

**STATE OF FLORIDA
REQUEST FOR PROPOSALS**

The State of Florida is re-soliciting proposals from qualified firms to provide equipment lease financing for what is now a one-year period, with two optional one-year renewals. The needs are anticipated to be approximately \$30,000,000 in the first year and \$20,000,000 in the second and third years. The terms of the prior Request for Proposals (RFP) have been significantly modified. Responses are due by 2:00 p.m., EDST, on Friday, May 22, 2009. Interested firms may obtain the revised RFP by visiting the Division's web site at www.sbafla.com/bond, and selecting "Recent Notices and Updates," or by contacting Marie Spires at (850) 488-4782.

Publication Date: May 12, 2009

**STATE OF FLORIDA
DIVISION OF BOND FINANCE
REQUEST FOR PROPOSALS NO. 2009-1A
FOR LESSOR,
CONSOLIDATED EQUIPMENT FINANCING PROGRAM**

THE DIVISION OF BOND FINANCE AND THE DEPARTMENT OF FINANCIAL SERVICES HAVE DECIDED TO REJECT ALL PROPOSALS RECEIVED IN RESPONSE TO RFP NO. 2009-1, WHICH WERE DUE ON APRIL 24, 2009, AND TO REQUEST NEW PROPOSALS BY DISTRIBUTING THE ATTACHED REVISED RFP NO. 2009-1A

THE SUBSTANTIVE PROVISIONS OF RFP NO. 2009-1A ARE IDENTICAL TO THE PROVISION OF THE PREVIOUS RFP, WITH THE FOLLOWING EXCEPTIONS:

1. THE MINIMUM AMOUNT OF ANY LEASE HAS BEEN INCREASED FROM \$30,000 TO \$100,000
2. THE TERM OF THE FINANCING AGREEMENT WILL BE FOR ONE YEAR FOR UP TO \$30,000,000, WITH TWO OPTIONAL ONE-YEAR RENEWALS
3. THE REPAYMENT TERM OF ANY LEASE WILL BE LIMITED TO THREE, FOUR OR FIVE YEARS; ONE AND TWO YEAR TERMS WILL NOT BE PERMITTED
4. PREPAYMENT OF LOANS BY THE STATE WILL NOT BE PERMITTED DURING THE FIRST TWO YEARS OF A LEASE; PREPAYMENT PREMIUMS MAY BE REQUIRED AS FOLLOWS: 1% IF PREPAYMENT IS MADE DURING THE FINAL 12 MONTHS OF A LEASE; 2% IF PREPAYMENT IS MADE DURING THE 24TH THROUGH THE 13TH MONTH PRIOR TO THE EXPIRATION OF A LEASE, AND 3% IF PREPAYMENT IS MADE DURING THE 36TH THROUGH THE 25TH MONTH PRIOR TO THE EXPIRATION OF A LEASE

**STATE OF FLORIDA
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Terms Sheet

TERM	Term of the agreement: one year with two optional one-year renewals, any renewal to be agreed upon at least 90 days prior to the expiration of the current term Term of each Lease: three, four or five years, but no longer than the weighted average useful life of the equipment being financed
AMOUNT	State's financing needs are estimated to be approximately \$30,000,000 the first year, and \$20,000,000 in each of the second and third years, if the agreement is renewed.
INTEREST RATE	Selection of Lessor will be based primarily on lowest interest cost to the State, calculated on the basis of the proposed index (treasury, MMD or swap) and formulas
INTEREST RATE ADJUSTMENT	Interest index and interest rate formulas may be revised quarterly
PAYMENTS	State agency Lessee's performance and obligation to pay under the agreement contingent upon annual appropriation
EQUIPMENT	Nine categories of equipment to be financed
MINIMUM	Each agency financing will be for a minimum of \$100,000
CREDIT REVIEW	Credit reviews of the State of Florida or its agencies which offerors deem necessary must be completed prior to executing the financing agreement
RENTAL PAYMENTS	Lessee's rental payments to be made quarterly, commencing ten (10) days after each funding date
PREPAYMENT	Prepayment is not permitted during the first two years of a lease; prepayment penalties may be assessed as follows: 1% if prepayment is made during the final 12 months of a lease; 2% if prepayment is made during the 24 th through the 13 th month prior to the expiration of a lease, and 3% if prepayment is made during the 36 th through the 25 th month prior to the expiration of a lease
TITLE	Title to equipment will be held by the State

STATE OF FLORIDA
DIVISION OF BOND FINANCE
REQUEST FOR PROPOSALS
FOR LESSOR,
CONSOLIDATED EQUIPMENT FINANCING PROGRAM

REQUEST FOR PROPOSALS NO. 2009-1A

RFP Posting Date: May 11, 2009
Proposals due: Friday, May 22, 2009
No later than 2:00 p.m., Eastern Daylight Saving Time

TABLE OF CONTENTS

	<u>Page</u>
I. Description of Financing Program	2
II. Submission & Evaluation Process.....	5
III. Basis of Award & Interest Rate Index	7
IV. General Provisions of Agreement.....	9
Appendix A Form of Opinion of Counsel to Lessor	A-1
Appendix B Technical Proposal Form	B-1
Appendix C Price Proposal Form.....	C-1
Appendix D Form of Master Equipment Financing Agreement	D-i

It is the responsibility of the Offeror to obtain the complete RFP, including addenda, if any are issued. If you are unable to download all pages, contact Marie Edwards or Kim James at the Division of Bond Finance, at (850) 488-4782, or e-mail: bond@sbafla.com.

**STATE OF FLORIDA
DIVISION OF BOND FINANCE
REQUEST FOR PROPOSALS
FOR LESSOR,
CONSOLIDATED EQUIPMENT FINANCING PROGRAM**

I. DESCRIPTION OF FINANCING PROGRAM:

A. Background and Purpose: Section 287.064, Florida Statutes, authorizes the Division of Bond Finance and the Chief Financial Officer to plan and coordinate deferred-payment purchases of equipment made by or on behalf of the State or its agencies (singularly or collectively referred to herein as “agency”). It is estimated that the State’s equipment needs will be approximately \$30,000,000 in the first year and \$20,000,000 in each of the second and third years of the Consolidated Equipment Financing Program (see the following paragraph for a description of the proposed term of the Agreement and the possibility of termination).

The Division of Bond Finance is requesting proposals from offerors (“Offerors”) interested in becoming the lessor for the program (the “Lessor”). After a selection process conducted by the Division of Bond Finance and representatives of the Chief Financial Officer pursuant to this Request for Proposals, the Chief Financial Officer will execute a master equipment financing agreement (the “Agreement”) with a financial institution. The Agreement shall be in substantially the form attached hereto as Appendix D. The winning proposal will be determined based on the lowest total cost to the State, as more fully described herein. *While the term of the Agreement is established as one year with two one-year optional renewals, either party may terminate the Agreement at three-month intervals - see the last paragraph of IV. A. below and subsection 3.1(d) of the “Form of Master Equipment Financing Agreement” attached hereto as Appendix D.*

The Lessor will be required to finance equipment included in any of the nine categories listed below:

1. Computer equipment-main frames;
2. Computer equipment-peripherals;
3. Office automation and personal computers;
4. Photo copy/duplication and office equipment;
5. Telecommunications or telephone systems;
6. Printing and typesetting equipment;
7. Tractors, non-road use vehicles, material handling equipment;
8. Laboratory equipment, medical equipment, energy conservation equipment, airframes, and portable structures;
9. Other tangible personal property permitted by law and computer software approved by the Florida Department of Financial Services and the Lessor.

B. Recent Financing Activity: Agency equipment financing activity under the existing program, from May 1, 2006 through March 3, 2009, is presented below. *This information is provided for informational purposes only, and is not meant as an indication or prediction of future financing activity, which could differ materially from past experience.*

Annual Funding Amounts: Agency Leases were funded in each year of the most recent program, as follows:

	<u>5/1/06 – 4/30/07</u>	<u>5/1/07 – 4/30/08</u>	<u>5/1/08 – 3/3/09</u>
# of Leases	31	25	17
Amount	\$24,979,436	\$9,639,520	\$5,867,523

Of the amounts funded in the first year of the program, \$10,117,308.62 was approved under the master equipment financing agreement previously in effect, but was actually funded after the beginning of the most recent program.

Financing Term: Financings were approved under the most recent program in the following aggregate amounts for the respective repayment terms:

<u>Term</u>	<u># of Leases</u>	<u>Amount</u>
1 year	0	\$ 0
2 years	1	436,363
3 years	14	10,124,751
4 years	13	5,119,010
5 years	48	26,948,455

Types of Equipment: The following table indicates the amounts of each equipment category which have been approved for funding and the amounts which have been funded under the most recent program, through March 3, 2009:

<u>Amounts of Each Equipment Category:</u>	<u>Approved</u>	<u>Funded</u>	<u>Unfunded (as of 3/3/09)</u>
- Computer equipment-main frames	\$23,816,043	\$21,727,709	\$2,088,334
- Computer equipment-peripherals	2,306,804	2,306,804	0
- Office automation & personal computers	1,113,554	1,113,554	0
- Photo copy/duplication & office equipment	409,193	409,193	0
- Telecommunications or telephone systems	4,949,171	4,949,171	0
- Printing & typesetting equipment	0	0	0
- Tractors, non-road use vehicles, material handling equipment	148,638	148,638	0
- Laboratory & medical equipment,	2,504,184	2,504,184	0
- Airframes,	0	0	0
- Energy conservation equipment,	0	0	0
- Portable structures	218,082	218,082	0
- Other (Piano, Mapping System, Computer Equipment, Back up Computer, etc.)	<u>7,109,144</u>	<u>7,109,144</u>	<u>0</u>
TOTAL	\$42,574,813	\$40,486,479	\$2,088,334

Frequency of draws: During the first 34 months of the most recent program (May 1, 2006 - March 3, 2009), there were a total of 73 draws to fund equipment leases. There were no draws during 8 of those months. Three months had 1 draw each; 11 months had 2 draws each; 7 months had 3 draws each; 1 month had 4 draws; 2 months had 5 draws each; 1 month had 6 draws and 1 month had 7 draws.

Amounts Financed: The minimum amount for each Agency financing was \$30,000 [the minimum amount is now being raised to \$100,000]. During the first 34 months of the most recent program, the ranges of amounts financed were as follows:

\$0 - \$50,000	9
\$50,001 - \$100,000	13
\$100,001 - \$250,000	13
\$250,001 - \$500,000	13
\$500,001 - \$1,000,000	12
Over \$1,000,000	13

The largest principal amount of any Lease under the most recent program was \$4,174,560 and the smallest was \$31,581, and the average original principal amount was \$554,609.

Prepayment History: Of the 73 Leases funded under the most recent program totaling \$40,486,479, seven were prepaid in the total principal amount of \$1,730,420.

C. Equipment Acquisition and Financing Process: Prior to an agency financing equipment under the Agreement, the agency will be required to submit certain information to the Chief Financial Officer for the purpose of preaudit review and approval. Information submitted by the agency to the Chief Financial Officer must be sufficient to allow the Chief Financial Officer to determine that the acquisition is in compliance with law, is cost effective, and is a prudent use of funds. The agency must certify to the Chief Financial Officer that sufficient funds are legally available for payments due in the current fiscal year and that the agency is able to meet all of the requirements of the Agreement.

After approval of the equipment acquisition by the Chief Financial Officer, the Agency and the Lessor will be notified of the equipment acquisition and the estimated payment schedule based on the amount to be financed, the duration of the financing period, and the current interest rate as of the approval date.

The Agency will then issue a purchase order to obtain delivery of the equipment. When the equipment has been accepted from the vendor, the agency and vendor will prepare and execute a certificate indicating acceptance of the equipment by the agency. The agency will present the vendor's approved invoice to the Lessor, at which time the actual interest rate will be determined. Within two business days of receiving the invoice, the completed documentation required under the Agreement will be prepared by the Lessor for execution by the Agency. The Lessor will be required to pay the vendor according to the invoice within ten (10) days after receipt of such documentation. Failure to pay within the permitted time may lead to sanctions as provided in the Agreement.

The Lessor will be required to submit to the agency an amortization schedule which will serve as an invoice for payments due under the Agreement. The invoice must be in sufficient

detail to afford a preaudit or post-audit of the transaction. The agency will be responsible for the timely payment of the invoice by a periodic warrant or electronic funds transfer. In the event the computer software used by Lessor to calculate amortization schedules is inconsistent with that used by the Chief Financial Officer, the Chief Financial Officer's calculation shall control. The Chief Financial Officer currently uses Time Value Software[®] to calculate amortization schedules.

II. SUBMISSION AND EVALUATION PROCESS:

- A. Submission of Proposals: Proposals must be **received** by the Division of Bond Finance **no later than 2:00 p.m., Eastern Daylight Saving Time, on Friday, May 22, 2009.**

Proposals may be delivered by mail to: Division of Bond Finance
Post Office Box 13300,
Tallahassee, Florida 32317-3300

By overnight delivery or courier to: Division of Bond Finance
1801 Hermitage Boulevard, Suite 200
Tallahassee, Florida 32308

By E-mail to: bond@sbafla.com

All proposals must be plainly marked on the outside of the package (or state in the subject line of an E-mail): "State of Florida Division of Bond Finance Request for Proposals for Consolidated Equipment Financing Program, Request for Proposals Number 2009-1A". ***Proposals will not be accepted by facsimile.*** Proposals may be withdrawn by written notice to the Division of Bond Finance at any time prior to 2:00 p.m., Eastern Daylight Saving Time, on May 22, 2009.

Only one (1) copy of the Technical Proposal and the Price Proposal need be provided.

(1) *Technical Proposal.* The Technical Proposal shall include the completed Technical Proposal in the form attached hereto as Appendix B. If the Division of Bond Finance has issued any addenda to this Request for Proposals, the signed addenda acknowledgment must also be included in the Technical Proposal envelope.

(2) *Price Proposal.* The Price Proposal shall include the completed price proposal in the form attached hereto as Appendix C.

FAILURE TO COMPLETE, SIGN AND SUBMIT THE REQUIRED DOCUMENTS (INCLUDING ADDENDA ACKNOWLEDGMENT, IF ANY) BY THE DUE DATE AND TIME MAY RESULT IN DISQUALIFICATION.

ALL INFORMATION SUBMITTED IN RESPONSE TO THIS REQUEST FOR PROPOSALS IS SUBJECT TO FLORIDA'S PUBLIC RECORDS ACT, CHAPTER 119, FLORIDA STATUTES, AND WILL BE AVAILABLE FOR PUBLIC INSPECTION.

