

Aircraft Lease
By and Between
North Dakota State University Development Foundation, as Lessor,
and
North Dakota State University, as Lessee

THIS AIRCRAFT LEASE (this "Aircraft Lease") is entered into as of June 1, 2007 by and between North Dakota State University Development Foundation ("Lessor") and North Dakota State University ("Lessee"). All of the provisions of the Master Lease Agreement dated as of June 1, 2007 (the "Master Lease Agreement") and Schedule No. 1 thereto dated as of June 1, 2007 (the "Schedule"), both among Lessor and Lessee, are incorporated herein by reference and capitalized terms used herein and not defined shall have the meanings assigned them in the Master Lease Agreement or the Schedule, as applicable. To the extent the provisions of the Master Lease Agreement or the Schedule conflict with the provisions of this Aircraft Lease, the provisions of the Master Lease Agreement or the Schedule, as applicable, shall control.

1. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the aircraft and related equipment set forth on Attachment 1 hereto (collectively, the "Aircraft"), all subject to the provisions of this Aircraft Lease. Legal title to the Aircraft and all repairs, replacements, substitutions and modifications to such Aircraft shall be held in the name of the Lessor, and Lessee shall be the registered owner of the Aircraft. So long as no Event of Default has occurred, Lessee shall have the exclusive use and quiet enjoyment of the Aircraft in accordance with the terms hereof.

2. Lessee hereby certifies that the description of the Aircraft set forth in Attachment 1 hereto is accurate and reasonably identifies it for all purposes. Such Aircraft shall have a primary hangar located at the following address:

3802 20th Street N
Fargo, ND 58102

3. The date and amount of the lease payments (including the principal and interest components thereof) are as set forth in Attachment 2 hereto. The lease payments shall be paid as set forth in the Master Lease Agreement and the Schedule.

4. On July 1, 2017 and provided that Lessee is not then in default under this Aircraft Lease, Lessee shall purchase free and clear of Lessor's interest all, but not less than all, of such Aircraft for \$1.00 cash, together with all lease payments and other sums then due on such date, plus all taxes and charges upon transfer and all other reasonable and documented expenses incurred by Lessor in connection with such transfer. Upon satisfaction of the conditions specified in this Section, Lessor will transfer, AS IS, WHERE IS, without recourse or warranty, express or implied, of any kind whatsoever, all of Lessor's right, title and interest in and to the Aircraft. Lessor shall not be required to make, and hereby specifically disclaims, any representation or warranty as to the condition of the Aircraft or any other matters.

5. To the extent that this Aircraft Lease creates a security interest and an "International Interest" under the Cape Town Convention on International Interests in Mobile Equipment (the "Convention") and the Protocol thereto On Matters Specific To Aircraft Equipment (the "Protocol") concluded in Cape Town in November 2001 (the Convention and the protocol, each, in the official English language text thereof, are collectively referred to herein as the "Cape Town Convention"), to secure the prompt payment and performance as and when due of all obligations and indebtedness of Lessee, now existing or hereafter created, to Lessor pursuant to this Aircraft Lease, the documents executed and delivered by Lessee in connection herewith or otherwise, including all costs of enforcing any rights or remedies of Lessor hereunder or thereunder (including all costs of repossession, refurbishment, re-sale, re-lease and/or remarketing) and all costs of collecting amounts due hereunder or thereunder (including all attorneys' fees), Lessee hereby grants to Lessor a first priority security interest and "International Interest" under the Cape Town Convention in all right, title and interest Lessee may now have or may hereafter acquire in, to and under the Aircraft and all accessions, substitutions and replacements thereto and therefor, and proceeds (cash and non-cash), including insurance proceeds thereof. In furtherance of the foregoing, Lessee shall, at Lessor's request, furnish Lessor such information and execute and deliver or otherwise authenticate to Lessor such documents and do all such acts and things as Lessor may request as necessary or advisable to establish and maintain a valid first priority security interest in the Aircraft and to assure that the Aircraft is titled and registered and that the security interest is perfected to Lessor's satisfaction.

6. Lessee agrees to maintain, insure, use and operate the Aircraft as set forth in the Master Lease Agreement, the Schedule and the Aircraft Security Agreement dated as of June 1, 2007 (the "Security Agreement"). Lessee agrees that a default or an event of default under the Master Lease Agreement or the Schedule shall constitute an

event of default hereunder. Lessee agrees and acknowledges that this Aircraft Lease and the rights of Lessee in and to the Aircraft are subject and subordinate to all terms of the Security Agreement and all rights of the secured party thereunder in and to the Aircraft and under the Security Agreement including, without limitation, the right of the secured party thereunder to inspect and take possession of the Aircraft from time to time according to the terms and provisions of the Security Agreement and applicable law. Lessee further acknowledges that Secured Party shall have no obligations or duties with respect to the Aircraft contained in this Aircraft Lease, including (but not limited) to maintenance, repairs, service or insurance.

7. Lessee authorizes Lessor or its agent to insert in the spaces provided herein the appropriate identifying information for the Aircraft once the same becomes available.

8. LESSOR AND LESSEE HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS AIRCRAFT LEASE OR ANY OF THE RELATED DOCUMENTS, ANY DEALINGS AMONG LESSOR OR LESSEE RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS CONTEMPLATED BY THIS AIRCRAFT LEASE OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED AMONG LESSOR AND LESSEE. 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 THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AIRCRAFT LEASE, ANY RELATED DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AIRCRAFT LEASE OR ANY RELATED TRANSACTIONS. IN THE EVENT OF LITIGATION, THIS AIRCRAFT LEASE MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

9. TRUTH-IN-LEASING.

(a) LESSEE HAS REVIEWED THE AIRCRAFT'S MAINTENANCE AND OPERATING LOGS SINCE ITS DATE OF MANUFACTURE AND HAS FOUND THAT THE AIRCRAFT HAS BEEN MAINTAINED AND INSPECTED UNDER PART 14 CFR 91.409(f) OF THE FEDERAL AVIATION REGULATIONS. LESSEE CERTIFIES THAT THE AIRCRAFT PRESENTLY COMPLIES WITH THE APPLICABLE MAINTENANCE AND INSPECTION REQUIREMENTS OF PART 14 CFR 91.409(f) OF THE FEDERAL AVIATION REGULATIONS.

(b) LESSEE CERTIFIES THAT LESSEE, AND NOT LESSOR, IS RESPONSIBLE FOR OPERATIONAL CONTROL OF THE AIRCRAFT UNDER THIS AIRCRAFT LEASE DURING THE TERM HEREOF. LESSEE FURTHER CERTIFIES THAT LESSEE UNDERSTANDS ITS RESPONSIBILITY FOR COMPLIANCE WITH ALL APPLICABLE FEDERAL AVIATION REGULATIONS.

(c) LESSEE CERTIFIES THAT THE AIRCRAFT WILL BE MAINTAINED AND INSPECTED UNDER PART 14 CFR 91.409(f) OF THE FEDERAL AVIATION REGULATIONS FOR OPERATIONS TO BE CONDUCTED UNDER THIS AIRCRAFT LEASE. LESSEE UNDERSTANDS THAT AN EXPLANATION OF FACTORS BEARING ON OPERATIONAL CONTROL AND PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE, GENERAL AVIATION DISTRICT OFFICE OR AIR CARRIER DISTRICT OFFICE.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Aircraft Lease to be executed in their respective corporate names by their duly authorized officers, all as of the date first written above.

