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Eric D. Brophy, Esq.
Executive Director

**MINUTES OF THE MEETING OF THE
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY
ON TUESDAY, NOVEMBER 27, 2018**

The meeting was called to order at 2:02 p.m. by Chair Hodes. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via fax and email on October 30, 2018, to The Star Ledger, The Times of Trenton and the Secretary of State and by posting the notice at the offices of the Authority in Princeton, New Jersey. Pursuant to the New Jersey Open Public Meetings Act, a resolution must be passed by the New Jersey Educational Facilities Authority in order to hold a session from which the public is excluded.

AUTHORITY MEMBERS PRESENT:

Joshua Hodes, Chair
Ridgeley Hutchinson, Vice Chair
Elizabeth Maher Muoio, State Treasurer, Treasurer (represented by David Moore) (via phone)
Louis Rodriguez
Zakiya Smith Ellis, Secretary of Higher Education (represented by Angela Bethea)

AUTHORITY MEMBERS ABSENT:

None

STAFF PRESENT:

Eric D. Brophy, Executive Director
Sheryl A. Stitt, Deputy Executive Director
Steven Nelson, Director of Project Management
Brian Sootkoos, Director of Finance-Controller
Ellen Yang, Director of Compliance Management
Zachary Barby, Communications/Special Projects Assistant
Rebecca Clark, Project Management Assistant
Matthew Curtis, Information Technology Manager
Carl MacDonald, Project Manager

Jamie O'Donnell, Senior Communications Manager
Debra Paterson, Senior Compliance Manager
Sheila Toles, Exec. Asst./Human Resources Manager
Gary Vencius, Accounting Manager
Lisa Walker, Accountant

ALSO PRESENT:

Brian McGarry, Esq., Deputy Attorney General
Craig Ambrose, Esq., Governor's Authorities Unit

ITEMS OF DISCUSSION

1. Approval of the Minutes of the Meeting of October 23, 2018

The minutes of the meeting of October 23, 2018 were delivered via United Parcel Service to Governor Philip Murphy under the date of October 25, 2018. Mr. Hutchinson moved the meeting minutes for approval as presented; the motion was seconded by Mr. Rodriguez and passed unanimously.

2. Executive Director's Report

Mr. Brophy provided the Executive Director's report for informational purposes only.

Mr. Brophy reported that regarding P3's, staff were receiving many requests/inquiries for meetings to discuss trends and possible transactions. He reported that staff had provided input to the State Treasurer on development of regulations and were waiting for draft regulations in order to analyze the extent to which the Authority's institutional clients can take advantage of P3 transactions.

Mr. Brophy reported that staff continued to have weekly strategy meetings with State library staff and were working to finalize a Memorandum of Understanding in a manner that is satisfactory to all.

Mr. Brophy reported on the Authority's proposed 2019 budget that included a modest overall spending increase of about 2.1% which would include an overall salary line item increase of 1.9%. He reported that the budget would also include a fee cap increase which would only apply to fee caps and would not include any change to the Authority's fee structure. Mr. Brophy reported that Authority staff had spoken directly to Chief Financial Officers at institutions in project planning stages and had corresponded with all other institutions notifying of fee cap change. He reported that the increase in the fee caps would be prospective and would apply to all transactions that close on or after January 1, 2019, unless procurement on a new transaction had commenced prior to that date. He advised that the fee cap would be reviewed and analyzed at least annually.

3. Project Management Report

Mr. Nelson reported that staff sought to update and modify the Authority's existing leasing program. He reported that Mr. MacDonald had taken the lead on refreshing the program and that staff anticipated having a low cost, easy to use, refreshed program in place by the beginning of the year.

Mr. Nelson reported that staff expected two or three financings to price and close in the first half of next year. He reported that a procurement resolution for Stevens Institute of Technology new money financing would be presented to the Members later in the meeting.

Mr. Nelson reported that staff anticipated continued involvement in the P3 space as a financing opportunity, refreshing the Authority's financial advisor pool, updating the financial printer and swap monitor teams and continuing to work on several transactions that are expected to price and close in the first half of next year.

4. Resolution Appointing Professionals in Connection with the Issuance of Revenue Bonds by the New Jersey Educational Facilities Authority on Behalf of Stevens Institute of Technology

Mr. Nelson reported that Stevens Institute of Technology, 2019 Series A, new money bond transaction would be used to finance a 20 story, two-tower student housing facility and an adjacent university center. He reported that staff sought to select a book running senior manager and trustee.

Mr. Nelson reported that an evaluation committee consisting of the University, the Office of Public Finance and the Authority scored proposals from the Authority's senior manager underwriting pool to select a firm to serve as senior manager and that based on the scores, staff recommended the selection of Barclays Capital Inc. as senior manager and U.S. Bank as trustee for the transaction. He reported that U.S. Bank currently serves as bond trustee on the University's 2017 Series A bond issue and that their fees were in line with recent solicitation experiences.

Louis Mayer, CFO and VP for Finance and Treasurer and Elizabeth Shelton, Assistant VP for Investments and Treasury Operations of Stevens Institute of Technology participated by phone to answer any questions.

Mr. Hutchinson moved the adoption of the following entitled resolution:

RESOLUTION APPOINTING PROFESSIONALS IN CONNECTION WITH
THE ISSUANCE OF REVENUE BONDS BY THE NEW JERSEY
EDUCATIONAL FACILITIES AUTHORITY ON BEHALF OF STEVENS
INSTITUTE OF TECHNOLOGY

The motion was seconded by Mr. Rodriguez and passed unanimously.

The adopted resolution is appended as Exhibit I.

5. **Resolution of the New Jersey Educational Facilities Authority Consenting to the Assignment of the Solar Power Agreements for Solar Energy Services at Stockton University**

Ms. Paterson reported that in 2008 and 2009, the Authority and Stockton University entered into Solar Power Agreements with Marina Energy, LLC for solar energy power services for Big Blue, a multi-purpose recreation center and Parking Lot 7 located on the University's campus. She reported that the Authority financed and owns the project sites. Marina Energy is in the process of selling its solar portfolio to GSRP Project Holdings.

Ms. Paterson explained that the Solar Power Agreements requires the consent of the University and the Authority to the assignment by Marina Energy of GSRP of the Solar Power Agreements. The University has consented and requested the same of the Authority. The resolution would set forth the Authority's consent and would authorize officers to take any action and to execute and deliver any necessary documents to indicate such consent.

Brian Kowalski, General Counsel for Stockton University thanked the Authority on behalf of the University.

Mr. Rodriguez moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY CONSENTING TO THE ASSIGNMENT OF THE SOLAR
POWER AGREEMENTS FOR SOLAR ENERGY SERVICES AT
STOCKTON UNIVERSITY

The motion was seconded by Mr. Moore and passed unanimously.

The adopted resolution is appended as Exhibit II.

6. **Resolution of the New Jersey Educational Facilities Authority Amending the Pools of Underwriters to Serve as Senior Managers and Co-Managers**

Mr. Nelson reported that the Authority refreshed its senior and co-manager underwriter pools at the May 2018 meeting. He reported that since that time staff had been advised that certain senior bankers with significant experience and demonstrated abilities from a firm in the senior manager pool had joined the municipal underwriting firm of D.A. Davidson. Mr. Nelson reported that Authority staff had advised D.A. Davidson of the opportunity to submit a response to a current RFQ and after scoring their proposal response, which had been reviewed and scored against the same criteria that was used to create the senior manager and co-manager pools, the evaluation committee recommended the addition of D.A. Davidson to the senior manager pool.

Mr. Rodriguez moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY AMENDING THE POOLS OF UNDERWRITERS TO
SERVE AS SENIOR MANAGERS AND CO-MANAGERS

The motion was seconded by Mr. Hutchinson and passed unanimously.

The adopted resolution is appended as Exhibit III.

7. **Resolution of the New Jersey Educational Facilities Authority
Acknowledging and Accepting the State Treasurer's Designation of a
Representative to the Audit Committee**

Mr. Sootkoos reported that at the Authority's annual meeting on May 16, 2018, the Authority had elected the members of its Audit Committee which included the Treasurer of the State of New Jersey; Dini Ajmani, Assistant State Treasurer and the State Treasurer's designee to the Authority's Board as the Authority's Treasurer; and Ridgeley Hutchinson. He reported that the State Treasurer had recently nominated and designated Ryan Feeney, Manager, Office of Public Finance, to replace Dini Ajmani as the third member of the Audit Committee and that the resolution acknowledges and accepts the designation.

Mr. Hutchinson moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY ACKNOWLEDGING AND ACCEPTING THE STATE
TREASURER'S DESIGNATION OF A REPRESENTATIVE TO THE
AUDIT COMMITTEE

The motion was seconded by Mr. Moore and passed unanimously.

The adopted resolution is appended as Exhibit IV.

8. **Resolution Re-Authorizing the Authority's Tax-Exempt Lease Financing
Program of the New Jersey Educational Facilities Authority and Making
Certain Determinations in Connection Therewith**

Mr. MacDonald reported that on March 22, 2006, the Authority authorized a Tax-Exempt Lease Financing Program (the "2006 Program") providing for the lease-purchase of certain capital equipment and other personal property in an aggregate amount not to exceed \$50,000,000 on behalf of public and private institutions of higher education located in the State. He reported that under the 2006 Program, the Authority financed an aggregate principal amount of over \$33 million, consisting of lease purchase transactions for Kean University, Thomas Edison State University and Seton Hall University.

Mr. MacDonald explained that the Members were now being asked to approve a resolution for the reauthorization of the Tax-Exempt Lease Financing Program

("TELP") which would allow for certain programmatic changes in connection therewith. He explained that under the 2006 Program, an Authorized Officer of the Authority was delegated the ability to approve lease projects and select a lessor firm from a pool of qualified lessors for each transaction and that since that program was adopted, many of the Firms in the qualified pool of lessors have exited the business entirely, which had resulted in no new financing activity in the program in recent years. Mr. MacDonald reported that Authority staff had determined that it was necessary to update and reauthorize the TELP, which would allow Authority staff to update the pool and require the Members' approval for each new TELP financing.

James Fearon, Esq. of Gluck Walrath LLP, bond counsel, described the resolution for the Members' consideration.

Mr. Hutchinson moved the adoption of the following entitled resolution:

RESOLUTION REAUTHORIZING THE TAX-EXEMPT LEASE
FINANCING PROGRAM OF THE NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY AND MAKING CERTAIN
DETERMINATIONS IN CONNECTION THEREWITH

The motion was seconded by Mr. Rodriguez and passed unanimously.

The adopted resolution is appended as Exhibit V.

9. **Resolution of the New Jersey Educational Facilities Authority Concerning Certain Class Action Lawsuits**

Ms. Yang reported that the Authority had previously adopted resolutions on November 14, 2017 and on April 24, 2018, authorizing the execution and filing of proofs of claims on behalf of several of the Authority's public college and university clients in two class action suits concerning antitrust litigation related to LIBOR-based Financial Instruments and ISDAfix Instruments. She reported that the Authority had received additional court notices in both class action suits regarding new and/or proposed settlements and that the proof of claim filing deadlines were in December 2018.

Ms. Yang reported that Authority staff had received written authorization from the affected public institutions to file proofs of claims on their behalf under the new notices. She reported that the resolution would approve and consent to the filing of a proof of claim on behalf of the affected public institutions by an Authorized Officer for the claims due in December 2018, as well as any other documents, including but not limited to future proofs of claim pursuant to any court notices.

Mr. Rodriguez moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY CONCERNING CERTAIN CLASS ACTION LAWSUITS

The motion was seconded by Mr. Hutchinson and passed unanimously.

The adopted resolution is appended as Exhibit VI.

10. Resolution of the New Jersey Educational Facilities Authority Relating to Initial and Annual Fee Caps

Ms. Stitt reported that the business and financial regulatory environment had dramatically changed for the Authority since 2008 and that the changes had resulted in increased operating costs and declining revenues that the Authority generates from initial and annual fees charged to fund its operations.

Ms. Stitt reported that the Authority had performed an analysis of its financial operations, including a review of revenue and expense trends over the previous ten-year period, a review of the impact of refundings on Authority fees, a comparison of fees charged and services rendered by competitor conduit issuers and an analysis of a number of different fee structures and their potential impact on Authority revenues. She reported that the Authority's Finance Committee reviewed the analysis and determined that it was in the best interest of the Authority not to change the current fee structure, but only to increase the current fee cap on all stand-alone bond financing transactions that close on or after January 1, 2019, except for bond financings where the Authority's procurement process for professional service providers commenced prior to January 1, 2019.

Ms. Stitt explained that the resolution would provide that initial fees would remain the same at 20 basis points per series of par amount of bonds issued with an increase in the fee cap from \$100,000 to \$125,000. Annual fees would also remain the same at 10 basis points per series of declining par amount of bonds outstanding with an increase in the fee cap from \$50,000 to \$85,000 per year and the increase in the annual fee cap would only impact transactions greater than \$50 million. She explained that transactions with a par value of \$50 million or less would see no change.

Ms. Stitt reported that the Authority's current fee cap was last revised in 1995 and that the resolution would also provide that the Authority's Finance Committee would evaluate the Authority's fee structure at least on an annual basis in conjunction with its consideration and recommendation to the Members on adoption of the Authority's annual operating budget.

Mr. Rodriguez moved the adoption of the following entitled resolution:

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY RELATING TO INITIAL AND ANNUAL FEE CAPS**

The motion was seconded by Mr. Hutchinson and passed unanimously.

The adopted resolution is appended as Exhibit VII.

11. Resolution of the New Jersey Educational Facilities Authority Adopting the Operating and Capital Budgets for Calendar Year 2019

Mr. Moore reported that the Authority annually prepares the operating and capital budgets for the following calendar year and that pursuant to the Authority's By-laws, the Finance Committee comprising the Chair, the Treasurer and the Executive Director reviews the budget and recommends the annual budget to the Members for adoption.

Mr. Moore reported that on November 8, 2018, the Finance Committee comprised of the Authority's Chair, Josh Hodes, Mr. Brophy and himself met to discuss and consider the staff's proposed 2019 Operating and Capital budgets and recommended approval of the budgets as presented.

Mr. Moore moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY ADOPTING THE OPERATING AND CAPITAL
BUDGETS FOR CALENDAR YEAR 2019

The motion was seconded by Mr. Rodriguez and passed unanimously.

The adopted resolution is appended as Exhibit VIII.

12. Report on Operating and Construction Fund Statements and Disbursements

Mr. Sootkoos reviewed the Results of Operations and Budget Variance Analysis and reported on the status of construction funds and related investments for October 2018.

Mr. Hutchinson moved that the reports be accepted as presented; the motion was seconded by Mr. Rodriguez and passed unanimously.

The reports are appended as Exhibit IX.

13. Next Meeting Date

Mr. Hodes reminded everyone that the next meeting was scheduled for Tuesday, December 18th at 10:00 a.m. at the Authority offices and requested a motion to adjourn.

Mr. Hutchinson moved that the meeting be adjourned at 2:38 p.m. The motion was seconded by Ms. Bethea and passed unanimously.

Respectfully submitted,



Eric D. Brophy
Secretary



103 COLLEGE ROAD EAST • PRINCETON, NEW JERSEY 08540
PHONE 609-987-0880 • FAX 609-987-0850 • www.njefa.com

Date: November 27, 2018

To: Members of the Authority

Issue: Stevens Institute of Technology, 2019 Series A

Below please find the procurement procedures that were undertaken with respect to the various professional appointments in connection with the Stevens Institute of Technology, 2019 Series A transaction and staff's recommendations with respect thereto.

Senior Manager, Co-Senior Manager and Co-Manager(s)

On October 10, 2018, Authority staff solicited a Request for Proposals for Investment Banking Services: Senior Manager, Co-Senior Manager and Co-Manager(s) to a distribution list of fifteen (15) firms that are members of the Authority's Senior Manager Pool and thirteen (13) firms that are members of the Authority's Co-Manager Pool.

From the Senior Manager Pool, the Authority received fifteen (15) responses from firms seeking appointment as a Senior/Co-Senior Manager. From the Co-Manager Pool, the Authority received eleven (11) responses from firms seeking appointment as Co-Manager. Two (2) firms from the Co-Manager Pool declined to respond.

Senior Manager/Co-Senior Manager

As highlighted in the RFP, the evaluation of the Senior Manager/Co-Senior Manager responses was performed by three (3) evaluators (one (1) Authority staff member, one (1) Office of Public Finance staff member, and one (1) University staff member). The Evaluation Committee reviewed the Responses on the basis of factors outlined in Executive Order No. 26 (Whitman)("EO 26"), which took effect on January 1, 1995 and which supersedes Executive Orders No. 79 and 92, and Executive Order No. 37 (Corzine)("EO 37"), which took effect on November 25, 2006, including qualifications and experience, expertise, fees, the Authority's prior experience with the responding firms, familiarity of the responding firms with work, the proposed approach to the services described in the RFP, capacity to meet the requirements of the services requested, and geographic location. In accordance with the Authority's Senior Manager/Co-Senior Manager evaluation process, the highest ranked firm is recommended as Senior Manager. If a Co-Senior Manager is

selected, the firm with the second highest ranking will be recommended as Co-Senior Manager. The responsive firms and their respective scores are as follows:

<u>Firm</u>	<u>Evaluator #1</u>	<u>Evaluator #2</u>	<u>Evaluator #3</u>	<u>All Evaluators</u>	<u>Final Ranking</u>	<u>Proposed Fee</u>
Bank of America Merrill Lynch	78.75	67.25	83.75	229.75	4	\$2.49
Barclays Capital Inc.	93.00	90.00	93.00	276.00	1	\$3.00
Citigroup Global Markets	76.00	61.00	80.00	217.00	6	\$2.27
Goldman Sachs & Co.	69.05	66.55	80.05	215.65	7	\$3.42
Janney Montgomery Scott	52.51	42.51	63.01	158.03	13	\$4.16
Jefferies	55.70	41.70	58.70	156.1	14	\$3.96
J.P. Morgan	82.78	71.78	89.28	243.84	3	\$2.48
Morgan Stanley	77.03	68.53	80.53	226.09	5	\$3.28
Ramirez & Co.	62.46	51.96	66.96	181.38	10	\$3.01
Raymond James	62.24	49.74	70.24	182.22	9	\$3.22
RBC Capital Markets	64.11	53.61	70.11	187.83	8	\$3.55
Siebert Cisneros Shank & Co.	64.26	41.76	65.26	171.28	11	\$3.36
Stifel	51.04	41.04	59.54	151.62	15	\$3.86
UBS Financial Services	57.29	45.29	61.29	163.87	12	\$4.08
Wells Fargo Securities	85.97	73.47	89.47	248.91	2	\$3.30

Recommendation: Barclays Capital Inc. (Senior Manager)

Co-Senior Manager/Co-Managers

The Authority requests that the Board delegate to the Executive Director, the Deputy Executive Director, the Chair, the Vice-Chair and the Director of Project Management or any such officer designated as “acting” or “interim” the ability to select and appoint a co-senior and/or one or more co-managing underwriters if necessary, in connection with the financing in accordance with Executive Order No. 26, Executive Order No. 37 and the Authority’s competitive RFP process under its standard procurement policies and procedures.


