STATE MASTER EQUIPMENT LEASE PURCHASE AGREEMENT

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STATE MASTER EQUIPMENT LEASE PURCHASE AGREEMENT

THIS STATE MASTER LEASE PURCHASE AGREEMENT ("Master Lease") dated as of January 2, 2025, by and between JP Morgan Chase Bank, N.A., a national banking association, duly organized and existing under the laws of the United States, as lessor ("Lessor"), whose principal business address is as shown on the execution page hereof; and the State of New Jersey ("State"), acting by and through its Department of Treasury, Division of Purchase and Property ("DPP or Division") and Office of Public Finance ("OPF" or "Office of Public Finance," collectively with the State and DPP, the "Lessee"), as Lessee, whose address is shown on the execution page hereof;

WITNESSETH:

WHEREAS, Lessee has the exclusive authority and duty to acquire items of equipment needed and to be used by the State and its Using Agencies; and

WHEREAS, Lessee is authorized by law to acquire such items of equipment by entering into purchase agreements; and

WHEREAS, State using agencies have requested that Lessee make arrangements for the lease and purchase of certain items of equipment described or to be described in Equipment Schedule(s) on as advantageous terms as possible; and

WHEREAS, pursuant to the Agreement (as hereinafter defined), Lessor has agreed to provide Lessee with a financing facility in an amount not to exceed $80 Million to be drawn down over a period of one (1) year; provided that Lessee is not obligated to utilize the full amount available under the facility and provided further that the Agreement may be extended for up to six (6) months, upon mutual written consent of the Lessor and the Lessee, upon the same terms and conditions as set forth in the Agreement.

WHEREAS, Lessor is willing to acquire such items of equipment and to lease them to Lessee pursuant to this Master Lease, and Lessee is willing to lease such items of equipment from Lessor pursuant to this Master Lease;

NOW THEREFORE, in the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties recite and agree as follows:

ARTICLE I: DEFINITIONS AND EXHIBITS

Section 1.1 Definitions: Unless the context otherwise requires, the terms defined in this Section 1.1 shall, for all purposes of this Master Lease, have the meanings herein specified.

Agreement: This Master Lease and each Lease, as hereinafter defined, executed pursuant to this (1) Master Lease, inclusive of any Exhibits; (2) Amendments to the Agreement, if any; (3) Bid Amendments to the Bid Solicitation # 22DPPXXXXX ("Bid Solicitation"), if any; (4) the final Bid Solicitation, its appendices, and any addenda; (5) the Terms and Conditions for T3030 Equipment Master Lease (the "Terms and Conditions"); (6) the Division's Notice of Award; (7) a Lessor's Best and Final Offer, if any; (8) the Lessor's proposal submitted in response to the Bid Solicitation, as accepted by the Division; and (9) any additional agreements relating to specific regulatory agreements.

Bid Solicitation: is defined in the definition of "Agreement" above.

Contractor(s): Each of the manufacturers or vendors, from whom Lessee has ordered or will order or with whom Lessee has contracted or will contract for the manufacture, acquisition, delivery, and/or installation, of the Equipment under the Lease.

Equipment: An item or items of personal property which are or will be described in an Equipment Schedule and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Sections 6.2, 7.2 and 8.5 which are being or will be leased with option to prepay pursuant to a Lease. Whenever reference is made in a Lease to Equipment, such reference shall be deemed to include all such replacements, repairs, restorations, modifications and improvement of or to such Equipment.

Equipment Group: Equipment identified on any one Equipment Schedule.

Equipment Lease or Lease: With respect to each Equipment Group, the terms and provisions of this Master Lease incorporated into an Equipment Schedule by reference and the Equipment Schedule in which such Equipment Group is described, which shall constitute a separate contract relating to such Equipment Group.

Equipment Schedule: A schedule consisting of the separate but like numbered pages of Exhibits A and B which have been completed with respect to an Equipment Group and executed by Lessor and Lessee as indicated therein.

Event of Non-appropriation: The failure of Lessee's legislature to appropriate or otherwise provide money for any Fiscal Year of Lessee sufficient for the continued performance of a Lease by Lessee with respect to any Equipment Group.

Fiscal Year: The 12-month fiscal period of Lessee which commences on July 1 in every year and ends on the following June 30.

Independent Counsel: An attorney duly admitted to the practice of law before the highest court of the State.

Interest: The portion of any Rental Payment designated as and comprising interest as shown in any Equipment Schedule.

Lease Term: With respect to any Equipment Group, the period during which the related Lease is in effect as specified in Section 4.1.

Lessor: With respect to each Lease, (a) the entity referred to as Lessor in the first paragraph of this Master Lease or (b) after assignment of such Lease pursuant to Section 11.1, the Lease Servicer as provided in Section 11.1 acting for and on behalf of the assignees or transferees of any right, title or interest of the original Lessor in and to such Lease pursuant to Section 11.1.

Master Lease: This State Master Equipment Lease Purchase Agreement.

Net Proceeds: Any insurance proceeds or condemnation award, paid with respect to any Equipment, remaining after payment therefrom of all expenses incurred in the collection thereof.

Office of Public Finance: The Office of Public Finance, in the New Jersey Department of the Treasury.

Payment Date: The date upon which any Rental Payment is due and payable as provided in any Equipment Schedule.

Permitted Encumbrances: As of any particular time: (i) liens for taxes and assessments not then delinquent, or which Lessee may, pursuant to the terms of Section 7.3 of this Master Lease, permit to remain unpaid, (ii) a Lease and amendments thereto, (iii) Lessor's interest in the Equipment, (iv) any mechanic's, laborer's, material men's, supplier's or vendor's lien or right not filed or perfected in the manner prescribed by law, and (v) any lien arising through a Contractor or which Lessee may, pursuant to Article VIII hereof, permit to remain unpaid.

Prepayment Price: With respect to any Equipment Group, as of the Payment Dates specified in the Equipment Schedule relating thereto, the amount so designated and set forth opposite each such date in such Equipment Schedule.

Principal: The portion of any Rental Payment designated as the principal component in any Equipment Schedule.

Rental Payment: With respect to any Equipment Group, the payment due from Lessee to Lessor on each Payment Date during the Lease Term, as shown in the Equipment Schedule relating thereto.

Specifications: The bid specifications and/or purchase order pursuant to which Lessee has ordered any Equipment from a Contractor.

Special Tax Counsel: Any law firm nationally recognized in matters pertaining to municipal finance, serving as special tax counsel to the State in connection with this Master Lease.

Terms and Conditions: is defined in the definition of "Agreement" above.

State: The State of New Jersey.

State and Federal Law or Laws: The Constitution and any law of the State and any charter, ordinance, rule or regulation or any agency or political subdivision of the State; and any law of the United States, and any rule or regulation of any federal agency.

Taxable Rate: With respect to each Lease, the taxable rate identified in the related Equipment Schedule.

Using Agency: Any agency of the State which has been authorized by the State Department of the Treasury, Division of Purchase and the Office of Public Finance to have possession and use of an Equipment Group as indicated on the Exhibit A relating to such Equipment Group.

Section 1.2 Exhibits: The following Exhibits are attached to and by reference made a part of this Master Lease:

Exhibit A: The Equipment Schedule, which together with the terms and provisions of this Master Lease comprises the Lease, names the Using Agency and describes the Equipment Group being leased by Lessee pursuant to the Lease. The serial or other identifying numbers relating to the Equipment (if applicable) and the due date of each Rental Payment shall be inserted on each Equipment Schedule when available.