Lessor:

NORTH DAKOTA STATE UNIVERSITY DEVELOPMENT
FOUNDATION

By: 

Title: EXECUTIVE DIRECTOR

Lessee:

NORTH DAKOTA STATE UNIVERSITY

By: 

Title: VP FIN & ADMIN

[EXECUTION PAGE OF AIRCRAFT LEASE]

ATTACHMENT 1 TO AIRCRAFT LEASE SCHEDULE

Aircraft Description

The Aircraft on Aircraft Lease Includes:

Aircraft:

Beech B200 (shown on the International Registry as Beech Aircraft Corporation), generic and enhanced model B200 aircraft bearing manufacturer's serial number BB-1396 and U.S. registration number N3620M

Engines:

Engine No. 1: Pratt & Whitney (shown on the International Registry as Pratt & Whitney Canada), generic model PT6A Series, enhanced model PT6A SER engine bearing manufacturer's serial number PCE-94435 (which engine is 550 or more rated takeoff horsepower or the equivalent thereof)

Engine No. 2: Pratt & Whitney (shown on the International Registry as Pratt & Whitney Canada), generic model PT6A Series, enhanced model PT6A SER engine bearing manufacturer's serial number PCE-94436 (which engine is 550 or more rated takeoff horsepower or the equivalent thereof)

Propellers:

Propeller No. 1: McCauley aircraft propeller, model number 3GFR34C702-DG, bearing manufacturer's serial number 900691 (which propeller is capable of absorbing 750 or more rated takeoff shaft horsepower)

Propeller No. 2: McCauley aircraft propeller, model number 3GFR34C702-DG, bearing manufacturer's serial number 901532 (which propeller is capable of absorbing 750 or more rated takeoff shaft horsepower)

together with all other property essential and appropriate to the operation of the Aircraft, including but not limited to, any and all now existing and hereafter acquired appliances, avionics, parts, instruments, appurtenances, accessories, improvements, repairs, furnishings, components and other equipment of whatever nature incorporated in, or installed in, or attached to, or related to, said Aircraft, and any and all now existing and hereafter arising or acquired logs, manuals, certificates and data and inspection, modification, maintenance, engineering, technical, and overhaul records (whether in written or electronic form, including all computerized data, records and materials of any kind whatsoever) with respect to the Aircraft and any other documents issued for, or reflecting use or maintenance of, the Aircraft.

ATTACHMENT 2 TO AIRCRAFT LEASE

<u>Payment Date</u>	<u>Payment Number</u>	<u>Lease Payment</u>
8/1/2007	1	27,108.56
9/1/2007	2	27,108.56
10/1/2007	3	27,108.56
11/1/2007	4	27,108.56
12/1/2007	5	27,108.56
1/1/2008	6	27,108.56
2/1/2008	7	27,108.56
3/1/2008	8	27,108.56
4/1/2008	9	27,108.56
5/1/2008	10	27,108.56
6/1/2008	11	27,108.56
7/1/2008	12	27,108.56
8/1/2008	13	27,108.56
9/1/2008	14	27,108.56
10/1/2008	15	27,108.56
11/1/2008	16	27,108.56
12/1/2008	17	27,108.56
1/1/2009	18	27,108.56
2/1/2009	19	27,108.56
3/1/2009	20	27,108.56
4/1/2009	21	27,108.56
5/1/2009	22	27,108.56
6/1/2009	23	27,108.56
7/1/2009	24	27,108.56
8/1/2009	25	27,108.56
9/1/2009	26	27,108.56
10/1/2009	27	27,108.56
11/1/2009	28	27,108.56
12/1/2009	29	27,108.56
1/1/2010	30	27,108.56
2/1/2010	31	27,108.56
3/1/2010	32	27,108.56
4/1/2010	33	27,108.56
5/1/2010	34	27,108.56
6/1/2010	35	27,108.56
7/1/2010	36	27,108.56
8/1/2010	37	27,108.56
9/1/2010	38	27,108.56
10/1/2010	39	27,108.56
11/1/2010	40	27,108.56
12/1/2010	41	27,108.56
1/1/2011	42	27,108.56
2/1/2011	43	27,108.56
3/1/2011	44	27,108.56
4/1/2011	45	27,108.56
5/1/2011	46	27,108.56
6/1/2011	47	27,108.56
7/1/2011	48	27,108.56
8/1/2011	49	27,108.56

9/1/2011	50	27,108.56
10/1/2011	51	27,108.56
11/1/2011	52	27,108.56
12/1/2011	53	27,108.56
1/1/2012	54	27,108.56
2/1/2012	55	27,108.56
3/1/2012	56	27,108.56
4/1/2012	57	27,108.56
5/1/2012	58	27,108.56
6/1/2012	59	27,108.56
7/1/2012	60	27,108.56
8/1/2012	61	27,108.56
9/1/2012	62	27,108.56
10/1/2012	63	27,108.56
11/1/2012	64	27,108.56
12/1/2012	65	27,108.56
1/1/2013	66	27,108.56
2/1/2013	67	27,108.56
3/1/2013	68	27,108.56
4/1/2013	69	27,108.56
5/1/2013	70	27,108.56
6/1/2013	71	27,108.56
7/1/2013	72	27,108.56
8/1/2013	73	27,108.56
9/1/2013	74	27,108.56
10/1/2013	75	27,108.56
11/1/2013	76	27,108.56
12/1/2013	77	27,108.56
1/1/2014	78	27,108.56
2/1/2014	79	27,108.56
3/1/2014	80	27,108.56
4/1/2014	81	27,108.56
5/1/2014	82	27,108.56
6/1/2014	83	27,108.56
7/1/2014	84	27,108.56
8/1/2014	85	27,108.56
9/1/2014	86	27,108.56
10/1/2014	87	27,108.56
11/1/2014	88	27,108.56
12/1/2014	89	27,108.56
1/1/2015	90	27,108.56
2/1/2015	91	27,108.56
3/1/2015	92	27,108.56
4/1/2015	93	27,108.56
5/1/2015	94	27,108.56
6/1/2015	95	27,108.56
7/1/2015	96	27,108.56
8/1/2015	97	27,108.56
9/1/2015	98	27,108.56
10/1/2015	99	27,108.56
11/1/2015	100	27,108.56
12/1/2015	101	27,108.56
1/1/2016	102	27,108.56
2/1/2016	103	27,108.56

3/1/2016	104	27,108.56
4/1/2016	105	27,108.56
5/1/2016	106	27,108.56
6/1/2016	107	27,108.56
7/1/2016	108	27,108.56
8/1/2016	109	27,108.56
9/1/2016	110	27,108.56
10/1/2016	111	27,108.56
11/1/2016	112	27,108.56
12/1/2016	113	27,108.56
1/1/2017	114	27,108.56
2/1/2017	115	27,108.56
3/1/2017	116	27,108.56
4/1/2017	117	27,108.56
5/1/2017	118	27,108.56
6/1/2017	119	27,108.56
7/1/2017	120	27,108.56

c. Ron P.
7-16-07

FIRST AMENDMENT TO AIRCRAFT LEASE

This First Amendment to Aircraft Lease is dated as of July 1, 2007 (this "Amendment") by and between North Dakota State University Development Foundation (together with its successors and assigns, "Lessor") and North Dakota State University (together with its successors and assigns, "Lessee").

