

TRANSCRIPT OF PROCEEDINGS

**EQUIPMENT LEASE-PURCHASE AGREEMENT
DATED AS OF SEPTEMBER 20, 2013
BETWEEN
GRANT CAPITAL MANAGEMENT, INC., AS LESSOR,
AND
HOUSING AUTHORITY OF THE CITY OF NEWARK, AS LESSEE
AND ASSIGNED TO
CAPITAL ONE PUBLIC FUNDING, LLC, AS ASSIGNEE**

CLOSING DATE: SEPTEMBER 20, 2013

CLOSING MEMORANDUM

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HOUSING AUTHORITY OF THE CITY OF NEWARK, AS LESSEE

AND ASSIGNED TO

CAPITAL ONE PUBLIC FUNDING, LLC, AS ASSIGNEE

CLOSING DATE: SEPTEMBER 20, 2013

PARTIES AND COUNSEL:

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

Grant Capital Management, Inc. (“*GCMI*”)

Capital One Public Funding, LLC (“*COPF*”)

Deutsche Bank Trust Company Americas, as escrow fund custodian (the “*Custodian*”)

Ballard Spahr LLP (“*Ballard*”)

Duane Morris LLP (“*DM*”)

Chapman and Cutler LLP (“*C&C*”)

Three (3) 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:

I. BASIC LEASE DOCUMENTS

DOCUMENT	DOC NO.
Equipment Lease-Purchase Agreement (the “ <i>Lease</i> ”), dated as of September 20, 2013, including Equipment Schedule and Payment Schedule thereto, between the Lessee and GCMI, as lessor (in such capacity, the “ <i>Lessor</i> ”).....	1
Absolute Assignment Agreement, dated September 20 2013, from GCMI, as assignor (in such capacity, the “ <i>Assignor</i> ”), to COPF	2

DOCUMENT	DOC No.
Escrow Agreement, dated as of September 20, 2013, among the Lessee, GCMI, COPF and the Custodian	3
Tax Agreement and Certificate executed by the Lessee, as required by Section 5.2(e)(1) of the Lease	4
Copy of completed and executed IRS Form 8038-G, with evidence of filing, as required by Section 5.2(e)(12) of the Lease	5

II. DOCUMENTS FURNISHED BY GCMI

Copy of financing statement on Form UCC-1 naming GCMI (as seller) and COPF (as buyer), re chattel paper, with evidence of filing with the Maryland Secretary of State, as required by Section 5.2(e)(2)(A) of the Lease.....	6
Certificate of an authorized officer of the Lessor dated the Closing Date, together with all exhibits thereto, as required by Section 5.2(e)(11) of the Lease	7

III. DOCUMENTS FURNISHED BY HOUSING AUTHORITY OF THE CITY OF NEWARK

Resolution No. H-13-03-07-02 of the Lessee authorizing the execution and delivery of the Lease, adopted by the Lessee on July 3, 2013	8
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.....	9
Certified copy of Surety Bonds with multiple obligee rider, as required by Section 5.2(e)(4) of the Lease	10
Certificate of an authorized officer of the Lessee dated the Closing Date, together with all exhibits thereto, as required by Section 5.2(e)(10) of the Lease.....	11
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.....	12

Copy of Section 30 Determination from HUD, as required by Section 16.1(x) of the Lease.....	13
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)(6)(A) of the Lease	14
Evidence that the Lessee has obtained from the Supplier an energy savings guarantee as required by Section 5.2(e)(6)(B) of the Lease	15
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)(7) of the Lease	16
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)(8) of the Lease.....	17
Copy of executed Addendum No. 2 to the Water/Energy Services Agreement dated August 7, 2013 between the Lessee and CLT Efficient Technologies, d/b/a Constellation Energy Projects & Services NJ, as energy services company	18
Copy of financing statement on Form UCC-1 naming the Lessee as "Debtor," the Lessor as "Secured Party" and COPF 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.....	19
Copy of financing statement on Form UCC-1 (fixture filing) naming the Lessee as "Debtor," the Lessor as "Secured Party" and COPF as "Assignee of Secured Party," with evidence of recording, regarding the security arrangement with respect to the Equipment under the Lease	20

IV. MISCELLANEOUS AND OPINIONS OF COUNSEL

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Opinion of Ballard Spahr, LLP, as Special Counsel to the Lessee, as required by Section 5.2(e)(2)(A) of the Lease.....	22

Opinion of Duane Morris LLP, as Special Counsel to the Lessor, as required by Section 5.2(e)(2)(B) of the Lease	23
Opinion of Duane Morris LLP, as Special Tax Counsel, as required by Section 5.2(e)(2)(C) of the Lease	24
Allocation Agreement, dated as of September 20, 2013, among the Lessee and Citibank, N.A., Capital One Public Funding, LLC, Grant Capital Management, Inc., Deutsche Bank National Trust Company, and any additional lenders from time to time party thereto, as it may be amended or supplemented from time to time.....	25
Opinion of Ballard Spahr, LLP, as Special Counsel to the Lessee, in connection with the Allocation Agreement, dated as of September 20, 2013, among the Lessee and Citibank, N.A., Capital One Public Funding, LLC, Grant Capital Management, Inc., Deutsche Bank National Trust Company	26
Consent and Notice of Amendment to Energy Services Agreement, dated as of May 31, 2013 between the Housing Authority of Newark, New Jersey and Citibank, N.A., as initial Lender	27
Consent and Notice of Amendment to Energy Services Agreement, dated as of May 31, 2013 between the Housing Authority of Newark, New Jersey and Deutsche Bank National Trust Company, as Trustee.....	28

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

CDS	HARDCOPY	
-1-	One original	Housing Authority of the City of Newark
-1-	One original	Grant Capital Management, Inc.
-1-	One original	Capital One Public Funding, LLC
-1-	0	Deutsche Bank Trust Company Americas
-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 20, 2013 (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.

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.

2. CERTAIN DEFINITIONS.

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

“*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.

“*Assigned Rights*” means all of Lessor’s rights, title and interest under this Lease and in, to and under the Collateral and other Assigned Property (as defined in the Assignment), as more particularly described in the Assignment, that are assigned and transferred by Lessor to the initial Assignee pursuant to the Assignment.

“*Assignee*” means (a) initially, Capital One Public Funding, LLC, as assignee of all of Lessor’s rights, title and interest hereunder, and (b) any other entity to whom the rights, title and interest of Lessor hereunder are assigned and transferred as provided in Section 18.3.

“*Assignment*” means that certain Absolute Assignment Agreement dated September 20, 2013, from the initial Lessor as assignor to the initial Assignee as assignee, with respect to the Lease and the other Assigned Rights as therein provided.

“*Collateral*” has the meaning set forth in Section 6.1(b) hereof.

“*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*” has the meaning set forth in the Escrow 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, as amended, including by Addendum No. 2 to the Water/Service Agreement dated as of August 7, 2013, between Lessee and CLT Efficient Technologies, Inc., d/b/a Constellation Energy Projects & Services NJ, a Delaware corporation, as energy services company, and any amendment, supplement or modification thereto.

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

“*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.

“Escrow Fund” means the fund of that name established and to be administered under the Escrow Agreement and described in Section 6.1(a) hereof.

“Escrow Agreement” means that certain Escrow Agreement dated as of September 20, 2013, among Lessee, Assignee and Escrow Agent, relating to the establishment and administration of the Escrow Fund.

“Escrow Agent” means Deutsche Bank Trust Company Americas, its successors and assigns, as holder of the Escrow Fund under the Escrow Agreement.

“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.

“Investment Direction Agreement” shall mean that certain Investment Direction Agreement dated as of September 20, 2013, between Lessee and Escrow Agent relating to the investment and reinvestment of moneys on deposit in the Escrow Fund as therein provided.

“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 Incentive; (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 by the initial Lessor of the Assigned Rights pursuant to the Assignment, the initial Assignee (and any successor or transferee Assignee) acting in such capacity as Lessor, 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 Escrow Fund and any energy savings guarantee payments made by any Supplier pursuant to its energy savings guarantee with Lessee with respect to the Equipment, collectively.

"Related Agreements" means this Lease, the Tax Agreement, the Energy Services Agreement, the Assignment and the Escrow Agreement.

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

"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 (a) 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 and (b) any

resident-paid utility payments that are paid to Lessee and are legally available to pay Rental Payments.

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

“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)(C) 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.

3. LEASE TERM.

The term of this Lease (the *“Lease Term”*) commences on, and interest accrues from, September 20, 2013 (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 or before the dates set forth in the Payment Schedule. In furtherance of the foregoing, but not in limitation thereof, to the extent that Lessee receives any Add-On Subsidy Incentive Payments from HUD, or any energy savings guarantee payments made by any Supplier pursuant to its energy savings guarantee with respect to the Equipment after October 1, 2013 (together, *“Equipment Payments”*), then Lessee agrees to pay over to Lessor, within five (5) business days of its receipt thereof, the full amount of the Equipment

Payments received. 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 Lessor identified below (or such other place as Assignee 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. ESCROW 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 18.2 hereof, upon satisfaction of all of the Funding Conditions provided in Section 5.2 hereof Lessor shall assign, sell and transfer the Assigned Rights to the initial Assignee on the Commencement Date pursuant to the Assignment in exchange for the purchase price therefor for deposit into the Escrow Fund, all in accordance with the Escrow Agreement.

5.2. Notwithstanding anything in this Lease to the contrary, neither the initial Lessor nor the initial Assignee shall have any obligation to enter into and perform its respective obligations under this Lease or the Assignment and thereby cause the deposit into the Escrow Fund as provided in Section 5.1 hereof unless all reasonable conditions established by the initial Assignee ("*Funding Conditions*") have been satisfied and delivered to the initial Assignee, 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 initial Assignee 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 initial Assignee has received all of the following agreements, opinions, certificates and other documents, which shall be reasonably satisfactory, in form and substance, to the initial Assignee:

(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 initial Assignee, 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 Lessor in and to the Collateral; (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 initial Assignee may reasonably request;

(B) an opinion of Duane Morris LLP, special counsel to Lessor, addressed to the initial Assignee, 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 initial Assignee may reasonably request; and

(C) an opinion of Duane Morris LLP, as special tax and transactional counsel, addressed to the initial Assignee, to the effect that the interest component of Rent Payments paid pursuant to this Lease is excludible from gross income of the owners thereof for federal income tax purposes and such other matters as the initial Assignee 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 initial Assignee, which the initial Assignee deems necessary or appropriate, with respect to the Assignee's interests under this Lease, its security interest in the Collateral and the transfer of ownership of the Lease as chattel paper from Lessor to the initial Assignee;

(6) 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;

(7) 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;

(8) 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;

(9) a written agreement between Lessee and each Supplier, in form and substance acceptable to the initial Assignee, 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 that is executed and delivered by Lessee and submitted to the Escrow Agent for disbursement in accordance with the Escrow Agreement shall vest in Lessor (or its assigns) for purposes of this Lease immediately upon the Escrow Agent's disbursement of moneys from the Escrow Fund in accordance with each such Disbursement Request, 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;

(10) 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, 2012, 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;

(11) 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;

(12) such documents and certificates as the initial Assignee may request relating to federal tax-exemption of the interest component of Rent Payments under this Lease, 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

(13) such other documents and information previously identified by the initial Assignee or otherwise reasonably requested by the initial Assignee.

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 Escrow Agent a Disbursement Request in the form and manner required by the Escrow 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 Escrow 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 Escrow Fund and then from Legally Available Funds and other moneys available for such purpose as a result of the exercise by Lessor of its rights and remedies hereunder. Any funds on deposit in the Escrow 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 second anniversary of the Commencement Date, the amount then on deposit in the Escrow 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 Escrow 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 two 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 Lessor'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 COLLATERAL; PLEDGE OF AND FIRST PRIORITY LIEN ON COLLATERAL;
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 Escrow Agent shall establish and maintain under the Escrow Agreement a special fund, which shall be held for the benefit of Lessor and Lessee as therein provided, identified as the "Housing Authority of the City of Newark, New Jersey, 2013 Equipment Acquisition Escrow Fund" (the "*Escrow Fund*"), which shall be applied pursuant to the Escrow Agreement for payment of the Equipment Costs for the Equipment described on the Equipment Schedule.