Offerors should note that, by signing the Technical Proposal, they are making certain representations and certifications upon which the Division of Bond Finance and the Chief

Financial Officer will rely in selecting the Lessor pursuant to this RFP. These representations and certifications address such areas as public entity crimes; campaign contributions; and prohibited business solicitation communications during the selection period (which began March 16, 2009 and will run until the Lessor is selected).

Offerors must complete any credit review of the State of Florida or its Agencies which they deem necessary prior to executing a financing agreement. Offerors may obtain copies of the State of Florida financial reports for Fiscal Year ended June 30, 2002, through June 30, 2008, by visiting the Chief Financial Officer's Internet web site at (www.myfloridacfo.com/aadir/statewide_financial_reporting/cafr.htm) or by contacting Kim James at the Division of Bond Finance, (850) 488-4782.

B. Evaluation of Proposals: Each Offeror's proposal will be reviewed to determine the Offeror's compliance with the terms of this Request for Proposals and the Offeror's ability to perform pursuant to the Agreement. The Technical Proposal must provide the information requested in this Request for Proposals and should be in the form attached hereto as Appendix B, which is incorporated herein and made a part of this Request for Proposals, by this reference.

The proposal of the qualified Offeror with the lowest overall cost to the State, calculated as provided in Section III hereof, whose conditions are determined to be acceptable to the State, will be selected. However, prior to the selection becoming final, the selected Offeror must provide a copy of one of the following as evidence of its financial position and resources:

i. Financial statements, which include balance sheets and income statements for the Offeror's two most recent fiscal years, which have been audited by a certified public accountant. The statements should be those of the entity funding the program, rather than any affiliate, agent or other entity, and should break out subsidiary data if the Offeror is part of a larger entity.

ii. An irrevocable commitment to issue a surety bond by an insurer rated in one of the two highest rating categories by AM Best Company, in an amount equal to \$30,000,000.

iii. An irrevocable commitment to issue a letter of credit by a financial institution rated in one of the two highest full rating categories by Standard & Poor's Ratings Group, Moody's Investors Service or Fitch, Inc., in an amount equal to \$30,000,000.

Any surety bond or letter of credit for which a commitment is provided pursuant to (ii) or (iii) above must be issued on the date of signing of the Agreement by the Chief Financial Officer; must remain in effect throughout the term of the Agreement; must provide for the funding of equipment purchases in accordance with the terms of the Agreement; and must be without cost to the State or its Agencies. The form of any such surety bond or letter of credit is subject to the approval of the Division of Bond Finance and the Chief Financial Officer.

If the above documentation is found to be satisfactory to the office of the Chief Financial Officer, the selected Offeror will be required to execute the completed Agreement and provide an opinion of counsel in the form of Appendix A. The completed Agreement will then be presented to the Chief Financial Officer for award and execution. It is anticipated that the evaluation will be completed by May 29, 2009, with the selection being announced as soon as practicable after completion of the evaluation.

C. Amendments to Request for Proposals: The Division of Bond Finance reserves the right to amend this Request for Proposals by addendum prior to the date for proposal submission. Any addendum shall be posted on the Division of Bond Finance internet web site (www.sbafla.com/bond) under the heading “DBF News – Recent Notices and Updates,” and notice thereof shall be supplied to prospective Offerors via electronic mail or other means determined by the Director of the Division of Bond Finance. Each addendum shall include an Addendum Acknowledgment Form, which must be signed by a representative of the Offeror and returned with the Offeror’s Technical Proposal.

D. Investigation of Offeror: The Division of Bond Finance reserves the right to conduct any investigation of the qualifications of any Offeror submitting a proposal, and to request additional information.

E. Costs Incurred by Offerors: Neither the Chief Financial Officer nor the Division of Bond Finance will be liable for any costs incurred in the preparation and production of a response to this Request for Proposals.

F. Waiver of Irregularities: The Division of Bond Finance reserves the right to accept or reject any or all proposals, to correct arithmetic errors in any proposal, to waive irregularities in any proposal, and to negotiate modifications to any of the items proposed in the responses to the Request for Proposals.

G. Opinion of Counsel to Lessor: The Offeror selected to serve as Lessor shall be required to provide an opinion of counsel in the form attached hereto as Appendix A, simultaneously with Lessor’s execution of the Master Equipment Financing Agreement. (Lessor will be provided an opinion of counsel to the State, in substantially the form attached to the Agreement as Exhibit D, upon execution of the Agreement by the Chief Financial Officer.)

H. All questions regarding the RFP should be directed to Glenn Hosken at (850) 488-4782; send emails to “glenn.hosken@sbafla.com” or write to the address provided on page B-i of this RFP.

III. BASIS OF AWARD AND INTEREST RATE INDEX:

A. The proposal of the qualified offeror with the lowest interest cost to the State, calculated on the basis of the index and formulas proposed by the offeror, whose conditions are determined to be acceptable to the State, will be selected. The fixed interest rate for each funding and corresponding Lease under the Agreement will be based on the index and interest rate calculation formula for the selected repayment term, as provided below, *subject to revision as provided in the last paragraph of IV.(A)*. The price proposal must specify on Appendix C, for each financing term, the formula for determining the applicable interest rate. **The lowest overall interest cost to the State will be calculated on a true interest cost basis. The annual true interest cost rate will be the interest rate necessary to discount quarterly rental payments to the aggregate amount assumed to be funded, using quarterly compounding. The proposals will be evaluated using the respective indexes in effect as of the close of business on Monday of the week in which such evaluation takes place, as determined by the Division of Bond Finance.**

Determination of the true interest cost proposed by each Offeror will be based on the assumptions that: (i) the aggregate amount funded equals \$30,000,000; (ii) the entire principal amount is funded at the beginning of the program; (iii) that quarterly payments of principal and interest over each Lease term will be substantially equal; and (iv) the amounts funded under each possible repayment term are as follows:

3 years = \$10,500,000
 4 years = \$ 3,000,000
 5 years = \$16,500,000

B. Offerors shall (i) select the index on which to base their price proposals from among those listed below, (ii) clearly specify the method or formula for applying the index to calculate the interest rate on leases for each possible lease term (3, 4 and 5 years), and (iii) provide a sample calculation of the interest rates for each lease term, for verification purposes, all in the spaces provided in the respective portions of Appendix C. The index selected by the offeror must be from the source specified below. *The Interest Index and the Interest Rate Formulas may be revised every three months; see the last paragraph of IV.(A) below.*

Offerors may use any of the specified indexes, provided that there shall be a single formula for determining the interest rate for each lease term, and the same index (but not the same formula) must be used to determine the interest rate for each lease term. The calculation formulas, using the specified index, must be clearly stated so the Division and the Department can independently calculate and/or verify the fixed interest rate applicable to any lease term. The index on which Offerors may base the interest rate calculations must be from the source specified.

Allowable Indexes
MMD fair market yields on AAA rated general obligation bonds with maturities matching each lease term, based on the most recent available yield published by Thomson Municipal Market Monitor (www.tm3.com)
Weekly average interest rate swap with maturities matching each lease term, based on the most recent available yield published in H15: Federal Reserve Statistical Release of Selected Interest Rates (weekly) (www.federalreserve.gov/releases/h15)
Weekly average U.S. Treasury Constant Maturity, with maturities matching each lease term (using the 3-year rate for the 4-year lease term), based on the most recent available yield published in H15: Federal Reserve Statistical Release of Selected Interest Rates (weekly) (www.federalreserve.gov/releases/h15)

C. The interest rates proposed by any Offeror will be inclusive of all costs to the State (i.e., there will be no additional costs to the State or its Agencies such as surety bond premiums, letter of credit fees, origination fees, escrow fees or administrative fees).

IV. GENERAL PROVISIONS OF THE AGREEMENT: The following summary of certain provisions of the Agreement are for general informational purposes only. Offerors should carefully review the Agreement in its entirety.

A. The Lessor will be required to provide financing for equipment purchased during the period beginning the day the Agreement is fully executed and ending on June 30, 2010. The Agreement may be renewed for an additional year upon mutual agreement of the parties, such renewal to be agreed upon no later than 90 days prior to the next Annual Renewal Date, provided that the initial term plus all renewal periods shall not exceed three years, or such other period allowed by law. The Annual Renewal Dates shall be July 1, 2010 and July 1, 2011.

Each agency financing under the Agreement must be for at least \$100,000 of equipment and for a term of three, four or five years, but in no case longer than the weighted average useful life of the equipment financed. Equipment financing needs during the term of the program are estimated to be (i) \$30,000,000 for the first year, and (ii) \$20,000,000 per year for each of the second and third years (if the agreement is renewed) (plus any amount required to finance Equipment acquisitions which have been approved in one year but are not funded prior to the next Annual Renewal Date).

The Lessor must agree to provide financing for equipment purchases at the request of any agency during the original term and any renewal term of the Agreement, at the lesser of (i) the fixed interest rate determined as provided in the price proposal of the Lessor, or (ii) the maximum interest rate allowed by law. Section 287.063, Florida Statutes, provides that the interest rate may not exceed an average net interest cost rate computed by adding 150 basis points to the 20 "Bond Buyer" average yield index published immediately preceding the first day of the calendar month in which the equipment acquisition is submitted to the Chief Financial Officer for preaudit review and approval.

Notwithstanding the one-year term of the Agreement and the annual renewal provisions set forth above, the Interest Index and the Interest Rate Formulas may, with 30 days' notice, be revised at the request of either party for each three-month period upon mutual agreement between Lessor and the Chief Financial Officer, provided that the Interest Index must be one of the indices permitted by the RFP. Failure to reach such mutual agreement will be cause for termination of the Agreement by either party, although termination is not required if the parties agree to continue to try to come to an agreement.

B. The execution of the Agreement only provides an option for the financing of equipment and does not obligate the State to conduct any financing through such Agreement.

C. Rental Payments under the Agreement shall be made quarterly, commencing ten (10) days after each funding date, and every 90 days thereafter. Amortization of any amount financed will be based on payments due at the beginning of each payment period, not in arrears, and will be for a term of three, four or five years, but in no instance longer than the weighted average useful life of the equipment being financed. Prepayment in full for any item financed under the Agreement may be not be made during the first two years of a lease, and may be made on any scheduled payment date thereafter with a penalty of 1% if prepayment is made during the final 12 months of a lease; 2% if prepayment is made between 24 and 12 months prior to the expiration of a lease, and 3% if prepayment is made between 36 and 24 months prior to the

expiration of a lease. Interest will be compounded quarterly and will be calculated on the basis of a 365 day year and the actual number of days elapsed.

D. The title to equipment being financed under the Agreement will be held by the State or its respective agencies acquiring such equipment.

E. The equipment financed under the Agreement will be insured with the State self-insurance fund that covers the contents of buildings owned, leased, or rented by the State for loss due to fire, lightning, sinkhole and hazards customarily insured by extended coverage, as well as loss from the removal of personal property from such buildings when endangered by covered perils. If for any reason the equipment is not eligible for such fund, insurance coverage for the equipment will be procured with a carrier authorized to do business in the State.

F. If, for any reason, the Lessor fails to fulfill its obligations under the Agreement in a timely and proper manner, the Chief Financial Officer shall have the right to terminate the Agreement by specifying the date of termination in a written notice to the Lessor. Such termination shall not alter the obligation of an agency to make payments for any equipment previously financed under the Agreement.

G. In the event the Agreement is terminated for any reason, all finished or unfinished documents, data, studies, correspondence, reports and other products prepared by or for the Lessor under the Agreement shall be made available to and for the exclusive use of the Chief Financial Officer. Notwithstanding the above, the Lessor shall not be relieved of liability for damages sustained by the Chief Financial Officer, Division of Bond Finance, or any agency by virtue of any breach of the Agreement by the Lessor.

H. The Lessor shall not sell, assign or transfer any interest in the Agreement or subcontract any of the Lessor's responsibilities under the Agreement and shall not transfer any interest in the same without prior written consent of the Chief Financial Officer. The Agreement contains specific requirements which must be satisfied in connection with assignments.

I. The Agreement shall be governed by the laws of the State of Florida. Venue for all legal or administrative actions regarding the Agreement will be Leon County, Florida.

J. After selection of the Lessor, the Request for Proposals (including addenda thereto, if any), the proposal of the Lessor, the executed Agreement and the applicable Agency Leases will constitute the entire agreement of the parties and will supersede any prior representations, commitments, conditions, or agreements between the parties. In the event of conflict among the terms and conditions of the various documents, the Agreement shall prevail over the Request for Proposals and the Request for Proposals shall prevail over the terms of the proposal. The term "proposal" includes both the Technical and Price Proposals submitted in response hereto.

K. The Lessor shall hold harmless, indemnify and defend the Division of Bond Finance, the Chief Financial Officer and the State, as well as their officers and employees, against any claim, action, loss, liability, cost and expense of whatsoever kind or nature (including, but not by way of limitation, attorney's fees and court costs) arising out of any negligence or misconduct of the Lessor in the performance of its duties under the Agreement. Nothing herein shall be construed as waiving the sovereign immunity of the State of Florida.

L. The Lessor shall comply with any and all applicable federal, State and local laws, rules and regulations as the same exist and may be amended from time to time.

M. In the performance of its duties under the Agreement, the Lessor will be acting in the capacity of an independent contractor, and not as an agent, employee, partner, joint venturer or associate of the Chief Financial Officer, the State or any Agency thereof. The Lessor shall be solely responsible for the means, methods, techniques, sequences and procedures it utilizes in the performance of such duties and responsibilities.

N. The Agreement may be modified or amended only by written instrument signed by the Chief Financial Officer, Lessee and an authorized representative of the Lessor.

APPENDIX A
FORM OF OPINION OF COUNSEL TO LESSOR

[insert date]

Alex Sink
Chief Financial Officer of the State of Florida
Florida Department of Financial Services
200 E. Gaines Street
Tallahassee, Florida 32399-0300

[LESSOR]

Re: State of Florida Master Equipment Financing Agreement dated as of _____, 2009, by and between _____ (“Lessor”) and the State of Florida acting by and through the Chief Financial Officer of the State of Florida

Ladies and Gentlemen:

I have acted as counsel to _____, the Lessor in connection with the State of Florida Master Equipment Financing Agreement (the “Agreement”) described above and various related matters, and in this capacity have reviewed such corporate records, certificates and other documents as I deem relevant. Based upon and subject to the foregoing, and assuming due and proper execution of the Agreement by the Chief Financial Officer of the State of Florida, it is my opinion that as of the date of this letter:

1. _____ has been duly organized and is validly existing as a _____ in good standing under the laws of the state of _____.

2. The Master Equipment Financing Agreement has been duly authorized, executed and delivered by the Lessor, and upon due execution thereof by the Chief Financial Officer of the State, constitutes the legal, valid and binding contract of the Lessor enforceable in accordance with its terms, except to the extent limited by State and federal law affecting remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors’ rights.