Trustee, Bond Registrar and Paying Agent

On October 15, 2018, the Authority solicited a Request for Proposals for Trustee Services directed to the three (3) members of the Authority’s Trustee Pool. The Authority received three (3) responses from firms seeking appointment as Trustee for this transaction. The responsive firms and their respective fees are as follows:

Firm	Acceptance	Annual	Counsel	Total
The Bank of New York Mellon	\$0	\$1,000	\$5,000	\$6,000
U.S .Bank National Association	\$0	\$1,000	\$5,000	\$6,000
Zions Bancorporation, National Association	\$0	\$1,200	\$0	\$1,200

It is the Authority's recommendation to select U.S. Bank National Association to serve as Trustee, Bond Registrar and Paying Agent for this transaction. Their fee quote is in line with fee quotes the Authority has received in response to recent Trustee RFPs.

The Authority's staff involvement in the procurement processes related to the above referenced professionals was completed as of the 15th day of November 2018.

By: 
 Eric D. Brophy, Esq.
 Executive Director

**RESOLUTION APPOINTING PROFESSIONALS IN CONNECTION WITH THE
ISSUANCE OF REVENUE BONDS BY THE NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY ON BEHALF OF STEVENS INSTITUTE OF
TECHNOLOGY**

ADOPTED NOVEMBER 27, 2018

WHEREAS: The New Jersey Educational Facilities Authority (the "Authority") is a public body corporate and politic of the State of New Jersey (the "State") and was duly created and now exists under 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"); and

WHEREAS: Stevens Institute of Technology (the "University") asked the Authority to begin procuring professionals in connection with the issuance of bonds by the Authority to finance a new money project on behalf of the University (the "Financing"); and

WHEREAS: The Authority Board has been provided with a memorandum summarizing the procurement procedures and Authority staff's recommendations with respect thereto.

**NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW
JERSEY EDUCATIONAL FACILITIES AUTHORITY, AS FOLLOWS:**

- 1. Appointment of Senior Managing Underwriter.**
Barclays Capital Inc. is hereby appointed as the Senior Managing Underwriter in connection with the Financing.
- 2. Appointment of Co-Managing Underwriter(s).**
The Executive Director, the Deputy Executive Director, the Chair, the Vice-Chair, and the Director of Project Management or any such officer designated as "acting" or "interim" is hereby authorized to select and appoint a co-senior and/or one or more co-managing underwriters, if necessary, in connection with the financing in accordance with Executive Order No. 26, Executive Order No. 37 and the Authority's competitive RFP process under its standard procurement policies and procedures.
- 3. Appointment of Trustee, Bond Registrar and Paying Agent.**
U.S. Bank National Association is hereby appointed as the Trustee, Bond Registrar and Paying Agent in connection with the Financing.

4. Effective Date.

This Resolution shall take effect in accordance with the Act.

_____ Mr. Hutchinson _____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by _____ Mr. Rodriguez _____ and upon roll call the following members voted:

AYE: Joshua Hodes
Ridgeley Hutchinson
Louis Rodriguez
Zakiya Smith Ellis (represented by Angela Bethea)
Elizabeth Maher Muoio (represented by David Moore)

NAY: None

ABSTAIN: None

ABSENT: None

The Chair thereupon declared said motion carried and said resolution adopted.

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY CONSENTING TO THE ASSIGNMENT OF THE SOLAR
POWER AGREEMENTS FOR SOLAR ENERGY SERVICES AT
STOCKTON UNIVERSITY**

Adopted: November 27, 2018

WHEREAS, the New Jersey Educational Facilities Authority (the "Authority") is a public body corporate and politic of the State of New Jersey pursuant to the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented), *N.J.S.A. 18A:72A-1 et seq.* (the "Act"); and

WHEREAS, as authorized pursuant to the Act, the Authority issued its Revenue Bonds, The Richard Stockton College of New Jersey Issue, Series 1996 F; its Revenue Bonds, The Richard Stockton College of New Jersey Issue, Series 2005 F; and its Revenue Refunding Bonds, Stockton University Issue, Series 2015 E to finance and refinance certain facilities on the campus of Stockton University (formerly known as Richard Stockton College and the Richard Stockton College of New Jersey) (the "University") that included a multipurpose recreation center known as Big Blue (the "Big Blue"); and

WHEREAS, as authorized pursuant to the Act, the Authority issued its Revenue Bonds, Richard Stockton College Issue, Series 1985 F; its Revenue Bonds, Richard Stockton College Issue, Series 1992 C; and its Revenue Bonds, The Richard Stockton College of New Jersey Issue, Series 2002 B to finance and refinance certain facilities on the campus of the University that included certain student parking lots known as Parking Lot 7 and Parking Lot 7 - Area B (collectively, the "Parking Lot"); and

WHEREAS, the Authority has title to and leased and/or leases Big Blue and the Parking Lot, respectively, to the University pursuant to certain lease and agreements by and between the Authority and the University; including the lease and agreement by and between the Authority and the University dated as of June 12, 2015; and

WHEREAS, at the request of the University, the Authority authorized and entered into a Solar Energy Conversion Services Agreement dated May 1, 2008 (the "Solar Power Agreement") with the University and Marina Energy, LLC (the "Provider"), pursuant to which the Provider is providing solar power services with respect to Big Blue, entered into an Addendum to the Solar Power Agreement dated September 3, 2008 (the "Addendum"), pursuant to which the Provider is providing solar power services with respect to Parking Lot 7, and entered into an Amended and Restated Addendum to Solar Energy Conversion Services Agreement dated June 12, 2009 pursuant to which the Provider is providing solar power services with respect to the Parking Lot 7 – Area B (the "Amended and Restated Addendum", and collectively with the "Solar Power Agreement" and the "Addendum", the "Solar Power Agreements"); and

WHEREAS, the University has been advised by the Provider that they intend to assign all of its rights, title and interests in the Solar Power Agreements to GSRP PROJECT HOLDINGS I, LLC, a Delaware limited liability company (the "Assignee") pursuant to an Asset Purchase Agreement dated June 27, 2018 for the purchase of the Provider's solar portfolio that will close on or before December 31, 2018; and

WHEREAS, pursuant to Section 20 of the Solar Power Agreements, the Provider may assign its rights thereunder at any time with the consent of the University and the Authority; and

WHEREAS, pursuant to Section 27(d) of the Solar Power Agreements, the Solar Power Agreements shall not be modified, waived, discharged, terminated, amended, altered or changed in any respect except by written document signed by both Provider and Customer; and

WHEREAS, the University has advised the Authority that it is in the best interest of the University for the Authority and the University to authorize the consent of the assignment of the Solar Power Agreements to the Assignee and the consent, execution and delivery of any related agreements, documents, certificates, directions, and notices deemed necessary to effectuate the assignment of the Solar Power Agreements for the solar energy services; and

WHEREAS, the University has requested that the Authority consent to the assignment by the Provider to the Assignee of its rights, title and interests in the Solar Power Agreements for that certain solar power generating services for Big Blue and the Parking Lot (the "Assignment") attached hereto as **Exhibit A**; and

WHEREAS, the Authority has determined that it is advisable to provide its consent to the Assignment as requested by the University;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, AS FOLLOWS:

Section 1. Approval of Consent of the Assignment.

The Authority hereby approves and consents to the Assignment, attached hereto as **Exhibit A**, and hereby authorizes and approves the execution and delivery by the Chair, Vice Chair, Executive Director, Deputy Executive Director, Treasurer, 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" (each an "Authorized Officer") of its consent of the Assignment in a form deemed appropriate by the Authority, in consultation with the Office of the Attorney General, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

Section 2. Prior Actions Ratified; All Other Necessary Action Authorized.

Any and all prior actions taken by the Authority in connection with the execution and delivery of the Solar Power Agreements are hereby ratified and confirmed and any Authorized Officer is hereby authorized and directed to undertake any and all additional actions necessary and to execute and deliver any other consents, agreements, documents, certificates, directions, and notices as may be necessary, advisable, or appropriate to effect the taking of any such action, and the execution and delivery of any consents, agreements, documents, certificates, directions, and notices to be provided under the Solar Power Agreements shall be conclusive evidence of its necessity, advisability or appropriateness.

Section 3. Effective Date.

This Resolution shall take effect in accordance with the provisions of the *N.J.S.A.* 18A:72A-4(i).

___ Mr. Rodriguez ___ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ___ Mr. Moore ___ and upon roll call the following members voted:

AYE: Joshua Hodes
Ridgeley Hutchinson
Louis Rodriguez
Zakiya Smith Ellis (represented by Angela Bethea)
Elizabeth Maher Muoio (represented by David Moore)

NAY: None

ABSTAIN: None

ABSENT: None

The Chair thereupon declared said motion carried and said resolution adopted.



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www.sjindustries.com

Robert F. Fatzinger
Sr. Vice President & Chief Operating Officer

November 8, 2018

New Jersey Educational Facilities Authority (*via UPS Overnight Mail*)
103 College Road East
Princeton, NJ 08540
Attention: Executive Director

Stockton University
101 Vera King Farris Drive
Galloway, NJ 08205
Attention: Brian Kowalski (*via email Brian.Kowalski@Stockton.edu*)

Re: Consent to Assignment of Solar Energy Conversion Services Agreement by and between MARINA ENERGY LLC ("Assignor"), STOCKTON UNIVERSITY, a successor in interest to The Richard Stockton College of New Jersey ("Customer") and NJ Educational Facilities Authority (NJEFA) dated May 1, 2008, as amended by an Addendum to Solar Energy Conversion Services Agreement dated September 5, 2008 and an Amended and Restated Addendum to Solar Energy Conversion Services Agreement dated June 12, 2009 (collectively, the "Agreements")

Dear Sir or Madam:

Please be advised that Assignor, a New Jersey limited liability company, intends to assign all of its right, title and interest in and to the Agreements to GSRP PROJECT HOLDINGS I, LLC, a Delaware limited liability company ("Assignee") in connection with the sale by Assignor of its solar portfolio, including that certain solar power generation project related to the Agreements, to Assignee pursuant to an Asset Purchase Agreement dated June 27, 2018 by and between Assignor and Assignee (the "Purchase").

In this regard, pursuant to Section 20 of the Agreements, Assignor respectfully requests that NJEFA grant its consent to the assignment of the Agreements to Assignee. Subject to such consent, upon the consummation of the Purchase (the "Closing"), Assignee shall be bound by the terms and conditions of the Agreement, and will also assume all obligations of Assignor under the Agreements to the extent first arising from and after the Closing. Assignor expects that the Closing will occur on or before December 31, 2018.

By countersigning this letter below, on behalf of NJEFA and its successors and assigns, you hereby consent to the assignment and acknowledge and agree that the Agreements are in full force and effect (and that the assignment will not result in a breach, default or noncompliance as to



1 N. White Horse Pike
Hammonton, NJ 08037

T: 609-567-4000

www.sjindustries.com

Robert F. Fatzinger
Sr. Vice President & Chief Operating Officer

NJEFA and Customer), and waive any defect in the delivery of this request for consent. Please indicate your consent to the assignment by executing a copy of this letter and returning a scanned PDF to Assignor by email to Marinanotices@sjindustries.com **within five (5) business days of receipt.**

If you have any questions concerning this matter, please do not hesitate to contact Roger Traversa on behalf of Assignor at (609) 561-9000, ext. 7049 or by email to Marinanotices@sjindustries.com

Respectfully,

Robert Fatzinger, Sr. Vice President & Chief Operating Officer of MARINA ENERGY LLC

cc:

Alice Gitchell, Energy Specialist (*via email: Alice.Gitchell@Stockton.edu*)

Donald M. Hudson, Vice President for Facilities and Operations (*via email Donald.Hudson@Stockton.edu*)

Debra L. Paterson, Senior Compliance Manager (*Via email at Debbie.paterson@njefa.nj.gov*)

Acknowledged and agreed this ____ day of _____, 2018.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

By: _____

Name: _____

Title: _____

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
AMENDING THE POOLS OF UNDERWRITERS TO SERVE AS SENIOR MANAGERS
AND CO-MANAGERS**

Adopted: November 27, 2018

- WHEREAS:** The New Jersey Educational Facilities Authority (the "Authority") was duly created and now exists under the New Jersey Educational Facilities Authority Law, Public Laws of 1967, Chapter 271, *N.J.S.A.* 18A:72A-1 et seq., as amended (the "Act") for the purpose of issuing its obligations to obtain funds to finance eligible educational facilities as such may be required for the purposes of public and private institutions of higher education, private colleges and public libraries, and to sell such obligations at public or private sale at a price or prices and in a manner as the Authority shall determine; and
- WHEREAS:** On March 28, 2018, the staff of the Authority distributed a Request for Qualifications for the selection of Underwriters for the Authority (the "RFQ", attached hereto as **Exhibit 1**); and
- WHEREAS:** By resolution adopted on May 16, 2018 (the "Prior Resolution", attached hereto as **Exhibit 1**), in accordance with Executive Order No. 26 (Whitman) ("EO 26") which took effect on January 1, 1995 and which supersedes Executive Orders No. 79 and 92, and Executive Order No. 37 (Corzine) ("EO 37") which took effect on November 25, 2006, the Authority authorized and established a Pool of Senior Managing Underwriters (the "Senior Pool") and a Pool of Co-Managing Underwriters (the "Co-Manager Pool" and, together with the Senior Pool, the "Pools") to serve respectively as Senior Managers and Co-Managers for Authority transactions for a thirty-six (36) month period commencing on July 1, 2018 and expiring on June 30, 2021, with the option to extend the term of the Pools for two (2) additional and successive twelve (12) month periods at the discretion of the Authority, but in any event until such time as successor Pools are approved; and
- WHEREAS:** The Authority has been advised, after the Prior Resolution was approved, that certain senior bankers, with significant experience and demonstrated abilities, have joined the firm of D.A. Davidson & Co. ("Davidson"); and
- WHEREAS:** The Authority's RFQ stated that the Authority reserves the right to review, revise and/or terminate either of the Pools at any time during the term of the Pools in accordance with EO 26 and EO 37 as deemed necessary with written notice; and
- WHEREAS:** The Staff of the Authority advised Davidson of the opportunity to submit a response to the RFQ and Davidson submitted a proposal (the "Proposal"); and

WHEREAS: The Staff of the Authority formed an Evaluation Committee consisting of the Authority's Director of Project Management, Project Manager, and Project Management Assistant and reviewed the Proposal based upon the criteria set forth in the RFQ and in conformity with EO 26 and EO 37; and

WHEREAS: The Evaluation Committee determined that Davidson, with the addition of the Senior Bankers, meets the criteria for serving as an underwriter for the Authority and determined that it would be in the Authority's best interests to add Davidson to the Senior Manager Pool under the terms and conditions set forth in the Prior Resolution, this Resolution, and the RFQ, with ongoing participation in the Pools contingent upon compliance by Davidson with all requirements set forth in the RFQ; and

WHEREAS: The Authority desires to accept the Proposal of Davidson and designate Davidson as a member of the Pool; and

WHEREAS: Selection of a firm from the Pools for proposed Authority financings will be determined by the Authority and made on an as-needed basis.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AS FOLLOWS:

SECTION 1. The Authority hereby accepts the Proposal of D.A. Davidson & Co. and authorizes and designates Davidson as a member of its Senior Manager Pool to serve for the term of the Pools as stated and in accordance with the terms set forth in the Prior Resolution, a copy of which is attached hereto and incorporated herein as **EXHIBIT 1**.

SECTION 2. The Members hereby authorize the Executive Director, the Deputy Executive Director or the Director of Project Management, including any of the foregoing authorized officers serving in an interim or acting capacity, to take and do any and all acts and things as may be necessary or desirable in connection with the appointment of Underwriters from the Pools for Authority transactions in compliance with the provisions of this Resolution and Executive Order.

SECTION 3. This Resolution shall take effect immediately in accordance with the Act.

_____ Mr. Rodriguez _____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by _____ Mr. Hutchinson _____ and upon roll call the following members voted:

AYE: Joshua Hodes
Ridgeley Hutchinson
Louis Rodriguez
Zakiya Smith Ellis (represented by Angela Bethea)
Elizabeth Maher Muoio (represented by David Moore)

NAY: None

ABSTAIN: None

ABSENT: None

The Chair thereupon declared said motion carried and said resolution adopted.