(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 all of Lessee's right, title and interest in and to (i) the Pledged Funds, together with all cash and securities, if any, credited thereto; (ii) the Lease, (iii) the Energy Services Agreement, including but not limited to any guaranteed cost savings payments which Lessee is entitled to receive from the Supplier (or a related entity) thereunder, and (iv) any and all proceeds of the foregoing (the foregoing clauses (i) through (iv), collectively, the "*Collateral*"). To perfect and protect Lessor's pledge and first priority security interest in and to the Collateral, Lessee hereby agrees to execute and deliver to Lessor such documents, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish, perfect and maintain Lessor's security interest in the Collateral.

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 Lessor, which consent shall not be unreasonably withheld or delayed and in all such instances shall be provided within five (5) business days after delivery to Lessor of the final draft of any such proposed amendment, modification, rescission or alteration. 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. 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 Escrow 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 Collateral. 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 Lessor) 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 Lessor as loss payee to be applied as provided in Section 13.3.

(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 Lessor, 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 Lessor 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 Lessor 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 Lessor 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 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 Collateral 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, together with the equipment financed or refinanced under the Equipment Lease-Purchase Agreement dated as of September 30, 2011, and the Equipment Lease-Purchase Agreement dated as of May 31, 2013, each by and between Lessor (as defined in each respective Equipment Lease-Purchase Agreement) and Lessee, comprise 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 Assignee are true and correct and made to induce Lessor to enter into this Lease and to induce the initial Assignee to enter into the Assignment with Lessor on the Commencement Date;

(w) Lessee has provided Lessor and the Assignee with audited financial statements through March 31, 2012; and

(x) Lessee has previously received a written determination from HUD to the effect that (i) Section 30 of the U.S. Housing Act of 1937, as amended, does not apply to transactions similar to this Lease because title to leased equipment was vested in the lessor to the extent required by the ESIP Law and the Act, (ii) Section 30 of the U.S. Housing Act of 1937, as amended, does not apply to the security interest granted in and to pledged funds similar to the Pledged Funds, as the lessor was not taking a security interest in the operating funds of Lessee and (iii) the lessor as legal owner of equipment similar to the Equipment under this Lease could repossess the leased equipment upon an event of default under the lease in a similar transaction. Lessee has not received any notice from HUD (whether written or oral) to the effect that Lessee may not continue to rely on such determination or threatening to withdraw or modify in any manner such determination.

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 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 Escrow Fund from time to time in a manner that will not cause this Lease 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 Escrow 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 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 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 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 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 Collateral, Lessor's rights and interests under this Lease and the other Related Agreements and the assignment thereof to the initial Assignee.

(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 Escrow 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 (other than the lien under the Declaration of Trust) on, nor otherwise dispose of, this Lease, the Equipment, the Collateral or any interest in any thereof.

18.2. The initial Lessor shall, on the Commencement Date, assign and transfer the Assigned Rights to the Assignee pursuant to the Assignment. Lessee hereby consents to such assignment and transfer. Lessor hereby directs Lessee, and Lessee hereby agrees, to pay to Assignee all payments payable by Lessee under Sections 4 and 15 hereof. Whenever in this Lease any reference is made to Lessor and such reference concerns any Assigned Rights, such reference shall be deemed to refer to the Assignee.

18.3. The Assigned Rights, and all proceeds therefrom, may be further assigned and reassigned in whole or in part to one or more assignees or subassignees by an Assignee, without the necessity of obtaining the consent of Lessee; *provided*, that (a) prior to such assignment, transfer or conveyance, Assignee shall provide to Lessee in writing the name of the proposed assignee(s) or subassignee(s) and if, within five business days, Lessee informs Assignee that any such assignee or subassignee is an entity listed on HUD's list of debarred, excluded or suspended entities as set forth at sam.gov (which information the Assignee shall have the right, but not the obligation, to confirm to its own satisfaction), Assignee shall not assign, transfer or convey the Assigned Rights to such entity; and (b) any such assignment, transfer or conveyance (i) shall be made only to investors each of whom the transferor Assignee reasonably believes is a "*qualified institutional buyer*" as defined in Rule 144A(a)(1) promulgated under the Securities Act of 1933, as amended, or an "*accredited investor*" as defined in Sections 501(a)(1), (2), (3) and (7) of Regulation D promulgated under the Securities Act of 1933, as amended, and is purchasing the related Assigned Rights (or any interest therein) for its own account with no present intention to resell or distribute such Assigned Rights (or interest therein), subject to each investor's right at any time to dispose of its Assigned Rights or any interest therein as it determines to be in its best interests, (ii) shall not result in more than 35 owners of Assigned Rights or the creation of any interest in Assigned Rights in an aggregate principal component that is less than \$100,000 and (iii) shall not require Lessee to make Rent Payments under this Lease, send notices or otherwise deal with respect to matters arising under the Lease with or to more than one trustee, owner,

servicer or other fiduciary or agent (herein referred to as the “*Lease Servicer*”) and any trust agreement, participation agreement or custodial agreement under which multiple ownership interests in the Assigned Rights are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single Lease Servicer to act on their behalf with respect to such Assigned Rights, including with respect to the exercise of rights and remedies on behalf of such owners upon the occurrence of an Event of Default under the Lease or the Project Lease. Lessor (including the initial Assignee pursuant to the Assignment) and Lessee hereby acknowledge and agree that the restrictions and limitations on transfer as provided in this Section 18.3 shall apply to the first and subsequent assignees and sub-assignees of any of the Assigned Rights (or any interest therein).

18.4. No assignment, transfer or conveyance permitted by Section 18.3 that changes the Lease Servicer or its payment instructions or mailing address shall be effective until Lessee shall have received a written notice of assignment that discloses the name, payment instructions and address of each such assignee; *provided*, that if such assignment is made to a bank or trust company as trustee or paying agent for owners of certificates of participation, trust certificates or partnership interests evidencing interests in the Assigned Rights, it shall thereafter be sufficient that Lessee receives notice of the name, payment instructions and address of such bank or trust company that acts as the Lease Servicer. During the Lease Term, Lessee shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149 of the Code. Lessee hereby appoints Lessor to act as its agent for the purpose of complying with Section 149 of the Code, which appointment Lessor hereby accepts. Lessor shall retain all such notices as a register of all Assignees. Lessee shall make all payments to Assignee or the Lease Servicer designated in such register. Lessee shall not have the right to, and shall not, assert against the initial Assignee or any subsequent Assignee any claim, counterclaim or other right that Assignee may have against initial Lessor. If an Assignee notifies Lessee of its intent to assign the Assigned Rights (or any interest therein) to a different Assignee or Lease Servicer, Lessee agrees that it shall execute and deliver to the requesting Assignee a notice and acknowledgment of assignment in form reasonably required by such Assignee within five (5) Business Days after its receipt of such request.

18.5. 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 or Lessee fails to pay over to the Lessor all Equipment Payments within the time period specified in Section 4.1 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 its rights and remedies with respect to the Escrow Fund under the Escrow Agreement;

(f) 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

(g) 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. Such rights and remedies as are given to Lessor under this Section 20 have been assigned by initial Lessor to the initial Assignee under the Assignment as provided in Section 18.2. Such rights and remedies shall be exercised solely by Assignee.

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 initial Assignee at Capital One Public Funding, LLC, 275 Broadhollow Road, Melville, New York 11747; and (b) to any subsequent Assignee as directed in writing by such Assignee to the respective parties hereunder.

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. 3 of 3 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 3 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 SECRETARY OF LESSEE

I, the undersigned, do hereby certify that I am the duly authorized Chairman of the Board of Commissioners of Lessee and the officer of Lessee who executed the foregoing Equipment Lease-Purchase Agreement on behalf of Lessee, and whose genuine signature appears thereon, is the duly qualified and acting officer 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 20, 2013.

By: 
Modia Butler, Chairman of the Board of
Commissioners of the 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 20, 2013 between Grant Capital Management, Inc., as Lessor, and Housing Authority of the City of Newark, New Jersey, as Lessee:

EQUIPMENT DESCRIPTION AND LOCATIONS

The Equipment consists of the following: (a) two new boilers and related equipment and improvements that replace existing boilers at NHA Family Site NJ2-02 Pennington Court located at 214 South Street, Newark, New Jersey, and consist of two new Easco series FTS stell scotch Marine (or equivalent) boilers, concrete curb, feed tank, breeching, combustion air components, related piping and valves, insulation and boiler controls with the boiler room, all as more specifically described in the Energy Services Agreement; and (b) the residential unit window and balcony door replacements, new blinds and related improvements to be installed at Seth Boyden Elderly (NJ2-21E) which comprises three buildings located at 27 Foster Avenue, 120 Dayton Avenue and 130 Dayton Avenue, all in Newark, New Jersey, all as more specifically described in the Energy Services Agreement.

EXHIBIT B

PAYMENT SCHEDULE

Attached to and made a part of that certain Equipment Lease-Purchase Agreement dated as of September 20, 2013 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 at 3.500%: **\$3,579,271.89**

(b) Payment Schedule:

Payment Number	Payment Date	Payment Amount	Interest Component	Principal Component	Purchase Price
1	10/01/13	\$ 281,294.66	\$ 3,775.40	\$ 277,519.26	\$ 3,466,840.26
2	04/01/14	109,419.50	58,203.63	51,215.87	3,413,063.60
3	10/01/14	114,069.83	57,300.79	56,769.04	3,353,456.11
4	04/01/15	114,069.83	56,300.06	57,769.77	3,292,797.85
5	10/01/15	118,917.80	55,281.69	63,636.11	3,225,979.93
6	04/01/16	118,917.80	54,159.91	64,757.89	3,157,984.15
7	10/01/16	123,971.80	53,018.35	70,953.45	3,083,483.03
8	04/01/17	123,971.80	51,767.57	72,204.23	3,007,668.58
9	10/01/17	129,240.60	50,494.75	78,745.85	2,924,985.44
10	04/01/18	129,240.60	49,106.61	80,133.99	2,840,844.75
11	10/01/18	134,733.33	47,694.00	87,039.33	2,749,453.46
12	04/01/19	134,733.33	46,159.66	88,573.67	2,656,451.10
13	10/01/19	140,459.49	44,598.28	95,861.21	2,555,796.83
14	04/01/20	140,459.49	42,908.42	97,551.07	2,453,368.21
15	10/01/20	146,429.02	41,188.78	105,240.24	2,342,865.96
16	04/01/21	146,429.02	39,333.60	107,095.42	2,230,415.76
17	10/01/21	152,652.26	37,445.71	115,206.55	2,109,448.89
18	04/01/22	152,652.26	35,414.84	117,237.42	1,986,349.60
19	10/01/22	159,139.98	33,348.16	125,791.82	1,854,268.19
20	04/01/23	159,139.98	31,130.69	128,009.29	1,719,858.43
21	10/01/23	165,903.43	28,874.13	137,029.30	1,575,977.67
22	04/01/24	165,903.43	26,458.57	139,444.86	1,429,560.56
23	10/01/24	172,954.32	24,000.42	148,953.90	1,273,158.97
24	04/01/25	172,954.32	21,374.64	151,579.68	1,114,000.30
25	10/01/25	180,304.89	18,702.58	161,602.31	944,317.88
26	04/01/26	180,304.89	15,853.84	164,451.05	771,644.28
27	10/01/26	187,967.84	12,954.88	175,012.96	587,880.67
28	04/01/27	187,967.84	9,869.73	178,098.11	400,877.65
29	10/01/27	195,956.48	6,730.20	189,226.28	202,190.06
30	04/01/28	<u>195,956.48</u>	<u>3,394.52</u>	<u>192,561.96</u>	0.00
Grand Totals		<u>\$4,636,116.30</u>	<u>\$1,056,844.41</u>	<u>\$3,579,271.89</u>	

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

By 
Keith Kinard
Executive Director

GRANT CAPITAL MANAGEMENT, INC.,
as Lessor

By _____
J.P. Grant
President

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 Board of Commissioners 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 20, 2013 (the "*Lease*"), between Lessee and Grant Capital Management, Inc., as Lessor, and (b) the Related Agreements, as defined in the Lease.

Keith Kinard	Secretary/Executive Director	
Name	Title	Signature

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

Keith Kinard	Secretary/Executive Director	
Name	Title	Signature

IN WITNESS WHEREOF, I have duly executed this Certificate and affixed the seal of Lessee on this 20th day of September, 2013.

	[SEAL]
Housing Authority of the City of Newark	

Print Name: Modia Butler
Official Title: Chairman, Board of Commissioners
(other than the person signing the documents)

**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 20, 2013 (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 Assignee as Loss Payee.