Very truly yours,

[Counsel to Lessor]

CHECKLIST

Have you remembered to:

- ___ Answer questions 1 - 8 & 12 in the spaces provided?
- ___ Sign and date the Technical and Price Proposals?
- ___ Enclose one (1) copy each of the completed and signed Technical and Price Proposals?
- ___ Put on the outside of your submission package (or in the subject line of your E-mail submission) "*State of Florida Division of Bond Finance Request for Proposals Number 2009-1A for Lessor for Consolidated Equipment Financing Program*".

SUBMIT ONE (1) COPY OF THE COMPLETED PROPOSAL AND SUPPORTING MATERIALS TO:

***By Overnight Delivery or
Certified Mail:***

Division of Bond Finance
State Board of Administration
Hermitage Centre
1801 Hermitage Blvd., Suite 200
Tallahassee, Florida 32308

By U.S. Mail:

Division of Bond Finance
State Board of
Administration
Post Office Box 13300
Tallahassee, Florida
32317-3300

By E-mail:

bond@sbafla.com

**COMPLETED PROPOSALS AND SUPPORTING MATERIALS MUST BE RECEIVED
BY THE DIVISION OF BOND FINANCE NO LATER THAN:**

**2:00 p.m., Eastern Daylight Saving Time
Friday, May 22, 2009**

For Office Use
Only

Due :

Appendix B to RFP 2009-1A

**TECHNICAL PROPOSAL
FOR
STATE OF FLORIDA
CONSOLIDATED EQUIPMENT FINANCING PROGRAM
LESSOR**

Submitted in response to State of Florida
Division of Bond Finance
Request for Proposals No. 2009-1A

Due Date: 2:00 p.m., Eastern Daylight Saving Time
Friday, May 22, 2009

**Proposal to Serve as Lessor for State of Florida
Consolidated Equipment Financing Program**

This proposal is presented in response to State of Florida, Division of Bond Finance Request for Proposals No. 2009-1A, dated May 11, 2009 (the "RFP"). By signing and submitting this proposal, the entity making this proposal (the "Offeror") is making certain representations upon which the State of Florida will rely in making its selection pursuant to the RFP. Offeror acknowledges that the State of Florida may make such further investigation and inquiry as it deems necessary in order to select a lessor as provided in the RFP. Offeror may withdraw this proposal in writing at any time prior to 2:00 p.m., Eastern Daylight Saving Time, on May 22, 2009. Thereafter, it may not be withdrawn and shall be binding on Offeror.

Please provide the following information in the space provided:

1. Give the name, primary address and federal employer identification number of the Offeror.

2. The following person will be authorized to conduct contract administration, if Offeror is selected as lessor.

Name:

Title:

Address:

Telephone number:

Facsimile transmission number:

e-mail address:

3. If selected as Lessor, the following person(s) will be executing the Agreement on behalf of Offeror:

Name:

Title:

Address:

Telephone Number:

Facsimile transmission number:

e-mail address:

4. Describe the Offeror's experience in providing equipment financing to governmental and/or commercial customers during the previous three (3) years. Please provide the customers' names, the dates of the financings, and the amounts financed. *You may attach up to two (2) additional pages if necessary to answer this question.*

5. List the customer name, contact person, address and telephone number for at least three (3) customers of the Offeror within the previous three years which have obtained financing under an arrangement similar to the Agreement.

6. List all actual or potential conflicts of interest relating to this procurement. If none are disclosed by the Offeror, the Offeror affirms by signing this proposal that none exist. *You may attach up to two (2) additional pages if necessary to answer this question.*

7. Identify any litigation or administrative proceeding in which the Offeror is or was a party, related to the Offeror's professional activities with respect to financing equipment during the five years prior to the date of this Proposal, or any investigation in which any question with respect to such activities is or has been addressed during such period. If none are disclosed by the Offeror, the Offeror affirms by signing this proposal that none exist. Include the current status or disposition and contact person for each matter listed. *You may attach up to two (2) additional pages if necessary to answer this question.*

8. Has your firm retained any person or firm for the purpose of seeking to be selected as a lessor pursuant to this RFP? Will your firm pay or be obligated to pay any firm or an individual who is not a full time employee of your firm if you serve as lessor to the State? If so, identify the individual or firm, provide specific information relating to compensation paid or to be paid, and provide a copy of any written contract relating to such arrangement.

9. Submission of this Proposal constitutes a representation by the Offeror that:

A. it has not been placed on the convicted vendor list pursuant to Section 287.133, Florida Statutes, within the 36 month period prior to the date of submission hereof;

B. it has not been placed on the discriminatory vendor list pursuant to Section 287.134, Florida Statutes, within the 36 month period prior to the date of submission hereof; and

C. it has not knowingly employed, hired, recruited, or referred an alien who is not duly authorized to work by the immigration laws or the Attorney General of the United States, in violation of Section 448.09, Florida Statutes.

10. Submission of this Proposal constitutes a representation by the Offeror that it and its agents, officers, principals, professional employees, affiliates, subsidiaries, and service corporations have not participated and will not participate in any prohibited business solicitation communication.

A prohibited business solicitation communication is a written or verbal communication which occurs during a selection period between:

(a) a member or employee of a member of the Governing Board of the Division of Bond Finance (the Governor and Cabinet of the State of Florida) and the Offeror; or

(b) an employee of the State who is assisting in the evaluation of proposals under this Request for Proposals and any other person, regarding the merits of the Offeror or whether the Offeror should be selected under the Request for Proposals. (Communications among individuals assisting in the evaluation of proposals under this Request for Proposals are not prohibited business communications.)

The “selection period” for this Request for Proposals began on March 16, 2009, and will continue until a Lessor is selected.

Any Offeror failing to comply with these requirements relating to prohibited communications may be disqualified for selection as the lessor if a selection has not been made, or will be subject to the termination of the Agreement by the Chief Financial Officer if previously selected as the lessor.

11. Submission of this Proposal constitutes a representation by the Offeror that it understands and agrees that prior the final selection as Lessor, the selected Offeror must provide a copy of one of the following as evidence of the Offeror’s financial position and resources:

i. Financial statements, which include balance sheets and income statements for the Offeror’s two most recent fiscal years, which have been audited by a certified public accountant. The statements should be those of the entity funding the program, rather than any affiliate, agent or other entity, and should break out subsidiary data if the Offeror is part of a larger entity.

ii. An irrevocable commitment to issue a surety bond by an insurer rated in one of the two highest rating categories by AM Best Company, in an amount equal to \$30,000,000. *

iii. An irrevocable commitment to issue a letter of credit by a financial institution rated in one of the two highest full rating categories by Standard & Poor’s Ratings Group, Moody’s Investors Service or Fitch, Inc., in an amount equal to \$30,000,000. *

** Any surety bond or letter of credit for which a commitment is provided pursuant to (ii) or (iii) above must be issued on the date of signing of the Agreement by the Chief Financial Officer; must remain in effect throughout the term of the Agreement; must provide for the funding of equipment purchases in accordance with the terms of the Agreement; and must be without cost to the State or its Agencies. The form of any such surety bond or letter of credit is subject to the approval of the Division of Bond Finance and the Chief Financial Officer.*

12. How did you find out about the Request for Proposals?

The undersigned certifies that this Offer is made without any prior understanding, agreement, or connection with any person or entity submitting an offer with respect to the Request for Proposals, without collusion or fraud, and that the representations made herein are true and correct. The undersigned is authorized to sign on behalf of the Offeror, and certifies that the Offeror is in compliance with all requirements of the Request for Proposals. Offeror acknowledges that its failure to submit any information or materials required in connection with this Proposal may result in Offeror's disqualification.

Offeror: _____

By: _____

Name

Title

Date: _____

Appendix C to RFP 2009-1A

PRICE PROPOSAL

**STATE OF FLORIDA
DIVISION OF BOND FINANCE
REQUEST FOR PROPOSALS
(RFP 2009-1A)**

FOR CONSOLIDATED EQUIPMENT FINANCING LESSOR

A. In the first table, specify the index to be used as the basis for calculating the interest rates by marking “X” in the appropriate box. Offerors may use any of the specified indexes, provided that there shall be a single formula for determining the interest rate for each lease term, and the same index (but not the same formula) must be used to determine the interest rate for each lease term.

INDEX	Select Index by Marking “X”
MMD fair market yields on AAA rated general obligation bonds with maturities matching each lease term, based on the most recent available yield published by Thomson Municipal Market Monitor (<i>www.tm3.com</i>)	
Weekly average interest rate swap with maturities matching each lease term, based on the most recent available yield published in H15: Federal Reserve Statistical Release of Selected Interest Rates (weekly) (<i>www.federalreserve.gov/releases/h15</i>)	
Weekly average U.S. Treasury Constant Maturity, with maturities matching each lease term (using the 3-year rate for the 4-year lease term), based on the most recent available yield published in H15: Federal Reserve Statistical Release of Selected Interest Rates (weekly) (<i>www.federalreserve.gov/releases/h15</i>)	

For each lease term, specify in the table below the method or formula for applying the selected index (i.e., basis point spread, mathematical calculation, etc.) A separate sheet may be attached if necessary. The calculation formulas, using the specified index, must be clearly stated so the Division and the Department can independently calculate and/or verify the fixed interest rate applicable to any lease term. The index on which Offerors may base the interest rate calculations must be from the source specified. *The Interest Index and the Interest Rate Formulas may be revised every three months; see the last paragraph of IV.(A) of the Request for Proposals.*

REPAYMENT TERM	INTEREST RATE FORMULA
Three Years	
Four Years	
Five Years	

B. For each lease term, in the space provided below, demonstrate a sample calculation using the same methods described in A above, to arrive at a sample interest rate for each lease term. Make sure all assumptions are clearly stated. This calculation is for verification purposes only by the Division of Bond Finance and/or the Department. A separate sheet may be attached if necessary.

REPAYMENT TERM	SAMPLE INTEREST RATE CALCULATION
Three Years	
Four Years	
Five Years	

OFFEROR'S NAME:

By: _____

Name:

Title:

Date: _____

Appendix D to RFP 2009-1A

THE STATE OF FLORIDA

CONSOLIDATED EQUIPMENT FINANCING PROGRAM

MASTER EQUIPMENT FINANCING AGREEMENT

dated as of _____, 2009

TABLE OF CONTENTS

Page D-

ARTICLE I: DEFINITIONS AND EXHIBITS

Section 1.1 Definitions.....1
Section 1.2 Exhibits4

ARTICLE II: REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.1 Representations, Warranties and Covenants of Chief Financial Officer5
Section 2.2 Acknowledgment by Lessee of Representations,
Warranties and Covenants of Lessee5
Section 2.3 Representations, Warranties and Covenants of Lessor.....6

ARTICLE III: LEASE OF EQUIPMENT

Section 3.1 Acquisition of Equipment7
Section 3.2 Lease; Enjoyment; Inspection.....8
Section 3.3 Alternative Procedure; Escrow Agreement9

ARTICLE IV: TERM

Section 4.1 Term.....10
Section 4.2 Renewal/Termination.....10
Section 4.3 Intent to Continue Lease Term; Appropriations10
Section 4.4 Termination of Lease Term11
Section 4.5 Effect of Termination for Non-Appropriation12

ARTICLE V: RENTAL PAYMENTS

Section 5.1 Rental Payments.....12
Section 5.2 Current Expense.....12
Section 5.3 Rental Payments to Be Unconditional12

ARTICLE VI: INSURANCE AND RISK OF LOSS

Section 6.1 Insurance13
Section 6.2 Damage or Destruction of Equipment13

ARTICLE VII: OTHER OBLIGATIONS OF LESSEE

Section 7.1 Use; Permits14
Section 7.2 Taxes, Other Governmental Charges and Utility Charges.....14

ARTICLE VIII: TITLE AND LIENS

Section 8.1 Title15
Section 8.2 Liens.....15
Section 8.3 Modification of Equipment.....15
Section 8.4 Personal Property15

ARTICLE IX: EQUIPMENT SELECTION AND WARRANTIES

Section 9.1 Selection of Equipment.....15
Section 9.2 Contractor's Warranties15
Section 9.3 Disclaimer of Warranties16

ARTICLE X: OPTION TO PREPAY

Section 10.1 When Available16
Section 10.2 Exercise of Option16

ARTICLE XI: ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 11.1 Assignment by Lessor.....16
Section 11.2 Assignment and Subleasing by Lessee17

ARTICLE XII: EVENTS OF DEFAULT AND REMEDIES

Section 12.1 Events of Default Defined17
Section 12.2 Remedies.....18
Section 12.3 Return of Equipment; Release of Lessee's Interest.....19
Section 12.4 No Remedy Exclusive.....19
Section 12.5 Late Charges19
Section 12.6 Public Record.....20

ARTICLE XIII: ADMINISTRATIVE PROVISIONS

Section 13.1 Notices20
Section 13.2 Financial Information.....20
Section 13.3 Binding Effect.....20
Section 13.4 Severability20
Section 13.5 Entire Agreement, Amendments, Changes and Modifications.....21
Section 13.6 Captions21
Section 13.7 Further Assurances and Corrective Instruments21
Section 13.8 Execution in Counterparts.....21
Section 13.9 Applicable Law; Venue21
Section 13.10 Interest; Usury.....21
Section 13.11 Time of the Essence22
Section 13.12 No Waiver of Sovereign Immunity.....22

EXHIBITS

A. Form of Approval Letter D-A-1
B. Form of Equipment Schedule, Rental Payments, etc..... D-B-1
C. Form of Certificate of Acceptance & Acknowledgment of Agency Lease D-C-1
D. Form of Opinion of State counsel..... D-D-1
E. Form of Arbitrage and Tax Certificate D-E-1
F. Interest Rate Options..... D-F-1
G. Form of Special Tax Counsel Opinion D-G-1
H. Form of Escrow Agreement..... D-H-1

**STATE OF FLORIDA
MASTER EQUIPMENT FINANCING AGREEMENT**

THIS STATE OF FLORIDA MASTER EQUIPMENT FINANCING AGREEMENT (“Agreement”), dated as of the Agreement Date, is made and entered into by and between [LESSOR], a corporation duly organized and existing under the laws of the State of _____, as lessor (“Lessor”), whose principal business address is as shown on the execution page hereof; and the State of Florida (the “State”) acting by and through the Chief Financial Officer of the State (or such other financial officer of the State as shall succeed to the powers of the Chief Financial Officer under Florida law) (the “Chief Financial Officer”) whose address is as shown on the execution page hereof.

In consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

ARTICLE I: DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. The following terms have the meanings specified below unless the context clearly requires otherwise.

Acceptance Date: The date an Agency accepts Equipment as evidenced in the applicable Exhibit C.