Exhibit B: A form of Certificate of Acceptance of Lessee and the Using Agency indicating that the Equipment Group described therein has been delivered and installed in accordance with the Specifications, and has been accepted by Lessee and the Using Agency, the date on which Rental Payments shown in the Equipment Schedule relating thereto shall commence, and that certain other requirements have been met by Lessee.

Exhibit C-1: A form of opinion of the Attorney General of the State, counsel to Lessee, executed this date as to the nature and powers of Lessee; the validity, execution and delivery of this Master Lease and the Equipment Schedule(s) executed as of such date and the form of various related documents; the absence of litigation; and certain related matters.

Exhibit C-2: A form of opinion of Special Tax Counsel to the Lessee, executed as of this date that (i) the portion of the Rental Payments designated as Interest paid under this Master Lease (including Equipment Schedules) shall not be includible in gross income for federal income tax purposes and (ii) the portion of the Rental Payments designated as interest paid under this Master Lease (including Equipment Schedules) and any gain on the sale of this Master Lease shall not be includible as gross income under the New Jersey Gross Income Tax Act.

ARTICLE II: REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.1 Representations, Warranties and Covenants of Lessee: Lessee represents and warrants to and covenants with Lessor with respect to this Master Lease and each Lease, as follows:

(a) Lessee is the State, and is authorized under the Constitution and laws of the State to enter into this Master Lease, each Lease and the transactions contemplated hereby and thereby, and to perform all of its obligations hereunder and under each Lease. Notwithstanding that various Using Agencies have possession of the Equipment Groups, the State has the obligation to pay Rental Payments under each Lease and perform other obligations of Lessee.

(b) The execution and delivery of this Master Lease, Equipment Schedule(s), and the Certificate of

Acceptance(s) by the officer of Lessee executing them have been duly authorized under State law. The execution and delivery of the Certificate(s) of Acceptance by the officer of the Using Agency executing it have been duly authorized under State law. Lessee has complied and/or will comply with all public bidding and other State and Federal Laws applicable to this Master Lease, each Lease and the acquisition and financing of the Equipment by Lessee.

(c) Lessee will ensure that each Using Agency will use the Equipment during the Lease Term only to perform essential governmental functions and none of the Equipment will be used in or for any private commercial activity.

(d) To the extent permitted by law, Lessee represents that it will do and perform all acts and things necessary or desirable in order to assure that under the Internal Revenue Code of 1986, as amended (the “Code”) and Treasury Regulations promulgated thereunder (the “Regulations”), the interest portion of the Rental Payments will be excludable from gross income for purposes of federal income taxation.

(e) Lessee will submit to the U.S. Secretary of the Treasury information reporting statements and other information relating to each Lease at the times and in the forms required by the Code and the Regulations.

(f) Upon delivery and installation of any Equipment Group, the Lessee, and the Using Agency identified in the related Equipment Schedule will provide to Lessor a completed and executed copy of a Certificate of Acceptance relating thereto in the form attached hereto as Exhibit B.

(g) Lessee shall furnish Lessor with an Equipment Schedule for each Equipment Group to be leased under this Master Lease. Upon execution of this Master Lease, Lessee will provide to Lessor an opinion of the Attorney General of the State, its legal counsel, substantially in the form attached hereto as Exhibit C-1 and an opinion of its Special Tax Counsel in substantially the form attached hereto as Exhibit C-2.

Section 2.2 Representations, Warranties of Lessor: Lessor represents and warrants to Lessee as follows:

(a) Lessor is a national banking association, duly organized and existing under the laws of the United States, and is duly qualified and in good standing as a foreign corporation authorized to transact business in the State; has the power to enter into this Master Lease and the Leases contemplated hereunder; is possessed of full power to own and hold real and personal property and to lease the same; and has duly authorized the execution and delivery of this Master Lease and the Leases contemplated hereunder.

(b) Neither the execution and delivery of this Master Lease and the Leases contemplated hereunder, nor the fulfillment of or compliance with the terms and conditions hereof and thereof, nor the consummation of the transactions contemplated hereby and thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Lessor is now a party or by which Lessor is bound, constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of Lessor or upon the Equipment, except Permitted Encumbrances.

ARTICLE III: LEASE OF EQUIPMENT

Section 3.1 Acquisition of Equipment: Lessee shall advise Lessor of its desire to lease Equipment and of the desired lease terms. Upon written agreement by Lessor and Lessee as to the lease of the Equipment and such terms, Lessee shall order the Equipment Group from the appropriate Contractor or Contractors. Upon receipt and acceptance of the Equipment, the Lessee shall furnish to Lessor an executed Equipment Schedule relating to the Equipment Group. Nothing herein shall obligate Lessor to lease any Equipment to Lessee until Lessor shall have so concurred in writing.

Section 3.2 Equipment Delivery; Documentation: Upon delivery of any Equipment Group, the Using Agency and the Office of Public Finance on behalf of Lessee shall inspect such Equipment, and if such Equipment, meets Lessee's and Using Agency's Specifications, the Using Agency and Lessee shall provide to Lessor a completed and executed copy of a Certificate of Acceptance relating thereto; in the form attached hereto as Exhibit B, and a completed and executed copy of the related Equipment Schedule. Lessor and Lessee shall take all actions necessary to vest legal title to each Equipment Group in the party specified in Section 8.1 hereof, and to perfect a security interest therein in favor of Lessor or a person, firm or corporation designated by it.

Section 3.3 Lease; Enjoyment; Inspection: Lessor hereby leases each Equipment Group made subject to a Lease under this Master Lease to Lessee, and Lessee hereby leases such Equipment Group from Lessor, upon the terms and conditions set forth in such Lease. Lessor hereby covenants to provide Lessee during the Lease Term with the quiet use and enjoyment of the Equipment Group, and Lessee shall during the Lease Term peaceably and quietly have and hold and enjoy the Equipment Group, without suit, trouble or hindrance from Lessor, except as expressly set forth in the Lease and Lessor will, at the request of Lessee and at Lessee's cost, join in any legal action in which Lessee asserts its right to such possession and enjoyment. Lessee further agrees that Lessor shall have such rights of access to examine and inspect, at reasonable times, the Equipment as may be reasonably necessary to cause the proper maintenance of the Equipment in the event of failure by Lessee to perform its obligations under the Lease.

ARTICLE IV: LEASE TERM

Section 4.1 Lease Term: The Lease with respect to an Equipment Group shall be in effect for a Lease Term commencing upon the date of execution and delivery of the Equipment Schedule relating thereto and ending as provided in Section 4.6; provided; however, interest under the Lease shall not begin to accrue until Lessor has paid the Contractor(s). The Lease Term shall not exceed five (5) years.

Section 4.2 Termination by Lessee: Solely upon an Event of Non-appropriation relating to any particular Equipment Group, Lessee shall have the right to terminate the related Lease with respect to such Equipment Group, at the end of any Fiscal Year of Lessee, in the manner and subject to the terms specified in this Section 4.2 and Sections 4.4 and 4.5. Lessee may effect such termination by giving Lessor a written notice of termination with respect to such Equipment Group and by paying to Lessor any Rental Payments and other amounts with respect to such Equipment Group which are due and have not been paid at or before the end of its then current Fiscal Year. Lessee shall within ten (10) days after an Event of Non-appropriation for an Equipment Group, deliver to Lessor a written notice of such Event of Non-appropriation and shall notify Lessor of any anticipated termination. In the event of termination of a Lease with respect to any Equipment Group as provided in this Section 4.2, Lessee shall deliver possession of such Equipment Group to Lessor in accordance with Section 12.3, and, at the written instruction of Lessor, shall convey to Lessor or release its interest in such Equipment Group within fifteen (15) days after the termination of a Lease with respect to such Equipment Group.