RECITALS

WHEREAS, Lessor and Lessee executed that certain Aircraft Lease dated as of June 1, 2007 (the "Aircraft Lease"), which Aircraft Lease was filed with the Federal Aviation Administration (the "FAA") on June 28, 2007 and assigned Conveyance No. _____; and

WHEREAS, pursuant to the Aircraft Lease, Lessor leased to Lessee the aircraft described on Exhibit A hereto (the "Aircraft"); and

WHEREAS, the parties wish to amend the Aircraft Lease as described herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. The Aircraft Lease is hereby amended as follows:
 - (a) Attachment 2 to the Aircraft Lease is replaced in its entirety with the Attachment 2 attached hereto as Exhibit B.
2. All other terms and conditions of the Aircraft Lease not specifically amended by this Amendment shall remain in full force and effect and are hereby ratified and confirmed by Lessor and Lessee.
3. This Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
4. This Amendment shall be binding upon and inure to the benefit of Lessor and Lessee and their respective successors and assigns and shall take effect when signed by Lessor and Lessee.
5. If any provision or application of this Amendment is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Amendment shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby.
6. THIS AMENDMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NORTH DAKOTA (WITHOUT REGARD TO THE CONFLICT-OF-LAWS PRINCIPLES THEREOF).
7. LESSOR AND LESSEE HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS AMENDMENT, ANY OF THE RELATED DOCUMENTS, ANY DEALINGS AMONG LESSOR OR LESSEE RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS CONTEMPLATED BY THIS AMENDMENT OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED AMONG LESSOR AND LESSEE. 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 THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AMENDMENT, ANY RELATED DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTIONS

CONTEMPLATED BY THIS AMENDMENT OR ANY RELATED TRANSACTIONS. IN THE EVENT OF LITIGATION, THIS AMENDMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

8. TRUTH-IN-LEASING.

(a) LESSEE HAS REVIEWED THE AIRCRAFT'S MAINTENANCE AND OPERATING LOGS SINCE ITS DATE OF MANUFACTURE AND HAS FOUND THAT THE AIRCRAFT HAS BEEN MAINTAINED AND INSPECTED UNDER PART 14 CFR 91.409(f) OF THE FEDERAL AVIATION REGULATIONS. LESSEE CERTIFIES THAT THE AIRCRAFT PRESENTLY COMPLIES WITH THE APPLICABLE MAINTENANCE AND INSPECTION REQUIREMENTS OF PART 14 CFR 91.409(f) OF THE FEDERAL AVIATION REGULATIONS.

(b) LESSEE CERTIFIES THAT LESSEE, AND NOT LESSOR, IS RESPONSIBLE FOR OPERATIONAL CONTROL OF THE AIRCRAFT UNDER THE AIRCRAFT LEASE, AS AMENDED HEREBY, DURING THE TERM THEREOF. LESSEE FURTHER CERTIFIES THAT LESSEE UNDERSTANDS ITS RESPONSIBILITY FOR COMPLIANCE WITH ALL APPLICABLE FEDERAL AVIATION REGULATIONS.

(c) LESSEE CERTIFIES THAT THE AIRCRAFT WILL BE MAINTAINED AND INSPECTED UNDER PART 14 CFR 91.409(f) OF THE FEDERAL AVIATION REGULATIONS FOR OPERATIONS TO BE CONDUCTED UNDER THE AIRCRAFT LEASE, AS AMENDED HEREBY. LESSEE UNDERSTANDS THAT AN EXPLANATION OF FACTORS BEARING ON OPERATIONAL CONTROL AND PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE, GENERAL AVIATION DISTRICT OFFICE OR AIR CARRIER DISTRICT OFFICE.

9. By executing this Amendment, Lessor and Lessee hereby authorize and direct Daugherty, Fowler, Peregrin, Haught & Jenson, A Professional Corporation, to insert in the spaces provided herein the appropriate identifying information for the Aircraft Lease once the same becomes available, to record this Amendment with the FAA and to make such other filings as may be necessary to effectuate this Amendment.

[REMAINDER OF PAGE INTENTIONALLY BLANK; EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed in their respective corporate names by their duly authorized officers, all as of the date first written above.

Lessor:

NORTH DAKOTA STATE UNIVERSITY
DEVELOPMENT FOUNDATION

By:

Title:

James C. Miller
EXEC. DIRECTOR, DEV. FOUNDATION

Lessee:

NORTH DAKOTA STATE UNIVERSITY

By:

Title:

John C. Williams
VP, FINANCE & ADMINISTRATION

[EXECUTION PAGE OF FIRST AMENDMENT TO AIRCRAFT LEASE]

GE Government Finance, Inc., formerly GE Capital Public Finance, Inc., as secured party under that certain Aircraft Security Agreement dated as of June 1, 2007 (the "Aircraft Security Agreement") executed by Lessor and Lessee, which Aircraft Security Agreement was filed with the Federal Aviation Administration (the "FAA") on June 28, 2007 and assigned Conveyance No. _____, hereby consents to the foregoing Amendment and hereby authorizes and directs Daugherty, Fowler, Peregrin, Haught & Jenson, A Professional Corporation, to insert in the spaces provided herein the appropriate identifying information for the Aircraft Security Agreement once the same becomes available, to record the foregoing Amendment with the FAA and to make such other filings as may be necessary to effectuate the foregoing Amendment.

GE GOVERNMENT FINANCE, INC.

By: _____
Name: _____
Title: _____

[GE GOVERNMENT FINANCE, INC. ACKNOWLEDGEMENT PAGE OF
FIRST AMENDMENT TO AIRCRAFT LEASE]

EXHIBIT A

Aircraft Description

The Aircraft includes:

Aircraft:

Beech B200 (shown on the International Registry as Beech Aircraft Corporation), generic and enhanced model B200 aircraft bearing manufacturer's serial number BB-1396 and U.S. registration number N3620M

Engines:

Engine No. 1: Pratt & Whitney (shown on the International Registry as Pratt & Whitney Canada), generic model PT6A Series, enhanced model PT6A SER engine bearing manufacturer's serial number PCE-94435 (which engine is 550 or more rated takeoff horsepower or the equivalent thereof)

Engine No. 2: Pratt & Whitney (shown on the International Registry as Pratt & Whitney Canada), generic model PT6A Series, enhanced model PT6A SER engine bearing manufacturer's serial number PCE-94436 (which engine is 550 or more rated takeoff horsepower or the equivalent thereof)

Propellers:

Propeller No. 1: McCauley aircraft propeller, model number 3GFR34C702-DG, bearing manufacturer's serial number 900691 (which propeller is capable of absorbing 750 or more rated takeoff shaft horsepower)

Propeller No. 2: McCauley aircraft propeller, model number 3GFR34C702-DG, bearing manufacturer's serial number 901532 (which propeller is capable of absorbing 750 or more rated takeoff shaft horsepower)

together with all other property essential and appropriate to the operation of the Aircraft, including but not limited to, any and all now existing and hereafter acquired appliances, avionics, parts, instruments, appurtenances, accessories, improvements, repairs, furnishings, components and other equipment of whatever nature incorporated in, or installed in, or attached to, or related to, said Aircraft, and any and all now existing and hereafter arising or acquired logs, manuals, certificates and data and inspection, modification, maintenance, engineering, technical, and overhaul records (whether in written or electronic form, including all computerized data, records and materials of any kind whatsoever) with respect to the Aircraft and any other documents issued for, or reflecting use or maintenance of, the Aircraft.

EXHIBIT B**ATTACHMENT 2 TO AIRCRAFT LEASE**

<u>Payment Date</u>	<u>Payment Number</u>	<u>Lease Payment</u>
6/28/2007	0	-
8/1/2007	1	80,729.72
11/1/2007	2	80,729.72
2/1/2008	3	80,729.72
5/1/2008	4	80,729.72
8/1/2008	5	80,729.72
11/1/2008	6	80,729.72
2/1/2009	7	80,729.72
5/1/2009	8	80,729.72
8/1/2009	9	80,729.72
11/1/2009	10	80,729.72
2/1/2010	11	80,729.72
5/1/2010	12	80,729.72
8/1/2010	13	80,729.72
11/1/2010	14	80,729.72
2/1/2011	15	80,729.72
5/1/2011	16	80,729.72
8/1/2011	17	80,729.72
11/1/2011	18	80,729.72
2/1/2012	19	80,729.72
5/1/2012	20	80,729.72
8/1/2012	21	80,729.72
11/1/2012	22	80,729.72
2/1/2013	23	80,729.72
5/1/2013	24	80,729.72
8/1/2013	25	80,729.72
11/1/2013	26	80,729.72
2/1/2014	27	80,729.72
5/1/2014	28	80,729.72
8/1/2014	29	80,729.72
11/1/2014	30	80,729.72
2/1/2015	31	80,729.72
5/1/2015	32	80,729.72
8/1/2015	33	80,729.72
11/1/2015	34	80,729.72
2/1/2016	35	80,729.72
5/1/2016	36	80,729.72
8/1/2016	37	80,729.72
11/1/2016	38	80,729.72
2/1/2017	39	80,729.72
5/1/2017	40	80,729.72
TOTAL		3,229,188.80

GE CAPITAL PUBLIC FINANCE, INC.

