor the Acquisition Fund Agreement pledge the credit or taxing power of the State of New Jersey or any political subdivision thereof. The Lessee has no taxing power.

The opinions expressed herein are limited to and based upon the laws and judicial decisions of the State of New Jersey and the federal laws and judicial decisions of the United States of America as of the date hereof, and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions or to any laws or judicial decisions hereafter enacted or rendered.

Our engagement by the Lessee with respect to the opinions expressed herein does not require, and shall not be construed to constitute, a continuing obligation on our part to notify or otherwise inform the addressee hereof of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for this opinion letter or of any laws or judicial decisions hereafter enacted or rendered that impact on this opinion letter.

Very truly yours,

EXHIBIT F

FORM OF OPINION OF COUNSEL TO THE SUB-LESSEE

_____, 20__

New Jersey Educational Facilities Authority
103 College Road East
Princeton, New Jersey 08540

_____ [Lessor]

_____ [Sub-Lessee]

Re: Schedule of Property No. __, dated _____, 20__, to the Master Equipment Lease and Sublease Agreement dated as of _____, 20__ by and among _____, as Lessor, the New Jersey Educational Facilities Authority, as Lessee, and _____, as Sub-Lessee

Ladies and Gentlemen:

We have acted as Counsel to _____, as Sub-Lessee (the “Sub-Lessee”), in connection with entry into the within defined Master Lease with _____, as Lessor (the “Lessor”), and the New Jersey Educational Facilities Authority, as Lessee (the “Lessee”), and the within defined Schedule. The Master Lease and Schedule are entered under and pursuant to the provisions of the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Public Laws of 1967, as amended and supplemented, and the provisions of N.J.S.A. 18A:64-6(q) (collectively, the “Act”).

Capitalized terms used in this opinion and not otherwise defined herein shall have the same meanings are set forth in the Master Lease.

The Master Lease and Schedule of Property No. __, dated _____, 20__ (the “Schedule”) to the Master Lease are being entered for the purpose of financing the acquisition and installation of the equipment listed in the Schedule (the “Equipment”) and the payment of related costs. In connection therewith, the Sub-Lessee is also entering into that certain Acquisition Fund and Account Control Agreement, dated as of _____, 20__ (the “Acquisition Fund Agreement”), by and among the Lessor, the Lessee, the Sub-Lessee and the _____ as Acquisition Fund Custodian. The execution and delivery of the Master Lease, Schedule and Acquisition Fund Agreement have been authorized by a resolution of the Board of Trustees of the Sub-Lessee adopted on _____, 20__ (the “Sub-Lessee Resolution”).

In our capacity as Counsel to the Sub-Lessee and as a basis for the opinions set forth below, we have examined a certified copy of the Sub-Lessee Resolution, an executed copy of the Master Equipment Lease and Sub-Lease dated as of _____, 20__ by and among the Lessor, the Lessee and the Sub-Lessee (the "Master Lease"), an executed copy of the Schedule which, among other things, provides for the lease and sublease to the Sub-Lessee of the Equipment, an executed copy of the Acquisition Fund Agreement, and such other opinions, documents, certificates and matters of law as we have deemed necessary or appropriate. As to matters of fact, we have relied upon the genuineness, accuracy and completeness of all the documents and other instruments which we have examined. We have assumed and relied upon the genuineness, accuracy and completeness of all of the documents, certificates and other instruments which we have examined.

Based on the foregoing, we are of the opinion that:

1. The Sub-Lessee is a nonprofit educational institution for higher education, duly created and validly existing and in good standing under the laws of the State of New Jersey.
2. The Sub-Lessee has the [corporate] [limited liability company] power and authority to adopt the Sub-Lessee Resolution, to execute and deliver the Master Lease, Schedule and Acquisition Fund Agreement, and to perform its obligations thereunder.
3. The Master Lease, Schedule and Acquisition Fund Agreement have been duly authorized by the Sub-Lessee pursuant to law, have been properly executed by the Sub-Lessee and, assuming the due authorization and proper execution by the parties thereto other than the Sub-Lessee, constitute valid and legally binding agreements of the Sub-Lessee, enforceable against the Sub-Lessee in accordance with their respective terms.
4. The obligations of the Sub-Lessee under the Master Lease and Schedule are general obligations of the Sub-Lessee payable from any legally available funds of the Sub-Lessee.
5. The Master Lease and Schedule create a valid lien and security interest under and subject to the New Jersey Uniform Commercial Code (the "UCC") on behalf of the Lessor in the Equipment identified in the Schedule. Upon (a) the giving of value (as defined in the UCC) by the Lessor, and (b) in the case of Equipment that is not a fixture, filing of a UCC-1 Financing Statement, designating the Sub-Lessee as debtor, the Lessor as the secured party, and the Equipment identified in the Schedule as collateral, with an addendum identifying the Lessee as total assignor of the Lessee's interest, with the New Jersey Department of Treasury, Division of Revenue, UCC Section, and the proper indexing of same by such authority, the Lessor will have perfected a valid lien and security interest in the Sub-Lessee's rights in such Equipment.
6. There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to the best of our knowledge based upon such inquiry and investigation as we have deemed sufficient, threatened against or directly affecting the Sub-Lessee contesting the due organization and valid existence of the Sub-Lessee or the validity, due execution and authorization of the Master Lease, Schedule and Acquisition Fund Agreement, with respect to the Sub-Lessee.

7. The Sub-Lessee has been determined to be and is exempt from Federal income taxes under Section 501(a) of the Code, by virtue of being an organization described in Section 501(c)(3) of the Code, except for unrelated business income subject to taxation under Section 511 of the Code, and is not a “private foundation” as defined in Section 509(a) of the Code and, to the best of our knowledge after due inquiry, has done nothing to impair its status as an exempt organization, and the projects financed with the proceeds of the Master Lease and Schedule are and will be, if used as described in the Master Lease and Schedule, used in furtherance of the Sub-Lessee’s exempt purpose under the Code and will not adversely impact the Sub-Lessee’s status as an organization described in Section 501(c)(3) of the Code.

For purposes of this opinion, the enforceability (but not the validity) of the documents mentioned herein may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws now or hereafter enacted by any state or by the federal government affecting the enforcement of creditors’ rights, and by equitable principles, and the phrases “enforceable in accordance with their respective terms” and “enforceable in accordance with their terms” shall not mean that specific performance would necessarily be available as a remedy in every situation.

The opinions expressed herein are limited to and based upon the laws and judicial decisions of the State of New Jersey and the federal laws and judicial decisions of the United States of America as of the date hereof, and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinions or to any laws or judicial decisions hereafter enacted or rendered.

Our engagement by the Sub-Lessee with respect to the opinions expressed herein does not require, and shall not be construed to constitute, a continuing obligation on our part to notify or otherwise inform the addressee hereof of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for this opinion letter or of any laws or judicial decisions hereafter enacted or rendered that impact on this opinion letter.

Very truly yours,