Acquisition Period: The period during which leases of Equipment may be funded pursuant to this Agreement. Such period shall commence on June __, 2009, and end on June 30, 2010, (or such other date permitted by law and agreed to by the Chief Financial Officer and Lessor), unless terminated earlier pursuant to Section 4.2 hereof, and may be extended for two additional one-year periods upon mutual agreement of the parties hereto.

Agency: Any of the various State departments, boards, commissions, divisions, bureaus and councils and any other unit of organization, however designated, of the executive branch of State government, and the legislative branch and the judicial branch of State government, State community colleges and universities, and any State governmental entity succeeding to the powers and duties of any of the foregoing pursuant to law or governmental reorganization.

Agency Acknowledgment: The acknowledgment by an Agency executing an Exhibit B, subjecting it to the provisions of this Agreement, in the form set forth in Exhibit C hereto.

Agency Lease: With respect to each Equipment Group leased by an Agency, this Agreement, together with the Agency Acknowledgment, and the fully executed Equipment Schedule relating thereto, which shall constitute a separate contract relating to such Equipment Group. Each Agency Lease shall be dated as of the date all documents Lessee is required to submit hereunder are finally submitted.

Agreement: This State of Florida Master Equipment Financing Agreement between the Chief Financial Officer and [LESSOR], dated as of _____, 2009.

Agreement Date: _____, 2009.

Annual Renewal Date: July 1, 2010, and July 1, 2011.

Business Day: Any day other than Saturday, Sunday or a day on which the offices of the State are permitted by law to be closed. When a notice is due or a deadline occurs on a day that is not a Business Day, the notice shall be due or the deadline shall occur on the first Business Day following.

Code: The Internal Revenue Code of 1986, as amended.

Contractor: Each of the manufacturers or vendors from whom Lessee has ordered or with whom Lessee has contracted for the manufacture, delivery and/or installation of the Equipment.

Escrow Agent: A trust company, banking institution with trust powers, the Chief Financial Officer, or other officer or entity of the State, acceptable to the Chief Financial Officer and Lessor to serve as Escrow Agent pursuant to an Escrow Agreement entered into pursuant to Section 3.3 of this Agreement.

Equipment: All items of tangible personal property described in Equipment Schedules and any other items of tangible personal property and constituting: computer equipment-main frames; computer equipment-peripherals; office automation and personal computers; photo copy/duplication and office equipment; telecommunications or telephone systems; printing and typesetting equipment; tractors, non-road use vehicles, material handling equipment; laboratory equipment, medical equipment, energy conservation equipment, airframes and portable structures; and such other tangible personal property permitted by law and computer software approved by the Chief Financial Officer and Lessor.

Equipment Group: The Equipment listed in a particular Exhibit B.

Equipment Schedule: Exhibit B which has been completed with respect to an Equipment Group and executed by Lessor and an Agency.

Events of Default: Those events described in Section 12.1.

Final Invoice: the Contractor's invoice(s) for an Equipment Group.

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

Funding Date: With respect to each Agency Lease, the date Lessor makes payment to the Contractor(s) for the purchase price of the related Equipment Group.

Interest: The portion of any Rental Payment designated as and comprising interest as shown in any Exhibit A or B.

Lease Term: With respect to any Equipment Group, the period during which the related Agency Lease is in effect as specified in Section 4.1 hereof, commencing on the Funding Date and ending upon final payment or earlier termination in accordance with Section 4.4 hereof.

Lessee: An Agency that has executed an Agency Lease.

Lessor: [LESSOR], a corporation duly formed and existing under the laws of the State of _____.

Lessor Commitment Date: The date Lessor acknowledges its commitment to fund a purchase of Equipment so designated in each Exhibit A for each Agency Lease.

Minimum Acquisition Amount: The minimum amount permitted to be financed under a single Agency Lease, which shall be not less than \$100,000.

Non-Appropriation: Either (i) the failure of the Florida Legislature to appropriate money for any Fiscal Year sufficient for the continued performance by Lessee of all of Lessee's obligations under any Lease, as evidenced by no general appropriations act becoming law which includes funding sufficient in amount and category to pay all Rental Payments due under any Lease for such Fiscal Year, or (ii) the failure of the Governor's Office of Policy and Budget to release appropriated funds for such payment.

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

Prepayment Price: With respect to any Equipment Group, as of the Payment Dates specified in the Exhibit B relating thereto, the amount so designated and set forth opposite each such date in such Exhibit B, plus any other amounts of principal and/or interest accrued and unpaid on the applicable Payment Date.

Principal: The portion of any Rental Payment designated as principal in any Exhibit A or B.

Quarterly Renewal Date: October 1, 2009; January 1, 2010; April 1, 2010; July 1, 2010; October 1, 2010; January 1, 2011; April 1, 2011; July 1, 2011; October 1, 2011; January 1, 2012; and April 1, 2012.

Regulations: Regulations of the U.S. Treasury Department proposed and promulgated under the Code.

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 Exhibit B completed for such Equipment Group.

Request for Proposals or RFP: Division of Bond Finance Request for Proposals No. 2009-1A, pursuant to which Lessor was selected to provide equipment financing pursuant to this Agreement.

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

Special Tax Counsel: Any attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the Internal Revenue Code and the tax laws of the State, and duly admitted to practice law before the highest court of any state of the United States of America or the District of Columbia.

State: The State of Florida.

State and Federal Law or Laws: The Constitution and any law of the State and any rule of any Agency of the State; and any law of the United States, and any rule or regulation of any federal agency, as the same may be amended from time to time.

State Counsel: The attorney or firm of attorneys rendering the opinion in the form of Exhibit D hereto.

Section 1.2. Exhibits.

Exhibit A: Form of Approval Letter with estimated Payment Schedule to be sent to Lessor, who signs and forwards to the Agency, which gives approval by the Chief Financial Officer of the Equipment purchase and an estimate of the terms of the financing thereof.

Exhibit B: Form of the final Equipment List and schedule of Rental Payments.

Exhibit C: Form of Certificate of Acceptance and Agency Acknowledgment of Lease, executed by the Agency.

Exhibit D: Form of Opinion of State Counsel.

Exhibit E: Form of Arbitrage and Tax Certificate of Lessee relating to each Agency Lease.

Exhibit F: The schedule of interest rate options Lessor has agreed to provide Lessees.

Exhibit G: Form of Special Tax Counsel Opinion.

Exhibit H: Form of Escrow Agreement.

ARTICLE II: REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.1. Representations, Warranties and Covenants of The Chief Financial Officer. The Chief Financial Officer represents and warrants and covenants as follows:

(a) The Chief Financial Officer is a constitutional officer of the State independently elected statewide every four years and a member of the State Cabinet. Pursuant to Section 20.12, Florida Statutes, the Chief Financial Officer is the head of the Department of Financial Services of the State of Florida and has authority to execute this Agreement under and pursuant to Section 287.064, Florida Statutes, and the laws of the State of Florida.

(b) The execution and delivery of this Agreement by the Chief Financial Officer is in compliance with all public procurement and other State and Federal Laws applicable to this Agreement.

(c) The Chief Financial Officer agrees that it shall not authorize or do anything which (nor shall it allow any Agency to do anything which) would violate or render untrue any representation or undertaking in the Arbitrage and Tax Certificate or the form 8038-G filed pursuant to Section 2.1(d) hereof.

(d) Upon the initial Agency Lease funding hereunder, the Chief Financial Officer will submit to the Secretary of the Treasury the required information reporting statement (IRS form 8038-G) and other information relating to the Agency Leases as may be requested by the Division of Bond Finance or Special Tax Counsel as being required by the Code and the Regulations.

(e) Upon execution of this Agreement, The Chief Financial Officer will provide to Lessor an Opinion of State Counsel in the form attached hereto as Exhibit D and upon the initial Agency Lease funding hereunder, will cause to be delivered to Lessor an opinion of Special Tax Counsel in the form of Exhibit G hereto.

(f) The Chief Financial Officer acknowledges that (i) under Article XII of this Agreement, upon an Event of Default of a Lessee, Lessor may elect to terminate each Agency Lease with such defaulting Lessee hereunder and (ii) upon a Non-Appropriation relating to any Agency Lease or any Equipment, such Agency Lease as to which such Non-Appropriation occurred shall terminate and, at the option of Lessor, all other Agency Leases of such Lessee may terminate, and such Lessee is required upon the occurrence of (i) or (ii) to deliver all Equipment as instructed by Lessor under Section 12.3 hereof.

Section 2.2. Acknowledgment by Lessee of Representations, Warranties and Covenants of Lessee. Lessee by execution of the Agency Acknowledgment represents, warrants and covenants as follows:

(a) Lessee is an Agency (as defined herein) of the State, duly organized and existing under the Constitution and laws of the State, and is authorized under the Constitution and laws of the State to enter into the Agency Lease and the transactions contemplated hereby and thereby, and to perform all of its obligations under the Agency Lease.

(b) The execution and delivery of the Agency Lease to which it is a party, by the officer of Lessee executing such documents has been duly authorized by Lessee, or by other appropriate official action, and such action is in compliance with all public procurement and other State and Federal Laws applicable to the Agency Lease and the acquisition and financing of the Equipment by the Agency. All requirements have been met and procedures have occurred in order to ensure the enforceability of the Agency Lease against Lessee.

(c) Lessee will take no action that would cause the Interest portion of the Rental Payments to become includable in gross income of the recipient for federal income tax purposes under the Code and the Regulations, and Lessee will take and will cause its officers, employees and agents to take all affirmative actions legally within its power necessary to ensure that the Interest portion of the Rental Payments does not become includable in gross income of the recipient for federal income tax purposes under the Code and Regulations; all as amended from time to time as such are applicable hereto (including, without limitation, the calculation and payment of any rebate required to preserve such exclusion).

(d) Pursuant to procurement specifications, acceptance, delivery and installation of any Equipment Group or part thereof, Lessee will inspect such Equipment Group and if it meets Agency's Specifications, provide to Lessor a completed and executed Certificate of Acceptance relating thereto in the form attached hereto as Exhibit C.

(e) Lessee acknowledges that (i) under Article XII of this Agreement, upon an Event of Default of a Lessee, Lessor may elect to terminate each Agency Lease with such defaulting Lessee hereunder and (ii) upon a Non-Appropriation by a Lessee relating to any Agency Lease or any Equipment, such Agency Lease as to which such Non-Appropriation occurred shall terminate and, at the option of Lessor, all other Agency Leases of such Lessee may terminate, and such Lessee is required upon the occurrence of (i) or (ii) to deliver all Equipment as instructed by Lessor under Section 12.3 hereof.

(f) It is not Lessee's intent to become a reseller or re-marketer of Equipment purchased pursuant to this Agreement.

Section 2.3. Representations, Warranties and Covenants of Lessor. Lessor represents, warrants and covenants as follows:

(a) Lessor is a corporation, duly organized and existing under the laws of _____, and has all necessary power and authority to enter into this Agreement and the transactions contemplated hereby, and to perform all of its obligations hereunder.

(b) The execution and delivery of this Agreement by Lessor has been duly authorized by appropriate official action, and such action is in compliance with all State and Federal Laws applicable to Lessor. All requirements have been met and procedures have occurred in order to ensure the enforceability of the Agreement against Lessor.

(c) Lessor shall comply with any and all State and Federal Laws applicable to this Agreement.

(d) In the performance of its duties under the Agreement, Lessor will be acting in the capacity of an independent contractor, and not as an agent, employee, partner, joint venturer or associate of the Chief Financial Officer, the State or any department or agency thereof. Lessor shall be solely responsible for the means, methods, techniques, sequences and procedures it utilizes in the performance of such duties and responsibilities.

Section 2.4. Transmission of documents by electronic means. The parties hereto agree that all information and documents required to be transmitted hereunder, including manually executed documents, may be transmitted by electronic means, and that the receipt of such information and documents by electronic means shall have the same effect as if the original of such document had been received.

ARTICLE III: LEASE OF EQUIPMENT

Section 3.1. Acquisition of Equipment.

(a) By execution hereof, Lessor commits to lease Equipment to Lessees, up to the aggregate amount of (i) \$30,000,000 prior to the first Annual Renewal Date, and (ii) \$20,000,000 in each of the final two years of the Acquisition Period (if this Agreement is renewed) (plus any amount required to finance Equipment acquisitions which have been approved in one year but are not funded prior to the next Annual Renewal Date); provided, however, that nothing in this Agreement obligates any Agency, the Chief Financial Officer, the State or any combination of them, to enter into any leases in any amount, nor does anything in this Agreement prohibit any Agency, the Chief Financial Officer, the State or any combination of them from entering into another similar agreement with another lessor while this Agreement is in effect.

(b) With respect to each proposed Agency Lease, Lessee shall advise the Chief Financial Officer of its intention to lease equipment, the equipment cost, the Contractor, expected delivery date and the desired lease terms for such equipment, by submission of an application in the form provided by the Chief Financial Officer. After review and approval, the Chief Financial Officer shall prepare its Approval Letter in substantially the form attached hereto as Exhibit A (reflecting the estimated interest rate and including an estimated payment schedule based on the Interest Rate Formula then in effect, which may not be the actual interest rate and Interest Rate Formula) and promptly forward the same to Lessor. Within two (2) Business Days of receipt of the Approval Letter, Lessor shall review the information therein, execute the approval block, and forward the Approval Letter to Lessee, with a copy to the Chief Financial Officer. Upon receipt of the Approval Letter, as approved by Lessor, Lessee shall order the Equipment Group from the designated Contractor or Contractors.

(c) After installation of such Equipment Group, Lessee shall provide the Chief Financial Officer with the Final Invoice for processing. The rate of interest for each Agency Lease shall be determined as of the date Lessor receives the Final Invoices from the Chief Financial Officer, in accordance with the then-current Exhibit F to this Agreement (rounded to the nearest one-hundredth of a percent), subject to the statutory maximum. Within two (2) Business Days of receipt of the Final Invoice, Lessor will prepare and execute, as appropriate, the following final documents, and will transmit the same to Lessee for execution, with copies to the Chief Financial Officer: (i) Exhibit B, consisting of the Equipment Group Location, the Equipment List, the Rental Payments information, and the Payment Schedule, completed utilizing an assumed

Funding Date which is ten (10) Business Days after the date such final documents are transmitted to Lessee for execution, (ii) the Certificate of Acceptance and Acknowledgment of Agency Lease (see Exhibit C), and (iii) the Arbitrage and Tax Certificate (see Exhibit E). In the event Lessor's calculation of the payment schedule shall differ from that of the Chief Financial Officer, Lessor and the Chief Financial Officer shall cooperate to resolve such difference in a mutually acceptable manner.

If the alternative escrow procedure in Section 3.3 is utilized, the interest rate shall be determined as of the date the requirements of the foregoing sentence are satisfied with respect to the initial portion of the Equipment Group to be acquired.