MASTER LEASE AGREEMENT

THIS MASTER LEASE AGREEMENT ("Agreement"), dated as of June 1, 2007, is made and entered into by and between North Dakota State University Development Foundation, a nonprofit corporation duly organized and existing under the laws of the state of North Dakota, as lessor ("Lessor"), whose address is as shown on the execution page hereof; and the lessee identified on the execution page hereof ("Lessee"), a governmental entity whose address is as shown on the execution page hereof.

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

ARTICLE I: DEFINITIONS AND EXHIBITS

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

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

Contracts: This Agreement and each Schedule.

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

Equipment: All items of property described in the Financing Equipment Schedules.

Equipment Group: The Equipment listed in a single Financing Equipment Schedule.

Events of Default: With respect to each Lease, those events described in Section 12.1.

Financing Agreement: With respect to each Loan, the Master Financing Agreement and the related Financing Equipment Schedule.

Financing Equipment Schedule: An equipment schedule to the Master Financing Agreement between Lender and Lessor, describing the related Equipment Group and other matters.

Fiscal Period: The 24-month fiscal period of Lessee which commences in every other year and ends in the second year on the dates shown on the execution page hereof.

Lease: With respect to each Equipment Group, this Agreement and the related Schedule, which shall constitute a separate contract relating to such Equipment Group. This Agreement contains the general terms and conditions with respect to each Lease. Lessor may assign its rights under various Leases to different assignees. Each such assignee has the rights only in the Lease it owns; a Non-Appropriation or Event of Default under a Lease owned by Lessor or an assignee does not affect any of the Leases not owned by Lessor or by such assignee.

Lease Date: The date so designated in a Schedule.

Lease Term: The period during which a Lease is in effect as specified in Section 4.1.

Lender: GE Capital Public Finance, Inc. and its successors and assigns.

Lessor: North Dakota State University Development Foundation.

Lien: Any mortgage, security interest, lease, lien, pledge, charge, encumbrance or claim of any kind.

Loan: The loan made by Lender to Lessor pursuant to each Financing Agreement.

Master Financing Agreement: The Master Financing Agreement dated as of June 1, 2007 between Lender and Lessor, as the same may be amended from time to time.

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

Non-Appropriation: With respect to any Lease, the failure of Lessee's governing body to appropriate money for any Fiscal Period of Lessee sufficient for the continued performance by Lessee of all of Lessee's obligations under such Lease, as evidenced by the passage of a bill or resolution specifically prohibiting Lessee from performing any of its obligations under such Lease, and from using any moneys to pay any Rental Payments due under such Lease for a designated Fiscal Period.

Payment Date: The date upon which each Rental Payment is due and payable under each Lease, which date is the same as the dates that each Loan Payments is due and payable as provided in the related Financing Agreement.

Prepayment Price: With respect to any Lease and as of any Payment Date the amount necessary to prepay such Lease, which amount is the same as the amount necessary to prepay the related Loan.

Rental Payment: With respect to any Lease, the payment due from Lessee to Lessor on each Payment Date, which amount shall be the amount necessary to pay all principal of and interest on the related Loan.

Schedule: A schedule in substantially the form of Exhibit A hereto executed by Lessor and Lessee.

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

State: The State in which Lessee is located.

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

Section 1.2. Exhibits.

Exhibit A: Form of schedule executed by Lessor and Lessee.

ARTICLE II: REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.1. Representations, Warranties and Covenants of Lessee. Lessee represents and warrants and covenants as follows:

(a) Lessee is the State or a governmental entity of the State, duly organized and existing under the Constitution and laws of the State, and Lessee's exact legal name is as set forth on the execution page hereof. Lessee is authorized under the Constitution and laws of the State to enter into the Contracts and the transactions contemplated hereby and thereby, and to perform all of its obligations under this Agreement and each Lease.

(b) The execution and delivery of the Contracts by the officer of Lessee executing such documents has been duly authorized by appropriate official action, and such action is in compliance with all public bidding and other State and Federal Laws applicable to the Contracts and the acquisition and financing of the Equipment by Lessee. No bid protest or other challenge to the award of the Lease to Lessor has been made or is threatened. All requirements have been met and procedures have occurred in order to ensure the enforceability of the Contracts against Lessee and the Contracts and any related documents constitute the legal, valid and binding obligations of Lessee, enforceable in accordance with their respective terms, except to the extent limited by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.

(c) Lessee's governing body has not non-appropriated any transaction similar to the Leases.

(d) None of the execution and delivery of the Contracts or any related document, the consummation of the transactions contemplated by the Contracts or the fulfillment of or compliance with the terms therein violates any law, rule, regulation or order, conflicts with or results in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which Lessee is now a party or by which it is bound, or constitutes a default under any of the foregoing or results in the creation or imposition of any prohibited Lien or encumbrance of any nature whatsoever upon any of the property or assets of Lessee under the terms of any instrument or agreement.

(e) There is no action, suit, proceeding, claim, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of Lessee's knowledge, threatened against or affecting Lessee, challenging Lessee's authority to enter into this Agreement or any Lease or any other action wherein an unfavorable ruling or finding would adversely affect the enforceability of this Agreement or any Lease hereunder or any other transaction of the Lessee which is similar hereto, or would materially and adversely affect any of the transactions contemplated by this Agreement or any Lease.

(f) Lessee or Lessor owns the real estate and facilities where the Equipment will be located free and clear of any Liens and, during the Lease Term, will continue to own such property and shall keep it free and clear of Liens.

(g) Lessor has or will have good and absolute title to all Equipment and all proceeds thereof, free and clear of all Liens except for the security interest created pursuant to this Agreement, each Schedule and each Financing Agreement.

(h) Lessee will have the sole use and possession of the Equipment.

(i) [Reserved.]

(j) Lessee acknowledges that it received no legal, financial, tax or accounting advice from Lessor.

(k) Lessee acknowledges that (i) under Article XII of this Agreement, upon an Event of Default, Lessor or the assignee, if any, of the related Lease may elect to terminate the related Lease and each other Lease that is owned by Lessor or such respective assignee and (ii) upon a Non-Appropriation the related Lease and each other Lease that is owned by Lessor or such respective assignee shall terminate and Lessee is required upon the occurrence of (i) or (ii) to deliver all Equipment subject to the affected Leases as instructed by Lessor or such respective assignee under Section 12.3 hereof.

ARTICLE III: FINANCING, ACQUISITION AND LEASE OF EQUIPMENT

Section 3.1. Acquisition and Financing of Equipment: (a) On the date hereof, Lessor has entered into the Master Financing Agreement with Lender, pursuant to which, from time to time, Lender has agreed to finance or refinance the acquisition and installation of an Equipment Group upon the terms and conditions set forth therein. On each Lease Date, Lender and Lessor will enter into a Financing Equipment Schedule to the Master Financing Agreement to finance an Equipment Group, which Equipment Group will be leased by Lessor to Lessee pursuant to a Lease. As a condition precedent to entering into this Agreement, Lessee shall provide Lessor and Lender with the following items in form and substance satisfactory to Lessor: (a) a Schedule executed by Lessor and Lessee; (b) evidence of insurance with respect to the Equipment Group in compliance with Article VI of this Agreement; and (c) any other documents or items required by Lessor or Lender.

(b) Lessee acknowledges that it has received and reviewed the Master Financing Agreement and acknowledges and consents to the terms thereof. In order to secure Lessor's obligations under each Financing Agreement, Lessor will assign to Lender all of Lessor's rights, title and interest (but none of its obligations) to each Lease. Lessee consents to such assignment.