EXHIBIT 1 TO RESOLUTION

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING THE APPOINTMENT OF POOLS OF UNDERWRITERS TO SERVE
AS SENIOR MANAGERS AND CO-MANAGERS**

Adopted: May 16, 2018

- WHEREAS:** The New Jersey Educational Facilities Authority (the "Authority") was duly created and now exists under the New Jersey Educational Facilities Authority Law, Public Laws of 1967, Chapter 271, *N.J.S.A.* 18A:72A-1 et seq., as amended (the "Act") for the purpose of issuing its obligations to obtain funds to finance eligible educational facilities as such may be required for the purposes of public and private institutions of higher education, private colleges and public libraries, and to sell such obligations at public or private sale at a price or prices and in a manner as the Authority shall determine; and
- WHEREAS:** In order for the Authority to publicly issue bonds, the bonds must generally be sold to an underwriting firm, which provides for the public distribution of the bonds; and
- WHEREAS:** The policies and procedures of the Authority with regard to the selection of professionals including Underwriters are governed, *inter alia*, by Executive Order No. 26 (Whitman) ("EO 26") which took effect on January 1, 1995 and which supersedes Executive Orders No. 79 and 92, and Executive Order No. 37 (Corzine) ("EO 37") which took effect on November 25, 2006; and
- WHEREAS:** The Authority believes that it is more efficient to form pools of qualified Underwriters from which to select one or more Underwriters for a particular transaction than to request proposals from all qualified Underwriters for each transaction; and
- WHEREAS:** The Authority, by resolution on September 27, 2016 appointed Pools of Underwriters to serve respectively as Senior Managers and Co-Managers for a term commencing on September 27, 2016, and expiring on June 30, 2018 (the "Prior Pools"); and
- WHEREAS:** With the Prior Pool expiring on June 30, 2018, Authority staff developed a Request for Qualifications (the "RFQ", attached hereto and made a part hereof as **EXHIBIT A**) in accordance with the terms and provisions of EO 26 and EO 37 for the selection of Underwriters for the Authority; and

WHEREAS: Authority staff formed an Evaluation Committee consisting of the Authority's Director of Project Management, Project Manager and Associate Project Manager in accordance with Paragraph 13 of EO 37; and

WHEREAS: On March 28, 2018, the staff of the Authority distributed the RFQ to a list of 44 underwriting firms, published a notice of availability of the RFQ in the *Bond Buyer*, and posted the RFQ on the Authority's and the State of New Jersey's websites; and

WHEREAS: The Authority received a total of 35 responses to the RFQ (the "Proposals"); and

WHEREAS: The Evaluation Committee reviewed the Proposals and determined, based upon the criteria set forth in the RFQ and in conformity with EO 26 and EO 37, that it would be in the best interests of the Authority to accept the Proposals of the Underwriters listed on the attached **EXHIBIT B** and appoint those firms to the Pool of Senior Managing Underwriters (the "Senior Pool") and to accept the Proposals of the Underwriters listed on the attached **EXHIBIT C** and appoint those firms to the Pool of Co-Managing Underwriters (the "Co-Manager Pool" and, together with the Senior Pool, the "Pools"), under the terms and conditions set forth in this resolution and the RFQ, with ongoing participation in the Pools contingent upon compliance by the Underwriter(s) with all requirements set forth in the RFQ; and

WHEREAS: The Authority desires to authorize the Pools for a thirty-six (36) month period commencing on July 1, 2018, and expiring on June 30, 2021, with the option to extend the term of the Pools for two (2) additional and successive twelve (12) month periods at the Authority's discretion; but in any event until such time as successor Pools are approved; and

WHEREAS: The term of the Pools for a 36 month period exceeds a period of two years due to anticipated volume during the term of the Pools established by this Resolution and was approved in accordance with EO 37; and

WHEREAS: Selection of a firm from the Pools for proposed Authority financings will be determined by the Authority and made on an as-needed basis.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AS FOLLOWS:

SECTION 1. The Authority hereby authorizes and establishes Pools of Underwriters to serve respectively as Senior Managers and Co-Managers for Authority transactions for a thirty-six (36) month period commencing on July 1, 2018 and expiring on June 30, 2021, with the option to extend the term of the Pools for two (2) additional and successive twelve (12) month periods at the discretion of the

Authority, but in any event until such time as successor Pools are approved.

- SECTION 2.** The Authority hereby accepts the proposal of each firm listed in **EXHIBIT B** and designates each such firm as a member of the Senior Pool.
- SECTION 3.** The Authority hereby accepts the proposal of each firm listed in **EXHIBIT C** and designates each such firm as a member of its Co-Manager Pool.
- SECTION 4.** The Authority hereby authorizes that firms designated as members of the Senior Pool may be designated as Sole Manager, Senior Manager, Co-Senior Manager or Co-Manager, at the Authority's sole discretion, on a per transaction basis.
- SECTION 5.** The Authority hereby authorizes that firms designated as members of the Co-Manager Pool may be designated as Co-Managers only, at the Authority's discretion, on a per transaction basis.
- SECTION 6.** The Members hereby authorize the Executive Director, the Deputy Executive Director or the Director of Project Management, including any of the foregoing authorized officers serving in an interim or acting capacity, to take and do any and all acts and things as may be necessary or desirable in connection with the appointment of Underwriters from the Pools for Authority transactions in compliance with the provisions of this resolution and Executive Order.
- SECTION 7.** This Resolution shall take effect immediately in accordance with the Act.

____ Mr. Rodriguez ____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ____ Mr. Hutchinson ____ and upon roll call the following members voted:

AYE: Ridgeley Hutchinson
Louis Rodriguez
Zakiya Smith Ellis (represented by Diana Gonzalez)
Elizabeth Maher Muoio (represented by David Moore)

NAY: None

ABSTAIN: None

ABSENT: None

Joshua Hodes recused himself from the vote.

The Treasurer thereupon declared said motion carried and said resolution adopted.

EXHIBIT A TO RESOLUTION

Request for Qualifications for Underwriting Services

REQUEST FOR QUALIFICATIONS

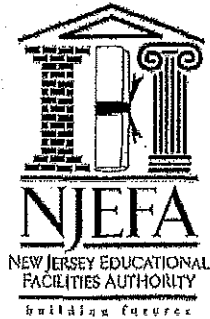
FOR UNDERWRITING SERVICES



New Jersey Educational Facilities Authority

103 College Road East, 2nd Floor
Princeton, NJ 08540

March 28, 2018



103 COLLEGE ROAD EAST • PRINCETON, NEW JERSEY 08540
PHONE 609-987-0880 • FAX 609-987-0850 • WWW.NJEFA.COM

REQUEST FOR QUALIFICATIONS FOR UNDERWRITING SERVICES

March 28, 2018

1.0 BACKGROUND

The New Jersey Educational Facilities Authority (“NJFEA” or “Authority”), an independent and self-supporting state entity, was created as a public body corporate and politic of the State of New Jersey (the “State”) pursuant to the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented), *N.J.S.A. 18A:72A-1 et seq.* (the “Act”), to provide a means for New Jersey public and private colleges and universities (the “Institutions”) to construct educational facilities through the financial resources of a public authority empowered to sell tax-exempt and taxable bonds, notes and other obligations. NJFEA is New Jersey’s primary issuer of municipal bonds to finance and refinance the construction and development of academic facilities at the Institutions.

The Authority finances and refinances various types of projects for approximately 50 public and private institutions of higher education in the State. Projects include, but are not limited to: the construction, renovation and acquisition of residential, academic, and research facilities; libraries; technology infrastructures; student life and athletic facilities; parking structures; utilities-related projects; and refinancing of existing debt. The Authority also, from time to time, issues bonds for various purposes that are secured by a contract with the State Treasurer to pay principal of and interest on such bonds subject to appropriations being made, from time to time, by the New Jersey State Legislature (the “Legislature”).

The obligations issued by the Authority are special and limited obligations of the Authority and are not a debt or liability of the State or of any political subdivision thereof other than the Authority, and are not a pledge of the full faith and credit of the State or of any such political subdivision thereof. The Authority has no taxing power. The obligations issued by the Authority are payable solely from amounts received by the Authority under the transaction documents and amounts on deposit in certain funds established under the transaction documents. Certain State-backed bond programs for higher education and public library facilities provide that debt service will be paid by the State Treasurer pursuant to a contract between the Authority and the State Treasurer, subject to annual appropriation by the Legislature.

This solicitation of responses is being conducted pursuant to State laws, regulations and executive orders, specifically Executive Order No. 26 (Whitman, 1994) (“EO 26”) and Executive Order No. 37 (Corzine, 2006) (“EO 37”), and the policies and procedures of the Authority with regard to the procurement of professional services.

2.0 PURPOSE AND INTENT OF REQUEST FOR QUALIFICATIONS

The Authority is seeking proposals from qualified firms to serve as Senior Managing Underwriters and Co-Managing Underwriters (collectively the "Underwriters") in connection with the proposed future issuance of bonds by the Authority. The purpose of this Request for Qualifications for Underwriting Services (the "RFQ") is to select qualified underwriting firms for inclusion in the Authority's underwriting pools for Senior Managing Underwriters (the "Senior Manager Pool") and Co-Managing Underwriters (the "Co-Manager Pool" and, together with the Senior Manager Pool, the "Pools") for transactions that may be sold on a negotiated basis. The Authority will then select Underwriters for a specific bond transaction through an additional Request for Proposals (the "RFP") process among Underwriters in the Pools. Underwriters selected for inclusion in a Pool are not being qualified to serve as Underwriters on any bond transaction that is secured by a contract with the State Treasurer.

Those firms that are selected for the Senior Manager Pool will not be included in the Co-Manager Pool. Firms selected for the Senior Manager Pool may be designated as Sole Manager, Senior Manager, Co-Senior Manager or Co-Manager, at the Authority's sole discretion, on a per transaction basis. Firms selected for the Co-Manager Pool may be designated as Co-Managers only, at the Authority's discretion, on a per transaction basis.

Appointment to either Pool does not guarantee that a firm participating in the Pool will be assigned to a particular transaction and the Authority further reserves the right to change firms on a particular transaction at any time. Firms appointed to an Underwriter Pool will not be eligible to serve as the Authority's Financial Advisor in any Authority transaction.

This RFQ is being distributed to firms to provide services for a thirty-six (36) month period with two (2) additional successive twelve (12) month periods at the Authority's discretion. The Authority anticipates that it will seek approval of the Pools at its May 2018 Board Meeting. The veto period expiration and confirmation of Pools will be on or about June 8, 2018. This schedule is subject to change upon notice of the Authority. Schedule changes and/or other RFQ revisions, if any, will be posted on the Authority's website at: www.njefa.nj.gov.

The Authority reserves the right to review, revise and/or terminate either of the Pools at any time during the term of the Pools in accordance with EO 26 and EO 37 as deemed necessary with written notice.

Respondents are required to comply with the requirements of *N.J.S.A. 10:5-31 et seq.* and *N.J.A.C. 17:27 et seq.* relating to the Mandatory Equal Employment Opportunity Language as set forth in Exhibit A-1.

3.0 MINIMUM REQUIREMENTS

A firm must meet the following minimum requirement to be given further consideration to be selected for inclusion in the Authority's Pools. Failure of a firm to meet the minimum requirement will result in a proposal's immediate rejection.

- Firm must hold and maintain all necessary licenses required by the NASD, MSRB, SEC or any other regulatory agency necessary to perform the services required by the Authority.

4.0 SCOPE OF SERVICES

Senior and Co-Senior Managers will be required to provide some or all of the services identified below, at the request of the Authority:

- 4.1.1 Prepare financing schedules and distribution lists;
- 4.1.2 Schedule and conduct working group calls;
- 4.1.3 Structure and size bond issues in order to minimize overall debt service costs;
- 4.1.4 Prepare and update cash flows for individual transactions;
- 4.1.5 Assist in drafting and reviewing relevant documents, including, but not limited to, preliminary and final official statements, purchase agreements, resolutions and indentures, contracts, and other agreements;
- 4.1.6 Assist in the preparation of materials or presentations, discussions and meetings or other communications with rating agencies, swap consultants, counterparties, insurers, credit enhancers and investors;
- 4.1.7 Obtain bids for credit enhancement and recommend efficient utilization of available credit enhancement, including but not limited to bank facilities and bond insurance;
- 4.1.8 Identify investment opportunities that provide savings and improve the efficiency or execution of a transaction;
- 4.1.9 Prepare pricing memos discussing market conditions and preliminary pricing scales, syndicate rules, syndicate price views and proposed underwriter compensation;
- 4.1.10 Manage the underwriting process and provide information on market timing, trends and investor demand;
- 4.1.11 Market and distribute bonds;
- 4.1.12 Commit capital as required in underwriting the Authority's bonds;
- 4.1.13 Provide post-closing analysis of debt issuances including pricing results, orders, allotments, designations, etc., and all information required by EO 26;
- 4.1.14 Provide support for the Authority's bonds in the secondary market;
- 4.1.15 Work cooperatively with other finance team members, including but not limited to bond counsel, co-managers, financial advisors, rating agencies, auditors, etc.
- 4.1.16 Participate in Board meetings and other related meetings as needed; and,

4.1.17 Provide other services as requested.

Co-Managers will be required to provide some or all of the services identified below, at the request of the Authority:

- 4.2.1 Assist in the marketing and distribution of bonds;
- 4.2.2 Commit capital as required in underwriting the Authority's bonds;
- 4.2.3 Provide support for the Authority's bonds in the secondary market; and,
- 4.2.4 Provide other services as requested.

Note: Documentation

All bond financing documents and contractual arrangements will be governed by New Jersey law and the form and substance of any agreements must be satisfactory to both Bond Counsel and the Office of the Attorney General.

5.0 REQUIRED COMPONENTS OF THE PROPOSAL

Each firm submitting a statement of qualifications must follow the instructions contained in this RFQ in preparing and submitting its statement of qualifications. Proposals should be completed in the most concise manner possible and must contain all of the information requested in the order and format requested. All terms and conditions set forth in this RFQ will be deemed to be incorporated by reference in their entirety into any proposal submitted by each firm.

In responding to this Request for Qualifications, please address the following areas:

5.1 Mandatory Cover Letter

- 5.1.1 Each submission must be accompanied by a cover letter. An individual who is authorized to bind the firm contractually shall sign the letter, which will be considered an integral part of the submission. The letter must certify that all of the information contained in the submission is accurate and complete insofar as information that might affect the submission adversely. The letter shall also state that the submission was prepared solely by the firm and prior to the time at which all matters regarding selection and compensation are determined, was not discussed with any individual outside of the firm, other than as specifically disclosed in such letter or contemplated by this RFQ. Submissions not containing a cover letter in accordance with this paragraph will not be accepted.

5.2 Firm Experience and Key Personnel

- 5.2.1 Please provide a brief description of your firm including its overall scope of banking services and recent history. Describe any major restructuring(s), reorganization(s), or acquisition(s) since January 1, 2014.
- 5.2.2 Identify the key personnel who will be serving the Authority. Please provide their contact information, resumes and relevant experience. Resumes may be included in the Appendix.

5.2.3 Describe your firm's qualifications, knowledge and experience as both senior manager and co-manager on College and University transactions. Describe any unique or innovative structures you have utilized for higher education clients or any execution challenges and how they were mitigated. In the Appendix, provide a list of all negotiated higher education transactions completed nationally since July 1, 2016.

5.2.4 Describe your firm's qualifications, knowledge and experience serving as senior managing underwriter or co-managing underwriter to the Authority since January 1, 2014*. Proposals should include the following:

5.2.4.1 A list of transactions your firm has completed for the Authority since July 1, 2014 with your firm's sales performance including your orders placed (retail, professional retail, institutional, and member) and allotments received; and,

5.2.4.2 Your firm's support of the Authority's bond issues in the secondary market.

**If your firm has not served as a senior managing or co-managing underwriter on a transaction for the Authority, discuss the issues noted above with respect to similar credits for other issuers and how these experiences relate to the Authority's bonds.*

5.2.5 Discuss your firm's experience and presence within the State of New Jersey, including the number of offices, the number of employees and the type of business conducted in the State.

5.3 Capital Commitment

Describe your firm's capital commitment to public finance.

5.3.1 Provide the amount of uncommitted excess net capital your firm has allocated to public finance;

5.3.2 List the three (3) largest positions your firm has taken down into inventory since January 1, 2017 when your firm served as senior manager (or co-manager, if not applicable) on a transaction. Please include the issuer, the type of bonds, total par amount, credit rating, the total amount of unsold bonds, and the amount of bonds your firm took into inventory.

5.3.3 Provide two (2) case study examples where your firm used its capital to support the sale and distribution of bonds since January 1, 2016.

5.4 Credit Ratings

Provide your firm's credit ratings (if available) and any rating or outlook changes since January 1, 2014.

5.5 Syndicate Structure Statistics

Provide a summary of your firm's last ten (10) senior managed transactions, highlighting the issuer, the size of the issue, whether the transaction was group net or net designated, the number of co-managers (if any) and the economic split structure as detailed in the AAU (i.e. "No firm may receive more than 60% of any designation"). This information may be included in the Appendix.

5.6 Ideas, Services and Coverage

5.6.1 Specifically describe the ideas, services and coverage your firm has provided to the Authority since July 1, 2016.

5.6.2 Please detail your firm's outreach to the Authority with respect to Congressional tax reform matters in November and December of 2017.

5.6.3 Describe any valuable ideas regarding new trends, products and structures in financing college and university facilities.

5.7 Marketing Strategy

Describe your firm's marketing strategy with respect to retail, professional retail, and institutional buyers as well as your distribution capabilities in relation to your firm's ability to distribute New Jersey and higher education securities. Would your firm recommend the use of "net roadshows" or other investor outreach on transactions?

5.8 Distressed Credits

Provide two (2) detailed case studies describing your firm's qualifications, knowledge and experience serving as a managing underwriter to higher education entities rated Baa1/BBB+ and below and/or non-rated since July 1, 2016.

5.9 G-37/38

Please provide copies of the firm's most recent filing of G-37/38 Reports pursuant to Rules G-37 and G-38 of the Municipal Securities Rulemaking Board.

5.10 Annual Report and Financial Statements

Provide one (1) copy of your firm's most recent annual report and audited financial statements.

5.11 Litigation

Describe any pending, concluded or threatened litigation, administrative proceedings or federal or state investigations or audits, subpoenas or other information requests of or involving your firm or the owners, principals or employees. Describe the nature and status of the matter and the resolution, if any.

5.12 Sanctions or Penalties

List any sanctions or penalties brought against your firm or any of its personnel (including suspension or disbarment) by any regulatory or licensing agencies since July 1, 2016. Include a description of the reasons for the sanctions or penalties and whether such sanctions or penalties are subject to appeal.

5.13 Conflict of Interest

Describe any material agreements, relationships, retainers or other employment that your firm or any employee of your firm has with any other investment banking firm, financial advisory firm, law firm, institution of higher education or 501(c)(3) organization or other person or entity that may create a conflict of interest or the

appearance of a conflict of interest with the Authority or a New Jersey public or private higher education institution. If a conflict does or might exist, please describe how your firm would eliminate or prevent it.

5.14 Required Documents and Forms

In addition to all Required Components of the Proposal as listed above, all documents and forms listed in the Checklist referenced in Section 9.0 must be timely submitted in order for a Proposal to be considered responsive to this RFQ.

6.0 SUBMISSION OF THE PROPOSAL

In order to be considered for appointment, your firm must submit one (1) original and three (3) copies of your proposal addressing the specific requirements outlined herein by no later than **3:00 PM EDT on Wednesday, April 18, 2018** at the following location:

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
Attention: Steven Nelson, Director of Project Management
103 College Road East, 2nd Floor
Princeton, NJ 08540

Proposals received after this time and date will not be considered. E-mailed and/or faxed proposals will not be accepted under any circumstances. Joint proposals are not permitted. Proposals must be limited to **fifteen (15)** pages, not including materials in the Appendices.

No firm submitting a proposal may make any inquiries concerning this RFQ, except as expressly set forth herein, to any other NJEFA or Institution employee, Board member, or other state official until final selections have been determined. The Authority asks respondents not to contact rating officials or other outside parties in connection with preparing a response. No telephone inquiries will be accepted, except as expressly set forth herein concerning P.L. 2005, c. 51/Executive Order No. 117. All inquiries related to this RFQ must be directed in writing via email or fax to:

Steven Nelson, Director of Project Management
Steven.Nelson@njefa.nj.gov
(609) 987-0850

All inquiries must be received by **Wednesday, April 4, 2018**. If the Authority determines that any answers to such questions should receive the attention of all RFQ recipients, the responses will be posted on www.njefa.nj.gov on or about **Wednesday, April 11, 2018**. It is the responsibility of the respondents to check our website regularly for updates, if any. All such answers to questions or addenda shall be incorporated into and made part of this RFQ.