Coverage Required: Termination Value Specified

- ☐ b. Public Liability Insurance evidenced by a Certificate of Insurance naming the Assignee 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 initial Assignee, 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 initial Assignee].

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:

- LESSOR AND ITS ASSIGNS 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:

Capital One Public Funding, LLC
275 Broadhollow Road
Melville, New York 11747, Attention: Jonathan Lewis

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

The original should be mailed to the same at:

Capital One Public Funding, LLC
275 Broadhollow Road
Melville, New York 11747, Attention: Jonathan Lewis

Please call _____, if you have any questions.

SELF-INSURANCE LETTER

[TO BE TYPED ON LESSEE'S LETTERHEAD]

[Date]

Capital One Public Funding, LLC
275 Broadhollow Road
Melville, New York 11747
Attention: Jonathan Lewis

Re: Equipment Lease-Purchase Agreement
 dated as of September 20, 2013 ("*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 addressee. 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: _____

ABSOLUTE ASSIGNMENT AGREEMENT

THIS ABSOLUTE ASSIGNMENT AGREEMENT (this "*Assignment*") is made on this 20th day of September, 2013, by and between GRANT CAPITAL MANAGEMENT, INC., a corporation organized and existing under the laws of the State of Maryland whose mailing address is 8894 Stanford Boulevard, Suite 203, Columbia, Maryland 21045 ("*Assignor*"), and CAPITAL ONE PUBLIC FUNDING, LLC, a limited liability company formed and existing under the laws of the State of New York whose mailing address is 275 Broadhollow Road, Melville, New York 11747 ("*Assignee*").

WITNESSETH:

WHEREAS, Grant Capital Management, Inc., in its capacity as lessor, has entered into that certain Equipment Lease-Purchase Agreement dated as of September 20, 2013 (the "*Lease*"), with 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*"), pursuant to which Grant Capital Management, Inc. has agreed to arrange for the financing of the acquisition and installation of the equipment and other personal property therein described (collectively, 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 Lessee, all on the terms and conditions set forth therein; and

WHEREAS, Assignor is directed by Lessee under the Lease to assign, sell, transfer and convey to Assignee all of Assignor's rights, title and interest in, to and under the Lease, the Equipment, the Collateral and the other Assigned Property as herein provided, including, but not limited to, Assignor's right to collect and receive (a) all Rent Payments, (b) the Termination Value paid by Lessee in accordance with the Lease upon prepayment of Rent Payments in full or in part, (c) all amounts payable by Lessee pursuant to the Lease in connection with any loss of federal tax-exemption and (d) other payments now or hereafter payable by Lessee or receivable by Assignor to the extent provided in the Lease, including without limitation any late charges payable by Lessee pursuant to the Lease; and

WHEREAS, Assignor desires to assign, sell, transfer and convey to Assignee, and Assignee desires to purchase, all of Assignor's right, title and interest in and to the Lease, the Equipment, the Collateral and certain other property and interests as herein provided upon the terms and conditions stated below;

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

1. *Assignment; Payment of Purchase Price.* (a) Assignor hereby sells, transfers, delivers and assigns, without recourse, to Assignee, its successors and assigns, forever, all of Assignor's rights, title, interest, estate, claims and demands (i) in, to and under the Lease (including the Equipment and the Collateral) and any amendments, supplements, documents and other instruments relating thereto, and all rights, powers, privileges, options and other benefits of

Assignor as Lessor under the Lease, including, but not limited to, (A) the immediate and continuing right to receive and collect (I) all Rent Payments, (II) all Equipment Payments, (III) the Termination Value paid by Lessee in accordance with the Lease upon prepayment of Rent Payments in full or in part, (IV) all amounts payable by Lessee pursuant to Section 17(a) of the Lease in connection with any loss of federal tax-exemption and (V) all other payments now or hereafter payable by Lessee or receivable by the Assignor to the extent provided in the Lease, including without limitation any late charges payable by Lessee pursuant to Section 4.3 of the Lease, 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 an Event of Default (as defined in the Lease) under the Lease or an event that, with the lapse of time or the giving of notice or both, would constitute such an Event of Default, (D) in and to the lien and security interest created in favor of Assignor as Lessor under the Lease in and to the Collateral pursuant to Section 6.1(b) of the Lease, (E) in and to Assignor’s right, title and interest in the Equipment (whether such goods constitute inventory, equipment or fixtures under, and as such terms are defined in, Article 9 of the Uniform Commercial Code of the State of New Jersey), 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, (F) all accounts, chattel paper, deposit accounts, documents, instruments, general intangibles and investment property (including any securities accounts and security entitlements relating thereto) evidenced by or arising out of or otherwise relating to the foregoing collateral described in clauses (A) through (E) above, as such terms are defined in Article 9 of the Uniform Commercial Code of the State of Maryland, and (G) the right of Assignor as Lessor under the Lease and its shareholders, affiliates, employees, dealers and agents to be indemnified and held harmless and defended by Lessee pursuant to Section 24.2 of the Lease; (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. All the foregoing rights, titles, interests, property, estate, claims and demands so sold, transferred, delivered and assigned are herein collectively referred to as the “Assigned Property.” This assignment is absolute and unconditional and is not intended to be merely the grant of a security interest as security for an obligation to Assignee and does not constitute a loan by Assignee to Assignor. This assignment is made without recourse to Assignor, except as expressly provided in Paragraph 5 hereof. All capitalized terms used but not defined herein (including the above Recitals) shall have the meanings assigned to such terms in the Lease. Notwithstanding anything to the contrary contained herein, Assignor is not delegating, and Assignee is not assuming, any of Assignor’s duties or obligations under Section 2(i) of the Escrow Agreement.

Assignor hereby expressly relinquishes all right, title and interest that Assignor had or may have had in the Assigned Property prior to the sale, transfer, delivery and assignment and conveyance provided in this Assignment.

It is intended that the conveyance of Assignor's right, title and interest in and to the Assigned Property pursuant to this Assignment shall constitute a purchase and sale and not a loan for federal and relevant state tax, bankruptcy and other purposes. Nonetheless, as a precaution in the event that, contrary to the intent of the parties hereto, it is contended that Assignor has not sold or absolutely assigned the Assigned Property, but rather has received from Assignee a loan or extension of credit secured by the Assigned Property, with Assignor retaining an ownership interest therein, Assignor hereby assigns, pledges and grants to Assignee a continuing first-priority lien on and security interest in all right, title and interest of Assignor in and to the Assigned Property, whether now owned or existing or hereafter created, acquired or arising, as security for the repayment of such ostensible loan or extension of credit, as well as for the full and timely performance by Assignor of each of its obligations hereunder (including its obligation to sell and assign full right, title and interest and legal title in and to, and absolute ownership of, the rights conveyed hereunder) whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent and howsoever evidenced, held or acquired. Anything in this Assignment to the contrary notwithstanding, upon the termination of the Trust Agreement, but only in the event that the transaction contemplated by this Assignment is not construed as a purchase and sale but as a secured loan as described above contrary to the intent of the parties hereto, such ostensible loan or extension of credit shall become immediately payable by Assignor in an amount equal to the then aggregate unpaid principal amount thereof *plus* an amount equal to any unamortized premium *plus* accrued interest to the payment date.

(b) In consideration of the sale, transfer and assignment provided in subparagraph (a) of this Paragraph 1, Assignee has paid or caused to be paid in immediately available funds the purchase price of \$3,674,122.60 (which amount equals the sum of the aggregate principal component of Rent Payments of \$3,579,271.89 *plus* premium in the amount of \$94,850.71, there being no accrued interest), the receipt and sufficiency of which Assignor hereby acknowledges, by causing to be deposited such amount into the Escrow Fund established and to be administered pursuant to that certain Escrow Fund Agreement dated as of September 20, 2013 (the "*Escrow Fund Agreement*"), among Lessee, Assignee and Deutsche Bank Trust Company Americas, as escrow agent.

2. *Power of Attorney.* Assignor irrevocably constitutes and appoints Assignee and any present or future officer or agent of Assignee, or the successors or assigns of Assignee, as its lawful attorney with full power of substitution and resubstitution, and in the name of Assignor or otherwise, to collect the Assigned Payments and to sue in any court of competent jurisdiction for such Assigned Payments or any of the Assigned Property or any part thereof, to withdraw or settle any claims, suits or proceedings pertaining to or arising out of the Lease upon any terms as Assignee in its discretion may deem to be in its best interest and as are consistent with the Lease, and to take possession of and to endorse in the name of Assignor any instrument for the payment of money received on account of the Assigned Payments or any of the other Assigned Property.

3. *Payments.* Assignor has authorized and directed Lessee, in writing, to pay to Assignee, its successors and assigns, all Rent Payments due or to become due under the Lease from and after the date of this Assignment by wire transferring such payments in immediately available funds to Capital One Public Funding, LLC, to the following account: Rtg 021-001-033, c/o Deutsche Bank Trust Company Americas, NY, NY, AC 01419647, Trust and Securities

Services, F/B/O 2965 - Newark Housing Authority, Attn: Hamilton Chu or Kyshawn White. Lessee has received written notice of the assignment herein provided and has agreed to pay the Rent Payments and other Assigned Payments to Assignee when due and payable.

4. *Representations, Warranties and Covenants.* Assignor hereby represents, warrants and covenants to and with Assignee that:

(a) Assignor is a close corporation duly organized, validly existing and in good standing under the laws of the State of Maryland with all powers and authority to own its properties and carry on its operations as now being conducted.

(b) Assignor has full power, authority and legal right to enter into and perform its obligations under this Assignment and the Lease and with respect to the Assigned Property. The execution, delivery and performance of this Assignment and the Lease have been duly authorized by all necessary action on the part of Assignor, do not require any stockholder approval or the approval or consent of any trustee or holder of any indebtedness or obligation of Assignor or any such required approvals and consents have heretofore been duly obtained, and the foregoing do not contravene any law, governmental rule, regulation, order or ordinance of any governmental entity having jurisdiction over and binding on Assignor or the charter documents of Assignor and do not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement or instrument to which Assignor is a party or by which it or its property is bound. No consent or authorization of any third party is required in connection with the execution, delivery or performance by Assignor of this Assignment or, alternatively, all such consents and authorizations have been given.

(c) This Assignment and the Lease are each legal, valid and binding against Assignor and are enforceable against Assignor in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and the application of equitable principles (whether considered by a court of law or in equity).

(d) There is no claim, action or proceeding pending or threatened against Assignor before any court, arbitrator or governmental agency or regulatory or administrative agency or commission challenging the validity, enforceability or legality of this Assignment or the Lease or the transactions contemplated hereby or thereby. There are no pending or threatened actions or proceedings before any court or administrative agency that would materially adversely affect the condition, business or operation of Assignor or the ability of Assignor to perform its obligations under this Assignment or the Lease.

(e) Immediately prior to the transfer and assignment provided for by this Assignment, Assignor had the right to sell and assign all of its right, title and interest in and to the Lease and all of the other Assigned Property, free and clear of all claims, liens, security interests and encumbrances other than the rights of Lessee under the Lease in

accordance with the terms thereof and the rights of HUD under the Declaration of Trust. This Assignment vests in Assignee full right, title and interest and legal title in and to the Assigned Property, including the right to receive the Assigned Payments, in each instance free and clear of all claims, liens, security interests and encumbrances of any kind or character granted by Assignor, except the rights of Lessee under the Lease and HUD under the Declaration of Trust with respect to the transactions contemplated in the Lease, and the same shall be and remain free of all claims, liens, security interests and encumbrances arising through any act or omission of Assignor or any person claiming by, through or under it.

(f) Assignor has not assigned, sold, transferred, pledged or otherwise granted an interest, and hereby covenants that it will not assign, sell, transfer, pledge or create any lien or security interest against in or to the whole or any part of the Assigned Property sold, transferred, delivered, conveyed and assigned pursuant to this Assignment to anyone other than Assignee. Assignor will make appropriate notations on its books and records with entries regarding the Lease and the other Assigned Property indicating the entering into of this Assignment.

(g) Assignor has complied and will comply with, and duly and promptly perform, all of the obligations of Assignor under this Assignment, the Lease and all related documents and instruments.

(h) The Lease delivered to Assignee herewith (identified as Counterpart No. 1) is the only original evidencing chattel paper for purposes of the applicable Uniform Commercial Code and constitutes together with the Escrow Fund Agreement the entire writing, obligation and agreement between Assignor and Lessee respecting the financing of the Equipment and the related terms thereof.