Section 3.2. Lease; Enjoyment; Inspection. Lessor hereby leases to Lessee each Equipment Group made subject to a Schedule, and Lessee hereby leases from Lessor such Equipment Group, upon the terms and conditions set forth in this Agreement and in the related Schedule. During the Lease Term, Lessee shall peaceably and quietly have and hold and enjoy the Equipment Group, except as expressly set forth in this Agreement. Lessee agrees that Lessor, Lender and their agents shall have the right at all reasonable times to examine and inspect the Equipment, and Lessor, Lender and their agents shall have such rights of access to the

Equipment as may be reasonably necessary to cause the proper maintenance of the Equipment in the event of failure by Lessee to perform its obligations hereunder.

ARTICLE IV: TERM

Section 4.1. Term. This Agreement shall be in effect from the date hereof and is incorporated by reference into each Schedule executed hereunder; provided, however, no Schedules shall be executed after any Non-Appropriation or Event of Default. Each Lease with respect to an Equipment Group shall be in effect for a Lease Term commencing upon the Lease Date and ending as provided in Section 4.6.

Section 4.2. Termination by Lessee. In the sole event of Non-Appropriation, the Lease as to which the Non-Appropriation occurred and each Lease hereunder owned by the same entity that owns the Lease as to which the Non-Appropriation occurred, shall terminate, in whole, but not in part, as to all Equipment subject to such Leases, effective upon the last day of the Fiscal Period for which funds were appropriated, in the manner and subject to the terms specified in this Article. Lessee may effect such termination by giving Lessor or the affected assignee a written notice of termination and by paying any Rental Payments and other amounts which are due and have not been paid at or before the end of its then current Fiscal Period. Lessee shall endeavor to give notice of such termination not less than one hundred twenty (120) days prior to the end of the Fiscal Period for which appropriations were made, and shall notify Lessor or the affected assignee of any anticipated termination. In the event of termination of any Leases as provided in this Section, Lessee shall comply with the instructions received from Lessor in accordance with Section 12.3.

Section 4.3. Intent To Continue Lease Term: Appropriations. Lessee presently intends to continue each Lease hereunder for its entire Lease Term and to pay all Rental Payments relating thereto. The person or entity in charge of preparing Lessee's budget will include in the budget request for each Fiscal Period the Rental Payments to become due in such Fiscal Period. The parties acknowledge that appropriation for Rental Payments is a governmental function which Lessee cannot contractually commit itself in advance to perform; and this Agreement does not constitute such a commitment. However, Lessee reasonably believes that moneys in an amount sufficient to make all Rental Payments can and will lawfully be appropriated and made available to permit Lessee's continued utilization of the Equipment in the performance of its essential functions during the applicable Lease Terms. Lessee will allocate funds appropriated on a priority basis for this Agreement to pay Rental Payments and other amounts due hereunder.

Section 4.4. Effect of Termination. Upon termination of a Lease as provided in Section 4.2, Lessee shall not be responsible for the payment of any additional Rental Payments coming due in succeeding Fiscal Periods, but if Lessee has not complied with the instructions received from Lessor in accordance with Section 12.3, the termination shall nevertheless be effective, but Lessee shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments that would thereafter have come due if the Lease had not been terminated and which are attributable to the number of days after which Lessee fails to comply with Lessor's or the related assignee's instructions and for any other loss suffered by Lessor or the related assignee as a result of Lessee's failure to take such actions as required.

Section 4.5. Nonsubstitution. If any Lease is terminated by Lessee in accordance with Section 4.2, to the extent permitted by State Law, Lessee agrees not to purchase, lease, rent, borrow, seek appropriations for, acquire or otherwise receive the benefits of any personal property to perform the same functions as, or functions taking the place of, those performed by any of the Equipment subject to the terminated Leases, and agrees not to permit such functions to be performed by its own employees or by any agency or entity affiliated with or hired by Lessee, for a period of three hundred sixty-five (365) days succeeding such termination; provided, however, these restrictions shall not be applicable in the event the Equipment Groups shall be sold by Lessor and the amount received from such sale, less all costs of such sale, is sufficient to pay the then applicable Prepayment Prices relating thereto; or to the extent that the application of these restrictions is unlawful and would affect the validity of this Agreement or any Lease.

Section 4.6. Termination of Lease Term. The Lease Term with respect to any Lease will terminate upon the occurrence of the first of the following events: (a) the termination of a Lease by Lessee in accordance with Section 4.2; (b) the payment of the Prepayment Price by Lessee pursuant to Article X; (c) an Event of Default by Lessee and Lessor's or the related assignee's election to terminate such Lease pursuant to Article XII; or (d) the payment by Lessee of all Rental Payments and all other amounts authorized or required to be paid by Lessee pursuant to such Lease.

ARTICLE V: RENTAL PAYMENTS

Section 5.1. Rental Payments. With respect to each Lease, Lessee agrees to pay Rental Payments in an amount sufficient to pay the principal of and interest on the related Loan and all other amounts due and owing under the related Financing Agreement at the times and in the manner provided in such Financing Agreement. Lessor hereby authorizes and directs Lessee to pay directly to Lender all Rentals Payments and other sums payable and to become payable hereunder and under each Schedule. Lessee agrees not to assert against Lender any claim or defense it may have against Lessor and not to offset against such rental payments to Lender any amounts that it may claim are due from Lessor. Lessee shall pay the Rental Payments exclusively from moneys legally available therefor, in lawful money of the United States of America.

Section 5.2. Current Expense. The obligations of Lessee, including its obligation to pay the Rental Payments due in any Fiscal Period, shall constitute a current expense of Lessee for such Fiscal Period and shall not constitute an indebtedness of Lessee within the meaning of the Constitution and laws of the State. Nothing herein shall constitute a pledge by Lessee of any taxes or other moneys (other than moneys lawfully appropriated from time to time by or for the benefit of Lessee for this Agreement and the Net Proceeds of the Equipment) to the payment of any Rental Payment or other amount coming due hereunder.

Section 5.3. Rental Payments To Be Unconditional. Except as provided in Section 4.2, the obligation of Lessee to make Rental Payments or any other payments required hereunder shall be absolute and unconditional in all events. Lessee must make payments no matter what happens. Notwithstanding any dispute between Lessee and Lessor or between Lessee and Contractor or any other person, Lessee shall make all Rental Payments and other payments required hereunder when due and shall not withhold any Rental Payment or other payment pending final resolution of such dispute nor shall Lessee assert any right of set-off or counterclaim against its obligation to make Rental Payments or other payments required hereunder. Lessee's obligation to make Rental Payments or other payments shall not be abated through accident, unforeseen circumstances, failure of the Equipment to be delivered or to perform as desired, damage or destruction to the Equipment, loss of possession of the Equipment or obsolescence of the Equipment.

ARTICLE VI: INSURANCE AND RISK OF LOSS

Section 6.1. Liability and Property Insurance. Lessee shall, at its own expense, procure and maintain continuously in effect during each Lease Term, insurance, in the form and in the amounts required under the Financing Agreement.

Section 6.2. Workers' Compensation Insurance. If required by State Law, Lessee shall carry workers' compensation insurance covering all employees on, in, near or about the Equipment, and upon request, shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term.

Section 6.3. [Reserved.]

Section 6.4. Risk of Loss. As between Lessor and Lessee, Lessee assumes all risks and liabilities from any cause whatsoever, whether or not covered by insurance, for loss or damage to any Equipment and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such property damage be to Lessee's property or the property of others. Whether or not covered by insurance, Lessee hereby assumes responsibility for and agrees to reimburse Lessor and its assignees for and, to the extent permitted by law and to the extent of available appropriations, will indemnify and hold Lessor and its assignees harmless from and against all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Lessor that in any way relate to or arise out of this Agreement, the transactions contemplated hereby and the Equipment, including but not limited to, (a) the selection, manufacture, purchase, acceptance or rejection of Equipment or the ownership of the Equipment, (b) failure of Equipment to be delivered, the delivery, lease, possession, maintenance, use, condition, return or operation of the Equipment, (c) the condition of the Equipment sold or otherwise disposed of after possession by Lessee, (d) the conduct of Lessee, its officers, employees and agents, (e) a breach of Lessee of any of its covenants or obligations hereunder and (f) any claim, loss, cost or expense involving alleged damage to the environment relating to the Equipment, including, but not limited to investigation, removal, cleanup and remedial costs. This provision shall survive the termination of this Agreement.