The Authority reserves the right to request additional information if necessary or to request an interview with firm(s) in which the evaluation committee will participate. The Authority also

reserves the right to reject any and all proposals with or without cause, and waive any irregularities or informalities in the proposals submitted. The Authority further reserves the right to make such investigations as it deems necessary as to the qualifications of any and all firms submitting proposals. The Authority also reserves the right to reject any and all submitted proposals. In the event that all proposals are rejected, the Authority reserves the right to resolicit proposals.

The Authority assumes no responsibility and bears no liability for costs incurred by a firm in the preparation and submittal of a proposal, or interviews, if any, in response to this RFQ. The Authority assumes no responsibility and bears no liability for the disclosure of any information or material received in connection with the solicitation, whether by negligence or otherwise.

All documents and information submitted shall be available to the general public as required by EO 26 and applicable law, including New Jersey Open Public Records Act, *N.J.S.A. 47:1A et seq.*

7.0 SELECTION PROCESS

The responses to the RFQ will be reviewed by Authority staff and recommendations for inclusion in the Authority's Pools will be made to the Authority's Board. In accordance with EO 26, the criteria used to evaluate responsive proposals shall include, but are not limited to:

- Ideas, expertise, capacity, experience and personnel;
- Overall underwriting experience and experience with higher education issuing authorities and college and university clients;
- Understanding of the Institutions' financing needs and objectives;
- Development of innovative ideas;
- Capital adequacy and underwriting commitment;
- Analytical capabilities, including sophisticated cash flow analysis;
- Experience and availability of professionals working on Authority transactions;
- New Jersey presence;
- Demonstrated ability to distribute Authority securities; and,
- Overall quality of response to this RFQ.

All proposals will be reviewed to determine responsiveness. Non-responsive proposals will be rejected without evaluation. Responsive proposals will be reviewed and scored by an evaluation committee pursuant to the grading scale it creates. The Authority reserves the right to request clarifying information subsequent to the submission of the proposal if necessary.

Once the Pools are established, at the sole discretion of the Authority, future RFP processes for a specific bond transaction may be open to all or some of the participating members of the Pools dependent on the needs of the transaction, the type and quality of the credit or other factors.

8.0 STATUTORY REQUIREMENTS

8.1 STATUTORY REQUIREMENTS

8.1.1 Chapter 51 and Executive Order No. 117. Pursuant to P.L. 2005, c. 51 (“Chapter 51”) and Executive Order No. 117 (Corzine 2008) (“Executive Order 117”), State departments, agencies and independent authorities, such as the Authority, are precluded from awarding contracts exceeding \$17,500 to vendors who make certain political contributions on and after October 15, 2004, to avoid any appearance that the selection of contracts is based on the contractors’ political contributions. The firms selected pursuant to this RFQ shall be required to maintain compliance with Chapter 51 and Executive Order 117 during the term of their engagement. If your firm has questions regarding the requirements of P.L. 2005, c. 51/Executive Order No. 117, please contact Jacqueline McFadyen, Associate Project Manager, at 609-987-0880.

8.1.2 Chapter 271. Pursuant to P.L. 2005, c. 271 (“Chapter 271”), at least ten (10) days prior to entering into any agreement or contract with a value over \$17,500 with the Authority, business entities are required to submit a disclosure of certain political contributions.

Firms are also advised of their 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 your firm receives contracts with public entities, such as the Authority, in excess of \$50,000 or more in the aggregate in a calendar year. It is the firm’s responsibility 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 www.elec.state.nj.us.

8.1.3 Executive Order No. 9. Pursuant to Executive Order No. 9 (Codey 2004), dated and effective as of December 6, 2004, it is the policy of the State that in all cases where bond underwriting services are or may be required by the State or any of its departments, agencies or independent authorities, such department, agency or independent authority shall deal directly with the principals of the underwriting firms or their registered lobbyists. The department, agency or independent authority shall not discuss, negotiate or otherwise interact with any third-party consultant, other than principals of the underwriting firms and their registered lobbyists, with respect to the possible engagement of the firm to provide bond underwriting services. Compliance with Executive Order No. 9 shall be a material term and

condition of any bond purchase contract entered into by underwriters selected for this assignment.

8.1.4 Chapter 92. In accordance with P.L. 2005, c. 92, all service performed pursuant to this RFQ shall be performed within the United States.

8.1.5 Certification of Non-Involvement in Prohibited Activities in Iran. Pursuant to *N.J.S.A. 52:32-58*, firms must certify that neither the bidder, nor any of its parents, subsidiaries, and/or affiliates (as defined in *N.J.S.A. 52:32 – 56(e) (3)*), is listed on the Department of the Treasury's List of Persons or Entities Engaging in Prohibited Investment Activities in Iran and that neither is involved in any of the investment activities set forth in *N.J.S.A. 52:32 – 56(f)*. If the bidder is unable to so certify, the bidder shall provide a detailed and precise description of such activities.

8.1.6 Mandatory EEO Language and State Policy Prohibiting Discrimination in the Workplace. If awarded a contract, your firm shall be required to comply with the requirements of *N.J.S.A. 10:5-31 et seq.* and *N.J.A.C. 17:27 et seq.* and the terms set forth in **EXHIBITS A-1 and A-2**.

8.1.7 New Jersey Business Registration. Pursuant to the terms of *N.J.S.A. 52:32-44*, entities providing goods or services to the Authority must be registered with the New Jersey Department of the Treasury, Division of Revenue. Effective September 1, 2004, pursuant to an amendment to *N.J.S.A. 52:32-44*, State and local entities, including the Authority, are prohibited from entering into a contract with an entity unless the firm has provided a copy of its business registration certificate (or interim registration) as a part of its response.

To verify the registration status of your business and obtain a Business Registration Certificate visit the Division of Revenue website at: https://www1.state.nj.us/TYTR_BRC/jsp/BRCLLoginJsp.jsp. If your firm is not already registered with the New Jersey Division of Revenue, the form should be completed online at the Division of Revenue website at: www.state.nj.us/treasury/revenue/index.html.

8.2 STATUTORILY REQUIRED FORMS

The following statutorily-required forms can be downloaded from the Department of the Treasury website at: <http://www.state.nj.us/treasury/purchase/forms.shtml>.

- State of New Jersey Standard Terms and Conditions
- Ownership Disclosure Form
- Disclosure of Investigations and Other Actions Involving Vendor

- Disclosure of Investment Activities in Iran Form
- Affirmative Action Compliance (submit one of the following):
 - New Jersey Certificate of Employee Information Report
 - Federal Letter of Approval Verifying a Federally Approved or Sanctioned Affirmative Action Program (*dated within one (1) year of submission*)
 - Affirmative Action Employee Information Report (AA-302)
- Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions
- Chapter 271 Vendor Certification and Political Disclosure Form
- MacBride Principles Form
- Proof of New Jersey Business Registration
- Source Disclosure Form

9.0 CHECKLIST, ATTACHMENTS AND EXHIBITS

The Checklist on the following page is to be executed by an authorized signer, and all required forms and documents listed therein must be included and submitted with your Proposal.

RFQ CHECKLIST		DOCUMENT INCLUDED		
PROPOSAL	1	Written Proposal	<input type="checkbox"/>	
	2	Copies of the firm's most recent filing of G-37/38 Reports pursuant to Rules G-37 and G-38 of the Municipal Securities Rulemaking Board	<input type="checkbox"/>	
	3	One copy of your firm's most recent annual report and audited financial statements	<input type="checkbox"/>	
EXHIBITS	4	EXHIBIT A-1 - Mandatory Equal Employment Opportunity Language - <i>Signed Acceptance and Acknowledgment</i>	<input type="checkbox"/>	
		EXHIBIT A-2 - State Policy Prohibiting Discrimination in the Workplace and Vendor/Contractor Acknowledgment of Receipt	<input type="checkbox"/>	
	5	EXHIBIT B - Certification of No Change (<i>only for firms who have previously submitted the certification and disclosure forms pursuant to P.L. 2005, c. 51/Executive Order No. 117</i>)	<input type="checkbox"/>	
DIVISION OF PURCHASE & PROPERTY FORMS	6	<u>State of New Jersey Terms and Conditions (Signed Acceptance of Terms & Conditions)</u>	<input type="checkbox"/>	
	7	<u>Ownership Disclosure Form</u>	<input type="checkbox"/>	
	8	<u>Disclosure of Investigations and Other Actions Involving Vendor</u>	<input type="checkbox"/>	
	9	<u>Disclosure of Investment Activities in Iran</u>	<input type="checkbox"/>	
	10	Affirmative Action Compliance (submit one of the following)	<input type="checkbox"/>	
		a. New Jersey Certificate of Employee Information Report		
		b. Federal Letter of Approval Verifying a Federally Approved or Sanctioned Affirmative Action Program (dated within one (1) year of submission of Proposal)		
		c. <u>Affirmative Action Employee Information Report (AA-302)</u>		
	11	<u>Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions OR Certification of No Change (EXHIBIT B)</u>	<input type="checkbox"/>	
	12	<u>Chapter 271 Vendor Certification and Political Disclosure Form</u>	<input type="checkbox"/>	
	13	<u>MacBride Principles Form</u>	<input type="checkbox"/>	
	14	<u>Proof of New Jersey Business Registration</u>	<input type="checkbox"/>	
	15	<u>Source Disclosure Form</u>	<input type="checkbox"/>	
	MISCELLANEOUS	16	Small, Minority and/or Women-Owned Business Enterprise Certification or Documentation (if applicable)	<input type="checkbox"/>
		17	NJSTART Registration NJSTART is a system which provides a "one-stop shop" for vendors to submit proposals, maintain required forms and certifications, and present purchase orders and invoices for payment. Visit www.njstart.gov and click on "Register" to start the process.	<input type="checkbox"/>

I hereby acknowledge that I have read and attached all the necessary documents that are required in response to this RFQ.

Firm Name: _____

Submitted By: _____

Title: _____

Date: _____

EXHIBIT A-1

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE

N.J.S.A. 10:5-31 et seq. (P.L. 1975, C. 127)

N.J.A.C. 17:27

GOODS, PROFESSIONAL SERVICE AND GENERAL SERVICE CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor, where applicable, will send to each labor union or representative or workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to make good faith efforts to employ minority and women workers consistent with the applicable county employment goals established in accordance with N.J.A.C. 17:27-5.2, or a binding determination of the applicable county employment goals determined by the Division, pursuant to N.J.A.C. 17:27-5.2.

The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

In conforming with the applicable employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services contract, one of the following three documents:

Letter of Federal Affirmative Action Plan Approval

Certificate of Employee Information Report

Employee Information Report Form AA302

The contractor and its subcontractors shall furnish such reports or other documents to the Div. of Contract Compliance & EEO as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Div. of Contract Compliance & EEO for conducting a compliance investigation pursuant to Subchapter 10 of the Administrative Code at N.J.A.C. 17:27.

Firm Name: _____

Submitted By: _____

Title: _____

Date: _____

EXHIBIT A-2

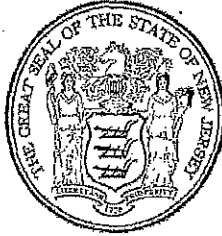
VENDOR/CONTRACTOR ACKNOWLEDGMENT OF RECEIPT

New Jersey Educational Facilities Authority is committed to establishing and maintaining a workplace environment that is free from discrimination or harassment.

Attached for your review is the New Jersey State Policy Prohibiting Discrimination in the Workplace, which must be distributed to all vendors/contractors with whom New Jersey Educational Facilities Authority has a direct relationship.

Please sign and return this Acknowledgment of Receipt to confirm you have received a copy of the New Jersey State Policy Prohibiting Discrimination in the Workplace.

Firm Name: _____
Authorized Signer: _____
Printed Name: _____
Title: _____
Date: _____



**NEW JERSEY STATE
POLICY PROHIBITING DISCRIMINATION IN THE WORKPLACE**

I. POLICY

a. Protected Categories

The State of New Jersey is committed to providing every State employee and prospective State employee with a work environment free from prohibited discrimination or harassment. Under this policy, forms of employment discrimination or harassment based upon the following protected categories are prohibited and will not be tolerated: race, creed, color, national origin, nationality, ancestry, age, sex/gender (including pregnancy), marital status, civil union status, domestic partnership status, familial status, religion, affectional or sexual orientation, gender identity or expression, atypical hereditary cellular or blood trait, genetic information, liability for service in the Armed Forces of the United States, or disability.

To achieve the goal of maintaining a work environment free from discrimination and harassment, the State of New Jersey strictly prohibits the conduct that is described in this policy. This is a zero tolerance policy. This means that the state and its agencies reserve the right to take either disciplinary action, if appropriate, or other corrective action, to address any unacceptable conduct that violates this policy, regardless of whether the conduct satisfies the legal definition of discrimination or harassment.

b. Applicability

Prohibited discrimination/harassment undermines the integrity of the employment relationship, compromises equal employment opportunity, debilitates morale and interferes with work productivity. Thus, this policy applies to all employees and applicants for employment in State departments, commissions, State colleges or universities, agencies, and authorities (hereafter referred to in this section as "State agencies" or "State agency"). The State of New Jersey will not tolerate harassment or

discrimination by anyone in the workplace including supervisors, co-workers, or persons doing business with the State. This policy also applies to both conduct that occurs in the workplace and conduct that occurs at any location which can be reasonably regarded as an extension of the workplace (any field location, any off-site business-related social function, or any facility where State business is being conducted and discussed).

This policy also applies to third party harassment. Third party harassment is unwelcome behavior involving any of the protected categories referred to in (a) above that is not directed at an individual but exists in the workplace and interferes with an individual's ability to do his or her job. Third party harassment based upon any of the aforementioned protected categories is prohibited by this policy.

II. PROHIBITED CONDUCT

a. Defined

It is a violation of this policy to engage in any employment practice or procedure that treats an individual less favorably based upon any of the protected categories referred to in I (a) above. This policy pertains to all employment practices such as recruitment, selection, hiring, training, promotion, transfer, assignment, layoff, return from layoff, termination, demotion, discipline, compensation, fringe benefits, working conditions and career development.

It is also a violation of this policy to use derogatory or demeaning references regarding a person's race, gender, age, religion, disability, affectional or sexual orientation, ethnic background, or any other protected category set forth in I(a) above. A violation of this policy can occur even if there was no intent on the part of an individual to harass or demean another.

Examples of behaviors that may constitute a violation of this policy include, but are not limited to:

- Discriminating against an individual with regard to terms and conditions of employment because of being in one or more of the protected categories referred to in I(a) above;
- Treating an individual differently because of the individual's race, color, national origin or other protected category, or because an individual has the physical, cultural or linguistic characteristics of a racial, religious, or other protected category;

- Treating an individual differently because of marriage to, civil union to, domestic partnership with, or association with persons of a racial, religious or other protected category; or due to the individual's membership in or association with an organization identified with the interests of a certain racial, religious or other protected category; or because an individual's name, domestic partner's name, or spouse's name is associated with a certain racial, religious or other protected category;
- Calling an individual by an unwanted nickname that refers to one or more of the above protected categories, or telling jokes pertaining to one or more protected categories;
- Using derogatory references with regard to any of the protected categories in any communication;
- Engaging in threatening, intimidating, or hostile acts toward another individual in the workplace because that individual belongs to, or is associated with, any of the protected categories; or
- Displaying or distributing material (including electronic communications) in the workplace that contains derogatory or demeaning language or images pertaining to any of the protected categories.

b. Sexual Harassment

It is a violation of this policy to engage in sexual (or gender-based) harassment of any kind, including hostile work environment harassment, quid pro quo harassment, or same-sex harassment. For the purposes of this policy, sexual harassment is defined, as in the Equal Employment Opportunity Commission Guidelines, as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when, for example:

- Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Examples of prohibited behaviors that may constitute sexual harassment and are therefore a violation of this policy include, but are not limited to:

- Generalized gender-based remarks and comments;
- Unwanted physical contact such as intentional touching, grabbing, pinching, brushing against another's body or impeding or blocking movement;
- Verbal, written or electronic sexually suggestive or obscene comments, jokes or propositions including letters, notes, e-mail, text messages, invitations, gestures or inappropriate comments about a person's clothing;
- Visual contact, such as leering or staring at another's body; gesturing; displaying sexually suggestive objects, cartoons, posters, magazines or pictures of scantily-clad individuals; or displaying sexually suggestive material on a bulletin board, on a locker room wall, or on a screen saver;
- Explicit or implicit suggestions of sex by a supervisor or manager in return for a favorable employment action such as hiring, compensation, promotion, or retention;
- Suggesting or implying that failure to accept a request for a date or sex would result in an adverse employment consequence with respect to any employment practice such as performance evaluation or promotional opportunity; or
- Continuing to engage in certain behaviors of a sexual nature after an objection has been raised by the target of such inappropriate behavior.

III. EMPLOYEE RESPONSIBILITIES

Any employee who believes that she or he has been subjected to any form of prohibited discrimination/harassment, or who witnesses others being subjected to such discrimination/harassment is encouraged to promptly report the incident(s) to a supervisor or directly to the State agency's Equal Employment Opportunity/Affirmative Action Officer or to any other persons designated by the State agency to receive workplace discrimination complaints.

All employees are expected to cooperate with investigations undertaken pursuant to VI below. Failure to cooperate in an investigation may result in

administrative and/or disciplinary action, up to and including termination of employment.

IV. SUPERVISOR RESPONSIBILITIES

Supervisors shall make every effort to maintain a work environment that is free from any form of prohibited discrimination/harassment. Supervisors shall immediately refer allegations of prohibited discrimination/harassment to the State agency's Equal Employment Opportunity/Affirmative Action Officer, or any other individual designated by the State agency to receive complaints of workplace discrimination/harassment. A supervisor's failure to comply with these requirements may result in administrative and/or disciplinary action, up to and including termination of employment. For purposes of this section and in the State of New Jersey Model Procedures for Processing Internal Complaints Alleging Discrimination in the Workplace (Model Procedures), a supervisor is defined broadly to include any manager or other individual who has authority to control the work environment of any other staff member (for example, a project leader).

V. DISSEMINATION

Each State agency shall annually distribute the policy described in this section, or a summarized notice of it, to all of its employees, including part-time and seasonal employees. The policy, or summarized notice of it, shall also be posted in conspicuous locations throughout the buildings and grounds of each State agency (that is, on bulletin boards or on the State agency's intranet site). The Department of the Treasury shall distribute the policy to State-wide vendors/contractors, whereas each State agency shall distribute the policy to vendors/contractors with whom the State agency has a direct relationship.