(i) Lessee's obligation to make Rent Payments is not subject to setoff, counterclaim or defense, and no nonappropriation, abatement, setoff, counterclaim or defense has been asserted or threatened with respect to the Lease. No Event of Default has occurred and is continuing under the Lease and no nonpayment default has occurred or is continuing under the Lease.

(j) No Event of Default has occurred and is continuing under or with respect to the Lease, and no event has occurred that, with the lapse of time or the giving of notice or both, would constitute an Event of Default under or with respect to the Lease. To the best of Assignor's knowledge, there no Material Adverse Change has occurred since March 31, 2012.

(k) Assignor intends that the transfer and assignment herein contemplated constitute a sale of all right, title and interest of Assignor in and to the Assigned Property, including (without limitation) the Assigned Payments, and not a secured borrowing.

(l) Assignor has marked its records to indicate that the Assigned Property has been sold to Assignee. Assignor will treat the sale of the Assigned Property as a sale for

accounting purposes, and the independent certified public accountants for Assignor concur in such treatment. For tax reporting purposes, Assignor will treat the sale from Assignor in a manner consistent with the treatment for accounting purposes.

(m) Assignor has no right or obligation to repurchase the Assigned Property from Assignee. Assignor retains no interest whatsoever in the Assigned Property.

(n) Assignor does not transfer the Assigned Property with interest to hinder, delay or defraud any person or entity. Assignor has received reasonably equivalent value in exchange for its transfer of the Assigned Property.

(o) There will be no modification of the consideration with Assignee transferred to Assignor in respect of the transfer of the Assigned Property.

(p) Assignor will take no action inconsistent with, and will be estopped from challenging, Assignee's ownership interest of the Assigned Property.

(q) Assignor will not receive any payments with respect to the Assigned Property other than payment of the purchase price therefor in accordance with subparagraph (b) of Paragraph 1 hereof and payment of a placement fee to Assignor by the initial Assignee.

(r) No arrangement exists whereby Assignor is to protect Assignee against (i) the risk of fluctuations in the market value of the Assigned Property or (ii) the risk of nonpayment by Lessee.

(s) Assignor has no right to receive any excess collections with respect to the Lease or the Escrow Fund Agreement.

(t) Assignor has given written notice to Lessee of the sale of the related Assigned Property and has obtained Lessee's written acknowledgment of the sale.

(u) The information set forth in the Lease is true and correct with respect to the Equipment, the Collateral and the Equipment Payments and any agreements related to such Equipment, Collateral and the Equipment Payments are fully described therein.

(v) All fees payable by Assignor with respect to the Lease to any escrow agent, vendor, broker, any predecessors-in-interest to Assignor or any other person (including, but not limited to, interest earnings on funds in an escrow fund) have been paid in full. Assignor, and each person acting on behalf or under the authority of Assignor that is or will be entitled to any brokers' or finders' fee or any other commission or similar fee, directly or indirectly, from Assignee in connection with any of the transactions contemplated hereby, has received such fees in full.

(w) Assignee and its authorized agents and representatives, upon two (2) Business Days prior written notice to Assignor and during normal business hours, may

inspect such of Assignor's books and records directly relating to the Assigned Property purchased by Assignee hereunder.

(x) Assignor shall not, without the prior written consent of Assignee, take any action which impairs the rights of Assignee (or its assignee or successor) with respect to the Lease and the other Assigned Property.

(y) Assignor agrees and covenants as follows: (i) Assignee may take enforcement action and exercise all rights and remedies under the Lease and the other Assigned Property and (ii) Assignor shall promptly remit to Assignee any payments incorrectly received by Assignor with respect to the payments under the Lease not owned by it. Assignor agrees to use its best efforts to obtain the agreement that its assignees will abide by the above covenants and the covenants set forth herein.

5. *General Indemnity.* Assignor shall, upon Assignee's demand, pay and assume liability for, and indemnify, protect, defend, save and keep harmless Assignee and each of its affiliates, and their respective officers, directors, employees and agents (each, an "*Assignee Indemnitee*"), on an after-tax basis, from and against any and all liabilities, obligations, losses, damages, settlements, claims, actions, suits, penalties, costs and expenses (including, without limitation, reasonable fees and expenses of counsel) of whatsoever kind and nature ("*Claims*") which shall at any time or from time to time be imposed upon, incurred by or asserted against such Assignee Indemnitee in any way relating directly or indirectly to, or arising out of, (a) any material inaccuracy or material breach of any representation or warranty made by Assignor hereunder or in any other document, instrument or certificate delivered in connection with this Assignment or the Lease, or (b) any failure by Assignor to observe or perform any of its obligations under or in connection with this Assignment or the Lease or any document delivered in connection with this Assignment or the Lease.

6. *Further Assurances.* Assignor, from time to time, at its cost and expense, shall execute and deliver such further acknowledgments, agreements and instruments of assignment, transfer and assurance and do all such further acts and things as may be reasonably necessary or appropriate in the opinion of Assignee to give effect to the provisions hereof and to further confirm the rights, titles and interests hereby sold, assigned and transferred to Assignee.

7. *Severability; Rights Cumulative.* If any part of this Assignment shall be contrary to any law that Assignee might seek to apply or enforce or should otherwise be defective, the other provisions hereof shall not be affected thereby but shall continue in full force and effect, to which end they are hereby declared severable. All rights, remedies and powers of Assignee hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all rights, remedies and powers given hereunder, or in or by any other instrument or any other law now existing or hereafter enacted.

8. *Notices.* Any notice required or permitted to be given by Assignor or Assignee to the other shall be deemed to have been given upon the actual receipt thereof or on the third day after it is deposited in the United States mail, certified mail, return receipt requested, with proper postage prepaid, whichever is the earlier, and addressed to the party at such address as shown at

the beginning of this Assignment or at such other address as one party shall hereafter furnish to the other in writing.

9. *Headings.* The headings of the paragraphs of this Assignment are for convenience only and shall not be used to interpret or construe this Assignment.

10. *Entirety; Amendments.* This Assignment contains the entire agreement between Assignor and Assignee with respect to the subject matter hereof and supersedes all prior agreements and understandings relating thereto. No other agreements will be effective to change, modify or terminate this Assignment in whole or in part unless such agreement is in writing and duly executed by Assignor and Assignee. No representations, inducements, promises or agreements, oral or otherwise, that are not embodied herein (or any other written instrument or document delivered pursuant hereto or in connection herewith) will be of any force or effect.

11. *Parties Bound; Third-Party Beneficiaries.* This Assignment shall be binding on Assignor and its successors and assigns, and shall inure to the benefit of Assignee and its successors and assigns. The parties hereto hereby agree that without limiting the generality of any other provision set forth herein, all rights, powers, privileges, options and other benefits of Assignor as Lessor under the Lease assigned in this Assignment to Assignee, including, but not limited to the right to be indemnified, held harmless and defended pursuant to Section 24.2 of the Lease and the rights of Assignee to be indemnified pursuant to Paragraph 5 hereof, are also for the benefit of, and may be exercised by, Assignee's successors and assigns.

12. *Governing Law.* The substantive laws of the State of New York shall govern the validity, construction, enforcement and interpretation of this Assignment and the rights of the parties hereunder.

13. *Nonrecourse.* The assignment, sale, transfer and conveyance in this Assignment is agreed to be nonrecourse with respect to Assignor. Except as provided in Paragraph 5 hereof, Assignor shall have no liability of any nature or kind to Assignee or its successors or assigns with respect to the occurrence of an Event of Default under the Lease or otherwise, whether such default consists of failure to pay moneys, breach of covenant or otherwise.

14. *Role of Initial Assignee.* Assignor hereby acknowledges and agrees with Assignee and Lessee that Assignee is not acting, and has not acted, as a broker, dealer, municipal securities underwriter or municipal advisor in connection with the execution and delivery of the Lease or any other Related Agreement.

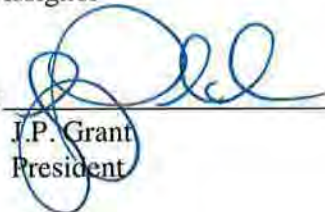
[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Assignor and Assignee have executed this Absolute Assignment Agreement by one of their respective officers thereunto duly authorized, as of the date first above written.

ASSIGNOR:

GRANT CAPITAL MANAGEMENT, INC., as
Assignor

By: _____


J.P. Grant
President

ASSIGNEE:

CAPITAL ONE PUBLIC FUNDING, LLC, as
Assignee

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, Assignor and Assignee have executed this Absolute Assignment Agreement by one of their respective officers thereunto duly authorized, as of the date first above written.

ASSIGNOR:

GRANT CAPITAL MANAGEMENT, INC., as
Assignor

By: _____
J.P. Grant
President

ASSIGNEE:

CAPITAL ONE PUBLIC FUNDING, LLC, as
Assignee

By: Catherine M. Deluca
Name: CATHERINE M. DELUCA
Title: ASST MGR

ESCROW AGREEMENT

This ESCROW AGREEMENT (this "*Escrow Agreement*"), dated as of September 20, 2013, is entered into by and among CAPITAL ONE PUBLIC FUNDING, LLC, a New York limited liability company (the "*Assignee*"), the 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 (the "*Authority*"), and DEUTSCHE BANK TRUST COMPANY AMERICAS, a New York banking corporation, as escrow agent (the "*Escrow Agent*"). Grant Capital Management, Inc., as lessor (the "*Initial Lessor*") is also added as a party to this Escrow Agreement solely for the purposes specified herein.

Reference is made to that certain Equipment Lease-Purchase Agreement dated as of September 20, 2013 (the "*Lease*"), between Initial Lessor, and the Authority, as lessee, and related to the financing of the acquisition and installation of certain energy conservation measures on and to certain of the Authority's public buildings and other facilities (the "*Equipment*"). Reference is further made to that certain Absolute Assignment Agreement dated September 20, 2013, between the Initial Lessor and the Assignee, under which the Initial Lessor has assigned all of its rights, title and interest under the Lease to the Assignee, including the right to receive Rent Payments payable by the Authority under the Lease. It is a requirement of the Lease that the funds for financing the Equipment be deposited with the Escrow Agent hereunder for the purpose of providing a mechanism for the application of such amounts to the payment of Equipment Costs. Capitalized terms used in this Escrow Agreement and not otherwise defined will have the respective meanings given such terms in the Lease.

The parties agree as follows:

1. *Payment of Delivery Costs.* The Authority and the Assignee agree that \$0 of the amount deposited into the Escrow Fund pursuant to Section 2(a) hereof shall be used by the Escrow Agent, and the Authority shall be responsible to pay from its own funds, for payment of all items of expense directly or indirectly payable by or reimbursable to the Authority relating to the financing of the acquisition and installation of the Equipment under the Lease, including, but not limited to, initial or acceptance fees and expenses of the Escrow Agent, costs of legal and other professional services (whether payable on the Commencement Date or periodically thereafter), costs of preparing the Lease, the Assignment and this Escrow Agreement and any other documents in connection with the authorization, execution, delivery and assignment of the Lease, recording and filing fees, initial and ongoing fees and expenses of the Escrow Agent and other fees and costs in connection therewith.

2. *Creation of Escrow Fund.* (a) There is hereby created a special trust fund to be known as the "Housing Authority of the City of Newark, New Jersey, 2013 Equipment Acquisition Escrow Fund" (the "*Escrow Fund*") to be held in trust by the Escrow Agent for the purposes stated herein, for the benefit of the Authority, to be held, disbursed and returned in accordance with the terms hereof. On the date hereof, the Authority has caused the amount of \$3,579,271.89 to be transferred to the Escrow Agent for deposit into the Escrow Fund for the purpose of paying (or reimbursing) Equipment Costs.