Section 6.5. Damage to or Destruction of Equipment. Lessee shall provide a complete written report to Lessor immediately upon any loss, theft, damage or destruction of any Equipment and of any accident involving any Equipment. If all or any part of the Equipment is lost, stolen, destroyed or damaged beyond repair ("Damaged Equipment"), Lessee shall as soon as practicable after such event either: (a) replace the same at Lessee's sole cost and expense with equipment having substantially similar Specifications and of equal or greater value to the Damaged Equipment immediately prior to the time of the loss occurrence, such replacement equipment to be subject to Lessor's approval, whereupon such replacement equipment shall be substituted in the applicable Lease and the other related documents by appropriate endorsement or amendment; or (b) pay the applicable Prepayment Price of the Damaged Equipment. Lessee shall notify Lessor of which course of action it will take within fifteen (15) days after the loss occurrence. If, within forty-five (45) days of the loss occurrence, (a) Lessee fails to notify Lessor; (b) Lessee and Lessor fail to execute an amendment to the applicable Schedule to delete the Damaged Equipment and add the replacement equipment or (c) Lessee has failed to pay the applicable Prepayment Price, then Lessor may, at its sole discretion, declare the applicable Prepayment Price of the Damaged Equipment, to be immediately due and payable, and Lessee is required to pay the same. The Net Proceeds of insurance with respect to the Damaged Equipment shall be made available by Lessor to be applied to discharge Lessee's obligation under this Section. The payment of the Prepayment Price and the termination of Lessor's interest in the Damaged Equipment is subject to the terms of Section 10.3 hereof.

ARTICLE VII: OTHER OBLIGATIONS OF LESSEE

Section 7.1. Use; Permits. Lessee shall exercise due care in the installation, use, operation and maintenance of the Equipment, and shall not install, use, operate or maintain the Equipment illegally, improperly, carelessly or for a purpose or in a manner contrary to that contemplated by this Agreement. Lessee shall obtain all permits and licenses necessary for the installation, operation, possession and use of the Equipment. Lessee shall comply with all State and Federal Laws applicable to the installation, use, possession and operation of the Equipment, and if compliance with any such State and Federal Law requires changes or additions to be made to the Equipment, such changes or additions shall be made by Lessee at its expense. Lessee shall comply with all license and copyright requirements of any software license used in connection with the Equipment. Lessee shall not use any item of Equipment to haul, convey, store, treat, transport or dispose of any "hazardous substances" or "hazardous waste" as such terms are defined in any federal, state or local law, rule or regulation pertaining to the protection of the environment (together, "Environmental Laws"). Lessee agrees that if Lessee is required to deliver any item of Equipment to Lessor or Lessor's agent, the Equipment shall be delivered free of all substances which are regulated by or form a basis for liability under any Environmental Law. Lessee shall comply with all license and copyright requirements of any software used in connection with the Equipment.

Section 7.2. Maintenance of Equipment by Lessee. Unless the Equipment consists of an aircraft, Lessee shall keep the Equipment at the address specified in the related Schedule and shall notify Lessor in writing prior to moving the Equipment to another address. Lessee shall, at its own expense, maintain, preserve and keep the Equipment in good repair, working order and condition, and shall from time to time make all repairs and replacements necessary to keep the Equipment in such condition, and in compliance with State and Federal Laws, ordinary wear and tear excepted. Lessee shall maintain Equipment in a condition suitable for certification by the manufacturer thereof (if certification is available) in accordance with any insurance policy provision, applicable prevailing industry standards and, if applicable, the manufacturer's specifications therefor. In the event that any parts or accessories forming part of any item or items of Equipment become worn out, lost, destroyed, damaged beyond repair or otherwise rendered unfit for use, Lessee, at its own expense and expeditiously, will replace or cause the replacement of such parts or accessories by replacement parts or accessories free and clear of all liens and encumbrances and with a value and utility at least equal to that of the parts or accessories being replaced (assuming that such replaced parts and accessories were otherwise in good working order and repair). All such replacement parts and accessories shall be deemed to be incorporated immediately into and to constitute an integral portion of the Equipment and, as such, shall be subject to the terms of this Agreement.

Section 7.3. Taxes, Other Governmental Charges and Utility Charges. Except as expressly limited by this Section, Lessee shall pay all taxes and other charges of any kind which are at any time lawfully assessed or levied against or with respect to the Equipment, the Rental Payments or any part thereof, or which become due during the Lease Term, whether assessed against Lessee or Lessor. Lessee shall also pay when due all utilities and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment, and all special assessments and charges lawfully made by any governmental body that may be secured by a lien on the Equipment. Lessee shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate, or other similar

tax payable by Lessor, its successors or assigns, unless such tax is made in lieu of or as a substitute for any tax, assessment or charge which is the obligation of Lessee under this Section.

Section 7.4. Advances. If Lessee shall fail to perform any of its obligations under this Article, Lessor may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and Lessee shall be obligated to repay all such advances on demand, with interest at the rate of 18% per annum or the maximum rate permitted by law, whichever is less, from the date of the advance to the date of repayment.

ARTICLE VIII: TITLE; SECURITY INTEREST; LIENS

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

Section 8.2. Security Interest. (a) In order to secure Lessee's payment of all Rental Payments and all other amounts due hereunder and under each Lease and the performance of all other obligations to be performed by Lessee hereunder and under each Lease, Lessee grants to Lessor a continuing, first priority security interest in and to the Equipment, all repairs, replacements, substitutions and modifications thereto or thereof and all proceeds of the foregoing in order to secure Lessee's payment of all Rental Payments and the performance of all other obligations to be performed by Lessee. Each Equipment Group constitutes security and collateral for Lessee's obligations under all Leases that are owned by the same entity. Lessee shall deliver or cause to be delivered to Lessor the original certificates of title relating to all vehicular Equipment. If requested by Lessor, Lessee shall obtain a landlord and/or mortgagee's consent and waiver with respect to the Equipment. Upon termination of a Lease with respect to any Equipment Group through exercise of Lessee's option to prepay pursuant to Article X or through payment by Lessee of all Rental Payments and other amounts relating thereto, Lessor's security interest in such Equipment Group shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may reasonably request to evidence the termination of Lessor's security interest in such Equipment Group. Lessee authorizes Lessor to file financing statements and amendments thereto describing the Equipment and containing any other information required by the applicable Uniform Commercial Code and all proper terminations of the filings of other secured parties with respect to the Equipment, in such form and substance as Lessor, in its sole discretion, may determine. Lessee ratifies its prior authorization for Lessor to file financing statements and amendments thereto describing the Equipment and containing any other information required by the Uniform Commercial Code if filed prior to the date hereof.

(b) Lessee acknowledges and agrees that the interest of Lessee in the Equipment is subject to and subordinate to the Financing Agreement. Lessee acknowledges and agrees that Lessor has granted to Lender a security interest in the Equipment and that the interest of Lessee in the Equipment is subject to and subordinate to the security interest and lien of Lender. In the event of a default by Lessor of the Financing Agreement, Lessee agrees that Lender shall have all rights provided in the Financing Agreement, including but not limited to, the right to repossess the Equipment from Lessee. Without limiting the generality of the foregoing, each of Lessee and Lessor agrees that the rights of Lessor, Lessee and any other party, person or entity of any kind whatsoever claiming through any of Lessor or Lessee with respect to the Equipment (and any and all proceeds thereof, including, any insurance proceeds, and other items pursuant to the Financing Agreement) shall be subject and subordinate in all respects to any and all of the rights, privileges, powers, entitlements, benefits, remedies, title or interests of Lender in or to the Equipment (and any and all proceeds thereof, including, any insurance proceeds, and other items pursuant to the Financing Agreement), including, all of its rights and remedies under or in connection with the Financing Agreement and any related documents, agreements or instruments of any kind whatsoever. In addition, and notwithstanding anything to the contrary set forth in this Agreement or otherwise, upon the occurrence of any Event of Default (as such term is defined in the Financing Agreement) under or in connection with the Financing Agreement, this Agreement shall automatically and immediately terminate.

Section 8.3. Liens. During the Lease Term, Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any Lien on or with respect to the Equipment, other than the respective rights of Lessor and Lessee as herein provided. Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such Lien. Lessee shall reimburse Lessor for any expenses incurred by Lessor to discharge or remove any Lien.

Section 8.4. Modification of Equipment. Lessee will not, without the prior written consent of Lessor, affix or install any accessory equipment or device on any of the Equipment if such addition will change or impair the originally intended functions, value or use of the Equipment.

Section 8.5. Personal Property. The Equipment is and shall at all times be and remain personal property and not fixtures.

ARTICLE IX: WARRANTIES

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

Section 9.2. Contractor's Warranties. Lessor hereby assigns to Lessee for and during the related Lease Term, all of its interest, if any, in all Contractor's warranties, guarantees and patent indemnity protection, express or implied, issued on or applicable to an Equipment Group, and Lessee may obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense. Lessor has no obligation to enforce any Contractor's warranties or obligations on behalf of itself or Lessee.

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

ARTICLE X: OPTION TO PREPAY

Section 10.1. When Available. Provided there has been no Non-Appropriation or Event of Default, Lessee shall have the option to prepay its obligations in whole but not in part under any Lease on any Payment Date for the then applicable Prepayment Price.

Section 10.2. Exercise of Option. Lessee shall give notice to Lessor of its intention to exercise its option with respect to any Lease not less than thirty (30) days prior to the Payment Date on which the option will be exercised and shall deposit with Lessor on the date of exercise an amount equal to all Rental Payments and any other amounts then due or past due under the related Lease (including the Rental Payment due on the Payment Date on which the option is exercised) and the applicable Prepayment Price.

Section 10.3. Release of Lessor's Interest. On receipt of the Prepayment Price in good funds with respect to any Lease, such Lease shall terminate and Lessee shall become entitled to the related Equipment Group AS IS, WHERE IS, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE, except that such Equipment Group shall not be subject to any lien or encumbrance created by or arising through Lessor.

ARTICLE XI: ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 11.1. Assignment by Lessor. All of Lessor's right, title and/or interest in and to this Agreement or any Lease hereunder, including, but not limited to, the Rental Payments and other amounts payable by Lessee and Lessor's interest in the Equipment, its rights upon Non-Appropriation and Events of Default and its rights to provide consents under a Lease may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor at any time, without the consent of Lessee. Upon assignment of a Lease by Lessor, Lessor's assignee shall have all rights of Lessor in and to the assigned Lease. No such assignment shall be effective as against Lessee unless and until written notice of the assignment is provided to Lessee. If requested, Lessee will acknowledge in writing receipt of such notice.

Section 11.2. Assignment and Subleasing by Lessee. Neither this Agreement nor any Lease hereunder or any Equipment may be sold, assigned, subleased, transferred, pledged or mortgaged by Lessee.

ARTICLE XII: EVENTS OF DEFAULT AND REMEDIES

Section 12.1. Events of Default Defined. The following are Events of Default under each Lease:

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

(b) Failure by Lessee to maintain Insurance as required by Article VI.

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

(d) The determination by Lessor that any representation or warranty made by Lessee in this Agreement was untrue in any material respect upon execution of this Agreement or any Schedule.

(e) Lessee's improper filing of an amendment or termination statement relating to a filed financing statement describing any of the Equipment.

(f) If any "Event of Default" (as defined in the Financing Agreement) occurs under or in connection with the Financing Agreement.

Section 12.2. Remedies on Default. Whenever any Event of Default shall have occurred, Lessor shall have the right, at its option and without any further demand or notice, to take one or any combination of the following remedial steps:

(a) Lessor, with or without terminating any Lease, may declare all Rental Payments due or to become due with respect to any or all Leases owned by it or an assignee of Lessor may declare all Rental Payments due or to become due with respect to all Leases owned by such assignee during the Fiscal Period in effect when the default occurs to be immediately due and payable by Lessee, whereupon such Rental Payments shall be immediately due and payable.

(b) Lessor and its assignees, with or without terminating any Lease, may enter the premises where the Equipment is kept and disable the Equipment subject to all Leases owned by it or the same assignee to prevent further use thereof by Lessee and/or may repossess any or all of the Equipment by giving Lessee written notice to deliver the Equipment in the manner provided in Section 12.3; or in the event Lessee fails to do so within ten (10) days after receipt of such notice, Lessor may enter upon Lessee's premises where the Equipment is kept and take possession of such Equipment and charge Lessee for costs incurred in repossessing the Equipment, including reasonable attorneys' fees. Lessee hereby expressly waives any damages occasioned by such repossession. Notwithstanding the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the Rental Payments due with respect thereto during the Fiscal Period then in effect.

(c) If Lessor or its assignees terminates any Lease and, in its discretion, takes possession and disposes of the Equipment or any portion thereof, the proceeds of any such disposition shall be applied to pay the following items in the following order: (i) all costs (including, but not limited to, attorneys' fees) incurred in securing possession of the Equipment; (ii) all expenses incurred in completing the disposition; (iii) any sales or transfer taxes; (iv) the applicable Prepayment Prices; and (v) the balance of any Rental Payments owed by Lessee during the Fiscal Period then in effect. Any disposition proceeds remaining after the requirements of Clauses (i), (ii), (iii), (iv) and (v) have been met shall be paid to Lessee.

(d) Lessor may take any other remedy available, at law or in equity, with respect to such Event of Default, including those requiring Lessee to perform any of its obligations or to pay any moneys due and payable to Lessor and Lessee shall pay the reasonable attorneys' fees and expenses incurred by Lessor in enforcing any remedy hereunder.

Section 12.3. Delivery of Equipment; Release of Lessee's Interest. Upon termination of any Lease hereunder prior to the payment of all Rental Payments or the applicable Prepayment Price in accordance with the related Schedule: (i) Lessor may enter upon Lessee's premises where the Equipment is kept and disable the Equipment to prevent its further use by Lessee and (ii) Lessee shall promptly, but in any event within ten (10) days after such termination, at its own cost and expense: (a) perform any testing and repairs required to place the Equipment in the condition required by Article VII; (b) if deinstallation, disassembly or crating is required, cause the Equipment to be deinstalled, disassembled and crated by an authorized manufacturer's representative or such other service person as is satisfactory to Lessor; and (c) deliver the Equipment to a location specified by Lessor, freight and insurance prepaid by Lessee. If Lessee refuses to deliver the Equipment in the manner designated, Lessor may repossess the Equipment and charge to Lessee the costs of such repossession. Upon termination of a Lease in accordance with Sections 4.2 or 12.2, at the election of Lessor and upon Lessor's written notice to Lessee, full and unencumbered legal title and ownership of the Equipment subject thereto shall pass to Lessor, Lessee shall have no further interest therein and Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of legal title and ownership to Lessor and termination of Lessee's interest in the Equipment.

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

Section 12.5. Late Charge. Whenever any Event of Default under Section 12.1, Clause (a) shall have happened and be continuing, Lessor shall have the right, at its option and without any further demand or notice, to require a late payment charge accruing from the tenth day after the Payment Date until the payment is made equal to the lesser of five cents (\$.05) per dollar of the delinquent amount or the lawful maximum, and Lessee shall be obligated to pay the same immediately upon receipt of Lessor's written invoice therefor; provided, however, that this Section shall not be applicable if or to the extent that the application thereof would affect the validity of this Agreement.

ARTICLE XIII: ADMINISTRATIVE PROVISIONS

Section 13.1. Notices. All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or deposited in the United States mail in registered form with postage fully prepaid to the addresses specified on the execution page hereof; provided that Lessor and Lessee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates, or other communications will be sent.