VI. COMPLAINT PROCESS

Each State agency shall follow the Model Procedures with regard to reporting, investigating, and where appropriate, remediating claims of discrimination/harassment. See N.J.A.C. 4A:7-3.2. Each State agency is responsible for designating an individual or individuals to receive complaints of discrimination/harassment, investigating such complaints, and recommending appropriate remediation of such complaints. In addition to the Equal Employment Opportunity/Affirmative Action Officer, each State agency shall designate an alternate person to receive claims of discrimination/harassment.

All investigations of discrimination/harassment claims shall be conducted in a way that respects, to the extent possible, the privacy of all the persons involved. The investigations shall be conducted in a prompt, thorough and

impartial manner. The results of the investigation shall be forwarded to the respective State agency head to make a final decision as to whether a violation of the policy has been substantiated.

Where a violation of this policy is found to have occurred, the State agency shall take prompt and appropriate remedial action to stop the behavior and deter its reoccurrence. The State agency shall also have the authority to take prompt and appropriate remedial action, such as moving two employees apart, before a final determination has been made regarding whether a violation of this policy has occurred.

The remedial action taken may include counseling, training, intervention, mediation, and/or the initiation of disciplinary action up to and including termination of employment.

Each State agency shall maintain a written record of the discrimination/harassment complaints received. Written records shall be maintained as confidential records to the extent practicable and appropriate.

VII. PROHIBITION AGAINST RETALIATION

Retaliation against any employee who alleges that she or he was the victim of discrimination/harassment, provides information in the course of an investigation into claims of discrimination/harassment in the workplace, or opposes a discriminatory practice, is prohibited by this policy. No employee bringing a complaint, providing information for an investigation, or testifying in any proceeding under this policy shall be subjected to adverse employment consequences based upon such involvement or be the subject of other retaliation.

Following are examples of prohibited actions taken against an employee because the employee has engaged in activity protected by this subsection:

- Termination of an employee;
- Failing to promote an employee;
- Altering an employee's work assignment for reasons other than legitimate business reasons;
- Imposing or threatening to impose disciplinary action on an employee for reasons other than legitimate business reasons; or
- Ostracizing an employee (for example, excluding an employee from an activity or privilege offered or provided to all other employees).

VIII. FALSE ACCUSATIONS AND INFORMATION

An employee who knowingly makes a false accusation of prohibited discrimination/harassment or knowingly provides false information in the course of an investigation of a complaint, may be subjected to administrative and/or disciplinary action, up to and including termination of employment. Complaints made in good faith, however, even if found to be unsubstantiated, shall not be considered a false accusation.

IX. CONFIDENTIALITY

All complaints and investigations shall be handled, to the extent possible, in a manner that will protect the privacy interests of those involved. To the extent practical and appropriate under the circumstances, confidentiality shall be maintained throughout the investigatory process. In the course of an investigation, it may be necessary to discuss the claims with the person(s) against whom the complaint was filed and other persons who may have relevant knowledge or who have a legitimate need to know about the matter. All persons interviewed, including witnesses, shall be directed not to discuss any aspect of the investigation with others in light of the important privacy interests of all concerned. Failure to comply with this confidentiality directive may result in administrative and/or disciplinary action, up to and including termination of employment.

X. ADMINISTRATIVE AND/OR DISCIPLINARY ACTION

Any employee found to have violated any portion or portions of this policy may be subject to appropriate administrative and/or disciplinary action which may include, but which shall not be limited to: referral for training, referral for counseling, written or verbal reprimand, suspension, reassignment, demotion or termination of employment. Referral to another appropriate authority for review for possible violation of State and Federal statutes may also be appropriate.

XI. TRAINING

All State agencies shall provide all new employees with training on the policy and procedures set forth in this section within a reasonable period of time after each new employee's appointment date. Refresher training shall be provided to all employees, including supervisors, within a reasonable period of time. All State agencies shall also provide supervisors with training on a regular basis regarding their obligations and duties under the policy and regarding procedures set forth in this section.

Issued: December 16, 1999
Revised: June 3, 2005
Revised: September 5, 2013
See N.J.A.C. 4A:7-3.1

EXHIBIT B

P.L. 2005, c. 51 / Executive Order No. 117
Certification of No Change

I, _____ the _____ of _____ (the
“Underwriting Firm”) in connection with the Request for Qualifications for Underwriting Services
(the “RFQ”) issued by the New Jersey Educational Facilities Authority (the “Authority”) do hereby
certify that all information, certifications and disclosure statements previously provided in
connection with P.L. 2005, c. 51, which codified Executive Order No. 134 (McGreevey 2004), as
amended by Executive Order No. 117 (Corzine 2008), are true and correct as of the date hereof
and that all such statements have been made with full knowledge that the Authority and the State
of New Jersey shall rely upon the truth of the statements contained therein and herein in connection
with the RFQ.

IN WITNESS WHEREOF, we have executed this Certification as of this _____ day of
_____, 2018.

[NAME OF FIRM]

Submitted By: _____
Title: _____
Date: _____

EXHIBIT B TO RESOLUTION

Senior Manager Pool

Senior Manager Pool

Bank of America Merrill Lynch
Barclays Capital, Inc.
Citigroup Global Markets Inc.
Goldman, Sachs & Co.
Janney Montgomery Scott LLC
Jefferies LLC
J.P. Morgan Securities LLC
Morgan Stanley & Co. LLC
Ramirez & Co., Inc.
Raymond James & Associates, Inc.
RBC Capital Markets, LLC
Siebert Cisneros Shank & Co., LLC
Stifel, Nicolaus & Company, Incorporated
UBS Financial Services Inc.
Wells Fargo Bank, N.A.

EXHIBIT C TO RESOLUTION

Co-Manager Pool

Co-Manager Pool

Academy Securities, Inc.
BNY Mellon Capital Markets, LLC
FTN Financial Capital Markets
Drexel Hamilton LLC
Fidelity Capital Markets
Loop Capital Markets LLC
M&T Securities, Inc.
NW Capital Markets Inc.
PNC Capital Markets LLC
Rice Securities, LLC
Stern Brothers & Co.
TD Securities (USA) LLC
The Williams Capital Group, L.P.

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY ACKNOWLEDGING AND ACCEPTING THE STATE
TREASURER'S DESIGNATION OF A REPRESENTATIVE TO THE
AUDIT COMMITTEE**

Adopted: November 27, 2018

- WHEREAS:** The Audit Committee has been established pursuant to Article III, Section 12 of the By-Laws (the "By-Laws") of the New Jersey Educational Facilities Authority (the "Authority"); and
- WHEREAS:** The By-Laws provide that the Audit Committee shall consist of: (i) the Treasurer of the State of New Jersey (the "State Treasurer"); (ii) the Treasurer of the Authority (the "Authority Treasurer"), but only if said Authority Treasurer is a member of the Authority, and if the Authority Treasurer is not a member of the Authority, then the Chair; and (iii) a member of the Authority with significant financial experience, elected at the Annual Meeting of the members of the Authority or as soon thereafter as practicable; and
- WHEREAS:** By Resolution, at the Authority's Annual Meeting on May 16, 2018 ("Annual Meeting"), the members elected the State Treasurer, or her designee to the Authority's Board as the Authority Treasurer, and Ridgeley Hutchinson, as a public member of the Authority with significant financial experience, to serve on the Audit Committee; and
- WHEREAS:** At the Annual Meeting, since the State Treasurer, in her capacity as the Authority Treasurer, is also a member of the Authority *ex officio*, pursuant to the By-Laws, the State Treasurer nominated and designated Dini Ajmani, Assistant State Treasurer, to represent her as the third member of the Audit Committee and by Resolution on May 16, 2018, the Members of the Authority acknowledged and accepted the State Treasurer's designation of Dini Ajmani; and
- WHEREAS:** The State Treasurer has nominated and designated Ryan Feeney, Manager, Office of Public Finance, to replace Dini Ajmani to serve as the third member of the Authority's Audit Committee until such time as the Audit Committee is reconstituted at the Authority's next annual meeting; and
- WHEREAS:** The Members of the Authority wish to acknowledge and accept the State Treasurer's designation of Ryan Feeney, Manager, Office of Public Finance, to represent her as the third member of the Audit Committee.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, AS FOLLOWS:

- Section 1.** The Members of the Authority hereby acknowledge and accept the State Treasurer's designation of Ryan Feeney, Manager, Office of Public Finance, to represent her as the third member of the Audit Committee.
- Section 2.** This Resolution supersedes all prior resolutions to the extent inconsistent herewith and with the By-Laws and shall take effect in accordance with the provisions of the Act.

___ Mr. Hutchinson ___ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ___ Mr. Moore ___ and upon roll call the following members voted:

AYE: Joshua Hodes
Ridgeley Hutchinson
Louis Rodriguez
Zakiya Smith Ellis (represented by Angela Bethea)
Elizabeth Maher Muoio (represented by David Moore)

NAY: None

ABSTAIN: None

ABSENT: None

The Chair thereupon declared said motion carried and said resolution adopted.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

**RESOLUTION REAUTHORIZING THE TAX-EXEMPT LEASE
FINANCING PROGRAM OF THE NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY AND MAKING CERTAIN DETERMINATIONS
IN CONNECTION THEREWITH**

Adopted: November 27, 2018

**RESOLUTION REAUTHORIZING THE TAX-EXEMPT LEASE
FINANCING PROGRAM OF THE NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY AND MAKING CERTAIN DETERMINATIONS
IN CONNECTION THEREWITH**

WHEREAS, the New Jersey Educational Facilities Authority (the "Authority") is a public body corporate and politic of the State of New Jersey (the "State") and was duly created and now exists under 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"); and

WHEREAS, by resolution adopted on March 22, 2006, the Authority has heretofore authorized a tax-exempt equipment lease financing program providing for the lease purchase, from time to time, of certain capital equipment and other personal property in aggregate amount not to exceed \$50,000,000 on behalf of public and private institutions of higher education located in the State (the "2006 Program"); and

WHEREAS, under the 2006 Program, the Authority has heretofore financed an aggregate principal amount of \$33,635,955, consisting of three (3) lease purchase transactions for Kean University (in a combined aggregate principal amount of \$25,916,666), three (3) lease purchase transactions for Thomas Edison State University (in a combined aggregate principal amount of \$4,348,000), and one (1) lease purchase transaction for Seton Hall University (in an aggregate principal amount of \$3,371,289); and

WHEREAS, the Authority has determined that it is necessary, appropriate and in keeping with its authorized purposes to update and reauthorize the Authority's Tax-Exempt Lease Financing Program (as updated, the "Program"), in order to provide eligible institutions with an important and alternative financing tool; and

WHEREAS, any "public institution of higher education" or any "private college", as such terms are defined in the Act (each, an "Eligible Institution") electing to participate in the Program would identify the item(s) of capital equipment or other real and/or personal property to be acquired (collectively, the "Leased Assets"), and would undertake such procurement from one or more vendors in accordance with all applicable laws; and

WHEREAS, the Authority, in consultation with the Eligible Institution, would select a firm to serve as lessor for each transaction and for such acquisition of Leased Assets (the "Lessor"); and

WHEREAS, the Lessor, the Authority and the Eligible Institution would also enter into a Master Lease and Sublease Agreement together with one or more Schedules identifying the particular Leased Assets being acquired (collectively, the "Master Lease Agreement") by which, *inter alia*, (i) the Lessor would agree to acquire the Leased Assets on behalf of the Eligible Institution and thereupon lease said Leased Assets to the Authority, (ii) the Authority would agree to sublease said Leased Assets to the Eligible Institution, and (iii) the Eligible Institution will agree to make certain sublease payments sufficient in time and amount to provide for the payment of all lease payments owing to Lessor, together with all fees and expenses of the Lessor and the Authority, including the fees and expenses of the Authority's financial advisor (if necessary), the Lessor, the

Acquisition Fund Custodian (as hereafter defined) and Bond Counsel (as hereafter defined) (collectively, the "Costs of Issuance"); and

WHEREAS, the Lessor, the Authority, the Eligible Institution and (unless the Lessor chooses to also serve in such capacity) a banking institution to be selected by the Authority, in consultation with the Eligible Institution (the "Acquisition Fund Custodian") would also enter into an Acquisition Fund and Account Control Agreement (the "Acquisition Fund Agreement") by which, *inter alia*, the Lessor shall deposit the amount projected to be sufficient to acquire the Leased Assets and amounts for payment of the Costs of Issuance, and such amount shall be held and invested by the Acquisition Fund Custodian pending disbursement for such purposes; and

WHEREAS, each transaction under the Program and the documents thereunder will be subject to the review and approval of the Authority board, upon the advice of the Attorney General of the State and/or Bond Counsel, and transactions on behalf of private colleges will also be subject to compliance with such public notice and public approval requirements as may be applicable under the Internal Revenue Code of 1986, as amended; and

WHEREAS, the Attorney General of the State shall appoint, from time to time, one or more bond counsel firms to serve as bond counsel to the Authority in connection with particular transactions under the Program (each, a "Bond Counsel"); and

WHEREAS, in order to facilitate the streamlined approval and closing of transactions under the Program, the Authority has caused to be prepared (i) a form of Master Lease Agreement for use in connection with transactions on behalf of public institutions of higher education (the "Public Form of Master Lease Agreement"), (ii) a form of Master Lease Agreement for use in connection with transactions on behalf of private colleges (the "Private Form of Master Lease Agreement"), and (iii) a form of Acquisition Fund Agreement for use in connection with all transactions (the "Form of Acquisition Fund Agreement"); and

WHEREAS, the Authority now desires to reauthorize the Program and to approve the above-referenced document forms, and to further authorize the establishment and maintenance, from time to time, of pools of qualified entities to serve as Lessor and Acquisition Fund Custodian for transactions under the Program;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, AS FOLLOWS:

Section 1. Authorization of Program.

The Authority hereby declares that the Program is an authorized undertaking of the Authority and authorizes and directs 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" (each an "Authorized Officer"), to take such actions as may be necessary or desirable to assist any Eligible Institution in connection with its participation in the Program; provided, that any such Eligible

Institution shall pay all fees and expenses of the Authority, the Authority's financial advisor (if necessary), the Lessor, the Acquisition Fund Custodian and Bond Counsel to be selected for such transaction.

Section 2. Approval of Document Forms.

The Public Form of Master Lease Agreement, the Private Form of Master Lease Agreement and the Form of Acquisition Fund Agreement, each as presented to the meeting at which this Resolution is adopted (copies of which shall be filed with the records of the Authority), are hereby approved.

Section 3. Review and Approval of Transactions Under the Program.

The Authorized Officers are hereby authorized and directed to solicit and receive, from time to time, applications for financing under the Program from Eligible Institutions, and to review applications so received. All transactions under the Program shall be approved by resolution of the Authority board, which resolution shall identify the Leased Assets to be acquired, the Lessor and the Acquisition Fund Custodian, and shall also approve the terms of the Master Lease Agreement and the Acquisition Fund Agreement (to the extent of any variances from the forms approved by this resolution). Unless otherwise provided in such approving resolution, (i) the duration of any transaction shall not exceed ten (10) years, (ii) the interest rate embedded in the lease purchase payments in respect of any transaction shall not exceed seven percent (7%) per annum, and (iii) there shall be delivered in connection with each transaction an opinion of Bond Counsel to the effect that the interest component of rentals payable by the Authority pursuant to the applicable Master Lease Agreement is not includable in gross income for federal income tax purposes.

Section 4. Incidental Action.

The Authorized Officers are hereby authorized and directed to execute and deliver such other documents, certificates, directions and notices, and to take such other action as may be necessary or appropriate in order to effectuate the Program. Any and all prior actions taken by the Authority in furtherance of the Program or the 2006 Program are hereby ratified and confirmed.

Section 5. Effective Date.

This Resolution shall take effect as provided for under the Act.

____ Mr. Hutchinson ____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ____ Mr. Rodriguez ____ and upon roll call the following members voted:

AYE: Joshua Hodes
Ridgeley Hutchinson
Louis Rodriguez
Zakiya Smith Ellis (represented by Angela Bethea)
Elizabeth Maher Muoio (represented by David Moore)

NAY: None

ABSTAIN: None

ABSENT: None

The Chair thereupon declared said motion carried and said resolution adopted.

ACQUISITION FUND AND ACCOUNT CONTROL AGREEMENT

This Acquisition Fund and Account Control Agreement (this "Agreement"), dated as of _____, 20__, by and among _____, a _____ [corporation] [limited liability company] (together with its successors and assigns, hereinafter referred to as "Lessor"), the New Jersey Educational Facilities Authority ("Lessee"), a body corporate and politic of the State of New Jersey established pursuant to 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"), _____, a [public institution of higher education] [nonprofit educational institution for higher education] organized and existing under the laws of the State of New Jersey ("Sub-Lessee") and _____, a [banking corporation] [national banking association] organized under the laws of the _____ (hereinafter referred to as the "Acquisition Fund Custodian").

Reference is made to that certain Master Lease and Sublease Agreement dated as of _____, 20__ among Lessor, Lessee and Sub-Lessee and Schedule of Property No. __ (the "Schedule") thereto (hereinafter collectively referred to as the "Lease"), covering the acquisition and lease of certain Equipment described therein (the "Equipment"). It is a requirement of the Lease that the cost of the Equipment (the "Equipment Costs") in an amount not to exceed \$ _____ be deposited into an escrow under terms satisfactory to Lessor, for the purpose of fully funding the Lease, and providing a mechanism for the application of such amounts to the purchase of and payment for the Equipment on or before _____, 20__ (the "Acquisition Period").

The parties agree as follows:

1. Creation of Acquisition Fund [and Expense Fund].

(a) There is hereby created a special trust fund to be known as the "_____ Equipment Lease Acquisition Fund" (the "Acquisition Fund") to be held in trust by the Acquisition Fund Custodian for the purposes stated herein, for the benefit of Lessor, Lessee and Sub-Lessee, to be held, disbursed and returned in accordance with the terms hereof.