Section 4.3 Intent to Continue Lease Term Appropriations: Lessee presently intends to continue each Lease for its entire Lease Term with respect to each Equipment Group made subject thereto and to pay all Rental Payments relating thereto. The Using Agency will include in the budget request for each Fiscal Year the Rental Payments to become due in such Fiscal Year with respect to each Equipment Group.

Section 4.4 Effect of Termination: Upon termination of a Lease with respect to any Equipment Group as provided in Section 4.2, Lessee shall not be responsible for the payment of any additional Rental Payments relating thereto scheduled to become due with respect to succeeding Fiscal Years, but shall be responsible to pay the Rental Payments then due under such Lease to the date of termination (which is the last day of the Fiscal Year for which funds were appropriated, and if Lessee has not delivered possession of such Equipment Group to Lessor in accordance with Section 12.3 and conveyed to Lessor or released its interest in the Equipment Group within fifteen (15) days after the termination of a Lease with respect thereto, the termination shall nevertheless be effective, but Lessee shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments thereafter coming due with respect to such Equipment Group which are attributable to the number of days after such fifteen (15) day period during which Lessee fails to take such actions.

Section 4.5 Non-substitution: If a Lease is terminated by Lessee with respect to an Equipment Group in accordance with Section 4.2, to the extent permitted by State law, Lessee agrees not to purchase, lease or rent personal property to perform the same functions as, or functions taking the place of, those performed by such Equipment Group, for a period of ninety (90) days; provided, however, that these restrictions shall not be applicable in the event the Equipment Group shall be sold by Lessor and the amount received from such sale, less all costs of such sale, is sufficient to pay the then applicable Prepayment Price relating thereto as set forth in the Equipment Schedule; or if to the extent that the application of these restrictions is unlawful and would affect the validity of this Master Lease or the Lease.

Section 4.6 Termination of Lease Term: The Lease Term of a Lease with respect to any Equipment Group will terminate upon the occurrence of the first of the following events: (a) the termination thereof by Lessee in accordance with Section 4.2; (b) the exercise by Lessee of its option to prepay pursuant to Article X; or (c) the payment by Lessee of all Rental Payments and all other amounts authorized or required to be paid by Lessee under the Lease with respect to the Equipment Group pursuant to Section 8.1(b) hereof. In the event of a default by Lessee with respect to the Equipment Group pursuant to Article XII, termination would not be automatic but rather would be at Lessor's option.

ARTICLE V: RENTAL PAYMENTS

Section 5.1 Rental Payments: Lessee agrees to pay Rental Payments with respect to each Equipment Group during the related Lease Term, in the amounts and on the dates specified in the Equipment Schedule relating thereto. A portion of each Rental Payment is paid as and represents the payment of Interest. Each Equipment Schedule sets forth the Interest component of each Rental Payment. All Rental Payments shall be paid to Lessor; or to such other person(s) or entity(ies) to which Lessor has assigned such Rental Payments as specified in Article XI, at such place as Lessor or such assignee may from time to time designate by written notice to Lessee. Lessee shall pay the Rental Payments exclusively from moneys legally available therefor, in lawful money of the United States of America.

Section 5.2 Obligations Subject to Appropriations: The obligations of Lessee under each Lease, including its obligations to pay the Rental Payments due with respect to any Equipment Group, in any Fiscal Year for which a Lease is in effect, shall not constitute an indebtedness of Lessee within the meaning of the Constitution and laws of the State. Nothing herein shall constitute a pledge by Lessee of its faith and credit or of any taxes or other moneys of the State, to the payment of any Rental Payment or other amount coming due hereunder. Such amounts shall be payable from moneys lawfully appropriated by the State Legislature, from time to time, for the benefit of the applicable Using Agency for this purpose and from the proceeds or Net Proceeds of the Equipment. The State Legislature is under no legal obligation to make any appropriation for such purpose.

Section 5.3 Rental Payments to be Unconditional: Except as provided in Section 4.2, with respect to an Event of Non-appropriation, and except as provided in the Notice of Set Off for State taxes, L. 1995, c. 159, N.J.S.A. 54:49-19, the obligation of Lessee to make Rental Payments or any other payments required under a Lease shall be absolute and unconditional in all events. Notwithstanding any dispute between Lessee and Lessor or any other person (including, without limitation, any Contractor), Lessee shall make all Rental Payments and other payments required under each Lease when due and shall not withhold any Rental Payment or other payment pending final resolution of such dispute nor shall Lessee assert any right to set-off or counterclaim against its obligation to make such Rental Payments or other payments required under the Lease. Lessee's obligation to make Rental Payments or other payments during the Lease Term for each Lease shall not be abated through accident or unforeseen circumstances. However, nothing herein shall be construed to release Lessor from the performance of its obligations hereunder; and if Lessor should fail to perform any such obligation, Lessee may institute such legal action against Lessor as Lessee may deem necessary to compel the performance of such obligation or to recover damages therefor.

Section 5.4 Event of Taxability:

(a) If, for any reason, the Interest portion of any Rental Payment made under a Lease with respect to an Equipment Group (the "affected Lease") loses its exclusion from gross income under federal tax laws as a result of an Event of Taxability (as hereafter defined) following a Determination of Taxability (as hereafter defined) thereon, Lessee agrees to pay Lessor: (i) as a Rental Payment or a form of additional Interest, an additional amount which, together with the amount of Interest to be paid by Lessee under such affected Lease, puts Lessor in the same after-tax position that it would have had been in, had such payments been excluded from gross income under the Internal Revenue Code of 1986, as amended, and the Treasury regulations promulgated thereunder (the "Code"), and (ii) all other amounts necessary to reimburse Lessor for all fees, fines, penalties, other amounts, and impositions resulting from the Event of Taxability, which (i) and (ii) shall not exceed the maximum non-usurious lawful rate of interest permitted by applicable law.

(b) Determination of Taxability:

(i) The delivery of written notice (the "Audit Notice") to Lessor by Lessee declaring that an examination of such affected Lease has been undertaken by the Internal Revenue Service (the "IRS"), such Audit Notice to be effective sixty (60) days after the giving of the same, unless prior thereto Lessee files written notice with

Lessor that it intends to participate in the audit process, at its own expense, to obtain a written determination from the IRS affirming that the Interest portion of the Rental Payments on such affected Lease is excluded from gross income. If the final IRS determination is adverse, Lessee may appeal, as permitted by law, such IRS determination to a court of competent jurisdiction. The Audit Notice will be effective sixty (60) days after Lessee's receipt of a final non-appealable determination by the IRS or a court of competent jurisdiction, whichever is later; The delivery of written notice (the "Taxability Notice") to Lessor and Lessee declaring that the IRS has issued a proposed deficiency letter to Lessor (the "60-day letter"), the effect of which (in the reasonable opinion of Lessor) is to assert that the Interest portion of the Rental Payments on the affected Lease is included in the gross income of Lessor, such Taxability Notice to be effective sixty (60) days after the giving of the same, subject to a stay of such 60-day period for the period of litigation if prior thereto Lessee agrees in writing to participate in and defend a final judicial determination (including, at Lessee's discretion, any or all appeals) to affirm that the Interest portion of the Rental Payments on the affected Lease is excluded from gross income. If the final non-appealable judicial determination is adverse, the Taxability Notice will be effective sixty (60) days after the entry of such final, non-appealable judicial determination; or

(ii) The delivery of written notice (the "Event Notice") by Lessee to Lessor declaring that a violation of the provisions or procedures for compliance with the requirements of the Code stated in the tax regulatory agreement with respect to the affected Lease has occurred or will occur on a specified date (other than by reason of any of the events described in the foregoing subparagraphs (i) and (ii)), which Lessee has determined (with the assistance of counsel) cannot be cured by appropriate remedial action under Treasury Regulation 1.141-12 or other IRS remedial relief, and describing the violation, such Event Notice to become effective sixty (60) days after the giving of same.