Section 13.2. Financial Information. Lessee will provide Lessor with current financial statements, budgets, proof of appropriation for the ensuing Fiscal Period and such other financial information relating to the ability of Lessee to continue this Agreement and any Lease as may be requested by Lessor.

Section 13.3. Binding Effect. This Agreement and each Lease hereunder shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

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

Section 13.5. Entire Agreement, Amendments, Changes and Modifications. THE CONTRACTS REPRESENT AND (i) CONSTITUTE THE ENTIRE AGREEMENT OF THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF, (ii) SUPERSEDE ALL OTHER WRITINGS, COMMUNICATIONS, UNDERSTANDINGS, AGREEMENTS, PURCHASE ORDERS, SOLICITATION DOCUMENTS (INCLUDING, WITHOUT LIMITATION, ANY REQUEST FOR PROPOSAL AND RESPONSES THERETO AND OTHER

RELATED DOCUMENTS (TOGETHER, THE "BID DOCUMENTS")) AND ANY REPRESENTATIONS, EXPRESS OR IMPLIED ("PRIOR UNDERSTANDINGS"), AND MAY NOT BE CONTRADICTED OR AMENDED BY PRIOR UNDERSTANDINGS, AND (III) MAY BE AMENDED OR MODIFIED ONLY BY WRITTEN DOCUMENTS DULY AUTHORIZED, EXECUTED AND DELIVERED BY THE PARTIES.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN ANY BID DOCUMENT, LESSOR IS NOT BOUND BY ANY PROVISION OF ANY BID DOCUMENT.

Lessee hereby expressly acknowledges and agrees that (I) no Contractor or any of its representatives is an agent of Lessor or authorized to waive or alter any Contract; and (II) Lessor shall not be chargeable with or assume any of the obligations or liabilities of any Contractor under any agreement between Lessee and Contractor or any Bid Document.

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

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

Section 13.8. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument, provided that only the original of this Agreement and each Schedule marked "Original - Chattel Paper" on the execution page thereof shall constitute chattel paper under the Uniform Commercial Code.

Section 13.9. Applicable Law. This Agreement and each Lease shall be governed by and construed in accordance with the laws of the State.

Section 13.10. Usury. It is the intention of the parties hereto to comply with any applicable usury laws; accordingly, it is agreed that, notwithstanding any provisions to the contrary herein or in the related Schedule, in no event shall this Agreement or any Lease hereunder require the payment or permit the collection of interest or any amount in the nature of interest or fees in excess of the maximum amount permitted by applicable law. Any such excess interest or fees shall first be applied to reduce principal portion of the Rental Payments, and when no principal remains, refunded to Lessee. In determining whether the interest paid or payable exceeds the highest lawful rate, the total amount of interest shall be spread through the applicable Lease Term so that the interest is uniform through such term.

Section 13.11. Lessee's Performance. Time is of the essence. Lessor's failure at any time to require strict performance by Lessee of any of Lessee's obligations shall not waive or diminish Lessor's rights thereafter to demand strict compliance by Lessee.

Section 13.12. Third Party Beneficiaries. Nothing herein shall be construed or interpreted to give any person other than Lessee and Lessor any legal or equitable right, remedy or claim under or in respect of this Agreement or any Lease. Lessor and Lessee agree that no Contractor is a third party beneficiary of this Agreement and there are no third party beneficiaries of this Agreement.

Section 13.13. Waiver of Jury Trial. Lessor and Lessee hereby waive any right to trial by jury in any action or proceeding with respect to, in connection with or arising out of this Agreement or any Lease.

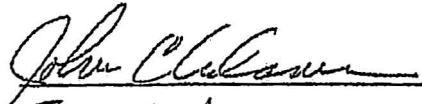
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EXECUTION PAGE OF MASTER LEASE AGREEMENT

Fiscal Period Commencement Date: July 1
Fiscal Period End Date: June 30


IN WITNESS WHEREOF, Lessor has caused this Agreement to be executed in its corporate name by its duly authorized officer, and Lessee has caused this Agreement to be executed in its name by its duly authorized officer.

NORTH DAKOTA STATE UNIVERSITY,
Lessee

By: 
Name: JOHN C ADAMS
Title: VP FIN & ADMIN
Date: 6/28/07
Address: 11 Old Main
Fargo, ND 58102

Telephone: 701-231-8412
Facsimile: 701-231-6194

NORTH DAKOTA STATE UNIVERSITY
DEVELOPMENT FOUNDATION,
Lessor

By: 
Name: JAMES C. MILLER
Title: EXECUTIVE DIRECTOR
Date: 6/28/07
Address: 1241 North University Drive
Fargo, ND 58102

Telephone: 701-231-8865
Facsimile: 701-231-6848

SCHEDULE NO. 001

This Schedule No. 001 (this "Schedule") to the Master Lease Agreement identified below is entered into as of June 1, 2007 by and between North Dakota State University Development Foundation ("Lessor") and North Dakota State University ("Lessee"). The following Equipment comprises an Equipment Group which is the subject of the Master Lease Agreement dated as of June 1, 2007 (the "Agreement") between Lessor and Lessee. The Agreement is incorporated herein in its entirety, and Lessee hereby reaffirms all of its representations and warranties contained in the Agreement. All capitalized terms used herein and not otherwise defined shall have the meanings assigned them in the Agreement. To the extent that the provisions of the Agreement conflict with the provisions of this Schedule, the provisions of this Schedule shall control.

1. The Lease Date is June 28, 2007, and the Lease Amount is \$2,348,000.
2. Lessee represents and warrants that (a) all of its representations and warranties contained in the Agreement were true and accurate as of the date made, remain true and accurate as of the Lease Date and are hereby reaffirmed, (b) it has fully and timely performed, and will continue to fully and timely perform, all of its obligations under the Agreement and (c) no Event of Default or any event which, with the passage of time or the giving of notice, would constitute a default has occurred under the Agreement.
3. This Instrument constitutes a security agreement under the State's Uniform Commercial Code. The Equipment Group is located at the address set forth below. If requested by Lessor, Lessee will provide the complete legal descriptions of the property where the Equipment Group is located. Prior to relocation of the Equipment Group or portion thereof during the Lease Term, Lessee will provide written notice to Lessor.

3802 20th Street N
Fargo, ND 58102
4. Lender and Lessor have entered into a Master Financing Agreement dated as of June 1, 2007 and Equipment Schedule No. 001 thereto dated as of June 1, 2007 (collectively, the "Financing Agreement"), pursuant to which Lender has agreed to finance or refinance the acquisition of the Equipment Group (as defined in the Financing Agreement). Lessee has received and reviewed the Financing Agreement and acknowledges and agrees to the terms thereof.
5. Lessee will make Lease Payments directly to Lender.
6. Notwithstanding any provision in the Agreement to the contrary, neither Borrower nor Lessee own the real property upon which the Equipment will be located and such real property may be subject to a lien or encumbrance.
7. Lessee shall provide Lender with the following items, in form and substance acceptable to Lender, in connection with this Schedule: (a) an Aircraft Security Agreement of even date herewith (the "Aircraft Security Agreement") by Borrower and Lessee, and (b) an IDERA by Lessee. Lessee shall comply with all of the terms and provisions of the Aircraft Security Agreement. To the extent that the provisions of the Agreement and this Schedule conflict with the provisions of the Aircraft Security Agreement, the provisions of the Aircraft Security Agreement shall control.

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NORTH DAKOTA STATE UNIVERSITY,
Lessee

By: John C. Adams

Title: John C. Adams, VP for Finance & Admin

Date: _____

NORTH DAKOTA STATE UNIVERSITY
DEVELOPMENT FOUNDATION, Lessor

By: James C. Miller

Title: James C. Miller, Executive Director

Date: _____

Original - Chattel Paper

[EXECUTION PAGE OF SCHEDULE NO. 001]