(b) The Acquisition Fund Custodian shall invest and reinvest moneys on deposit in the Acquisition Fund in Qualified Investments in accordance with written instructions received from the Sub-Lessee. Sub-Lessee shall be solely responsible for ascertaining that all proposed investments and reinvestments are Qualified Investments and that they comply with federal, state and local laws, regulations and ordinances governing investment of such funds and for providing appropriate notice to the Acquisition Fund Custodian for the reinvestment of any maturing investment. Accordingly, neither the Acquisition Fund Custodian, Lessor or Lessee shall be responsible for any liability, cost, expense, loss or claim of any kind, directly or indirectly arising out of or related to the investment or reinvestment of all or any portion of the moneys on deposit in the Acquisition Fund, and Sub-Lessee agrees to and does hereby release the Acquisition Fund Custodian, Lessor and Lessee from any such liability, cost, expenses, loss or claim. Interest on the Acquisition Fund] shall become part of the Acquisition Fund, and gains

and losses on the investment of the moneys on deposit in the Acquisition Fund shall be borne by the Acquisition Fund. For purposes of this Agreement, "Qualified Investments" means (a) any direct and general obligations of, or any obligation fully and unconditionally guaranteed by the United States of America; [(b) any bond, debenture, note or participation certificate or other evidence of indebtedness issued by any United States Government Agency permitted as an investment under N.J.A.C. 17:16-11.1; (c) any guaranteed income contracts provided that: (i) the contract has a term of ten (10) years or less; (ii) the issuer of the guaranteed income contract is incorporated in the United States; (iii) the issuer is not in default as to payment of any of its outstanding obligations; and (iv) (a) the issuer, in the case of an insurance company, has a total combined capital stock and surplus reserve for contingencies of at least \$200,000,000 at the date of its last published financial statement and a credit rating of at least A+ from A. M. Best Company; or (b) the issuer, in the case of a commercial bank, meets all capital requirements as defined by the Federal Reserve Board at the date of its last published financial statement and has a short term debt rating of at least P1 from Moody's Investor Service or at least the equivalent thereof from another nationally recognized rating agency; and (v) the issuer is on a list of companies certified by the Director of the State Division of Investment as having met the foregoing requirements; (d) investments in a money market fund rated "AAAm" or "AAAm-G" or better by Standard & Poor's Rating Service or the equivalent thereof by another nationally recognized rating agency;] and (e) the New Jersey Cash Management Fund.

(c) Unless the Acquisition Fund is earlier terminated in accordance with the provisions of paragraph (d) below, amounts in the Acquisition Fund shall be disbursed by the Acquisition Fund Custodian in payment of amounts described in Section 2 hereof upon receipt of written authorization(s) from Sub-Lessee, as is more fully described in Section 2 hereof. If the amounts in the Acquisition Fund are insufficient to pay such amounts, Sub-Lessee shall provide any balance of the funds needed to complete the acquisition of the Equipment. Any moneys remaining in the Acquisition Fund after the expiration of the Acquisition Period shall be applied as provided in Section 4 hereof.

(d) The Acquisition Fund shall be terminated at the earliest of (i) the final distribution of amounts in the Acquisition Fund or (ii) written notice given by Lessor of the occurrence of a default under the Lease or of a termination of the Lease in accordance with the terms thereof.

(e) The Acquisition Fund Custodian may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine and may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument. Except for any intentional acts or omissions of the Acquisition Fund Custodian, the Acquisition Fund Custodian shall not be liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any instrument nor as to the identity, authority, or right of any person executing the same; and its duties hereunder shall be limited to the receipt of such moneys, instruments or other documents received by it as the Acquisition Fund Custodian, and for the disposition of the same in accordance herewith.

(f) Unless the Acquisition Fund Custodian is guilty of negligence or willful misconduct with regard to its duties hereunder, Sub-Lessee agrees to and does hereby indemnify, to the extent permitted by law, the Acquisition Fund Custodian, and hold it harmless from any

and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Acquisition Fund Custodian under this Agreement; and in connection therewith, does to the extent permitted by law indemnify the Acquisition Fund Custodian against any and all expenses; including the cost of defending any action, suit or proceeding or resisting any claim (other than attorneys' fees)[; further provided that the foregoing is subject to the limitations of the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 et seq. and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq.]

(g) If Lessee or the Sub-Lessee disagrees with Lessor about the interpretation of the Lease, or about the rights and obligations, or the propriety of any action contemplated by the Acquisition Fund Custodian hereunder, the Acquisition Fund Custodian may, but shall not be required to, file an appropriate civil action to resolve the disagreement.

(h) The Acquisition Fund Custodian may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. The Acquisition Fund Custodian shall otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its negligence or willful misconduct.

(i) Sub-Lessee shall reimburse the Acquisition Fund Custodian for all reasonable costs and expenses (other than attorneys, agents and employees incurred for extraordinary administration of the Acquisition Fund) and the performance of the Acquisition Fund Custodian's powers and duties hereunder in connection with any Event of Default under the Lease, or in connection with any dispute between Lessor on the one hand and Lessee or Sub-Lessee on the other hand concerning the Acquisition Fund.

(j) Upon the prior written agreement of the parties hereto, a national banking association located in the United States or a state bank or trust company organized under the laws of a state of the United States, qualified as a depository of public funds, may be substituted to act as Acquisition Fund Custodian under this Agreement, and any substitution shall not be deemed to affect the rights or obligations of the parties hereto. Upon any such substitution, the Acquisition Fund Custodian agrees to assign to such substitute custodian its rights under this Agreement. The Acquisition Fund Custodian or any successor may at any time resign by giving mailed notice to Lessee, Sub-Lessee and Lessor of its intention to resign and of the proposed date of resignation, which shall be a date not less than sixty (60) days after such notice is deposited in the United States mail with postage fully prepaid. The resignation shall be effective on such proposed resignation date except that the Acquisition Fund Custodian shall serve until the appointment of a successor shall have been approved by Lessee and Lessor and shall have become effective. Except as otherwise specifically provided herein, the Acquisition Fund Custodian may not delegate, transfer or assign any of the rights, duties, powers or remedies granted to the Acquisition Fund Custodian hereunder without the prior written consent of Lessee, Sub-Lessee and Lessor.

[(k) There is hereby created a special trust fund to be known as the
“ _____ Tax-Exempt Lease Expense Fund” (the “Expense Fund”) to be
held in trust by the Acquisition Fund Custodian for the purposes stated herein, for the benefit of

Lessor, Lessee and Sub-Lessee, to be held, disbursed and returned in accordance with the terms hereof. Moneys in the Expense Fund shall be used solely for the purpose of paying costs of issuance including (but not limited to) fees and expenses of Lessor and Lessee, including the fees and expenses of Lessee's financial advisor (if necessary), Lessor, the Acquisition Fund Custodian and Lessee's bond counsel or special tax counsel (collectively, the "Costs of Issuance"). The Expense Fund shall not be invested, and any amounts remaining in the Expense Fund thirty (30) days following the funding of the Expense Fund shall be deposited into the Acquisition Fund and applied as provided in this Agreement, and the Expense Fund shall be closed.]

2. Acquisition of Property.

(a) Acquisition Contracts. Sub-Lessee will arrange for, supervise and provide for, or cause to be supervised and provided for, the acquisition of the Equipment, with moneys available in the Acquisition Fund. Sub-Lessee represents the estimated costs of the Equipment are within the funds estimated to be available therefor, and neither Lessor nor Lessee make any warranty or representation with respect thereto. Lessor and Lessee shall have no liability under any applicable acquisition, equipping or installation contracts. Sub-Lessee shall obtain all necessary permits and approvals, if any, for the acquisition, equipping and installation of the Equipment, and the operation and maintenance thereof.

(b) Authorized Acquisition Fund [and Expense Fund] Disbursements. Disbursements from the Acquisition Fund shall be made for the purpose of paying (including the reimbursement to Lessee for advances from its own funds to accomplish the purposes hereinafter described) the cost of acquiring the Equipment [and from the Expense Fund for paying the Costs of Issuance].

(c) Requisition Procedure. No disbursement from the Acquisition Fund shall be made unless and until Lessor has approved such requisition. Prior to disbursement from the Acquisition Fund [or the Expense Fund], Sub-Lessee shall file with the Acquisition Fund Custodian a requisition for such payment in the form of Disbursement Request attached hereto as Schedule 1, stating each amount to be paid and the name of the person, firm or corporation to whom payment thereof is due. Each such requisition shall be signed by an authorized representative of Sub-Lessee (an "Authorized Representative") and by Lessor, and shall [, except in the case of a requisition from the Expense Fund,] be subject to the following:

1. Delivery to Lessor of a certificate of Sub-Lessee to the effect that:
 - (i) an obligation in the stated amount has been incurred by Sub-Lessee, and that the same is a proper charge against the Acquisition Fund for costs relating to the Equipment identified in the Lease, and has not been paid;
 - (ii) the Authorized Representative has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made;
 - (iii) such requisition contains no item representing payment on account, or any retained percentages which Sub-

Lessee is, at the date of such certificate, entitled to retain; and (iv) the Equipment is insured in accordance with the Lease.

2. Delivery to Lessor of an Acceptance Certificate executed by Sub-Lessee together with invoices evidencing transfer of title to the Equipment from the vendor or supplier thereof to Sub-Lessee.
3. The disbursement shall occur during the Acquisition Period set forth in the Schedule applicable to such Equipment.
4. There shall exist no Event of Default under the Lease (nor any event which, with notice or lapse of time or both, would become an Event of Default).

3. Deposit to Acquisition Fund. Upon satisfaction of the conditions specified in Section 4.02 of the Lease, Lessor will cause the Lease Proceeds to be deposited in the Acquisition Fund [and the Expense Fund] in amounts as directed by the Lessee. Sub-Lessee agrees to pay any costs with respect to the Equipment [or Costs of Issuance] in excess of amounts available therefor in the Acquisition Fund [or the Expense Fund, as the case may be].

4. Excessive Acquisition Fund. Following the final disbursement from the Acquisition Fund at the end of the Acquisition Period, or termination of the Acquisition Fund as otherwise provided herein, the Acquisition Fund Custodian shall transfer any remainder from the Acquisition Fund to Lessor for application to the principal amounts of Rental Payments then outstanding under the Lease.

5. Security Interest. The Acquisition Fund Custodian, Lessee and Sub-Lessee acknowledge and agree that the Acquisition Fund and all proceeds thereof are being held by Acquisition Fund Custodian for disbursement or return as set forth herein. Sub-Lessee hereby grants to Lessor a first priority perfected security interest in the Acquisition Fund, and all proceeds thereof, and all investments made with any amounts in the Acquisition Fund. If the Acquisition Fund, or any part thereof, is converted to Qualified Investments as set forth in this Agreement, such Qualified Investments shall be made in the name of Acquisition Fund Custodian and the Acquisition Fund Custodian hereby agrees to hold such investments as bailee for Lessor so that Lessor is deemed to have possession of such investments for the purpose of perfecting its security interest.

6. Control of Acquisition Account. In order to perfect Lessor's security interest by means of control in (i) the Acquisition Fund established hereunder, (ii) all securities entitlements, investment property and other financial assets now or hereafter credited to the Acquisition Fund, (iii) all of Lessee's and Sub-Lessee's rights in respect of the Acquisition Fund, such securities entitlements, investment property and other financial assets, and (iv) all products, proceeds and revenues of and from any of the foregoing personal property (collectively, the "Collateral"), Lessor, Lessee, Sub-Lessee and Acquisition Fund Custodian further agree as follows:

(a) All terms used in this Section 6 which are defined in the Commercial Code of the State of New Jersey ("Commercial Code"), but are not otherwise defined herein

shall have the meanings assigned to such terms in the Commercial Code, as in effect on the date of this Agreement.

(b) Acquisition Fund Custodian will comply with all entitlement orders originated by Lessor with respect to the Collateral, or any portion of the Collateral, without further consent by Lessee or Sub-Lessee.

(c) Acquisition Fund Custodian hereby represents and warrants (a) that the records of Acquisition Fund Custodian show that Sub-Lessee is the sole owner of the Collateral, (b) that Acquisition Fund Custodian has not been served with any notice of levy or received any notice of any security interest in or other claim to the Collateral, or any portion of the Collateral, other than Lessor's claim pursuant to this Agreement, and (c) that Acquisition Fund Custodian is not presently obligated to accept any entitlement order from any person with respect to the Collateral, except for entitlement orders that Acquisition Fund Custodian is obligated to accept from Lessor under this Agreement and entitlement orders that Acquisition Fund Custodian, subject to the provisions of paragraph (e) below, is obligated to accept from Lessee with the consent of Sub-Lessee.

(d) Without the prior written consent of Lessor, the Acquisition Fund Custodian will not enter into any agreement by which Acquisition Fund Custodian agrees to comply with any entitlement order of any person other than Lessor or, subject to the provisions of paragraph (e) below, Lessee and Sub-Lessee, with respect to any portion or all of the Collateral. The Acquisition Fund Custodian shall promptly notify Lessor if any person requests Acquisition Fund Custodian to enter into any such agreement or otherwise asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the Collateral.

(e) Except as otherwise provided in this paragraph (e) and subject to Section 1(b) and Section 2 hereof, Acquisition Fund Custodian may allow Sub-Lessee to effect sales, trades, transfers and exchanges of Collateral within the Acquisition Fund, but will not, without the prior written consent of Lessor, allow Sub-Lessee to withdraw any Collateral from the Acquisition Fund. Acquisition Fund Custodian acknowledges that Lessor reserves the right, by delivery of written notice to Acquisition Fund Custodian, to prohibit Sub-Lessee from effecting any withdrawals (including withdrawals of ordinary cash dividends and interest income), sales, trades, transfers or exchanges of any Collateral held in the Acquisition Fund. Further, Acquisition Fund Custodian hereby agrees to comply with any and all written instructions delivered by Lessor to Acquisition Fund Custodian (once it has had a reasonable opportunity to comply therewith) and has no obligation to, and will not, investigate the reason for any action taken by Lessor, the amount of any obligations of Sub-Lessee to Lessor or Lessee, the amount of any obligations of Lessee to Lessor, the validity of any of Lessor's claims against or agreements with Lessee or Sub-Lessee, the existence of any defaults under such agreements, or any other matter.

(f) Lessee and Sub-Lessee each hereby irrevocably authorizes Acquisition Fund Custodian to comply with all instructions and entitlement orders delivered by Lessor to Acquisition Fund Custodian.

(g) Acquisition Fund Custodian will not attempt to assert control, and does not claim and will not accept any security or other interest in, any part of the Collateral, and Acquisition Fund Custodian will not exercise, enforce or attempt to enforce any right of setoff against the Collateral, or otherwise charge or deduct from the Collateral any amount whatsoever.

(h) Acquisition Fund Custodian, Lessee and Sub-Lessee hereby agree that any property held in the Acquisition Fund shall be treated as a financial asset under such section of the Commercial Code as corresponds with Section 8-102 of the Commercial Code, notwithstanding any contrary provision of any other agreement to which Acquisition Fund Custodian may be a party.

(i) Acquisition Fund Custodian is hereby authorized and instructed, and hereby agrees, to send to Lessor at its address set forth in Section 12 herein, concurrently with the sending thereof to Lessee and Sub-Lessee, duplicate copies of any and all monthly Acquisition Fund statements or reports issued or sent to Lessee or Sub-Lessee with respect to the Acquisition Fund.

7. Compliance with P.L. 2005, c. 51 and Executive Order No. 117. The Acquisition Fund Custodian 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 Authority has relied upon the truth of the statements contained therein in engaging the Acquisition Fund Custodian in connection with the Lease. The Acquisition Fund Custodian agrees that it will maintain continued compliance with P.L. 2005, c. 51, Executive Order 117 and any regulations pertaining thereto. The Acquisition Fund Custodian acknowledges that upon its failure to make required filings thereunder or the making of a contribution prohibited thereunder the Authority may remove the Acquisition Fund Custodian as trustee under this Agreement and may exercise any remedies afforded to it at law or in equity.

8. Compliance with P.L. 2005, c. 271 Reporting Requirements. The Acquisition Fund Custodian 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 Acquisition Fund Custodian enters into agreements or contracts such as this Agreement, 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 Acquisition Fund Custodian's responsibility 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.

9. P.L. 2005, c. 92 Covenant. In accordance with P.L. 2005, c. 92, the Acquisition Fund Custodian covenants and agrees that all services performed under this Agreement or any amendment thereto shall be performed within the United States of America.

10. Compliance with N.J.S.A. 52:32-58. The Acquisition Fund Custodian 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 Authority that it is not identified on the list of persons engaging in investment activities in Iran.

11. New Jersey Business Registration. The Acquisition Fund Custodian 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. Lessor shall be required to provide Lessee with proof of business registration in accordance with P.L. 2004, c. 57 upon the execution of this Agreement.

12. EEO/Affirmative Action. The Acquisition Fund Custodian 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. The Acquisition Fund Custodian 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, the Acquisition Fund Custodian 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 Acquisition Fund Custodian 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.

13. Compliance with N.J.S.A. 52:25-24.2. The Acquisition Fund Custodian represents and warrants that it has complied with the requirements of N.J.S.A. 52:25-24.2, which requires bidders to supply public agencies with a statement setting forth the names and addresses of all stockholders of the corporation or partnership who own 10% or more of its stock of any class or of all individual partners in the partnership who own a 10% or greater interest therein, as the case may be.

14. Disclosure of Investigations. The Acquisition Fund Custodian agrees to complete a Disclosure of Investigations and Other Actions Involving the Vendor Form.

15. State Policy Prohibiting Discrimination in the Workplace. The Acquisition Fund Custodian agrees to complete a form confirming it has received a copy of the New Jersey State Policy Prohibiting Discrimination in the Workplace, which is distributed to all vendors with which the Lessee has a direct relationship.

16. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, including without limitation, the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 et seq.), without regard to conflict of law 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 in

Mercer County, Law Division, and consent to same. The parties waive any claim to a venue or jurisdiction different from the foregoing.

17. Miscellaneous. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease. This Agreement may not be amended except in writing signed by all parties hereto. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original instrument and each shall have the force and effect of an original and all of which together constitute, and shall be deemed to constitute, one and the same instrument. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns permitted hereunder and under the Lease. Notices hereunder shall be made in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to an express carrier, charges prepaid, or sent by facsimile with electronic confirmation, addressed to each party at its address below (or at such other address or in such other manner as either party hereto shall designate in writing to the others for notices to such party):

If to Lessor:

Attn: _____
Fax: _____

If to Lessee:

New Jersey Educational Facilities Authority
103 College Road East
Princeton, New Jersey 08540-6612
Attn: Executive Director
Fax: (609) 987-0850

If to Sub-Lessee:

Attn: _____
Fax: _____

If to the Acquisition
Fund Custodian:

Attn: _____
Fax: _____

IN WITNESS WHEREOF, the parties have executed this Acquisition Fund and Account Control Agreement as of the date first above written.

_____,
as Lessor

New Jersey Educational Facilities Authority,
as Lessee

By: _____
Name:
Title:

By: _____
Name:
Title: Executive Director

_____,
as Sub-Lessee

_____,
as Acquisition Fund Custodian

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE 1

FORM OF DISBURSEMENT REQUEST

Re: Master 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 (the "Master Lease") and Schedule of Property No. __ thereto (collectively, the "Lease")

In accordance with the terms of the Acquisition Fund and Account Control Agreement, dated as of _____, 20__ (the "Acquisition Fund and Account Control Agreement") by and among _____ ("Lessor"), the New Jersey Educational Facilities Authority ("Lessee"), _____ ("Sub-Lessee") and _____ (the "Acquisition Fund Custodian"), the undersigned hereby requests the Acquisition Fund Custodian pay the following persons the following amounts from the [Acquisition Fund] [Expense Fund] created under the Acquisition Fund and Account Control Agreement [(the "Acquisition Fund")] [(the "Expense Fund")] for the following purposes.