(d) The Interest Index and the Interest Rate Formula set forth in Exhibit F may be revised for the three-month period following each Quarterly Renewal Date for any new Agency Lease approved during such period upon mutual agreement between Lessor and the Chief Financial Officer, provided that the Interest Index must be one of the indices permitted by the RFP. The party requesting such a revision must notify the other party in writing no later than thirty (30) days prior to each Quarterly Renewal Date of its desire to revise the Interest Index and/or the Interest Rate Formula, and must state the specific terms of the desired revision. Any such revision shall be effective on the next Quarterly Renewal Date. The rate of interest applicable to each new Agency Lease shall be based on the Interest Index and Interest Rate Formula in effect on the date the interest rate is determined pursuant to subsection (c) above. If either party fails to request a revision to the Interest Index and/or the Interest Rate Formula by the date prescribed in this subsection, they shall remain in force until the Quarterly Renewal Date following the next three-month period, and thereafter until and unless revised pursuant to this subsection.

(e) Lessor shall make payment to a Contractor for an Equipment Group within ten (10) Business Days after Lessor has received all of the following in form and substance satisfactory to Lessor: (i) Exhibit B executed by Lessor and Lessee, (ii) the Payment Schedule acknowledged by the Chief Financial Officer, (iii) Exhibit C - Certificate of Acceptance and Acknowledgment of Agency Lease executed by Lessee, (iv) Exhibit E - Form of Arbitrage and Tax Certificate, (v) evidence of insurance and/or self-insurance with respect to the Equipment Group in compliance with Article VI of this Agreement, (vi) the Final Invoice(s) and/or bill of sale relating to the Equipment Group (with the original being sent by Lessee to the Chief Financial Officer), and (vii) any other documents or items reasonably required by Lessor. Lessor shall notify Lessee and the Chief Financial Officer of the actual Funding Date not later than two (2) Business Days after such Funding Date. If the actual Funding Date is a date other than the Funding Date that was utilized in preparing Exhibit B, Lessor shall include a revised Payment Schedule based on the actual Funding Date with such notification. In such case, the Chief Financial Officer shall acknowledge the revised Payment Schedule and send the same to Lessor and Lessee.

If the alternative escrow procedure in Section 3.3 is utilized, the foregoing requirements must be satisfied with respect to each portion of the Equipment Group being financed before a draw is made from the Escrow account.

Section 3.2. Lease; Enjoyment; Inspection. Lessor hereby agrees to lease to Lessee each Equipment Group made subject to an Equipment Schedule hereto, and each Lessee by execution of an Agency Lease leases from Lessor such Equipment Group, upon the terms and conditions set forth herein and therein and in the related Equipment Schedule. During the Lease Term,

Lessee shall peaceably and quietly have and hold and enjoy the Equipment Group, except as expressly set forth in this Agreement and the Agency Lease. Lessee agrees by the Agency Lease that Lessor and its agents shall have the right at all reasonable times to examine and inspect the Equipment, and Lessor and its agents shall have such rights of access to 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 hereunder and under each Agency Lease. Notwithstanding the designation of [LESSOR] as Lessor [LESSOR] does not own the Equipment and by this Agreement and each Agency Lease is merely financing the acquisition thereof for Lessee. Lessor has not been in the chain of title of the Equipment, does not operate, control or have possession of the Equipment and has no control over Lessee or Lessee's operation, use, storage or maintenance of the Equipment. Lessee is solely responsible for the selection of the Equipment, and the manufacturer and Contractor thereof, and is solely responsible for the use, maintenance, operation and storage of the Equipment.

Section 3.3. Alternative Procedure; Escrow Agreement. (a) Notwithstanding the provisions of Section 3.1, when determined by the Chief Financial Officer to be in the best interests of the State, as to any Equipment Group, Lessor and Lessee may enter into an escrow agreement with an Escrow Agent establishing an account from which the Equipment Group cost is to be paid in separate increments (the "Escrow Account"). In the event it is determined that an Escrow Account shall be established, (i) Lessor and Lessee shall immediately complete and execute an Exhibit A relating to the entire Equipment Group; (ii) Lessee shall execute an Arbitrage and Tax Certificate in substantially the form of Exhibit E hereto, with such revisions therein as shall be required by the Chief Financial Officer, Division of Bond Finance, or Special Tax Counsel as may be required to assure compliance with the Code and Regulations; (iii) the Lessor shall deposit into such Escrow Account the amount of the cost of such Equipment Group; (iv) the amount deposited by Lessor into the Escrow Account shall be repaid by the Rental Payments due under the related Lease; and (v) the Rental Payments relating to the Equipment Group shall have an aggregate Principal component equal to the amount of Lessor's deposit into the Escrow Account and shall be due and payable as provided in the related Exhibit A, commencing upon the deposit of funds by Lessor into the Escrow Account. Lessee acknowledges and agrees that no disbursements shall be made from an Escrow Account except for portions of the Equipment Group which are operationally complete and functionally independent and which may be utilized by Lessee without regard to whether the balance of the Equipment Group is delivered and accepted.

(b) Any Escrow Agreement entered into pursuant to this Section 3.3 shall be in substantially the form attached hereto as Exhibit H, (subject to review and acceptance by any applicable Escrow Agent) with an Escrow Agent which is a banking institution, or trust company with corporate trust powers or agency or official of the State with powers to act in such capacity, which is acceptable to the Chief Financial Officer and Lessor.

(c) This section 3.3 shall not be construed to extend the Acquisition Period with respect to any Equipment Group financed through use of the alternative Escrow Account procedure.

(d) Any Lessee making use of the alternative procedure herein shall provide such information as may be required by the Chief Financial Officer, Division of Bond Finance or Special Tax Counsel to assure compliance with the Code and applicable Regulations, including, but not limited to, arbitrage rebate.

ARTICLE IV: TERM

Section 4.1. Term. This Agreement shall be in effect from the Agreement Date until the final payment date for any Rental Payment under any Agency Lease. Equipment Groups can be acquired by Lessee and funded by Lessor under this Agreement during the Acquisition Period, unless this Agreement is terminated in accordance with Section 4.2 hereof. Each Agency Lease shall be in effect for a Lease Term commencing upon the Funding Date and ending as provided in Section 4.4. The provisions of this Agreement shall apply to each Agency Lease for the respective Lease Term.

Section 4.2. Termination. (a) This Agreement may be renewed for up to two additional one-year terms upon mutual consent of the parties hereto. Such renewal must be agreed upon at least 90 days prior to the expiration of the current term. If no such agreement is reached by that time, either party may deem this Agreement to be terminated. Termination of this Agreement pursuant to this subsection shall not operate to terminate any Agency Lease.

(b) This Agreement is subject to termination with respect to a particular Agency Lease upon the occurrence of an event of default, as provided in Sections 4.4 and 12.2 hereof

(c) No Equipment Schedules shall be executed after any Non-Appropriation or Event of Default with respect to a defaulting Lessee or a Lessee as to which a Non-Appropriation has occurred.

(d) This Agreement may be terminated by either party on the next Quarterly Renewal Date by Lessor or the Chief Financial Officer if either party has timely notified the other party pursuant to subsection 3.1(d) hereof that it wishes to revise the Interest Index and/or the Interest Rate Formula, and no mutual agreement concerning the revision thereof is reached by the applicable Quarterly Renewal Date. Alternatively, the parties may agree to continue negotiating revisions to the Interest Index and/or the Interest Rate Formula past the end of the applicable Quarterly Renewal Date without terminating this Agreement. Termination of this Agreement pursuant to this subsection shall not operate to terminate any Agency Lease.

Section 4.3. Intent To Continue Lease Term; Appropriations. Each Lessee intends to continue each Agency Lease hereunder for its entire Lease Term and to pay all Rental Payments relating thereto. Each Agency executing an Agency Lease has agreed to direct the person within such Agency in charge of preparing Lessee's budget to include in the budget request for each Fiscal Year the Rental Payments becoming due in such Fiscal Year. The parties acknowledge that appropriation for Rental Payments is a governmental function which the Chief Financial Officer and Lessee cannot contractually commit the Florida Legislature to perform and this Agreement and the Agency Lease do not constitute such a commitment. However, Lessee reasonably believes that money in an amount sufficient to make all Rental Payments can and will lawfully be appropriated and made available to permit continued utilization of the Equipment in the performance of its essential functions during the applicable Lease Terms.

Each Lessee is an Agency of the State and each Lessee's performance and obligation to pay under this Agreement and any applicable Agency Lease is contingent upon an annual appropriation. Lessee, as an agency of the State, is subject to the appropriation of funds by the

Florida Legislature in an amount sufficient to allow continuation of its performance in accordance with the terms and conditions of this Agreement and each Agency Lease for each and every Fiscal Year in which the Agreement and any applicable Agency Lease is in effect. Lessee shall, upon receipt of notice that sufficient funds are not available to continue its full and faithful performance under this Agreement and any applicable Agency Lease, provide prompt written notice to Lessor of such event and upon the expiration of the period of time for which funds were appropriated be thereafter released of all further obligations in any way related to such Equipment. Each Lessee agrees (1) not to cancel any applicable Agency Lease under this provision if any funds are appropriated to it for the acquisition (by purchase, lease, or otherwise) of other functionally equivalent equipment for the Fiscal Year of termination provided such action is not contrary to any expressed legislative intent, and (2) to expressly include in its appropriation request each year of the Agreement and any applicable Agency Lease a request for an appropriation to fund the Agreement and any applicable Agency Lease.

In the event that the general appropriations act for the State has not been adopted by the Florida Legislature and executed by the Governor prior to the expiration of a Fiscal Year, and no declaration of an intent not to appropriate has been made by the State or the respective Lessee, the Lease Term of each Agency Lease will be deemed renewed pending the enactment of such general appropriations act. If any Rental Payments are due under an Agency Lease during such period, such Lease Terms will be so extended only if: (a) an interim or emergency budget implemented by the State pending enactment of a final budget makes available to Lessee money that may legally be used to make Rental Payments during such period; or (b) sums are otherwise available to make such Rental Payments.

Section 4.4. Termination of Lease Term. (a) The Lease Term with respect to any Agency Lease shall not exceed the lesser of five years or the average useful life of all items of Equipment in the related Equipment Group weighted on the basis of purchase price and any Agency Lease will terminate sooner upon the occurrence of the first of the following events: (i) the termination of such Agency Lease in accordance with Section 4.2; (ii) the payment of the Prepayment Price by Lessee pursuant to Article X; (iii) an Event of Default by Lessee and Lessor's election to terminate such Agency Lease pursuant to Article XII; or (iv) the payment by Lessee of all Rental Payments and all other amounts authorized or required to be paid by Lessee pursuant to such Agency Lease.

(b) In the event of Non-Appropriation, an Agency Lease and each Equipment Schedule thereunder with respect to which such Non-Appropriation has occurred, shall terminate, and, at the option of Lessor, after notice in writing to Lessee by Lessor, all other Agency Leases of such Lessee, may terminate, in whole, but not in part, as to all Equipment listed thereon, effective upon the last day of the Fiscal Year for which funds were appropriated, in the manner and subject to the terms specified in this Article. Lessor may effect such termination by giving the other party a written notice of termination at which time Lessee shall pay to Lessor any Rental Payments and other amounts which are due and have not been paid at or before the end of its then current Fiscal Year with respect to such terminated Agency Leases. Lessee shall endeavor to give reasonable notice of such termination prior to the end of the Fiscal Year for which appropriations were made, and shall notify Lessor of any anticipated termination upon its determination thereof. In the event of termination of an Agency Lease as provided in this Section, Lessee shall comply with written instructions received from Lessor in accordance with Section 12.3.

Section 4.5 Effect of Termination for Non-Appropriation. Upon termination of an Agency Lease for non-appropriation as provided in this Article, Lessee shall not be responsible for the payment of any additional Rental Payments coming due in succeeding Fiscal Years, but if Lessee has not complied with the instructions received from Lessor in accordance with Section 12.3, the termination shall nevertheless be effective, and Lessee shall pay, on demand to Lessor, from legally available funds, the unpaid balance of the applicable Agency Lease which is stipulated to be the aggregate of the Prepayment Prices as shown on each Exhibit B as of the last day of the Fiscal Year for which funds were appropriated.

ARTICLE V: RENTAL PAYMENTS

Section 5.1. Rental Payments. (a) Upon receipt by Lessor of all documents required pursuant to Section 3.1 of this Agreement, Lessor shall pay the Contractor and provide the Agency with the final amortization schedule for such Agency Lease, which shall include the Funding Date and serve as the invoice for the periodic payments due under such Agency Lease.

(b) Lessee agrees to pay Rental Payments with respect to each Agency Lease of an Equipment Group during the related Lease Term in the amounts and on the dates specified in the applicable payment schedule, commencing on the Payment Date specified in the applicable Payment Schedule.

(c) A portion of each Rental Payment is paid as and represents the payment of Interest. Each Lease shall bear interest at a fixed rate determined pursuant to subsection 3.1(c) hereof. Interest shall be compounded quarterly, and shall be calculated on the basis of a 360 day year consisting of twelve 30-day months. Lessor is authorized to insert the due date of the first Rental Payment on the applicable Exhibit B, provided that Lessee shall have at least ten (10) Business Days after the Funding Date within which to make such initial payment.

(d) All Rental Payments shall be paid to Lessor at such place as Lessor may from time to time designate by written notice to Lessee. Lessee shall pay the Rental Payments exclusively from money legally available therefor, in lawful money of the United States of America.

Section 5.2. Current Expense. The obligations of Lessee, including its obligation to pay the Rental Payments due in any Fiscal Year of a Lease Term, shall constitute a current expense of Lessee for such Fiscal Year and shall not constitute an indebtedness of Lessee within the meaning of the Constitution and laws of the State. Nothing herein shall constitute a pledge by Lessee of any taxes or other money (other than money lawfully appropriated from time to time by or for the benefit of Lessee for the related Agency Lease) to the payment of any Rental Payment or other amount coming due hereunder. The Rental Payments due hereunder are to be made only after an appropriation of funds therefor from legally available money and neither Lessee, the State nor any political subdivision or agency thereof shall be obligated to make any such appropriation and neither the full faith and credit of Lessee, the State nor any political subdivision or agency thereof is pledged for the payment of Rental Payments hereunder or under each Agency Lease.