(c) "Event of Taxability" shall mean a change in law or fact, or the occurrence or recognition of a fact, circumstance or situation or an act or omission of Lessee which causes Lessor to lose its exclusion from gross income provided under the Code of the Interest portion of the Rental Payments made under the affected Lease.

ARTICLE VI: INSURANCE AND NEGLIGENCE

Section 6.1 Liability and Property Insurance: At its own expense, Lessee shall cause property damage insurance to be carried and maintained with respect to each Equipment Group, or shall demonstrate to the satisfaction of Lessor that adequate reserves to meet Lessee's obligation under a Lease will be provided with respect to each item of Equipment sufficient in each case to replace such item of Equipment or pay the applicable Prepayment Price, whichever is greater. Where Lessee maintains such property damage insurance Lessor agrees to accept evidence of blanket insurance coverage which applies automatically to all lease purchase agreements and which does not require Lessor to be specifically named by endorsement. Lessee will provide a copy of a blanket insurance policy or policies to Lessor as evidence of such coverage with respect to such items of Equipment.

Any insurance policy maintained pursuant to this Section 6.1 shall be so written or endorsed as to make losses, if any, payable to Lessee and Lessor as their respective interests may appear and shall provide that Lessor shall be given written notice by the Lessee at least thirty (30) days prior to cancellation or modification of such insurance policy. The Net Proceeds of the insurance required in this Section 6.1 shall be applied as provided below.

Section 6.2 Damage to or Destruction of Equipment: Lessee assumes all risk of loss with respect to the Equipment itself, and if after delivery of any Equipment to Lessee all or any part of the Equipment is lost, stolen, destroyed or damaged beyond repair, Lessee shall as soon as practicable after such event either: (a) replace the same at Lessee's sole cost and expense with equipment of equal or greater value to the Equipment immediately prior to the time of the loss occurrence, such replacement equipment to be subject to Lessor's reasonable approval, whereupon such replacement shall be substituted in the related Lease by appropriate endorsement; or (b) pay the applicable Prepayment Price of the Equipment Group to which such Equipment belongs as set forth in the particular Equipment Schedule. Lessee shall notify Lessor of which course of action it will take within fifteen (15) days after the loss occurrence. If Lessee fails or refuses to notify Lessor within the required period or if Lessee fails to complete the action within forty-five (45) days of the loss occurrence, Lessor may, at its option, declare the applicable Prepayment Price of the Equipment Group to which such Equipment belongs set forth in the particular Equipment Schedule immediately due and payable, and Lessee shall be obligated to pay the same. The Net Proceeds of all insurance payable with respect to the Equipment shall be available to Lessee and shall be used to discharge Lessee's obligation under this Section 6.2. On payment of the Prepayment Price with respect to any Equipment Group, the related

Lease shall terminate with respect to such Equipment and Lessee thereupon shall become entitled to such Equipment AS IS, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE, except that such Equipment shall not be subject to any lien or encumbrance created by or arising through Lessor and Lessor shall release any security or other interest in such Equipment as provided in Section 8.1(b).

ARTICLE VII: OTHER OBLIGATIONS OF LESSEE

Section 7.1 Use Permits: Lessee shall exercise due care in the installation, use, operation and maintenance of the Equipment, and shall not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any State and Federal Law or for a purpose or in a manner contrary to that contemplated by the applicable Lease. Lessee shall obtain all permits and licenses necessary for the installation, operation, possession and use of the Equipment. Lessee shall comply with all State and Federal Laws applicable to the installation, use, possession and operation of the Equipment, and if compliance with any such State and Federal Law requires changes or additions to be made to the Equipment, such changes or additions shall be made by Lessee at its expense.

Section 7.2 Maintenance of Equipment by Lessee: Lessee shall keep each Equipment Group at the address specified in the related Equipment Schedule and shall notify Lessor in writing prior to relocation of the Equipment. Lessee shall, at its own expense, maintain, preserve and keep the Equipment in good repair, working order and condition, and shall from time to time make all repairs and replacements necessary to keep the Equipment in such condition. Lessor shall have no responsibility for any of these repairs or replacements.

Section 7.3 Taxes, Other Governmental Charges and Utility Charges: Except as expressly limited by this Section 7.3, Lessee shall pay all taxes and other charges of any kind which are at any time lawfully assessed or levied against or with respect to the Equipment, the Rental Payments or any part thereof, or which become due during a Lease Term, whether assessed against Lessee or Lessor. Lessee shall also pay when due all gas, water, steam, electricity, heat, power, telephone, and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment, and all special assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Equipment; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as are required to be paid during the Lease Term as and when the same become due. Lessee shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate tax, or other similar tax payable by Lessor, its successors or assigns, unless such tax is made in lieu of or as a substitute for any tax, assessment or charge which is the obligation of Lessee under this Section 7.3.

Section 7.4 Advances: If Lessee shall fail to perform any of its obligations under this Article VII, Lessor may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and Lessee shall be obligated to repay all such advances on demand, with interest as provided by the New Jersey Prompt Payment Act, N.J.S.A. 52:32-32 et seq.

ARTICLE VIII: TITLE; SECURITY INTEREST; LIENS

Section 8.1 Title:

(a) During a Lease Term with respect to any Equipment Group, and so long as Lessee is not in default under Article XII, legal title to the Equipment Group and any and all repairs, replacements, substitutions and modifications to it shall be in Lessee. If so directed by Lessor in writing, upon termination of a Lease with respect to the related Equipment Group pursuant to Section 4.2 or Article XII hereof, full and unencumbered legal title to such Equipment Group shall pass to Lessor, and Lessee shall have no further interest therein. In either of such events, Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of legal title to such Equipment Group to Lessor and the termination of Lessee's interest therein, and upon request by Lessor shall deliver possession of the Equipment Group to Lessor in accordance with Section 12.3.

(b) Upon termination of a Lease with respect to the related Equipment Group through exercise of Lessee's option to prepay pursuant to Article X or through payment by Lessee of all Rental Payments and other amounts relating thereto, Lessor's security or other interest in such Equipment Group shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may request to evidence the termination of Lessor's security or other interest in such Equipment Group.