(b) Any moneys held as part of the Escrow Fund shall be invested and reinvested by the Escrow Agent at the written direction of the Authority (*provided that* moneys credited to or held in the Escrow 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 under the Lease (or if an Event of Default has occurred and is continuing, then only in Federal Securities as hereinafter defined) in any Qualified Investments (as hereinafter defined). The Authority shall ascertain, and will be solely responsible for ascertaining, that all proposed investments and reinvestments are Qualified Investments and that they comply with federal, state and local laws, HUD regulations and guidance and ordinances governing investment of such funds and for providing appropriate notice to the Escrow Agent for the reinvestment of any maturing investment; *provided that* in the absence of such notice the Escrow Agent is authorized and directed to invest and re-invest all amounts in the Escrow Fund in the investments identified in the Investment Direction Letter. Accordingly, neither the Escrow Agent nor the Assignee has any responsibility for any liability, cost, expense, loss or claim of any kind, directly or indirectly arising out of or related to the investment or reinvestment of all or any portion of the moneys on deposit in the Escrow Fund, and the Authority agrees to and does hereby release the Escrow Agent and the Assignee from any such liability, cost, expenses, loss or claim. Interest on the Escrow Fund will become part of such Fund, and gains and losses on the investment of the moneys on deposit in the Escrow Fund will be borne by such Fund.

(c) For purposes of this Escrow Agreement, the term “*Qualified Investments*” means any of the following: (i) 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*”), (ii) certificates of deposit with a maturity of one year or less issued by banks or trust companies (including certificates of deposit issued by the Escrow Agent) 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., (iii) repurchase agreements fully secured by Federal Securities, and (iv) commercial paper with a maturity of 270 days or less with a rating (A) by Moody’s Investors Service, Inc. of Prime 1, and (B) by Standard & Poor’s, Inc., of A-1, and which otherwise qualifies as a permissible investment as prescribed by applicable State law and by applicable HUD regulation and guidance.

(d) Unless the Escrow Fund is earlier terminated in accordance with the provisions of paragraph (e) below, amounts in the Escrow Fund will be disbursed by the Escrow Agent in payment of amounts described in Section 3 upon receipt of written authorization(s) from the Authority and approved by the Assignee, as more fully described in Section 3. If the amounts in the Escrow Fund are insufficient to pay such amounts, the Authority will provide any balance of the funds needed to complete the acquisition and installation of the Equipment.

(e) The Escrow Fund will be terminated at the earliest of (i) the final distribution of amounts in the Escrow Fund, (ii) after the second anniversary of the Commencement Date, upon application of moneys then on deposit in the Escrow Fund in accordance with Section 5.5 of the Lease or (iii) written notice given by the Assignee pursuant to Section 5.4 of the Lease of the occurrence of an Event of Default under the Lease.

(f) The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine and may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument. The Escrow Agent is not liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any instrument nor as to the identity, authority, or right of any person executing the same; and its duties hereunder will be limited to the receipt of such moneys, instruments or other documents received by it as the Escrow Agent, and for the disposition of the same in accordance herewith.

(g) Unless the Escrow Agent is guilty of gross negligence or willful misconduct with regard to its duties hereunder, the Authority agrees to and does hereby release and indemnify the Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as the Escrow Agent under this Escrow Agreement; and in connection therewith, does to the extent permitted by law indemnify the Escrow Agent against any and all expenses; including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim.

(h) The Escrow Agent may consult with counsel of its own choice and will have full and complete authorization and protection with the opinion of such counsel. The Escrow Agent will otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct.

(i) Initial Lessor shall reimburse the Escrow Agent for all reasonable costs and expenses, including those of the Escrow Agent's attorneys, agents and employees incurred for extra-ordinary administration of the Escrow Fund and the performance of the Escrow Agent's powers and duties hereunder in connection with any Event of Default under the Lease, or in connection with any dispute between Authority and Assignee concerning the Escrow Fund or this Agreement. Initial Lessor is a party to this Escrow Agreement solely for purposes of this Section 2(i).

(j) The Escrow Agent may at any time resign by giving at least 30 days' prior written notice to Authority and Assignee, but such resignation shall not take effect until the appointment of the successor Escrow Agent. The substitution of another bank or trust company to act as Escrow Agent under this Escrow Agreement may occur by written agreement of Authority and Assignee. In addition, the Escrow Agent may be removed at any time, with or without cause, by instrument in writing executed by Authority and Assignee. Such notice shall set forth the effective date of the removal. In the event of any resignation or removal of the Escrow Agent, a successor Escrow Agent shall be appointed by an instrument in writing executed by Authority and Assignee. Such successor Escrow Agent shall indicate its acceptance of such appointment by an instrument in writing delivered to Authority, Assignee and the predecessor Escrow Agent.

Upon the effective date of resignation or removal, the Escrow Agent will transfer the Escrow Fund then held by it to the successor Escrow Agent selected by Authority and Assignee.

3. *Undertaking and Supervising the Acquisition and Installation of the Equipment.*

(a) *Vendor Contracts; Purchase Orders.* The Authority will arrange for, supervise and provide for, or cause to be supervised and provided for, the acquisition and installation of the Equipment with moneys available in the Escrow Fund as herein provided. Neither the Assignee nor the Authority has any liability under any of the vendor contracts or purchase orders. The Authority will obtain or cause its vendors to obtain all necessary permits and approvals, if any, for the Equipment and the acquisition, installation, operation and maintenance thereof.

(b) *Authorized Escrow Fund Disbursements.* Disbursements from the Escrow Fund will be made for the purpose of paying (including the reimbursement to the Authority for advances from its own funds to accomplish the purposes hereinafter described, but only so long as such reimbursement would not adversely affect the excludability of the interest component of Rent Payments from gross income for federal income tax purposes) the Equipment Costs.

(c) *Requisition Procedure.* Prior to disbursement from the Escrow Fund there shall be filed with the Escrow Agent a requisition for such payment in the form of Disbursement Request attached hereto as Schedule 1B. Each such requisition will be signed by the Executive Director or other authorized representative of the Authority (an “*Authorized Representative*”) and approved by the Assignee.

4. *Deposit to Escrow Fund.* The Authority will cause the proceeds realized pursuant to the Assignment to be deposited with the Escrow Agent on the Commencement Date for disbursement in accordance with this Escrow Agreement. The Authority agrees to pay any costs with respect to the Equipment in excess of amounts available therefor in the Escrow Fund.

5. *Excess Equipment Funds.* Following the final disbursement from the Escrow Fund upon completion of acquisition and installation of the Equipment, or termination of the Escrow Fund as otherwise provided herein, the Escrow Agent shall transfer any remainder from the Escrow Fund to the Assignee for application in accordance with Section 5.4 or 5.5, as applicable, of the Lease.

6. *Security Interest.* The Escrow Agent and the Authority acknowledge and agree that the Escrow Fund and all proceeds thereof are being held by the Escrow Agent for disbursement or return as set forth herein. The Authority hereby grants to the Assignee a first priority perfected security interest in the Escrow Fund, and all proceeds thereof, and all investments made with any amounts in the Escrow Fund. If the Escrow Fund, or any part thereof, is converted to investments as set forth in this Escrow Agreement, such investments will be made in the name of the Escrow Agent and the Escrow Agent hereby agrees to hold such investments as bailee for the Assignee so that the Assignee is deemed to have possession of such investments for the purpose of perfecting its security interest.

7. *Control of Escrow Fund.* In order to perfect the Assignee’s security interest by means of control in (i) the Escrow Fund established hereunder, (ii) all securities entitlements, investment property and other financial assets now or hereafter credited to the Escrow Fund, (iii) all of the Authority’s rights in respect of the Escrow Fund, such securities entitlements,

investment property and other financial assets, and (iv) all products, proceeds and revenues of and from any of the foregoing personal property (collectively, the “*Collateral*”), the Authority and the Escrow Agent further agree as follows:

(a) All terms used in this Section 7 which are defined in the New Jersey Commercial Code (the “*Commercial Code*”) but are not otherwise defined herein will have the meanings assigned to such terms in the Commercial Code, as in effect on the date of this Escrow Agreement.

(b) The Escrow Agent will comply with all entitlement orders originated by the Assignee with respect to the Collateral, or any portion of the Collateral, without further consent by the Authority.

(c) The Escrow Agent hereby represents and warrants that (I) the records of the Escrow Agent show that the Authority is the sole owner of the Collateral, (II) the Escrow Agent has not been served with any notice of levy or received any notice of any security interest in or other claim to the Collateral, or any portion of the Collateral, other than the Assignee’s claim under this Escrow Agreement, and (III) the Escrow Agent is not presently obligated to accept any entitlement order from any person with respect to the Collateral, except for entitlement orders that the Escrow Agent, subject to the provisions of paragraph (e) below, is obligated to accept from the Authority.

(d) Without the prior written consent of the Assignee, the Escrow Agent will not enter into any agreement by which the Escrow Agent agrees to comply with any entitlement order of any person other than the Assignee or, subject to the provisions of paragraph (e) below, the Authority, with respect to any portion or all of the Collateral. The Escrow Agent will promptly notify the Assignee if any person requests the Escrow Agent to enter into any such agreement or otherwise asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the Collateral.

(e) Except as otherwise provided in this paragraph (e) and subject to Section 2(b) hereof, the Escrow Agent may allow the Authority to effect sales, trades, transfers and exchanges of Collateral within the Escrow Fund, but will not, without the prior written consent of the Assignee, allow the Authority to withdraw any Collateral from the Escrow Fund. The Escrow Agent acknowledges that the Assignee reserves the right, by delivery of written notice to the Escrow Agent, to prohibit the Authority from effecting any withdrawals (including withdrawals of ordinary cash dividends and interest income), sales, trades, transfers or exchanges of any Collateral held in the Escrow Fund. Further, the Escrow Agent hereby agrees to comply with any and all written instructions delivered by the Assignee to the Escrow Agent (once it has had a reasonable opportunity to comply therewith) and has no obligation to, and will not, investigate the reason for any action taken by the Assignee, the amount of any obligations of the Authority to the Assignee, the validity of any of the Assignee’s claims against or agreements with the Authority, the existence of any defaults under such agreements or any other matter.

(f) The Authority hereby irrevocably authorizes the Escrow Agent to comply with all instructions and entitlement orders delivered by the Assignee to the Escrow Agent.

(g) The Escrow Agent will not attempt to assert control, and does not claim and will not accept any security or other interest in, any part of the Collateral, and the Escrow Agent will not exercise, enforce or attempt to enforce any right of setoff against the Collateral, or otherwise charge or deduct from the Collateral any amount whatsoever.

(h) The Escrow Agent and the Authority hereby agree that any property held in the Escrow Fund will be treated as a financial asset under such section of the Commercial Code as corresponds with Section 8-102 of the Uniform Commercial Code, notwithstanding any contrary provision of any other agreement to which the Escrow Agent may be a party.

(i) The Escrow Agent is hereby authorized and instructed, and hereby agrees, to send to the Assignee at its address set forth in Section 10 below, concurrently with the sending thereof to the Authority, duplicate copies of any and all monthly Escrow Fund statements or reports issued or sent to the Authority with respect to the Escrow Fund.

8. *Reporting.* Escrow Agent shall provide the Authority with monthly reports setting forth all distributions, interest earnings, account balances and other relevant information with respect to the Escrow Fund.

9. *USA PATRIOT ACT.* The parties acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Escrow Agreement agree that they will provide to the Escrow Agent such information as it may request, from time to time, in order for the Escrow Agent to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

10. *Miscellaneous.* This Escrow Agreement may not be amended except in writing signed by the Authority, the Escrow Agent and the Assignee. This Escrow Agreement may be executed in one or more counterparts, each of which will be deemed to be an original instrument and each will have the force and effect of an original and all of which together constitute, and will be deemed to constitute, one and the same instrument. Notices hereunder will be made in writing and will be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to an express carrier, charges prepaid, or sent by facsimile with electronic confirmation, addressed to each party at its address below:

If to the Escrow Agent:

Deutsche Bank Trust Company Americas
60 Wall Street, 27th Floor
New York, New York 10005
Attention: Lisa McDermid
Phone: (212) 250-6674
Fax: (917) 472-1575

If to the Authority:

Housing Authority of the City of Newark
500 Broad Street
Newark, New Jersey 07102
Attention: Executive Director
Phone: (973) 273-6600

If to the Assignee:

Capital One Public Funding, LLC
275 Broadhollow Road
Melville, New York 11747
Attention: Jonathan Lewis
Phone: (631) 531-2824

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the date first above written.

HOUSING AUTHORITY OF THE CITY OF NEWARK,
NEW JERSEY

By 
Keith Kinard
Executive Director

CAPITAL ONE PUBLIC FUNDING, LLC, as
Assignee

By _____
Name: _____
Title: _____

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Escrow Agent

By _____
Name: _____
Title: _____

By _____
Name: _____
Title: _____

GRANT CAPITAL MANAGEMENT, INC., as Initial
Lessor, solely for purposes of Section 2(i)

By _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the date first above written.