Section 5.3. Rental Payments To Be Unconditional. Except as provided in Section 4.2, the obligation of Lessee to make Rental Payments from appropriated legally available funds required hereunder and under each Agency Lease shall be absolute and unconditional in all events. Notwithstanding any dispute between Lessee and Lessor, Lessee and the Chief Financial Officer or Lessee and the Contractor or any other person, and except as expressly provided by law, e.g., Section 213.67(9), Florida Statutes, Lessee shall make all Rental Payments required hereunder when due and shall not withhold any Rental Payment pending final resolution of such dispute nor shall Lessee assert any right of set-off or counterclaim against its obligation to make Rental Payments required hereunder. Lessee's obligation to make Rental Payments shall not be abated through accident, unforeseen circumstances, failure of the Equipment to perform, as desired, damage or destruction to the Equipment, loss of possession of the Equipment or obsolescence of the Equipment.

ARTICLE VI: INSURANCE AND RISK OF LOSS

Section 6.1. Insurance. (a) At its own expense, Lessee will cause the Equipment to be enrolled in the State Risk Management Trust Fund pursuant to Chapter 284, Part I, Florida Statutes, which is the State self-insurance fund covering the contents of buildings owned, leased, or rented by the State from loss due to fire, lightning, sinkhole, and hazards customarily insured by extended coverage, as well as loss from the removal of personal property from such buildings when endangered by covered perils.

(b) If for any reason the Equipment is not eligible for enrollment in the State self-insurance fund, Lessee agrees to procure and maintain insurance coverage for the Equipment with a carrier authorized to do business in the State. Procurement of such insurance by Lessee shall be subject to the provisions of Chapter 287, Florida Statutes.

Section 6.2. Damage to or Destruction of Equipment. Lessee shall provide a complete written report to Lessor immediately upon any loss, theft, damage or destruction of any Equipment and of any accident involving any Equipment. If all or any part of the Equipment is lost, stolen, destroyed or damaged beyond repair ("Damaged Equipment"), Lessee shall as soon as practicable after such event either: (a) replace the same at Lessee's sole cost and expense with equipment having substantially similar Specifications and of equal or greater value, utility and capacity to the Damaged Equipment immediately prior to the time of the loss occurrence, such replacement equipment to be subject to Lessor's approval, whereupon such replacement equipment shall be substituted in the applicable Agency Lease and the other related documents by appropriate endorsement or amendment; or (b) pay the applicable Prepayment Price of the Damaged Equipment as set forth in the related Exhibit B. Lessee shall notify Lessor in writing of which course of action it will take within fifteen (15) days after the loss occurrence. If, within forty-five (45) days of the loss occurrence, (a) Lessee fails to notify Lessor; (b) Lessee and Lessor fail to execute an amendment to the applicable Equipment Schedule to delete the Damaged Equipment and add the replacement equipment or (c) Lessee has failed to pay the applicable Prepayment Price, then Lessor may, at its sole discretion, declare the applicable Prepayment Price of the Damaged Equipment, to be immediately due and payable, and Lessee is required to pay the same from legally available funds.

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 or for a purpose or in a manner contrary to that contemplated by the Agency Lease. Lessee shall operate and maintain the Equipment fully in accordance with any insurance policy provision, applicable prevailing industry standards and, if applicable, the manufacturer's specifications therefor. 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. Except to the extent essential to an Agency's performance of its governmental function of implementing or enforcing laws relating to environmental regulation, Lessee shall not use any item of Equipment to haul, convey, store, treat, transport or dispose of any "hazardous substances" or "hazardous waste" as such terms are defined in any federal, state or local law, rule or regulation pertaining to the protection of the environment (together, "Environmental Laws"). Lessee agrees that if Lessee is required to deliver any item of Equipment to Lessor or Lessor's agent, the Equipment shall be delivered free of all substances which are regulated by or form a basis for liability under any Environmental Law. Lessee shall comply with all license and copyright requirements of any software used in connection with the Equipment.

Section 7.2. Taxes, Other Governmental Charges and Utility Charges. Except as expressly limited by this Section, 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 the Lease Term, whether assessed against Lessee or Lessor. Lessee shall also pay when due all utilities 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 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, 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.

It is hereby acknowledged between the parties hereto that Lessee considers itself a nontaxable governmental agency and not usually and customarily subject to the imposition of any tax, assessment, franchise fee, levy, or other governmental charge levied for Lessee's ownership or use of the Equipment.

ARTICLE VIII: TITLE AND LIENS

Section 8.1. Title. During the Lease Term, legal title to and ownership of all Equipment and any and all repairs, replacements, substitutions and modifications thereto shall be in Lessee, and Lessee shall take all actions necessary to vest such title and ownership in Lessee.

Section 8.2. Liens. During the 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 (together, "Liens"), other than the respective rights of Lessor and Lessee as herein provided. Except as expressly provided in Section 7.2 and this Article, Lessee shall promptly, at its own expense, take such action as may be necessary duly to discharge or remove any such Lien. Lessee shall reimburse Lessor for any expenses incurred by Lessor to discharge or remove any Lien if Lessee first refuses to remove such Lien. In the event that the installation of any component of any item of Equipment could be deemed to require a performance and payment bond under Section 255.05, Florida Statutes, or be deemed subject to the mechanic's lien provisions of Chapter 713, Florida Statutes, or any successor statute to each, as same may be amended from time to time, Lessee shall require such bonds, post such notices and do all other things provided for under such laws in order to keep the Equipment free of and exempt from all Liens.

Section 8.3. Modification of Equipment. Lessee will not, without the prior written consent of Lessor, affix or install any accessory equipment or device on any of the Equipment if such addition will adversely and permanently change or impair the originally intended functions, value or use of the Equipment. If Lessee shall transfer to Lessor possession and/or title to any Equipment pursuant to Section 12.2 hereof in the event of default or as otherwise permitted, additions would become the property of Lessor.

Section 8.4. Personal Property. The Equipment is and shall at all times be and remain personal property and not fixtures.

ARTICLE IX: EQUIPMENT SELECTION AND WARRANTIES

Section 9.1. Selection of Equipment. The Equipment and the Contractor have been selected by Lessee, and Lessor shall have no responsibility or liability in connection with the selection of the Equipment, the ordering of the Equipment, its suitability for the use intended by Lessee, the acceptance by the Contractor or its sales representative of the order submitted, or any delay or failure by the Contractor or its sales representative to manufacture, deliver or install the Equipment for use by Lessee.

Section 9.2. Contractor's Warranties. So long as no Event of Default has occurred with respect to a particular Agency Lease, Lessor hereby assigns to Lessee for and during the related Lease Term, all of its interest, if any, in all Contractor's warranties, guarantees and patent indemnity protection, express or implied, issued on or applicable to the related Equipment Group, and Lessee may obtain the customary services furnished in connection with such

warranties and guarantees at Lessee's expense. Lessor has no obligation to enforce any Contractor's warranties or obligations on behalf of itself or Lessee.

Section 9.3. Disclaimer of Warranties. BY EXECUTION OF THE AGENCY ACKNOWLEDGMENT, LESSEE ACKNOWLEDGES THAT IT SELECTED THE EQUIPMENT WITHOUT ASSISTANCE OF LESSOR, ITS AGENTS OR EMPLOYEES. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE EQUIPMENT OR LESSEE'S USE OF THE EQUIPMENT.

ARTICLE X: OPTION TO PREPAY

Section 10.1. When Available. Prepayment by the Lessee is not permitted during the first two years of a lease; thereafter, prepayment premiums may be required as follows: 1% if prepayment is made during the final 12 months of a lease; 2% if prepayment is made during the 24th through the 36th month prior to the expiration of a lease, and 3% if prepayment is made during the 36th through the 25th month prior to the expiration of a lease. Permitted prepayments shall have the option to prepay its obligations under any Agency Lease be made on any Payment Date, without penalty, for the then applicable Prepayment Price set forth in Exhibit B relating thereto in the manner provided in this Article.

Section 10.2. Exercise of Option. Lessee shall give written notice to Lessor of its intention to exercise its prepayment option with respect to any Agency Lease not less than thirty (30) days prior to the date on which the option will be exercised and shall deposit with Lessor on the date of exercise an amount equal to the applicable Prepayment Price set forth in the related Exhibit B.

ARTICLE XI: ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 11.1 Assignment by Lessor. Lessor's right, title and/or interest in and to this Agreement or any Lease hereunder, including, but not limited to, the Rental Payments and other amounts payable by Lessee, may be assigned in whole or in part by Lessor at any time to an entity with corporate trust powers, upon the prior written consent of the Chief Financial Officer, which consent shall not be unreasonably withheld or delayed; provided that in no event shall Lessor assign this Agreement, any Lease or the Rental Payments as part of a plan to publicly offer participation interests therein. The Chief Financial Officer hereby consents to assignment by Lessor in connection with the private placement of participation interests as to which the following conditions are met: (a) Rental Payments continue to be made to Lessor; (b) participation interests will be sold only to accredited investors as defined in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended (the "1933 Act"); (c) such participation interests shall be sold in denominations of no less than \$100,000; (d) any disclosure documents prepared in connection with such assignment must include a legend to the effect that neither the

Chief Financial Officer, the State, the Department nor any other State agency has participated in preparation of the disclosure materials, nor have any of them undertaken to provide continuing disclosure with respect thereto; and (e) Lessor must agree to defend, indemnify and hold harmless the Chief Financial Officer, the State and Lessee against any third party claims arising as a result of such assignment. No assignment shall become effective until Lessee shall have received written notice thereof from Lessor. IN NO EVENT SHALL THE STATE OR LESSEE BE LIABLE TO LESSOR OR ANY THIRD PARTY FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF LESSOR'S ASSIGNMENT OF ANY OF ITS RIGHT, TITLE AND/OR INTEREST UNDER THIS AGREEMENT.

Section 11.2 Assignment and Subleasing by Lessee. Neither this Agreement nor any Agency Lease hereunder or any Equipment may be sold, assigned, subleased, transferred, pledged or mortgaged by Lessee to any person which has not executed an Agency Lease and which does not amend or supplement Exhibit B thereto.

ARTICLE XII: EVENTS OF DEFAULT AND REMEDIES

Section 12.1. Events of Default Defined. The following are Events of Default under this Agreement and any particular Agency Lease:

(a) Failure by Lessee to pay any Rental Payment or other payment required to be paid when due and the continuation of said failure for a period of ten (10) Business Days after such due date (other than by reason of Non-Appropriation).

(b) Failure by Lessee to maintain insurance on Equipment as required by Article VI so as to include such Equipment.

(c) Failure by either party to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder or under the applicable Agency Lease, other than as referred to in Clauses (a) and (b) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the other party, unless the non-defaulting party 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, the non-defaulting party will not unreasonably withhold its consent to an extension of such time if corrective action is instituted within the applicable period and diligently pursued until the default is corrected.

(d) Any representation or warranty made by Lessee in this Agreement or the Agency Acknowledgment was untrue in any material respect upon execution of this Agreement or any Agency Acknowledgment.

(e) The filing of a petition in bankruptcy by or against Lessee, or failure promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of Lessee to carry on its governmental functions, or assignment by Lessee for the benefit of creditors, or the entry into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of any adjustment of indebtedness of Lessee, or the dissolution or liquidation thereof.

Section 12.2. Remedies. (a) Whenever any Event of Default by Lessee defined in Section 12.1 hereof shall have occurred, 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:

(1) Lessor, with or without terminating any Agency Lease, may declare all Rental Payments due or to become due with respect to such defaulted Agency Lease and, at the option of Lessor pursuant to a writing delivered to Lessee and the Chief Financial Officer by Lessor, all other Agency Leases of such Lessee during the Fiscal Year in effect when the default occurs to be immediately due and payable by Lessee, whereupon such Rental Payments shall be immediately due and payable.

(2) Lessor, with or without terminating any Agency Lease, may by written notice to Lessee, request that Lessee, within thirty (30) days of such written notice, cause all Equipment subject to the defaulted Agency Lease and, at the option of Lessor pursuant to a writing delivered to Lessee and the Chief Financial Officer by Lessor, all other Agency Leases of such Lessee (together with all documents necessary to transfer legal and beneficial title thereto to Lessor) to be delivered to Lessor or Lessor's designee at a place in the State designated by Lessor in accordance with Section 12.3. If Lessee fails or refuses to voluntarily transfer such Equipment to Lessor as herein provided, to the extent permitted by law, Lessor shall have the right to obtain a judgment against Lessee from legally available funds for compensatory damages in the amount of the unpaid principal under such defaulted Lease, plus accrued interest. If the Equipment or any portion of it has been destroyed or damaged beyond repair, Lessee shall pay the applicable unpaid principal allocable to the damaged or destroyed Equipment.

(3) Following an Event of Default or an Event of Non-Appropriation hereunder and upon failure of Lessee to voluntarily comply with Section 12.3, Lessor shall have whatever rights and remedies are available at law against Lessee's legally available funds. In the event the exercise of such remedies results in one or more judicial proceedings, the prevailing party in such proceedings shall be entitled to recover reasonable attorney fees and court costs. Lessor and Lessee agree that there is no intention to create under this Agreement and the applicable Agency Leases a right in Lessor to dispossess Lessee involuntarily of the legal title to or the use of the Equipment. Lessor hereby waives any right to specific performance of Lessee's covenant to transfer legal title to and return possession of the Equipment to Lessor.

(4) If Lessor terminates any Agency Lease and, in its discretion, takes possession and disposes of the Equipment or any portion thereof, Lessor shall apply the proceeds of any such disposition to pay the following items in the following order: (i) reasonable costs (including, but not limited to, reasonable and necessary attorneys' fees) incurred in securing possession of the Equipment; (ii) reasonable expenses incurred in completing the disposition; (iii) any sales or transfer taxes; (iv) the applicable Prepayment Prices of the applicable Equipment Groups; and (v) the balance of any Rental Payments owed by Lessee on such defaulted Agency Lease 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 into the State Treasury.

(5) If the proceeds of sale of the items of returned Equipment are not sufficient to pay the balance of any Rental Payments owed by Lessee on the defaulted Agency Lease and any other Agency Leases of such Lessee which Lessor has declared to be in default during the Fiscal Year then in effect, Lessor may pursue such other remedies as are available at law or in equity to collect the balance of such Rental Payments from Lessee's legally available funds.

(b) Whenever an Event of Default by Lessor as defined in Section 12.1 hereof shall have occurred, Lessee may, with or without terminating this Agreement, institute such legal action against Lessor as Lessee may deem necessary to compel the performance of such obligation or to recover damages therefor; provided, however, that Lessor's default shall not relieve any Agency of its obligation to make rental payments pursuant to any Agency Lease in effect prior to the occurrence of such Event of Default by Lessor.