Section 8.2 Security Interest in the Tangible Property: Lessee grants to Lessor a continuing, first priority security interest under the Uniform Commercial Code in all tangible property in each Equipment Group, the proceeds thereof and all repairs, replacements, substitutions and modifications thereto or thereof made pursuant to Sections 6,2, 7.2 and 8.5 subject to Permitted Encumbrances, in order to secure Lessee's payment of all Rental Payments due during the related Lease Term and the performance of all other obligations herein and therein to be performed by Lessee. Lessee will join with Lessor in executing financing statements and will perform such acts as Lessor may request to establish and maintain a valid first lien and perfected security interest in the Equipment. If requested by Lessor, Lessee shall conspicuously mark the Equipment with appropriate lettering, labels or tags, and maintain such markings during the Lease Term, so as clearly to disclose Lessor's security interest in the Equipment.

Section 8.3 Liens: During each Lease Term, Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Equipment, other than the respective rights of Lessor and Lessee as herein provided and Permitted Encumbrances. Except as expressly provided in Section 7.3 and this Article VIII, Lessee shall promptly, at its own expense, take such action as may be necessary duly to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time, which is not a Permitted Encumbrance. Lessee shall reimburse Lessor for any expense incurred by Lessor in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, which is not a Permitted Encumbrance. Lessee may in good faith contest any lien filed or established against any Equipment and in such event may permit the items so contested and any appeal therefrom, unless Lessor shall notify Lessee that, in the opinion of Independent Counsel, by nonpayment of any such item the interest of Lessor in the Equipment will be materially endangered or the Equipment or any part thereof will be subject to loss or forfeiture, in which event Lessee shall promptly pay and cause to be satisfied and discharged all such unpaid items or provide Lessor with full security against any such loss or forfeiture, in form satisfactory to Lessor. Lessor will cooperate fully with Lessee in any such contest, upon the request and at the expense of Lessee.

Section 8.4 Installation of Lessee's Equipment: Lessee may at any time and from time to time, in its sole discretion and at its own expense, install other items of equipment in or upon the Equipment, which items shall be identified by tags or other symbols affixed thereto as property of Lessee, shall remain the sole property of Lessee, and may be modified or removed by Lessee at any time provided that Lessee shall repair and restore any and all damage to the Equipment resulting from the installation, modification or removal of any such items.

Section 8.5 Modifications of Equipment: Lessee shall, at its own expense, have the right to make repairs, replacements, substitutions and modifications to all or any of the parts of the Equipment. All such work and any part or component used or installed to make a repair or as a replacement, substitution or modification, shall thereafter comprise part of the Equipment and be subject to the provisions of the related Lease. Such work shall not in any way damage the Equipment or cause it to be used for purposes other than those authorized under the provisions of State and Federal Law or those contemplated by the related Lease; and the Equipment, upon completion of any such work, shall be of a value which is not less than the value of the Equipment immediately prior to the commencement of such work. Any property for which a replacement or substitution is made pursuant to this Section 8.5 may be disposed of by Lessee in such manner and on such terms as are determined by Lessee.

Section 8.6 Personal Property: The Equipment is and shall at all times be and remain personal property notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner affixed or attached to or embedded in or permanently rested upon real property or any building thereon or attached in any manner to what is permanent by means of cement, plaster, nails, bolts, screws or otherwise.

ARTICLE IX: WARRANTIES

Section 9.1 Selection of Equipment: The Equipment and the Contractor{s) have been selected by Lessee, and Lessor shall have no responsibility in connection with the selection of the Equipment, its suitability for the use intended by Lessee, the acceptance by the Contractor(s) or its sales representatives of the order submitted, or any delay or failure by the Contractor(s) or its sales representative to manufacture, deliver or install the Equipment for use by Lessee. Lessee authorizes Lessor to add the serial number of the

Equipment to the particular Equipment Schedule when available.

Section 9.2 Installation and Maintenance of Equipment: Lessor shall have no obligation to install, erect, test, inspect service or maintain the Equipment under any circumstances, but such actions shall be the obligation of Lessee or the Contractors.

Section 9.3 Contractor's(s') Warranties: Lessor hereby assigns to Lessee, for and during each Lease Term, all of its interest, if any, in all Contractor's warranties and guarantees, express or implied, issued on or applicable to the Equipment, and Lessor hereby authorizes Lessee to obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense.

Section 9.4 Patent Infringement: Lessor hereby assigns to Lessee for and during each Lease Term, all of its interest, if any, in patent indemnity protection provided by any Contractor with respect to the Equipment. Such assignment of patent indemnity protection by Lessor to Lessee shall constitute the entire liability of Lessor for any patent infringement by Equipment furnished pursuant to a Lease.

ARTICLE X: OPTION TO PREPAY

Section 10.1 When Available: Lessee shall have the option to prepay its obligations under any Lease with respect to the Equipment Group subject thereto on any Payment Date relating thereto for the then applicable Prepayment Price set forth in the Equipment Schedule relating thereto, but only if Lessee is not in default under the Lease, and only in the manner provided in this Article X.

Section 10.2 Exercise of Option: Lessee shall give notice to Lessor of its intention to exercise its option with respect to any Equipment Group not less than thirty (30) days prior to the Payment Date on which the option is to be exercised and shall deposit with Lessor on the date of exercise an amount equal to all Rental Payments and any other amounts relating to such Equipment Group then due or past due (including the Rental Payment relating thereto due on the Payment Date on which the option is to be exercised) and the applicable Prepayment Price set forth in the Equipment Schedule relating thereto. The closing shall be on the Payment Date on which the option is to be exercised at the office of Lessee.

Section 10.3 Release of Lessor's Interest: Upon exercise of the prepayment option with respect to any Equipment Group by Lessee, Lessor shall convey or release to Lessee, all of its right, title and/or interest in and to the Equipment Group by delivering to Lessee such documents, as Lessee deems necessary for this purpose.

ARTICLE XI: ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 11.1 Assignment by Lessor:

Except as otherwise provided herein, Lessor shall not assign its rights and/or its obligations under a Lease, and no purported assignment thereof shall be effective. However, all of Lessor’s right, title and/or interest in and to any Lease may be assigned and reassigned by Lessor at any time, in whole or in part, to one or more assignees or sub-assignees, with the prior written consent of Lessee (which consent shall not be unreasonably withheld, conditioned or delayed); provided that any such assignment (a) shall be made only to investors each of whom Lessor reasonably believes is a *“qualified institutional buyer”* within the meaning of federal securities laws and is purchasing a Lease (or any interest therein) for its own account with no present intention to resell or distribute such Lease (or interest therein), (b) shall not result in more than ten (10) owners of Lessor’s rights and interests under a Lease (or interests therein) in an aggregate principal component that is less than $250,000 and (c) the assignment shall not require Lessee to make Rental Payments, send notices or otherwise deal with respect to matters arising under a Lease with or to any entity other than the original Lessor or one of its affiliates (in such capacity, the *“Lease Servicer”*); and (d) the assignment shall require the assignees to agree to comply with the terms of the Master Lease, including, without limitation, the terms of this Section 11.1.