HOUSING AUTHORITY OF THE CITY OF NEWARK,
NEW JERSEY

By _____
Keith Kinard
Executive Director

CAPITAL ONE PUBLIC FUNDING, LLC, as
Assignee

By Catherine M. Deluca
Name: CATHERINE M. DELUCA
Title: ASST MGR

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Escrow Agent

By _____
Name: _____
Title: _____

By _____
Name: _____
Title: _____

GRANT CAPITAL MANAGEMENT, INC., as Initial
Lessor, solely for purposes of Section 2(i)

By _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the date first above written.

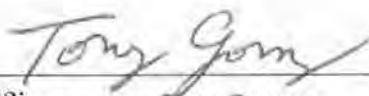
HOUSING AUTHORITY OF THE CITY OF NEWARK,
NEW JERSEY


By _____
Name: Keith Kinard
Title: Executive Director

CAPITAL ONE PUBLIC FUNDING, LLC, as
Assignee

By _____
Name: _____
Title: _____

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Escrow Agent

By  _____
Name: Tony Gomez
Title: Assistant Vice President

By  _____
Name: _____
Title: **Kyshawn White**
Vice President

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the date first above written.

HOUSING AUTHORITY OF THE CITY OF NEWARK,
NEW JERSEY

By _____
Keith Kinard
Executive Director

CAPITAL ONE PUBLIC FUNDING, LLC, as
Assignee

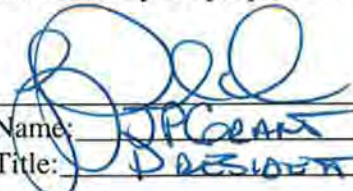
By _____
Name: _____
Title: _____

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Escrow Agent

By _____
Name: _____
Title: _____

By _____
Name: _____
Title: _____

GRANT CAPITAL MANAGEMENT, INC., as Initial
Lessor, solely for purposes of Section 2(i)

By  _____
Name: J.P. Grant
Title: President

SCHEDULE 1A

[RESERVED - NO DELIVERY COSTS TO BE PAID FROM THE ESCROW FUND]

SCHEDULE 1B

FORM OF DISBURSEMENT REQUEST

Re: Equipment Lease-Purchase Agreement dated as of September 20, 2013,
between Grant Capital Management, Inc., as lessor, and
Housing Authority of the City of Newark, New Jersey, as lessee

In accordance with the terms of the Escrow Agreement dated as of September 20, 2013 (the "*Escrow Agreement*") among Capital One Public Funding, LLC, as assignee (the "*Assignee*"), Housing Authority of the City of Newark, New Jersey (the "*Authority*"), and Deutsche Bank Trust Company Americas, as escrow agent (the "*Escrow Agent*"), the undersigned hereby requests the Escrow Agent pay the following persons the following amounts from the Escrow Fund created under the Escrow Agreement (the "*Escrow Fund*") for the following purposes:

PAYEE'S NAME AND ADDRESS	DOLLAR AMOUNT	PURPOSE
--------------------------	---------------	---------

The undersigned hereby certifies as follows:

(i) An obligation in the stated amount has been incurred by the Authority, and the same is a proper charge against the Escrow Fund as described above and provided in the Lease. Such obligation either (a) has not been previously paid by the Authority, or (b) has been previously paid by the Authority in an amount which is not less than the amount for which the Authority is requesting to be reimbursed under this request. Attached hereto is the original invoice with respect to such obligation or, if the Authority is requesting reimbursement, documentation evidencing that the Authority has previously paid such obligation.

(ii) The undersigned, as Authorized Representative, has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made.

(iii) This requisition contains no item representing payment on account, or any retained percentages which the Authority is, at the date hereof, entitled to retain.

(iv) The Equipment is insured in accordance with the Lease.

(v) No Event of Default, and no event which with notice or lapse of time, or both, would become an Event of Default, under the Lease has occurred and is continuing at the date hereof.

(vi) No Material Adverse Change has occurred since the Commencement Date.

Dated:

HOUSING AUTHORITY OF THE CITY OF NEWARK,
NEW JERSEY

By _____
Name: _____
Title: _____

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

CAPITAL ONE PUBLIC FUNDING, LLC, as
Assignee:

By: _____
Name: _____
Title: _____

\$3,579,271.89
HOUSING AUTHORITY OF THE CITY OF NEWARK, NEW JERSEY
EQUIPMENT LEASE-PURCHASE AGREEMENT

TAX AGREEMENT AND CERTIFICATE

THIS TAX AGREEMENT AND CERTIFICATE (the “**Tax Certificate**”) is executed on the date hereof by the HOUSING AUTHORITY OF THE CITY OF NEWARK, NEW JERSEY (the “**Authority**”) in connection with the execution and delivery of an Equipment Lease-Purchase Agreement dated as of September 20, 2013 (the “**Lease-Purchase Agreement**”), between GRANT CAPITAL MANAGEMENT, INC., as lessor (the “**Lessor**”) and the Authority, as lessee. Pursuant to the Lease-Purchase Agreement and a certain Absolute Assignment Agreement dated September 20, 2013 (the “**Assignment Agreement**”), the Lessor will assign to CAPITAL ONE PUBLIC FUNDING, LLC, as assignee (the “**Purchaser**”), its right to receive rent payments made by the Authority thereunder (the “**Rent Payments**”) comprised of an interest component and a principal component. Further, monies to acquire the Equipment pursuant to the Lease-Purchase Agreement will be advanced and held in an escrow fund established under the Escrow Agreement by and between the Trustee, the Lessor, and DEUTSCHE BANK TRUST COMPANY AMERICAS, as escrow agent (the “**Escrow Agent**”), dated as of September 20, 2013 (the “**Escrow Agreement**,” and together with the Assignment Agreement and the Lease-Purchase Agreement, the “**Financing Documents**”).

The undersigned is an officer of the Authority who is charged, with others, with responsibility for requesting the execution and delivery of the Lease-Purchase Agreement. The undersigned is an authorized representative of the Authority and is acting for and on behalf of the Authority in executing this Tax Certificate.

This Tax Certificate sets forth various facts regarding the Lease-Purchase Agreement and establishes the reasonable expectations of the Authority as to future events regarding the Lease-Purchase Agreement and the use of the sale proceeds and investment proceeds, if any, to be derived from the execution thereof. The certifications and representations made herein with respect to the Lease-Purchase Agreement are intended, and may be relied upon, as a certification described in Section 1.148-2(b)(2) of the Income Tax Regulations promulgated pursuant to the Internal Revenue Code of 1986, as amended (the “**Code**”).

This Tax Certificate also sets forth certain terms and conditions relating to the restrictions on the use and investment of the sales proceeds and investment proceeds of the Lease-Purchase Agreement in order that the interest evidenced by the Rent Payments will be excluded from gross income for Federal income tax purposes.

NOW, THEREFORE, the Authority hereby certifies, covenants, represents and agrees as follows:

ARTICLE I GENERAL

Section 1.1 Authorization. The Lease-Purchase Agreement is being executed and delivered by the Authority pursuant to Resolution No. H-13-03-07-02, passed, adopted and approved by the Board of Commissioners of the Authority on July 3, 2013.

Section 1.2 Definitions. Capitalized terms used but not otherwise defined have the respective meanings set forth in the Financing Documents or, if not defined in the Financing Documents, in Sections 103 and 141 through 150 of the Code, and the Income Tax Regulations promulgated pursuant thereto, including those Income Tax Regulations promulgated pursuant to Section 103(c) of the Internal Revenue Code of 1954 that are applicable in accordance with the Code (collectively, the “**Regulations**”).

Section 1.3 The Project. The Lease-Purchase Agreement is being executed and delivered for the benefit of the Authority to finance the acquisition and purchase of Equipment from Lessor pursuant to the Lease-Purchase Agreement to be used for implementation of energy conservation measures and energy infrastructure upgrades in certain public housing buildings that are owned by the Authority (the “**Project**”), as described in **Exhibit A** attached hereto.

Section 1.4 Single Issue. No other obligations are being issued by or on behalf of the Authority that would be deemed to be: (i) sold within fifteen (15) calendar days before or after the execution and delivery of the Lease-Purchase Agreement; (ii) sold pursuant to a common plan of financing with the Financing Documents; and (iii) paid out of substantially the same source of funds as, or deemed to have substantially the same claim to be paid out of substantially the same source of funds as, the Financing Documents.

ARTICLE II ARBITRAGE

Section 2.1 Sale Proceeds.

(a) **Sale Proceeds.** The Lease Purchase Agreement is being acquired by the Purchaser pursuant to the Assignment Agreement on September 20, 2013 (the “Issue Date”) for a purchase price of \$3,674,122.60, representing the par amount thereof, plus a premium of \$94,850.71 (the “Issue Price”). Sale proceeds of the Lease-Purchase Agreement, including the payment of any placement agent fees (the “Sale Proceeds”), are equal to the Issue Price and are expected to be applied as indicated in **Exhibit B** attached hereto.

(b) **Uses of Proceeds of Lease-Purchase Agreement.** The Sale Proceeds of the Lease-Purchase Agreement are expected to be deposited in the Escrow Fund (defined herein) and used to pay the costs of the Project, as more specifically shown on **Exhibit B**;

Section 2.2 No Overissuance. The Sale Proceeds and the anticipated investment earnings thereon do not exceed the total of the amounts necessary to finance the governmental purposes for which the Lease-Purchase Agreement is executed and delivered as described above.

Section 2.3 Escrow Fund; Temporary Period. Sale Proceeds of the Lease-Purchase Agreement will be deposited in a fund established under the Escrow Agreement and known as the “Housing Authority of the City of Newark, New Jersey, 2013 Equipment Acquisition Escrow Fund” (the “**Escrow Fund**”), to be used to pay Project costs as provided therein. With respect to the amounts deposited in the Escrow Fund, the Authority expects as follows:

(a) The Authority has entered, or will within six months from the date hereof enter, into binding contracts or commitments obligating it to spend at least five percent (5%) of the net sale proceeds of the Lease-Purchase Agreement allocable to the capital expenditures of the Project deposited in the Escrow Fund for acquiring, constructing, improving and equipping the Project.

(b) The acquisition and construction of the Project and expenditures of the Sale Proceeds will proceed with due diligence; and

(c) At least 85% of the Sale Proceeds will be expended on costs of the Project within three years of the Issue Date.

(d) Based on the expectations above, moneys in the Escrow Fund may be invested at an unrestricted yield for a period not exceeding three years from the Issue Date and, thereafter, at a yield not materially higher than the yield on the Lease-Purchase Agreement. For investments of amounts described in the preceding sentence, the term “materially higher” means one-eighth of one percentage point (0.125%). Amounts in the Escrow Fund will be subject to the arbitrage rebate requirements of Section 148(f) of the Code, except to the extent such amounts qualify for the spending exceptions set forth in Regulations §1.148-7.

Section 2.4 Investment of Proceeds. No portion of the Lease-Purchase Agreement is being executed and delivered solely for the purpose of investing the proceeds at a yield higher than the yield on the Lease-Purchase Agreement or to replace funds which are to be used, directly or indirectly, to acquire investments with a yield higher than the yield on the Lease-Purchase Agreement.

Section 2.5 No Replacement Proceeds.

(a) Other than proceeds of the Lease-Purchase Agreement, neither the Authority nor any person related to it within the meaning of Code Section 147(a) (a “**Related Person**”), has on hand any funds that could legally and practically be used for the purposes for which the Lease-Purchase Agreement is being executed and delivered that are not pledged, budgeted, earmarked or otherwise necessary to be used for other purposes. Accordingly, no portion of the proceeds of the Lease-Purchase Agreement will be used (i) directly or indirectly to replace funds of the Authority or any Related Person that could be used for the purposes for which the Lease-Purchase Agreement is being executed and delivered, or (ii) to replace any proceeds of any prior issuance of obligations by the Authority or any Related Person.

(b) The Authority does not expect to have replacement proceeds arise as a result of the Lease-Purchase Agreement being outstanding longer than necessary based on the weighted average maturity of the Lease-Purchase Agreement, as certified to by the Purchaser in

Exhibit C, not exceeding 120% of the weighted average remaining economic life of the Equipment, as determined by the Authority in **Exhibit D** hereto.

Section 2.6 **No Other Sinking or Pledged Funds.** Payments with respect to the principal and interest components of the Rental Payments will be paid directly to the Purchaser and will not be invested. No accounts have been or are expected to be established, and no moneys or property have been or are expected to be available or pledged (no matter where held or the source thereof), that are expected to be used or available to pay, directly or indirectly, principal or interest with respect to the Lease-Purchase Agreement, or restricted so as to give reasonable assurance of their availability for such purposes.

Section 2.7 **No Abusive Arbitrage Device.** The Authority hereby certifies, warrants and covenants that the Lease-Purchase Agreement is not and will not be part of a transaction or series of transactions that (i) attempts to circumvent the provisions of Code Section 148 and related Regulations, thereby enabling the Authority to exploit the difference between tax-exempt and taxable interest rates to obtain a material financial advantage, or (ii) overburdens the tax-exempt bond market in any manner, including, without limitation, causing the Lease-Purchase Agreement to be executed and delivered earlier, or allowing the Authority's obligations thereunder to remain outstanding longer than is otherwise reasonably necessary to accomplish the governmental purposes of the Lease-Purchase Agreement.

ARTICLE III CALCULATION OF YIELD

Section 3.1 **Yield.** For purposes of this Tax Certificate, yield is calculated as set forth in Code Section 148(h) and Regulations §§1.148-4 and 1.148-5. Thus, yield generally means that discount rate which, when used in computing the present value of all unconditionally payable amounts of principal and interest with respect to an obligation and the cost of qualified guarantees (if any) paid and to be paid with respect to such obligation, produces an amount equal to the issue price of the obligation. The yield on the Lease-Purchase Agreement equals that discount rate which, when used in computing the present value as of the date of this Tax Certificate, which is the date of the execution and delivery of the Lease-Purchase Agreement, of all unconditionally payable payments of principal and interest represented by the Lease-Purchase Agreement, produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of the Lease-Purchase Agreement as of the Issue Date. For purposes hereof, yield will be calculated on the basis of a 360-day year of 30 day months, with interest compounded semiannually. Based on these assumptions, the yield on the Lease-Purchase Agreement, as computed by the Purchaser, is 3.1501964%.

ARTICLE IV REBATE

Section 4.1 **Undertakings.** The Authority hereby covenants to comply with certain requirements of the Code and the Regulations with respect to the payment of any arbitrage rebate amount that may become due to the United States, including the proper method for computing whether any rebate amount is due the Federal government pursuant to Code Section 148(f) and Regulations §§1.148-0 through 1.148-11, 1.149(d)-1, 1.149(g)-1, 1.150-1 and 1.150-2.

Section 4.2 Spending Exceptions to Rebate.

(a) **Six-Month Spending Exception.** The proceeds of the Lease-Purchase Agreement will qualify for this exception if the gross proceeds, other than proceeds held in the Rent Payment Fund, are spent within six months after the Issue Date.

(b) **18-Month Spending Exception.** The proceeds of the Lease-Purchase Agreement will qualify for the 18-Month Spending Exception if the gross proceeds, including estimated investment proceeds, are spent according to the following schedule:

(i) At least 15% of the proceeds are spent within six months after the Issue Date (March 20, 2014),

(ii) At least 60% of the proceeds are spent within 12 months after the Issue Date (September 20, 2014), and

(iii) 100% of the proceeds are spent within 18 months after the Issue Date (March 20, 2015).

The final spending requirement will be considered met if a reasonable retainage is allocated to expenditures within 30 months after the Issue Date.

The rebate requirement must be met for all amounts not required to be spent within the 18-month spending period.

(c) Notwithstanding the foregoing, the Authority has covenanted in Section 17 of the Lease-Purchase Agreement to determine and pay any rebate required to be paid to the United States at the times and in the amounts required under Section 148(f) of the Code and the regulations thereunder. If such rebate payments are required to be made, the first rebate payment will be paid within 60 days of the end of the fifth bond year, as selected by the Authority.

(d) The Authority covenants that it will compute, if the proceeds of the Lease-Purchase Agreement are not fully expended in accordance with the requirements of Treasury Regulations §1.148-7(d), or cause to be computed, the amount, if any, rebatable to the United States government with respect to the Lease-Purchase Agreement in accordance with Section 148(f) of the Code. If any rebate amount is payable: (i) the Authority shall prepare, or cause to be prepared, and shall execute an IRS Form 8038-T (or other appropriate form) to be filed in connection with payment of such rebate amount; and (ii) the Authority shall pay, directly to the United States government not later than 60 days following the discharge of the Lease-Purchase Agreement an amount sufficient to ensure that at least 100% of the rebatable arbitrage; provided, however, that computations and payments may be made on other bases, at other times, and in other amounts, or omitted altogether, to the extent that nationally recognized bond counsel opines that such action will not adversely affect the exclusion from gross income of the Interest Component on the Lease-Purchase Agreement for federal income tax purposes.

Section 4.3 Recordkeeping; Post-issuance Compliance Procedures. The Authority has adopted written post-issuance compliance procedures, including procedures related to detailed recordkeeping necessary to calculate rebate.

Section 4.4 **Valuation of Investments.** Except as otherwise provided in this Section 4.4, for all purposes of Code Section 148, the value of an investment allocated to the Lease-Purchase Agreement (including a payment or receipt on the investment) on a date must be determined using one of the valuation methods in accordance with certain methods prescribed by the Code and Regulations.

Section 4.5 **Segregation of Proceeds.** In order to perform the calculations required by the Code, it is necessary to track separately all of the Gross Proceeds. To that end, the Authority hereby agrees to instruct the Escrow Agent to establish separate funds, accounts or subaccounts or take other accounting measures in order to account fully for all Gross Proceeds.

Section 4.6 **Allocation of Proceeds of the Certificate.** The Authority will allocate the proceeds of the Lease-Purchase Agreement to capital costs of the Equipment no later than 18 months after the date all the portions of the Equipment have been placed in service, and, in any event, by the date sixty days after the fifth anniversary of the Issue Date or the date sixty days after the Lease-Purchase Agreement is retired, if earlier. The Authority will maintain records of the allocation throughout the term of the Lease-Purchase Agreement.

ARTICLE V

PRIVATE ACTIVITY BOND RESTRICTIONS AND OTHER MATTERS

Section 5.1 **Private Activity Bond Representations.** For purposes of establishing that the Lease-Purchase Agreement is not a private activity bond, the Authority represents as follows:

(a) Not more than 10% of the proceeds of the Lease-Purchase Agreement will be used, directly or indirectly, or will replace funds which were used, in any business carried on by any person other than a state or local governmental unit (“**Private Use**”).

(b) Not more than 10% of the payment of principal or interest evidenced by the Lease-Purchase Agreement will be, directly or indirectly, (A) secured by any interest in (1) property used or to be used for a private business use by any person other than a state or local governmental unit, or (2) payments in respect of such property, or (B) derived from payments (whether or not to the Authority), in respect of property, or borrowed money, used or to be used for a private business use by any person other than a state or local governmental unit.

(c) Not more than 5% of the proceeds of the Lease-Purchase Agreement are or will be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

(d) No user of the Equipment (other than a state or local governmental unit) will use more than 10% of such facilities on any basis other than the same basis as the general public; and no person other than a state or local governmental unit will be a user of more than 10% of such facilities as a result of (A) ownership, (B) actual or beneficial use pursuant to a lease or a management or incentive payment contract, or (C) any other similar arrangement.

(e) The Authority has covenanted in Section 17 of the Lease-Purchase Agreement that it will take or cause to be taken all actions that are required of it for the interest

component of the Rent Payments under the Lease-Purchase Agreement to be and remain excluded from gross income for Federal income tax purposes. The Authority understands that included within such covenant is the covenant to prevent the Lease-Purchase Agreement from being or becoming "private activity bonds" within the meaning of Section 141 of the Code and the Regulations or to take any action which would adversely affect the tax-exempt status of the interest component of the Rent Payments. The Authority acknowledges that it has been advised by Special Tax Counsel regarding certain restrictions and limitations on the amount and types of "private business uses" and "private payments" which the Authority may derive, directly or indirectly, with respect to the Equipment to prevent the Lease-Purchase Agreement from being or becoming a private activity bond. The Authority hereby covenants that it will, and reasonably expects that it can, comply with such restrictions and limitations.

Section 5.2 No Sale of Equipment. The Authority does not expect to sell or otherwise dispose of its interest in any portion of the Equipment before the maturity or retirement of the Lease-Purchase Agreement, except that such Equipment may be disposed of in the ordinary course of business due to normal wear, obsolescence or depreciation. The Authority represents and covenants that if there is a change in use or sale of the Equipment that would cause the interest component of the Rent Payments to be includible in gross income for federal income tax purposes, it will take such remedial actions as are necessary under Treas. Reg. § 1.141-12 to preserve the tax-exemption of the interest component of the Rent Payments.

Section 5.3 No Federal Guaranty. The payment of principal and interest under the Lease-Purchase Agreement is not directly or indirectly guaranteed by the United States of America or any agency or instrumentality thereof, all within the meaning of Section 149 of the Code.

Section 5.4 Form 8038-G Filing. The Authority will file or cause to be filed with the Ogden, Utah Internal Revenue Service Center the information report with respect to the Lease-Purchase Agreement required by Section 149(e) of the Code and the regulations thereunder by November 15, 2013. The information contained in Form 8038-G is true, correct and complete, to the best of the knowledge of the undersigned.

Section 5.5 No Hedge Bond.

(a) It is reasonably expected on the Issue Date of the Lease-Purchase Agreement that at least 85% of the spendable proceeds of the Lease-Purchase Agreement will be used to carry out the governmental purposes of the Lease-Purchase Agreement within the 3-year period beginning on the Issue Date. The reasonableness of these expectations is in no way based on the expectations as to the changes in interest rates or changes in federal tax law, or in regulations or rulings thereunder. None of the proceeds of the Lease-Purchase Agreement are being invested in a guaranteed investment contract.

(b) The payment of legal and underwriting costs associated with the Lease-Purchase Agreement is not contingent, and 95% of the reasonably expected legal and underwriting costs associated with the Lease-Purchase Agreement will be paid within 180 days of the Issue Date.

Section 5.6 Reliance.

(a) The Authority hereby acknowledges and agrees that the certifications, representations and warranties set forth in this Tax Certificate may be relied upon by Duane Morris LLP, Special Tax Counsel, in rendering its opinions with respect to the Lease-Purchase Agreement. The expectations of the Authority concerning certain uses of the proceeds of the Lease-Purchase Agreement and other matters set forth in this Tax Certificate are based in whole or in part on representations and certifications of other parties delivered concurrently herewith, including specifically the Certificate of Purchaser from Capital One Public Funding, LLC attached hereto as **Exhibit C**. To the best of the undersigned's knowledge, information and belief, there are no facts, estimates or circumstances that would materially change any of the foregoing certifications. The representations in this Tax Certificate are made for the benefit of the Purchaser and Duane Morris LLP, Special Tax Counsel, and may be relied upon by the Purchaser in determining whether the Lease-Purchase Agreement constitutes an "arbitrage bond" within the meaning of Code Section 148 and the Regulations, and whether or not the interest on the Lease-Purchase Agreement is excludable from Federal income taxes.

(b) The Authority acknowledges and agrees that in rendering its opinion, Special Tax Counsel has assumed the truthfulness and accuracy of the representations, warranties and certifications made by the Authority in this Tax Certificate and in the Lease-Purchase Agreement and other related documents.

Section 5.7 Amendment and Supplementation.

(a) Notwithstanding any other provision herein, the Authority hereby agrees to amend, supplement or modify this Tax Certificate to the extent necessary to maintain the exclusion of interest under the Lease-Purchase Agreement from gross income for Federal tax purposes as required pursuant to an opinion of Special Tax Counsel.

(b) Notwithstanding any other provision herein, if an amendment, supplementation or modification hereto becomes necessary, the Authority will amend, supplement or modify this Tax Certificate only upon receipt of an approving opinion of Special Tax Counsel.

Section 5.8 Survival of Defeasance. Notwithstanding anything in this Tax Certificate or any other provisions of the Financing Documents to the contrary, the obligation to remit the rebate amount to the United States Treasury and to comply with all other requirements contained in this Tax Certificate will survive the defeasance or payment in full of the Lease-Purchase Agreement.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Tax Certificate has been executed on behalf of Authority as of the date set forth below.