Section 12.3. Return of Equipment; Release of Lessee's Interest. Upon termination of this Agreement and/or any Agency Lease hereunder prior to the payment of all Rental Payments or the applicable Prepayment Price for such Agency Lease in accordance with each Exhibit B, Lessee shall promptly, but in any event within thirty (30) days after such termination, 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 deinstallation, disassembly or crating is required, cause the Equipment to be deinstalled, 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. Upon termination of an Agency Lease by Lessor upon the exercise of remedies in accordance with Article IV or Article XII hereof, at the election of Lessor and upon Lessor's written notice to Lessee, full and unencumbered legal title and ownership of the Equipment shall pass to Lessor, Lessee shall have no further interest therein and Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of legal title and ownership to Lessor and termination of Lessee's interest in the Equipment.

Section 12.4. No Remedy Exclusive. (a) No remedy conferred upon or reserved to Lessor by this Article is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient by Lessor.

(b) No remedy conferred upon or reserved to Lessee by this Article is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient by Lessee.

Section 12.5. Late Charges. (a) Lessor shall endeavor to pay the purchase price for each item of Equipment within 30 days of the Acceptance Date, but in no event shall Lessor make any payment more than 10 Business Days after receipt of the completed Agency Lease from any Agency. If Lessor does not make the payment due the Contractor within the time limits

established in Section 215.422, Florida Statutes, then Lessor shall pay from its own funds any interest assessed for untimely payment. The interest rate, if applicable, will be the rate set pursuant to Section 55.03, Florida Statutes. If Lessor makes any payment after the 10 Business Day period permitted by section 3.1(e) above, the Chief Financial Officer may require payment by Lessor to the Agency of liquidated damages at the rate of one percent (1%) per month of the principal amount of the amount to be financed under the Agency Lease.

(b) If the Agency fails to deliver the completed documents required under the Agreement to Lessor within 20 days after acceptance of the Equipment and a late payment penalty is assessed by the Contractor, the Agency shall reimburse Lessor (i) for the entire amount of penalty assessed if Lessor paid the full amount due to the Contractor within 10 Business Days after receipt of the completed Agency Lease from the Agency, or (ii) if Lessor fails to pay the full amount due to the Contractor within 10 Business Days after receipt of the completed Agency Lease from the Agency, the Agency shall reimburse Lessor for the portion of penalty assessed expressed as a ratio with the numerator being the number of days the Agency was late providing the completed documents to Lessor and the denominator being the number of days in the numerator plus the number of days Lessor was late.

Section 12.6. Public Record. The Chief Financial Officer shall have the right to terminate this Agreement upon Lessor's refusal to allow public access to all documents, papers, letters or other materials subject to the State Public Records Law, Chapter 119, Florida Statutes, and made or received by Lessor in conjunction herewith; provided, however, that Lessor's refusal to allow such public access shall not relieve any Agency of its obligation to make rental payments pursuant to any Agency Lease in effect prior to such refusal by Lessor.

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 upon the date of the certification of receipt if deposited in the United States mail in registered form with postage fully prepaid, 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. Lessee 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 this Agreement and any Agency Lease as may be requested by Lessor.

Section 13.3. Binding Effect. This Agreement and each Agency Lease hereunder 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 Agreement or any Agency Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.5. Entire Agreement, Amendments, Changes and Modifications. This Agreement, the applicable Agency Leases, the Request for Proposals and the proposal of Lessor (consisting solely of the information solicited by the RFP, and excluding any special terms or conditions proposed by Lessor unless agreed to by the Chief Financial Officer as evidenced by the inclusion of such terms or conditions in this Agreement) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede all prior and contemporaneous writings, understandings, agreements, representations, commitments or conditions made orally or in writing, express or implied. In the event of conflict between the terms and conditions of the various documents, the terms and conditions of this Agreement shall prevail over the provisions of the Request for Proposals and the terms and conditions of the Request for Proposals shall prevail over the terms of Lessor's response to the Request for Proposals. This Agreement may be amended or modified only by written documents duly authorized, executed and delivered by Lessor and The Chief Financial Officer.

Section 13.6. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions, Articles, Sections or Clauses hereof.

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 hereby leased or intended so to be, or for otherwise carrying out the expressed intention of this Agreement and the applicable Agency Leases.

Section 13.8. Execution in Counterparts. This Agreement 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 there shall be only one fully executed original of this Agreement and each Equipment Schedule.

Section 13.9. Applicable Law, Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, but not the law of conflict of laws. Venue of any suit or proceeding brought with respect to this Agreement shall be in Leon County, Florida.

Section 13.10. Interest; Usury. The Interest component of the Rental Payments shall not, as of the Funding Date for any Agency Lease, exceed the rate computed by adding 150 basis points to The Bond Buyer "20 Bond Index" published immediately preceding the first day of the calendar month in which the Agency Lease is submitted to the Chief Financial Officer for pre-audit review and approval, in accordance with the provisions of Section 287.063, Florida Statutes, as applicable from time to time. It is the intention of the parties hereto to comply with any applicable usury laws; accordingly, it is agreed that, notwithstanding any provisions to the contrary herein or in any Exhibit A or B, in no event shall this Agreement or any Agency Lease hereunder require the payment or permit the collection of Interest or any amount in the nature of Interest or fees in excess of the maximum amount permitted by applicable law. Any such excess Interest or fees shall first be applied to reduce Principal, and when no Principal remains, refunded to Lessee.

Section 13.11. Time of the Essence. Time is of the essence. The failure by either party at any time to require strict performance by the other party of any of such other party's obligations shall not waive or diminish the rights thereafter to demand strict compliance by such other party.

Section 13.12 No Waiver of Sovereign Immunity. Nothing herein shall be construed as waiving the sovereign immunity of the State of Florida.

**EXECUTION PAGE OF STATE OF FLORIDA
MASTER EQUIPMENT FINANCING AGREEMENT**

Agreement Date: _____, 2009

Fiscal Year Commencement Date: July 1

Fiscal Year End Date: June 30

IN WITNESS WHEREOF, Lessor has caused this Agreement to be executed in its corporate name by its duly authorized officer, and the State of Florida has caused this Agreement to be executed in its name by the Chief Financial Officer of the State of Florida.

THE STATE OF FLORIDA

[LESSOR],
LESSOR

By: _____

By: _____

ALEX SINK,
Chief Financial Officer of the
State of Florida

Title: _____

Name: _____

Date: _____

Date: _____

Address:

Florida Department
Address:

Of Financial Services
200 E. Gaines St.
Tallahassee, FL 32399-0354

Telephone: 850-413-5594
Facsimile: 850-413-3232

Telephone:
Facsimile:

EXHIBIT A
TO MASTER EQUIPMENT FINANCING AGREEMENT
FORM OF APPROVAL LETTER

[Date]

Re: Consolidated Equipment Financing Program; Lease Agreement Approval No. C-_____

Dear _____[LESSEE]:

Enclosed is the Agency's application form for an Agency Lease Agreement submitted to us for pre-audit review and approval. The Agreement provides for equipment financing between _____, as Lessee, and _____, as Lessor, for the purchase of _____, with a total purchase price of \$_____. Pursuant to Section 287.063, Florida Statutes, the deferred-payment purchase is approved, and The Chief Financial Officer's approval number C_____ is assigned. This acquisition contemplates a total estimated financing amount of \$_____ to be financed for ____ (__) quarters, at an assumed interest rate of ____% with an initial payment within ten (10) Business Days of the Funding Date, in the amount of \$_____. The receipt of this letter, as approved by Lessor, shall constitute your authority to order the Equipment Group from the designated Contractor or Contractors.

The rate of interest for this Equipment Group shall be determined as of the date Lessor receives the Final Invoices from the Chief Financial Officer, in accordance with the then-current Exhibit F to the Master Equipment Financing Agreement dated _____, 2009, between the State of Florida and Lessor (the "MEFA"), rounded to the nearest one-hundredth of a percent, subject to the statutory maximum.

The statutory maximum rate applicable to this Agency Lease is ____%.

Within two Business Days of receipt of the Final Invoice, the Lessor is required to prepare the following final documents to be executed by you: (i) Exhibit B to the MEFA, the Equipment Schedule, Rental Payment, etc., (ii) Exhibit C to the MEFA, the Certificate of Acceptance and Acknowledgment of Agency Lease, and (iii) Exhibit E to the MEFA, the Arbitrage and Tax Certificate. The Lessor shall make payment to a Contractor for an Equipment Group within ten Business Days after it has received all of the following: the fully executed documents referred to in (i), (ii), and (iii) above, (iv) evidence of insurance and/or self-insurance with respect to the Equipment Group in compliance with Article VI of the MEFA, (v) the Final Invoice(s) and/or bill of sale relating to the Equipment Group (with the original being sent to the Chief Financial Officer), and (vi) any other documents or items reasonably required by the Lessor. The Lessor is required to send a final Payment Schedule, in the form set forth on page B-4 of the MEFA, to you and the Chief Financial Officer not later than two (2) Business Days after the actual Funding Date.

Please ensure the following tasks are completed:

1. The statement below is to be added to any purchase order issued for the equipment listed above:

“This purchase order becomes a part of the Consolidated Equipment Financing Program Agency Lease entered into between [Agency], and [LESSOR] approved by the Chief Financial Officer of Florida, approval number of C_____.

This Program requires the agency ownership of the equipment to be conveyed through a bill of sale and the documented delivery by seller and acceptance by agency of all equipment through a Certificate of Acceptance. The invoice is NOT to name [LESSOR] as a billing or receiving party.”

2. The equipment is to be added to the agency property records and the Division of Risk Management informed of the capital value for insurance purposes. If the equipment is not eligible for the self-insurance program, commercial insurance coverage is to be obtained through the Department of Management Services, Division of Purchasing, in sufficient time for the equipment to be covered upon acceptance.
3. Upon receipt of the warrant for the initial payment, the equipment schedule number is to be entered on the remittance advice, and a facsimile of the warrant and remittance advice is to be transmitted to [name], [LESSOR] [fax #].

The voucher is to reference our approval number, C_____, and the Equipment Schedule number assigned by [LESSOR]. [as applicable: The expenditure object codes appropriate for payments under this agreement are 6200, principal, and for subsequent payments the interest portion is identified by 6100].

The final amortization schedule, as represented on page B-4 of the completed Exhibit B to the MEFA, serves as the Agency’s invoice for the lease term. The Agency shall highlight or circle the applicable payment date, principal and interest component on a copy of the amortization schedule, and attach the copy to the vouchers for periodic payments. Lessor shall endeavor to provide lessee with an invoice when payments are due.

We appreciate your participation in the Consolidated Equipment Financing Program and hope that you are satisfied with your new equipment. If you have any questions regarding these instructions or if we can be of any additional assistance, please feel free to call me at _____ or _____ at _____.

Sincerely,

[name]

[title]

Approved by LESSOR:

[LESSOR]

Name:

Title:

Date: _____

EXHIBIT B

TO MASTER EQUIPMENT FINANCING AGREEMENT

FORM OF EQUIPMENT SCHEDULE, RENTAL PAYMENTS, ETC.

EQUIPMENT SCHEDULE NO. _____

The following Equipment comprises an Equipment Group which is the subject of an Agency Lease dated as of _____ (the "Agency Lease"), between the undersigned Lessor and _____ (the "Lessee"). The State of Florida Master Equipment Financing Agreement dated as of _____, 2009, by and between the Chief Financial Officer of the State of Florida and [LESSOR], is incorporated herein in its entirety, and Lessee hereby reaffirms all of its representations and warranties contained in said Agreement.

EQUIPMENT GROUP LOCATION

The Equipment Group will be located at one or more of the following addresses.

EQUIPMENT SCHEDULE NO. _____

EQUIPMENT LIST

<u>DESCRIPTIO</u> <u>N</u>	<u>MODEL/</u> <u>SERIAL</u> <u>NUMBER</u>	<u>QUANTITY</u>	<u>COST PER</u> <u>UNIT</u>	<u>EXTENDED</u> <u>PRICE</u>
-------------------------------	---	-----------------	--------------------------------	---------------------------------

TOTAL PURCHASE PRICE \$ _____

Less Reductions:
Discounts \$ _____
Trade In _____
Initial Pmt. _____

Total Reductions

AMOUNT FINANCED \$ _____
\$ _____

EQUIPMENT SCHEDULE NO. _____

RENTAL PAYMENTS

Lessee:

Name of Contractor:

Amount to be Financed: \$

Lessor Commitment Date:

Interest Rate:

The initial rental payment is due ten (10) days after the Funding Date and subsequent payments shall be due quarterly thereafter (commencing 90 days after the Funding Date).

Lessee will make _____ Rental Payments of \$_____ each. The first payment, consisting of Principal only, is due on _____, _____, and the subsequent payments, consisting of Principal and Interest, shall be due as set forth in the attached schedule.

Lessee

[LESSOR]
Lessor

By:
Title:
Date:

By:
Title:
Date:

EQUIPMENT SCHEDULE NO. _____
PAYMENT SCHEDULE

Funding Date: _____, 20____

Payment Number	Payment Date	Total Payment	Principal Component	Interest Component	Payment Price*
1.				---	n/a
2.					n/a
3.					n/a
4.					n/a
5.					n/a
6.					n/a
7.					n/a
8.					n/a
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.					
18.					
19.					
20.		_____	_____	_____	_____
		\$	\$	\$	\$

* Including Rental Payment due on such date, the prepayment premium, plus any other amounts accrued and unpaid on such date.

ACKNOWLEDGMENT OF PAYMENT SCHEDULE:

Department of Financial Services

By: _____

Print Name:

Title:

**EXHIBIT C
TO MASTER EQUIPMENT FINANCING AGREEMENT
FORM OF
CERTIFICATE OF ACCEPTANCE AND
ACKNOWLEDGMENT OF AGENCY LEASE**

EQUIPMENT SCHEDULE NO. _____

I, the undersigned, hereby certify that I am the duly qualified and acting officer of Lessee identified below and, with respect to the above-referenced Equipment Schedule dated _____, 20____, to the Agency Lease dated as of _____, 20____, by and between Lessee and [LESSOR] (“Lessor”), represent and warrant that:

1. The equipment described in Exhibit B, page B-2 (the “Equipment Group”) purchased from [Contractor], and properly invoiced, has been delivered and installed in accordance with Lessee’s Specifications, is in good working order and is fully operational and has been fully accepted by Lessee on the _____ day of _____, 20____.

2. Lessee has legally available funds in its current fiscal year sufficient to pay all Rental Payments required to be paid under the Agency Lease during the current Fiscal Year of Lessee, and, such money will be applied in payment of all such Rental Payments due and payable during such current Fiscal Year.

3. During the Lease Term, the Equipment Group will be used by Lessee to perform essential governmental functions. Such functions are:

_____.

4. 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 the Agency Lease; the proper authorization, approval and execution of the Agency Lease or any related other documents; the appropriation of money, or any other action taken by Lessee to provide money, sufficient to make Rental Payments coming due under the Agency Lease in Lessee’s current Fiscal Year; or the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.