Any such assignment may be in the form of a participation, custodial or similar agreement under which multiple ownership interests in a Lease are created and that provides the method by which the owners of such interests shall establish the rights and duties of the Lease Servicer to act on their behalf, including with respect to the exercise of rights and remedies of Lessor on behalf of such owners. No such assignment shall be effective as against Lessee unless and until Lessor shall have received a prior written consent of Lessee to such assignment (which consent shall not be unreasonably withheld, conditioned or delayed) and Lessee is provided with the name and address of each such assignee; provided, that if such assignment is made to a bank or trust company as custodian or paying agent for owners of custodial receipts or participation interests evidencing interests in a Lease, Lessee shall be provided with the name and address of the bank or trust company acting as custodian or paying agent with respect to such Lease and provide its consent on that basis. Lessor hereby acknowledges that Lessee has not provided any financial or other disclosure regarding the State of New Jersey to Lessor and will not provide such disclosure in connection with any such assignment of Lessor's right, title and/or interest in and to any Lease, and Lessee has no obligation to do so. Furthermore, Lessee will make no representation as to the tax-exempt nature of the assignment of any Lease as to whether registration of the certificates or other documentation of such securitization is required under Federal or securities laws. Lessor shall indemnify and hold Lessee harmless from and against any and all liability arising out of Lessor's assignment of any Lease. No assignment pursuant to this paragraph shall relieve assignor or assignee of the right of the State of New Jersey to set off under the provisions of L. 1995, c. 159, N.J.S.A. 54:49-19.

Lessor shall not be entitled to subcontract its duties and obligations to fund a Lease to be entered into pursuant to this Master Lease to an affiliate controlling, controlled by or under common control with Lessor or otherwise except in compliance with the applicable requirements of Section 5.8 of the Terms and Conditions.

During the Lease Term under each Lease, Lessor or the Lease Servicer (in either case as Lessee's agent for this purpose) shall keep a complete and accurate record of all assignments under this Section 11.1.

Section 11.2 Assignment and Subleasing by Lessee:

Neither a Lease nor Lessee's interest in Equipment Group may be sold, assigned, transferred, pledged or mortgaged by Lessee without the written consent of Lessor. However, Equipment may be subleased by Lessee, to a state agency or other political subdivision for the performance of essential government services by such agency or subdivision without the consent of Lessor; provided that: (a) the related Lease and the obligation of Lessee to make Rental Payments thereunder shall remain obligations of Lessee, and (b) the subleasee assumes the obligations of Lessee under the Lease with respect to the Equipment subleased. Lessee shall immediately furnish to Lessor a true and complete copy of such sublease. No sublease shall cause the Interest component of the Rental Payments due with respect to the Equipment Group to become includible in gross income of the recipient for federal income tax purposes.

ARTICLE XII: EVENTS OF DEFAULT AND REMEDIES

Section 12.1 Events of Default Defined: The following shall be "events of default" under a Lease with respect to the related Equipment Group:

(a) Failure by Lessee to pay any Rental Payments or other payment required to be paid under a Lease with respect to any Equipment Group at the time specified therein and the continuation of said failure for a period of three (3) days (other than due to an Event of Non-appropriation).

(b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed with respect to any Equipment Group, other than as referred to in Clause (a) of this Section 12.1, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to any extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected.

(c) The determination by Lessor that any representation or warranty made by Lessee in Section 2.1 was untrue in any material respect upon execution of any Equipment Schedule.

The provisions of this Section 12.1 and Section 12.2 are subject to the following limitation: if by reason of "force majeure" Lessee is unable in whole or in part to carry out its obligation under a Lease with respect to any Equipment Group, other than its obligation to pay Rental Payments with respect thereto which shall be paid when due and its obligations to maintain insurance in accordance with Section 6.1, in each case notwithstanding the provisions of this paragraph, 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; pandemics; strikes, lockouts or other labor disturbances; acts of public enemies;

orders or restraints of any kind of the government of the United States of America or the State or their respective departments, agencies or officials, or any civil or military authority; wars (declared or undeclared), acts of terrorism, sabotage, insurrections; riots; civil disorders, rebellions or revolutions; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; acts of any governmental authority with respect to any of the foregoing; or any other cause or event not reasonably within the control of Lessee and not resulting from its negligence. Lessee agrees, however, to remedy with all reasonable dispatch the cause or causes preventing Lessee from carrying out its obligations under a Lease; provided that the settlement of strikes; lockouts and other labor disturbances shall be entirely within the discretion of Lessee and Lessee shall not be required to make settlement of strikes, lockouts and other labor disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of Lessee unfavorable to Lessee.

Section 12.2 Remedies on Default: Whenever any event of default referred to in Section 12.1 hereof shall have happened and be continuing with respect to any Equipment Group, Lessor shall have the right, at its option and without any further demand or notice, to take one or any combination of the following remedial steps:

(a) terminate the Lease with respect to the Equipment Group as to which such event of default has occurred, effective as of the Rental Payment date immediately following such event of default;

(b) repossess any or all of the Equipment Group subject to the Lease to which the event of default relates by giving Lessee written notice to deliver the Equipment in the manner provided in Section 12.3; Lessor may enter upon Lessee's premises where the Equipment is kept and take possession of the Equipment and charge Lessee for costs incurred in repossessing the Equipment, including reasonable attorney's fees. If Lessor elects to take possession of any Equipment, it will do so with qualified personnel and in a workmanlike manner. If the Equipment or any portion of it has been destroyed or damaged beyond repair, Lessee shall pay the applicable Prepayment Price of the damaged or destroyed Equipment as set forth in the Equipment Schedule relating thereto to Lessor. Upon such payment, Lessor shall release all of its interest in the Equipment as provide in Section 10.3. Notwithstanding the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the Rental Payments due with respect thereto during the Fiscal Year then in effect;

(c) take whatever action at law or in equity may appear necessary or desirable to collect any Rental Payments or other amounts then due or to become due for which funds have been appropriated during the Fiscal Year then in effect, or to enforce the performance and observation of any obligation, agreement or covenant of Lessee under the related Lease, all in accordance with the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq.

An event of default with respect to one Lease shall not constitute an event of default with respect to any other Lease. If Lessor terminates any Lease and, in its discretion, takes possession and disposes of the Equipment Group subject thereto or any portion thereof, Lessor shall apply the proceeds of any such disposition to pay the following items in the following order: (i) all costs (including, but not limited to, reasonable attorneys' fees) incurred in securing possession of the Equipment; (ii) all expenses incurred in completing the disposition; (iii) any sales or transfer taxes; (iv) the applicable Prepayment Prices of the Equipment Groups; and (v) the balance of any Rental Payments owed by Lessee during the Fiscal Year then in effect. Any disposition proceeds remaining after the requirements of Clauses (i), (ii), (iii), (iv) and (v) have been met shall be paid to Lessee.

Section 12.3 Return of Equipment: Except as provided otherwise herein, upon the expiration or termination of a Lease with respect to the related Equipment Group prior to the payment of all Rental Payments in accordance with the Equipment Schedule, Lessee shall promptly, but in any event within thirty(30) days after such termination, or if Lessee has diligently pursued the following required actions, such actions cannot be completed within thirty (30) days and the Equipment Group is not being used by Lessee, such longer period of time to which Lessor and Lessee mutually agree, at its own cost and expense; (a) perform any testing and repairs required to place the Equipment in the condition required by Article VII; (b) if de-installation, disassembly or crating is required, cause the Equipment to be de-installed, disassembled and crated by an authorized manufacturer's representative or such other service person as is satisfactory to Lessor; and (c) return the Equipment to a location within the State specified by Lessor, freight and insurance prepaid by Lessee. If Lessee refuses to return the Equipment in the manner designated, Lessor may repossess the Equipment and charge to Lessee the costs of such repossession.

Section 12.4 No Remedy Exclusive: No remedy conferred upon or reserved to Lessor by this Article XII 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. No delay or omission to exercise any right or power occurring upon any default shall impair any such right or power from being later exercised.

Section 12.5 Interest on Late Payments: Lessee shall pay interest on late Rental Payments in accordance with the New Jersey Prompt Payment Act, N.J.S.A. 52:32-32 <u>et seq</u>.