Payee's Name and Address	Invoice Number	Dollar Amount	Purpose

The undersigned hereby certifies as follows:

(i) An obligation in the stated amount has been incurred by Sub-Lessee, and the same is a proper charge against the [Acquisition Fund] [Expense Fund] for costs relating to the Equipment identified in the Lease, and has not been paid. Attached hereto is the original invoice with respect to such obligation.

[(ii) The undersigned, as Sub-Lessee's Authorized Representative, has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made.

(iii) This requisition contains no item representing payment on account, or any retained percentages which Sub-Lessee is, at the date hereof, entitled to retain.

(iv) The Equipment is insured in accordance with the Lease.

(v) No Event of Default, and no event which with notice or lapse of time, or both, would become an Event of Default, under the Lease has occurred and is continuing at the date hereof.

(vi) The disbursement has occurred or shall occur during the Acquisition Period set forth in the Schedule applicable to such Equipment.]

Dated: _____, 20__

as Sub-Lessee under the Lease

By: _____
Authorized Representative

Disbursement of funds from the [Acquisition Fund] [Expense Fund] in accordance with the foregoing Disbursement Request is hereby authorized

as Lessor under the Lease

By: _____
Name: _____
Title: _____

MASTER LEASE AND SUBLEASE AGREEMENT
[for use with a public institution of higher education]

THIS MASTER 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 public institution of 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 (the "State") 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 _____ organized and existing under the laws of the State and is authorized, pursuant to N.J.S.A. [18A:64-6(q)], 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 (as hereinafter defined) 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 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, with respect to each Lease, the annual fee for the general administrative services of the Lessee, calculated at the rate of 1/10 of 1% of the outstanding principal amount of each Lease, with a maximum annual fee of \$85,000 per Lease.

"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.

"Costs of Issuance" means, with respect to each Lease, the costs of issuance pertaining thereto including (but not limited to) the fees and expenses of Lessor and Lessee, including the fees and expenses of Lessee's financial advisor (if necessary), Lessor, the Acquisition Fund Custodian and Lessee's bond counsel or special tax counsel.

"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 hereof. 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 for certain related Costs of Issuance.

"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 1/5 of 1% of the principal amount of each Lease, with a maximum fee of \$125,000 per 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 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.

“*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, and throughout each Lease Term shall continue to be a public institution of higher education authorized and existing under and by virtue of the laws of the State (N.J.S.A. 18A:64-1 et seq.).

(b) The Sub-Lessee is authorized under the 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 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.

(d) 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 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.

(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 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.

(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 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 Leases 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 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.

(h) 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.

(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.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

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

(o) 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.

(p) (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 Leases 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-G with respect to the Lease, completed and executed by the Lessee;

(vii) 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

(viii) 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 Master Lease;

(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 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 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 (a copy of which shall be promptly filed with the Lessee), 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 as 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; further provided that the foregoing is subject to the limitations of the provisions of 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.

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 made in writing and shall be deemed to have been given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to an express carrier, charges prepaid, or sent by facsimile with electronic confirmation, to the parties at the addresses immediately after the signatures to this Master Lease (or at such other address or in such other manner 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. This Master Lease and 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, 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 in Mercer County, Law Division, and consent to same.

Section 15.07 Compliance with P.L. 2005, c. 51 and Executive Order No. 117. The Lessor 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 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. The Lessor 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 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. The Lessor 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 Lessor’s responsibility 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 (N.J.S.A. 52:34-13.2), the Lessor 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. The Lessor 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 New Jersey Business Registration. The Lessor 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. Lessor 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. The Lessor 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. The Lessor 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, the Lessor 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 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 Compliance with N.J.S.A. 52:25-24.2. The Lessor represents and warrants that it has complied with the requirements of N.J.S.A. 52:25-24.2, which requires bidders to supply public agencies with a statement setting forth the names and addresses of all stockholders of the corporation or partnership who own 10% or more of its stock of any class or of all individual partners in the partnership who own a 10% or greater interest therein, as the case may be.

Section 15.14 Disclosure of Investigations. The Lessor agrees to complete a Disclosure of Investigations and Other Actions Involving the Vendor Form.

Section 15.15 State Policy Prohibiting Discrimination in the Workplace. The Lessor agrees to complete a form confirming it has received a copy of the New Jersey State Policy Prohibiting Discrimination in the Workplace, which is distributed to all vendors with which the Lessee has a direct relationship.

Section 15.16 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 15.17 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.

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

LESSOR:

Attn: _____

Fax: _____

By: _____

Name:

Title:

[SEAL]

Attest:

By: _____

Name:

Title:

LESSEE:

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

Attn: Executive Director

Fax: (609) 987-0850

By: _____

Name:

Title:

[SEAL]

Attest:

By: _____

Name:

Title:

SUB-LESSEE:

Attn: _____

Fax: _____

By: _____

Name:

Title:

[SEAL]

Attest:

By: _____

Name:

Title:

EXHIBIT A
ACQUISITION FUND AND CONTROL AGREEMENT

EXHIBIT B

CERTIFICATE OF ACCEPTANCE

Re: Schedule of Property No. __, dated _____, 20__, to Master 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:

In accordance with the Master 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 as of the date hereof.

Date: _____, 20__

SUB-LESSEE:

By: _____

Name:

Title:

[SEAL]

EXHIBIT C

SCHEDULE OF PROPERTY NO. ___

Re: Master 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

1. *Defined Terms.* All terms used herein have the meanings ascribed to them in the above-referenced Master 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.

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 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 Tax-Exempt 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 [Bond] [Special Tax] Counsel and as a basis for the opinions set forth below, we have examined certified copies of the Lessee Resolution and the Resolution of the Board of Trustees of _____ adopted on _____, 20__ (the "Sub-Lessee Resolution"), an executed copy of the Master Lease and Sub-Lease Agreement 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 and Sub-Lessee pursuant to law, have been properly executed by the Lessee and Sub-Lessee and, assuming the due authorization and proper execution by the parties thereto other than the Lessee and Sub-Lessee, constitute valid and legally binding agreements of the Lessee and Sub-Lessee, respectively, enforceable against the Lessee and Sub-Lessee, as the case may be, 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 Internal Revenue Code of 1986, as amended (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 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 Tax-Exempt 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 Lease and Sub-Lease Agreement 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 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 Lease and Sub-Lease Agreement 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 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 Sub-Lessee Resolution has been duly and lawfully adopted by the Sub-Lessee, is in full force and effect and is valid and binding upon the Sub-Lessee, enforceable in accordance with its terms.

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.

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,

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

THIS MASTER 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 (the "State") 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 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 (as hereinafter defined) 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 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, with respect to each Lease, the annual fee for the general administrative services of the Lessee, calculated at the rate of 1/10 of 1% of the outstanding principal amount of each Lease, with a maximum annual fee of \$85,000 per Lease.

“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.

"Costs of Issuance" means, with respect to each Lease, the costs of issuance pertaining thereto including (but not limited to) the fees and expenses of Lessor and Lessee, including the fees and expenses of Lessee's financial advisor (if necessary), Lessor, the Acquisition Fund Custodian and Lessee's bond counsel or special tax counsel.

"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 hereof. 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 for certain related Costs of Issuance.

"*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 1/5 of 1% of the principal amount of each Lease, with a maximum fee of \$125,000 per 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 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 Master Lease;

(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 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 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 (a copy of which shall be promptly filed with the Lessee), 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 as 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 made in writing and shall be deemed to have been given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to an express carrier, charges prepaid, or sent by facsimile with electronic confirmation, to the parties at the addresses immediately after the signatures to this Master Lease (or at such other address or in such other manner 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. This Master Lease and 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 in Mercer County, 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 (N.J.S.A. 52:34-13.2), 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 New Jersey 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 Compliance with N.J.S.A. 52:25-24.2. The Lessor represents and warrants that it has complied with the requirements of N.J.S.A. 52:25-24.2, which requires bidders to supply public agencies with a statement setting forth the names and addresses of all stockholders of the corporation or partnership who own 10% or more of its stock of any class or of all individual partners in the partnership who own a 10% or greater interest therein, as the case may be.

Section 15.14 Disclosure of Investigations. The Lessor agrees to complete a Disclosure of Investigations and Other Actions Involving the Vendor Form.

Section 15.15 State Policy Prohibiting Discrimination in the Workplace. The Lessor agrees to complete a form confirming it has received a copy of the New Jersey State Policy Prohibiting Discrimination in the Workplace, which is distributed to all vendors with which the Lessee has a direct relationship.

Section 15.16 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 15.17 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.

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

LESSOR:

Attn: _____
Fax: _____

By: _____
Name:
Title:

[SEAL]

Attest:

By: _____
Name:
Title:

LESSEE:

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

Attn: Executive Director
Fax: (609) 987-0850

By: _____
Name:
Title:

[SEAL]

Attest:

By: _____
Name:
Title:

SUB-LESSEE:

Attn: _____
Fax: _____

By: _____
Name:
Title:

[SEAL]

Attest:

By: _____
Name:
Title:

EXHIBIT A
ACQUISITION FUND AND CONTROL AGREEMENT

EXHIBIT B

CERTIFICATE OF ACCEPTANCE

Re: Schedule of Property No. __, dated _____, 20__, to Master 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:

In accordance with the Master 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 as of the date hereof.

Date: _____, 20__

SUB-LESSEE:

By: _____
Name:
Title:

[SEAL]

EXHIBIT C

SCHEDULE OF PROPERTY NO. _____

Re: Master 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

1. *Defined Terms.* All terms used herein have the meanings ascribed to them in the above-referenced Master 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.

Dated: _____, 20__.

LESSOR:

LESSEE:

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

By: _____

Name:

Title:

[SEAL]

Attest:

By: _____

By: _____

Name:

Title:

[SEAL]

Attest:

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 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 Tax-Exempt 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 Lease and Sub-Lease Agreement 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 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 Tax-Exempt 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 Lease and Sub-Lease Agreement 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 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 Lease and Sub-Lease Agreement 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,

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
CONCERNING CERTAIN CLASS ACTION LAWSUITS**

Adopted: November 27, 2018

- WHEREAS:** The New Jersey Educational Facilities Authority (the "Authority") was created pursuant to the New Jersey Educational Facilities Authority Law, L. 1967, c. 271, N.J.S.A. 18A:72A-1 et seq., as amended and supplemented (the "Act") and authorized to issue its obligations to provide a means for New Jersey public and private colleges and universities to obtain financing to construct educational facilities as defined in the Act; and
- WHEREAS:** The Authority has issued various series of bonds to finance and refinance projects for certain of its public and private colleges and universities, (the "Borrowers") where the transactions may have included certain municipal derivative products, including swaps and investment agreements, that were entered into and tied to, among other rates, the U.S. Dollar LIBOR rate and the ISDAfix benchmark rate (the "Instruments"); and
- WHEREAS:** A class action lawsuit entitled, *In re LIBOR-Based Financial Instruments Antitrust Litigation*, MDL No. 2262 (NRB), (the "LIBOR Suit") was filed in the United States District Court for the Southern District of New York (the "Court") by plaintiffs who claim that defendant banks (and their affiliates) on the U.S. Dollar panel unlawfully manipulated the U.S. Dollar LIBOR rate during the financial crisis, artificially lowering the rate for their own benefit, and that as a result, purchasers did not receive as much interest payments for their U.S. Dollar LIBOR-based instruments from the banks as they should have; and
- WHEREAS:** A separate and different class action lawsuit entitled *Alaska Electrical Pension Fund et al. v. Bank of America, N.A., et al., Lead Case No. 14-cv-7126 (JMF)*, (the "ISDAfix Suit", and together with the LIBOR Suit, the "Lawsuits") was filed in the United States District Court for the Southern District of New York by plaintiffs who allege that defendants engaged in anticompetitive acts that affected the market for ISDAfix Instruments in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1; and
- WHEREAS:** The Authority has received notices that the Authority and certain Borrowers may be class members (the "Class Members") in the Lawsuits, that proposed settlements have been reached in the Lawsuits (the "Settlements"), and that the Authority and certain Borrowers as Class Members may be included in the Settlements; and
- WHEREAS:** For the LIBOR Suit, the Settlement Classes include Class Members who directly purchased certain U.S. Dollar LIBOR-based instruments in the U.S. from any of

the defendant banks, and owned the instruments at any time between August 2007 and May 2010 (“LIBOR Suit Settlement Class Period”); and

WHEREAS: For the LIBOR Suit, the Authority adopted a resolution on November 14, 2017 (the “LIBOR Resolution”), authorizing an authorized officer to execute and file a proof of claim and any and all other necessary documents by the deadline of December 21, 2017, and take any and all actions necessary for the implementation of the LIBOR Resolution, on behalf of the affected Borrowers; provided that such action is directed in writing by the affected Borrowers; and

WHEREAS: Subsequently, the Authority has received additional notices pertaining to the LIBOR Suit regarding new Settlements with additional defendants with a proof of claim filing deadline of December 20, 2018; and

WHEREAS: The Court in the LIBOR Suit has also entered an Order Certifying a Litigation Class asserting claims on behalf of individuals or entities, who reside in the U.S., who directly purchased certain U.S. Dollar LIBOR-based instruments from Panel Banks and were paid interest indexed to a 1-month or 3-month U.S. Dollar LIBOR rate set at any time between August 2007 and August 2009 (the “LIBOR Suit Litigation Class Period”), and Class Counsel shall send future notices to explain the plan of distribution and provide information about the proof of claim; and

WHEREAS: For the ISDAfix Suit, the Authority adopted a resolution on April 24, 2018 (the “ISDAfix Resolution”), authorizing an authorized officer to execute and file a proof of claim and any and all other necessary documents by the deadline of July 16, 2018, and take any and all actions necessary for the implementation of the ISDAfix Resolution, on behalf of the affected Borrowers; provided that such action is directed in writing by the affected Borrowers; and

WHEREAS: For the ISDAfix Suit, the Settlement Class includes Class Members who entered into, received or made payments on, settled, terminated, transacted in, or held an eligible ISDAfix Instrument between January 1, 2006 to January 31, 2014 (“ISDAfix Suit Settlement Class Period”); and

WHEREAS: Subsequently, the Authority received another notice in the ISDAfix Suit regarding new Settlements with defendants with a proof of claim filing deadline of December 23, 2018; and

WHEREAS: Authority staff, in consultation with its Swap Advisor, has identified certain bond issues of the Authority where documents relating to the Instruments were entered into on behalf of or by the affected Borrowers during the LIBOR Suit Settlement Class Period and/or the ISDAfix Suit Settlement Class Period, and the Authority and certain affected Borrowers may be eligible to file proofs of claims and receive a distribution from the Settlements; and

WHEREAS: For Borrowers from public colleges and universities (the “Public Borrowers”), provided that the Authority receives authorization from the affected Public Borrowers as necessary; the Authority must execute and file a proof of claim and other documents by certain deadlines in order to receive any payments under such Settlements for the Lawsuits, which distribution the Authority intends to transfer and distribute to the affected Public Borrowers.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY THAT:

SECTION 1. The Executive Director, the Deputy Executive Director, the Director of Finance/Controller, and the Director of Compliance Management, including any serving in an interim or acting capacity (each an “Authorized Officer”), are hereby authorized to execute and file a proof of claim or any other documents pertaining to the Lawsuits on behalf of the affected Public Borrowers, by the current deadlines of December 20, 2018 and December 23, 2018, for the LIBOR Suit and the ISDAfix Suit, respectively, and any other documents, including but not limited to future proofs of claim pertaining to the Lawsuits, as deemed necessary, on behalf of the affected Public Borrowers pursuant to any future notices regarding Settlements for the Lawsuits; in such form as reviewed and approved by the Attorney General of the State of New Jersey. Any Assistant Secretary is hereby authorized to attest to any required documents in the form executed by an Authorized Officer.

SECTION 2. Each Authorized Officer is hereby authorized to take and perform any and all such actions as may be deemed necessary or desirable in connection with implementation of this Resolution.

SECTION 3. This Resolution shall take effect in accordance with the Act.

_____ Mr. Rodriguez _____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ___ Mr. Hutchinson ___ and upon roll call the following members voted:

AYE: Joshua Hodes
Ridgeley Hutchinson
Louis Rodriguez
Zakiya Smith Ellis (represented by Angela Bethea)
Elizabeth Maher Muoio (represented by David Moore)

NAY: None

ABSTAIN: None

ABSENT: None

The Chair thereupon declared said motion carried and said resolution adopted.

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
RELATING TO INITIAL AND ANNUAL FEE CAPS**

Adopted: November 27, 2018

WHEREAS: The New Jersey Educational Facilities Authority (the "Authority") was duly created and now exists under the New Jersey Educational Facilities Authority Law, Public Laws of 1967, Chapter 271, *N.J.S.A.* 18A:72A-1 et seq., as amended (the "Act") for the purpose of issuing its obligations to obtain funds to finance eligible educational facilities as such may be required for the purposes of public and private institutions of higher education, private colleges and public libraries, (collectively, "Borrowers") and to sell such obligations at public or private sale at a price or prices and in a manner as the Authority shall determine; and

WHEREAS: The Authority pursuant to Chapter 271, *N.J.S.A.* 18A:72A-5(m) has the power to fix and revise from time to time and to charge Borrowers fees for the use of and for the services furnished to a project or any portion thereof and to contract with holders of its bonds and with any other person, party, association, corporation or other body, public or private, in respect thereof; and

WHEREAS: Historically, the Authority's fee schedule has been structured to ensure that the Authority collects only the fees it needs to fulfill its mission to provide efficient, low cost financing to Borrowers in the State of New Jersey and to match, as closely as possible, the services provided to the Borrowers with the costs to the Authority; and

WHEREAS: The Authority's current fee cap was last revised in 1995; and

WHEREAS: There have been significant changes in the business and/or financial regulatory environment for the Authority over the past ten (10) years, since 2008, resulting in an increase in operating costs and a decline in revenues the Authority generates from Initial and Annual Fees charged on its transactions to fund its operations, including but not limited to:

- 1) An increase in the complexity of some transactions that have caused an increase in staff and professional services costs and expenses the Authority incurs for a financing; and
- 2) An overall increase in the Authority's annual operating expenses; where from 2008 to 2017 the Authority's operating expenses increased 14% (\$381,000), and employee benefits, including healthcare increased 64% (\$383,000); and
- 3) An increase in refunding and advanced refunding transactions from 2008 to 2017, resulting in a significant increase in overall par size of issuance.