5. Rental Payments shall be due and payable by Lessee on the dates and in the amounts indicated on Page B-4 of the above-referenced Equipment Schedule.

6. No Non-Appropriation and no Event of Default or any event which, with the passage of time or the giving of notice, would constitute a default has occurred under the Agreement.

7. Lessee will maintain each item of equipment in the Equipment Group in good operating condition based on reasonable and customary practices for such equipment, with normal wear and tear excepted.

8. All capitalized terms herein have the meanings ascribed to them in the Agreement.

AGENCY ACKNOWLEDGMENT REGARDING THE AGENCY LEASE

Lessee desires to obtain certain equipment, and Lessee hereby determines that it is necessary and desirable and in the best interests of Lessee to enter into an Agency Lease (the "Agency Lease") with [LESSOR] ("Lessor") for the purposes of financing the acquisition of the Equipment described in Equipment Schedule No. _____. The execution and delivery of the Agency Lease, the exhibits and schedules thereto and such other instruments and documents related thereto, by Lessee and the financing of the acquisition of such Equipment have been approved by Lessee, and Lessee acknowledges that, by execution hereof, Lessee agrees to be bound by the provisions applicable to "Lessee" under the State of Florida Master Equipment Financing Agreement between Lessor and the State of Florida dated as of _____, 2009.

Lessee: _____

By:

Title:

Date:

**EXHIBIT D
TO MASTER EQUIPMENT FINANCING AGREEMENT**

**FORM OF
OPINION OF STATE COUNSEL**

[insert date]

Alex Sink
Chief Financial Officer of the State of Florida
Florida Department of Financial Services
200 E. Gaines Street
Tallahassee, Florida 32399-0354

[LESSOR]
[street & number]
[city, state, zip]

Re: State of Florida Master Equipment Financing Agreement dated as of _____, 2009,
by and between [LESSOR] (“Lessor”) and the State of Florida acting by and through the
Chief Financial Officer of the State of Florida

Ladies and Gentlemen:

I have acted as counsel to the State of Florida in connection with the State of Florida Master Equipment Financing Agreement (the “Agreement”) described above and various related matters, and in this capacity have reviewed duplicate originals or certified copies thereof and the form of the Equipment Schedule attached to the Agreement and to be executed pursuant thereto (together, the “Agency Lease”). Based upon the examination of these and such other documents as I deem relevant, it is my opinion that as of the date of this letter:

1. Each Agency as defined in the Agreement is an agency or an educational agency of the State of Florida (the “State”), duly organized, existing and operating under the Constitution and laws of the State.
2. Each Agency is authorized and has power under applicable law to enter into an Agency Lease, and to carry out its obligations thereunder and the transactions contemplated thereby, subject to legislative appropriation.
3. The Agreement has been duly authorized and approved, and constitutes the legal, valid and binding contract of the State enforceable in accordance with its terms, except to the extent limited by State and federal law affecting remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors’ rights.
4. Each Agency Lease, when executed and delivered by and on behalf of the Agency, will constitute the legal, valid and binding contract of each Lessee enforceable in accordance with its terms, except to the extent limited by budget appropriations and by State and Federal

laws affecting remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.

5. The execution of each Agency Lease and the appropriation of money to pay the Rental Payments coming due thereunder do not and will not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by each Agency.

6. There is no litigation, action, suit or proceeding pending or before any court, administrative agency, arbitrator or governmental body that challenges the authority of the Chief Financial Officer to enter into the Agreement; or, to the best of my knowledge, challenging the authority of State Agencies generally to enter into Agency Leases, the power of the Legislature to appropriate money to make Rental Payments, or the ability of State Agencies to perform their obligations under the transactions, all as contemplated by the Agreement, and, to the best of my knowledge, no such litigation or actions are threatened.

7. The equipment to be financed by each Agency Lease is limited to personal property, and when used by an Agency in accordance with the Agreement will not be or become fixtures under the laws of the State.

8. The Resolution of the governing board of the Division of Bond Finance which authorized the Agreement was duly and validly adopted by such governing board on March 24, 2009, and such resolution has not been amended, modified, supplemented or repealed and remains in full force and effect.

Very truly yours,

(type name and title under signature)

**EXHIBIT E
TO MASTER EQUIPMENT FINANCING AGREEMENT**

**FORM OF
ARBITRAGE AND TAX CERTIFICATE**

I, the undersigned, hereby certify that I am the duly qualified and acting officer of the agency of the State of Florida identified below (“Lessee”), and that in my official capacity as such officer, I am responsible for executing and delivering on behalf of Lessee the Agency Lease as defined in that certain State of Florida Master Equipment Financing Agreement dated as of _____ 2009, (the “Master Lease Agreement”) by and between the State of Florida and [LESSOR] (“Lessor”) and as evidenced by Equipment Schedule No. _____. This Certificate is being issued pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and Treasury Regulations, Sections 1.148-0 through 1.148-11 and 1.150-1 and 1.150-2 (the “Regulations”). The following facts, estimates and circumstances are in existence on the date of this Certificate or are reasonably expected to occur hereafter.

1. The Agency Lease provides for the financing by Lessor of the acquisition of certain equipment described in Equipment Schedule No. _____ thereto (the “Equipment”) and the lease of the Equipment by Lessee from Lessor. Pursuant to the Agency Lease, Lessee is required to make Rental Payments with respect to the Equipment, comprising principal and interest, on the dates and in the amounts set forth in applicable Equipment Schedule to the Agency Lease.

2. A contract or purchase order dated as of _____, 20____, providing for the acquisition and delivery of the Equipment has been executed between Lessee and _____.

3. The Equipment will be acquired and installed with due diligence and, based upon the provisions of the contract or purchase order described in paragraph 4 hereof, the Equipment will be acquired and installed on or before _____, 20____.

4. All of the spendable proceeds of the financing will be expended on the Equipment and related expenses within three years from _____, 20____ [insert date of initial draw under Master Lease Agreement].

5. The original proceeds of Equipment Schedule No. _____, and the interest to be earned thereon (collectively, the “gross proceeds of the financing”), do not exceed the amount necessary for the purpose for which the Lease and such Equipment Schedule are issued.

6. The interest of Lessee in the Equipment has not been and is not expected during the term of the Agency Lease to be sold or disposed of by Lessee.

7. No sinking fund is expected to be created by Lessee with respect to the Agency Lease and the Rental Payments.

8. Lessee hereby covenants to comply with all requirements of the Code and Regulations relating to the rebate of arbitrage profit to the United States of America. It is expected that all

gross proceeds of the financing will be expended on the Equipment no later than the day which is six months after the date of issuance of Equipment Schedule No. _____.

9. Neither the proceeds of the financing nor the Equipment financed therewith shall be used for any "private business use" within the meaning of Section 141(b)(6) of the Code. No proceeds of the financing will be used to make or finance a loan to another person.

10. The payment of Rental Payments is not guaranteed, directly or indirectly, in whole or in part by the United States or any agency or instrumentality thereof, nor is it otherwise federally guaranteed within the meaning of Section 149(b) of the Code.

11. To the best of the knowledge and belief of the undersigned, the expectations of Lessee, as set forth above, are reasonable, and there are no present facts, estimates and circumstances which would change the foregoing expectations.

12. Lessee has not been notified of the listing or proposed listing of it by the Internal Revenue Service as an issuer whose arbitrage certificates may not be relied upon.

WITNESS my hand this _____ day of _____, 20____.

Lessee

By:

Title:

**EXHIBIT F
TO MASTER EQUIPMENT FINANCING AGREEMENT**

EQUIPMENT SCHEDULE NO. _____

INTEREST RATE OPTIONS

REPAYMENT TERM	INTEREST RATE INDEX	INTEREST RATE FORMULA
Three Years		
Four years		
Five years		

**EXHIBIT G
TO MASTER EQUIPMENT FINANCING AGREEMENT**

FORM OF SPECIAL TAX COUNSEL OPINION

[Date of Initial Funding]
[subject to change in accordance with current tax laws]

State of Florida
Office of the Chief Financial Officer
200 E. Gaines St.
Tallahassee, Florida 32399-0354

[LESSOR]
[street & number]
[city, state, zip]

Re: State of Florida Master Equipment Financing Agreement dated as of _____, 2009, by and between the State of Florida acting by and through the Chief Financial Officer of the State of Florida and [LESSOR] (“Lessor”)

Ladies and Gentlemen:

We have acted as Special Tax Counsel to the State of Florida (the “State”) in connection with the State of Florida Master Equipment Financing Agreement dated as of _____, 2009 (the “Agreement”) between the State, acting by and through the Chief Financial Officer of the State of Florida, participating Agencies (as defined in the Agreement) of the State as lessee (each, a “Lessee”), and Lessor. In such capacity, we have examined a certified copy of the resolution adopted by the State of Florida Division of Bond Finance on March 24, 2009 (the “Resolution”), authorizing the execution and delivery of the Agreement. The Agreement provides for any Agency to participate in the financing provided by the Agreement through the execution of an Agency Acknowledgment and Equipment Schedule, pursuant to which the Agency will lease-finance the purchase of the equipment listed on the Agency’s Equipment Schedule through the payment of rent under the Agreement. The initial funding pursuant to the Agreement occurred on _____, 20____, in the principal amount of \$_____. We understand that the initial funding of the contract year beginning _____, 20____, occurred on _____, 20____, in the principal amount of \$_____.

Based upon an examination of the aforementioned documents, including the form of Agency Acknowledgment and Equipment Schedule, and such other documents and opinions as we have deemed relevant and necessary as a basis for the opinions set forth herein, and in reliance thereon, it is our opinion as Special Tax Counsel that:

1. The Agreement has been duly authorized, and constitutes the legal, valid and binding contract of the State enforceable in accordance with its terms, except to the extent limited by State and federal law affecting remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors’ rights.

2. Assuming compliance with certain covenants contained in the Agreement, under the statutes, regulations, rulings and judicial decisions existing on the date of the original delivery of the Agreement, the portion of the rentals which is paid by a Lessee prior to the occurrence of an event of non-appropriation or an event of default and which is designated as interest under the Agreement and in each Agency Acknowledgment (the "Interest Portion"), as provided in the Agreement, is excluded from gross income of the holder thereof for purposes of federal income taxation.

3. Such Interest Portion of each payment of rent under the Agreement prior to the occurrence of an event of non-appropriation or an event of default is not a specific preference item for purposes of the alternative minimum tax provisions set forth in the Internal Revenue Code of 1986, as amended (the "Code"); and such Interest Portion will not be taken into account to determine adjusted current earnings of corporations.

4. The Agreement and the Interest Portion thereon prior to the occurrence of an event of non-appropriation are not subject to taxation under the laws of the State of Florida except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, as amended, on interest, income or profits on debt obligations owned by corporations, banks and savings associations.

It is to be understood that the rights of Lessee under the Agreement and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Very truly yours,

Bryant Miller Olive P.A.

**EXHIBIT H
TO MASTER EQUIPMENT FINANCING AGREEMENT**

FORM OF ESCROW AGREEMENT

WHEREAS, the State of Florida, acting by and through The Chief Financial Officer of the State, entered into a Master Equipment Financing Agreement, dated as of _____, 2009 (the "Master Agreement") with [LESSOR] ("Lessor"), pursuant to which Lessor is required to fund certain sums for the lease-purchase of Equipment for use by Agencies of the State; and

WHEREAS, the parties hereto desire to fund the acquisition of certain items of Equipment by _____, as Lessee, in increments pursuant to the alternative procedures set forth in Section 3.3 of the Master Agreement; and

WHEREAS, the parties desire to establish an escrow account with _____, a _____ organized under the laws of the State of _____ with corporate trust powers, as Escrow Agent.

NOW, THEREFORE, in consideration of the covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. All capitalized terms used but not defined herein shall have the meanings set forth in the Master Agreement.

2. The State, acting by and through the Chief Financial Officer, agrees to establish a restricted account (the "Account") with Escrow Agent, to be held in trust and applied only as provided in this Escrow Agreement and the Agency Lease, to fund acquisition of the Equipment Group identified in the Agency Lease.

3. All amounts funded by Lessor for the entire Equipment Group shall be deposited in the Account after (a) satisfactory evidence has been provided to Lessor that the Account has been established, and (b) satisfaction of the requirements of Section 3.1 of the Agreement with respect to the first portion of the Equipment Group to be acquired; provided that the initial application for approval of an Equipment Group shall clearly identify the portions of the Equipment Group to be funded by each incremental withdrawal from the account, and the anticipated amount of each such increment.

4. Lessee may withdraw funds from the Account to make incremental payment for portions of the Equipment Group only after all items required by Section 3.1(e) of the Master Agreement have been received for such portion of the Equipment Group, and copies thereof have been provided to Lessor. Lessee will deliver to the Escrow Agent and Lessor a requisition in a form mutually acceptable to Lessee, Escrow Agent and Lessor.

5. Investments of moneys in the Account shall be made in accordance with Chapter 17, Florida Statutes, with due regard for the times at which withdrawals are expected to be made. All income, interest and proceeds of such investment shall accrue to the Account, to be used for the lawful purposes thereof. Any amounts remaining in the Account after the final incremental

payment for the Equipment Group shall be applied to prepay the Rentals due to Lessor under the Agency Lease.

6. Within 30 days after the end of each quarter, and at such other times as Lessor, Lessee and the Escrow Agent agree, the Escrow Agent shall deliver to Lessor a statement in reasonable detail showing, as of the date of such statement: (a) the amount of cash held in the Account; (b) the investments made from the Account; (c) the amount of earnings credited to the Account; and (d) each payee and amount disbursed from the Account to each payee during the period covered by such statement.

7. Until applied in accordance with the provisions hereof, moneys in the Account shall be subject to a lien and charge in favor of Lessor, as additional security for payment of all sums due to Lessor under the Agency Lease.

8. This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

9. Any provisions of this Escrow Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Escrow Agreement or the Agency Lease.

10. This Escrow Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Lessor's interest herein may not be assigned except in compliance with Section 11.1 of the Master Agreement.

11. This Escrow Agreement 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 agreement.

12. This Escrow Agreement shall terminate upon disbursement by the Escrow Agent of all moneys held by it hereunder.

13. The rights and obligations of Lessor and Lessee under this Escrow Agreement shall constitute a portion of the Agency Lease. Except as expressly provided herein, this Agreement is not intended to alter or change the rights and/or obligations of Lessor and Lessee under the other documents comprising the Agency Lease, but is supplemental thereto.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of _____, 20__.

LESSEE:

By: _____
Title:
Date:

LESSOR:
[LESSOR]

By: _____
Title:
Date:

CHIEF FINANCIAL OFFICER:

Alex Sink
Date:

ESCROW AGENT:

By: _____
Name:
Title:
Date: