

MASTER LEASE AND SUBLEASE AGREEMENT

Among

BANC OF AMERICA PUBLIC CAPITAL CORP,
as Lessor

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF YUMA, ARIZONA
as Lessee

and

YUMA REGIONAL MEDICAL CENTER,
as Sub-Lessee

Dated as of March 1, 2017

This instrument constitutes a security agreement
under the Arizona Uniform Commercial Code

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MASTER LEASE AND SUBLEASE AGREEMENT

Lessor: Banc of America Public Capital Corp
2059 Northlake Parkway
Tucker, Georgia 30084

Lessee: The Industrial Development Authority
of the City of Yuma, Arizona
c/o Byrne & Benesch, P.C.
230 W. Morrison St.
Yuma, Arizona 85364

Sub-Lessee: Yuma Regional Medical Center
2400 S. Avenue A
Yuma, Arizona 85364

THIS MASTER LEASE AND SUBLEASE AGREEMENT dated as of March 1, 2017 is among Banc of America Public Capital Corp, a Kansas corporation, as lessor ("Lessor"), The Industrial Development Authority of the City of Yuma, Arizona, a nonprofit corporation designated a political subdivision of the State of Arizona, as lessee ("Lessee"), and Yuma Regional Medical Center, a nonprofit corporation existing under the laws of the State of Arizona, as sub-lessee ("Sub-Lessee").

WITNESSETH:

WHEREAS, the Lessee is authorized and empowered under the laws of the State of Arizona, including particularly Title 35, Chapter 5 of the Arizona Revised Statutes, (the "Act"), to lease, as lessor or lessee, to purchase and receive, and to control and dispose of certain projects in furtherance of its public purposes; and

WHEREAS, the Sub-Lessee is an Arizona nonprofit corporation which operates and manages a hospital located in Yuma, Arizona, is an organization described in Section 501 (c)(3) of the Code (as defined herein) and is authorized to lease, acquire, purchase and hold real and personal property; and

WHEREAS, the parties hereto intend that the Lessee from time to time lease from the Lessor certain Equipment (as defined herein) specifically identified in each Equipment Schedule (as defined herein) that supplement this Master Lease and Sublease Agreement and are made a part hereof, and sublease such Equipment to the Sub-Lessee on the terms and conditions set forth herein and in each such Equipment Schedule; and

WHEREAS, the Sub-Lessee shall make Lease Payments (as defined herein) directly to the Lessor as assignee of the Lessee for the possession and use of the Equipment; and

WHEREAS, as security for the payment of all of the Sub-Lessee's obligations hereunder, including without limitation, Lease Payments, the Sub-Lessee grants to the Lessee and the Lessee assigns to the Lessor a first priority security interest in and to the Equipment and in and to any moneys and investments held from time to time in an escrow or like account entered into pursuant to an Equipment Schedule; and

WHEREAS, any additional security and/or guaranties of the Sub-Lessee's obligations hereunder, including without limitation, Lease Payments, shall be as provided in the applicable Equipment Schedule; and

WHEREAS, this Master Lease and Sublease Agreement shall not constitute a debt or liability or moral obligation of the Lessee or a pledge of the faith and credit of the City of Yuma, the State of Arizona or any political subdivision thereof, but shall be a special obligation payable solely from the Lease Payments payable hereunder by the Sub-Lessee (or any guarantor thereof) to the Lessor, as assignee of the Lessee;

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Lessor, the Lessee and the Sub-Lessee hereby agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.01. The following terms used herein have the meanings indicated below unless the context clearly requires otherwise.

"Acquisition Costs" means with respect to an Equipment Schedule, the Contract Price paid or to be paid to the Vendor, or as reimbursement to the Sub-Lessee, for any portion of the Equipment upon the Sub-Lessee's acceptance thereof and in accordance with the applicable purchase agreement relating thereto, including reasonable administrative, engineering, software licensing, legal, financial and other costs incurred by the Lessor, the Lessee, the Sub-Lessee and the Vendor in connection with the acquisition, programming, equipping, completion and financing and refinancing of such Equipment by the Lessor.

"Additional Payments" means the amounts other than Lease Payments, payable by the Sub-Lessee pursuant to the provisions of this Master Lease and Sublease Agreement, as set forth in Sections 5.05 and 9.03 hereof.

"Agreement" means this Master Lease and Sublease Agreement together with an Equipment Schedule, as the same may be amended or modified from time to time, including the accompanying attachments and documents relating to each Equipment Schedule, each of which shall constitute a fully integrated transaction existing in accordance with its own terms and conditions separate from and independent of any other transactions pursuant to this Master Lease and Sublease Agreement.

“Annual Administrative Fee” means, with respect to any Agreement, the fee determined annually by the Lessee equal to a pro rata share of Lessee’s annual administrative expenses based on the Agreement’s percentage of outstanding indebtedness in relation to the total outstanding indebtedness of all projects funded by the Lessee, due without demand of Lessee, and due on or prior to each anniversary date of the Closing of the Agreement.

“Certificate of Acceptance” means a Certificate of Acceptance, executed by an authorized officer of the Sub-Lessee, whereby the Sub-Lessee acknowledges receipt in good condition of particular items of Equipment identified therein, confirms the date of delivery thereof and certain other matters.

“Closing” means the date of delivery of all executed documents related to each Agreement as required under this Master Lease and Sublease Agreement, and on which sufficient moneys to fund the Equipment thereunder is made available to the Lessee.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Contract Price” means the price of an item of Equipment, including, if approved by the Lessor in its sole discretion, the cost of installation and training, but excluding the cost of any service contract, as set forth in the applicable purchase agreement relating thereto.

“Equipment” means the fixed and moveable personal property to be used in connection with the Sub-Lessee’s healthcare operations, identified in an Equipment Schedule and identified as part of this Master Lease and Sublease Agreement, together with: (i) all replacement parts, additions, repairs, modifications, substitutions, accessions and accessories incorporated therein and/or affixed to such property; (ii) all general intangibles, software and other property relating thereto; and (iii) all products and proceeds of the foregoing (including without limitation, any condemnation proceeds and proceeds of insurance with respect thereto).

“Equipment Schedule” means, with respect to the provision of the Equipment under this Master Lease and Sublease Agreement, a schedule of leased equipment and Lease Payments in substantially the same form as set forth as Exhibit A, which has been executed by the Lessor, the Lessee and the Sub-Lessee which reasonably identifies the Equipment subject to such schedule, which sets forth the Lease Payments and Purchase Price payable in respect thereof, and which states the Lease Term applicable thereto and certain other matters. Equipment Schedules shall be numbered consecutively beginning with 1, and each Equipment Schedule shall be accompanied by the attachments, if any, referred to in such schedule.

“Gross-Up Payment” means, with respect to any Lease Payment, an additional payment in an amount sufficient such that the sum of the additional payment plus the Lease Payment would, after deduction of any applicable Federal, state or local

income tax (including any interest or penalties) actually imposed thereon, equal the amount of the Lease Payment.

“Initial Administrative Fee” means with respect to any Equipment Schedule, the initial fee in the amount set forth in such Equipment Schedule, payable to the Lessee upon the execution of each such Equipment Schedule hereunder for the Lessee’s services in connection with the preparation, review and execution of such Equipment Schedule.

“Lease Payments” means those scheduled payments (but excluding, the Annual or Initial Administrative Fees, indemnifications and reimbursements and Additional Payments payable to the Lessor and the Lessee hereunder) payable by the Sub-Lessee pursuant to the provisions of this Master Lease and Sublease Agreement and each Equipment Schedule, as specifically set forth therein. As provided in Article V hereof, Lease Payments shall be payable by the Sub-Lessee directly to the Lessor, as assignee of Lessee, in the amounts and at the times set forth in the applicable Equipment Schedule.

“Lease Proceeds” means, with respect to any Equipment Schedule, the total amount of money or other consideration to be paid or provided by the Lessor for application in accordance with such Equipment Schedule and Section 13.01 hereof, including (a) the Contract Price of each item of Equipment set forth on such schedule payable to the Vendor thereof upon acceptance by the Sub-Lessee, or to the Sub-Lessee directly as reimbursement, and (b) if approved by the Lessor and the Lessee in their sole discretion, the amount, if any, applied to the reasonable costs of issuance of an Agreement.

“Lease Term” means with respect to any Agreement, the term specified in the applicable Equipment Schedule in accordance with Article IV hereof.

“Lease Year” means, with respect to any Agreement, each one-year period (or shorter period for the first or last year prior to the payment in full of such Agreement) ending on the principal payment date or such other annual date stated in the applicable Equipment Schedule.

“Purchase Price” means the amount which the Sub-Lessee is required to pay or cause to be paid to the Lessor in order to purchase the Equipment, as provided in Article X hereof, such amount being set forth in an Equipment Schedule comprising a part of such Agreement plus all other amounts then owed under such Agreement by the Sub-Lessee including the prepayment premium, if any, payable as set forth or described in the applicable Equipment Schedule.

“Tax Certificate” means the Tax Certificate and Agreement, including attachments, delivered by the Lessee and Sub-Lessee at the closing of each Agreement.

“Unassigned Rights” means the rights of the Lessee to receive payments of costs, fees and expenses and the rights of the Lessee to indemnification with respect to

any Agreement pursuant to Sections 5.05 and 11.03(a) of this Master Lease and Sublease Agreement.

“Vendor” means the manufacturer or other supplier of an item of Equipment, as well as the agents or dealers of such manufacturer or supplier, from whom the Sub-Lessee has purchased or is purchasing items of Equipment.

Section 1.02. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Master Lease and Sublease Agreement, and all related Agreements:

(a) Words of gender mean and include correlative words of the masculine, feminine and neuter genders.

(b) Words importing the singular number mean and include the plural number and vice-versa.

(c) The headings and the table of contents are solely for convenience of reference and shall not constitute a part of this Master Lease and Sublease Agreement, nor shall they affect its meaning, construction or effect.

(d) Words importing persons include any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(e) Unless otherwise specified herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with generally accepted accounting principles in effect as of the date hereof, consistently applied.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01. Representations and Warranties of the Parties Hereto. The Lessor, Lessee and Sub-Lessee each represent and warrant to each other that as of the date hereof:

(a) It is duly organized and validly existing under the laws of the jurisdiction of its incorporation or establishment and has full power and legal right to execute and deliver, and to perform its obligations under, this Master Lease and Sublease Agreement;

(b) The execution, delivery and performance by it of this Master Lease and Sublease Agreement have been and remain duly authorized and do not and will not contravene any provision of its certificate of incorporation or by-laws (or

equivalent documents or statutory authorizations) or any law, ordinance, regulation or contractual restriction binding on or affecting it or its assets (unless necessary consent has been obtained as it pertains to contractual restrictions);

(c) All consents, authorizations and approvals requisite for the due execution, delivery and performance by it of this Master Lease and Sublease Agreement have been obtained and remain in full force and effect and all conditions have been duly complied with, and no other action by, and no notice to or filing with, any governmental authority or regulatory body is required for such execution, delivery or performance;

(d) This Master Lease and Sublease Agreement is a legal, valid and binding obligation enforceable in accordance with its terms, except to the extent that the enforcement thereof may be limited by applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and by general principals of equity (regardless of whether enforcement is sought in a proceeding in equity or at law); and

(e) There is no proceeding pending or, to its knowledge, threatened against it at law or in equity, or before any governmental instrumentality or in any arbitration, which would materially impair its ability to perform its obligations under this Master Lease and Sublease Agreement, and there is no such proceeding which purports or is likely to affect the legality, validity or enforceability of this Master Lease and Sublease Agreement.

Section 2.02. Additional Representations, Warranties and Covenants of the Sub-Lessee. The Sub-Lessee further represents, warrants and covenants, for the benefit of the Lessor and the Lessee, as follows:

(a) The Sub-Lessee is, and throughout the Lease Term shall continue to be, (i) a nonprofit corporation, duly organized and existing under the laws of the State of Arizona, (ii) an organization described in Section 501(c)(3) of the Code which is not a "private foundation" as defined in Section 509(a) of the Code, (iii) a health facility under the applicable laws of the State of Arizona and duly licensed and accredited, and (iv) authorized to lease, purchase, acquire and hold real and personal property.

(b) The Sub-Lessee shall do or cause to be done all things necessary to preserve and keep in full force and effect its existence and status as an organization described in Section 501(c)(3) of the Code which is not a "private foundation" as defined in Section 509(a) of the Code.

(c) During the Lease Term, except as otherwise permitted by this Master Lease and Sublease Agreement, the Equipment shall be used by the Sub-Lessee only in conjunction with its corporate purpose of performing services related to its status as an organization described in Section 501(c)(3) of the Code

and consistent with the permissible scope of the Sub-Lessee's authority and will not be used in an unrelated trade or business of the Sub-Lessee or in the trade or business of any person or entity other than the Sub-Lessee, except as may be permitted pursuant to the Code.

(d) During the period this Master Lease and Sublease Agreement is in force the Sub-Lessee shall provide (i) within ten (10) days after any tax or other lien shall attach to any Equipment, written notification to the Lessor of the full particulars thereof and the location of such Equipment on the date of such notification; (ii) annually to the Lessor and the Lessee, within one hundred and eighty (180) days of the close of each fiscal year, the Sub-Lessee's audited financial statements examined by a recognized firm of public accountants for the ensuing fiscal year; and (iii) to the Lessor, within thirty (30) days of any such request, other financial information relating to the ability of the Sub-Lessee to continue performing hereunder as may, from time to time, be reasonably requested by the Lessor.

(e) The Sub-Lessee has kept, and throughout each Lease Term shall keep, its books and records in accordance with generally accepted accounting principles. Upon request of the Lessor, Sub-Lessee will permit any officer, employee, attorney or accountant for the Lessor to review, make extracts from, or copy any and all corporate and financial books, records and properties of the Sub-Lessee (other than confidential patient records and personnel records) at all times during ordinary business hours and upon reasonable notice, and to discuss the affairs of the Sub-Lessee with any of its directors, officers, employees or agents.

(f) The Sub-Lessee is leasing that healthcare facility that it operates and manages from Hospital District No. 1 of Yuma County, Arizona, a political subdivision of the State, pursuant to a Lease Agreement dated as of February 1, 1997, as amended and supplemented, which will remain in place for at least the term of this Master Lease and Sublease Agreement.

(g) As among Lessor, Lessee and Sub-Lessee, the Sub-Lessee assumes full responsibility for the safety and any consequences of lack of safety with respect to the operation and maintenance of the Equipment.

(h) With respect to any Equipment leased hereunder, the property at which the Equipment may be located will be properly zoned for its current and anticipated use and the use of the Equipment will not violate any material applicable zoning, land use, environmental or similar law or restriction. The Sub-Lessee has obtained, or will obtain, all licenses and permits to use the Equipment and, where required by law, the Sub-Lessee has received any required certificates of need for the acquisition and installation of such Equipment.

(i) The execution and delivery of the Master Lease and Sublease Agreement, including Equipment Schedules, and any other related documentation, and the fulfillment of, or compliance with, these documents does

not conflict with, or result in a breach, or default, of any of the terms, conditions or provisions of the authorizing documents of the Sub-Lessee (including debt limitations) or of any agreement, contract or other instrument, or law, ordinance, regulation or judicial or other governmental order to which the Sub-Lessee is now a party or by which the Sub-Lessee or its properties are otherwise subject or bound, except in such instances where such breach, default, noncompliance or conflict would not reasonably be expected to have a material adverse effect on its business, credit, operation or the tax-exempt nature of this financing, or except where consents have been obtained from third-party participants, where applicable.

Section 2.03. Tax Covenants

(a) It is the intention of the parties hereto that the interest portion of the Lease Payments received by the Lessor pursuant to any Equipment Schedule be and remain excludable from gross income for purposes of Federal income taxation.

(b) The Lessee covenants that it will not, at any time, perform any act, or fail to perform any act, within its control, to the extent the performance of the act, or failure to perform the act, as the case may be, shall have the effect of terminating the exclusion of the interest portion of the Lease Payments from gross income for Federal income tax purposes.

(c) The Sub-Lessee covenants that it shall, at all times, do and perform all acts and things necessary and within its control in order to assure that the interest portion of the Lease Payments received by the Lessor shall, for the purposes of Federal income taxation, be excluded from gross income of the Lessor. The Sub-Lessee further covenants that it shall not omit to take any action so as to cause such interest portion to cease to be excluded from gross income of the Lessor for the purposes of Federal income taxation. Without limiting the generality of the foregoing, the Sub-Lessee agrees to comply with the provisions of the Tax Agreement to be executed concurrently with each Agreement.

(d) The Sub-Lessee covenants that it will not perform any act or enter into any agreement that will adversely affect the status of the Sub-Lessee as an organization described in Section 501(c)(3) of the Code and will conduct its operations in a manner that will conform to the standards necessary to continue to qualify the Sub-Lessee as an organization described in Section 501(c)(3) of the Code.

(e) The Sub-Lessee covenants that it will not use or permit the use of any Equipment in any manner, or for any trade or business unrelated to the exempt purpose of the Sub-Lessee, which could adversely affect the exclusion from gross income for federal income tax purposes of the interest component of the Lease Payments. The Sub-Lessee will not permit the use of the Equipment, except as may be permitted by the Code, by any person that is not either (i) an

organization exempt from federal income taxation under Section 501(c)(3) of the Code which will not use the Equipment in any trade or business that constitutes an unrelated trade or business as defined in Section 513 of the Code with respect to that organization or in any private business use within the meaning of Section 141 of the Code or (ii) a governmental unit (other than the Federal government).

(f) The Sub-Lessee hereby covenants that it will not take or permit any action or omit to take any action that would cause this Master Lease and Sublease Agreement to be an “arbitrage bond” within the meaning of Section 148 of the Code. Without limiting the generality of the foregoing, the Sub-Lessee shall not create or establish any sinking fund, pledged fund or other similar fund to secure or provide for the Lease Payments. The Sub-Lessee hereby covenants that it will pay when due any arbitrage rebate due to the United States of America in connection with this Master Lease and Sublease Agreement and any Equipment Schedule hereto. Neither the Sub-Lessee, nor any person related to it within the meaning of Section 147(a)(2) of the Code, shall acquire an interest as lessor in any Agreement with the Lessee in an amount related to the aggregate principal components of the Lease Payments due the Lessor under this Master Lease and Sublease Agreement.

(g) The Sub-Lessee hereby covenants that it will not take any action or permit or suffer any action to be taken or condition to exist if the result of such action or condition would be to cause its obligations to make payments to be guaranteed directly or indirectly in whole or in part by the United States or by any agency or instrumentality thereof.

(h) It is the intention of the parties hereto that during the term of this Master Lease and Sublease Agreement, Sub-Lessee be considered the owner of the Equipment for Federal tax purposes and the sole beneficial owner of the Equipment for financial, accounting, and other purposes, and will report on such basis for financial, accounting, Federal income tax, and other purposes. Neither the Lessor nor the Lessee shall take any action inconsistent with the Sub-Lessee’s ownership of the Equipment for Federal income tax purposes except in the exercise of remedies under Article XII hereof.

(i) The weighted average maturity (defined in accordance with the Code) of the Lease Payments of any Equipment Schedule will not exceed one hundred twenty percent (120%) of the weighted average reasonably expected economic life (in the hands of the Sub-Lessee) of the Equipment identified in such Equipment Schedule or such lesser period as may be specified in such schedule.

(j) To the extent any provision of this Section 2.03 conflicts or is inconsistent with the Tax Certificate, the terms of the Tax Certificate shall govern.

ARTICLE III

LEASE AND SUBLEASE OF EQUIPMENT

Section 3.01. Acquisition of Equipment

(a) The Lessor, the Lessee and the Sub-Lessee intend from time to time to enter into Agreements for the leasing and subleasing of Equipment. The Sub-Lessee shall order (or has ordered) the Equipment from one or more Vendors. The Sub-Lessee shall remain liable to each such Vendor with respect to its duties and obligations in accordance with the applicable purchase agreement; and, as among the Lessor, Lessee and Sub-Lessee, the Sub-Lessee shall bear the risk of loss with respect to any loss or claim relating to any item of Equipment covered by any such purchase agreement.

(b) The obligation of the Lessor to purchase, pay or provide other consideration for, or provide an item of Equipment is subject to the following conditions:

(i) The Sub-Lessee shall have accepted the Equipment by delivery to the Lessor, with a copy to the Lessee, of a Certificate of Acceptance whereupon the item of Equipment shall immediately become subject to and governed by the provisions of the applicable Agreement;

(ii) There shall not have occurred any Event of Default under this Master Lease and Sublease Agreement or any other agreement by and among the Lessor, Lessee and Sub-Lessee, or any condition, event or act which with notice or lapse of time, or both, would become an Event of Default, which has not been remedied or waived; and

(iii) The Agreement and each Equipment Schedule and the Equipment have been approved, in writing, by the Lessor and the Lessee, as evidenced by the due execution of the applicable Equipment Schedule by the Lessor and the Lessee; and all of the related documents and instruments including opinions required for each Equipment Schedule have been executed and/or delivered as determined by the Lessor.

If any of the foregoing conditions have not been met with respect to an item of Equipment, such Equipment shall not be covered or governed by the provisions of this Master Lease and Sublease Agreement.

Section 3.02. Lease and Sublease of Equipment. Upon execution and delivery of each Equipment Schedule, all related documents and instruments referred to or required herein and therein, and such other documentation as Lessor may reasonably require in connection therewith, the Lessor shall provide the consideration specified in such Equipment Schedule in accordance with the Sub-Lessee's payment instructions to acquire

the Equipment and to lease to the Lessee, and the Lessee shall lease from the Lessor, the Equipment, all in accordance with the provisions of this Master Lease and Sublease Agreement, to have and to hold for the Lease Term. The Lessee hereby agrees to lease from the Lessor and sublease to the Sub-Lessee, and the Sub-Lessee hereby agrees to sublease from the Lessee, the Equipment in accordance with the provisions of this Master Lease and Sublease Agreement, to have and to hold for the Lease Term. The Sub-Lessee hereby acknowledges and agrees that the Lessor, as assignee of the Lessee's interest hereunder, shall retain a security interest in the Equipment in accordance with this Master Lease and Sublease Agreement.

The execution and delivery of this Master Lease and Sublease Agreement shall not obligate the Lessor or the Lessee to execute and deliver any Equipment Schedule or to provide any funds or other consideration with respect to any Equipment Schedule, unless and until such schedule has been executed and delivered by all other parties thereto and all conditions set forth in this Master Lease and Sublease Agreement and such Equipment Schedule have been satisfied.

ARTICLE IV

LEASE TERM

Section 4.01. Commencement of Lease Term. The Lease Term applicable to any Agreement shall commence on the date specified in the applicable Equipment Schedule and shall terminate as provided in Section 4.02 hereof.

Section 4.02. Termination of Individual Lease Terms. The Lease Term applicable to each Agreement will terminate upon the earliest to occur of any of the following events:

(a) So long as no Event of Default has occurred and is continuing hereunder, the exercise by the Sub-Lessee of the option granted under the provisions of Articles VIII or X hereof to purchase the Equipment identified in such Equipment Schedule, and the payment of all other amounts due hereunder;

(b) So long as no Event of Default has occurred and is continuing hereunder, the payment by the Sub-Lessee of all Lease Payments with respect to such Equipment Schedule, any Purchase Price, and Additional Payments, and other payments required to be paid by the Sub-Lessee hereunder; or

(c) The Lessor's election to terminate this Master Lease and Sublease Agreement under Article XII hereof due to the Sub-Lessee's default hereunder.

Section 4.03. Termination of Master Lease and Sublease Agreement. This Master Lease and Sublease Agreement shall terminate upon the termination of all Agreements in effect on the July 1 that immediately precedes the fifteenth anniversary of the date of this Master Lease and Sublease Agreement and no Equipment Schedule shall be executed following that date.

ARTICLE V

LEASE PAYMENTS

Section 5.01. Payment of Lease Payments. The Sub-Lessee shall pay directly to the Lessor, as the assignee of the Lessee, the Lease Payments in lawful money of the United States of America, in the amounts and on the dates set forth in the applicable Equipment Schedule relating to such Lease Payments. The Lease Payments shall be special limited obligations of the Lessee payable solely from Lease Payments made by the Sub-Lessee (or any guarantor) pursuant to the related Agreement. Lessee hereby pledges and assigns and transfers to Lessor all of its rights and remedies under or in connection with the Master Lease and Sublease Agreement (other than Unassigned Rights), including but not limited to the right to receive Lease Payments from the Sub-Lessee under or in connection with any Agreement. All other amounts required to be paid by the Sub-Lessee hereunder shall be paid in lawful money of the United States of America within 30 days of the receipt of notice therefor by the Sub-Lessee, unless otherwise provided herein.

No provision, covenant or agreement contained in this Master Lease and Sublease Agreement or any action, inaction or breach by the Lessor or the Sub-Lessee, or any obligation herein imposed on the Lessee, or the breach thereof, shall constitute or give rise to or impose upon the Lessee any liability whatsoever (except as set forth in the following sentence), or a charge upon its credit or a pledge of its revenues. In making the provisions and agreements set forth in this Master Lease and Sublease Agreement, the Lessee has not obligated itself in any way except with respect to the pledge and assignment to the Lessor as herein set forth of the Lease Payments to be paid by the Sub-Lessee hereunder and neither the Lessor nor the Sub-Lessee shall have any claim against the Lessee hereunder.

Section 5.02. Interest and Principal Components. A portion of each Lease Payment is paid as, and represents payment of, interest, and the balance of, each Lease Payment is paid as, and represents payment of, principal. Each Equipment Schedule shall set forth the principal and interest components of each Lease Payment payable thereunder during the Lease Term.

Section 5.03. Lease Payments. As to each Agreement pursuant to Section 5.01, the Sub-Lessee shall pay to the Lessor, as assignee of Lessee, the Lease Payments, including the interest components thereof, equal to the amounts specified in an Equipment Schedule comprising a part of such Agreement and shall pay to the Lessor and the Lessee all other payments and fees due hereunder. The Lease Payments shall be payable without notice or demand when due at such place as the Lessor shall direct in writing at the time an Equipment Schedule is executed or such other place as the Lessor may from time to time designate in writing.

The obligations of the Sub-Lessee to pay the Lease Payments and all other payments and fees due hereunder, as well as to perform and observe all other covenants

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

Section 5.04. Appointment of Servicer. The Lessor shall have the right to designate an entity to act as the “Servicer” for the collection of Lease Payments payable by the Sub-Lessee, the enforcement of remedies or the distribution of funds to one or more holders of interests in this Master Lease and Sublease Agreement or in any of the Agreements. Any Servicer appointed under this section shall be a corporation, a trust company or a bank having the powers of a trust company, in each case having a capital and surplus of not less than \$25,000,000. Any such Servicer shall notify the Lessee, Sub-Lessee and Lessor of its acceptance of the appointment and, upon giving such notice, shall become Servicer, vested with all the property, rights and powers of the Servicer hereunder, without any further act or conveyance. Such Servicer shall execute, deliver, record and file such instruments as are required to confirm or perfect its acceptance hereunder and set forth its duties hereunder.

Section 5.05. Initial and Annual Administrative Fees. If so required by the Lessee, the Sub-Lessee shall pay the Initial Administrative Fee to the Lessee on the date of each Closing. The Sub-Lessee also agrees to pay to the Lessee upon demand all reasonable costs, fees and expenses of the Lessee in any way related to this Master Lease and Sublease Agreement, the Equipment and any Agreement, including without limitation, reasonable fees and expenses of attorneys. The Sub-Lessee shall also pay to the Lessee the Annual Administrative Fee related to each Agreement; provided, however, that the aggregate fees and charges to be received by the Lessee from the Sub-Lessee shall not equal or exceed the amount, if any, which would affect the exclusion from gross income for Federal income tax purposes of the interest components of any Lease Payments. The obligation to pay the Annual Administrative Fee shall continue until all of the Sub-Lessee’s obligations under this Master Lease and Sublease Agreement and each Agreement have been paid in full.

ARTICLE VI

TITLE TO EQUIPMENT; SECURITY INTEREST

Section 6.01. Title. Legal title to the Equipment shall be in the Sub-Lessee, so long as the Sub-Lessee is not in default under Article XII hereunder. The Sub-Lessee shall at all times protect and defend, at its own cost and expense, the Equipment from and against all claims, liens and legal processes of creditors of the Sub-Lessee, and keep all Equipment free and clear of all such claims, liens and processes. The Equipment is and

shall remain personal property. Upon the occurrence of an Event of Default under any Agreement and the Lessor's termination thereof or upon the termination of this Master Lease and Sublease Agreement by the Lessor pursuant to Article XII, (i) the Lessor may exercise the remedies described in Article XII, including repossession and sale of the Equipment; (ii) full and unencumbered legal title to the Equipment shall pass and revert to the Lessor, and the Lessee and the Sub-Lessee shall have no further interest therein; (iii) the Lessee and the Sub-Lessee shall execute and deliver to the Lessor such documents as the Lessor may request to evidence the passage of Lessee's and Sub-Lessee's title and interest therein to Lessor; and (iv) upon request by the Lessor, the Sub-Lessee shall deliver possession of the Equipment to the Lessor, which shall be free and clear of all liens, encumbrances and security interests resulting from any act or omission of Sub-Lessee.

Section 6.02. Security Interest. This Master Lease and Sublease Agreement and each Equipment Schedule hereto are intended to constitute a security agreement within the meaning of the Uniform Commercial Code of the State of Arizona. In order to secure all of its obligations hereunder to the Lessee, and to the Lessor as the Lessee's assignee, the Sub-Lessee hereby grants to the Lessor, a first priority security interest (including all associated rights with respect thereto) in and to (i) the Equipment and in all substitutions thereto; (ii) all estate, right, title and interest of the Sub-Lessee in, to and under (1) an Agreement, as it may be from time to time supplemented or amended, (2) all amounts of Lease Payments, insurance proceeds and requisition, indemnity or other payments of any kind for or with respect to the Equipment or an Agreement, (3) all moneys and claims for moneys due and to become due to the Sub-Lessee under or with respect to an Agreement, and all claims for damages with respect to an Agreement, (4) all amounts payable in accordance with an Agreement in respect of any event of loss with respect to the Equipment, and (5) all other payments of any kind for or with respect to the Equipment; and (iii) all proceeds of the foregoing as collateral security for the payment and performance of Sub-Lessee's obligations under the Lease and the obligations of Sub-Lessee owing to Lessor. Sub-Lessee hereby authorizes Lessor, at the expense of Sub-Lessee, to prepare, file and register such financing statements (including renewal statements) or amendments thereof or supplements thereto or other instruments as Lessor may from time to time deem necessary or appropriate in order to perfect, register, confirm and protect the security interest granted hereunder. If the Lessor's security interest in certain Equipment shall terminate in accordance with Section 4.02 (a) or (b), at the request of the Sub-Lessee, the Lessor shall execute and deliver to the Sub-Lessee documents which evidence the termination of the Lessor's security or other interest in such Equipment.

Section 6.03. Liens and Encumbrances. The Sub-Lessee shall keep the Equipment free of all levies, liens and encumbrances except those created by each Equipment Schedule. The Sub-Lessee shall promptly discharge any liens placed on the Equipment including, without limitation, any mechanic's or materialmen's liens. If requested by the Lessor, the Sub-Lessee shall obtain the waiver of any interest in the Equipment from any owner of, or a secured party with an interest in, equipment on which the Equipment becomes an accession. If requested by the Lessor, to the extent that the Equipment would be subject to a lien upon its acquisition by the Sub-Lessee under any

agreement or instrument to which the Sub-Lessee or any affiliate of the Sub-Lessee is a party, the Sub-Lessee shall obtain a waiver of such lien.

Section 6.04. Change in Name, Corporate Structure or Principal Place of Business. The Sub-Lessee is required to provide written notice to the Lessor and the Lessee of any change in its name, corporate structure, or principal place of business. Such notice shall be provided thirty (30) days in advance of the date that such change is planned to take effect.

Section 6.05. Inspection of Equipment. The Lessor and the Lessee shall have the right at all reasonable times during business hours, upon reasonable advance notice to the Sub-Lessee, to enter into and upon the property on which the Equipment is located for the purpose of inspecting the Equipment, to observe its use and operation, whether or not the Equipment is located on the Sub-Lessee's property or elsewhere.

Section 6.06. Location. The Equipment shall be located in the place designated in an Equipment Schedule pertaining thereto.

ARTICLE VII

MAINTENANCE; MODIFICATION; TAXES; INSURANCE AND OTHER CHARGES

Section 7.01. Use and Maintenance of Equipment by the Sub-Lessee. Upon acceptance of the Equipment as provided by this Master Lease and Sublease Agreement, care of such Equipment shall be solely the obligation and responsibility of the Sub-Lessee, who shall care for and promptly make and effect all repairs, replacements, and the like as may be necessary to maintain the Equipment in good working order and running condition, ordinary wear and tear excepted, at all times during the Lease Term in accordance, at a minimum, with the manufacturer's then-prevailing specifications therefor. The cost of such care, maintenance, repairs, replacements, parts and the like shall be borne solely by the Sub-Lessee as an operating cost incident to an Agreement. The Sub-Lessee shall not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law, license or insurance policy provision, including the provisions of the applicable purchase agreement relating thereto, or in any manner contrary to that contemplated by the Agreement or the purchase agreement applicable thereto. The Sub-Lessee shall secure all permits and licenses, if any, necessary for the installation, use, operation, modification and upgrade of the Equipment. The Sub-Lessee shall comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each item of the Equipment) with the laws relating to its ownership and operation of the Equipment and any legislative, executive, administrative or judicial body exercising power over the Equipment or the Sub-Lessee's interest in the Agreement applicable thereto. The Sub-Lessee shall not make any material alterations, additions or improvements to the Equipment without the Lessor's prior written consent unless such alterations, additions or improvements may be readily removed without damage to the Equipment.

The Equipment shall not be moved by or on behalf of the Sub-Lessee from the site described in the related Equipment Schedule to any other location, except in strict accordance with the advance written consent of Lessor. The Equipment shall not be used by any person or entity other than the Sub-Lessee for the Sub-Lessee's corporate purposes.

The Sub-Lessee assumes full responsibility for the safety and any consequences of lack of safety with respect to the operation and maintenance of the Equipment while the Sub-Lessee has possession or control of the Equipment. In connection with the execution of any Equipment Schedule, the Lessor may require that the Sub-Lessee agrees to comply with any special or additional maintenance provisions or requirements which are not inconsistent with the manufacturer's requirements, as the Lessor shall require. Such additional maintenance provisions shall be set forth as the attachment to any such Equipment Schedule and shall constitute part of the applicable Agreement.

Section 7.02. Taxes, Other Governmental Charges and Utility Charges. The parties hereto contemplate that the Equipment will be used for the corporate purposes of the Sub-Lessee, and that the Equipment will be exempt from all taxes presently assessed and levied with respect to property. In the event that the use, possession or acquisition of the Equipment is subject to taxation in any form (except for income taxes, if any, of the Lessor), the Sub-Lessee shall pay during the Lease Term, as the same respectively come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Equipment, as well as all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment; provided that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, the Sub-Lessee shall be obligated to pay only such installments as have accrued during the time this Master Lease and Sublease Agreement is in effect. Notwithstanding the provisions set forth above, the Sub-Lessee shall not be required to cause to be paid and discharged any obligation, tax, assessment, charge, levy or claim so long as its validity is contested in the normal course of business and in good faith by appropriate and timely proceedings and the Sub-Lessee sets aside on its books adequate reserves with respect to each tax, assessment, charge, levy or claim so contested, nor shall the Sub-Lessee be required to pay or discharge any indebtedness or charge which is not past its stated due date by more than thirty (30) days.

Section 7.03. Risk of Loss; Damage; Destruction; Condemnation. As to each Agreement, the Sub-Lessee assumes all risk of loss of or damage to the Equipment governed thereby from any cause whatsoever, and no such loss of or damage to such Equipment nor defect therein nor unfitness or obsolescence thereof shall relieve the Sub-Lessee of the obligation to make Lease Payments or to perform any other obligation under such Agreement except as may be provided in an Equipment Schedule comprising a part thereof. In the event of damage to any item of Equipment, the Sub-Lessee promptly shall place the same in good repair, and, when received, shall apply the proceeds of any insurance recovery to the costs incurred in making such repairs. If the Lessor reasonably determines that any item of Equipment is lost, stolen, destroyed or damaged beyond repair, the Sub-Lessee shall, upon consultation with the Lessor, either

(a) replace the same with like property in good condition pursuant to Article VIII hereof, or (b) on the next date when a Lease Payment is due, pay to the Lessor (i) all amounts then owed by the Sub-Lessee to the Lessor (as assignee of the Lessee or otherwise) under the Agreement governing such Equipment, including the Lease Payment due on such date, and (ii) an amount equal to that portion of the Purchase Price otherwise due on such date determined by the Lessor to be applicable to the Equipment lost, stolen, destroyed or damaged beyond repair.

Section 7.04. Insurance.

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

(b) Any insurance policy carried or maintained pursuant to this section shall be so written or endorsed as to make losses, if any, payable to Lessor, Lessee and Sub-Lessee as their respective interests may appear and naming the Lessor and Lessee as additional insureds for liability. The Net Proceeds (as defined in Section 8.01 hereof) of the insurance required in this section shall be applied as provided in Article VIII hereto. Sub-Lessee must provide written notice to the Lessor at least 30 days in advance of the cancellation, material modification or non-renewal of each of the insurance policies provided for in this section.

Section 7.05. Advances. In the event the Sub-Lessee shall fail to maintain the full insurance coverage required by this Master Lease and Sublease Agreement or shall fail to keep the Equipment in good repair and operating condition, the Lessor may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by the Lessor, together with interest thereon as provided in Section 12.05 hereof, shall be repaid by the Sub-Lessee.

Section 7.06. Modifications and Substitutions.

(a) The Sub-Lessee shall not without the prior written consent of Lessor make any material alterations, modifications, additions, substitutions, subtractions or improvements to the Equipment which materially decrease the value or the functional capabilities of the Equipment or which cannot be removed

without materially damaging the functional capabilities or economic value of the Equipment. In the event the Equipment is required to be returned to the Lessor, the Sub-Lessee, at its sole cost and expense, and at the request of the Lessor, will remove all alterations, modifications and additions and repair the Equipment as necessary to return the Equipment to the condition in which it was furnished, ordinary wear and tear and permitted modifications excepted.

(b) Notwithstanding the provisions of subparagraph (a) of this section, the Sub-Lessee may, with the prior written consent of the Lessor, substitute for parts, elements, portions or all of the Equipment, other parts, elements, portions, equipment or facilities; provided, however, that any substitutions made pursuant to the Sub-Lessee's obligations to make repairs referenced under Section 7.01 or 8.01 hereof shall not require such prior written consent. The Sub-Lessee shall make any such permitted substitutions using only parts, elements, equipment or other material of equal quality to those contained in the Equipment as originally delivered to the Sub-Lessee by the Vendor thereof. The Sub-Lessee shall provide such documents or assurances as the Lessor may reasonably request to maintain or confirm Lessor's interest in the Equipment as so modified or substituted.

ARTICLE VIII

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 8.01. (a) Damage, Destruction and Condemnation. Unless the Sub-Lessee shall have exercised the option to purchase the Equipment by making payment of the Purchase Price as provided herein, if prior to the termination of the Lease Term either the Equipment or any portion thereof is destroyed (in whole or in part), lost, secreted, stolen or is damaged by fire or other casualty, or title to, or the temporary use of, the Equipment or any part thereof or the estate of the Sub-Lessee in the Equipment or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental authority, then the Sub-Lessee shall, upon mutual agreement of the Lessor and the Sub-Lessee, promptly either: (i) pay to Lessor from the Net Proceeds (as defined below) an amount equal to the Purchase Price of such item as of the next following Lease Payment date; or (ii) replace such equipment with other replacement equipment of like kind and having the same or greater value, utility and useful life. Notwithstanding any such event of loss or condemnation, in the event of any such substitution, the Sub-Lessee's obligation to pay rent hereunder shall continue without abatement or delay.

(b) Substitution. In the event of any substitution of Equipment permitted by Lessor, immediately upon the effectiveness of such substitution and without further act, (i) title to such substitute equipment shall vest in the Lessor; (ii) the Sub-Lessee shall be the registered owner of such substitute equipment; (iii) the substituted equipment shall no longer be deemed Equipment hereunder; and, (iv) such substitute equipment shall become Equipment for all purposes under this Agreement. Upon the substitution or replacement of equipment, the Sub-Lessee shall provide with respect to each item of replacement or substituted equipment (a) evidence satisfactory to Lessor that the

equipment being replaced or substituted is of like kind and has equal or greater value, useful life and utility than the Equipment it replaces or substitutes; (b) all documentation reasonably requested by Lessor to effectuate a lien and security interest in Sub-Lessee's rights and interests in the replacement or equipment being substituted; and, (c) all other documents Lessor reasonably deems necessary.

For purposes of Section 7.04 and this Article VIII, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including reasonable attorney's fees) incurred in the collection of such claim or award.

Section 8.02. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement referred to in Section 8.01 hereof, the Sub-Lessee shall either (i) complete the work to the satisfaction of the Lessor, and pay any cost in excess of the amount of the Net Proceeds, in which event if the Sub-Lessee shall make any payments pursuant to the provisions of this section, the Sub-Lessee shall not be entitled to any reimbursement therefor from the Lessor or Lessee nor shall Sub-Lessee be entitled to any diminution of the amounts payable under Article V hereof; or (ii) if the Sub-Lessee is not then in default hereunder, pay or cause to be paid to the Lessor the amount of the then-applicable Purchase Price and, upon such payment, the Lease Term shall terminate, the Lessor shall transfer all of its rights in the Equipment to the Sub-Lessee and any security interest of the Lessor in Sub-Lessee's rights and interests in the Equipment shall terminate as provided in Article X hereof. The amount of the Net Proceeds in excess of the then applicable Purchase Price, if any, may be retained by the Sub-Lessee.

ARTICLE IX

DISCLAIMER OF WARRANTIES; VENDOR'S WARRANTIES; USE OF THE EQUIPMENT

Section 9.01. Disclaimer of Warranties. THE LESSOR AND LESSEE MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY OF MATERIALS OR WORKMANSHIP, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, USE OR OPERATION, SAFETY, PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT, TITLE OR FITNESS FOR USE OF THE EQUIPMENT, OR ANY COMPONENT THEREOF OR ANY OTHER WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT THERETO AND, AS TO THE LESSOR AND LESSEE, THE SUB-LESSEE'S LEASE AND PURCHASE OF THE EQUIPMENT SHALL BE ON AN 'AS IS' BASIS. All such risks, as between the Lessor, Lessee and Sub-Lessee, are to be borne by the Sub-Lessee. Without limiting the foregoing the Lessor and Lessee shall have no responsibility or liability to the Sub-Lessee or any other person with respect to any of the following: any liability, loss or damage caused or alleged to be caused directly or indirectly by the Equipment, any inadequacy thereof, any deficiency or defect (latent or otherwise) therein, or any other circumstances in connection therewith; the use, operation

or performance of the Equipment or any risks relating thereto; any interruption of service, loss of business or anticipated profits or consequential damages; or the delivery, operation, servicing, maintenance, repair, improvement or replacement of the Equipment. If, and so long as, no default exists under an Agreement, the Sub-Lessee shall be, and hereby is, authorized during the term of the Agreement to assert and enforce, at the Sub-Lessee's sole cost and expense, from time to time, in the name of and for the account of the Lessor and/or Sub-Lessee, as their interests may appear, whatever claims and rights the Sub-Lessee or Lessor may have against the Vendor or any prior title holder or possessor of the Equipment. In no event shall the Lessor or Lessee be liable for any loss or damage in connection with or arising out of any Agreement, the Equipment, or the existence, furnishing, functioning or the Sub-Lessee's use of any item or products or services provided for in this Master Lease and Sublease.

Section 9.02. Vendor's Warranties. The Lessor and the Lessee hereby irrevocably appoint the Sub-Lessee their agent and attorney-in-fact during the Lease Term, so long as the Sub-Lessee shall not be in default hereunder, to assert from time to time whatever claims and rights including warranties of the Equipment which the Lessor or Lessee may have against the Vendor. Sub-Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Equipment, and not against either or both of the Lessor and Lessee, nor shall such matter have any effect whatsoever on the rights and obligations of the Lessor with respect to this Master Lease and Sublease Agreement. The Sub-Lessee expressly acknowledges that in the Lessor's capacity as lessor hereunder the Lessor makes, and the Lessee makes, and has made hereunder, no representation or warranty whatsoever as to the existence or availability of such warranties of the Vendor of the Equipment.

Section 9.03. Additional Payments. The Sub-Lessee shall pay to the Lessor, as assignee of the Lessee, as Additional Payments hereunder, in addition to the Lease Payments payable by the Sub-Lessee such amounts in each year as shall be required by the Lessor in payment of any reasonable costs and expenses, incurred by the Lessor in connection with the execution, performance or enforcement of this Master Lease and Sublease Agreement, the lease and sublease of the Equipment to the Sub-Lessee, including but not limited to payment of all reasonable fees, costs and expense and all reasonable administrative costs of the Lessor in connection with the Equipment, reasonable expenses (including, without limitation, reasonable attorneys' fees and disbursements), reasonable fees of auditors or attorneys, insurance premiums not otherwise paid hereunder and all other reasonable, direct and necessary administrative costs of the Lessor or charges required to be paid by it in order to comply with the terms of, or to enforce its rights under, each Agreement. Such Additional Payments shall be billed to the Sub-Lessee by the Lessor from time to time, together with a statement certifying that the amount so billed has been paid by the Lessor for one or more of the items described, or that such amount is then payable by the Lessor for such items. Amounts so billed shall be due and payable by the Sub-Lessee within thirty (30) days after receipt of the bill by the Sub-Lessee. Notwithstanding the above, this provision will only apply if an Event of Default has occurred under any Agreement.

ARTICLE X

OPTION TO PURCHASE

Section 10.01. Purchase Rights. The Sub-Lessee shall be entitled to full title and all ownership interests in the Equipment identified on a particular Equipment Schedule, and the Lessor's interest, and any interest of Lessee, therein shall be terminated:

(a) upon payment in full of all Lease Payments as the same become due in accordance with the applicable Agreement and all other amounts due under this Master Lease and Sublease Agreement, if any, with respect to such Agreement; or

(b) upon written notice delivered at least thirty (30) days in advance of any date on which a Lease Payment is due and upon the payment on such date of the Lease Payment due, and the applicable Purchase Price, which includes a prepayment premium, if any, on the principal balance then outstanding as specified in the applicable Equipment Schedule, and all other amounts due from the Sub-Lessee with respect to such Equipment Schedule.

Section 10.02. Consummation of Purchase. In conjunction with the receipt of the full Purchase Price or the final Lease Payment due thereunder, together with any Additional Payments due and owing with respect to such Equipment, unless an Event of Default hereunder shall have occurred and be continuing as of such date, any security interest of the Lessor in the Sub-Lessee's rights and interests in the Equipment identified in a particular Equipment Schedule shall be terminated and released automatically. Such date may at the discretion of the Lessor be extended for such additional period as the Lessor's counsel reasonably determines to be necessary to reflect the impact of, and avoid the risks related to, bankruptcy-related laws. On such date, the Lessor shall deliver to the Sub-Lessee, or file as the case may be, such termination statements, bills of sale and other documents and instruments as the Sub-Lessee shall reasonably require to evidence the transfer of all right, title and interest of the Lessor in such Equipment to the Sub-Lessee free and clear of all liens and encumbrances created by or arising, directly or indirectly, through the Lessor.

Section 10.03. Mandatory Prepayment.

(a) An Agreement shall be subject to mandatory prepayment upon the occurrence of an Event of Default, at the election by the Lessor.

(b) If all or substantially all of the assets of the Sub-Lessee, including the Sub-Lessee's interest in this Master Lease and Sublease Agreement and the Equipment, are acquired in any manner by another entity, the Sub-Lessee may be required, at the direction of the Lessor, to prepay in whole the then-applicable Purchase Price of all Equipment identified under all Equipment Schedules to this Master Lease and Sublease Agreement.

ARTICLE XI

ASSIGNMENT, SUBLEASING, INDEMNIFICATION

Section 11.01. Assignment by Lessor. This Master Lease and Sublease Agreement and/or an Agreement and the right to receive Lease Payments and the Purchase Price from the Sub-Lessee hereunder, may be assigned and reassigned in whole or in part to one or more assignees or sub-assignees by the Lessor, without prior written consent of the Lessee or the Sub-Lessee. Provided, however, that no such assignment or reassignment shall be effective and binding on the Lessee or the Sub-Lessee unless and until the Lessee and the Sub-Lessee have received notice of the assignment disclosing the name and address of the assignee, and, that in the event such assignment or reassignment is made to a bank or trust company as trustee for holders of certificates representing interests in the Master Lease and Sublease and any Agreements, such bank or trust company agrees to maintain, or cause to be maintained, a record of the names and addresses of such holders as of any particular time and agrees to furnish such information to the Lessee upon request. In addition, any assignee must be either an “accredited investor” or a “qualified institutional buyer” as those terms are defined in the Securities Act of 1933, as amended. The Lessee and the Sub-Lessee agree to execute all documents, including notices of assignment or financing statements, which may be reasonably requested by the Lessor or its assignee to protect their interest in the Equipment and in any Agreement. The right granted in this Section may be separately exercised from time to time with respect to any Equipment Schedule hereunder, but such right only pertains to the assignment of all of the Lessor’s interest in all of the Equipment under a certain Equipment Schedule.

Section 11.02. No Sale, Assignment or Subleasing by Sub-Lessee. This Master Lease and Sublease Agreement and the interest of the Sub-Lessee in the Equipment may not be sold, assumed, assigned or encumbered by the Sub-Lessee without the prior written consent of the Lessor and the Lessee, and accompanying opinion of tax counsel that such sale, assumption, assignment or encumbrance, if applicable, will not result in the inclusion of the interest component of the Lease Payments in gross income for purposes of federal income taxation. No agreement or interest therein and no Equipment shall be subject to involuntary assignment, sublease, transfer or sale or to assignment, sublease, transfer or sale by operation of law in any manner whatsoever except as expressly provided in this Master Lease and Sublease Agreement, and any such attempted assignment, sublease, transfer or sale shall be void and of no effect and shall, at the option of either the Lessor or the Lessee, terminate an Agreement and each and every sublease of Equipment consented to by Lessor and the Lessee thereunder.

Section 11.03.

(a) Indemnification. As to this Master Lease and Sublease Agreement and each Agreement, the Sub-Lessee agrees: (i) to indemnify and hold harmless the Lessor and the Lessee and their agents, employees, officers and directors from, and, at the Sub-Lessee’s expense, defend the Lessor and Lessee and their agents, employees, officers and directors, with legal counsel reasonably acceptable to Lessor and Lessee, against, any and all claims, actions, proceedings, including bankruptcy proceedings, expenses, damages or

liabilities whatsoever, and expenses in connection therewith including, without limitation, attorneys' fees and expenses, penalties and interest, arising out of or as the result of the entering into of this Master Lease and Sublease Agreement and each Agreement including expenses and fees arising out of events described in paragraph (b) of this Section 11.03; the ownership of any item of the Equipment governed thereby; any investigation by a federal agency into any Agreement, including any audit by the Internal Revenue Service; any act of negligence of the Sub-Lessee, its officers, agents, contractors, servants, employees, licensees or invitees in connection with such Equipment or agreement; the recovery of claims under insurance policies on such Equipment; the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of such Equipment; arising out of or as a result of any violation of or non-compliance with any applicable environmental law or permit as such may relate to the Equipment or any use thereof; arising out of any treatment, handling, storage, processing or disposal or related aspect or action with respect to environmental matters as such may relate to the Equipment or any use thereof; or any accident in connection with the operation, use, condition, possession, storage or return of any item of such Equipment, any of the foregoing of which result in damage to property or the injury to or death of any person including, without limitation, latent and other defects, whether or not discernable by the Lessor, Lessee or Sub-Lessee; any claim for patent, trademark or copyright infringement and any bankruptcy proceeding affecting the Sub-Lessee; (ii) that the indemnification arising under this section shall continue in full force and effect notwithstanding the full payment of all obligations hereunder or under any Agreement or the termination of the Lease Term for any reason; and (iii) that it shall not withhold or abate any portion of the payments required pursuant to such Agreement by reason of any defects, malfunctions, breakdowns or infirmities of the Equipment governed thereby. All amounts which become due from the Sub-Lessee under this section shall be payable by the Sub-Lessee within thirty (30) days following demand therefor by the Lessor or the Lessee and shall survive the termination or expiration of this Master Lease and Sublease Agreement and the subject Agreement.

(b) Tax Indemnification. If at any time there is a determination (including, without limitation, a good faith determination by the Lessee) that interest portions of the Lease Payments are no longer excludable from gross income under the Code, the Sub-Lessee shall either purchase the Equipment by paying the Purchase Price, as set forth in Section 10.01 of this Agreement (plus the accrued and unpaid interest portion of such Lease Payments, if any) within thirty (30) days of notice from the Lessor or Lessee or begin paying Gross-Up Payments to the Lessor as additional rent under the Agreement. In addition, regardless of which alternative is chosen, the Sub-Lessee shall make a Gross-Up Payment to the Lessor on such termination date, or on the date of the first Lease Payment after such notice, as the case may be, to indemnify the Lessor for any Federal, state or local income taxes imposed as a result of such determination on any prior Lease Payments.

Section 11.04. Limitations of Liability. In no event, whether as a result of breach of contract, warranty, tort (including negligence or strict liability), indemnity or otherwise, shall the Lessor, its assignees, if any, or the Lessee be liable for any special, consequential, incidental or penal damages including, but not limited to, loss of profit or

revenue, loss of use of the Equipment or any associated equipment, service materials or software, damage to associated equipment, service materials or software, cost of capital, cost of substitute equipment, service materials or software, facilities, services or replacement power, down time costs or claims of the Sub-Lessee's patients for such damages, or costs and claims associated with any treatment, handling, storage, processing or disposal or related aspect or action incurred with respect to environmental matters, and the Sub-Lessee shall indemnify and hold harmless the Lessor and Lessee from any such damages.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES

Section 12.01. Events of Default. The following constitute "Events of Default" under this Master Lease and Sublease Agreement:

(a) failure by the Sub-Lessee to pay to the Lessor, within ten (10) calendar days after the date the same first becomes due and payable, any Lease Payment or any other payment required to be paid hereunder or under any Agreement between the Lessor and Sub-Lessee; or

(b) failure by the Sub-Lessee to maintain insurance on the Equipment in accordance with Section 7.04 hereof; or

(c) failure by the Sub-Lessee to observe and perform any other covenant, condition or agreement on its part to be observed or performed hereunder, including without limitation, a breach of the Sub-Lessee's tax covenants contained in Section 2.03 hereof, or under an Agreement, for a period of thirty (30) days after written notice is given to Sub-Lessee by the Lessor or the Lessee, specifying such failure and requesting that it be remedied or performed; provided that if corrective action is instituted by the Sub-Lessee within the applicable period and diligently pursued, the Lessor and the Lessee shall not unreasonably withhold consent to an extension of the time period to address the default; or

(d) initiation by the Sub-Lessee of a proceeding under any federal or state bankruptcy or insolvency law seeking relief under such laws concerning the indebtedness of the Sub-Lessee; or

(e) the Sub-Lessee (i) is reasonably determined by the Lessor or the Lessee to have made any material false or misleading statement or representation in connection with an Agreement, or (ii) sells, assigns, subleases, or otherwise transfers or encumbers all or any part of its interest in an Agreement or the Equipment without the Lessor's and the Lessee's prior written consent.

Section 12.02. Remedies on Default. Whenever any Event of Default shall have occurred and be continuing, the Lessor shall have the right, at its sole option, without any

further demand or notice, to declare the unpaid principal portion of all Lease Payments under any or all of the Agreements to be immediately due and payable and upon any such declaration to take any one or any combination of the following remedial actions with respect to the Equipment leased under the Agreements affected by such acceleration, except insofar as the same are otherwise prohibited by applicable law:

(a) To the extent practical, under all circumstances, require the Sub-Lessee to assemble the Equipment at a place reasonably convenient to both the Lessor and Sub-Lessee, and use or operate the Equipment for the purpose of preserving it;

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

(c) With or without terminating this Master Lease and Sublease Agreement or any Agreement, retake possession of the Equipment wherever situated, without any court order or other process of law and without liability for entering the premises, and sell any or all of the Equipment at a public or private sale, or otherwise dispose of, hold, use, operate, lease to others or keep idle the Equipment, with ten (10) days' notice to the Sub-Lessee, all free and clear of any rights of the Sub-Lessee and the Lessee; provided that any and all such actions be taken in a commercially reasonable manner and all proceeds from such sale are applied in the following manner:

FIRST, to pay all proper and reasonable costs and expenses associated with the recovery, repair, storage and sale of the Equipment, including reasonable attorneys' fees and expenses, and

SECOND, to pay to (i) the Lessor the amount of all unpaid Lease Payments, if any, which are then due and owing, together with interest and late charges thereon, (ii) the Lessor the then-applicable Purchase Price (taking into account the payment of past due Lease Payments as aforesaid), plus a pro-rata allocation of interest, at the rate utilized to establish the interest component for the Lease Payment next due pursuant to the applicable Equipment Schedule, from the next preceding due date of a Lease Payment until the date of payment by the buyer, and (iii) the

Lessor and Lessee any other amounts due hereunder, including indemnity payments, reimbursement of any advances, Additional Payments and other amounts payable to the Lessor or Lessee hereunder,

(d) Proceed by appropriate court action to enforce performance by the Sub-Lessee of the applicable covenants of this Master Lease and Sublease Agreement or to recover for the breach thereof, including the payment of all amounts due from the Sub-Lessee, in which event the Sub-Lessee shall pay or repay to the Lessor all costs of such action or court action including without limitation, reasonable attorneys' fees; and

(e) Take whatever action at law or equity may appear necessary or desirable to enforce its rights with respect to the Equipment, in which event the Sub-Lessee shall pay or repay to the Lessor and the Lessee all costs of such action or court action, including, without limitation, reasonable attorneys' fees.

Notwithstanding any other remedy exercised hereunder, the Sub-Lessee shall remain obligated to pay to the Lessor any unpaid portion of the Purchase Price. In addition, notwithstanding the passage of legal title to the Equipment, and the passage of possession of the Equipment, to the Lessor upon an Event of Default, this does not represent an election by the Lessor to accept the Equipment in discharge and satisfaction of the Sub-Lessee's obligations to make such payment under an Agreement. To the extent permitted by applicable law, the Sub-Lessee hereby waives any rights now or hereafter conferred by statute or otherwise which might require the Lessor to use, sell, lease or otherwise dispose of any Equipment in mitigation of the Lessor's damages or which might otherwise limit or modify any of the Lessor's rights hereunder.

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

The Lessor and the Lessee acknowledge that protected health information may be contained, stored or otherwise embedded in any Equipment. Notwithstanding anything to the contrary contained herein or in any Agreement, the Sub-Lessee shall be permitted reasonable time to extract or copy any protected health information and related data contained, stored or otherwise embedded in any Equipment prior to the Sub-Lessee's transfer of possession of any Equipment. Under no circumstances shall Lessor or Lessee exercise any remedy or take any action pursuant to this Master Lease and Sublease Agreement or any Agreement, the effect of which would be to cause the Sub-Lessee to violate any law or regulation, including but not limited to the non-disclosure of protected health information.

Section 12.03. Return of Equipment. Upon an Event of Default, at the Lessor's election, the Sub-Lessee shall promptly, but in any event within ten (10) days after written demand by the Lessor, at the Sub-Lessee's costs and expense: (a) perform any

testing and repairs required to restore such Equipment to the condition required by Section 7.01; (b) if de-installation, disassembly or crating is required cause such Equipment to be de-installed, disassembled and crated by an authorized manufacturer's representative or such other service person as is satisfactory to the Lessor; and (c) return such Equipment to a location specified by Lessor within the continental United States, freight and insurance prepaid by the Sub-Lessee. If the Sub-Lessee refuses to return such Equipment in the manner designated as provided herein, the Sub-Lessee shall allow the Lessor to recover the Equipment at the Sub-Lessee's sole cost and expense, including without limitation, all costs of transportation. In the event that the Sub-Lessee makes modifications to a site after any Equipment has been installed therein and such modifications impede the removal of the Equipment, the cost of removing the impediments and restoring the site shall be the sole expense of the Sub-Lessee.

Section 12.04. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Master Lease and Sublease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any such right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lessor to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice other than such notice as may be required by this Article XII. In any event the Lessor shall have no recourse against the Lessee for an Event of Default hereunder. All remedies herein conferred upon or reserved to the Lessor shall survive the termination of this Master Lease and Sublease Agreement.

Section 12.05. Late Charge; Interest on Late Payment. Any Lease Payment, Additional Payments or other amounts payable by the Sub-Lessee to or for the benefit of the Lessor hereunder and not paid by the Sub-Lessee on the due date thereof or amounts advanced by the Lessor under Section 7.05 hereof shall, to the extent permissible by law, bear a one-time late charge equal to five percent (5%) of the amount of the past due Lease Payment, Additional Payments or other amounts. In addition, any amounts unpaid or so advanced, will bear interest at the lower of 18% per annum and the highest rate permitted by law from the due date or the date advanced until the date paid.

ARTICLE XIII

APPLICATION OF PROCEEDS, ACCEPTANCE

Section 13.01. Application of Lease Proceeds. The Lessor shall pay or provide the Lease Proceeds in the amount and to the persons identified on the applicable Equipment Schedule, and accompanying Certificate of Acceptance, pursuant to the terms of the Equipment Schedule. If requested by the Sub-Lessee, and approved by the Lessor and the Lessee, an amount not exceeding 2% of the Lease Proceeds, together with funds provided by the Sub-Lessee, estimated to be needed to pay the costs associated with executing an Equipment Schedule, including the Initial Administrative Fee, if any, shall

be disbursed or credited at the execution of each Agreement as payment of the costs associated with execution of such Agreement.

Section 13.02. Completion of Acquisition of the Equipment. The Sub-Lessee shall cause the Equipment to be acquired and installed free of any liens or claims of others except for this Master Lease and Sublease Agreement. Completion of the acquisition of the Equipment identified by a particular Equipment Schedule shall be evidenced by the Sub-Lessee's filing with Lessor a final Certificate of Acceptance. At such time, the Lessee and Lessor shall execute and deliver such documents or assurances, including amendments to UCC filings, as may be necessary to reflect accurately the items of Equipment financed by the Lease Proceeds derived from such Agreement.

ARTICLE XIV

MISCELLANEOUS

Section 14.01. Notices. All notices pursuant to this Master Lease and Sublease Agreement shall be in writing, may be delivered by messenger, facsimile, tested telex, overnight delivery service or certified mail, return receipt requested, and shall be effective upon receipt thereof. All notices shall be directed to the party intended as the recipient thereof at the address of such party set forth in the first paragraph herein, or at such other address or to the attention of such other person as such party shall have designated for such purpose in a written notice.

Section 14.02. Binding Effect. This Master Lease and Sublease Agreement shall inure to the benefit of and shall be binding upon the Lessor, Lessee, Sub-Lessee and their respective successors and assigns, if any.

Section 14.03. Severability. In the event any provision of this Master Lease and Sublease Agreement 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 14.04. Amendments. To the extent permitted by law, the terms of this Master Lease and Sublease Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the parties hereto, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given.

Section 14.05. No Recourse under this Master Lease and Sublease Agreement or any Agreement. All covenants, stipulations, promises, agreements and obligations of the Lessor, Lessee and Sub-Lessee contained in this Master Lease and Sublease Agreement and any Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Lessor, Lessee and Sub-Lessee respectively, and not of any director, member, officer or employee of the Lessor, Lessee or Sub-Lessee or any person executing this Master Lease and Sublease Agreement or any Agreement.

Section 14.06. Execution in Counterparts. This Master Lease and Sublease Agreement or any Equipment Schedule may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument and any of the parties hereto may execute this Master Lease and Sublease Agreement or Equipment Schedules by signing any such counterpart.

Section 14.07. Applicable Law, Venue. This Master Lease and Sublease Agreement shall be governed by and construed in accordance with the laws, excluding the laws relating to the choice of law, of the State of Arizona. Venue of any action brought under this This Master Lease and Sublease Agreement shall lie in Yuma County, Arizona, exclusively, and any action shall be maintained in such County.

Section 14.08. Jury Trial Waiver. THE PARTIES TO THIS MASTER LEASE AND SUBLEASE AGREEMENT HEREBY UNCONDITIONALLY WAIVE, TO THE EXTENT PERMITTED BY LAW, IN A KNOWING AND INTENTIONAL MANNER, THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS MASTER LEASE AND SUBLEASE AGREEMENT, ANY AGREEMENT, ANY OF THE RELATED DOCUMENTS, ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED BETWEEN THEM. The scope of this waiver is intended to be all-encompassing of any and all disputes that may be filed in any court (including, without limitation, contract claims, tort claims, breach of duty claims, and all other common law and statutory claims). THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS MASTER LEASE AND SUBLEASE AGREEMENT, ANY AGREEMENT, ANY RELATED DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THIS TRANSACTION OR ANY RELATED TRANSACTION. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

Section 14.09. Captions. The captions or headings in this Master Lease and Sublease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Master Lease and Sublease Agreement.

Section 14.10. Entire Agreement. This Master Lease and Sublease Agreement together with Equipment Schedules, and the attachments thereto, attached hereto constitutes the entire agreement between the Lessor, Lessee and Sub-Lessee. There are no understandings, agreements, representations or warranties, express or implied, not specified herein regarding this Master Lease and Sublease Agreement or the Equipment leased hereunder. All terms and conditions of any purchase order or other documents submitted by the Sub-Lessee in connection with this Master Lease and Sublease Agreement which are in addition to or inconsistent with the terms and conditions of this Master Lease and Sublease Agreement will not be binding on the Lessor and will not

apply to this Master Lease and Sublease Agreement. An Agreement, including the respective Equipment Schedule and exhibits hereto, shall not be effective or binding upon the respective parties hereunder until it is executed on its behalf by one of its authorized officers.

Section 14.11. Waiver. The Lessor's, Lessee's or Sub-Lessee's failure to enforce at any time or for any period of time any provision of an Agreement shall not be construed to be a waiver of such provision or of the right of the Lessor, Lessee or Sub-Lessee thereafter to enforce each and every provision. No express or implied waiver by the Lessor, Lessee or Sub-Lessee of any default or remedy of default shall constitute a waiver of any other default or remedy of default, or a waiver of any of the Lessor's, Lessee's or Sub-Lessee's rights.

Section 14.12. Disclosure of Information. Except as may be otherwise consented to in a subsequent writing signed by a duly authorized representative of the Lessor and the Lessee, any information, suggestion or idea transmitted by the Sub-Lessee to the Lessor or the Lessee is not to be regarded as secret or submitted in confidence and no compensation of any kind or in any amount will be payable by the Lessor or the Lessee if either of such parties elect to use such information, suggestion or idea.

Section 14.13. Survivability. All of the limitations of liability and indemnities contained in an Agreement shall continue in full force and effect notwithstanding the expiration or early termination of the Agreement and are expressly made for the benefit of, and shall be enforced by, the Lessor, Lessee and Sub-Lessee, or their successors and assigns.

Section 14.14. Cancellation of Contracts. As provided in Section 38-511 of the Arizona Revised Statutes, notice is hereby given of the provisions of that statute, including that the Lessee may, within three years following its execution, cancel any contract entered into by the Lessee, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Lessee is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

Section 14.15. Time of the Essence. Time is of the essence for this Master Lease and Sublease Agreement.

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

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

BANC OF AMERICA PUBLIC CAPITAL CORP,
as Lessor

By: 
Name: Laura Pritchett
Title: Authorized Agent

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF YUMA, ARIZONA, as Lessee

By: _____
Name: Dan A. Gray
Title: President

YUMA REGIONAL MEDICAL CENTER, as Sub-
Lessee

By: _____
Name: David Willie
Title: Chief Financial Officer

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

BANC OF AMERICA PUBLIC CAPITAL CORP,
as Lessor

By: _____
Name: Laura Pritchett
Title: Authorized Agent

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF YUMA, ARIZONA, as Lessee

By:  _____
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Title: President

YUMA REGIONAL MEDICAL CENTER, as Sub-
Lessee

By: _____
Name: David Willie
Title: Chief Financial Officer

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

BANC OF AMERICA PUBLIC CAPITAL CORP,
as Lessor

By: _____
Name: Laura Pritchett
Title: Authorized Agent

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF YUMA, ARIZONA, as Lessee

By: _____
Name: Dan A. Gray
Title: President

YUMA REGIONAL MEDICAL CENTER, as Sub-
Lessee

By:  _____
Name: David Willie
Title: Chief Financial Officer

Exhibit A

EQUIPMENT SCHEDULE NO. __

TO MASTER LEASE AND SUBLEASE AGREEMENT

Dated as of March 1, 2017

by and between

BANC OF AMERICA PUBLIC CAPITAL CORP,
as Lessor

and

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF YUMA, ARIZONA
as Lessee

and

YUMA REGIONAL MEDICAL CENTER,
as Sub-Lessee

THIS EQUIPMENT SCHEDULE NO. __ (this "Schedule") to the Master Lease and Sublease Agreement identified above (the "Master Lease and Sublease Agreement") is entered into as of _____, by and among BANC OF AMERICA PUBLIC CAPITAL CORP, as Lessor ("Lessor"), THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF YUMA, ARIZONA as Lessee ("Lessee"), and YUMA REGIONAL MEDICAL CENTER, an Arizona nonprofit corporation, as Sub-Lessee ("Sub-Lessee"). All of the provisions of the Master Lease and Sublease Agreement are incorporated herein by reference as if fully set forth herein and capitalized terms used herein and not defined shall have the meanings assigned them in the Master Lease and Sublease Agreement.

1. The Master Lease and Sublease Agreement and this Schedule No. __ jointly constitute an Agreement (this "Agreement"). Lessor hereby agrees to lease and let to Lessee, Lessee agrees to lease and hire from Lessor, Lessee hereby agrees to sublease and sublet to Sub-Lessee and Sub-Lessee agrees to sublease and sublet from Lessee subject to the provisions of the Agreement, the following Equipment:

[or see Exhibit A]

2. Sub-Lessee certifies that the description of the Equipment set forth herein is accurate and reasonably identifies it for UCC purposes. The Equipment identified in item 1 above shall be located at:

City	County	State
		Arizona

3. The Lease Proceeds which Lessor shall pay or provide to Sub-Lessee in connection with this Schedule is \$_____. The Lease Payment dates, the Lease Payment amounts (including the principal and interest components thereof) and the outstanding balance of Lease Proceeds (the Purchase Price) (after payment of the applicable Lease Payment on such Lease Payment Date) during the term of the Lease and Sublease are as provided on Exhibit B attached hereto.

The Lease Proceeds shall be disbursed by the Lessor as of the date hereof in an amount equal to the Contract Price of the Equipment, as detailed in Sub-Lessee's Certificate of Acceptance and Payment Instructions.

4. The outstanding principal amount under the Master Lease and Sublease Agreement shall not be prepaid for _____ years following the date of Closing. Thereafter, the outstanding principal amount under the Master Lease and Sublease Agreement may be prepaid in whole or in part at any time, together with all interest and fees accrued through the date thereof, subject to the following prepayment premium:
5. The Lessee's Initial Administrative Fee shall be \$5,000. The Lessee's Annual Administrative Fee in connection with this Agreement is determined annually by Lessee as a pro rata share of Lessee's annual administrative expenses based on this Agreement's percentage of outstanding indebtedness in relation to the total outstanding indebtedness of all projects funded by Lessee.
6. Until Sub-Lessee receives written notification to the contrary, all payments due under this Agreement, including but not limited to Lease Payments, are to be paid to the Lessor at the following address:

P.O. Box 100918
Atlanta, GA 30384-0918

7. Sub-Lessee further represents, covenants and warrants that all of its representations contained in the Master Lease and Sublease Agreement are true and accurate as of the date hereof and that it will perform all its obligations and comply with all terms and provisions applicable to it contained in the Master Lease and Sublease Agreement.
8. Lessee further represents, covenants and warrants that all of its representations contained in the Master Lease and Sublease Agreement are true and accurate as of the date hereof and that it will perform all its obligations and comply with all terms and provisions applicable to it contained in the Master Lease and Sublease Agreement.

9. The Equipment will be used by Sub-Lessee to provide healthcare services. The use of the Equipment is essential to Sub-Lessee's proper, efficient and economic operation.

IN WITNESS WHEREOF, the parties hereunto affix their signatures to this Schedule No. __ as of the day and year first written above.

BANC OF AMERICA PUBLIC CAPITAL
CORP, as Lessor

By: _____
Name:
Title:

THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF YUMA, ARIZONA, as Lessee

By _____
Name:
Title:

YUMA REGIONAL MEDICAL CENTER, as Sub-
Lessee

By: _____
Name:
Title:

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

EXHIBIT A TO SCHEDULE NO. __

EQUIPMENT DESCRIPTION

EXHIBIT B TO SCHEDULE NO.

LEASE PAYMENT SCHEDULE

Lease Payment Date	Lease Payment Amount	Principal Portion of Lease Payment Amount	Interest Portion of Lease Payment Amount	Purchase Price Amount*
Total				

* The Purchase Price will be supplemented by a Prepayment Premium as set forth in the Schedule.