

TRANSCRIPT OF PROCEEDINGS

**EQUIPMENT LEASE-PURCHASE AGREEMENT
DATED AS OF SEPTEMBER 30, 2011, BETWEEN
GRANT CAPITAL MANAGEMENT, INC., AS LESSOR,
AND HOUSING AUTHORITY OF THE CITY OF NEWARK, AS LESSEE**

AND

**\$49,560,203
CERTIFICATES OF PARTICIPATION
(HOUSING AUTHORITY OF THE CITY OF NEWARK, NEW JERSEY,
ENERGY CONSERVATION PROJECT), SERIES 2011,
EVIDENCING OWNERSHIP INTERESTS IN RENT PAYMENTS TO BE PAID BY
HOUSING AUTHORITY OF THE CITY OF NEWARK, NEW JERSEY,
UNDER THE EQUIPMENT LEASE-PURCHASE AGREEMENT DESCRIBED ABOVE**

CLOSING DATE: SEPTEMBER 30, 2011

CLOSING MEMORANDUM

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CLOSING DATE: SEPTEMBER 30, 2011

PARTIES AND COUNSEL:

Housing Authority of the City of Newark, New Jersey (the "*Lessee*")

Grant Capital Management, Inc. ("*GCM*")

PNC Equipment Finance, LLC ("*PNCEF*")

Capital One Public Funding, LLC ("*COPF*")

Susquehanna Bank ("*SB*" and, together with PNCEF and COPF, the "*Purchasers*")

Deutsche Bank National Trust Company, as trustee (the "*Trustee*")

Ballard Spahr LLP ("*Ballard*")

Duane Morris LLP ("*DM*")

Chapman and Cutler LLP ("*C&C*")

Six (6) copies of each of the following instruments and showings are to be delivered on the Closing Date identified above in connection with execution and delivery of the above-referenced Equipment Lease-Purchase Agreement and Certificates of Participation evidencing ownership interests in rent payments to be paid by the Lessee under such Equipment Lease-Purchase Agreement:

I. BASIC LEASE AND TRUST DOCUMENTS

DOCUMENT	DOC No.	RESPONSIBLE PARTY
Equipment Lease-Purchase Agreement (the “ <i>Lease</i> ”), dated as of September 30, 2011, including Equipment Schedule and Payment Schedule thereto, between the Lessee and GCMI, as lessor (in such capacity, the “ <i>Lessor</i> ”).....	1	C&C
Trust Agreement (the “ <i>Trust Agreement</i> ”), dated as of September 30, 2011, between GCMI, as trustor (in such capacity, the “ <i>Trustor</i> ”), and the Trustee	2	C&C
Absolute Assignment Agreement, dated September 30, 2011, from GCMI, as assignor (in such capacity, the “ <i>Assignor</i> ”), to the Trustee for the benefit of the Owners of the Certificates executed and delivered under the Trust Agreement	3	C&C
Tax Agreement and Certificate executed by the Lessee, as required by Section 5.2(e)(1) of the Lease.....	4	Ballard
Copy of completed and executed IRS Form 8038-G, with evidence of filing, as required by Section 5.2(e)(15) of the Lease	5	Ballard
Specimen Certificate No. R-1 in the aggregate principal amount of \$29,560,203 and registered in the name of PNCEF (original delivered only to PNCEF)	6	C&C
Specimen Certificate No. R-2 in the aggregate principal amount of \$10,000,000 and registered in the name of COPF (original delivered only to COPF).....	7	C&C
Specimen Certificate No. R-3 in the aggregate principal amount of \$10,000,000 and registered in the name of SB (original delivered only to SB)	8	C&C

II. DOCUMENTS DELIVERED BY THE PURCHASERS

Investment Representation Letters:

a.	Investment Representation Letter from PNCEF	9(a)	C&C
b.	Investment Representation Letter from COPF	9(b)	C&C
c.	Investment Representation Letter from SB	9(c)	C&C

Cross Receipts:

a.	Receipt for original Certificate of Participation No. R-1	10(a)	C&C
b.	Receipt for original Certificate of Participation No. R-2	10(b)	C&C
c.	Receipt for original Certificate of Participation No. R-3	10(c)	C&C

III. DOCUMENTS FURNISHED BY GCMI

Written Order of the Trustor for purposes of Section 2.2 of the Trust Agreement	11	GCMI/DM
Copy of financing statement on Form UCC-1 naming GCMI (as seller) and the Trustee (as buyer), re chattel paper, with evidence of filing with the Maryland Secretary of State, as required by Section 5.2(e)(5) of the Lease	12	C&C
Certificate of an authorized officer of the Lessor dated the Closing Date, together with all exhibits thereto, as required by Section 5.2(e)(12) of the Lease	13	GCMI/DM

**IV. DOCUMENTS FURNISHED BY HOUSING AUTHORITY
OF THE CITY OF NEWARK**

Evidence of Insurance as required by Section 5.2(e)(3) of the Lease, together with Insurance Coverage Disclosure certificate in the form attached to the Lease.....	14	Lessee
Certified copy of Surety Bonds with multiple obligee rider, as required by Section 5.2(e)(4) of the Lease.....	15	Lessee
Certificate of an authorized officer of the Lessee dated the Closing Date, together with all exhibits thereto, as required by Section 5.2(e)(11) of the Lease.....	16	Ballard
Certificate of Incumbency executed by the Secretary of the Housing Authority of the City of Newark, regarding the incumbency and authorization of officers of the Lessee, in the form attached to the Lease	17	Ballard
Copy of Section 30 Determination from HUD, as required by 5.2(e)(6) of the Lease.....	18	Ballard
Evidence that the Lessee has adopted its Energy Savings Plan, submitted its Energy Savings Plan to the New Jersey Board of Public Utilities and posted it on its own website, as required by Section 5.2(e)(7)(A) of the Lease	19	Ballard
Evidence that the Lessee has obtained from the Supplier an energy savings guarantee as required by Section 5.2(e)(7)(B) of the Lease	20	Lessee
Evidence that the acquisition of the Equipment pursuant to the Lease is exempt from New Jersey State sales tax, as required by Section 5.2(e)(8) of the Lease.....	21	Ballard
Evidence that the Lessor's ownership of the Equipment under the Lease is not subject to <i>ad valorem</i> property tax (whether on real or personal property) or other taxes of any kind under New Jersey law, as required by Section 5.2(e)(9) of the Lease	22	Ballard

Copy of executed Water/Energy Services Agreement dated as of March 31, 2011, between the Lessee and CLT Efficient Technologies, Inc., d/b/a Constellation Energy Projects & Services NJ, as energy services company	23	Lessee
New Jersey State Letter regarding the term of the Lease, as required by Section 5.2(e)(16)	24	Lessee
Copy of financing statement on Form UCC-1 naming the Lessee as “Debtor,” the Lessor as “Secured Party” and the Trustee as “Assignee of Secured Party,” with evidence of central filing, regarding the security arrangement with respect to the Equipment and the security interest in the Pledged Funds	25	C&C
Copy of financing statement on Form UCC-1 (fixture filing) naming the Lessee as “Debtor,” the Lessor as “Secured Party” and the Trustee as “Assignee of Secured Party,” with evidence of recording, regarding the security arrangement with respect to the Equipment under the Lease	26	C&C

V. DOCUMENTS FURNISHED BY THE TRUSTEE

Certificate of an authorized officer of the Trustee dated the Closing Date, together with all exhibits thereto, as required by Section 5.2(e)(13) of the Lease.....	27	Trustee
Cross Receipts:		
a. Trust Receipt for Proceeds of Sale of Certificates of Participation.....	28(a)	C&C
b. Trustee Receipt for Lease Delivered Pursuant to Absolute Assignment Agreement	28(b)	C&C
Fee Agreement between the Lessee and the Trustee with respect to the Trustee’s services under the Trust Agreement.....	29	Trustee
Investment Direction Letter dated September 30, 2011, between the Lessee and the Trustee.....	30	C&C

VI. OPINIONS OF COUNSEL

Opinion of Ballard Spahr, LLP, as Special Counsel to the Lessee, as required by Section 5.2(e)(2)(A) of the Lease	31	Ballard
Opinion of Duane Morris LLP, as Special Counsel to the Lessor, as required by Section 5.2(e)(2)(B) of the Lease	32	DM
Opinion of Counsel to the Trustee, as required by Section 5.2(e)(2)(C) of the Lease	33	Counsel to DB
Opinion of Duane Morris LLP, as Special Tax Counsel, as required by Section 5.2(e)(2)(D) of the Lease	34	DM

NOTE: Transcript of Proceedings are to be delivered to each of the following:

CDS	HARDCOPY	
-0-	One original	Housing Authority of the City of Newark
-0-	One original	Grant Capital Management, Inc.
-0-	One original	PNC Equipment Finance, LLC
-0-	One original	Capital One Public Funding, LLC
-0-	One original	Susquehanna Bank
-0-	One original	Deutsche Bank National Trust Company
-1-	-0-	Ballard Spahr LLP
-1-	-0-	Duane Morris LLP
-1-	-0-	Chapman and Cutler LLP

EQUIPMENT LEASE-PURCHASE AGREEMENT

This Equipment Lease-Purchase Agreement dated as of September 30, 2011 (this "*Lease*") is made and entered into by and between GRANT CAPITAL MANAGEMENT, INC., a Maryland corporation, as lessor ("*Lessor*"), and HOUSING AUTHORITY OF THE CITY OF NEWARK, a public housing authority of a political subdivision existing under the laws of the State of New Jersey, as lessee ("*Lessee*").

1. LEASE OF EQUIPMENT; EXECUTION AND DELIVERY OF CERTIFICATES OF PARTICIPATION.

Subject to the terms and conditions of this Lease, Lessor agrees to sell, transfer and lease to Lessee, and Lessee agrees to acquire, purchase and lease from Lessor, all Equipment described on the Equipment Schedule.

Lessee hereby authorizes and directs Lessor to cause certificates of participation (the "*Certificates*") to be executed and delivered by the Trustee (as herein defined) evidencing fractionalized ownership interests in Lessor's rights, title and interest in, to and under this Lease on the terms and conditions provided in the Trust Agreement (as herein defined). The Trust Agreement shall provide that the interest component and the principal component of Rent Payments under this Lease shall be distributable with respect to the Certificates on the same dates and in the same amounts as the principal and interest components of Rent Payments are to be paid pursuant to this Lease and shall be distributable to the owners of the Certificates as their respective interests appear in accordance with the Trust Agreement. Lessor hereby acknowledges and agrees that (a) Lessee has not participated, and will not participate, in the structuring, placement and distribution of the Certificates and (b) Lessee has no responsibilities with respect to, and makes no representation or warranty as to, the validity, enforceability or binding effect of the Certificates or the Trust Agreement. In connection with the execution and delivery of the Certificates, Lessee hereby acknowledges and agrees that Lessor shall, on the Commencement Date, assign, sell and transfer all of its rights, title and interest in, to and under the Lease to the Trustee pursuant to the Absolute Assignment Agreement (as herein defined).

2. CERTAIN DEFINITIONS.

The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"*Absolute Assignment Agreement*" means that certain Absolute Assignment Agreement dated September 30, 2011, between Lessor and the Trustee with respect to the sale and absolute assignment of all of Lessor's rights, title and interest in, to and under this Lease to the Trustee on the Commencement Date.

"*Act*" means the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 *et seq.*, as amended.

"*Add-On Subsidy Incentive*" means the HUD Financial Incentive that is referred to in HUD regulations, 24 C.F.R. Section 990.185, as the "*add-on subsidy*" and allows a public

housing authority to capture energy savings through its operating fund calculation under applicable HUD regulations.

“Add-On Subsidy Incentive Payments” means amounts received by Lessee from time to time from HUD that are attributable to the Add-On Subsidy Incentive.

“Certificate Owners” means, on the Commencement Date, the initial registered owners of the Certificates and thereafter the registered owners of the Certificates from time to time as provided in the Trust Agreement.

“Certificates” means the certificates of participation to be executed and delivered pursuant to the Trust Agreement evidencing fractionalized ownership interests in Lessor’s rights, title and interest in, to and under this Lease.

“Commencement Date” has the meaning set forth in Section 3 hereof

“Code” means the Internal Revenue Code of 1986, as amended. Each reference to a Section of the Code herein shall be deemed to include the United States Treasury Regulations in effect thereunder.

“Declaration of Trust” means, collectively, those certain Declarations of Trust executed by Lessee to HUD with respect to the public housing property, facilities and buildings on which the Equipment is to be acquired and installed pursuant to the Energy Services Agreement, recorded in appropriate real estate records in the State and filed with HUD, all in accordance with applicable HUD regulations.

“Disbursement Request/Certificate of Acceptance” has the meaning set forth in the Trust Agreement.

“ECMs” means Equipment that comprises energy conservation measures for purposes of the ESIP Law.

“Energy Related Capital Improvement” means “energy related capital improvement” as that term is defined in the ESIP Law.

“Energy Savings” means “energy savings” as that term is defined in the ESIP Law.

“Energy Savings Improvement Program” means an “energy savings improvement program” as that term is defined in the ESIP Law.

“Energy Savings Plan” means an “energy savings plan” as that term is defined in the ESIP Law.

“Energy Services Agreement” means that certain Water/Energy Services Agreement dated as of March 31, 2011, between Lessee and CLT Efficient Technologies, Inc., d/b/a

Constellation Energy Projects & Services NJ, a Delaware corporation, as energy services company.

“Equipment” means the property described in the Equipment Schedule, together with all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto.

“Equipment Acquisition Fund” means the fund of that name established pursuant to the Trust Agreement and described in Section 6.1(a)(i) hereof.

“Equipment Costs” means the total cost of the Equipment, including related costs such as freight, installation and taxes, capitalizable costs and costs of issuance incurred in connection with the acquisition and/or financing of the Equipment; *provided, however*, that in no event shall Equipment Costs include amounts relating to the maintenance, guarantee, Energy Savings guarantee or verification of Energy Savings guarantees of ECMs, which amounts described in this *proviso* shall not be financed under this Lease.

“Equipment Schedule” means the equipment schedule attached hereto as *Exhibit A* and made a part hereof.

“ESIP Law” means N.J.S.A. 40A:11-4.6 *et seq.*, as amended.

“Event of Default” has the meaning set forth in Section 19 hereof.

“Fiscal Year” means the fiscal year of Lessee, as it may be changed from time to time. The Fiscal Year as of the date of execution and delivery of this Lease is the period which commences on April 1 and ends on the next succeeding March 31, subject to any change in such period adopted by Lessee with prior written notice to Lessor.

“Funding Conditions” has the meaning set forth in Section 5.2 hereof.

“HUD” means the U.S. Department of Housing and Urban Development or any successor federal agency as provided by law.

“HUD Financial Incentive” means any energy related financial incentive that is now or hereafter available to public housing agencies under applicable HUD regulations in effect from time to time (currently consisting of the Add-On Subsidy Incentive, the frozen rolling base financial incentive, the Resident Paid Incentive and the rate reduction financial incentive under 24 C.F.R. Part 990).

“HUD Financial Incentive Payments” means amounts received by Lessee from time to time from HUD that are attributable to any HUD Financial Incentive.

“Lease” means this Equipment Lease-Purchase Agreement, including the exhibits hereto, together with any amendments and modifications to this Lease pursuant to the terms hereof.

“Lease Term” has the meaning set forth in Section 3 hereof.

“Legally Available Funds” means (a) Add-On Subsidy Incentive Payments; (b) frozen base incentive payments appropriated by HUD pursuant to 24 C.F.R. §990.185(a)(1) and paid to Lessee; (c) resident-paid utility payments; (d) energy savings guarantee payments made by any Supplier pursuant to its energy savings guarantee with Lessee with respect to the Equipment; and (e) all other revenues, grants, awards and moneys that are available to Lessee and are not legally precluded from Lessee’s use and application to pay Rent Payments and other amounts hereunder, including without limitation the general and other funds of Lessee that are legally available therefor.

“Lessee” means the Housing Authority of the City of Newark, New Jersey, and any successor to its powers, duties or functions as provided by State law.

“Lessor” means (a) initially, Grant Capital Management, Inc., a Maryland corporation, or (b) from and after sale and transfer of the initial Lessor’s rights, title and interest in, to and under this Lease pursuant to the Absolute Assignment Agreement, the Trustee acting in such capacity as Lessor and for the benefit of the Certificate Owners in accordance with the Trust Agreement, but does not include any entity solely by reason of that entity retaining or assuming any obligation of Lessor to perform hereunder.

“Lien” means any lien (statutory or otherwise), security interest, mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, preference, priority or other security or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing and the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction).

“Material Adverse Change” means any change in Lessee’s creditworthiness that could have a material adverse effect on (a) the financial condition or operations of Lessee, or (b) Lessee’s ability to perform its obligations under this Lease.

“Payment Schedule” means the payment schedule attached hereto as *Exhibit B* and made a part hereof.

“Pledged Funds” means the Equipment Acquisition Fund and the Rent Payment Fund, collectively.

“Related Agreements” means this Lease, the Tax Agreement, the Energy Services Agreement, the Absolute Assignment Agreement and the Trust Agreement.

“Rent Payment Due Date” means each day on which a Rent Payment is due to be paid in accordance with this Lease.

“Rent Payment Fund” means the fund of that name established pursuant to the Trust Agreement and described in Section 6.1(a)(ii) hereof.

“Rent Payments” means the basic rental payments payable by Lessee hereunder pursuant to Section 4 hereof, consisting of a principal component and an interest component.

“Resident Paid Incentive” means the HUD Financial Incentive under applicable HUD Regulations, 24 C.F.R. Section 990.185, that allows Lessee to capture amounts related to energy savings through a reduction in resident paid utilities below certain baseline allowances for calculation of its operating subsidy as provided in applicable HUD regulations.

“Resident Paid Incentive Payments” means amounts received by Lessee from time to time from HUD that are attributable to the Resident Paid Incentive.

“Section 30 Determination” means a written determination from HUD that (a) Section 30 of the U.S. Housing Act of 1937, as amended, does not apply to this Lease because title to the Equipment is vested in Lessor to the extent required by the ESIP Law and the Act, (b) Section 30 of the U.S. Housing Act of 1937, as amended, does not apply to the security interest granted to the Trustee for the benefit of the Certificate Owners in and to the Pledged Funds, as neither Lessor nor the Trustee is taking a security interest in the operating funds of Lessee and (c) Lessor as legal owner of the Equipment may repossess the Equipment upon an Event of Default under this Lease pursuant to the terms of this Lease.

“State” means the State of New Jersey.

“Supplier” means the manufacturer, installer or supplier of the Equipment or any other person as well as the agents or dealers of the manufacturer, installer or supplier with whom Lessee arranged its acquisition, installation, maintenance and/or servicing of the Equipment, including without limitation CLT Efficient Technologies, Inc., d/b/a Constellation Energy Projects & Services NJ as an energy services company under the Energy Services Agreement.

“Supplier Agreement” means any contract entered into by Lessee and any Supplier for the acquisition, installation, maintenance and/or servicing of the Equipment, including without limitation, the Energy Services Agreement.

“Surety Bond” has the meaning set forth in Section 14.4 hereof.

“Tax Agreement” means that certain Tax Exemption Certificate and Agreement executed by Lessee with respect to the Lease, which is prepared by Ballard Spahr LLP in connection with the opinion delivered by Duane Morris LLP regarding federal tax-exemption and delivered pursuant to Section 5.2(e)(2)(D) hereof.

“Termination Value” means, with respect to any date for which a Termination Value is to be paid pursuant to this Lease, the amount (including prepayment premium) determined based on the Termination Value set forth under the column titled *“Termination Value”* on the Payment Schedule.

“*Trust Agreement*” means that certain Trust Agreement dated as of September 30, 2011 between Lessor and the Trustee pursuant to which the Certificates are to be executed and delivered.

“*Trustee*” means Deutsche Bank National Trust Company or its permitted successors as trustee under the Trust Agreement.

3. LEASE TERM.

The term of this Lease (the “*Lease Term*”) commences on, and interest accrues from, September 30, 2011 (the “*Commencement Date*”) and, unless earlier terminated as expressly provided in this Lease, continues until Lessee’s payment and performance in full of all of Lessee’s obligations under this Lease.

4. RENT PAYMENTS.

4.1. During the Lease Term, Lessee agrees to pay to Lessor the rent payments (“*Rent Payments*”) in the amounts and on the dates set forth in the Payment Schedule. A portion of each Rent Payment is paid as and represents the payment of interest as set forth in the Payment Schedule. Lessee’s obligation to pay Rent Payments and other amounts under this Lease is an absolute and unconditional obligation of Lessee payable from all Legally Available Funds in U.S. dollars, without notice or demand, at the office of the Trustee identified below (or such other place as the Trustee may designate from time to time in writing).

4.2. LESSEE’S OBLIGATION TO PAY RENT PAYMENTS UNDER THIS LEASE SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS AND SHALL NOT BE SUBJECT TO ANY SETOFF, DEFENSE, DIMINUTION, DEDUCTION, COUNTERCLAIM, ABATEMENT OR RECOUPMENT FOR ANY REASON WHATSOEVER, INCLUDING (WITHOUT LIMITATION) BY REASON OF ANY FAILURE OF THE EQUIPMENT, FAILURE TO REALIZE ANY ENERGY SAVINGS, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE EQUIPMENT, DISPUTES WITH THE SUPPLIER(S) OR OTHER MANUFACTURER(S) OF THE EQUIPMENT OR LESSOR, FAILURE OF A SUPPLIER UNDER ANY SUPPLIER AGREEMENT TO DELIVER ANY EQUIPMENT OR TO PERFORM ANY OF ITS OBLIGATIONS THEREUNDER FOR WHATEVER REASON, INCLUDING BANKRUPTCY, INSOLVENCY, REORGANIZATION OR ANY SIMILAR EVENT WITH RESPECT TO THE SUPPLIER UNDER ANY SUPPLIER AGREEMENT, OR THE FAILURE OR INABILITY (FOR WHATEVER REASON) OF LESSEE TO RECEIVE (OR DELAY IN RECEIPT OF) ALL OR ANY PORTION OF ANY REBATE OR ANY PAYMENT FOR GUARANTEED ENERGY SAVINGS BY SUPPLIER UNDER THE SUPPLIER AGREEMENT, OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES. **LESSEE HAS NO TAXING POWER. THEREFORE, NO TAX IS PLEDGED FOR THE PAYMENT OF RENT PAYMENTS OR ANY OTHER AMOUNTS PAYABLE HEREUNDER.**

4.3. If Lessor receives any Rent Payment from Lessee more than ten (10) days after its due date, Lessee shall pay Lessor on demand from Legally Available Funds as a late charge five percent (5%) of such overdue amount, limited, however, to the maximum amount allowed by law.

5. EQUIPMENT ACQUISITION FUND; EQUIPMENT DELIVERY AND ACCEPTANCE; FUNDING CONDITIONS.

5.1. In order to provide financing to pay the Equipment Costs with respect to the Equipment described in the Equipment Schedule and as directed by Lessee in Section 1 hereof, upon satisfaction of all of the Funding Conditions provided in Section 5.2 hereof Lessor shall assign, sell and transfer all of its rights, title and interest in, to and under this Lease to the Trustee on the Commencement Date pursuant to the Absolute Assignment Agreement and cause the Trustee to execute and deliver the Certificates to the initial Certificate Owners in exchange for the purchase price therefor for deposit into the Equipment Acquisition Fund, all in accordance with the Trust Agreement.

5.2. Notwithstanding anything in this Lease or the Trust Agreement to the contrary, the Trustee shall have no obligation to execute and deliver the Certificates, and the initial Certificate Owners shall have no obligation to purchase such Certificates and thereby cause the deposit into the Equipment Acquisition Fund as provided in Section 5.1 hereof unless all reasonable conditions established by the Trustee at the direction of the initial Certificate Owners ("*Funding Conditions*") have been satisfied and delivered to the Trustee, including, without limitation, the following:

(a) no Event of Default shall have occurred and be continuing under any Related Agreement;

(b) no Material Adverse Change shall have occurred with respect to Lessee and no material adverse change shall have occurred in the financial condition or operations of any Supplier;

(c) the Equipment is reasonably satisfactory to the Trustee (as directed by the initial Certificate Owners) and is free and clear of any Liens (except the Declaration of Trust);

(d) all representations and warranties of the respective parties in each of the Related Agreements shall be true, accurate and complete as of the Commencement Date;

(e) the Trustee has received all of the following agreements, opinions, certificates and other documents, which shall be reasonably satisfactory, in form and substance, to the initial Certificate Owners:

(1) an executed original of each Related Agreement, including original Counterpart No. 1 of this Lease;

(2) (A) an opinion of Ballard Spahr LLP, special counsel to Lessee, addressed to the Trustee and each of the initial Certificate Owners, to the effect that (i) Lessee is duly organized and legally existing as a public housing authority existing under the Constitution and laws of the State with full power and authority to enter into, and perform its obligations under, the Lease and the other Related

Agreements to which it is a party; (ii) each of the Related Agreements to which Lessee is a party has been duly authorized, approved, executed and delivered by and on behalf of Lessee and such Related Agreements are legal, valid and binding obligations of Lessee enforceable in accordance with their respective terms; (iii) the authorization, approval, execution and delivery of the Related Agreements to which Lessee is a party and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all applicable open meeting laws, property acquisition laws, public bidding laws and all other applicable State or federal laws, including but not limited to the ESIP Law and the Act; (iv) there is no proceeding pending or, to the best of Lessee's special counsel's knowledge after due inquiry, threatened in any court or before any governmental authority or arbitration board or tribunal that challenges the organization or existence of Lessee, the authority of its governing board or officers, the proper authorization, approval and execution of this Lease or any other Related Agreements to which Lessee is a party, the ability of Lessee otherwise to perform its obligations under this Lease or any other such Related Agreements and the transactions contemplated hereby or thereby, the legal title of Lessor or its assigns, as the case may be, in the Equipment or the security interest granted to the Trustee for the benefit of the Certificate Owners in and to the Pledged Funds; (v) to the best of Lessee's special counsel's knowledge after due inquiry, the entering into and performance of this Lease or any other Related Agreements to which it is a party by Lessee do not and will not violate any judgment, order, law or regulation applicable to Lessee (including, without limitation, HUD regulations) or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Equipment pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which Lessee is a party or by which it or its assets may be bound, except as expressly provided in this Lease; (vi) the correct legal name of Lessee for purposes of the Uniform Commercial Code in effect in the State is Housing Authority of the City of Newark, New Jersey; and (vii) such other customary matters as the Trustee (as directed by the initial Certificate Owners) may reasonably request;

(B) an opinion of Duane Morris LLP, special counsel to Lessor, addressed to the Trustee and each of the initial Certificate Owners, to the effect that (i) Lessor is a corporation validly existing and in good standing under the laws of the State of Maryland, (ii) Lessor has the requisite corporate power and authority to execute and deliver the Related Agreements to which it is a party and to perform its obligations under such Related Agreements and the Related Agreements to which it is a party have been duly authorized, approved, executed and delivered by and on behalf of Lessor and such Related Agreements are legal, valid and binding obligations of Lessor enforceable in accordance with their respective terms; (iii) the authorization, approval, execution and delivery of the Related Agreements to which Lessor is a party and all other proceedings of Lessor relating to the transactions contemplated hereby and thereby have been

performed in accordance with all applicable State or federal laws; (iv) to the best of Lessor's special counsel's knowledge, there is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Related Agreements to which Lessor is a party or the legal title or of Lessor or its assigns, as the case may be, in the Equipment or other collateral hereunder or thereunder; and (v) such other customary matters as the Trustee (as directed by the initial Certificate Owners) may reasonably request;

(C) an opinion of counsel to the Trustee, as to the due authorization, execution and delivery by the Trustee of the Certificates and the Related Agreements to which it is a party, the enforceability of the Certificates and each Related Agreement to which the Trustee is a party and such other matters as the Trustee (as directed by the initial Certificate Owners) may reasonably request;

(D) an opinion of Duane Morris LLP, as special tax and transactional counsel, addressed to the Trustee and each of the initial Certificate Owners, to the effect that the interest component of Rent Payments paid pursuant to this Lease and distributed with respect to the Certificates is excludible from gross income of the owners thereof for federal income tax purposes, the Certificates are not subject to the registration requirements of the Securities Act of 1933, as amended, the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended, and such other matters as the Trustee (as directed by the initial Certificate Owners) may reasonably request;

(3) evidence of insurance as required by the Related Agreements;

(4) a certified copy of the Surety Bond that satisfies the conditions set forth in Section 14 hereof;

(5) all documents, including financing statements, affidavits, notices and similar instruments, in form satisfactory to the Trustee (as directed by the initial Certificate Owners), which the Trustee (as so directed) deems necessary or appropriate, with respect to the Trustee's interests under this Lease, its security interest in the Pledged Funds and the transfer of ownership of the Lease as chattel paper from Lessor to the Trustee;

(6) a copy of the Section 30 Determination executed by HUD;

(7) evidence that all the requirements under the ESIP Law and the Act with respect to Lessee's acquisition, installation and financing of the Equipment and the transactions contemplated under the Related Agreements have been satisfied, including without limitation:

(A) evidence that Lessee has adopted its Energy Savings Plan, submitted its Energy Savings Plan to the New Jersey Board of Public Utilities and posted it on its own website; and

(B) evidence that Lessee has obtained, or will obtain, from the Supplier an energy savings guarantee insuring that the Energy Savings resulting from the Equipment will be sufficient to defray all payments required to be made under this Lease and providing that in the event that the Energy Savings are not sufficient, such Supplier will reimburse Lessee for any such shortfall and any amounts received by Lessee in connection with such guarantee shall be applied to pay Lessee's Rent Payment obligation under this Lease;

(8) evidence that Lessee's purchase (or a Supplier's purchase for Lessee's use hereunder) of Equipment pursuant to this Lease is exempt from New Jersey State sales tax;

(9) evidence that Lessor's ownership of the Equipment to the extent required by applicable State law until the end of the Lease Term does not, and will not, result in an obligation of Lessor to pay any *ad valorem* property (whether on real or personal property) or other taxes of any kind under State law or, if any such taxes are so payable during the Lease Term, that Lessee has expressly provided for payment of such taxes in accordance with Section 12.1 hereof from its Legally Available Funds;

(10) a written agreement between Lessee and each Supplier, in form and substance acceptable to the Trustee (as directed by the initial Certificate Owners), to the effect that such Supplier (A) agrees, for and in consideration of amounts to be disbursed from the Equipment Acquisition Fund, that automatically and without any further act or action, ownership of and title to the Equipment (or portion thereof, as applicable) referenced in a Disbursement Request/Certificate of Acceptance that is executed and delivered by Lessee and submitted to the Trustee for disbursement in accordance with the Trust Agreement shall vest in Lessor (or its assigns) for purposes of this Lease immediately upon the Trustee's disbursement of moneys from the Equipment Acquisition Fund in accordance with each such Disbursement Request/Certificate of Acceptance, subject to the rights and interests of Lessee under this Lease; and (B) acknowledges the vesting of title in Lessor as provided in Section 8.1 hereof;

(11) a certificate signed by an authorized officer of Lessee dated the Commencement Date certifying that: (A) the representations and warranties of Lessee contained herein and in the other Related Agreements to which Lessee is a party are true and correct on and as of the Commencement Date; (B) no Event of Default has occurred and is continuing or would result from the execution, delivery or performance of this Lease or any other Related Agreement to which Lessee is a party; (C) there has been no event or circumstance since the date of the

audited annual financial statements of Lessee for the Fiscal Year ended March 31, 2010, that has resulted or could be reasonably expected to result, either individually or in the aggregate, in a Material Adverse Change; (D) the accuracy and genuineness of the names and signatures of the persons authorized to sign, on behalf of Lessee, the Related Agreements to which Lessee is a party; and (E) attached thereto are copies of the resolutions of the governing board of Lessee approving the execution and delivery of the Related Agreements to which Lessee is a party and the other matters contemplated hereby that are true and complete and in full force and effect on the Commencement Date;

(12) a certificate of an authorized officer of Lessor dated the Commencement Date certifying (A) the articles of incorporation and bylaws of Lessor as currently in effect, (B) the names and true signatures of the officers of Lessor authorized to execute, on behalf of Lessor, the Related Agreements to which Lessor is a party, (C) copies of the resolutions of the sole shareholder of Lessor authorizing Lessor to enter into and perform its obligations under each of the Related Agreements to which it is a party, as being true and complete and in full force and effect on the Commencement Date, (D) that the representations and warranties contained in the Related Agreements to which Lessor is a party are true and correct on and as of the Commencement Date and (E) no Event of Default has occurred and is continuing or would result from the execution, delivery or performance of any Related Agreement to which Lessor is a party;

(13) a certificate of an authorized officer of the Trustee dated the Commencement Date certifying (A) the names and true signatures of the officers of the Trustee authorized to execute, on behalf of the Trustee, the Related Agreements to which the Trustee is a party, (B) copies of the resolutions authorizing the Trustee to execute and deliver the Certificates and the Related Agreements to which it is a party, as being true and complete and in full force and effect on the Commencement Date, (C) that the representations and warranties of the Trustee contained in the Related Agreements to which the Trustee is a party are true and correct on and as of the Commencement Date;

(14) original Certificate No. R-1, original Certificate No. R-2 and original Certificate No. R-3, each in definitive physical form as provided in the Trust Agreement, executed by the Trustee and registered in the names of the respective initial Certificate Owners;

(15) such documents and certificates as the Trustee (as directed by the initial Certificate Owners) may request relating to federal tax-exemption of the interest component of Rent Payments under this Lease and distributable with respect to the Certificates, including (without limitation) IRS Form 8038-G and evidence of the adoption of a reimbursement resolution or other official action in the event that Lessee is to be reimbursed for expenditures that it has paid more than sixty days prior to the Commencement Date; and

(16) such other documents and information previously identified by the Trustee (as directed by the initial Certificate Owners) or otherwise reasonably requested by the Trustee (as so directed).

5.3. Lessee shall, at its sole expense, arrange for the transportation, delivery and installation of all Equipment to the locations specified in the Equipment Schedule (each a "*Location*") by the Suppliers selected by Lessee. Lessee shall evidence its acceptance of Equipment by signing and delivering to the Trustee a Disbursement Request/Certificate of Acceptance in the form and manner required by the Trust Agreement.

5.4. If an Event of Default occurs prior to Lessee's acceptance of all the Equipment, the amount then on deposit in the Equipment Acquisition Fund shall be applied to prepay the unpaid principal component of the Rent Payments in whole on the first business day of the month next succeeding the occurrence of such Event of Default *plus* accrued interest to the prepayment date; *provided, however*, that the amount to be prepaid by Lessee pursuant to this Section 5.4 shall *first* be paid from moneys in the Equipment Acquisition Fund and then from Legally Available Funds and other moneys available for such purpose as a result of the exercise by the Trustee in accordance with the Trust Agreement of its rights and remedies hereunder. Any funds on deposit in the Equipment Acquisition Fund on the prepayment date described in this Section 5.4 in excess of the unpaid principal component of the Rent Payments to be prepaid plus accrued interest thereon to the prepayment date shall be paid promptly to Lessee.

5.5. To the extent that Lessee has not accepted items of Equipment before the third anniversary of the Commencement Date, the amount then on deposit in the Equipment Acquisition Fund shall be applied to prepay the unpaid principal component of the Rent Payments in part, in inverse order of Rent Payments, on the first business day of the next month plus accrued interest to the prepayment date; *provided, however*, that the amount to be prepaid by Lessee pursuant to this Section 5.5 shall *first* be paid from moneys in the Equipment Acquisition Fund and then from Legally Available Funds. Notwithstanding any such partial prepayment, this Lease shall remain in full force and effect with respect to the portion of the Equipment accepted by Lessee during such three year period, and the portion of the principal component of Rent Payments remaining unpaid after such prepayment plus accrued interest thereon shall remain payable in accordance with the terms of this Lease. Upon the Trustee's request, Lessee shall execute an amendment to the Payment Schedule that reflects the change to the Rent Payments as a result of such partial prepayment.

6. CREATION OF PLEDGED FUNDS; PLEDGE OF AND FIRST PRIORITY LIEN ON PLEDGED FUNDS; NEGATIVE PLEDGE WITH RESPECT TO ADD-ON SUBSIDY AND RESIDENT PAID INCENTIVE PAYMENTS AND EQUIPMENT.

6.1. (a) Lessee and Lessor hereby acknowledge and agree that the Trustee shall establish and maintain under the Trust Agreement the following funds, which shall be held for the benefit of the Certificate Owners and, with respect to the Equipment Acquisition Fund, Lessee as provided in this Lease: (i) a special fund identified as the "Housing Authority of the City of Newark, New Jersey, 2011 Equipment Acquisition Fund" (the "*Equipment Acquisition Fund*"), which shall be applied pursuant to the Trust Agreement for payment of the Equipment

Costs for the Equipment described on the Equipment Schedule; and (ii) a special fund identified as the "Housing Authority of the City of Newark, New Jersey, 2011 Rent Payment Fund" (the "*Rent Payment Fund*"), which shall be applied pursuant to the Trust Agreement for the deposit of Lessee's Rent Payments and used to pay Rent Payments when due.

(b) As security for payment and performance of all of Lessee's obligations hereunder, including payment of Rent Payments and all other amounts payable hereunder, Lessee hereby pledges and grants to Lessor a first priority security interest in and to the moneys and investments held from time to time in the Pledged Funds. To perfect and protect Lessor's pledge and first priority security interest in and to the Pledged Funds, Lessee hereby agrees to execute and deliver to the Trustee such documents, in form satisfactory to the Trustee (as directed by the initial Certificate Owners), which the Trustee (as so directed) deems necessary or appropriate to establish, perfect and maintain Lessor's security interest in the Pledged Funds and the proceeds thereof.

6.2. *Negative Pledge with respect to Add-On Subsidy and Resident Paid Incentive Payments and Equipment.* (a) Lessee shall not, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to the Add-On Subsidy or Resident Paid Incentive Payments, except such rights therein to which HUD is entitled in accordance with applicable federal law.

(b) Lessee shall not, directly or indirectly, create, incur, assume or permit to exist any mortgage, pledge, lien, security interest, charge or other encumbrance of any nature whatsoever on any the Equipment or enter into any agreement to sell or assign or enter into any sale/leaseback arrangement of such Equipment; subject, however, to the rights and interests of HUD under the Declaration of Trust and as provided by applicable federal law.

7. NO WARRANTY BY LESSOR; SUPPLIER AGREEMENTS.

(a) **LESSEE ACQUIRES AND LEASES THE EQUIPMENT UNDER THIS LEASE "AS IS." LESSEE ACKNOWLEDGES THAT LESSOR DID NOT MANUFACTURE THE EQUIPMENT UNDER THIS LEASE. LESSOR DOES NOT REPRESENT THE MANUFACTURER, SUPPLIER, OWNER OR DEALER, AND LESSEE SELECTED THE EQUIPMENT BASED UPON LESSEE'S OWN JUDGMENT. LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE OR AS TO THE EQUIPMENT'S VALUE, DESIGN, CONDITION, USE, CAPACITY OR DURABILITY. LESSEE AGREES THAT REGARDLESS OF CAUSE, LESSOR IS NOT RESPONSIBLE FOR, AND LESSEE WILL NOT MAKE ANY CLAIM AGAINST LESSOR FOR, ANY DAMAGES, WHETHER CONSEQUENTIAL, DIRECT, SPECIAL OR INDIRECT INCURRED BY LESSEE IN CONNECTION WITH THE EQUIPMENT UNDER THIS LEASE. NEITHER THE MANUFACTURER, SUPPLIER OR DEALER NOR ANY SALESPERSON, EMPLOYEE OR AGENT OF THE MANUFACTURER, SUPPLIER OR DEALER IS LESSOR'S AGENT OR HAS ANY AUTHORITY TO SPEAK FOR LESSOR OR TO BIND LESSOR IN ANY WAY. For and during the Lease Term, Lessor assigns to Lessee any manufacturer's or Supplier's product warranties, express or implied, applicable to the Equipment and Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties at Lessee's sole expense. Lessee agrees that (i) all Equipment will have been purchased in accordance with Lessee's**

specifications from Suppliers selected by Lessee, (ii) Lessor is not a manufacturer or dealer of the Equipment and has no liability for the delivery or installation of the Equipment, (iii) Lessor assumes no obligation with respect to any manufacturer's or Supplier's product warranties or guaranties, (iv) no manufacturer or Supplier or any representative of said parties is an agent of Lessor and (v) any warranty, representation, guaranty or agreement made by any manufacturer or Supplier or any representative of said parties shall not be binding upon Lessor.

(b) Lessee covenants that it shall not in any material respect amend, modify, rescind or alter any Supplier Agreement (including, without limitation, the Energy Services Agreement) without the prior written consent of the Trustee (as the initial Lessor's assignee) in accordance with the Trust Agreement. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term, so long as Lessee shall not be in default under this Lease, to assert from time to time whatever claims and rights (including without limitation warranties) relating to the Equipment that Lessor may have against any Supplier. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the applicable Suppliers of the Equipment, and not against Lessor (including the Trustee, as its assignee, or the Certificate Owners). Any such matter shall not have any effect whatsoever on the rights and obligations of Lessor hereunder, including the right to receive full and timely Rent Payments. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties relating to the Equipment.

8. TITLE FOR STATE LAW PURPOSES; BENEFICIAL RIGHTS AND INTERESTS OF LESSEE.

8.1. During the Lease Term, legal title in and to each item of the Equipment shall be vested in Lessor to the extent required by the ESIP Law and the Act; *provided, however*, that during the Lease Term and so long as Lessee is not in default hereunder, all beneficial right and interest in and to, and duties and obligations with respect to, the use and possession of the Equipment shall be subject to this Lease for the benefit of Lessee immediately upon disbursement of amounts from the Equipment Acquisition Fund, subject to the terms and conditions of this Lease; *provided further, however*, that Lessee shall be, and shall be treated as, the owner of the Equipment for federal income tax purposes. Lessee shall at all times protect and defend, at its own cost and expense, Lessor's legal title and Lessee's beneficial rights and interests in and to the Equipment from and against all claims, liens and legal processes of Lessor's or Lessee's creditors and other persons, and keep all Equipment free and clear of all such claims, liens and processes except the Declaration of Trust. Subject to Section 5.4 hereof, upon the occurrence of an Event of Default, full and unencumbered legal and beneficial title to the Equipment shall, at Lessor's option, pass to Lessor, and Lessee shall have no further interest therein. In addition, upon the occurrence of such an Event of Default, Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of such full and unencumbered beneficial title to Lessor and termination of Lessee's rights and interests therein, and upon request by Lessor, Lessee shall deliver possession of the Equipment to Lessor in accordance with Section 21 hereof. Upon purchase of the Equipment by Lessee pursuant to Section 15 hereof, Lessor's legal title shall automatically transfer to Lessee, Lessor shall have no further interest therein and Lessor shall execute and deliver to Lessee such documents as Lessee may reasonably request to evidence termination of Lessor's title and other interests in and to the Equipment.

9. PERSONAL PROPERTY.

Lessee agrees that the Equipment is deemed to be and will remain personal property, and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon.

10. MAINTENANCE AND OPERATION.

Lessee shall, at its sole expense: (a) repair and maintain all Equipment in good condition and working order, in accordance with manufacturer's instructions, and supply and install all replacement parts or other devices when required to so maintain the Equipment or when required by applicable law or regulation, which parts or devices shall automatically become part of the Equipment; (b) use and operate all Equipment solely for the purpose of performing one or more governmental functions of Lessee and in a careful manner in the normal course of its operations and only for the purposes for which it was designed in accordance with the manufacturer's warranty requirements; and (c) comply with all laws and regulations relating to the Equipment. If the Equipment is customarily covered by a maintenance agreement, Lessee will furnish Lessor with a maintenance agreement by a party reasonably satisfactory to Lessor. No maintenance or other service for the Equipment will be provided by Lessor. Lessee will not make any alterations, additions or improvements ("*Improvements*") to the Equipment without Lessor's prior written consent unless the Improvements may be readily removed without damage to the operation, value or utility of such Equipment, but any such Improvements not removed prior to the termination of the this Lease shall automatically become part of the Equipment.

11. LOCATION; INSPECTION.

Once installed, no item of Equipment will be moved from its location without Lessor's prior written consent, which consent shall not be unreasonably withheld. Upon prior written notice to Lessee, Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

12. LESSEE'S OBLIGATION TO PAY ANY TAXES.

12.1. Lessee shall pay when due all Taxes that may now or hereafter be imposed upon: (a) the Equipment (including Lessor's legal title and interest therein) or its ownership, leasing, rental, sale, purchase, possession or use; (b) this Lease or any other Related Agreement; (c) any Rent Payments or any other payments due under this Lease; or (d) any of the Pledged Funds. If Lessee fails to pay such Taxes when due, Lessor shall have the right, but not the obligation, to pay such Taxes. If Lessor pays any such Taxes, then Lessee shall, upon demand and no later than three (3) business days after such demand, reimburse Lessor therefor. "*Taxes*" means present and future taxes, levies, duties, assessments or other governmental charges that are not based on the net income of Lessor, whether they are assessed to or payable by Lessee or Lessor, including, without limitation (i) sales, use, excise, licensing, registration, titling, gross receipts,

stamp and personal property taxes, (ii) *ad valorem* property taxes and (iii) interest, penalties or fines on any of the foregoing.

13. RISK OF LOSS.

13.1. Lessee bears the entire risk of loss in the event (a) of theft, damage or destruction of the Equipment in whole or in part from any reason whatsoever or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority (each a "*Casualty or Condemnation Loss*"). No Casualty or Condemnation Loss to the Equipment shall relieve Lessee from the obligation to make any Rent Payments or to perform any other obligation under this Lease. Proceeds of any insurance recovery or condemnation award or sale under threat of condemnation will be applied to Lessee's obligations under this Section 13.

13.2. If a Casualty or Condemnation Loss occurs to the Equipment, Lessee shall, within three (3) business days after such occurrence, notify Lessor of the same and Lessee shall, unless otherwise directed by Lessor, repair the same as soon as practicable within thirty (30) days after such occurrence unless such repair is not susceptible to completion within thirty (30) days and Lessee proceeds with due diligence to make such repair, in which case such period for repair shall extend for a reasonable period of time to permit Lessee the opportunity to make such repair.

13.3. If Lessor determines that any item of Equipment has suffered a Casualty or Condemnation Loss beyond repair ("*Lost Equipment*"), then Lessee shall either: (a) replace the Lost Equipment with similar equipment (that shall provide at least the same level of energy and/or operational savings expected in the aggregate from the Lost Equipment prior to such casualty, destruction or condemnation) in good repair, condition and working order free and clear of any Liens (except the Declaration of Trust) as soon as practicable within thirty (30) days after such occurrence (unless such replacement is not susceptible to completion within thirty (30) days and Lessee proceeds with due diligence to make such replacement, in which case such period for replacement shall extend for a reasonable period of time to permit Lessee the opportunity to make such replacement), and deliver to Lessor a purchase order, bill of sale or other evidence of sale to Lessee covering the replacement equipment, in which event such replacement equipment shall automatically be Equipment under this Lease, or (b) on the next scheduled Rent Payment Due Date, pay Lessor (i) all amounts owed by Lessee under this Lease, including the Rent Payment due on such date, plus (ii) an amount equal to the applicable Termination Value set forth in the Payment Schedule to this Lease. If Lessee is making such payment with respect to less than all of the Equipment under this Lease, then Lessee shall pay the next Rent Payment due on the next Rent Payment Due Date and Lessor will provide Lessee with the pro rata amount of the Termination Value to be paid by Lessee with respect to the Lost Equipment.

13.4. Lessee shall bear the risk of loss for, shall pay directly and shall defend against any and all claims, liabilities, proceedings, actions, expenses (including reasonable attorney's fees), damages or losses arising under or related to the Equipment, including, but not limited to, the possession, ownership, lease, use or operation thereof. These obligations of Lessee shall survive

any expiration or termination of this Lease. Lessee shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses (including attorney's fees), damages or losses which arise directly from events occurring after the Equipment has been returned by Lessee to Lessor in accordance with the terms of this Lease or which arise directly from the gross negligence or willful misconduct of Lessor.

14. INSURANCE; SURETY BOND.

14.1. (a) Lessee at its sole expense shall at all times keep all Equipment insured against all risks of loss or damage from every cause whatsoever (naming Lessor and its assigns as loss payee and additional insured and insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State, and any other risks reasonably required by the Trustee as directed by the Certificate Owners pursuant to the Trust Agreement) for an amount not less than the Termination Value of the Equipment under this Lease. Lessor and its assigns shall be named as loss payee with respect to all insurance covering damage to or loss of the Equipment, and the proceeds of any such insurance shall be payable to the Trustee as loss payee to be applied as provided in Section 13.3 and the Trust Agreement. (b) The Total Amount Financed as set forth on the Payment Schedule does not include the payment of any premium for any liability insurance coverage for bodily injury and/or property damage caused to others and no such insurance will be purchased by Lessor or any of its assigns. (c) Lessee at its sole expense shall at all times carry public liability and property damage insurance in amounts reasonably satisfactory to the Trustee (as the initial Lessor's assignee), as directed by the initial Certificate Owners, protecting Lessee and Lessor and its assigns from liabilities for injuries to persons and damage to property of others relating in any way to the Equipment. Lessor and its assigns shall be named as additional insured with respect to all such public liability and property damage insurance, and the proceeds of any such insurance shall be payable first to Lessor and its assigns as additional insured to the extent of their respective liability and then to Lessee.

14.2. All insurers shall be reasonably satisfactory to Lessor and its assigns. Lessee shall promptly deliver to Lessor and its assigns satisfactory evidence of required insurance coverage and all renewals and replacements thereof. Each insurance policy will require that the insurer give Lessor and its assigns at least 30 days prior written notice of any cancellation of such policy and will require that Lessor's and its assigns' interests remain insured regardless of any act, error, misrepresentation, omission or neglect of Lessee. The insurance maintained by Lessee shall be primary without any right of contribution from insurance which may be maintained by Lessor or its assigns.

14.3. If Lessee is self-insured under an actuarially sound self-insurance program that is acceptable to Lessor and its assigns with respect to equipment such as the Equipment under this Lease, Lessee shall maintain during the Lease Term of this Lease such actuarially sound self-insurance program and shall provide evidence thereof in form and substance satisfactory to Lessor and its assigns.

14.4. Lessee shall secure from each Supplier directly employed by Lessee in connection with the acquisition, construction, installation, improvement or equipping of the Equipment, a

payment and performance bond (“*Surety Bond*”) executed by a surety company authorized to do business in the State, having a financial strength rating by A.M. Best Company of “A-” or better, and otherwise satisfactory to the Trustee (as the initial Lessor’s assignee) and naming Lessor as a co-obligee in a sum equal to the entire amount to become payable under each Supplier Agreement. Each Surety Bond shall be conditioned on the completion of the work in accordance with the plans and specifications for the Equipment and upon payment of all claims of subcontractors and suppliers. Lessee shall cause the surety company to add Lessor and its assigns as a co-obligee on each Surety Bond, and shall deliver a certified copy of each Surety Bond to Lessor and its assigns promptly upon receipt thereof by Lessee. Any proceeds from a Surety Bond shall be applied first to amounts due Lessor and its assigns under this Lease, and any remaining amounts shall be payable to Lessee.

In the event of a material default of any Supplier under any Supplier Agreement in connection with the acquisition, construction, maintenance and/or servicing of the Equipment or in the event of a material breach of warranty with respect to any material workmanship or performance guaranty with respect to the Equipment, Lessee will promptly proceed to exhaust its remedies against the Supplier in default. Lessee shall advise the Trustee (as the initial Lessor’s assignee) of the steps it intends to take in connection with any such default. Any amounts received by Lessee in respect of damages, refunds, adjustments or otherwise in connection with the foregoing shall be paid to the Trustee and applied against Lessee’s obligations hereunder.

15. PURCHASE OPTION.

Upon thirty (30) days’ prior written notice by Lessee to Lessor, and so long as there is no Event of Default then existing, Lessee shall have the option to purchase all, but not less than all, of the Equipment subject to this Lease on any Rent Payment Due Date by paying to Lessor all Rent Payments then due (including accrued interest, if any) plus the Termination Value set forth on the Payment Schedule to this Lease for such date. Upon satisfaction by Lessee of such purchase conditions, Lessor shall be deemed to have transferred its title to the Equipment to Lessee free and clear of any interest of Lessor therein “AS-IS, WHERE-IS,” without representation or warranty by Lessor, express or implied, except for a representation that such Equipment is free and clear of any Liens created by Lessor.

16. REPRESENTATIONS AND WARRANTIES.

16.1. Lessee hereby represents and warrants for the benefit of Lessor on the date hereof that:

(a) Lessee is a public housing authority of a political subdivision within the meaning of Section 103 of the Code, duly organized and existing under the Constitution and laws of the State, and has full power, authority and legal right to execute and deliver the Related Agreements to which it is a party and to perform its obligations under the Related Agreements to which it is a party, and all such actions have been duly authorized by appropriate findings and actions of Lessee’s governing board;

(b) the Related Agreements to which it is a party have each been duly authorized, executed and delivered by Lessee and each constitutes a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms;

(c) the Related Agreements to which it is a party are each authorized under, and the authorization, execution and delivery of the Related Agreements to which it is a party, and the acquisition and financing by Lessee of the Equipment, comply with, all applicable federal, State and local laws and regulations (including, but not limited to, all open meeting, public bidding, property acquisition laws, all HUD regulations, the ESIP Law and the Act) and all applicable judgments and court orders;

(d) the execution, delivery and performance by Lessee of its obligations under this Lease or any other Related Agreement or agreement contemplated hereby or thereby to which Lessee is or is to be a party will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance on any assets of Lessee or the Equipment pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which Lessee is a party or by which it or its assets may be bound, except the Declaration of Trust;

(e) there is no pending litigation, tax claim, proceeding or dispute that may adversely affect Lessee's financial condition or impair its ability to perform its obligations under this Lease or any other Related Agreement to which it is a party;

(f) no event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof;

(g) the Equipment is essential to the function of Lessee or to the service Lessee provides to its citizens; Lessee has an immediate need for, and expects to make immediate use of, substantially all the Equipment, which need is not temporary or expected to diminish in the foreseeable future; the Equipment will be used by Lessee only for the purpose of performing one or more of Lessee's governmental or proprietary functions consistent with the permissible scope of Lessee's authority; Lessee does not intend to sell or otherwise dispose of the Equipment or any interest therein prior to the last Rent Payment scheduled to be paid hereunder;

(h) the payment of the Rent Payments or any portion thereof is not directly or indirectly (i) secured by any interest in property used or to be used in any activity carried on by any person other than a state or local governmental unit or payments in respect of such property; or (ii) on a present value basis, derived from payments (whether or not to Lessee) in respect of property, or borrowed money, used or to be used in any activity carried on by any person other than a state or local governmental unit;

(i) Lessee is the fee owner (in trust for the benefit of HUD as provided in the Declaration of Trust) of the real estate where the Equipment is and will be located and has good and marketable title thereto, and there exists no mortgage, pledge, lien, security

interest, charge or other encumbrance of any nature whatsoever on or with respect to such real estate other than the Declaration of Trust;

(j) Lessee has obtained all authorizations, consents and approvals of governmental bodies or agencies that are necessary or advisable (including, without limitation, the Section 30 Determination) with respect to Lessee's execution, delivery and performance of this Lease and each other Related Agreement to which it is party and Lessee's grant of security interests in the Pledged Funds hereunder;

(k) as of the date of execution and delivery of this Lease, Lessee has not granted any Lien on the Add-On Subsidy or Resident Paid Incentive Payments or the Equipment;

(l) Lessee reasonably expects that (i) energy savings realized from acquisition, installation and implementation of the energy conservation measures under the Supplier Agreements to be entered into for the Equipment will be greater in each Fiscal Year than the sum of the Rent Payments for such Fiscal Year and (ii) the Add-On Subsidy and Resident Paid Incentive Payments for each Fiscal Year will at least equal the sum of the Rent Payments for such Fiscal Year;

(m) pursuant to the ESIP Law, Lessee has heretofore adopted its Energy Savings Plan and submitted it to the New Jersey Board of Public Utilities, which Board shall post such Energy Savings Plan on the Internet on a public webpage maintained for such purpose; Lessee has posted its Energy Savings Plan on its own website at newarkha.org; prior to its adoption of such Energy Savings Plan, Lessee contracted with the Supplier to verify that the projected Energy Savings to be realized from the proposed Energy Savings Improvement Program have been calculated as required by the ESIP Law;

(n) as required by the ESIP Law, Lessee contracted in the Energy Services Agreement for the Supplier to verify the Energy Savings when the ECMs are placed in service or commissioned to ensure that the savings projected in the Energy Savings Plan are achieved;

(o) the Equipment constitutes "energy conservation measures" within the meaning of the ESIP Law and comprises the only energy conservation measures contemplated in the Energy Savings Plan and Energy Savings Improvement Program;

(p) Lessee has determined that the Energy Savings to be generated from the reduced energy use from its Energy Savings Improvement Program will be sufficient to cover the cost of the Equipment comprising the energy conservation measures as set forth in its Energy Savings Plan;

(q) Lessee has complied with all requirements of the ESIP Law relating to the Energy Savings Plan, the Energy Savings Improvement Program and the Equipment, including such public bidding, bid security, performance guarantees, insurance and other

public contracting requirements as are applicable to the Public Works Activities relating to the Energy Savings Plan, the Energy Savings Improvement Program and the Equipment, and the selection and retention of the initial Supplier (and any other Suppliers) relating to the acquisition and installation of the Equipment; Lessee selected the Supplier for purposes of the Energy Services Agreement in compliance with traditional public bidding or competitive contracting procedures set forth in the ESIP Law;

(r) Lessee has obtained from the initial Supplier pursuant to the Energy Services Agreement an energy savings guarantee in accordance with the ESIP Law insuring that the Energy Savings resulting from the Equipment will be sufficient to defray all payments required to be made under this Lease and in the event the Energy Savings are not sufficient, the Supplier has agreed to reimburse Lessee for any such shortfall in accordance with the Energy Services Agreement;

(s) none of the Equipment financed under this Lease constitutes Energy Related Capital Improvements that do not reduce energy usage for purposes of the ESIP Law;

(t) the scheduled Lease Term does not exceed the shorter of the maximum term permitted under the ESIP Law with respect to the Equipment and the useful life of the Equipment;

(u) the application, statements and credit or financial information relating to Lessee submitted by Lessee to Lessor and the initial Certificate Owners are true and correct and made to induce Lessor to enter into this Lease and to induce the initial Certificate Owners to purchase their respective Certificates; and

(w) Lessee has provided Lessor and the initial Certificate Owners with audited financial statements through March 31, 2010.

16.2. Lessor hereby represents and warrants for the benefit of Lessee on the date hereof that:

(a) *Due Organization and Existence.* Lessor is a close corporation duly organized and existing under the laws of the State of Maryland, has full legal right, power and authority to enter into the Related Agreements to which it is a party and to carry out and consummate all transactions on its part contemplated hereby and thereby and by proper action of its sole shareholder has duly authorized the execution and delivery by Lessor of the Related Agreements to which it is a party.

(b) *Due Execution.* The officer of Lessor executing the Related Agreements to which Lessor is a party is fully authorized to execute the same under official action taken by the sole shareholder of Lessor.

(c) *Valid, Binding and Enforceable Obligations.* The Related Agreements to which Lessor is a party have been duly authorized, executed and delivered by Lessor and constitute the legal, valid and binding agreements of Lessor, enforceable against Lessor in accordance with their respective terms.

(d) *No Conflicts.* The execution and delivery of the Related Agreements to which Lessor is a party, the consummation of the transactions herein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which Lessor is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Lessor, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Related Agreements to which Lessor is a party or the financial condition, assets, properties or operations of Lessor.

(e) *Consents and Approvals.* No consent or approval of any trustee or holder of any indebtedness of Lessor, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of the Related Agreements to which Lessor is a party, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation.* There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the best knowledge of Lessor, threatened against or affecting Lessor or the assets, properties or operations of Lessor which, if determined adversely to Lessor or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Related Agreements to which Lessor is a party, or upon the financial condition, assets, properties or operations of Lessor, and Lessor is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Related Agreements to which it is a party or the financial condition, assets, properties or operations of Lessor.

17. LESSEE'S COVENANTS.

Lessee hereby covenants and agrees that:

(a) *Tax Representations and Covenants.* (i) Lessee and Lessor anticipate that Lessor can exclude the interest component of the Rent Payments under this Lease that are

distributable with respect to the Certificates from federal gross income. Lessee covenants and agrees that it will (A) complete and timely file an information reporting return for the Lease with the Internal Revenue Service (“IRS”) in accordance with Section 149(e) of the Code; (B) not permit the Equipment to be directly or indirectly used for a private business use within the meaning of Section 141 of the Code including, without limitation, use by private persons or entities pursuant to contractual arrangements which do not satisfy IRS guidelines for permitted management contracts, as the same may be amended from time to time; (C) invest and reinvest, or cause to be invested and reinvested, moneys on deposit in the Equipment Acquisition Fund from time to time in a manner that will not cause this Lease or any of the Certificates to be classified as an “arbitrage bond” within the meaning of Section 148(a) of the Code; (D) rebate or cause to be rebated an amount equal to excess earnings in the Equipment Acquisition Fund to the federal government if required by, and in accordance with, Section 148(f) of the Code and make the determinations and maintain the records required by the Code; and (E) comply with all provisions and regulations applicable to establishing and maintaining the excludability of the interest component of the Rent Payments under this Lease and distributed with respect to the Certificates from federal gross income pursuant to Section 103 of the Code.

(ii) If Lessor either (A) receives notice, in any form, from the IRS; or (B) reasonably determines, based on an opinion of independent tax counsel selected by Lessor and approved by Lessee, which approval Lessee shall not unreasonably withhold, that Lessor may not exclude the interest component of any Rent Payment under this Lease and distributed with respect to the Certificates from federal gross income because Lessee breached a covenant contained herein, then Lessee shall pay to Lessor, within thirty (30) days after Lessor notifies Lessee of such determination, the amount which, with respect to Rent Payments previously paid and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the interest component of all Rent Payments under this Lease due through the date of such event) that are imposed on Lessor as a result of the loss of the exclusion, will restore to Lessor the same after-tax yield on the transaction evidenced by this Lease (assuming tax at the highest marginal corporate tax rate) that it would have realized had the exclusion not been lost. Additionally, Lessee agrees that upon the occurrence of such an event, it shall pay additional rent to Lessor on each succeeding Rent Payment Due Date in such amount as will maintain such after-tax yield to Lessor. Lessor’s determination of the amount necessary to maintain its after-tax yield as provided in this subsection (ii) shall be conclusive (absent manifest error). Notwithstanding anything in this Lease to the contrary, any payment that Lessee is required to make pursuant to this subsection (ii) shall be made only from Legally Available Funds.

(iii) Lessee covenants that it will not take or omit to take, directly or indirectly, any action that would cause the interest component of Rent Payments distributed with respect to the Certificates to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes, nor will permit any other person to take or omit to take or cause to

be taken, in timely manner, any action, which omission would cause the interest component of Rent Payments distributed with respect to the Certificates to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes.

(b) *Maintain Existence.* Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a public housing authority and will not terminate its existence as a body corporate and politic under the laws of the State, except as may otherwise be required in accordance with applicable federal and State law hereafter enacted.

(c) *No Federal Guarantees.* Lessee shall not permit the Federal government to guarantee any Rent Payments, including (without limitation) HUD. The Equipment will not be used, directly or indirectly, in any activity carried on by any person other than a state or local governmental unit. No portion of the Equipment Costs will be used, directly or indirectly, to make or finance loans to any person other than Lessee.

(d) *Further Assurances.* Lessee will, at its expense, do any further act and execute, acknowledge, deliver, file, register and record any further documents that Lessor may reasonably request in order to protect Lessor's pledge and security interest in the Pledged Funds, Lessor's rights and interests under this Lease and the other Related Agreements and the assignment thereof to the Trustee for the benefit of the owners of the Certificates.

(e) *ESIP Default.* Lessee shall, within three business days after the occurrence of an event of non-compliance hereafter described, notify Lessor of any non-compliance of the Energy Savings Plan, the Energy Savings Improvement Program, the Equipment or the Supplier with the requirements of the ESIP Law or any other applicable State law.

(f) *Compliance with Laws.* Lessee will comply, with all laws, ordinances, orders, rules, requirements and regulations applicable to it, including without limitation the ESIP Law relating to the Energy Savings Plan, the Energy Savings Improvement Program and the Equipment, including such public bidding, bid security, performance guarantees, insurance and other public contracting requirements as are applicable to the Public Works Activities relating to the Energy Savings Plan, the Energy Savings Improvement Program and the Equipment, and the selection and retention of the initial Supplier (and any other Suppliers) relating to the acquisition and installation of the Equipment.

(g) *Actions to Preserve Add-On Subsidy and Resident Paid Incentive Payments.* Lessee shall take all actions required by the provisions of HUD regulations (now or hereafter in effect) to enable Lessee to capture energy savings realized through the implementation of the energy conservations measures represented by the Equipment through its operating fund calculation prepared and submitted to HUD in accordance with applicable HUD regulations for each Fiscal Year thereby permitting Lessee's operating fund subsidy from HUD for each Fiscal Year to include Add-On Subsidy and Resident

Paid Incentive Payments for each Fiscal Year that are at least equal to the sum of Rent Payments scheduled to be paid during such Fiscal Year.

(h) *Enforcement of Supplier Agreements.* Lessee shall enforce, in a prudent commercial manner, the provisions of each Supplier Agreement in accordance with its terms against the related Supplier, including (without limitation) with respect to the realization of actual energy savings, and guaranty payments by such Supplier for any shortfall between actual energy savings and Rent Payments hereunder, in an amount at least equal to the sum of Rent Payments scheduled to be paid during each Fiscal Year.

(i) *Prohibited Costs.* Lessee shall not pay or reimburse for any costs relating to the maintenance, guarantee, Energy Savings guarantee or verification of Energy Savings guarantees of ECMs from amounts in the Equipment Acquisition Fund.

(j) *Changes in Subsidy.* Lessee shall notify Lessor in writing within three business days after Lessee's receipt of written notice from HUD of HUD's intention to reduce the amount of subsidies or other funding Lessee receives from HUD or of any material changes to the annual contributions contract between Lessee and HUD.

18. ASSIGNMENT.

18.1. Lessee shall not sell, assign, transfer, pledge, hypothecate or grant any Lien on, nor otherwise dispose of, this Lease, the Equipment, the Pledged Funds or any interest in any thereof.

18.2. The initial Lessor shall, on the Commencement Date, assign its rights, title and interest in, to and under this Lease to the Trustee pursuant to the Absolute Assignment Agreement and cause the Certificates to be executed and delivered pursuant to the Trust Agreement; *provided* that the Certificates shall be sold only in a minimum authorized denomination of \$100,000 on a private placement basis (and not pursuant to any "public offering") to any purchaser who represents that (a) such purchaser has sufficient knowledge and experience in financial and business matters to be able to evaluate the risks and merits of the investment, (b) such purchaser understands that neither this Lease nor the Certificates will be registered under the Securities Act of 1933, as amended, (c) such purchaser is either an "accredited investor" within the meaning of Regulation D under the Securities Act of 1933, as amended, or a qualified institutional buyer within the meaning of Rule 144A, and (d) it is the intention of such purchaser to acquire such certificates (i) for investment for its own account or (ii) for resale in a transaction exempt from registration under the Securities Act of 1933, as amended. As provided in the Trust Agreement, the Trustee shall maintain a complete and accurate record of the registered owners of Certificates in compliance with Section 149(a) of the Code.

18.3. Subject to the foregoing, this Lease inures to the benefit of and is binding upon the successors and assigns of the parties hereto.

19. EVENTS OF DEFAULT.

The occurrence of any one or more of the following events shall constitute an “*Event of Default*” under this Lease:

(a) Lessee fails to make any Rent Payment or any other payment as it becomes due in accordance with the terms of this Lease, and any such failure continues for ten (10) days after the due date thereof and written notice of such failure is provided to Lessee;

(b) Lessee fails to perform or observe any of its obligations under Section 12.1, 14 or 18.1 hereof;

(c) Lessee fails to perform or observe any other covenant, condition or agreement to be performed or observed by it under this Lease and such failure is not cured within thirty (30) days after receipt of written notice thereof from Lessor; *provided, however,* that to the extent that such failure to perform or observe any such covenant, condition or agreement is not susceptible to cure within thirty (30) days and Lessee proceeds with due diligence to cure such failure, such cure period shall extend for a reasonable period of time to permit Lessee the opportunity to cure such failure;

(d) any statement, representation or warranty made by Lessee in this Lease or any other Related Agreement or in any writing delivered by Lessee pursuant hereto or thereto or in connection herewith or therewith proves at any time to have been false, misleading or erroneous in any material respect as of the time when made;

(e) Lessee applies for or consents to the appointment of a receiver, trustee, conservator or liquidator of Lessee or of all or a substantial part of its assets, or a petition for relief is filed by Lessee under any federal or state bankruptcy, insolvency, moratorium or similar law or Lessee makes a general assignment for the benefit of creditors or is unable, fails or admits in writing its inability generally to pay its debts as they become due;

(f) Any provision of this Lease or any other Related Agreement will at any time for any reason cease to be valid and binding on Lessee, or will be declared to be null and void, or the validity or enforceability thereof will be contested by Lessee or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of Lessor, or Lessee will deny that it has any further liability or obligation under this Lease; or

(g) Any default occurs under any other Related Agreement.

20. REMEDIES.

If any Event of Default occurs, then Lessor may, at its option, exercise any one or more of the following remedies:

(a) Lessor may require Lessee to pay (and Lessee agrees that it shall pay) all amounts then currently due under this Lease and declare all remaining Rent Payments and other amounts payable by Lessee hereunder to the end of the Lease Term to be immediately due and payable, in which event such Rent Payments and other amounts shall thereupon become and be due and payable, together with accrued interest on such amounts at the rate provided for herein from the date of Lessor's demand for such payment; *provided, however*, that any Rent Payments (whether current or accelerated) and accrued interest to be paid as provided in this clause (a) shall be payable solely in the same manner and to the same extent as provided in Section 4.1 hereof;

(b) Lessor may require Lessee to promptly return all Equipment to Lessor in the manner set forth in Section 21 (and Lessee agrees that it shall so return the Equipment), or Lessor may, at its option, enter upon the premises where the Equipment is located and repossess such Equipment without demand or notice, without any court order or other process of law and without liability for any damage occasioned by such repossession;

(c) Lessor may sell, lease or otherwise dispose of the Equipment, in whole or in part, in one or more public or private transactions, continuing to hold Lessee liable, in the same manner and to the same extent as provided in Section 4 hereof, for the difference between (i) the Rent Payments payable by Lessee and other amounts hereunder or the Equipment that are payable by Lessee to the end of the Lease Term, as the case may be, and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies under this Lease, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such Equipment and all brokerage, auctioneer's and attorney's fees);

(d) Lessor may terminate, cancel or rescind this Lease as to any and all Equipment;

(e) Lessor may exercise any other right, remedy or privilege that may be available to Lessor under applicable law or, by appropriate court action at law or in equity, Lessor may enforce any of Lessee's obligations under this Lease; and/or

(f) Lessor may require Lessee to pay (and Lessee agrees that it shall pay) all out-of-pocket costs and expenses incurred by Lessor as a result (directly or indirectly) of the Event of Default and/or of Lessor's actions under this Section, including, without limitation, any attorney fees and expenses and any costs related to the repossession, safekeeping, storage, repair, reconditioning or disposition of the Equipment.

The exercise of any such remedies respecting any such Event of Default shall not relieve Lessee of any other liabilities under this Lease or with respect to the Equipment. None of the above remedies is exclusive, but each is cumulative and in addition to any other remedy available to Lessor. Lessor's exercise of one or more remedies shall not preclude its exercise of any other remedy. No delay or failure on the part of Lessor to exercise any remedy under this Lease shall operate as a waiver thereof, nor as an acquiescence in any default, nor shall any single or partial exercise of any remedy preclude any other exercise thereof or the exercise of any other remedy.

21. RETURN OF EQUIPMENT.

If Lessor is entitled under the provisions of this Lease, including any termination thereof pursuant to Section 20 hereof, to obtain possession of the Equipment or if Lessee is obligated at any time to return the Equipment, then (a) full and unencumbered legal and beneficial title to the Equipment shall pass to Lessor immediately upon Lessor's notice thereof to Lessee, and (b) Lessee shall, at its sole expense and risk, immediately de-install, disassemble, pack, crate, insure and return the Equipment to Lessor (all in accordance with applicable industry standards) at any location in the continental United States selected by Lessor. Such Equipment shall be in the same condition as when received by Lessee (reasonable wear, tear and depreciation resulting from normal and proper use excepted), shall be in good operating order and maintenance as required by this Lease, shall be free and clear of any Liens and shall comply with all applicable laws and regulations. Until Equipment is returned as required above, all terms of this Lease shall remain in full force and effect including, without limitation, obligations to pay Rent Payments and to insure the Equipment. Lessee agrees to execute and deliver to Lessor all documents reasonably requested by Lessor to evidence the transfer of legal and beneficial title to such Equipment to Lessor and to evidence the termination of Lessee's interest in such Equipment.

22. LAW GOVERNING; UCC ARTICLE 2A WAIVER.

(a) This Lease shall be governed by the laws of the State.

(b) Lessee hereby willingly and knowingly waives any rights or remedies to which it may otherwise be entitled under Sections 508 through 522, inclusive, of Article 2A of the Uniform Commercial Code in effect in the State.

23. NOTICES.

All notices to be given under this Lease shall be made in writing and either personally delivered or mailed by certified mail to the other party at its address set forth herein or at such address as the party may provide in writing from time to time. Any such notices shall be deemed to have been received five (5) days subsequent to mailing if sent by regular or certified mail, or on the next business day if sent by overnight courier, or on the day of delivery if delivered personally. All notices delivered hereunder shall also be delivered, at the same time and in the same manner as such notices are required to be delivered by the respective parties under this Lease, to (a) the Trustee as provided in the Trust Agreement and (b) the Owner Representative

(as such term is defined in the Trust Agreement) at PNC Equipment Finance, LLC, 995 Dalton Avenue, Cincinnati, Ohio 45203, Attention: General Counsel.

24. FINANCIAL INFORMATION; INDEMNITY.

24.1. Lessee has kept, and throughout the Lease Term shall keep, its books and records in accordance with generally accepted accounting principles and practices consistently applied, and shall deliver to Lessor (a) annual audited financial statements within 270 days after its Fiscal Year end and (b) such other financial statements and information as Lessor may reasonably request. The annual audited financial statements described in this Section shall be accompanied by an unqualified opinion of Lessee's auditor.

24.2. To the extent authorized by the laws of the State, Lessee shall indemnify, hold harmless and, if Lessor requests, defend Lessor and its shareholders, affiliates, employees, dealers and agents against all Claims directly or indirectly arising out of or connected with (a) the manufacture, installation, use, lease, possession or delivery of the Equipment, (b) any defects in the Equipment or any wrongful act or omission of Lessee or its employees and agents, or (c) any claims of alleged breach by Lessee of this Lease or any other Related Agreement. "Claims" means all losses, liabilities, damages, penalties, expenses (including attorney's fees and costs), claims, actions and suits, whether in contract, tort or otherwise. Notwithstanding anything in this Lease to the contrary, any indemnity amount payable by Lessee as provided in this Section 24.2 shall be payable solely from Legally Available Funds and Lessee shall not be obligated to indemnify Lessor with respect to any Claim arising out of Lessor's gross negligence or willful misconduct.

25. SECTION HEADINGS.

All section headings contained herein are for convenience of reference only and do not define or limit the scope of any provision of this Lease.

26. EXECUTION IN COUNTERPARTS.

This Lease may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument; *provided, however*, that only Counterpart No. 1 of this Lease shall constitute chattel paper for purposes of the applicable Uniform Commercial Code.

27. ENTIRE AGREEMENT; WRITTEN AMENDMENTS.

This Lease and other documents or instruments executed by Lessee and Lessor in connection herewith constitute the entire agreement between the parties with respect to the lease and financing of the Equipment covered thereby, and this Lease shall not be modified, amended, altered or changed except with the written consent of Lessee and Lessor. Any provision of this Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of this Lease.

HOUSING AUTHORITY OF THE
CITY OF NEWARK, *as Lessee*

By 

Keith Kinard
Executive Director
500 Broad Street
Newark, New Jersey 07102

GRANT CAPITAL MANAGEMENT, INC.,
as Lessor

By _____

J.P. Grant
President
8894 Stanford Boulevard, Suite 203
Columbia, Maryland 21045

Counterpart No. 1 of 6 manually executed and serially numbered counterparts. To the extent that this Lease constitutes chattel paper (as defined in the Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.


27. ENTIRE AGREEMENT; WRITTEN AMENDMENTS.

This Lease and other documents or instruments executed by Lessee and Lessor in connection herewith constitute the entire agreement between the parties with respect to the lease and financing of the Equipment covered thereby, and this Lease shall not be modified, amended, altered or changed except with the written consent of Lessee and Lessor. Any provision of this Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of this Lease.

HOUSING AUTHORITY OF THE
CITY OF NEWARK, *as Lessee*

GRANT CAPITAL MANAGEMENT, INC.,
as Lessor

By _____
Keith Kinard
Executive Director
500 Broad Street
Newark, New Jersey 07102

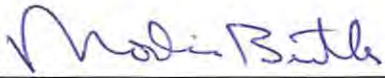
By  _____
J.P. Grant
President
8894 Stanford Boulevard, Suite 203
Columbia, Maryland 21045

Counterpart No. 1 of 6 manually executed and serially numbered counterparts. To the extent that this Lease constitutes chattel paper (as defined in the Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

CERTIFICATE OF LESSEE

I, the undersigned, do hereby certify that I am the duly authorized Chairman of the Board of Commissioners of the Lessee and that Keith Kinard who executed the foregoing Equipment Lease-Purchase Agreement on behalf of Lessee, and whose genuine signature appears thereon, is the duly qualified and acting Secretary of Lessee as stated beneath his signature and has been authorized to execute the foregoing Equipment Lease-Purchase Agreement on behalf of Lessee.

Dated: September 30, 2011.

By: 
Modia Butler
Chairman, Housing Authority
of the City of Newark, New Jersey

EQUIPMENT SCHEDULE

EXHIBIT A

Attached to and made a part of that certain Equipment Lease-Purchase Agreement dated as of September 30, 2011 between Grant Capital Management, Inc., as Lessor, and Housing Authority of the City of Newark, New Jersey, as Lessee:

EQUIPMENT DESCRIPTION AND LOCATIONS



Services Agreement, Schedule I

BUILDING AND UNIT DATA

Services Agreement, Schedule I				BUILDING AND UNIT DATA	Senior Family	Unit Count						
					Total	0	1	2	3	4	5	
AMP2001	NJ02-01.0	Seth Boyden Terrace	Walk-UP/ Multifamily Apt (WU)	Family	503			134	244	107	4	14
AMP2002	NJ02-02.0	Pennington Court	Walk-UP/ Multifamily Apt (WU)	Family	227			76	111	36	4	
AMP2006	NJ02-06.0	Stephen Crane Village	Row/Townhouse Dwelling (RW)	Family	351			133	147	71		
AMP2007	NJ02-07.0	John W. Hyatt Court	Walk-UP/ Multifamily Apt (WU)	Family	398			109	186	88	15	
AMP2009	NJ02-09.0	Millard E.Terrell Homes	Walk-UP/ Multifamily Apt (WU)	Family	273			100	109	64		
AMP2014	NJ02-14.0	Joseph P. Bradley Court I	Walk-UP/ Multifamily Apt (WU)	Family	298			45	178	75		
AMP2016	NJ02-16.0	Stephen Crane Elderly	Elevator Structure (ES)	Family	198	44		132	22			
AMP2017	NJ02-17.0	Otto E. Kretchmer Elderly	Elevator Structure (ES)	Family	197	44		131	22			
AMP3002	NJ02-20.2	Joseph P. Bradley Court II	Row/Townhouse Dwelling (RW)	Family	6	-	-	-	3	3	-	-
AMP2017	NJ02-21.1	Otto E. Kretchmer Elderly	Elevator Structure (ES)	Senior	438	175		220	43			
AMP2017	NJ02-21.5	Seth Boyden Elderly	Elevator Structure (ES)	Senior	286			251	35			
AMP2017	NJ02-21.6	Seth Boyden Elderly	Elevator Structure (ES)	Senior	199	80		99	20			
AMP2221	NJ02-22.2	James Baxter Terrace Elderly	Elevator Structure (ES)	Senior	250	96		130	24			
AMP2016	NJ02-22.3	Stephen Crane Elderly	Elevator Structure (ES)	Senior	375	151		194	30			
AMP2016	NJ02-22.4	Stephen Crane Elderly	Elevator Structure (ES)	Senior	374	152		193	29			
AMP3003	NJ02-29.0	Woodlawn Village	Row/Townhouse Dwelling (RW)	Family	47	-	-	-	33	9	5	
AMP3012	NJ02-30.0	Bergen Street Village	Row/Townhouse Dwelling (RW)	Family	50	-	-	-	36	10	4	
AMP3002	NJ02-31.2	Stephanie Thompson Village	Row/Townhouse Dwelling (RW)	Family	27	-	-	-	-	27	-	
AMP3003	NJ02-35.0	Westside Village	Row/Townhouse Dwelling (RW)	Family	48	-	-	-	36	8	4	
AMP3001	NJ02-36.0	Janice Cromer Village	Row/Townhouse Dwelling (RW)	Family	89	-	-	38	39	10	2	
AMP3001	NJ02-37.0	Oriental Village	Row/Townhouse Dwelling (RW)	Family	95	-	-	72	17	4	2	
AMP3004	NJ02-39.1	Betty Shabazz Village	Row/Townhouse Dwelling (RW)	Family	104	-	-	-	77	19	8	
AMP3006	NJ02-40.3	Serenity Village	Row/Townhouse Dwelling (RW)	Family	11	-	-	-	9	2	-	
AMP3004	NJ02-41.1	Oscar Miles Village	Row/Townhouse Dwelling (RW)	Family	150	-	-	52	75	16	7	
AMP3007	NJ02-41.2	Oscar Miles Village	Row/Townhouse Dwelling (RW)	Family	49	-	-	16	25	8		
AMP3002	NJ02-42.1	Kemsco	Row/Townhouse Dwelling (RW)	Family	163	-	-	-	114	42	7	
AMP3003	NJ02-43.0	Bellemead	Row/Townhouse Dwelling (RW)	Family	100	-	-	-	70	25	5	
AMP3007	NJ02-44.1	La Villa Dr. Jose Rosario	Row/Townhouse Dwelling (RW)	Family	83	-	-	-	58	20	5	
AMP3003	NJ02-44.2	La Villa Dr. Jose Rosario	Row/Townhouse Dwelling (RW)	Family	11	-	-	-	8	3		
AMP3003	NJ02-45.0	Claremont	Row/Townhouse Dwelling (RW)	Family	100	-	25	70	5	-	-	
AMP3012	NJ02-46.0	Avon Ave Redevelopment	Row/Townhouse Dwelling (RW)	Family	96	-	-	-	67	24	5	
AMP3006	NJ02-47.0	Clinton Ave Townhomes	Row/Townhouse Dwelling (RW)	Family	100	-	20	40	40	-	-	
AMP3006	NJ02-48.0	Century 21	Row/Townhouse Dwelling (RW)	Family	96	-	20	38	38	-	-	
AMP3006	NJ02-50.2	Townhomes @ South Point	Row/Townhouse Dwelling (RW)	Family	13	-	4	2	7	-	-	
AMP3010	NJ02-52.0	Wynona Lipman Gardens	Row/Townhouse Dwelling (RW)	Family	300	-	74	211	15	-	-	
AMP3011	NJ02-67.0	Riverside Villa I	Row/Townhouse Dwelling (RW)	Family	50	-	2	26	20	2	-	
AMP3011	NJ02-68.0	Riverside Villa II	Row/Townhouse Dwelling (RW)	Family	59	-	25	10	20	3	1	
AMP3011	NJ02-69.0	Riverside Villa III	Row/Townhouse Dwelling (RW)	Family	87	-	12	34	27	9	5	
AMP3009	NJ02-70.0	Otto E. Kretchmer Homes	Row/Townhouse Dwelling (RW)	Family	142	-	27	70	39	6	-	
Grand Total					6,443	742	2,156	1,882	1,319	270	74	

SCOPE OF WORK TO BE PERFORMED FOR STANDARD INSTALLATION

NEWARK HOUSING AUTHORITY

Electrical Measures

Lighting Measures

This includes the installation of T8 lamps & Electronic Ballasts, Compact Fluorescent Lamps, LED Exit Lights, New Lighting Fixtures, and Lighting Retrofit Kits.

Removal of old equipment will include proper disposal based on local code requirements, cleaning the lens or globe of any existing fixture not being completely replaced with a new fixture, and site cleanup. Installation will include any material required to properly install new ballasts, lamps, fixtures and retrofit kits compliant to local codes. Miscellaneous material, such as wire nuts, screws, fittings, and wall anchors, will be included in any new lighting fixture installation. In addition, the direction indicating arrows for any Exit Lights installations will be properly displayed as determined by the nearest fire exit. Finally, any materials deemed as out of the ordinary or any other existing system or equipment interfering with proper installation will be considered extras and will be subject to additional funding using contingency funds.

Water/Sewer Measures

Water Conservation Measures

This includes the installation of 1.28 gallons per flush high efficiency toilets in all family and townhouse sites, 1.28 gallons per flush ADA compatible toilets in all senior sites, 1.0 gallons per minute tamperproof lavatory faucet aerators at all sites, 1.5 gallons per minute tamperproof kitchen aerators at all sites, 1.25 gallons per minute stationary showerheads at all family and townhouse sites, and 1.5 gallons per minute hand-held showerheads in all senior sites.

Removal of old equipment will include proper disposal based on local code requirements and site cleanup. Installation will include any material required to properly install aerators, showerheads, and toilets compliant to local codes. This includes new showerhead, Teflon tape, and set screw for all showerheads replacements. This includes new male or female threaded aerator, adapter, and installation key for all faucet aerator replacements. This also includes new toilet, tank, toilet seat, supply line, wax ring, and closet bolts for all toilet installations. Finally, this scope does not include the cost of unforeseen repairs such as shower arm replacement, faucet replacement or repair, angle stops, flange repair, flange replacement, off-set flanges, floor repair, wall repair or any other out of the ordinary repair. These items will be considered extras and will be subject to additional funding using contingency funds.

Additional Equipment & Services

Windows

Windows being replaced:

- Stephen Crane Elderly NJ2-22C (3 buildings): Replace ALL residential apartment windows of building (within “red brick”) above ground floor including residential balcony windows and doors.
- Stephen Crane Elderly NJ2-22D (3 buildings): Replace ALL residential apartment windows of building (within “red brick”) above ground floor including ALL residential balcony doors.

Work for this measure shall include all necessary measurements of the existing window units to allow for manufacture of the new window units, removal of the existing window units, preparation of the window rough opening to allow for ease of installation of the new window units, the installation of all window units and all associated trim and accessories to allow for complete and functional window units. All caulking and weather stripping will be installed to reduce air infiltration around the window frame.

SCOPE OF WORK TO BE PERFORMED FOR STANDARD INSTALLATION

NEWARK HOUSING AUTHORITY

Boiler Decentralization

Work shall include the installation of new space heaters in each residential unit and one domestic hot water system for each building. Work shall also include the construction of twenty-seven new weather-resistant sheds, and the installation of new decentralized DHW systems. Existing systems need to be site surveyed including underground gas and steam piping, as well as available space within each apartment for direct vent unit heaters.

This measure will include the following tasks:

- Decommissioning the existing central boiler plant heating and distribution systems, and abandoning them in place.
- Apartment radiators and steam line removal.
- Installation of new apartment direct vent unit heaters at each radiator location.
- Installation of new gas lines to feed new space heaters.
- Construction of new DHW heaters in weather-resistant sheds external to each apartment building.
- Coordination with local utilities for installation of new city water and natural gas utilities to the new DHW weather-resistant sheds.

- Installation of Electrical Power circuits for DHW heaters controls and the Taco 008 circulator.
- Commissioning of each new building system upon completion (during non-heating months only).

The interruption of domestic hot water will not exceed four hours for each building including the separations from the existing centralized to the new decentralized systems.

Boiler Stack Economizer

The design and build base scope will include the following work:

- Evaluation of the existing steam plant on each site for actual boiler horsepower capacities, existing equipment arrangement, piping and stack breeching layout and space availability in order to determine the proper size of a rectangular, ASME Code economizer.
- Installation of economizer, draft inducer and modification of associated vent stack and breeching.
- Evaluation of the existing boiler and vent stack/breeching system to determine the requirement for an in-line draft inducer.
- Installation of one inline pump including associated piping, valves, accessories, instruments and controls for economizer piping loop.
- Installation of an epoxy lined hot water storage tank including insulation, controls and safety accessories.
- Installation of a five-gallon high density polyethylene neutralization tank unit for treatment of condensate from the economizer including one initial charge of limestone.
- Installation of a DDC control panel that will allow manual or automatic operation of the economizer components which includes the pump and bypass damper. The DDC panel shall allow local start/stop of the economizer pump; modulation of the bypass dampers and BTU measurement of the economizer heated water.

SCOPE OF WORK TO BE PERFORMED FOR STANDARD INSTALLATION

NEWARK HOUSING AUTHORITY

Additional Equipment & Services

Outside Air Reset

The scope of work for this ECM will be finalized after a comprehensive evaluation of the existing system; the design-build scope of work will be as follows:

- Evaluation of the existing steam plant on each site to verify actual boiler horsepower capacities, existing equipment arrangement, piping layout and space availability.
- Evaluation of the existing radiator venting system to verify if it is suited for vacuum condensate return. If necessary, the vents shall be replaced with vacuum type vents or retrofitted with a 1/4" size swing check valves between each radiator and its vent.
- Supply and install seventy two (72) Heat Timer SRC Sub Atmospheric Outdoor Reset Control Panels.
- Supply and install eighty (80) various sized Shipco Duplex Vacuum Condensate units.
- Supply and install twelve thousand four hundred fifty six (12,456) 3/4" Oven Trop Thermostatic Radiator Control Valves with adjustable locking setpoints.
- Supply and install twelve thousand four hundred fifty six (12,456) Macon Industries Steam Trap replacement cartridges, to be installed in the existing Mepco Model 1E radiator steam traps.
- Supply and install one hundred and fifty (150)located at the end of the steam main controlled by the existing steam control valves.
- Refurbish as necessary the existing steam control valve actuators, linkage kits, and/or packing kits.
- All labor and material is guaranteed for one (1) year from date of completion and will be performed in a workmanlike manner.

SCOPE OF WORK TO BE PERFORMED FOR STANDARD INSTALLATION

NEWARK HOUSING AUTHORITY

Additional Equipment & Services

Cogeneration

Constellation will install and commission a cost effective CHP system at each of the identified sites. Design drawings and specifications will be prepared and submitted for review and approval prior to construction. Construction work will be done during summer months to avoid loss of space heating for the residents.

Each complete turn-key system will include the following:

- 75 kW Cogeneration (Combined Heat and Power 4 - CHP) module with remote dry cooler.
- Natural Gas Driven Engine – The CHP module will employ a 7.4 L (8 cylinder) industrial grade engine.
- Generator – The engine will be connected to an induction style generator consisting of 4 - poles.
- Heat Recovery System – The Module will be supplied with heat recovery capabilities to allow transfer heat from module to external building systems in the form of hot water.
- Starting System – The Module will come equipped with a battery based 12-volt charging and engine starting system based on a remote signal to operate the module.
- Electrical Switchgear -- The Module will be supplied with an integral switchgear package mounted on the engine-genset package.
- Microprocessor Based Control system – The Module will be supplied with an integral microprocessor package mounted on the engine-genset package.
- Equipment Enclosure – The module will be equipped with a sound-attenuating enclosure capable of reducing the sound level to 70 dB at 20-ft.
- Pump & Valve module – The CHP Module will be supplied with a factory produced and integrated pump and valve module capable of pumping 22 GPM of water through the module to remove recoverable heat and deliver the thermal energy to the building heating and Domestic Hot water systems via the Load modules.

- Thermal Load Modules – The CHP Modules will be supplied with a factory produced and integrated Load modules capable of transferring all the recoverable heat from the CHP modules to the building heating system, Domestic Hot water system and an independent Glycol based dry cooler circulation loop.
- CHP automation & MCC panel – The CHP Modules will be supplied with a factory produced and integrated Building Automation System (BAS) package and Motor Control Center capable of controlling the CHP module, electrical and thermal interface between the load modules and the building HVAC systems.
- Training for staff.
- Complete documentation and user manual.
- Five year maintenance contract includes a comprehensive maintenance program, which includes all scheduled and unscheduled maintenance: all labor, and parts, including engine and generator replacement.

PAYMENT SCHEDULE

EXHIBIT B

Attached to and made a part of that certain Equipment Lease-Purchase Agreement dated as of September 30, 2011 between Grant Capital Management, Inc., as Lessor, and Housing Authority of the City of Newark, New Jersey, as Lessee:

2. RENT PAYMENT SCHEDULE:

- (a) Total Amount Financed: \$49,560,203.00
 (b) Payment Schedule:

RENT PAYMENT DATE	RENT PAYMENT AMOUNT	INTEREST PORTION	PRINCIPAL PORTION	TERMINATION VALUE (including premium) *
11/1/11	\$ 0.00	\$ 213,412.89	\$ (213,412.89)	\$ 52,262,296.68
12/1/11	0.00	207,390.07	(207,390.07)	52,480,056.26
01/1/12	0.00	208,254.19	(208,254.19)	52,698,723.16
02/1/12	0.00	209,121.92	(209,121.92)	52,918,301.17
03/1/12	0.00	209,993.26	(209,993.26)	53,138,794.10
04/1/12	0.00	210,868.23	(210,868.23)	53,360,205.74
05/1/12	0.00	211,746.85	(211,746.85)	53,582,539.93
06/1/12	0.00	212,629.13	(212,629.13)	53,805,800.52
07/1/12	0.00	213,515.08	(213,515.08)	54,029,991.35
08/1/12	0.00	214,404.73	(214,404.73)	54,255,116.32
09/1/12	0.00	215,298.08	(215,298.08)	54,481,179.30
10/1/12	216,195.16	216,195.16	0.00	54,481,179.30
11/1/12	216,195.16	216,195.16	0.00	54,481,179.30
12/1/12	216,195.16	216,195.16	0.00	54,481,179.30
01/1/13	216,195.16	216,195.16	0.00	54,481,179.30
02/1/13	216,195.16	216,195.16	0.00	54,481,179.30
03/1/13	216,195.16	216,195.16	0.00	54,481,179.30
04/1/13	216,195.16	216,195.16	0.00	54,481,179.30
05/1/13	216,195.16	216,195.16	0.00	54,481,179.30
06/1/13	216,195.16	216,195.16	0.00	54,481,179.30
07/1/13	216,195.16	216,195.16	0.00	54,481,179.30
08/1/13	216,195.16	216,195.16	0.00	54,481,179.30
09/1/13	216,195.16	216,195.16	0.00	54,481,179.30
10/1/13	1,862,098.72	216,195.16	1,645,903.56	52,752,980.56

* Assumes all Rent Payments and other amounts due on and prior to that date have been paid.

RENT PAYMENT DATE	RENT PAYMENT AMOUNT	INTEREST PORTION	PRINCIPAL PORTION	TERMINATION VALUE (including premium) *
04/1/14	1,862,098.72	1,269,179.84	592,918.88	52,130,415.74
10/1/14	1,941,237.92	1,254,201.60	687,036.32	51,409,027.60
04/1/15	1,941,237.92	1,236,845.78	704,392.14	50,669,415.86
10/1/15	2,023,740.53	1,219,051.52	804,689.01	49,824,492.40
04/1/16	2,023,740.53	1,198,723.57	825,016.96	48,958,224.59
10/1/16	2,109,749.50	1,177,882.10	931,867.40	47,979,763.82
04/1/17	2,109,749.50	1,154,341.39	955,408.11	46,976,585.30
10/1/17	2,199,413.85	1,130,206.00	1,069,207.85	45,853,917.06
04/1/18	2,199,413.85	1,103,195.81	1,096,218.04	44,702,888.12
10/1/18	2,292,888.94	1,075,503.29	1,217,385.65	43,424,633.19
04/1/19	2,292,888.94	1,044,749.86	1,248,139.08	42,114,087.15
10/1/19	2,390,336.72	1,013,219.53	1,377,117.19	40,668,114.10
04/1/20	2,390,336.72	978,430.98	1,411,905.74	39,185,613.08
10/1/20	2,491,926.03	942,763.60	1,549,162.43	37,558,992.52
04/1/21	2,491,926.03	903,628.87	1,588,297.16	35,891,280.51
10/1/21	2,597,832.89	863,505.51	1,734,327.38	34,070,236.76
04/1/22	2,597,832.89	819,693.16	1,778,139.73	32,203,190.04
10/1/22	2,708,240.79	774,774.03	1,933,466.76	30,173,049.94
04/1/23	2,708,240.79	725,931.05	1,982,309.74	28,091,624.72
10/1/23	2,823,341.02	675,854.20	2,147,486.82	25,836,763.55
04/1/24	2,823,341.02	621,604.68	2,201,736.34	23,524,940.40
10/1/24	2,943,333.01	565,984.70	2,377,348.31	21,028,724.67
04/1/25	2,943,333.01	505,928.44	2,437,404.57	18,469,449.87
10/1/25	3,068,424.67	444,355.05	2,624,069.62	15,714,176.77
04/1/26	3,068,424.67	378,066.15	2,690,358.52	12,889,300.33
10/1/26	3,198,832.71	310,102.67	2,888,730.04	9,856,133.78
04/1/27	3,198,832.71	237,127.95	2,961,704.76	6,746,343.79
10/1/27	3,334,783.11	162,309.76	3,172,473.35	3,415,246.77
04/1/28	3,334,783.11	82,167.14	3,252,615.97	0.00

HOUSING AUTHORITY OF THE
CITY OF NEWARK, as Lessee

GRANT CAPITAL MANAGEMENT, INC.,
as Lessor

By 
Keith Kinard
Executive Director

By _____
J.P. Grant
President

RENT PAYMENT DATE	RENT PAYMENT AMOUNT	INTEREST PORTION	PRINCIPAL PORTION	TERMINATION VALUE (including premium) *
04/1/14	1,862,098.72	1,269,179.84	592,918.88	52,130,415.74
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04/1/23	2,708,240.79	725,931.05	1,982,309.74	28,091,624.72
10/1/23	2,823,341.02	675,854.20	2,147,486.82	25,836,763.55
04/1/24	2,823,341.02	621,604.68	2,201,736.34	23,524,940.40
10/1/24	2,943,333.01	565,984.70	2,377,348.31	21,028,724.67
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04/1/28	3,334,783.11	82,167.14	3,252,615.97	0.00

HOUSING AUTHORITY OF THE
CITY OF NEWARK, *as Lessee*

GRANT CAPITAL MANAGEMENT, INC.,
as Lessor

By _____
Keith Kinard
Executive Director

By _____
J.P. Grant
President

CERTIFICATE OF INCUMBENCY

I, the undersigned, do hereby certify that I am the duly elected or appointed and acting Chairman of the Housing Authority of the City of Newark ("*Lessee*"), a public housing authority of a political subdivision existing under the laws of the State of New Jersey, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of Lessee holding the offices set forth opposite their respective names and are authorized on behalf of Lessee to enter into (a) that certain Equipment Lease-Purchase Agreement dated as of September 30, 2011 (the "*Lease*"), between Lessee and Grant Capital Management, Inc., as Lessor, and (b) the Related Agreements, as defined in the Lease.

Name	Title	Signature
------	-------	-----------


Keith Kinard	Secretary/Executive Director	
--------------	------------------------------	--

I hereby further certify that the individual named below holds the office set forth opposite his name and is duly authorized to execute Disbursement Requests/Acceptance Certificates and other documents under the Trust Agreement (as defined in the Lease) or otherwise relating to the Lease and the Related Agreements.

Name	Title	Signature
------	-------	-----------

Keith Kinard	Secretary/Executive Director	
--------------	------------------------------	---

IN WITNESS WHEREOF, I have duly executed this Certificate and affixed the seal of Lessee on this 30th day of September, 2011.



Housing Authority of the City of Newark

[SEAL]

Print Name: Modia Butler
Official Title: Chairman

**FORM OF
AUTHORIZING RESOLUTION/EXTRACT OF MINUTES**

[TO BE PROVIDED BY LESSEE AND ITS COUNSEL]

INSURANCE COVERAGE DISCLOSURE

Grant Capital Management, Inc., LESSOR

Housing Authority of the City of Newark, New Jersey, LESSEE

RE: INSURANCE COVERAGE REQUIREMENTS

1. In accordance with that certain Equipment Lease-Purchase Agreement dated as of September 30, 2011 (the "*Lease*") between Grant Capital Management, Inc. ("*Lessor*") and the Housing Authority of the City of Newark, New Jersey ("*Lessee*") and identified in the Lease, Lessee certifies that it has instructed the insurance agent named below (please fill in name, address and telephone number):

to issue: (check to indicate coverage)

- ☐ a. All Risk Physical Damage Insurance on the leased Equipment evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming the Trustee as Loss Payee.

Coverage Required: Termination Value Specified

- ☐ b. Public Liability Insurance evidenced by a Certificate of Insurance naming the Trustee as an Additional Insured.

Minimum Coverage Required:

\$1,000,000 per occurrence/\$3,000,000 in the aggregate for bodily injury and property damage coverage

excess liability umbrella coverage of at least \$5,000,000

Proof of insurance coverage will be provided to the Trustee, prior to the time that the property is delivered to Lessee.

OR

2. Pursuant to the Lease, Lessee represents and warrants, in addition to other matters under the Lease, that it is lawfully self-insured as more fully described in the attached letter [to be satisfactory to the Trustee as directed by the initial Certificate Owners].

LESSEE: HOUSING AUTHORITY OF THE
CITY OF NEWARK, NEW JERSEY

By _____
Name: _____
Title: _____

INSURANCE INFORMATION

Please provide the following information to your insurance company to help expedite receipt of the necessary coverage:

ITEMS WHICH NEED TO BE REFLECTED ON INSURANCE CERTIFICATE:

- THE TRUSTEE MUST BE NAMED LOSS PAYEE AND ADDITIONAL INSURED
- 30 Days Notice of Cancellation
- Not Less than \$1,000,000.00 limits on liability
- Certificate must reflect a short equipment description
- Certificate must reflect an expiration date

Certificate Holder Information:

Deutsche Bank National Trust Company, as Trustee under a certain Trust Agreement
6810 Crumpler Boulevard
Olive Branch, Mississippi 38654, Attention: Corporate Trust & Agency Services

Please send a FAX copy of certificate to _____ at () - - .

The original should be mailed to the same at:

Deutsche Bank National Trust Company, as Trustee under a certain Trust Agreement
6810 Crumpler Boulevard
Olive Branch, Mississippi 38654, Attention: Corporate Trust & Agency Services

Please call _____, if you have any questions.

SELF-INSURANCE LETTER

[TO BE TYPED ON LESSEE'S LETTERHEAD]

[Date]

Deutsche Bank National Trust Company, as Trustee under a certain Trust Agreement
6810 Crumpler Boulevard
Olive Branch, Mississippi 38654
Attention: Corporate Trust & Agency Services

Re: Equipment Lease-Purchase Agreement
 dated as of September 30, 2011 ("*Lease*") between
 Grant Capital Management, Inc. ("*Lessor*")
 and the Housing Authority of the City of Newark ("*Lessee*")

Ladies and Gentlemen:

Under the above-referenced Lease, Lessee is required to maintain certain insurance policies with respect to the Equipment subject thereto, *provided* that insurance policies are not required if Lessee has an actuarially sound self-insurance program that is acceptable to the above Trustee (as directed by the Certificate Owners under the above-referenced Trust Agreement). This letter is for the purpose of describing Lessee's self-insurance program.

[Describe self-insurance program for property damage - whether a self-insurance fund or contingency fund is maintained; and whether there is an excess policy in which case an insurance authorization letter must be attached.]

[Describe self-insurance program for public liability risks - whether a self-insurance fund or contingency fund is maintained; whether the Lessee's public liability exposure is capped pursuant to a Tort Claims Act; and whether the Lessee maintains an excess liability policy, in which case an insurance authorization letter must be attached.]

Please do not hesitate to contact me if you have any questions concerning the self-insurance described in this letter.

Sincerely,

HOUSING AUTHORITY OF THE CITY OF NEWARK,
NEW JERSEY, as Lessee

By _____
Name: _____
Title: _____

TRUST AGREEMENT

Dated as of September 30, 2011

Between

GRANT CAPITAL MANAGEMENT, INC.,
as Trustor,

and

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Trustee

Re: \$49,560,203.00
Certificates of Participation
(Housing Authority of the City of Newark, New Jersey,
Energy Conservation Project), Series 2011,
Evidencing Ownership Interests in Rent Payments to be Paid by
Housing Authority of the City of Newark, New Jersey,
under a certain Equipment Lease-Purchase Agreement
dated as of September 30, 2011

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(This Table of Contents is not a part of this
Trust Agreement, but is only for
convenience of reference.)

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TRUST AGREEMENT

This TRUST AGREEMENT, dated as of September 30, 2011 (this "*Trust Agreement*"), is made and entered into by and between GRANT CAPITAL MANAGEMENT, INC., a Maryland corporation, as trustor (in such capacity, the "*Trustor*"), and DEUTSCHE BANK NATIONAL TRUST COMPANY, as trustee (in such capacity, the "*Trustee*"), a national banking association authorized to accept and execute trusts of the character herein set out with a corporate trust office located at 6810 Crumpler Boulevard, Olive Branch, Mississippi 38654.

RECITALS:

A. The defined terms used in this Trust Agreement (including these Recitals) shall have the respective meanings indicated in Article I hereof unless elsewhere defined or the context shall otherwise require.

B. Grant Capital Management, Inc., in its capacity as initial lessor (in such capacity, the "*Lessor*"), and Housing Authority of the City of Newark, New Jersey, as lessee (the "*Lessee*"), have agreed to undertake the financing of the acquisition and installation of equipment to be used for implementation of energy conservation measures and energy infrastructure upgrades in certain public housing buildings that are owned (subject to the Declaration of Trust) by the Lessee.

C. Concurrently with the execution of this Trust Agreement, the Lessor and the Lessee are entering into that certain Equipment Lease-Purchase Agreement dated as of September 30, 2011 (including the Exhibits thereto and together with any amendments and modifications, the "*Lease*") pursuant to which the Lessor agrees to lease to the Lessee the equipment described in the Equipment Schedule to the Lease on the terms and conditions set forth in the Lease.

D. The Lessor, with the authorization and at the direction of the Lessee pursuant to the Lease, has made the necessary arrangements with certain purchasers providing for the commitment of such purchasers to purchase the Certificates executed and delivered pursuant hereto, in the aggregate principal amount of \$49,560,203.00, evidencing ownership interests in, and to be paid from, the Rent Payments assigned under the Assignment to be paid by the Lessee in accordance with the Lease and from certain other moneys for the payment thereof as herein provided.

E. The proceeds of sale of the Certificates and certain funds of the Lessee are to be held hereunder and applied by the Trustee in accordance with the terms hereof, including, to the extent provided herein, to finance the Equipment Costs in accordance with the Lease.

NOW, THEREFORE, in consideration of the premises and the covenants and conditions hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

All words and phrases defined in the Lease shall have the same meaning when used in this Trust Agreement. In addition, the following words and phrases shall have the following respective meanings for all purposes of this Trust Agreement:

"Assigned Payments" shall have the meaning set forth in Section 2.1 hereof.

"Assigned Property" shall have the same meaning as when such term is used in the Assignment.

"Assignment" shall mean that certain Absolute Assignment Agreement, dated September 30, 2011, from the Trustor (in its capacity as initial Lessor under the Lease and assignor) to the Trustee (as assignee) with respect to the Lease and the other Assigned Property as therein provided.

"Authorized Denomination" shall mean \$100,000 and any whole multiple of \$1 in excess thereof.

"Authorized Lessee Representative" shall mean the person or persons at the time designated, by written certificate furnished to the Owner Representative and the Trustee, as the person or persons authorized to act on behalf of the Lessee with respect to the Lease. Such certificate shall contain the specimen signature of such person or persons, shall be signed on behalf of the Lessee by an authorized officer of the Lessee and may designate an alternate or alternates. The Authorized Lessee Representative may, but need not, be an employee of the Lessee.

"Business Day" shall mean any day other than (a) a Saturday, a Sunday or a day on which banking institutions in the City of New York, New York, Olive Branch, Mississippi, or the city in which the principal office of the Lessee is located are authorized or obligated by law or executive order to be closed or (b) a day on which the New York Stock Exchange is closed.

"Certificate" shall mean any of, and *"Certificates"* shall mean all of, the then Outstanding certificates of participation executed and delivered hereunder.

"Certificate Owner" or *"Owner"* shall mean a Person in whose name a Certificate is registered in the Register.

"Certificate Payment Date" shall mean (a) for the period from (and including) October 1, 2012 to (and including) September 1, 2013, the first day of each calendar month; (b) for the period from (and including) October 1, 2013 and continuing thereafter so long as any of the Certificates are Outstanding, April 1 and October 1 of each calendar year, commencing on October 1, 2013; and (c) any Prepayment Date.

“*Completion Certificate*” shall mean the certificate delivered by or at the direction of the Authorized Lessee Representative pursuant to Section 4.8 hereof evidencing the establishment of the Completion Date and acceptance of all of the Equipment by the Lessee and certain other matters and delivered with all relevant information completed and substantially in the form attached hereto as *Exhibit C*.

“*Completion Date*” shall mean the date of acceptance of all of the Equipment by the Lessee, all as evidenced by the delivery of the Completion Certificate.

“*Delivery Costs*” shall mean all items of expense directly or indirectly payable by or reimbursable to the Lessee relating to the financing of the Project under the Lease including, but not limited to, all costs paid or incurred by the Lessee for the Project under the Lease at any time prior to or after delivery of the Certificates with respect to the execution, sale and delivery of the Certificates, including, but not limited to, initial or acceptance fees and expenses of the Trustee, costs of legal and other professional services (whether payable on the Commencement Date or periodically thereafter), costs of preparing the Operative Agreements and any supplements to any thereof and any other documents in connection with the authorization, execution and sale of the Certificates, recording and filing fees, initial and ongoing fees and expenses of the Trustee and other fees and costs in connection therewith.

“*Disbursement Request/Certificate of Acceptance*” shall mean a written request of the Lessee directing the Trustee to disburse moneys from the Equipment Acquisition Fund, which is submitted to the Trustee in accordance with Section 4.7 hereof.

“*Distributions*” shall mean (a) unless used with reference to the Certificates of an Owner, those amounts distributable with respect to the Certificates on (i) each Certificate Payment Date (which is not a Prepayment Date) representing the principal and interest components of the Rent Payments to be paid by the Lessee pursuant to the Lease on each corresponding Rent Payment Due Date and (ii) each Certificate Payment Date (which is a Prepayment Date) representing the Termination Value (including Prepayment Premium) to be paid by the Lessee pursuant to the Lease on such Prepayment Date; and (b) when used with reference to the Certificates of an Owner, such Owner’s portion of Distributions described in clause (a) of this definition that is equal to the product obtained by multiplying the total Distributions to be distributed in accordance with clause (a) of this definition *times* the Owner’s Distribution Percentage for such Owner.

“*Equipment*” shall mean the equipment and other personal property identified and described in the Equipment Schedule of the Lease.

“*Equipment Acquisition Fund*” shall mean the fund created by Section 4.6 hereof.

“*Event of Default*” is defined in Section 8.1 hereof.

“*Government Obligations*” is defined in Section 7.2(d) hereof.

“Investment Direction Agreement” shall mean that certain Investment Direction Agreement dated as of September 30, 2011, between the Lessee and the Trustee relating to the investment and reinvestment of moneys on deposit in the Equipment Acquisition Fund as therein provided.

“Lease” shall mean that certain Equipment Lease-Purchase Agreement dated as of September 30, 2011, between the Lessor and the Lessee, with respect to the Equipment and the Lessee’s lease, purchase and acquisition of the Equipment described therein from the Lessor, together with all Exhibits thereto, and any amendments and supplements thereto as therein and herein provided.

“Lease Default” shall mean the occurrence of any of the events described in Section 19 of the Lease.

“Lease Revenues” is defined in Section 2.1 hereof.

“Lessee” shall mean Housing Authority of the City of Newark, a public housing authority of a political subdivision of the State of New Jersey, in its capacity as lessee under the Lease, and any successor to its powers, duties or functions as provided by State law.

“Lessor” shall mean (a) initially, Grant Capital Management, Inc., a Maryland corporation; and (b) from and after sale and transfer of the initial Lessor’s rights, title and interest in, to and under the Lease pursuant to the Assignment, the Trustee acting in such capacity as Lessor in accordance with this Trust Agreement and for the benefit of the Certificate Owners in accordance with this Trust Agreement.

“Notice by Mail” or *“notice”* of any action or condition *“by Mail”* shall mean a written notice meeting the requirements of this Trust Agreement mailed by registered or certified mail to the Owners of specified Certificates, at the addresses shown in the Register.

“Operative Agreements” shall mean the Lease, the Tax Agreement, the Assignment, the Investment Direction Agreement, the Certificates and this Trust Agreement.

“Opinion of Counsel” shall mean a written opinion of counsel, who shall be independent from the Trustor and the Lessee and shall be acceptable to the Trustee.

“Outstanding” when used with reference to Certificates shall mean, as of the date of determination, all Certificates executed and delivered by the Trustee hereunder, except:

(a) Certificates theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Certificates for the payment or prepayment of which cash funds in the necessary amount shall have been theretofore deposited with the Trustee (whether upon or prior to the scheduled payment or prepayment date of any such Certificates) in trust for the Owners of such Certificates; *provided*, that if such Certificates are to be prepaid prior

to the final Certificate Payment Date thereof, notice of such prepayment shall have been duly given as provided in Article VI hereof, or provision satisfactory to the Trustee shall have been made for giving such notice, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee;

(c) Certificates in exchange for or in lieu of which other Certificates shall have been delivered pursuant to the terms of Article III hereof; and

(d) Certificates owned by the Lessee.

“Owner Representative” shall mean PNC Equipment Finance, LLC, in its capacity as representative of the Owners for purposes of reviewing, approving or disapproving and responding with respect to inquiries regarding each Disbursement Request/Certificate of Acceptance submitted by the Lessee to request disbursement from the Equipment Acquisition Fund as herein provided and receiving notices (or copies thereof) delivered, and approving other actions taken, in accordance with this Trust Agreement and the Lease or any other representative or agent hereafter appointed by the Owners for such purposes.

“Owner’s Distribution Percentage” shall mean, with respect to each Owner of Certificates entitled to receive Distributions on a Certificate Payment Date, a fraction the numerator of which equals the aggregate principal component of Certificates owned by such Owner as of the close of business on the day next preceding such Certificate Payment Date and the denominator of which equals the aggregate principal component of all Certificates Outstanding as of the close of business on the day next preceding such Certificate Payment Date. Such fraction shall be expressed as a percentage and represents the respective Owners’ fractionalized ownership interests in the Trust Estate.

“Paying Agent” shall mean the Trustee, as the paying agent for the Distributions represented by the Certificates, and any successor designated pursuant to this Trust Agreement.

“Person” shall mean one or more individuals, estates, joint ventures, joint-stock companies, partnerships, corporations, limited liability companies, trusts or unincorporated organizations, and one or more governments or agencies or political subdivisions thereof.

“Pledged Funds” means the Equipment Acquisition Fund and the Rent Payment Fund, collectively.

“Prepayment Date” means each date on which the Lessee prepays Rent Payments under the Lease in full upon payment of the Termination Value pursuant to Section 15 of the Lease or prepays Rent Payments in part pursuant to Section 5.5 or 13.3 of the Lease upon payment of the applicable portion of the Termination Value.

“Prepayment Premium” shall mean the portion of Termination Value in excess of the then unpaid principal component of Rent Payments to be prepaid, which excess amount represents the premium payable by the Lessee in connection with its prepayment in full or in part of Rent Payments in accordance with the Lease.

“Project” shall mean the acquisition and installation of the Equipment to be used for implementation of energy conservation measures and energy infrastructure upgrades in certain public housing buildings that are owned (subject to the Declaration of Trust) by the Lessee.

“Property” shall mean any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“Record Date” shall mean, with respect to each Certificate Payment Date, the first Business Day next preceding each Certificate Payment Date.

“Register” is defined in Section 3.4 hereof.

“Registrar” shall mean the Trustee, acting as the registrar to keep the books for the registration of the Certificates and for the registration of transfer and exchange of the Certificates, and any successor appointed by the Trustee.

“Rent Payment Fund” shall mean the fund created by Section 4.2 hereof.

“Special Tax Counsel” shall mean Duane Morris LLP, Baltimore, Maryland, and any other attorney-at-law or a firm of attorneys (which is mutually acceptable to the Lessee and the Owner Representative) of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

“State” shall mean the State of New Jersey.

“Trust Agreement” shall mean this Trust Agreement dated as of September 30, 2011, between the Trustor and the Trustee, and any amendments and supplements hereto as herein provided.

“Trustee” shall mean Deutsche Bank National Trust Company, Olive Branch, Mississippi, acting in its capacity as trustee under this Trust Agreement, and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee hereunder.

“Trust Estate” shall have the meaning specified in Section 2.1 hereof.

“Trustor” shall mean Grant Capital Management, Inc., Columbia, Maryland, acting in its capacity as Trustor under this Trust Agreement, or any successor to the duties or functions of the Trustor.

ARTICLE II

THE TRUST ESTATE; ORIGINAL EXECUTION OF THE CERTIFICATES

Section 2.1. Trust Estate. Pursuant to the Assignment, the Trustor (in its capacity as Lessor under the Lease and assignor) has irrevocably transferred by outright and absolute conveyance, without recourse, to the Trustee all of the Lessor's rights, title and interest in, to and under the Lease, the Equipment, the Pledged Funds and the other Assigned Property to be held in trust for the benefit of the Owners from time to time of the Certificates. The Trustee shall be entitled to collect and receive (a) all Rent Payments, (b) the Termination Value paid by the Lessee in accordance with the Lease upon prepayment of Rent Payments in full or in part, (c) all amounts payable by the Lessee pursuant to Section 17(a) of the Lease in connection with any loss of federal tax-exemption and (d) other payments now or hereafter payable by the Lessee or receivable by the Lessor to the extent provided in the Lease, including without limitation any late charges payable by the Lessee pursuant to Section 4.3 of the Lease (herein referred to collectively as "*Lease Revenues*"). All Lease Revenues collected or received by the initial Lessor shall be deemed to be held, and to have been collected or received, by the initial Lessor as the trustee of and in trust for the Trustee and shall forthwith be paid by the initial Lessor to the Trustee. Subject to the limitations of Article IX, the Trustee shall also be entitled to and shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce all of the rights of the Lessor and all of the obligations of the Lessee under the Lease and the other Assigned Property. Any moneys, securities and other properties held by the Trustee hereunder shall be held in trust for the benefit of the Owners from time to time of the Certificates and, together with the property and assets described below, herein referred to collectively as the "*Trust Estate*."

The sole assets and estate of the Trust Estate shall consist of the Rent Payment Fund, the Equipment Acquisition Fund and all moneys and investments held therein from time to time and all of the Trustor's right, title, estate, claims and demands (i) in, to and under the Lease and any amendments, supplements, documents and other instruments relating thereto, and all rights, powers, privileges, options and other benefits of the Lessor under the Lease, including, but not limited to, (A) the immediate and continuing right to receive and collect all Lease Revenues and all other payments and amounts due under the Lease (collectively, the "*Assigned Payments*"), (B) the right to make all waivers and agreements and to enter into any amendments relating to the Lease or any provision thereof, (C) the right to take such action upon the occurrence of a Lease Default or an event that, with the lapse of time or the giving of notice or both, would constitute a Lease Default, (D) in and to the lien and security interest created in favor of the Lessor in and to the Pledged Funds pursuant to Section 6.1(b) of the Lease and (E) in and to the Lessor's right, title and interest in the Equipment together with all accessories, equipment, parts and appurtenances appertaining or attached to any of the Equipment, except such thereof as is or remains the property of the Lessee under the Lease, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of such Equipment, except such thereof as is or remains the property of the Lessee under the Lease, together with all the rents, issues, income, profits, proceeds and avails therefrom; (ii) any and all

proceeds from claims on any physical damage insurance policies (including self-insurance) covering the Equipment; and (iii) all proceeds of the foregoing.

Section 2.2. Original Execution and Delivery of Certificates. In exchange for such assignment and transfer of the Trust Estate by the Lessor pursuant to the Assignment, the Trustee shall cause to be executed and delivered to the initial Certificate Owners upon the written order of the Trustor, the Certificates representing 100% of the ownership interest in the Trust Estate; *provided* that the Trustor's delivery of such written order to the Trustee shall evidence, and shall state that it evidences, satisfaction of the Funding Conditions for purposes of Section 5.2 of the Lease on which the Trustee may conclusively rely for purposes of executing and delivering the Certificates as provided in this Section 2.2 and for purposes of the last paragraph of Section 3.11(a) hereof.

ARTICLE III

THE CERTIFICATES

Section 3.1. Preparation of Certificates. The Trustee is hereby authorized to prepare, execute and deliver the Certificates, upon the written order of the Trustor, with the authorization and at the direction of the Lessee, in the aggregate principal amount of \$49,560,203.00. The Trustee shall not at any time, except as provided in this Article, execute additional Certificates evidencing ownership interests in the Lease Revenues or the other Assigned Property. The Trustor hereby directs the Trustee to provide for the execution and delivery of the Certificates in the principal amounts and with the stated Distribution Dates and interest rate set forth in this Article III.

Section 3.2. General Provisions Concerning the Certificates. (a) The Certificates and the form of assignment to appear thereon shall be in substantially the form set forth in *Exhibit A* attached hereto, with necessary or appropriate variations, omissions and insertions as permitted or required hereby. Notwithstanding anything in this Trust Agreement to the contrary, the Owner Representative may deliver to the Trustee for attachment to Certificates executed and delivered pursuant to this Trust Agreement a schedule that identifies scheduled principal and interest portions of Distributions distributable on each Certificate Payment Date to the Owner thereof and representing such Owner's fractionalized interest in Distributions hereunder based on its Owner's Distribution Percentage.

(b) The Certificates shall be fully registered Certificates transferable to subsequent owners only on the Register as hereinafter provided. Each Certificate shall be in an Authorized Denomination.

(c) The Certificates shall be consecutively numbered from R-1 upward and shall be dated the date of original execution and delivery thereof.

(d) Each of the Certificates shall represent the interest component and principal component of the Rent Payments distributable with respect thereto and shall be on a parity with the other Certificates as to the entire Trust Estate. The principal components of the Rent

Payments represented by the Certificates shall be distributable, subject to prepayment on a Prepayment Date pursuant to the Lease (which is also a Certificate Payment Date), on each April 1 and October 1 in the following years and in the principal amounts set forth in the schedule below. The interest component of the Rent Payments represented by each Certificate shall be computed at the rate of 5.00% per annum on the principal component thereof on the basis of a 360-day year of twelve 30-day months. The interest component of the Rent Payments represented by each Certificate shall accrue and be compounded monthly, but shall not be payable, during the period from (and including) the Commencement Date to (but excluding) September 1, 2012, as provided in the Payment Schedule to the Lease. The interest component of the Rent Payments represented by each Certificate shall be distributable on each Certificate Payment Date (which is a Rent Payment Due Date) set forth in the schedule below.

CERTIFICATE PAYMENT DATE	TOTAL DISTRIBUTION	PRINCIPAL DISTRIBUTION AMOUNT	INTEREST DISTRIBUTION AMOUNT
10/1/12	\$ 216,195.16	\$ 0.00	\$ 216,195.16
11/1/12	216,195.16	0.00	216,195.16
12/1/12	216,195.16	0.00	216,195.16
01/1/13	216,195.16	0.00	216,195.16
02/1/13	216,195.16	0.00	216,195.16
03/1/13	216,195.16	0.00	216,195.16
04/1/13	216,195.16	0.00	216,195.16
05/1/13	216,195.16	0.00	216,195.16
06/1/13	216,195.16	0.00	216,195.16
07/1/13	216,195.16	0.00	216,195.16
08/1/13	216,195.16	0.00	216,195.16
09/1/13	216,195.16	0.00	216,195.16
10/1/13	1,862,098.72	1,645,903.56	216,195.16
04/1/14	1,862,098.72	592,918.88	1,269,179.84
10/1/14	1,941,237.92	687,036.32	1,254,201.60
04/1/15	1,941,237.92	704,392.14	1,236,845.78
10/1/15	2,023,740.53	804,689.01	1,219,051.52
04/1/16	2,023,740.53	825,016.96	1,198,723.57
10/1/16	2,109,749.50	931,867.40	1,177,882.10
04/1/17	2,109,749.50	955,408.11	1,154,341.39
10/1/17	2,199,413.85	1,069,207.85	1,130,206.00
04/1/18	2,199,413.85	1,096,218.04	1,103,195.81
10/1/18	2,292,888.94	1,217,385.65	1,075,503.29
04/1/19	2,292,888.94	1,248,139.08	1,044,749.86
10/1/19	2,390,336.72	1,377,117.19	1,013,219.53
04/1/20	2,390,336.72	1,411,905.74	978,430.98
10/1/20	2,491,926.03	1,549,162.43	942,763.60
04/1/21	2,491,926.03	1,588,297.16	903,628.87

CERTIFICATE PAYMENT DATE	TOTAL DISTRIBUTION	PRINCIPAL DISTRIBUTION AMOUNT	INTEREST DISTRIBUTION AMOUNT
10/1/21	2,597,832.89	1,734,327.38	863,505.51
04/1/22	2,597,832.89	1,778,139.73	819,693.16
10/1/22	2,708,240.79	1,933,466.76	774,774.03
04/1/23	2,708,240.79	1,982,309.74	725,931.05
10/1/23	2,823,341.02	2,147,486.82	675,854.20
04/1/24	2,823,341.02	2,201,736.34	621,604.68
10/1/24	2,943,333.01	2,377,348.31	565,984.70
04/1/25	2,943,333.01	2,437,404.57	505,928.44
10/1/25	3,068,424.67	2,624,069.62	444,355.05
04/1/26	3,068,424.67	2,690,358.52	378,066.15
10/1/26	3,198,832.71	2,888,730.04	310,102.67
04/1/27	3,198,832.71	2,961,704.76	237,127.95
10/1/27	3,334,783.11	3,172,473.35	162,309.76
04/1/28	3,334,783.11	3,252,615.97	82,167.14

(e) The interest component of the Rent Payments represented by each Certificate shall accrue from the Certificate Payment Date next preceding the date of registration thereof, unless such Certificate is registered as of a Certificate Payment Date, in which event such interest component shall accrue from the date of the Certificate's registration, or unless such Certificate is registered prior to the first Certificate Payment Date, in which event such interest component shall accrue from September 30, 2011, or unless, as shown by the records of the Trustee, the portion of the Distributions representing such interest component is in default, in which event such interest component shall accrue from the date to which such interest component has been paid in full, or unless no interest component has been paid, in which event the interest component of Rent Payments represented by such Certificate shall accrue from September 30, 2011. The interest component of the Rental Payments under the Lease and represented by each Certificate for the period prior to the first Certificate Payment Date described in the table above shall accrue and be compounded monthly, but shall not be payable, during the period from (and including) the Commencement Date to (but excluding) September 1, 2012, as provided in the Payment Schedule to the Lease.

(f) Payment of the interest component of the Rent Payments represented by any Certificates shall be made on each Certificate Payment Date to the person appearing on the Register as the Owner thereof on the related Record Date, such interest component to be paid to such Owner based on its Owner's Distribution Percentage by check or wire transfer to the account of such Owner in any bank in the United States as may be designated in writing by such Owner (accompanied by sufficient information to identify the source and application of such funds), or in such other reasonable manner or to such other address in the United States as may be designated in writing to the Trustee by such Owner.

(g) Payment of the principal component of the Rent Payments and any Termination Value represented by the Certificates shall be made (whether at stated Certificate Payment Date or upon prepayment, acceleration or otherwise) to the Owners of such Certificates (without any presentment of such Certificates and without any notation of such payment being made thereon, except as hereafter provided) based on their respective Owner's Distribution Percentage by check or wire transfer to the account of such Owner in any bank in the United States as may be designated in writing by such Owner (accompanied by sufficient information to identify the source and application of such funds), or in such other reasonable manner or to such other address in the United States as may be designated in writing to the Trustee by such Owner; *provided that*, the final principal component of the Rent Payments represented by the Certificates shall be payable (whether at stated Certificate Payment Date or upon prepayment, acceleration or otherwise) to the Owners of such Certificates upon presentation and surrender of such Certificates at the Trustee's corporate trust office in Olive Branch, Mississippi. By purchase and acceptance of its Certificates, each Owner agrees that, in the event such Owner shall sell or transfer any of its Certificates, such Owner shall, prior to the delivery of such Certificates to the purchaser or transferee, (i) make a proper notation thereon of the portion of the Certificate which has been paid or prepaid, or surrender the Certificate in exchange for a new Certificate or Certificates representing the then Outstanding principal amount of Distributions represented by the Certificates being sold or disposed of and the principal amount of Distributions represented by the Certificates held by such Owner after such sale or disposition and (ii) promptly notify the Trustee in writing of the name and address of the transferee of the Certificates being sold or disposed of.

(h) The Certificates shall be signed by the manual signature of an authorized officer of the Trustee. The execution by the Trustee of any Certificate executed and delivered hereunder shall not be construed as a representation or warranty by the Trustee as to the validity or security of this Trust Agreement or of such Certificate, and the Trustee shall in no respect be liable or answerable for the use made of such Certificate or the proceeds thereof. Any Certificate shall be deemed to have been duly executed by the Trustee if signed by a duly authorized officer of the Trustee, but it shall not be necessary that the same officer sign all of the Certificates executed and delivered hereunder. In case any official of the Trustee whose signature shall appear on the Certificates shall cease to be such official before delivery of the Certificates, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

Section 3.3. Rent Payments Unconditional and Absolute; Payable from Legally Available Funds. The Lessor has leased the Equipment to the Lessee pursuant to the Lease and the Lessee is required pursuant thereto to pay Rent Payments in an amount equal to the total Distributions (except that the Lessee is not obligated to pay an amount representing the Prepayment Premium unless it prepays Rent Payments in accordance with the Lease) to be paid with respect to the Certificates in connection with the Equipment and the financing thereof. Lessee's obligation to pay Rent Payments and other amounts under the Lease is an absolute and unconditional obligation of Lessee payable from all Legally Available Funds. LESSEE HAS NO TAXING POWER. THEREFORE, NO TAX IS PLEDGED FOR THE PAYMENT OF RENT PAYMENTS OR ANY OTHER AMOUNTS PAYABLE UNDER THE LEASE. THE EXECUTION AND DELIVERY OF THE CERTIFICATES SHALL NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY OBLIGATE THE LESSEE OR

THE STATE OR ANY AGENCY, INSTRUMENTALITY OR POLITICAL SUBDIVISION THEREOF TO LEVY ANY FORM OF TAXATION THEREFOR.

Section 3.4. The Register. The Trustee shall keep or cause to be kept at its corporate trust office in Olive Branch, Mississippi, a register for the registration, exchange and transfer of Certificates (herein called the “*Register*”). The names and addresses of the Owners of the Certificates, the transfers and exchanges of the Certificates and the names and addresses of the transferees of all Certificates shall be registered in the Register. This Trust Agreement shall be construed to constitute a system of registration for all purposes of applicable law.

Section 3.5. Transfers and Exchanges of Certificates; Lost or Mutilated Certificates.
(a) The Owner of any Certificate may transfer such Certificate only upon the surrender thereof for cancellation at the corporate trust office of the Trustee in Olive Branch, Mississippi, except as provided in Section 3.5(e) hereof. Thereupon, the Trustee shall execute in the name of the transferee a new Certificate or Certificates in aggregate principal component of Distributions equal to the amount of principal represented by the Certificate or Certificates at the time of surrender, and the portion of the Distributions representing the interest component accruing at the same interest rate as borne by the related Distributions of principal represented by the Certificate or Certificates so surrendered, and the Trustee shall deliver such new Certificate or Certificates to such transferee.

(b) The Owner of any Certificate may at any time surrender such Certificate at the corporate trust office of the Trustee in Olive Branch, Mississippi, in exchange for an equal aggregate principal amount of Certificates, and the portion of the Distributions representing the principal component being payable in installments on the same dates and the interest component accruing at the same rate as borne by the related Distributions of principal represented by the Certificates so surrendered, in the form of fully registered Certificates in any Authorized Denominations.

(c) All Certificates presented or surrendered for transfer shall be accompanied by a written instrument or instruments of assignment or transfer, in form satisfactory to the Trustee, duly executed by the Owner or by such Owner’s attorney duly authorized in writing. The Trustee shall not be required to make a transfer or an exchange of any Certificate during (i) the period from the Record Date for a Certificate Payment Date to such Certificate Payment Date, (ii) the period after the mailing of notice calling such Certificate for prepayment has been given as herein provided or (iii) the period of fifteen days next preceding the giving of such notice of prepayment.

(d) No notarial seal shall be necessary for the transfer or exchange of any Certificate pursuant to this Section 3.5, and the Owner of any Certificate issued as provided in this Section 3.5 shall be entitled to any and all rights and privileges granted under this Trust Agreement to an Owner of a Certificate.

(e) In case any Certificate shall become mutilated or be destroyed, lost or stolen, the Trustee, upon the written request of the Owner thereof, shall execute and deliver a new Certificate in exchange and substitution for the mutilated Certificate, or in lieu of and in

substitution for the Certificate so destroyed, lost or stolen. The applicant for a substitute Certificate shall furnish to the Trustee such security and/or indemnity as may be required by the Trustee to save the Trustee harmless from all risks, and the applicant shall also furnish to the Trustee evidence to the Trustee's satisfaction of the mutilation, destruction, loss or theft of the applicant's Certificate and of the ownership thereof. In case any Certificate the principal component of which has become payable or is about to become payable shall become mutilated or be destroyed, lost or stolen, the Trustee may, instead of issuing a substitute Certificate, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Certificate), if the applicant for such payment shall furnish to the Trustee such security and/or indemnity as the Trustee may require to save it harmless, and shall evidence to the satisfaction of the Trustee the mutilation, destruction, loss or theft of such Certificate and the ownership thereof. The Certificate Owner shall pay any applicable fees and expenses of the Trustee and shall bear the cost of any required indemnity and/or surety bond. If any institutional Certificate Owner or its nominee is the owner of any mutilated, destroyed, lost or stolen Certificate, then the affidavit of its president, vice president, assistant vice president or treasurer in form reasonably satisfactory to the Trustee setting forth the fact of destruction, loss or theft and such institutional Certificate Owner's ownership of the Certificate at the time of such mutilation, destruction, loss or theft shall be accepted as satisfactory evidence thereof, and no security and/or indemnity shall be required as a condition to execution and delivery of a new Certificate other than the written agreement of such institutional Certificate Owner, in form reasonably satisfactory to the Trustee, to indemnify the Trustee.

Section 3.6. Limitation on Transfer and Exchange. (a) The Certificates have not been registered under the Securities Act of 1933, as amended (the "*Securities Act*") or registered under the securities laws of any state. In addition, the trust in the Trust Estate will not be registered under the Investment Company Act of 1940, as amended (the "*1940 Act*"). Neither the Certificates nor any interest therein may be transferred except in compliance with the Securities Act and applicable state securities laws. Neither the Trustor, the Trustee nor the Lessee is obligated to register or qualify the Certificates or any interest therein under the Securities Act or any other securities law.

(b) The Trustee shall place the following legend on each Certificate executed and authenticated pursuant to this Trust Agreement:

"THIS CERTIFICATE IS NOT REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE "*SECURITIES ACT*") OR ANY STATE SECURITIES LAWS. NEITHER THIS CERTIFICATE NOR ANY INTEREST HEREIN MAY BE SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE TRANSFER OF THIS CERTIFICATE OR ANY INTEREST HEREIN IS SUBJECT TO CERTAIN RESTRICTIONS AND CONDITIONS SET FORTH IN THE TRUST AGREEMENT UNDER WHICH THIS CERTIFICATE IS EXECUTED AND DELIVERED (A COPY OF WHICH IS AVAILABLE FROM THE TRUSTEE UPON WRITTEN REQUEST)."

Section 3.7. The New Certificates. (a) Each new Certificate (herein, in this Section 3.7, called a “*New Certificate*”) executed and delivered pursuant to Section 3.5(a), (b) or (e) in exchange for or in substitution or in lieu of an Outstanding Certificate (herein, in this Section 3.7, called an “*Old Certificate*”) shall be dated as provided in Section 3.2(c) hereof.

(b) Upon the execution and delivery of a New Certificate pursuant to Section 3.5(a), (b) or (e) hereof, the Trustee may require the payment of a sum to reimburse it for, or to provide it with funds for, the payment of any tax or other governmental charge or any other charges and expenses connected therewith that are paid or payable by the Trustee, and the Trustee may require the Certificate Owner requesting such transfer or exchange to pay such transfer fee as the Trustee at the time customarily charges for such service.

(c) All New Certificates executed and delivered pursuant to Section 3.5(a), (b) or (e) hereof in exchange for or in substitution or in lieu of Old Certificates shall be valid Certificates evidencing the same interests as the Old Certificates and shall be entitled to the benefits and security of this Trust Agreement to the same extent as the Old Certificates.

Section 3.8. Cancellation of Certificates. All Certificates surrendered for the purpose of payment, prepayment, transfer or exchange shall be delivered to the Trustee for cancellation or, if surrendered to the Trustee, shall be cancelled by it. No Certificates shall be executed and delivered in lieu thereof except as expressly required or permitted by any of the provisions of this Trust Agreement. All such cancelled Certificates shall be burned or otherwise destroyed by the Trustee, and, if requested by the Lessee, a certificate of destruction evidencing such burning or other destruction shall be furnished by the Trustee to the Lessee. The Lessee may at any time present Certificates to the Trustee for cancellation which it may have acquired in any manner and the Trustee shall cancel such Certificates.

Section 3.9. Trustee as Paying Agent and Registrar. The Trustee is hereby appointed the paying agent and registrar for the payment, registration, transfer and exchange of Certificates. Subject to the provisions of Section 3.2 hereof, Certificates may be presented for payment, and notices or demands with respect to the Certificates or this Trust Agreement may be served or made, at the corporate trust office of the Paying Agent in Olive Branch, Mississippi.

Section 3.10. Ownership. The Person in whose name any Certificate shall be registered on the Register shall be deemed and treated as the owner thereof for all purposes of this Trust Agreement, and neither the Lessee nor the Trustee shall be affected by any notice to the contrary. Payment of or on account of the Distributions with respect to such Certificate shall be made only to or upon the order in writing of such registered Owner or such Owner’s legal representative. All such payments shall be valid and effectual to satisfy and discharge such Certificate to the extent of the sum or sums paid. For the purpose of any request, direction or consent hereunder, the Trustee may deem and treat the registered Owner of any Certificate as the Owner and holder thereof without production of such Certificate.

Section 3.11. Prerequisites to Execution of Certificates; Application of Proceeds of Sale of Certificates. (a) The Trustor hereby requests and directs the Trustee to execute and deliver the Certificates upon the terms and conditions set forth herein and in the Lease. The Trustee shall

execute the Certificates and deliver them to the initial Certificate Owners upon the order of the Trustor as provided in Section 2.2 hereof and as directed hereinafter in this Section 3.11.

Prior to the execution and delivery by the Trustee of any Certificates, there shall have been satisfied all of the Funding Conditions set forth in Section 5.2 of the Lease and there shall have been delivered to the Trustee all of the agreements, opinions, certificates and other documents described in such Section 5.2 of the Lease, and the Trustee shall have received such other agreements, documents and opinions as the Trustor or the Trustee may reasonably require, each in form and substance satisfactory to the Trustor and the Trustee.

(b) The proceeds of sale of the Certificates shall be deposited into the Equipment Acquisition Fund.

Section 3.12. Certificates to be Issued in Physical, Certificated Form. The Certificates shall initially be registered in the names of the initial Certificate Owners as provided by the Trustor and be issued in physical, certificated form in Authorized Denominations, and be numbered No. R-1, No. R-2 and No. R-3, respectively.

ARTICLE IV

REVENUES AND FUNDS

Section 4.1. Source of Payment of Certificates. The Certificates herein authorized and executed and delivered hereunder and all payments to the Trustee in respect thereof are payable solely from Rent Payments and Termination Value and, to the extent not so paid, from the Trust Estate. The Rent Payments that the Lessee is required to pay in accordance with Section 4 of the Lease and the Termination Value paid by the Lessee on a Prepayment Date are to be remitted directly to the Trustee (as assignee of the Trustor) for the account of the Lessee and deposited into the Rent Payment Fund as provided herein. Such payments, sufficient in amount to ensure the prompt payment of the Distributions with respect to the Certificates, are to provide the funds for the payment of such Distributions.

Section 4.2. Creation of Rent Payment Fund. There is hereby created and ordered established with the Trustee an irrevocable trust fund to be designated "*Housing Authority of the City of Newark, New Jersey, 2011 Energy Conservation Project Rent Payment Fund*," which shall be used to pay the Distributions with respect to the Certificates as herein provided. All moneys and investments credited to the Rent Payment Fund shall be held by the Trustee in trust for the benefit of the Owners of the Certificates, except as otherwise provided in Section 4.10 hereof. The Trustee shall segregate any and all such moneys and investments credited to the Rent Payment Fund on its books and records separate and apart from the general assets of, and from any other money held by, the Trustee.

Neither the Trustor nor the Lessee shall have any legal or equitable interest in any of the moneys in the Rent Payment Fund and such moneys shall only be used for payment of Distributions represented by the Certificates as provided herein. The Trustee shall have the sole

right of withdrawal with respect to, and neither the Trustor nor the Lessee shall have any control over, any moneys in the Rent Payment Fund.

Section 4.3. Payments into Rent Payment Fund. There shall be deposited into the Rent Payment Fund, as and when received, the following:

- (a) all Rent Payments;
- (b) the Termination Value to be deposited therein pursuant to Section 6.1 hereof if Rent Payments are prepaid in accordance with the Lease; and
- (c) all other moneys received by the Trustee under and pursuant to any of the provisions of the Lease or otherwise (including Sections 8.2(a) and 8.4 hereof) which are required or are accompanied by directions that such moneys are to be paid into the Rent Payment Fund.

Section 4.4. Use of Moneys in Rent Payment Fund. Except as provided in Section 4.10 hereof, moneys in the Rent Payment Fund shall be used solely for the payment of the Distributions represented by the Certificates on each Certificate Payment Date as provided in this Trust Agreement.

Section 4.5. Custody of Rent Payment Fund. The Rent Payment Fund shall be in the custody and name of the Trustee. The Trustor, with the authorization and at the direction of the Lessee as provided in the Lease, hereby irrevocably authorizes and directs the Trustee to withdraw sufficient funds from the Rent Payment Fund on each Certificate Payment Date to pay the Distributions represented by the Certificates as the same become due and payable, which authorization and direction the Trustee hereby accepts.

Section 4.6. Creation of Equipment Acquisition Fund. There is hereby created and ordered established with the Trustee an irrevocable trust fund to be designated "*Housing Authority of the City of Newark, New Jersey, 2011 Energy Conservation Project Equipment Acquisition Fund*," which shall be expended in accordance with the provisions of the Lease and Section 4.7 hereof. There shall be deposited into the Equipment Acquisition Fund the proceeds of sale of the Certificates as provided in Section 3.11(b) hereof and all other moneys received by the Trustee under and pursuant to any of the provisions of the Lease or this Trust Agreement (including Section 5.1 hereof) which are required or are accompanied by directions that such moneys are to be paid into the Equipment Acquisition Fund. All moneys and investments credited to the Equipment Acquisition Fund shall be held by the Trustee in trust subject to the terms of this Trust Agreement. The Trustee shall segregate any and all such moneys and investments credited to the Equipment Acquisition Fund on its books and records separate and apart from the general assets of, and from any other money held by, the Trustee.

Section 4.7. Disbursements from Equipment Acquisition Fund; Appointment of Owner Representative. (a) Disbursements from the Equipment Acquisition Fund shall be made for the purpose of paying Delivery Costs and Equipment Costs, including reimbursement to the Lessee for advances from its funds for payment of Equipment Costs so long as such reimbursement does

not adversely affect federal tax-exemption of the interest component of Rent Payments distributed with respect to the Equipment; *provided, however*, that the Trustee shall have no responsibility to determine whether such reimbursement would adversely affect such federal tax-exemption. No disbursement from the Equipment Acquisition Fund shall be made unless and until the Owner Representative has approved the related Disbursement Request/Certificate of Acceptance; *provided, however*, that the Trustee shall disburse moneys from the Equipment Acquisition Fund to pay Delivery Costs (whether on the Commencement Date or thereafter) without delivery of such Disbursement Request/Certificate of Acceptance so long as the Lessee delivers written instructions to the Trustee identifying the payee, the amount and the purpose for any such disbursement to pay Delivery Costs and the Owner Representative has approved in writing such written instructions for payment of such Delivery Costs; and *provided further, however*, that Delivery Costs incurred by the Lessee's counsel and initial and ongoing fees and expenses of the Trustee shall be payable solely from amounts in the Equipment Acquisition Fund that constitute investment earnings and income on amounts on deposit in the Equipment Acquisition Fund. Except as provided with respect to Delivery Costs in the foregoing *proviso*, prior to disbursement from the Equipment Acquisition Fund, there shall be filed with the Trustee a Disbursement Request/Certificate of Acceptance for such payment substantially in the form attached hereto as *Exhibit B*. Each such Disbursement Request/Certificate of Acceptance shall be signed by an Authorized Lessee Representative, accompanied with copies of invoices (and proofs of payment of such invoices, if the Lessee seeks reimbursement) and any additional documentation reasonably requested by the Owner Representative and approved for disbursement by the Owner Representative.

(b) Notwithstanding anything in this Trust Agreement to the contrary, upon the occurrence and during the continuation of an Event of Default, the Trustee may apply all amounts then remaining in the Equipment Acquisition Fund as provided in Section 8.2(a)(i) hereof.

(c) Each of the initial Owners, by acceptance and purchase of its respective Certificates, hereby appoints PNC Equipment Finance, LLC, as its representative and agent to act as Owner Representative for purposes of reviewing, approving or disapproving and responding with respect to inquiries regarding each Disbursement Request/Certificate of Acceptance submitted by the Lessee to request disbursement from the Equipment Acquisition Fund as provided in this Section 4.7 and taking such other actions as are provided herein to be performed by the Owner Representative. By acceptance and purchase of its Certificates, PNC Equipment Finance, LLC hereby further accepts its appointment as Owner Representative. The Owners of 100% of the aggregate principal component of Distributions with respect to Certificates may replace the Owner Representative only for cause at any time upon written notice to the Owner Representative and the Trustee.

(d) So long as no Lease Default occurs, moneys on deposit in the Equipment Acquisition Fund shall be subject to the beneficial interest of the Lessee as provided herein and in the Lease, and may be disbursed by the Trustee upon satisfaction of the conditions for such disbursement as provided in this Section 4.7.

Section 4.8. The Project; Delivery of Completion Certificate. Payment or provision for payment of all Equipment Costs and the acceptance and installation of all of the Equipment by the Lessee shall be evidenced by the filing with the Trustee and the Owner Representative of the Completion Certificate executed by an Authorized Lessee Representative stating that all of the Equipment has been accepted and installed by the Lessee. Notwithstanding the foregoing, such Certificate shall not, and shall state that it does not, prejudice any rights against third parties that exist on the date of such Certificate or that may subsequently come into being. Immediately after the date of delivery of such Completion Certificate, any moneys remaining in the Equipment Acquisition Fund (except any amount that the Lessee shall have directed the Trustee to retain for any Equipment Costs not then due and payable) shall without further authorization be applied by the Trustee to prepay on the first business day of the next month an amount equal to the sum of the unpaid principal component of the Rent Payments in part, in inverse order of Rent Payments, *plus* a premium equal to 5.5% of such principal component to be prepaid *plus* accrued interest on such principal component to the prepayment date in the same manner as provided in Section 5.5 of the Lease, and the Equipment Acquisition Fund shall thereupon be closed.

Section 4.9. Moneys to be Held in Trust; Nonpresentment of Certificates. (a) All moneys required to be deposited with or paid to the Trustee for account of any fund or account referred to in any provision of this Trust Agreement shall be held by the Trustee in trust, and except for moneys deposited with or paid to the Trustee for the prepayment of Certificates, notice of the prepayment of which has been duly given, shall, while held by the Trustee, constitute part of the Trust Estate and shall be subject to the provisions hereof.

(b) If any Certificates are not presented for payment when the Distributions represented thereby are due and funds sufficient to pay Distributions represented thereby shall have been made available to the Trustee for the benefit of the Owners thereof, the Trustee shall hold such funds uninvested, without liability for interest, for the benefit of the Owners of such Certificates, who shall be restricted exclusively to such funds for any claim of whatever nature on or with respect to such Certificates. Any moneys deposited with and held by the Trustee for the benefit of such claimants, if any, for two years after the date upon which so deposited shall be repaid to the Lessee upon its written demand, and thereupon and thereafter no such claimant shall have any rights to or with respect to such moneys against the Trustee.

Section 4.10. Repayment to the Lessee from Rent Payment Fund. Any amounts remaining in the Rent Payment Fund after payment in full of the Distributions payable with respect to the Certificates to the final stated Certificate Payment Date and all other amounts required to be paid hereunder or under the Lease shall be paid immediately to the Lessee, subject to the requirements of Section 4.9(b) hereof, and the Rent Payment Fund shall thereupon be closed.

ARTICLE V

INVESTMENT OF MONEYS

Section 5.1. Permitted Investments. Any moneys held as part of any of the Pledged Funds or any accounts in any thereof or in any other fund or account hereunder shall be invested and reinvested by the Trustee to the extent permitted by law and by HUD regulation and guidance, at the written direction of the Lessee (*provided that* moneys credited to or held in the Equipment Acquisition Fund shall be invested and deposited subject to the terms and conditions of the Investment Direction Agreement) but only so long as no Event of Default has occurred and is continuing (or if an Event of Default has occurred and is continuing, then only in Federal Securities as hereinafter defined) in any of the following permitted investments maturing not later than the date on which the final Distributions with respect to the Certificates are to be paid: (a) direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, or obligations issued or guaranteed by an agency of the United States of America, pursuant to authority of the Congress of the United States of America (collectively, "*Federal Securities*"), (b) certificates of deposit with a maturity of one year or less issued by banks or trust companies (including certificates of deposit issued by the Trustee) organized under the laws of the United States of America or any state thereof with a rating of at least A-1 by Standard & Poor's and P-1 by Moody's Investors Service, Inc., (c) repurchase agreements fully secured by Federal Securities, (d) commercial paper with a maturity of 270 days or less with a rating (i) by Moody's Investors Service, Inc. of Prime 1, and (ii) by Standard & Poor's, Inc., of A-1, and (e) one or more interest-bearing accounts offered by Capital One, National Association, and which otherwise qualifies as a permissible investment as prescribed by applicable State law and by applicable HUD regulation and guidance. All such investments shall at all times be a part of the respective Pledged Fund or other fund or account from whence the moneys used to acquire such investments shall have come. All income and profits on such investments shall be credited to, and all losses thereon shall be charged against, such respective Pledged Funds and other funds and accounts equal to each Pledged Fund's and other fund's or account's respective proportionate contribution thereto. Any such investments shall be made and held by or under the control of the Trustee. Any such investments shall be made by the Trustee in such manner as to assure the availability of moneys to make disbursements from the Equipment Acquisition Fund on the anticipated dates of disbursement to pay Equipment Costs and from the Rent Payment Fund to make payments of the Distributions with respect to the Certificates at the times and in the amounts as provided herein and therein. The Trustee may make any and all such investments through its trust department or the bond department of any bank (including the Trustee bank) or trust company under common control with the Trustee. The Trustee shall sell and reduce to cash a sufficient amount of such investments whenever (a) the cash balance in the Equipment Acquisition Fund is insufficient to pay a disbursement in accordance with Section 4.7(a) hereof or (b) the cash balance in the Rent Payment Fund is insufficient to pay the Owners of the Certificates at the times and in the amounts as provided herein. Notwithstanding anything in this Trust Agreement to the contrary, in accordance with its covenants set forth in Section 17(a) of the Lease and in the Tax Agreement, the Lessee is responsible to ensure that no investment or use shall be made of any moneys held in any Pledged Fund or any other fund or account under this Trust Agreement that would violate the covenant set forth in Section 5.2 hereof. The Trustee shall not willfully or knowingly violate the covenant

set forth in Section 5.2 hereof; however, the Trustee shall be entitled to rely exclusively on the direction of the Lessee with respect to the investment or use of moneys relating to the Certificates and held by the Trustee hereunder.

The Trustee shall send statements to the Lessee within thirty days after each Certificate Payment Date reflecting activity for each Pledged Fund for the preceding six-month period ended on such Certificate Payment Date. The Trustee shall, at the same time as it delivers statements to the Lessee as herein provided, also send such statements to each Owner of Certificates that makes a written request to the Trustee to receive such statements.

The “value” of any investments held in any fund hereunder shall be determined as follows:

“Value”, which shall be determined as of the end of the related period, means that the value of any investments shall be calculated as follows:

(i) as to investments the bid and asked prices of which are published on a regular basis in *The Wall Street Journal* (or, if not there, then in *The New York Times*): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(ii) as to investments the bid and asked prices of which are not published on a regular basis in *The Wall Street Journal* or *The New York Times*: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service; and

(iii) as to certificates of deposit and bankers acceptances: the face amount thereof plus accrued interest.

Section 5.2. Non-Arbitrage Covenant. The Trustor and the Trustee (but only to the extent that the Trustor or the Trustee has any control over the investment or reinvestment of moneys held in any funds or accounts hereunder) jointly and severally covenant and certify to each other and to and for the benefit of the Owners of the Certificates from time to time Outstanding that so long as any of the Certificates remain Outstanding, moneys on deposit in any fund or account in connection with or relating to either the Lease or the Certificates, whether or not such moneys were derived from the proceeds of the sale of the Certificates or from any other sources, will not be used in a manner that will cause either the Lease or the Certificates to be classified as “arbitrage bonds” within the meaning of Section 148(a) of the Code. Pursuant to such covenant, the Trustor and the Trustee (but only to the extent that the Trustor or the Trustee has any control over the investment or reinvestment of moneys held in any funds or accounts hereunder) obligate themselves to comply throughout the term of the Lease and the term of this Trust Agreement with the requirements of Section 148 of the Code and any regulations promulgated thereunder. Notwithstanding anything herein to the contrary, it is hereby acknowledged and agreed that the Lessee is obligated pursuant to Section 17 of the Lease and the

Tax Agreement to take such actions, including providing directions to the Trustee with respect to the investment or reinvestment of moneys held in any funds or accounts hereunder, to assure compliance with this covenant, and the Trustee is fully protected in acting in reliance upon such directions from the Lessee.

ARTICLE VI

PREPAYMENT OF CERTIFICATES

Section 6.1. Prepayments. (a) No prepayment of the principal component of the Rent Payments represented by any Certificate shall be made except to the extent and in the manner permitted by Section 5.5, 13.3 or 15 of the Lease and Section 4.8 hereof.

(b) The principal component of the Rent Payments represented by the Certificates shall be prepaid (i) in whole on any Certificate Payment Date, upon at least 30 days' prior written notice delivered by the Lessee to the Trustee, in the event that the Lessee exercises its option pursuant to Section 15 of the Lease or (ii) in part on the applicable Prepayment Date in the event that the Lessee prepays the Rent Payments pursuant to Section 5.5 or 13.3 of the Lease or Section 4.8 hereof.

(c) Upon receipt by the Trustee of notice that the Lessee exercises its option provided in Section 15 of the Lease to prepay Rent Payments in full, the Trustee shall give prompt written notice in accordance with Section 6.2 hereof to each Owner of the Certificates. Such notice shall specify the date on which prepayment is to be made, shall direct the Owner of each such Certificate to present its Certificate at the corporate trust office of the Trustee in Olive Branch, Mississippi on such date for payment of such Certificate and shall state that, whether or not the Certificate is surrendered for final payment, the interest component of the Rent Payments represented by such Certificates to be prepaid shall cease to accrue after the prepayment date if moneys sufficient to effect such prepayment are on deposit with the Trustee on that date. The Termination Value shall be paid to the Trustee by the Lessee on or before the date on which prepayment is to be made, as provided in Section 15 of the Lease. The Trustee shall immediately deposit such Termination Value into the Rent Payment Fund.

(d) All Certificates the Distributions with respect to which shall have been prepaid in full in accordance with the provisions of the Lease shall be deemed to have been paid and shall thereupon cease to be Outstanding for all purposes hereunder.

Section 6.2. Notice of Prepayment; Written Designation. (a) Notice of the call for any prepayment, identifying the Certificates the Distributions with respect to which are to be prepaid and specifying the terms of such prepayment, shall be given by the Trustee (upon being satisfactorily secured and/or indemnified as to expenses) by Mail not less than 15 days and not more than 30 days prior to the date fixed for prepayment to the Owner of each Certificate to be prepaid at the address shown on the Register; *provided, however*, that failure to give such notice by Mail, or any defect therein, shall not affect the validity of the proceedings for the prepayment of any Distributions represented by a Certificate or portion thereof with respect to which no such

failure has occurred. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

Each notice of prepayment shall state:

- (i) the Prepayment Date;
- (ii) the prepayment price;
- (iii) the source of funds to be used for such prepayment;
- (iv) the amount of the principal component of the Rent Payments to be prepaid represented by the Certificates;
- (v) that the interest component of the Rent Payments relating to the principal component to be prepaid shall cease to accrue after the Prepayment Date if moneys sufficient to effect such prepayment are on deposit with the Trustee on that date, whether or not the Certificate is surrendered for final payment or endorsement of payment is made; and
- (vii) the name and address of the Person to which such Certificates are to be surrendered for prepayment if Distributions with respect to such Certificates are paid in full.

(b) If at the time of mailing of notice of prepayment there shall not have been deposited with the Trustee moneys sufficient to prepay all Distributions called for prepayment, which moneys are or will be available for prepayment of Certificates, such notice shall state that it is conditional upon the deposit of the prepayment moneys with the Trustee not later than the opening of business on the date established for prepayment, and such notice (and the prepayment therein described) shall be of no effect unless such moneys are so deposited.

(c) On or prior to the date fixed for any prepayment of Distributions represented by the Certificates, the moneys required for such prepayment shall be deposited with the Trustee by the Lessee in accordance with the Lease. The principal component of the Distributions called for prepayment shall cease to bear interest after the specified prepayment date, *provided* that sufficient funds for such prepayment are on deposit with the Trustee on that date.

(d) The Trustee shall prepare and deliver to each Certificate Owner whose Distributions represented by a Certificate is being prepaid, together with each prepayment of a Distribution represented by the Certificates, a written designation stating the portion of such prepayment representing the principal component of the Distributions then being prepaid and related Prepayment Premium and the portion of such prepayment representing the interest component of the Distributions.

ARTICLE VII

DEFEASANCE

Section 7.1. Discharge of Trust Agreement. (a) When (i) all the Certificates have been paid or are deemed to be paid pursuant to Section 7.2 hereof or the Lessee has prepaid all of the Rent Payments pursuant to Section 15 of the Lease, (ii) the Lessee has delivered to the Trustee an Opinion of Counsel acceptable to the Trustee to the effect that the conditions for such discharge contained herein and in Section 7.2 hereof have been satisfied, (iii) provision satisfactory to the Trustee has been made to pay the fees, compensation and expenses of the Trustee and (iv) the Lessee has certified to the Trustee that all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code have been paid, the obligations created by this Trust Agreement shall thereupon cease, terminate and become void except for the right of the Owners of the Certificates and the obligation of the Trustee to apply such moneys and Government Obligations (as hereinafter defined) to the payment of the Certificates as herein set forth.

(b) After all amounts owing to the Owners of the Certificates have been paid hereunder and under the Lease, the Trustee shall, at the written direction of the Owner Representative, turn over to the Lessee any surplus in the funds and accounts held hereunder (except as otherwise may be required by the Tax Agreement), other than moneys and Government Obligations held for the payment of the Certificates at the stated Certificate Payment Date therefor or on prepayment, which moneys and Government Obligations shall continue to be held by the Trustee in trust for the benefit of the Owners of the Certificates and shall be applied by the Trustee to the payment, when due, of the principal component of Rent Payments, the Prepayment Premium and the interest component of Rent Payments distributable with respect to the Certificates. After such payment, this Trust Agreement shall be terminated.

Section 7.2. Certificates Deemed to be Paid. (a) Any Certificate shall be deemed to be paid, or any portion thereof shall be deemed to be paid, within the meaning of this Article VII, when (i) payment of the principal component of Rent Payments distributable with respect to such Certificate and the related Prepayment Premium and the interest component of Rent Payments distributable with respect thereto, whether such payment is by reason of the stated Certificate Payment Date or upon prepayment as provided herein, either (A) shall have been made or caused to be made in accordance with the terms thereof, or (B) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment, (1) moneys sufficient to make such payment and/or (2) Government Obligations, as defined in this Article VII (provided that (I) the Trustee shall be provided a report of an independent nationally recognized certified public accountant verifying the sufficiency of such amounts and (II) such deposit does not, in the opinion of Special Tax Counsel, adversely affect the excludability from gross income for federal income tax purposes of the interest component of Rent Payments payable under the Lease and distributable with respect to the Certificates or cause any of the Certificates to be classified as arbitrage bonds within the meaning of Section 148(a) of the Code), which are not callable at the option of the issuer thereof prior to their maturity and which mature and bear interest in such amounts and at such times as will provide such amounts and at such times as will insure the availability of sufficient moneys to make such payment on

and prior to the Prepayment Date or stated Certificate Payment Date, as the case may be, and (b) all necessary and proper fees, compensation and expenses of the Trustee pertaining to such Certificate shall have been paid or the payment thereof provided for to the satisfaction of the Trustee; *provided, however*, that with respect to any Distributions which do not become payable on the next succeeding Certificate Payment Date, proper notice of prepayment shall have been previously mailed as provided in Section 6.2 hereof or the Lessee shall have given the Trustee, in form satisfactory to the Trustee, irrevocable written instructions to mail notice of prepayment as provided in Section 6.2 hereof. At such time as a Certificate shall be deemed to be paid hereunder, as aforesaid, it shall no longer be entitled to the benefits of this Trust Agreement, except for the purposes of registration and exchange of Certificates and of any such payment from such moneys or Government Obligations.

(b) If moneys and/or Government Obligations are deposited with and held by the Trustee as hereinabove provided, the Trustee shall, within thirty days after such moneys and/or Government Obligations shall have been deposited with it, give notice by Mail to the Owners of the Certificates setting forth (i) the stated Certificate Payment Date or Prepayment Date, as the case may be, of the Certificates, (ii) a description of the Government Obligations, if any, so held by it and (iii) that this Trust Agreement has been released in accordance with the provisions of this Article.

(c) Any moneys so deposited with the Trustee as provided in this Article VII may, at the direction of the Lessee, be invested and reinvested only in Government Obligations, maturing in the amounts and at the times as hereinbefore set forth. All income from all Government Obligations in the hands of the Trustee pursuant to this Article VII, which is not required for the payment of the Distributions with respect to the Certificates, shall be deposited in the Rent Payment Fund as and when realized and collected for use and application as are other moneys deposited in that Fund.

(d) For the purposes of this Article VII, the term “*Government Obligations*” shall mean direct general obligations of, or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America, the guarantee of which constitutes the full faith and credit obligation of the United States of America.

(e) Notwithstanding any provision of any other Section of this Trust Agreement that may be contrary to the provisions of this Article VII, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article VII for the payment of Distributions with respect to the Certificates shall be applied to and used solely for the payment of the particular Certificates with respect to which such moneys and Government Obligations have been so set aside in trust.

(f) Anything in Article XI hereof to the contrary notwithstanding, if moneys or Government Obligations have been deposited or set aside with the Trustee pursuant to this Article VII for the payment of Distributions with respect to the Certificates and such Distributions shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the Owner of each of the Certificates affected thereby.

ARTICLE VIII

EVENT OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined. The occurrence of any of the following events shall constitute an “Event of Default” under this Trust Agreement:

- (a) Default in the payment of the principal or Prepayment Premium represented by any Certificate when the same shall become due and payable, whether at the stated Certificate Payment Date thereof, upon proceedings for prepayment, acceleration or otherwise; or
- (b) Default in the payment of any interest represented by any Certificate when the same shall become due and payable; or
- (c) The occurrence of any Lease Default.

Section 8.2. Remedies Upon Default. (a) Upon the occurrence and during the continuance of any Event of Default, but subject to Article IX hereof, the Trustee (i) shall apply any moneys and investments then on deposit in the Equipment Acquisition Fund as provided in Section 5.4 of the Lease to the payment or prepayment of Rent Payments for distribution with respect to the Certificates to the respective Owners thereof equally and ratably based on their respective Owner’s Distribution Percentage, and (ii) shall exercise any remedies available under the Lease and, to the extent consistent therewith, shall assign, sell or transfer the Lessor’s interest in all of the Trust Estate and apply the net proceeds thereof in accordance with Section 8.4 hereof and, whether or not it has done so, may pursue any other remedy available to it under any of the Operative Agreements or at law or in equity. Any property received by the Trustee in a form other than cash shall be immediately sold by the Trustee and the proceeds from the sale of such property shall be deposited in the Rent Payment Fund. The Trustee shall not be liable or responsible in any way for depreciation or loss incurred by reason of any such sale.

(b) Upon the occurrence of an Event of Default, if requested to do so by the Owners of at least 51% of the portion of the Distributions representing the principal component of Certificates then Outstanding and if indemnified as provided in Section 9.2(h) hereof, the Trustee shall exercise such one or more of the rights and powers conferred by this Article as the Trustee, upon being advised by counsel, shall deem most expedient in the interests of the Certificate Owners.

Section 8.3. Remedies Not Exclusive. The Trustee shall be entitled to enforce payments and performance of any obligations hereunder or under the Lease and to exercise all rights and powers of the Trustee under this Trust Agreement or of the Lessor under the Lease or other agreement or any laws now or hereafter in force. No remedy herein conferred upon or reserved to the Trustee or the Owners of the Certificates is intended to be exclusive of any other remedy herein or by law provided or permitted, but each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by this Trust Agreement or the Lease or to which

the Lessor or the Trustee may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by the Lessor or the Trustee, respectively, and the Lessor and the Trustee may pursue inconsistent remedies.

Section 8.4. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall be deposited in the Rent Payment Fund. After payment of all proper fees, expenses, liabilities and advances, including legal expenses and attorneys' fees, incurred or made hereunder by the Trustee or the Owner or Owners of the Certificates and of all amounts advanced by the Trustee or any of its and the Certificate Owners' rights with respect to the Trust Estate, all moneys in the Rent Payment Fund shall be applied within ten Business Days of receipt as follows:

(a) Unless the principal component of Distributions represented by all Certificates then Outstanding shall have become due and payable:

First, to the payment to the Persons entitled thereto of all installments of the interest component of Distributions then payable represented by the Certificates, in the order of the payment date of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

Second, to the payment to the Persons entitled thereto of the unpaid principal component and Prepayment Premium represented by all Certificates then Outstanding the Distributions with respect to which shall have become due, in the order of their due dates, with interest at the rate specified therein from the respective dates upon which they become due, and, if the amount available shall not be sufficient to pay in full Distributions represented by Certificates due on any particular date, together with such interest, then first to the payment of such interest ratably, according to the amount of such interest due on such date, and then to the payment of such principal, ratably, according to the amount of principal due on such date, and then to the payment of Prepayment Premium, ratably, in each case to the Persons entitled thereto, without any discrimination or privilege; and

Third, to the payment to the Persons entitled thereto of the unpaid interest on overdue installments of interest ratably, according to the amounts of such interest due on such date, without any discrimination or privilege.

(b) If the principal component of Distributions represented by all Certificates then Outstanding shall have become due and payable, all such moneys shall be applied to the payment of the Distributions then due and unpaid represented by the Certificates, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Certificate over any other Certificate, ratably, according to the amounts due respectively for

principal and interest, to the Persons entitled thereto without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be a Certificate Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the principal component to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Owner of any Certificate until such Certificate shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 8.5. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Trust Agreement or with respect to any of the Certificates may be enforced by the Trustee without the possession of any of the Certificates or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Certificates and any recovery of judgment shall be for the equal and ratable benefit (subject to the provisions of Section 8.4 hereof) of the Owners of the then Outstanding Certificates.

Section 8.6. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Trust Agreement, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Trustee, the Lessee, the Trustor and the Certificate Owners shall be restored to their former positions and rights hereunder respectively with regard to the Trust Estate, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 8.7. Waivers of Events of Default. The Trustee may, in its sole discretion in order to preserve the sound investment character of the Trust Estate, waive any Event of Default and its consequences, and shall do so upon the written request of the Owners of (a) at least 51% of the portion of the Distributions representing the principal component of Certificates then Outstanding in respect of which an Event of Default described in clause (a) or (b) of Section 8.1 exists, or (b) at least 51% of the portion of the Distributions representing the principal component of Certificates then Outstanding in the case of any Event of Default described in clause (c) of Section 8.1; *provided, however*, that there shall not be waived (i) any Event of Default in the payment of the principal component of the Distributions with respect to any Outstanding Certificates on the stated Certificate Payment Date therefor or (ii) any default in the payment when due of the interest component of the Distributions with respect to any such Certificates unless, prior to such waiver or rescission, all arrears of payments of interest and all arrears of payments of principal and Prepayment Premium when due, as the case may be, and all expenses of the Trustee in connection with such Event of Default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceedings taken by

the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Trustee, the Lessee, the Trustor and the Certificate Owners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default or impair any right consequent thereon.

Section 8.8. Rights and Remedies of Certificate Owners. No Owner of any Certificate shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Trust Agreement or for the execution of any trust thereof or any other remedy hereunder, unless (a) an Event of Default has occurred of which the Trustee has been notified in writing, or of which it is deemed to have actual notice, (b) the Owners of at least 51% of the portion of the Distributions representing the principal component of Certificates then Outstanding have made written request to the Trustee and have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) such Owners have offered to the Trustee security and/or indemnity as provided for in this Trust Agreement and (d) the Trustee thereafter has failed or refused to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name or in the name of such Owners. Such notification, request and offer of indemnity as set forth above, at the option of the Trustee, shall be conditions precedent to the execution of the powers and trusts of this Trust Agreement and to any action or cause of action for the enforcement of this Trust Agreement or for any other remedy hereunder; it being understood and intended that no one or more Owners of the Certificates shall have any right in any manner whatsoever to affect, disturb or prejudice this Trust Agreement by its or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted and maintained in the manner herein provided and for the equal benefit of the Owners of all Certificates then Outstanding. Nothing in this Trust Agreement shall, however, affect or impair the right of any Certificate Owner to enforce, by action at law or in equity, payment of any of the Distributions represented by any Certificate at and after a Certificate Payment Date therefor, or upon the date fixed for prepayment or the obligation for payment of Distributions hereunder with respect to each Certificate executed and delivered hereunder to the respective Owners thereof at the time, place, from the source and in the manner expressed herein and in the Certificates.

ARTICLE IX

THE TRUSTEE

The Trustee accepts the trusts hereunder and agrees to perform the same, but only upon the terms and conditions hereof, including the following, to all of which the respective Owners of the Certificates at any time Outstanding by their acceptance thereof agree:

Section 9.1. Duties of the Trustee. The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Trust Agreement. No permissive right of the Trustee contained in this Trust Agreement shall be construed as a duty.

Following an Event of Default, the Trustee is under no obligation to enforce this Trust Agreement or the Lease except as it may be directed pursuant to Section 8.2 or Section 9.2(i) hereof; *provided, however*, that the Trustee shall continue at all times to perform its customary duties as provided herein.

The Trustee shall not be required to provide any bond or surety in respect of the execution of these presents and the trusts and powers herein provided or otherwise in respect of the premises.

The Trustee shall have the right (but not the obligation) to inspect any and all property that constitutes part of the Trust Estate or is otherwise subject to the Lease, including all books, papers and records of the Lessee pertaining to the Assigned Property or to the Certificates and to make copies thereof and take such other memoranda with respect thereto as may be desired provided that no undue interruption results therefrom.

Section 9.2. Trustee's Liability. No provision of this Trust Agreement shall be construed to relieve the Trustee from liability for its gross negligence or willful misconduct, except that:

(a) the Trustee shall not be liable except for the performance of such duties as are specifically set forth in this Trust Agreement and no implied covenants or obligations shall be read into this Trust Agreement against the Trustee but the duties and obligations of the Trustee shall be determined solely by the express provisions of this Trust Agreement;

(b) in the absence of bad faith on the part of the Trustee, the Trustee may rely upon the authenticity of, and the truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting upon, any ordinance, resolution, Disbursement Request/Certificate of Acceptance, facsimile transmission, opinion of counsel, certificate, request, notice, consent, waiver, order, signature guaranty, notarial seal, stamp, acknowledgment, verification, appraisal, report or other paper or document believed by the Trustee to be genuine and to have been signed, affixed or presented by the proper party or parties, including any Authorized Lessee Representative;

(c) in the absence of bad faith on the part of the Trustee, whenever the Trustee, or any of its agents, representatives, experts or counsel, shall consider it necessary or desirable that any matter be proved or established, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of a duly authorized officer, including any Authorized Lessee Representative; *provided, however*, that the Trustee, or such agent, representative, expert or counsel, may require such further and additional evidence and make such further investigation as it or they may consider reasonable;

(d) the Trustee may consult with counsel and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action

taken or suffered hereunder in good faith and in accordance with such advice or opinion of counsel;

(e) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with any direction or request of the Owners of the Certificates;

(f) the Trustee shall not be liable for any error of judgment made in good faith by an officer of the Trustee;

(g) the Trustee shall not be deemed to have knowledge of any Event of Default or Lease Default unless and until an officer of the Trustee who customarily handles corporate trusts shall have actual knowledge thereof or the Trustee shall have received written advice thereof from the Owner of any Certificate or the Lessee;

(h) whether or not an Event of Default shall have occurred, the Trustee shall not be under any obligation to take any action under this Trust Agreement or the Lease which may tend to involve it in any expense or liability, the payment of which within a reasonable time is not, in its reasonable opinion, assured to it by the security and/or indemnity afforded to it by the terms of this Trust Agreement, unless and until it is requested in writing so to do by one or more Owners of Certificates Outstanding hereunder and furnished, from time to time as it may require, with reasonable security and/or indemnity;

(i) whether or not an Event of Default shall have occurred, whenever it is provided in this Trust Agreement that the Trustee consent to any act or omission by any Person or that the Trustee exercise its discretion in any manner, the Trustee may (but need not) seek the written acquiescence of the Owner or Owners of at least 51% of the portion of the principal component of the Distributions represented by the Certificates then Outstanding and, unless written evidence of such acquiescence has been received by the Trustee, it shall be fully justified in refusing so to consent or so to exercise its discretion, *provided, however*, the Owners of at least 51% of the portion of the principal component of the Distributions represented by the Certificates from time to time Outstanding have the right, upon furnishing to the Trustee such indemnification as the Trustee shall reasonably request, by an instrument in writing delivered to the Trustee, to determine which of the remedies herein set forth shall be adopted and to direct the time, method and place of conducting all proceedings to be taken under the provisions of this Trust Agreement for the enforcement thereof or of the Certificates; *provided further*, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceedings so directed may not lawfully be taken or would be prejudicial to Owners of Certificates not parties to such direction;

(j) the Certificate Owners shall not have any right to institute any action or proceedings at law or in equity for the execution and enforcement of the trusts hereby created unless, within sixty (60) days after a direction in writing by the Owners of at least 51% of the portion of the principal component of the Distributions representing the

Certificates then Outstanding and shall have offered the Trustee security and/or indemnification as provided in (h) above, the Trustee has failed or refused to institute the action on behalf of such Certificate Owners;

(k) IN NO EVENT SHALL THE TRUSTEE BE LIABLE TO ANY PARTY OR THIRD PARTY FOR SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, LOST PROFITS OR LOSS OF BUSINESS ARISING UNDER OR IN CONNECTION WITH THIS TRUST AGREEMENT, EVEN IF PREVIOUSLY INFORMED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF THE FORM OF ACTION;

(l) the Trustee shall not sell, mortgage, transfer, assign or hypothecate its interest herein, in the Lease, the Equipment, the Lease Revenues or any other portion of the Trust Estate or any part of any thereof or any interest therein, except as provided herein;

(m) in any judicial proceeding to which the Lessee is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of Owners of the Certificates, the Trustee may intervene on behalf of Certificate Owners and shall do so if requested in writing by the Owners of at least 51% in aggregate principal amount of all Certificates then Outstanding. The rights and obligations of the Trustee under this paragraph are subject to the approval of a court of competent jurisdiction; and

(n) the Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, but shall, in the case of attorneys, agents, receivers or employees, not be answerable for the conduct of the same if appointed by the Trustee in good faith and without gross negligence, and shall be entitled to advice of counsel concerning its duties hereunder, and the advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith in reliance thereon, and may in all cases pay such reasonable compensation to all such attorneys, agents and receivers as may reasonably be employed in connection with the trusts hereof or thereof.

Section 9.3. No Responsibility of Trustee for Recitals. (a) The recitals and statements contained herein and in the Certificates shall be taken as the recitals and statements of the Lessor, the Lessee and the Trustor, as applicable, and the Trustee assumes no responsibility for the correctness of the same, nor shall the Trustee have any responsibility for or any liability with respect to any disclosure, warranty, representation or concealment or failure to disclose in connection with the offering, solicitation, sale or distribution of the Certificates.

(b) The Trustee makes no representations as to the validity or sufficiency of any of the Operative Agreements or the Certificates, the interest of the Trustee in the Trust Estate or the descriptions thereof or the filing or recording or registering of this Trust Agreement or any other document. The Trustee shall not be required to undertake any act or duty to insure or cause to be insured any of the Equipment or to maintain, repair or otherwise take care of any of the Equipment.

(c) The Trustee shall not be concerned with or accountable to anyone for the use or application of any proceeds of the sale of any Certificates or any deposited moneys that shall be released or withdrawn in accordance with the provisions of this Trust Agreement or of any funds or securities or the proceeds thereof that shall be disbursed in accordance with the provisions of this Trust Agreement.

(d) The Trustee shall not be liable to anyone for any delay in the Project, or for any defect in any portion of the Equipment, nor shall anything herein be construed as a warranty on the part of the Trustee in respect thereof or as a representation in respect of the title thereto.

Section 9.4. Compensation and Expenses of Trustee. The Trustee shall be entitled to reasonable compensation from or on behalf of the Trustor for its services hereunder (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and to reimbursement for all reasonable expenses incurred hereunder, including the reasonable compensation, expenses and disbursements of such agents, representatives, experts and counsel as the Trustee may employ in connection with the exercise and performance of its powers and duties hereunder; *provided, however*, that the Trustee shall have no rights or interests with respect to the Trust Estate for payment of any such compensation or expenses but shall look solely to a separate agreement between the Trustee and the Lessee (for and on behalf of the Trustor) in such form and content as the Trustee customarily requires and on terms acceptable to the Lessee.

Section 9.5. Status of Moneys Received. All moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys except to the extent required by law or as provided herein, and may be deposited by the Trustee under such general conditions as may be prescribed by law in the Trustee's general banking department, and the Trustee shall not be liable for interest on any moneys received by it hereunder.

Section 9.6. Resignation of Trustee. The Trustee may resign and be discharged from the trusts created hereby by delivering forty-five (45) days' prior written notice thereof, by Mail, to all Owners of the Certificates at the time Outstanding. Such resignation shall take effect only upon the appointment of a successor trustee and the acceptance of such appointment by such successor trustee.

Section 9.7. Removal of Trustee. The Trustee may be removed at any time, for or without cause, by an instrument or instruments in writing executed by the Owners of at least 51% of the portion of the principal component of the Distributions represented by the Certificates at the time Outstanding and delivered to the Trustee (with a copy to the Lessee) specifying the removal, and such removal shall take effect only upon the appointment of a successor trustee and the acceptance of such appointment by such successor trustee.

Section 9.8. Appointment of Successor Trustee. In case at any time the Trustee shall resign or be removed or become incapable of acting, a successor Trustee may be appointed by the Owners of not less than 51% of the portion of the principal component of Distributions

represented by the Certificates at the time Outstanding by an instrument or instruments in writing executed by such Owners and filed with such successor Trustee.

Until a successor Trustee shall be so appointed by the Owners of the Certificates, the Trustor shall appoint a successor Trustee to fill such vacancy, by an instrument in writing executed by the Trustor and delivered to the successor Trustee. Any successor Trustee so appointed by the Trustor shall immediately and without further act be superseded by a successor Trustee appointed by the Owners of at least 51% of the portion of the principal component of the Distributions represented by Certificates then Outstanding.

If a successor Trustee shall not be appointed pursuant to this Section within thirty (30) days after a vacancy shall have occurred in the office of the Trustee, the Owner of any Certificate or such retiring Trustee (unless the retiring Trustee is being removed) may apply to any court of competent jurisdiction to appoint a successor Trustee, and such court may thereupon, after such notice, if any, as it may consider proper, appoint a successor Trustee.

Section 9.9. Succession of Successor Trustee. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Trustor and the predecessor Trustee an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed, conveyance or transfer, shall become vested with the title to the Trust Estate, and with all the rights, powers, trusts, duties and obligations of the predecessor Trustee in the trust hereunder, with like effect as if originally named as Trustee herein. Any such successor Trustee shall also be successor Lessor under the Lease and may require any reasonable certificate, agreement or opinion from the Trustee to evidence such succession.

Upon the request of any such successor Trustee, however, the Trustor and the predecessor Trustee shall execute and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee the predecessor Trustee's interest in the Trust Estate and all such rights, powers, trusts, duties and obligations of the predecessor Trustee and the predecessor Trustee shall also assign and deliver to the successor Trustee any of the Trust Estate that may then be in its possession.

Section 9.10. Eligibility of Trustee. The successor Trustee shall be a state or national bank or trust company in good standing organized under the laws of the United States of America or of any state thereof, having a combined capital, surplus and undivided profits aggregating at least \$50,000,000, if there be such a bank or trust company willing and able to accept such trust upon reasonable and customary terms.

In case the successor Trustee shall cease to be eligible in accordance with the provisions of this Section, the successor Trustee shall resign immediately in the manner and with the effect specified in Section 9.6 hereof.

The Trustee, including its affiliates, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Certificates executed and delivered hereunder, and may join in any action which any Owner may be entitled to take with like effect as if it did not act in any

capacity hereunder. The Trustee, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Lessee, and may act as depository, trustee or agent for any committee or body of Owners of Certificates or other obligations of the Lessee as freely as if it did not act in any capacity hereunder.

Section 9.11. Successor Trustee by Merger. Any corporation into which the Trustee may be merged or with which it may be consolidated or converted, or any corporation resulting from any merger, consolidation or conversion to which the Trustee shall be a party, or any state or national bank or trust company in any manner succeeding to the corporate trust business of the Trustee as a whole or substantially as a whole shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything to the contrary contained herein notwithstanding.

ARTICLE X

LIMITATIONS OF LIABILITY

Section 10.1. Limitations of Liability of Trustor. All representations, covenants, stipulations, promises, agreements and obligations of the Trustor contained in this Trust Agreement shall be deemed to be the respective limited representations, covenants, stipulations, promises, agreements and obligations of the Trustor, and not of any officer, employee or agent of the Trustor, nor of any incorporator, employee or agent of any successor to the Trustor, in its individual capacity. No recourse shall be had against any such individual, either directly or otherwise under or upon any representation, obligation, covenant, stipulation, promise or agreement contained herein or in any other document executed in connection herewith. Any and all personal liability or obligation, whether in common law or in equity or by reason of statute or constitution or otherwise, of any such person is hereby expressly waived and released by the Certificate Owners as a condition to and consideration for the execution and delivery of the Certificates and the execution of this Trust Agreement and the other Operative Agreements to which it is a party. The Certificate Owners agree to look solely to the Trust Estate for the payment of said interests or the satisfaction of such personal liability or any liability of the Trustor hereunder; *provided, however*, nothing herein contained shall limit, restrict or impair the rights of the Certificate Owners or the Trustee to exercise all rights and remedies provided under this Trust Agreement or the Lease or otherwise realize upon the Trust Estate; and *provided further* that the Trustee may join the Trustor and its officers, agents and employees, in their capacities as officers, agents and employees of the Trustor, as defendants in any legal action if undertaken to enforce its rights and remedies hereunder.

Section 10.2. Limitations of Liability of Trustee. All representations, covenants, stipulations, promises, agreements and obligations of the Trustee contained in this Trust Agreement shall be deemed to be the respective limited representations, covenants, stipulations, promises, agreements and obligations of the Trustee, and not of any officer, employee or agent of the Trustee, nor of any incorporator, employee or agent of any successor to the Trustee, in its individual capacity. No recourse shall be had against any such individual, either directly or otherwise under or upon any representation, obligation, covenant, stipulation, promise or agreement contained herein or in any other document executed in connection herewith. Any and

all personal liability or obligation, whether in common law or in equity or by reason of statute or constitution or otherwise, of any such person is hereby expressly waived and released by the Certificate Owners as a condition to and consideration for the execution and delivery of the Certificates and the execution of this Trust Agreement and the other Operative Agreements to which it is a party. The Certificate Owners agree to look solely to the Trust Estate for the payment of any liabilities of the Trustee hereunder except for liability directly attributable to the Trustee's own gross negligence or willful misconduct.

ARTICLE XI

AMENDMENT OF THE TRUST AGREEMENT OR THE LEASE

Section 11.1. Amendment of the Trust Agreement or the Lease Without Certificate Owner Consent. This Trust Agreement or the Lease may be modified or amended from time to time and at any time by an agreement which the parties hereto or thereto may enter into without the consent of or notice to any Certificate Owners, but with the prior written consent of the Lessee with respect to the Lease, but only to the extent permitted by law and only for any one or more of the following purposes:

- (a) to add to the covenants and agreements of the Lessee in the Lease other covenants and agreements thereafter to be observed or to assign additional sources of payment for the Certificates (or any portion thereof);
- (b) to permit the qualification of this Trust Agreement under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect;
- (c) to cure any ambiguity or cure, correct or supplement any provision contained herein or in the Lease that may be defective or inconsistent with any other provision contained herein or in the Lease or to make such other provisions in regards to matters or questions arising under this Trust Agreement or the Lease as shall not adversely affect the interest of any Certificate Owner;
- (d) to comply with any additional requirements necessary, with respect to the Lease and the Certificates, to maintain the excludability from gross income for federal income tax purposes of the interest component of Distributions payable under the Lease and distributable with respect to the Certificates; or
- (e) to make any other change which the Trustee determines will not materially adversely affect the interests of the Certificate Owners.

Notwithstanding anything to the contrary in this Trust Agreement or the Lease and related documents or other Operative Documents, the Trustee shall not take any action contemplated or permitted under this Section without receiving a written opinion of Special Tax Counsel to the effect that such action will not cause the interest component of Distributions payable under the Lease and distributable to Owners of Certificates that is otherwise excludible from gross income for federal income tax purposes to be includable in gross income.

Section 11.2. Amendment of the Trust Agreement or the Lease With Certificate Owner Consent. Except as permitted by Section 11.1 hereof, this Trust Agreement and the Lease may be modified or amended from time to time and at any time by an amendment or supplement hereto or thereto which the parties hereto or thereto may enter into with the prior written consent of the Trustee (which shall not be withheld unreasonably) and the Owners of at least 51% of the portion of the principal component of the Distributions represented by Certificates then Outstanding. No such modification or amendment shall (a) impair or affect the right of any Owner to receive payments or prepayments of the Distributions represented by its Certificate, as therein and herein provided, without the consent of such Owner, (b) permit the creation of any Lien with respect to any of the Trust Estate, without the consent of the Owners of all the Certificates at the time Outstanding, (c) effect the deprivation of the Owner of any Certificate of the benefits of this Trust Agreement upon all or any part of the Trust Estate without the consent of such Owner, (d) reduce the aforesaid percentage of the aggregate principal amount of Certificates, the Owners of which are required to consent to any such modification or amendment pursuant to this Section, without the consent of the Owners of all of the Certificates at the time Outstanding, or (e) modify the rights, duties or immunities of the Trustee without the consent of the Trustee and the Owners of all of the Certificates at the time Outstanding.

Notwithstanding anything to the contrary in this Trust Agreement or the Lease, the Trustee shall not take any action contemplated or permitted under this Section without receiving a written opinion of Special Tax Counsel to the effect that such action will not cause the interest component of Distributions payable under the Lease and distributable to Owners of Certificates that is otherwise excludible from gross income for federal income tax purposes to be includable in gross income.

Section 11.3. Notice of Amendments. Promptly after the execution of any modification or amendment to this Trust Agreement or the Lease pursuant to the provisions of Section 11.1 or 11.2 hereof, the Trustee shall give written notice, setting forth in general terms the substance of such modification or amendment, together with a conformed copy thereof, by Mail to each Owner of the Certificates. Any failure of the Trustee to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such modification or amendment.

Section 11.4. Effect of Amendments. Upon the execution of any amendments hereto, pursuant to this Article, this Trust Agreement shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Trust Agreement of the Trustor, the Trustee and all Owners of Certificates then Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such amendment shall be deemed to be part of the terms and conditions of this Trust Agreement for any and all purposes.

ARTICLE XII

MISCELLANEOUS

Section 12.1. Successors and Assigns; Parties in Interest. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Trust Agreement contained by or on behalf of the Trustor or the Trustee shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Trust Agreement or the Certificates is intended or shall be construed to give to any Person other than the parties hereto, the Lessee and the Certificate Owners any legal or equitable right, remedy or claim under or in respect to this Trust Agreement.

Section 12.2. Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Trust Agreement shall not render any other provision or provisions herein contained unenforceable or invalid, *provided* that nothing contained in this Section 12.2 shall be construed to amend or modify the immunities of the Trustor in its individual capacity provided for in Section 10.1 hereof or to amend or modify any limitations or restrictions on the Trustee or any Certificate Owner or their respective successors or assigns under Section 10.2 or Article IX hereof.

Section 12.3. Communications. All communications provided for herein shall be in writing. Communications to the Trustee, the Trustor or the Lessee shall be deemed to have been received (unless otherwise required by the specific provisions hereof in respect of any matter) five (5) days subsequent to mailing if sent by registered or certified mail, or on the next Business Day if sent by overnight courier, or on the day of delivery if delivered personally as follows:

If to the Trustee:

Deutsche Bank National Trust Company
6810 Crumpler Boulevard
Olive Branch, Mississippi 38654
Attention: Corporate Trust & Agency Services

If to the Trustor:

Grant Capital Management, Inc.
8894 Stanford Boulevard
Suite 203
Columbia, MD 21045
Attention: Kimberly N. Brown

If to the Lessee:

Housing Authority of the City of Newark
500 Broad Street
Newark, New Jersey 07102
Attention: Executive Director

If to the Owner Representative:

PNC Equipment Finance, LLC
995 Dalton Avenue
Cincinnati, Ohio 45203
Attention: General Counsel

or to the Trustee, the Trustor or the Lessee at such other address as the Trustee, the Trustor or the Lessee may designate by notice duly given in accordance with this Section to the other parties. It shall be sufficient service of any notice for any Certificate Owner if such notice is given by registered or certified mail. In case by reason of the suspension of registered or certified mail service, it shall be impracticable to give notice by registered or certified mail of any event to the Lessee when such notice is required to be given pursuant to any provision of this Trust Agreement, then any manner of giving such notice that provides written confirmation of the receipt thereof as shall be satisfactory to the Trustee shall be deemed to be sufficient giving of such notice.

Section 12.4. Counterparts. This Trust Agreement may be executed and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Trust Agreement.

Section 12.5. Governing Law. This Trust Agreement and the Certificates shall be construed in accordance with and governed by the laws of the State of New York.

Section 12.6. Headings. Any headings or captions preceding the text of the several Sections and Subsections hereof are intended solely for convenience of reference and shall not constitute a part of this Trust Agreement, nor shall they affect its meaning, construction or effect.

Section 12.7. Consents, etc., of Certificate Owners. Any consent, request, direction, approval, objection or other instrument required by this Trust Agreement to be signed and executed by the Certificate Owners may be in any number of concurrent documents of similar tenor and may be executed by such Certificate Owners in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Certificates, if made in the following manner, shall be sufficient for any of the purposes of this Trust Agreement, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument, namely:

(a) The fact and date of the execution by any Person of any such writing may be proved by the certification of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the Person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution.

(b) The fact of ownership of Certificates and the amount or amounts, numbers and other identification of such Certificates, and the date of holding the same shall be proved by the Register.

For all purposes of this Trust Agreement and of the proceedings for the enforcement hereof, such Person shall be deemed to continue to be the Owner of such Certificate until the Trustee shall have received notice in writing to the contrary.

Section 12.8. Payments Due on Non-Business Days. In any case where a Certificate Payment Date or the date fixed for prepayment of any Distribution represented by the Certificates shall not be a Business Day, then payment of interest, principal or Prepayment Premium need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the scheduled Certificate Payment Date or the date fixed for prepayment, as the case may be, and no interest shall accrue for the period after such date.

Section 12.9. Action by the Lessee. Wherever it is herein provided or permitted for any action to be taken by the Lessee, such action may be taken by an Authorized Lessee Representative under the Lease unless the context clearly indicates otherwise.

IN WITNESS WHEREOF, Grant Capital Management, Inc., in its capacity as Trustor hereunder, has caused this Trust Agreement to be duly executed by one of its officers thereunto duly authorized, and Deutsche Bank National Trust Company, in its capacity as Trustee hereunder, in evidence of its acceptance of the trusts hereby created, has caused this Trust Agreement to be executed on its behalf by one of its duly authorized officers, all as of the day and year first above written.

GRANT CAPITAL MANAGEMENT, INC.,
as Trustor

By:  _____
J.P. Grant
President

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Trustee

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, Grant Capital Management, Inc., in its capacity as Trustor hereunder, has caused this Trust Agreement to be duly executed by one of its officers thereunto duly authorized, and Deutsche Bank National Trust Company, in its capacity as Trustee hereunder, in evidence of its acceptance of the trusts hereby created, has caused this Trust Agreement to be executed on its behalf by one of its duly authorized officers, all as of the day and year first above written.

GRANT CAPITAL MANAGEMENT, INC.,
as Trustor

By: _____
J.P. Grant
President

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Trustee

By: 
Dennis D. Gillespie
Vice President


By: 
Richard Hann
Vice President

EXHIBIT A

[Form of Certificate of Participation]

REGISTERED
NUMBER R-__

REGISTERED
\$_____

CERTIFICATION OF PARTICIPATION
(HOUSING AUTHORITY OF THE CITY OF NEWARK, NEW JERSEY,
ENERGY CONSERVATION PROJECT), SERIES 2011
Evidencing Ownership Interests in Rent Payments to be Paid by
Housing Authority of the City of Newark, New Jersey,
under a certain Equipment Lease-Purchase Agreement
dated as of September 30, 2011

INTEREST
RATE:

5.00%

FINAL CERTIFICATE PAYMENT
DATE:

April 1, 2028

DATED
DATE:

September 30, 2011

Registered Owner: _____

Principal Amount: _____ DOLLARS (US\$_____)

THIS CERTIFICATE IS NOT REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE “*SECURITIES ACT*”) OR ANY STATE SECURITIES LAWS. NEITHER THIS CERTIFICATE NOR ANY INTEREST HEREIN MAY BE SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE TRANSFER OF THIS CERTIFICATE OR ANY INTEREST HEREIN IS SUBJECT TO CERTAIN RESTRICTIONS AND CONDITIONS SET FORTH IN THE TRUST AGREEMENT UNDER WHICH THIS CERTIFICATE IS ISSUED (A COPY OF WHICH IS AVAILABLE FROM THE TRUSTEE UPON WRITTEN REQUEST).

FOR VALUE RECEIVED, the undersigned, Deutsche Bank National Trust Company, as Trustee (the “*Trustee*”) under that certain Trust Agreement dated as of September 30, 2011 (the “*Trust Agreement*”), hereby promises to pay, but only from the Trust Estate as provided in the Trust Agreement, to the registered owner identified above, or registered assigns, on each Certificate Payment Date as provided in the Trust Agreement, such registered owner’s portion of Distributions represented by the Certificates of Participation identified above (the “*Certificates*”) based on its Owner’s Distribution Percentage and executed and delivered pursuant to the Trust Agreement, at the rate per annum identified above (computed on the basis of a year of 360 days consisting of twelve 30-day months), payable on each Certificate Payment Date until payment in full of the principal amount identified above, except as the provisions set forth in the Trust Agreement with respect to prepayment may become applicable hereto. The portion of the Distributions representing the principal component of Rent Payments paid or prepaid under the

Lease shall be payable by wire transfer as provided in the Trust Agreement to such owner hereof as shown on the Register (as defined in the Trust Agreement) maintained by the Trustee; *provided that* the portion of the Distributions representing the final principal component of Rent Payments paid or prepaid under the Lease shall be payable at the corporate trust office of the Trustee in Olive Branch, Mississippi, or at the principal office of its successor, upon presentation and surrender hereof in connection with the final Distribution of principal. The portion of the interest component of the Distributions represented by this Certificate is payable on each Certificate Payment Date to the person who is the registered owner hereof as of the close of business on the Business Day next preceding each Certificate Payment Date (the "*Record Date*") based on its Owner's Distribution Percentage and shall be paid by wire transfer as provided in the Trust Agreement to such owner hereof as shown on the Register maintained by the Trustee. The Distributions represented by the Certificates shall be paid in lawful money of the United States of America.

This Certificate is one of the Certificates, executed and delivered in the aggregate principal amount of \$49,560,203.00 under and pursuant to the Trust Agreement, for the purpose of financing the acquisition and installation of equipment to be used for implementation of energy conservation measures and energy infrastructure upgrades (the "*Project*") in public housing buildings owned (subject to the Declaration of Trust) by Housing Authority of the City of Newark, New Jersey (the "*Lessee*"). The equipment acquired and installed for the Project has been leased to the Lessee pursuant to that certain Equipment Lease-Purchase Agreement dated as of September 30, 2011 (collectively, the "*Lease*"). This Certificate evidences the assignment by the Trustee (at the direction and with the consent of the Lessee) of an ownership interest to the owner hereof in the right to receive those certain basic rental payments (the "*Rent Payments*") to be paid by the Lessee pursuant to the Lease. The Rent Payments (consisting of a principal component and an interest component) are to be distributed to the owner hereof pursuant to the Trust Agreement and, with respect to any amounts paid with respect to the Certificates as herein and in the Trust Agreement provided, being herein referred to collectively as the "*Distributions.*" Pursuant to an Absolute Assignment Agreement, dated September 30, 2011 (the "*Assignment*"), the Lessor has assigned and conveyed the Trust Estate to the Trustee for the benefit of the owners of the Certificates. The Trustee shall have no obligation to make payments with respect to the Certificates other than from moneys derived from the Trust Estate. Copies of the Trust Agreement, the Lease, the Assignment and related documents are on file at the corporate trust office of the Trustee in Olive Branch, Mississippi, and reference is hereby made to the Trust Agreement, the Lease and the Assignment for a description of the rights, duties and obligations of the Trustee and the owners of the Certificates, a description of the covenants concerning the right to payment evidenced by the Certificates, the nature, extent and manner of enforcement of such rights and the other terms and conditions upon which the Certificates are executed and delivered pursuant to the Trust Agreement, to all of the provisions of which the owner hereof, by the acceptance of this Certificate, does assent and agree.

The Certificates are issuable only as fully registered Certificates, in physical certificated form, in Authorized Denominations as provided in the Trust Agreement.

This Certificate is transferable, only upon the Register, by the registered owner hereof in person or by such owner's attorney duly authorized in writing upon surrender of this Certificate,

together with a duly executed written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such duly authorized attorney. Upon such transfer a new Certificate or Certificates in the same aggregate principal amount, stated payment date and interest rate as the surrendered Certificate will be issued to the transferee in exchange therefor, all subject to the terms and conditions set forth in the Trust Agreement. The Trustee may deem and treat the registered owner hereof as the absolute owner hereof, whether or not this Certificate is overdue, for the purpose of receiving payment of or on account of the principal, Prepayment Premium and interest components of the Distributions due with respect hereto and for all other purposes, and any notice to the contrary shall not affect the Trustee.

The Distributions represented by the Certificates shall be subject to prepayment in whole or in part as provided in the Lease and the Trust Agreement.

In the event any Distributions represented by the Certificates are called for prepayment as aforesaid, notice thereof identifying the Certificates to be prepaid and specifying the terms of such prepayment will be given by mailing a copy of the prepayment notice by registered or certified mail not less than fifteen (15) days nor more than thirty (30) days prior to the date fixed for prepayment to the registered owner of each Certificate to be prepaid at the address shown on the Register; *provided, however*, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of the proceedings for the prepayment of any Certificate with respect to which no such failure has occurred. The principal component of the Distributions represented by the Certificates so called for prepayment will cease to bear interest on the specified prepayment date, *provided* that sufficient funds for prepayment are on deposit at the place of payment at that time.

Prepayments shall be accompanied by a written designation prepared by the Trustee stating the portion of such prepayment representing the principal component of the Distributions then being paid and related Prepayment Premium and the portion of such prepayment representing the interest component of the Distributions.

The Trust Agreement contains provisions permitting the Trustee and the Lessee to enter into amendments to the Lease for certain purposes without the consent of the owners of the Certificates. The Trust Agreement also permits the Lessee, the Lessor and the Trustee (as appropriate) to enter into a modification or amendment to the Trust Agreement or the Lease for the purposes and upon the conditions specified in the Trust Agreement.

Any consent or request by the owner of this Certificate shall be conclusive and binding upon such owner and upon all future owners of this Certificate and on any Certificate issued upon the transfer or exchange of this Certificate, whether or not notation of such consent or request is made upon this Certificate.

It is expressly understood and agreed by and between the Trustee and the owner of this Certificate, and their respective successors and assigns, that this Certificate is executed by Deutsche Bank National Trust Company, Olive Branch, Mississippi, solely as Trustee under the Trust Agreement, in the exercise of the power and authority conferred upon and invested in it as such Trustee; that except for the Trustee's gross negligence or willful misconduct, nothing herein

contained shall be construed as creating any liability on the Trustee, individually or personally, to perform any covenant either express or implied herein or in the Trust Agreement, all such liability, if any, being expressly waived by the owner hereof and by each and every person now or hereafter claiming by, through or under the Trustee or the owner hereof; and that, insofar as the Lessee is concerned, the Trustee and the owner of any Certificate and any person claiming by, through or under the Trustee or the owner of any Certificate shall look solely to the Trust Estate described in the Trust Agreement for payment of the interests evidenced by this Certificate.

This Certificate is issued with the intent that the laws of the State of New York shall govern its legality, validity, enforceability and construction.

THE EXECUTION AND DELIVERY OF THE CERTIFICATES SHALL NOT DIRECTLY, INDIRECTLY, OR CONTINGENTLY OBLIGATE THE LESSEE OR THE STATE OF NEW JERSEY OR ANY AGENCY, INSTRUMENTALITY OR POLITICAL SUBDIVISION THEREOF TO LEVY ANY FORM OF TAXATION THEREFOR. IT IS HEREBY CERTIFIED, RECITED AND DECLARED THAT ALL ACTS, CONDITIONS AND THINGS REQUIRED BY THE TRUST AGREEMENT TO EXIST, TO HAVE HAPPENED AND TO HAVE BEEN PERFORMED PRECEDENT TO AND IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THIS CERTIFICATE EXIST, HAVE HAPPENED AND HAVE BEEN PERFORMED IN DUE TIME, FORM AND MANNER AS REQUIRED BY LAW.

This Certificate shall not be valid or become obligatory for any purpose or be entitled to any benefit under the Trust Agreement until duly executed by the Trustee.

IN WITNESS WHEREOF, this Certificate has been executed with the manual signature of an authorized officer of the Trustee, all as of the dated date specified above.

DEUTSCHE BANK NATIONAL TRUST COMPANY,
as Trustee

By _____
Authorized Officer

By _____
Authorized Officer

Date of Registration: September 30, 2011

[Form of Assignment]

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

		UNIF TRANSFERS MIN ACT --	
TEN COM --	as tenants in common	_____ Custodian _____	
TEN ENT --	as tenants by the entireties	(Cust)	(Minor)
JT TEN --	as joint tenants with		
	right of survivorship and	under Uniform Transfers to Minors Act of	
	not as tenants in common	_____	
		(State)	

Additional abbreviations may also be used though
not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR
TAXPAYER IDENTIFICATION NUMBER OF ASSIGNEE

(Please Print or Typewrite Name and Address of Transferee)

the within Certificate of Participation and all rights thereunder, and hereby irrevocably constitutes and appoints _____
Attorney, to register the transfer of the within Certificate of Participation on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ Signature: _____

Signature Guaranteed:

NOTICE: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Trustee in addition to or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Certificate of Participation in every particular without alteration or enlargement or any change whatever.

EXHIBIT B

[Form of Disbursement Request/Certificate of Acceptance]

Deutsche Bank National Trust Company, as Trustee
6810 Crumpler Boulevard
Olive Branch, Mississippi 38654
Attention: Corporate Trust & Agency Services

Re: Disbursement Request/Certificate of Acceptance
for Disbursement of Funds from
Housing Authority of the City of Newark, New Jersey,
Energy Conservation Project Equipment Acquisition Fund

As Trustee under that certain Trust Agreement dated as of September 30, 2011 (the "*Trust Agreement*"), between Grant Capital Management, Inc., in its capacity as Trustor (the "*Trustor*"), and Deutsche Bank National Trust Company, Olive Branch, Mississippi, as trustee (the "*Trustee*"), you are hereby requested to disburse from the Equipment Acquisition Fund described above, which was created by Section 4.6 of the Trust Agreement, and in accordance with the provisions of Section 4.7(a) of the Trust Agreement, the amounts more fully set forth on *Schedules A* and *B* attached hereto to be paid pursuant to this Disbursement Request/Certificate of Acceptance Number _____ to the payees listed on such *Schedules A* and *B* for the purposes therein set forth. Such disbursement represents the amount to which each such payee is entitled in accordance with the bill of sale, invoice or other statement of account attached to *Schedules A* and *B*.

The undersigned, as an Authorized Lessee Representative, as defined in the Trust Agreement, does hereby certify that:

(i) I have read the Trust Agreement and Equipment Lease-Purchase Agreement dated as of September 30, 2011 (collectively, the "*Lease*"), between the Housing Authority of the City of Newark, New Jersey, as Lessee, and Grant Capital Management, Inc., in its capacity as Lessor thereunder, and have reviewed appropriate records and documents of the Lessee relating to the matters covered by this Disbursement Request/Certificate of Acceptance;

(ii) The amount of each item of the Equipment Costs (as such term is defined in the Trust Agreement) heretofore disbursed by the Lessee and hereby requested to be reimbursed to the Lessee is shown on *Schedule A* attached hereto, together with the name of the person or persons to whom said amounts were disbursed, and supporting bills of sale, invoices or statements of account from each such person or persons indicating payment thereof by the Lessee are attached to said *Schedule A*;

(iii) The amount of each item of the Equipment Costs due and payable and hereby requested to be disbursed, and the person or persons to whom said amount should be disbursed, other than the Lessee, are shown on *Schedule B* attached hereto, and supporting bills of sale, invoices or statements of account from each such person or persons are attached to said *Schedule B*;

(iv) Each of the amounts requested to be disbursed hereby constitutes Equipment Costs, said amounts are required to be disbursed pursuant to a contract or purchase order entered into therefor by or on behalf of the Lessee, or were necessarily and reasonably incurred, and said amounts are not being paid in advance of the time, if any, fixed for payment;

(v) No amount set forth in this Disbursement Request/Certificate of Acceptance was included in any requisition previously filed with, and paid by, the Trustee pursuant to Section 4.7(a) of the Trust Agreement;

(vi) The Equipment for which reimbursement or payment of the related Equipment Costs is hereby requested has been delivered, installed, is operating in a manner consistent with the manufacturer's intended use and has been inspected and finally accepted by the Lessee for all purposes of the Lease. The Lessee has conducted such inspection and/or testing of the Equipment relating to such obligation as it deems necessary and appropriate in order to determine the Equipment's operability and functionality in order to accept such Equipment, as evidenced by the Lessee's delivery to the Supplier(s) of such Equipment of an Inspections and Acceptance of Energy Conservation Measures Installed;

(vii) No written notice of any lien, right to lien or attachment upon, or bona fide claim affecting the right to receive payment of, any of the moneys payable under this Disbursement Request/Certificate of Acceptance to any of the persons, firms or corporations named therein has been received, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of this Disbursement Request/Certificate of Acceptance or that adequate bond has been posted for the payment thereof;

(viii) This Disbursement Request/Certificate of Acceptance contains no items representing payment on account of any retained percentage entitled to be retained at the date of this Disbursement Request/Certificate of Acceptance;

(ix) The Lessee estimates that the amount of moneys that will remain on deposit in the Equipment Acquisition Fund after the withdrawal hereby requested is made together with other funds of the Lessee available for such purpose will, after payment of the amounts hereby requested, be sufficient to pay all remaining Equipment Costs as estimated by the Lessee as of the date hereof;

(x) In the case of increased Equipment Costs, the amount of any such increase has been or is hereupon being deposited with the Trustee or is otherwise legally available to the Lessee for such purpose;

(xi) No Event of Default has occurred and is continuing under the Trust Agreement or the Lease and no Material Adverse Change has occurred since the Commencement Date;

(xii) The Supplier (as defined in the Lease) for the Equipment has complied with its obligation to provide payment and performance bonds with respect to the Project, which are currently in full force and effect.

Attached hereto as *Schedule C* are lien waivers from any contractor, supplier, vendor, builder, materialman and all subcontractors who have received any preceding advance submitted by any such contractor, supplier, vendor, builder, materialman or subcontractor evidencing disbursement and receipt of each advance made from the Equipment Acquisition Fund in accordance with the requisition therefor, who have provided services or materials to the Project and who were paid pursuant to the previous Disbursement Request/Certificate of Acceptance.

EXECUTED this ____ day of _____, 20__.

HOUSING AUTHORITY OF THE CITY OF NEWARK,
NEW JERSEY

By _____
Authorized Lessee Representative

Disbursement of funds from the Equipment Acquisition Fund in accordance with the foregoing Disbursement Request hereby is authorized

PNC EQUIPMENT FINANCE, LLC,
as Owner Representative under the Trust Agreement

By: _____
Name: _____
Title: _____

In connection with the foregoing Disbursement Request/Certificate of Acceptance, the undersigned, in their respective capacities as the Authorized Lessee Representative and an authorized representative of the below-named contractor, builder or materialman (the "*Payee*"), respectively, do hereby certify in compliance with the Trust Agreement that:

(i) The obligations as stated in the Disbursement Request/Certificate of Acceptance with respect to any item for payment for labor or otherwise to the Payee have been properly incurred;

(ii) The undersigned Payee has received from the Lessee an Inspections and Acceptance of Energy Conservation Measures Installed with respect to the Equipment for which disbursement to the Payee is requested;

(iii) The work for which disbursement to the Payee is requested was actually performed and the materials, supplies or equipment for which disbursement to the Payee is requested were actually furnished or installed in or with respect to the Project;

(iv) The Payee does not claim any ownership or other interest in the Equipment for which disbursement is requested pursuant to the attached Disbursement Request/Certificate of Acceptance.

(v) The materials, supplies or equipment for which disbursement to the Payee is requested are not subject to any lien or security interest or, if such materials, supplies or equipment are subject to liens or security interests, such liens or security interests will be released or discharged upon payment of the attached Disbursement Request/Certificate of Acceptance.

All capitalized terms used but not defined herein shall have the meanings assigned to such terms in the attached Disbursement Request/Certificate of Acceptance.

DATED this ____ day of _____, 20____.

HOUSING AUTHORITY OF THE CITY OF NEWARK,
NEW JERSEY

By _____
Authorized Lessee Representative

(Name of Contractor, Builder or Materialman)

By _____
Its _____

SCHEDULE A

SCHEDULE OF AMOUNTS TO BE REIMBURSED TO THE LESSEE

IDENTITY OF PERSON TO WHOM AMOUNTS WERE PREVIOUSLY PAID BY LESSEE*	GENERAL DESCRIPTION OF ITEMS FOR WHICH AMOUNT PREVIOUSLY PAID	REIMBURSEMENT IS REQUESTED
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* Attach bill of sale, invoice or statement of account for each such person as described in paragraph (ii) of the Disbursement Request/Certificate of Acceptance to which this Schedule is attached.

SCHEDULE B

SCHEDULE OF AMOUNTS TO BE PAID TO PERSONS OTHER THAN THE LESSEE

IDENTITY OF PERSON TO WHOM AMOUNTS ARE TO BE PAID*	GENERAL DESCRIPTION OF ITEMS FOR WHICH AMOUNT TO BE PAID	PAYMENT IS REQUESTED
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* Attach bill of sale, invoice or statement of account for each such person as described in paragraph (iii) of the Disbursement Request/Certificate of Acceptance to which this Schedule is attached.

SCHEDULE C

[Attach Lien Waivers]

EXHIBIT C

FORM OF COMPLETION CERTIFICATE

Deutsche Bank National Trust Company, as Trustee
6810 Crumpler Boulevard
Olive Branch, Mississippi 38654
Attention: Corporate Trust & Agency Services

Re: Certificates of Participation
 (Housing Authority of the City of Newark, New Jersey,
 Energy Conservation Project), Series 2011
Evidencing Ownership Interests in Rent Payments to be Paid by
 Housing Authority of the City of Newark, New Jersey,
 under a certain Equipment Lease-Purchase Agreement
 dated as of September 30, 2011

Ladies and Gentlemen:

In accordance with the Trust Agreement dated as of September 30, 2011 (the "*Trust Agreement*"), between Grant Capital Management, Inc., in its capacity as Trustor (the "*Trustor*"), and Deutsche Bank National Trust Company, as trustee (the "*Trustee*"), the undersigned Lessee hereby certifies and represents to, and agrees with Trustee as follows:

1. All of the Equipment (as such term is defined in the Trust Agreement) has been delivered, installed and accepted on the date hereof.
2. Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes of the Lease.
3. Lessee is currently maintaining the insurance coverage required by the Lease (as defined in the Trust Agreement).
4. Lessee hereby reaffirms that the representations, warranties and covenants contained in the Lease are true and correct as of the date hereof and no Material Adverse Change has occurred since the date of the Lease.
5. No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Lease) exists at the date hereof.
6. The Completion Date for the Project is _____, 20__.

Notwithstanding the foregoing, this Certificate does not prejudice any rights that Lessee may have against third parties that exist on the date hereof or that may subsequently come into being.

Date: _____

HOUSING AUTHORITY OF THE CITY OF
NEWARK, NEW JERSEY, as Lessee

By: _____

Name: _____

Title: _____