ARTICLE XIII: ADMINISTRATIVE PROVISIONS

Section 13.1 Notices: All notices, certificates, legal opinions or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or deposited in the United States mail in registered form with postage fully prepaid, or by certified mail, return receipt requested, or delivered by overnight courier or sent by facsimile transmission (with confirmation by telephone) to the addresses specified on the execution page hereof; provided that Lessor and Lessee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates, legal opinions or other communications will be sent.

Section 13.2 Financial Information: During each Lease Term, Lessee, through the contract manager for this Master Lease, annually will provide Lessor with current financial statements, budgets, proof of appropriation for the ensuing Fiscal Year and such other financial information relating to the ability of Lessee to continue in a Lease as may be requested by Lessor; provided, however, that Lessee shall only provide such information after it becomes publicly available.

Section 13.3 Binding Effect: This Master Lease and each Equipment Schedule executed hereunder (i.e., each Lease) shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 13.4 Severability: In the event any provision of this Master Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

Section 13.5 Amendments, Changes and Modifications: This Master Lease, any Lease and each Equipment Schedule executed hereunder (i.e., each Lease), may be amended or any of its terms modified only by written document duly authorized, executed and delivered by Lessor and Lessee.

Section 13.6 Captions: The captions or headings in this Master Lease and each Equipment Schedule executed hereunder, (i.e., each Lease), are for convenience only and in no way define, limit or describe the scope or intent of any provisions, Articles, Sections or clauses of a Lease.

Section 13.7 Further Assurances and Corrective Instruments: Lessor and Lessee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Equipment leased or intended so to be, or for otherwise carrying out the expressed intention of this Master Lease.

Section 13.8 Execution in **Counterparts:** This Master Lease and each Equipment Schedule executed hereunder, (i.e., each Lease), may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument, provided that only Counterpart No. 1 of each Lease (including the terms and provisions of this Master Lease incorporated therein by reference) shall constitute chattel paper for purposes of the applicable Uniform Commercial Code.

Section 13.9 Applicable Law and Jurisdiction: This Master Lease and each Equipment Schedule executed hereunder, (i.e., each Lease) shall be governed by and construed in accordance with the laws of the State. The Lessee's obligations under this Master Lease and each Lease shall be subject to the New Jersey Tort Claims Act (N.J.S.A. 59:1-1 <u>et.</u> <u>seq.</u>) and the New Jersey Contractual Liability Act (N.J.S.A. 59:13-1 <u>et.</u> <u>seq.</u>). Any litigation arising out of this Master Lease, the Equipment Schedules executed hereunder and the related Leases shall be filed in the appropriate Division of the New Jersey Superior Court in Mercer County, New Jersey.

Section 13.10 Entire Agreement: The Agreement (as defined herein) sets forth the entire agreement between the parties and supersedes all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with or contrary to the terms and conditions of this entire agreement shall not be added to or incorporated into this entire agreement by any subsequent document and any such attempt to incorporate such inconsistent or contrary terms and conditions is hereby rejected.

The documents below shall govern the liability of Lessor and Lessee for the services and products being provided by Lessor for the duration of the lease financing arrangement, in the following order of precedence:

I. Amendments to any specific lease entered into pursuant to this Master Lease;
II. Each specific Lease entered pursuant to this Master Lease;
III. This executed Master Lease, including all its Exhibits;
IV. Any addenda to the Bid Solicitation;
V. The Bid Solicitation;
VI. The appendices to the Bid Solicitation, including without limitation, the Terms and Conditions, and any amendments thereto;
VII. The Division's Notice of Award;
VIII. The Lessor's Best and Final Offer, as accepted by the State;
IX. The Lessor's proposal submitted in response to the Bid Solicitation, as accepted by the State; and
X. Any additional agreements relating to specific regulatory agreements.

In the event of a conflict between the terms and conditions among the documents comprising the Agreement, the above order of precedence shall prevail for the purposes of interpretation thereof, listed from highest ranking to lowest ranking.

Section 13.11 Waiver of Jury Trial: Lessor and Lessee hereby waive any right to trial by jury in any action or proceeding with respect to, in connection with or arising out of this Master Lease or any Lease.

IN WITNESS WHEREOF, Lessor has caused this Master Lease to be executed in its corporate name and by its duly authorized officer; and Lessee has caused this Master Lease to be executed in its name by its duly authorized officer, as of the date first above written.

STATE OF NEW JERSEY, Lessee
Department of the Treasury
Division of Purchase & Property

By: Amy F. Davis

Name: Amy F. Davis

Title: Acting Director

Date: January 15, 2025

Address: 33 West State Street, 8th Floor
Trenton, NJ 08625-0230

JPMorgan Chase Bank, N.A., Lessor

By: Lourdes Roman

Name: Lourdes Roman

Title: Authorized Officer

Date: January 2, 2025

Address: Mail Code OH1-1085
1111 Polaris Parkway, Suite 1A
Columbus, OH 43240-2050

Department of the Treasury
Office of Public Finance
Lessee

By: ______________________

Name: David Moore

Title: Director
Date: 12/24/2024

Address: 50 West State Street, 5th Floor
Trenton, NJ 08625-0230

Approved as to Form:
Matthew J. Platkin
Attorney General
of the State of New Jersey

By: ______________________

Name: Brian E. McGarry

Title: Deputy Attorney General

Date: 1/2/25

Exhibit A

LOC#
Equipment Schedule No.

Payment Type:

The Equipment listed in this Equipment Schedule or in attachments or supplements hereto comprises an Equipment Group, as that term is defined in a certain Master Lease Agreement (the "Agreement") dated as of January 2, 2025 between JP Morgan Chase Bank, N.A. (the "Lessor") and State of New Jersey, acting by and through the New Jersey Department of Treasury, Division of Purchase and Property and Office of Public Finance (the "Lessee"). This Equipment Schedule, including the Certificate of Acceptance, together with the terms and provisions of the Agreement incorporated herein by reference constitute a Lease (the "Lease"). Unless otherwise defined herein, capitalized terms defined in the Agreement will have the same meaning when used herein.

EQUIPMENT DESCRIPTION, PAYEES AND USING AGENCIES: Lessor is hereby requested to pay to the persons, firms or corporations designated below as payee (each of which is a Contractor), the amount set forth opposite each such name, in payment of the Equipment cost of the Equipment designated opposite such payee's name and account and described on the attached page(s).

PAYEE	USING AGENCY	AMOUNT	EQUIPMENT

The Equipment Group is more completely described on the Payee(s) invoices attached hereto.

RENTAL PAYMENTS: Lessee hereby agrees to make Rental Payments on the dates and in the amounts set forth on the Payment Schedule attached hereto and made a part hereof.

Annual Percentage Rate %:___________
Lease Term: ____________

EQUIPMENT LOCATION: The Equipment Group shall be located in the State of New Jersey at all times. Within 30 days of the termination of this Lease under Section 4.6 of the Agreement, Lessee agrees to inform Lessor in writing of the locations of all Equipment.

REPRESENTATIONS: Lessee hereby certifies and represents to Lessor that:

1. The representations and warranties contained in the Agreement are true and correct as of the date hereof.

2. Attached hereto is a duplicate original or certified copy of each Contractor's invoice.

3. No Lease termination under Section 4.6 of the Agreement and no Event of Default under Section 12.1 of the Agreement, or event which with the giving of notice or passage of time or both would constitute an Event of Default, has occurred under the Agreement with respect to this Lease.

4. Lessee will look solely to the Contractor(s) for the satisfaction of any product warranty claims or any other product claims. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE EQUIPMENT, INCLUDING, WITHOUT LIMITATION, AS TO THE MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY OF THE EQUIPMENT.

5. Lessor's direct payment to the above payee(s) shall be in full compliance with any and all relevant state laws and regulations or any other legal requirements governing Lessee's procurement activities.

6. The Equipment Group has been delivered and installed in accordance with Lessee's Specifications, is in good working order, is fully operational and has been completely and finally accepted by Lessee.

7. The Legislature of the State of New Jersey (the "State Legislature") has appropriated moneys sufficient to pay all Rental Payments required to be paid under the Lease during the current Fiscal Year of Lessee and such moneys will be applied in payment of all such Rental Payments due and payable during such Fiscal Year upon receipt thereof.

8. Lessee has obtained from a reputable insurance company qualified to do business in the State of New Jersey or will provide self-insurance with respect to all risks required to be covered by, and in accordance with, Article VI of the Agreement.

9. During the Lease Term, the Equipment Group will be used by Lessee to perform essential governmental functions. The useful life of the Equipment Group is not less than the stated Lease Term under this Lease.

10. There is no litigation, action, suit, or proceeding pending or before any court, administrative agency, arbitrator or governmental body, that challenges the organization or existence of Lessee, the authority of Lessee or its officers or its employees to enter into this Lease, the proper authorization, approval and execution of this Lease and other documents contemplated hereby; the appropriation of moneys by the State Legislature, or any other action taken by Lessee to provide moneys, sufficient to make Rental Payments coming due under this Lease in Lessee's current Fiscal Year; or the ability of Lessee otherwise to perform its obligations under such Lease and the transactions contemplated hereby.

Date of Acceptance: ______________

State of New Jersey	**JP Morgan Chase Bank, N.A.**
(As Lessee) **By: Department of the Treasury** **Office of Public Finance**	**(As Lessor)**
By: ______________________	**By:** ______________________
Title: **Director**	**Title:** ______________________
Date: ______________________	**Date:** ______________________

Exhibit B

FORM OF CERTIFICATE OF ACCEPTANCE
NO. ___

EQUIPMENT SCHEDULE NO._

Re: The State Master Equipment Lease Purchase Agreement (the "Agreement") dated as of January 2, 2025 by and between JP Morgan Chase Bank, N.A. (the "Lessor") and the State of New Jersey ("State"), acting by and through the Department of Treasury, Division of Purchase and Property ("DPP") and Office of Public Finance ("Office of Public Finance," and collectively with the State and DPP, the "Lessee"), as Lessee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease.

The undersigned, as duly authorized officer of Lessee and Using Agency hereby certify as follows:

(i) The representations and warranties contained in the Agreement are true and correct as of the date hereof.

(ii) Attached hereto is a duplicate original or certified copy of each Contractor's invoice.

(iii) The Equipment is insured in accordance with the Agreement.

(iv) No Lease termination under Section 4.6 of the Agreement and no Event of Default under Section 12.1 of the Agreement, or event which with the giving of notice or passage of time or both would constitute an Event of Default, has occurred under the Agreement with respect to the Lease for the Equipment.

(v) Lessee will look solely to the Contractor(s) for the satisfaction of any product warranty claims or any other product claims. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE EQUIPMENT, INCLUDING, WITHOUT LIMITATION, AS TO THE MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY OF THE EQUIPMENT.

(vi) The Equipment subject to the Lease has been delivered and installed in accordance with the Specifications relating to the Equipment Schedule, is in good working order, is fully operational and is hereby finally accepted by Lessee and Using Agency on _______________, 20__.

State of New Jersey **(As Lessee)** **Acting By and Through the Department of Treasury, Office of Public Finance**	**JP Morgan Chase Bank, N.A.** **(As Lessor)**
By: ________________________________	**By:** ________________________________
Title: ______________________________	**Title:** ______________________________
Date: ______________________________	**Date:** ______________________________

Exhibit C-1

With respect to this transaction, the following opinion will be given by the Attorney General of the State of New Jersey.

1. Lessee, acting by and through the Department of the Treasury, the Division of Purchase and Property and the Office of Public Finance, is duly authorized pursuant to the Constitution and laws of the State of New Jersey to execute and deliver the Master Lease, and the Equipment Schedules in substantially the form attached to the Master Lease, and to carry out and perform its obligations thereunder and the transactions contemplated hereby.

2. The Master Lease, and the Equipment Schedules each have been duly authorized, executed and delivered by the Director of the Division of Purchase and Property acting for and on behalf of the Lessee, and assuming the due authorization, execution and delivery by the other parties thereto, are in full force and effect, and are legal, valid and binding obligations of the Lessee, enforceable in accordance with their terms, except as enforceability may be limited to bankruptcy, insolvency, reorganization, moratorium or similar laws, affecting creditor's rights or remedies generally; the availability of specific performance, injunctive relief or any other equitable remedy is subject to the discretion of the court before which such relief may be sought.

3. Based on such inquiry and investigations as the Attorney General of the State of New Jersey has deemed sufficient, there is no litigation or other proceeding pending in any court or in any State agency or other administrative body which would restrain or enjoin the execution and delivery by the Lessee of the Master Lease or the Equipment Schedules or would have a materially adverse effect on the ability of the Lessee to carry out its obligations under such documents or in any way questioning the validity of any provisions of such documents.

   The payments by the Lessee under the Master Lease and the Leases entered into pursuant to the Master Lease are subject to and dependent upon appropriations being made from time to time by the New Jersey State Legislature (the "State Legislature") for such purpose. The State Legislature has no obligation to make such payments.

   This opinion is given as of the date of delivery hereof and no opinion is expressed as to any matter not explicitly set forth herein.

Exhibit C-2

With respect to this transaction, the following opinion will be given by Special Tax Counsel to the State of New Jersey.

1. The Lessee has represented in the Master Lease and the Equipment Schedule (collectively the "Lease") and the tax regulatory agreement (the "Tax Agreement") that it will, to the extent permitted by law, do and perform all acts and things necessary or desirable in order to assure that under the Internal Revenue Code of 1986, as amended ("Code") and the Treasury Regulations promulgated thereunder, the portion of the Rental Payments designated as interest under the State Master Lease and Tax Agreement (the "Agreement") will be excludable from gross income for purposes of tax exemption. In the event that the Lessee continuously complies with such representations in the Lease and Tax Agreement, and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Lessee, and so long as the amounts payable to the Lessor are derived from the Rental Payments made by the Lessee, the portion of the Rental Payments designated as interest is not includible in gross income for federal income tax purposes under current law. The interest portion of Rental Payments is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations. However, the portion of the Rental Payments designated as interest and payable under the Lease held by a corporate taxpayer is included in the relevant income computation for calculation of the federal alternative minimum tax as a result of the inclusion of the portion of the Rental Payments designated as interest in "adjusted current earnings." No opinion is expressed as to the tax treatment of payments made to Lessor from sources other than from Rental Payments made by the Lessee. We express no opinion regarding other federal tax consequences arising with respect to the Lease.

2. The portion of the Rental Payments designated as interest paid under the Lease and any gain on the sale of the Lease are not includible as gross income under the New Jersey Gross Income Tax Act.