Refundings and advance refundings combine multiple series of bonds into a single refunded series, causing a diminution in annual fees collected. Notwithstanding, total outstanding par value has remained constant or increased on a per institution basis; and

- 4) An increase over the last ten (10) years in competition among conduit issuers, resulting in the loss of some financing opportunities to county and out-of-state issuers, and

WHEREAS: In response to the changing business environment and associated declining revenues, the Authority has performed an analysis of its financial operations, including a review of revenue and expense trends over the previous ten (10) year period, a review of the impact of refundings on Authority fees, a comparison of fees charged and services rendered by competitor conduit issuers, and an analysis of five (5) different fee structures and their potential impact on Authority revenues and burden on individual Borrowers; and

WHEREAS: The Authority's Finance Committee reviewed the analysis and determined that in response to the current condition of Authority operations and changes in the higher education issuer market, it was in the best interest of the Authority to continue the current fee structure and increase the current fee cap on all stand-alone bond financing transactions, consistent with the mission of the Authority; and

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AS FOLLOWS:

SECTION 1. The Authority hereby reaffirms its current fee structure and authorizes an increase to the current fee cap to apply to all college and university stand-alone bond financing transactions as follows:

- Initial Fees -- will continue at 20 basis points per series of par amount of bonds issued with an increase in the fee cap from \$100,000 to \$125,000.
- Annual Fees -- will continue at 10 basis points per series of declining par amount of bonds outstanding with an increase in the fee cap from \$50,000 to \$85,000 per year.

SECTION 2. The Authority hereby authorizes an effective date for an increased fee cap of \$125,000 for initial fees and \$85,000 for annual fees for all new bond financings that close on or after January 1, 2019, except for such bond financings where the Authority's procurement process for professional service providers commenced prior to January 1, 2019.

SECTION 3. In order to ensure that the Authority's fee structure is sufficient to ensure

fulfillment of its mission while minimizing the financial burden to institutions that access the Authority's services, the Authority's Finance Committee will evaluate the Authority's fee structure at least on an annual basis in conjunction with its consideration and recommendation to the Members of the Authority's annual operating budget for adoption.

SECTION 4. The Members hereby authorize the Chair, Vice-Chair, the Executive Director, the Deputy Executive Director, the Director of Finance, and the Director of Project Management, including any of the foregoing authorized officers serving in an interim or acting capacity, to take and do any and all acts and things as may be necessary or desirable in connection with this Resolution.

SECTION 5. This Resolution shall take effect immediately in accordance with the Act.

____ Mr. Rodriguez ____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ____ Mr. Hutchinson ____ and upon roll call the following members voted:

AYE: Joshua Hodes
Ridgeley Hutchinson
Louis Rodriguez
Zakiya Smith Ellis (represented by Angela Bethea)
Elizabeth Maher Muoio (represented by David Moore)

NAY: None

ABSTAIN: None

ABSENT: None

The Chair thereupon declared said motion carried and said resolution adopted.

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ADOPTING THE OPERATING AND CAPITAL BUDGETS FOR
CALENDAR YEAR 2019**

November 27, 2018

- WHEREAS:** The New Jersey Educational Facilities Authority (the "Authority") was duly created and now exists under the New Jersey Educational Facilities Authority Law, Public Laws of 1967, Chapter 271, *N.J.S.A.* 18A:72A-1 et seq., as amended (the "Act") for the purpose of issuing its obligations to obtain funds to finance eligible educational facilities as such may be required for the purposes of public and private institutions of higher education, private colleges and public libraries, and to sell such obligations at public or private sale at a price or prices and in a manner as the Authority shall determine; and
- WHEREAS:** The New Jersey Educational Facilities Authority (the "Authority") annually prepares operating and capital budgets; and
- WHEREAS:** Pursuant to Article III, Section 12 of the Authority's By-Laws, the Authority's Finance Committee has the responsibility of recommending an annual budget; and
- WHEREAS:** The Authority's Finance Committee has reviewed the proposed Operating and Capital Budgets for calendar year 2019 (the "2019 Budget"); and
- WHEREAS:** The proposed 2019 Budget was provided to the Authority members for their review and consideration; and
- WHEREAS:** The Authority desires to approve and adopt the 2019 Budget as recommended by the Finance Committee.

**NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY
EDUCATIONAL FACILITIES AUTHORITY AS FOLLOWS:**

- SECTION 1.** The Authority hereby approves and adopts the 2019 Budget as attached here to as **EXHIBIT A.**
- SECTION 2.** This resolution shall take effect in accordance with the Act.

**New Jersey Educational Facilities Authority
2019 Operating Budget**

	2019 Budget	2018 Budget	'19 vs '18 Budget Var	'19 vs '18 % Var
Revenues:				
Annual Administrative Fees	2,476,892	\$ 2,686,334	\$ (209,442)	-8%
Initial Fees	475,000	325,000	150,000	46%
Interest Income	125,000	50,000	75,000	150%
Total Revenues	\$ 3,076,892	\$ 3,061,334	\$ 15,558	1%
Expenses:				
Salaries	1,601,226	\$ 1,571,201	30,025	1.9%
Employee Benefits	864,662	832,737	31,925	4%
Provision for Post Ret. Health Benefits	350,000	350,000	-	0%
Office of The Governor	25,000	25,000	-	0%
Office of The Attorney General	125,000	56,000	69,000	123%
Sponsored Programs	9,800	9,000	800	9%
Telephone	34,000	25,700	8,300	32%
Rent	200,000	200,000	-	0%
Utilities	26,000	24,000	2,000	8%
Office Supplies & Expenses	27,000	42,500	(15,500)	-36%
Travel & Official Receptions	17,000	12,500	4,500	36%
Staff Training & Tuition Reimbursement	43,000	42,750	250	1%
Insurance	65,000	70,000	(5,000)	-7%
Publications & Public Relations	26,850	26,250	600	2%
Professional Services	172,000	233,000	(61,000)	-26%
Dues & Subscriptions	89,500	65,500	24,000	37%
Maintenance of Equipment	18,000	30,550	(12,550)	-41%
Depreciation	38,000	38,000	-	0%
Contingency	30,000	30,000	-	0%
Total Expenses	\$ 3,762,038	\$ 3,684,688	\$ 77,350	2.1%
Surplus, Revenues Over Expenses	\$ (685,146)	\$ (623,354)	\$ (61,792)	10%

**New Jersey Educational Facilities Authority
2019 Capital Budget**

	<u>2019 Budget</u>	<u>Less: Amt Used</u>	<u>Less: Estim Use</u>	<u>Currently Available</u>
Data Processing Equipment	\$ 79,500	-	-	\$ 79,500
Office Furniture and Equipment	10,000	-	-	10,000
Leasehold Improvements	-	-	-	-
Contingency	-	-	-	-
Total Capital Budget	\$ 89,500	\$ -	\$ -	\$ 89,500

2019 Capital (Details)

	<u>2019 Budget</u>	<u>Less: Amt Used</u>	<u>Less: Estim Use</u>	<u>Currently Available</u>	<u>Depreciation</u>
Software					
Adobe Acrobat	2,500			2,500	\$ 417
Data Processing Equipment					
Finance System Implementation cost (Professional Service)	60,000			60,000	
Conference Room Enhancements	5,000			5,000	
UPS	4,500			4,500	
Desktops	8,500			8,500	
Monitors	1,500			1,500	
Sub Total, D. P. Equipment	79,500	-	-	79,500	\$ 7,950
Office Furniture and Equipment					
Furniture	10,000			10,000	
Sub Total, Furniture & Equip.	10,000	-	-	\$ 10,000	\$ 714
Leasehold Improvements					
				-	
Contingency				-	
Total Capital Budget	\$ 89,500	\$ -	\$ -	\$ 89,500	\$ 9,081

____ Mr. Moore ____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ____ Mr. Rodriguez ____ and upon roll call the following members voted:

AYE: Joshua Hodes
Ridgeley Hutchinson
Louis Rodriguez
Zakiya Smith Ellis (represented by Angela Bethea)
Elizabeth Maher Muoio (represented by David Moore)

NAY: None

ABSTAIN: None

ABSENT: None

The Chair thereupon declared said motion carried and said resolution adopted.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2018 BUDGET VARIANCE ANALYSIS
FOR THE TEN MONTHS ENDED OCTOBER 31, 2018**

EXECUTIVE SUMMARY

Net Operating Income

The NJEFA concluded October with a year-to-date net operating loss in the amount of \$181,045 based on revenues of \$2,227,897 and expenses of \$2,408,942.

Revenues

Year-to-date revenues were \$288,421 less than budgeted due to no transactions closing during the first ten months of the year.

Expenses

Operating expenditures for the first ten months of the year were under budget by \$590,285 primarily due to staff vacancies and timing of expenditures.

Exhibits

<u>Report</u>	<u>Page</u>
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Operating Account – Vendor Payments	2
Summary of Construction Funds	3

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
OCTOBER 2018

	Month Ended October 31, 2018			Year-To-Date October 31, 2018		
	Actual	Budget	Variance	Actual	Budget	Variance
<u>Operating Revenues</u>						
Annual Administrative Fees	\$197,629	\$227,718	\$ (30,089)	\$ 2,097,752	\$ 2,230,902	\$ (133,150)
Initial Fees	-	-	-	-	243,750	(243,750)
Investment Income	12,975	4,167	8,808	130,145	41,666	88,479
	<u>\$ 210,604</u>	<u>\$ 231,885</u>	<u>\$ (21,281)</u>	<u>\$ 2,227,897</u>	<u>\$ 2,516,318</u>	<u>\$ (288,421)</u>
<u>Operating Expenses</u>						
Salaries	\$110,431	\$120,862	\$ 10,431	\$ 1,117,249	\$ 1,269,046	\$ 151,797
Employee Benefits	46,640	72,422	25,782	425,218	687,893	262,675
Provision for Post Ret. Health Benefits	29,167	29,167	-	291,667	291,666	(1)
Office of The Governor	3,142	2,083	(1,059)	21,926	20,834	(1,092)
Office of The Attorney General	6,848	4,667	(2,181)	120,841	46,666	(74,175)
Sponsored Programs & Meetings	217	750	533	1,337	7,500	6,163
Telecom & Data	432	2,142	1,710	15,731	21,416	5,685
Rent	15,903	16,667	764	159,029	166,666	7,637
Utilities	1,978	2,000	22	18,613	20,000	1,387
Office Supplies & Postage Expense	1,621	3,542	1,921	14,084	35,416	21,332
Travel & Expense Reimbursement	1,036	1,042	6	4,084	10,416	6,332
Staff Training & Conferences	-	3,563	3,563	18,064	35,624	17,560
Insurance	4,308	5,833	1,525	42,985	58,334	15,349
Publications & Public Relations	11,500	2,187	(9,313)	11,500	21,876	10,376
Professional Services	1,647	19,417	17,770	79,498	194,166	114,668
Dues & Subscriptions	2,379	5,458	3,079	24,953	54,584	29,631
Maintenance Expense	1,052	2,546	1,494	17,944	25,458	7,514
Depreciation	2,422	3,167	745	24,219	31,666	7,447
Contingency	-	-	-	-	-	-
	<u>240,723</u>	<u>297,515</u>	<u>56,792</u>	<u>2,408,942</u>	<u>2,999,227</u>	<u>590,285</u>
Net Operating Income	<u>\$ (30,119)</u>	<u>\$ (65,630)</u>	<u>\$ 35,511</u>	<u>\$ (181,045)</u>	<u>\$ (482,909)</u>	<u>\$ 301,864</u>
Gain/Loss on Disposal of Fixed Assets	\$ (795)		\$ (795)	\$ (895)		\$ (895)
Net Income	<u>\$ (30,914)</u>		<u>\$ 34,716</u>	<u>\$ (181,940)</u>		<u>\$ 300,969</u>

**NJEFA
Vendor Payments
October 2018**

2:39 PM

Type	Date	Num	Name	Memo	Account	Accrual Basis Amount
Bill Pmt -Check	10/02/2018	EFT	NJSHBP	Employee Benefits	Accounts Payable	24,908.30
Bill Pmt -Check	10/02/2018	EFT	NJSHBP	Employee Benefits	Accounts Payable	2,939.28
Bill Pmt -Check	10/11/2018	12137	Arkadin Inc.	Inv 1178459-0918	Accounts Payable	101.52
Bill Pmt -Check	10/11/2018	12138	DocuSafe	Inv 111903	Accounts Payable	284.66
Bill Pmt -Check	10/11/2018	12139	Gennaro's	Office Meeting 10/5/18 Inv 192079	Accounts Payable	59.98
Bill Pmt -Check	10/11/2018	12140	Government News Network	Inv 81937-G	Accounts Payable	325.00
Bill Pmt -Check	10/11/2018	12141	Middleton, Kristen E.	Employee Benefits	Accounts Payable	233.00
Bill Pmt -Check	10/11/2018	12142	National Association Of Bond Lawyers	80569 2019 NABL Membership - E. Yang	Accounts Payable	445.00
Bill Pmt -Check	10/11/2018	12143	NJ Economic Development Authority	Employee Benefits	Accounts Payable	1,680.59
Bill Pmt -Check	10/11/2018	12144	Polar Inc.	Inv 039681, 040467, 040738	Accounts Payable	133.15
Bill Pmt -Check	10/11/2018	12145	Thomson Reuters Global Markets Inc.	Inv 95937052	Accounts Payable	735.00
Bill Pmt -Check	10/11/2018	12146	UPS	Inv 2Y687X388	Accounts Payable	59.52
Bill Pmt -Check	10/11/2018	12147	W.B. Mason Company, Inc.	Inv IS0850153	Accounts Payable	669.57
Bill Pmt -Check	10/11/2018	12148	Yang, Ellen	Expense Reimbursement - BAW 9/26/18 - 9/28/18	Accounts Payable	813.33
Bill Pmt -Check	10/29/2018	12149	100 & RW CRA, LLC	Inv 004169	Accounts Payable	12,097.67
Bill Pmt -Check	10/29/2018	12150	Creative Source, Inc	Inv 11-257	Accounts Payable	11,500.00
Bill Pmt -Check	10/29/2018	12151	Jersey Printing	Inv 27444, 27553	Accounts Payable	352.00
Bill Pmt -Check	10/29/2018	12152	Lexis Nexis	Inv 1809058324	Accounts Payable	292.00
Bill Pmt -Check	10/29/2018	12153	National Office Furniture, Inc	Document Number 92888250	Accounts Payable	671.40
Bill Pmt -Check	10/29/2018	12154	NJ Advance Media	Inv 0002258472 Auditor Ad	Accounts Payable	89.46
Bill Pmt -Check	10/29/2018	12155	Panera Bread	9/25/18 Board Meeting Inv 60701226850284	Accounts Payable	156.73
Bill Pmt -Check	10/29/2018	12156	Scotkoos, Brian	Expense Reimb. - Training 10/22/18-10/25/18	Accounts Payable	222.74
Bill Pmt -Check	10/29/2018	12157	Source Media - The Bond Buyer & Online	INV-00052394 BB 2 Year 12/11/18-12/10/20	Accounts Payable	2,400.00
Bill Pmt -Check	10/29/2018	12158	Sun Life Financial	Policy # 4029061-1 10/1/17-10/1/18	Accounts Payable	399.03
Bill Pmt -Check	10/29/2018	12159	UPS	Inv 2Y687X408, Inv 2Y687X428	Accounts Payable	69.63
Bill Pmt -Check	10/29/2018	12160	Verizon Wireless	Inv 9815711476	Accounts Payable	330.79
						61,969.35

New Jersey Educational Facilities Authority
Summary of Construction Funds
As of October 31, 2018

<u>Institution</u>	<u>Issue</u>	<u>Description</u>	<u>Bond Proceeds</u>	<u>Net Disbursed</u>	<u>Balance</u>	<u>% Complete</u>
<u>Private</u>						
Seton Hall University	2016 Series C	Welcome Center, Bishop Dougherty Univ Center	\$ 38,059,002.20	\$ (33,312,743.75)	\$ 4,746,258.45	88%
Stevens Institute of Technology	2017 Series A	Various Renov & Improvements, Refund 1998 I, 2007 A	76,911,558.14	(33,898,655.08)	43,012,903.06	44%
* Princeton University	2017 Series C	Renov, Maint & Partial Refund Commercial Paper	162,455,632.40	(162,101,730.80)	353,901.60	100%
Rider University	2017 Series F	Academic & Residential Facilities, Science & Technology Bldg	44,228,160.45	(1,247,622.80)	42,980,537.65	3%
Georgian Court University	2017 Series G&H	Various Capital Improvements & Renovations, Refund 07 D, H	7,874,383.16	(366,109.60)	7,508,273.56	5%
Sub Total			<u>\$ 329,528,736.35</u>	<u>\$ (230,926,862.03)</u>	<u>\$ 98,601,874.32</u>	
<u>Public</u>						
Montclair State University	Series 2014 A	Various Refundings and Capital Projects	\$ 156,675,111.09	\$ (133,363,517.18)	\$ 23,311,593.91	85%
New Jersey City University	Series 2015 A	Various Renovations & Improv, Refund 02 A, 08 E	37,869,656.10	(34,848,236.30)	3,021,419.80	92%
Stockton University	Series 2016 A	Science Center, Academic Bldg, Quad Project	26,207,528.53	(22,880,256.46)	3,327,272.07	87%
Ramapo College of New Jersey	Series 2017 A	Refund 06 I, Renov Library, Learning Center	11,278,830.75	(1,105,403.64)	10,173,427.11	10%
William Paterson University of New Jersey	Series 2017 B	New Residence Hall	30,427,779.25	(19,926,404.19)	10,501,375.06	65%
Sub Total			<u>\$ 262,458,905.72</u>	<u>\$ (212,123,817.77)</u>	<u>\$ 50,335,087.95</u>	
<u>Other Programs</u>						
Equipment Leasing Fund	Series 2014 A&B	Acquisition and Installation of Equipment	\$ 101,266,893.00	\$ (91,970,210.08)	\$ 9,296,682.92	91%
Technology Infrastructure Fund	Series 2014	Development of Technology Infrastructure	41,313,667.00	(37,615,878.25)	3,697,788.75	91%
Capital Improvement Fund	Series 2014 A-D	Capital Improvements	191,905,596.00	(184,918,553.30)	6,987,042.70	96%
Facilities Trust Fund	Series 2014	Construct, Reconstruct, Develop & Improve Facilities	219,977,164.00	(182,197,800.14)	37,779,363.86	83%
Capital Improvement Fund	Series 2016 B	Capital Improvements	146,700,261.19	(84,293,358.90)	62,406,902.29	57%
Sub Total			<u>\$ 701,163,581.19</u>	<u>\$ (580,995,800.67)</u>	<u>\$ 120,167,780.52</u>	
Grand Total			<u><u>\$1,293,151,223.26</u></u>	<u><u>\$(1,024,046,480.47)</u></u>	<u><u>\$ 269,104,742.79</u></u>	

* This issue has reached a completion rate of 95% or higher and will not appear on future reports.