Dated: September 20, 2013

**HOUSING AUTHORITY OF THE CITY OF
NEWARK, NEW JERSEY**

By: 
Keith Kinard
Executive Director/Secretary

Exhibit A

Project Description

Project shall mean the acquisition and installation of certain equipment to be used for the implementation of energy conservation measures and energy infrastructure upgrades in certain public housing buildings that are owned by the Authority. A list of the specific property to be financed is included in **Exhibit D**.

Exhibit B

SOURCES AND USES OF PROCEEDS

<u>Sources of Funds</u>	<u>Total</u>
Stated Principal Amount	\$3,579,271.89
Premium	<u>94,850.71</u>
TOTAL SALE PROCEEDS	\$3,674,122.60
 <u>Use of Proceeds</u>	
Escrow Fund	\$3,579,271.89
Grant Capital Management, Inc. Fees	<u>94,850.71</u>
TOTAL USES OF PROCEEDS	\$3,674,122.60

Exhibit C

CERTIFICATE OF PURCHASER

\$3,579,271.89

**HOUSING AUTHORITY OF THE CITY OF NEWARK, NEW JERSEY
EQUIPMENT LEASE-PURCHASE AGREEMENT**

The undersigned authorized officer of Capital One Public Funding, LLC ("*COPF*"), acting for and on behalf of COPF as assignee of the above-captioned Lease-Purchase Agreement (the "*Lease-Purchase Agreement*") pursuant to the terms of an Absolute Assignment Agreement dated September 20, 2013 (the "*Assignment Agreement*"), hereby certifies that:

1. COPF is purchasing Grant Capital Management, Inc.'s interest as lessor under the Lease-Purchase Agreement for its own account without a view to underwriting such interest.

2. The purchase price of \$3,674,122.60 (consisting of the par amount of 3,579,271.89, plus a premium of \$94,850.71) to be paid by COPF under the terms of the Assignment Agreement is the only consideration to be paid for the purchase of the Lease-Purchase Agreement by COPF.

3. The weighted average maturity of the Lease-Purchase Agreement is 8.376 years.

4. The yield on the Lease-Purchase Agreement is 3.1501964%.

All capitalized terms used herein, unless otherwise defined, shall have the meanings ascribed thereto in the Tax Agreement and Certificate of the Housing Authority of the City of Newark, New Jersey dated of even date herewith to which this Certificate is attached.

CAPITAL ONE PUBLIC FUNDING, LLC

By: Catherine D'Amico

Name: CATHERINE D'AMICO

Title: ASST MGR

Dated: September 20, 2013

Exhibit D

WEIGHTED AVERAGE ECONOMIC LIFE CALCULATION

Project Description			Description of ECM	Installation Cost	Useful Life	Weighted Life (Cost x Life)
AMP2017	NJ02-21.5	Seth Boyden Elderly	Windows	\$1,837,299	25.0	45,932,475
AMP2002	NJ02-02.0	Pennington Court	Boiler Upgrades	\$785,000	25.0	19,625,000
TOTAL				\$2,622,299*	50.0	65,557,475

Weighted Average Economic Life: 25

*Total excludes contingency, installation costs, and soft costs.

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority

If Amended Return, check here ► ☐

1 Issuer's name Housing Authority of the City of Newark		2 Issuer's employer identification number (EIN) 22-6002507
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) 500 Broad Street	Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Newark, NJ 07102		7 Date of issue 09/20/2013
8 Name of issue Equipment Lease-Purchase Agreement		9 CUSIP number None
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Keith Kinard, Executive Director/Secretary		10b Telephone number of officer or other employee shown on 10a (973) 273-6600

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11	
12 Health and hospital	12	
13 Transportation	13	
14 Public safety	14	
15 Environment (including sewage bonds)	15	
16 Housing	16	3,674,123
17 Utilities	17	
18 Other. Describe ►	18	
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>		
If obligations are BANs, check only box 19b <input type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	04/01/2028	\$ 3,674,123	\$ 3,579,272	8.376 years	3.1502%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22	0
23 Issue price of entire issue (enter amount from line 21, column (b))	23	3,674,123
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	94,851
25 Proceeds used for credit enhancement	25	0
26 Proceeds allocated to reasonably required reserve or replacement fund	26	0
27 Proceeds used to currently refund prior issues	27	0
28 Proceeds used to advance refund prior issues	28	0
29 Total (add lines 24 through 28)	29	94,851
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	3,579,272

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	►	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	►	years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	►	
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	►	

For Paperwork Reduction Act Notice, see separate instructions.

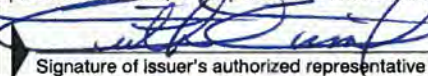
Form **8038-G** (Rev. 9-2011)

Part VI Miscellaneous

- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) **35** 0
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) **36a** 0
- b** Enter the final maturity date of the GIC ▶ _____
- c** Enter the name of the GIC provider ▶ _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units **37** 0
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ☐ and enter the following information:
- b** Enter the date of the master pool obligation ▶ _____
- c** Enter the EIN of the issuer of the master pool obligation ▶ _____
- d** Enter the name of the issuer of the master pool obligation ▶ _____
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ☐
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ☐
- 41a** If the issuer has identified a hedge, check here ☐ and enter the following information:
- b** Name of hedge provider ▶ _____
- c** Type of hedge ▶ _____
- d** Term of hedge ▶ _____
- 42** If the issuer has superintegrated the hedge, check box ☐
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ☒
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ☒
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ☐ and enter the amount of reimbursement ▶ _____
- b** Enter the date the official intent was adopted ▶ _____

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.


Signature of issuer's authorized representative

9-20-13
Date

Keith Kinard

Executive Director/Secretary

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

Linda B. Schakel

Preparer's signature



Date

9/20/13

Check ☐ if self-employed

PTIN

P01077094

Firm's name ▶ Ballard Spahr LLP

Firm's EIN ▶ 23-0382195

Firm's address ▶ 1909 K St., NW, 12th Floor, Washington, DC 20006

Phone no. 202-661-2200

Form **8038-G** (Rev. 9-2011)

1909 K Street, NW
12th Floor
Washington, DC 20006-1157
TEL 202.661.2200
FAX 202.661.2299
www.ballardspahr.com

Scott W. Cockerham
Direct: 202.661.2295
Fax: 202.661.2299
cockerhams@ballardspahr.com

September 24, 2013

VIA CERTIFIED MAIL

Return Receipt: 7196 9008 9111 7475 0717

Internal Revenue Service Center
Ogden, Utah 84201

Re: Housing Authority of the City of Newark,
New Jersey, Equipment Lease – Purchase Agreement

Dear Sir/Madam:

Enclosed for filing please find the executed IRS Form 8038-G Information Return for Tax-Exempt Governmental Obligations for the above-referenced issue. Please feel free to contact me if you have any questions.

Sincerely,



Scott W. Cockerham

SWC/rlo
Enclosure

DMEAST #17670991 v1



U.S. Postal Service
CERTIFIED MAIL

<i>package id</i>	<i>from</i>	<i>vendor</i>
00239024	Scott W Cockerham (09056)	Certified Mail
<i>ship date</i>	Ballard Spahr LLP	<i>tracking number</i>
Tue, Sep 24 2013	1909 K Street, NW	CERT00239024
<i>to</i>	12th Floor	<i>service</i>
Department of Treasury	Washington , DC 20006 US	USPS Certified Mail™
Internal Revenue Service	2295	<i>options</i>
IRS Center	<i>billing</i>	Return Receipt
Ogden , UT 84201 US	Newark Housing Authority-	<i>reference note</i>
202-661-2200	General	City of Newark Equipment
<i>residential address</i>	(036838.00-00111113)	Lease - S. Cockerham
No	<i>operator</i>	#00111113
<i>return label</i>	Rena Osborn	
No	202-661-2274	
	osbornr@ballardspahr.com	
	<i>create time</i>	
	09/24/13, 10:33AM	

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UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) CHAPMAN AND CUTLER LLP (312) 845-3773	
B. E-MAIL CONTACT AT FILER (optional) vega@chapman.com	
C. SEND ACKNOWLEDGMENT TO: (Name and Address) Chapman and Cutler 111 West Monroe St Chicago, IL 60603	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME Grant Capital Management, Inc.				
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS 8894 Stanford Boulevard, Suite 203		CITY Columbia	STATE MD	POSTAL CODE 21045
			COUNTRY USA	

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
			COUNTRY	

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME Capital One Public Funding, LLC				
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS 275 Broadhollow Road		CITY Melville	STATE NY	POSTAL CODE 11747
			COUNTRY USA	

4. COLLATERAL: This financing statement covers the following collateral:

For a description of the collateral covered by this Financing Statement, see Schedule A attached hereto and incorporated herein by reference.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:

☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☒ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

Filed with: MD - Department of Assessments & Taxation

F#395288

A#566802

SEP 23 2013

EXHIBIT A
TO
UCC-1 FINANCING STATEMENT

SELLER: Grant Capital Management, Inc.

BUYER: Capital One Public Funding, LLC

DESCRIPTION OF COLLATERAL:

All of Seller's right, title, interest, estate, claims and demands in, to and under that certain Equipment Lease-Purchase Agreement ("*Agreement*") dated as of September 20, 2013 between the Seller (as Lessor) and the Housing Authority of the City of Newark, New Jersey, as lessee (the "*Lessee*"), as the same may be amended from time to time (including the Equipment and the Pledged Funds) and any amendments, supplements, documents and other instruments relating thereto, and all rights, powers, privileges, options and other benefits of the Seller as Lessor under the Agreement, including, but not limited to, (a) the immediate and continuing right to receive and collect (i) all Rent Payments, (ii) the Termination Value paid by the Lessee in accordance with the Agreement upon prepayment of Rent Payments in full or in part, (iii) all amounts payable by the Lessee pursuant to Section 17(a) of the Agreement in connection with any loss of federal tax-exemption and (iv) all other payments now or hereafter payable by the Lessee or receivable by the Seller to the extent provided in the Agreement, including without limitation any late charges payable by Lessee pursuant to Section 4.3 of the Lease, and all other payments and amounts due under the Agreement (collectively, the "*Assigned Payments*"), (b) the right to make all waivers and agreements and to enter into any amendments relating to the Agreement or any provision thereof, (c) the right to take such action upon the occurrence of an Event of Default (as defined in the Agreement) under the Agreement or an event that, with the lapse of time or the giving of notice or both, would constitute such an Event of Default, (d) all accounts, chattel paper, deposit accounts, documents, instruments, general intangibles and investment property (including any securities accounts and security entitlements relating thereto) evidenced by or arising out of or otherwise relating to the foregoing collateral described in clauses (a) through (c) above, as such terms are defined in Article 9 of the Uniform Commercial Code of the State of Maryland, and (e) the right of the Seller as Lessor under the Agreement and its shareholders, affiliates, employees, dealers and agents to be indemnified and held harmless and defended by Lessee pursuant to Section 24.2 of the Agreement.

SS99-3

M B E S

2013-09-26

P61

LIEN INFORMATION - INQUIRY

Comments: N

File Number: 0000000181482575 Lapse Date: 09/23/2018 File Status: A
Ackn Number: 1000362005465788 Date-Time: 09 23 2013 02 03 PM
Filing Type: ORIG_FIN_STMT Film: Folio: Pages: 0003

DEBTOR: GRANT_CAPITAL_MANAGEMENT, INC.

8894_STANFORD_BOULEVARD, SUITE_203 TOTAL: 1

COLUMBIA MD 21045

SECURED PARTY: CAPITAL_ONE_PUBLIC_FUNDING, LLC

275_BROADHOLLOW_ROAD TOTAL: 1

MELVILLE NY 11747

PF: 1-HELP 2-COMMENTS 3-END 4-RETURN 5-ALL DEBTORS/ SEC PAR

CERTIFICATE OF GRANT CAPITAL MANAGEMENT, INC. ("Lessor")
as required by Section 5.2(e)(11) of the Equipment Lease-Purchase Agreement
dated as of September 20, 2013 (the "Lease") by and between
Lessor and Housing Authority of the City of Newark, New Jersey

I, Kimberly Brown, the duly appointed, qualified and acting Secretary of Lessor, a Maryland close corporation (the "**Company**"), in connection with the execution, delivery and performance by Lessor of the Lease and the related agreements thereto to which Lessor is a party (the "**Related Agreements**"), do hereby certify as follows:

(1) The charter documents of the Company on file with the Maryland State Department of Assessments and Taxation are attached hereto as Exhibit 1. There have been no changes in, or amendments to, the attached charter documents, nor is any change in, or amendment to, any of such charter documents presently pending or contemplated.

(2) A true and complete copy of the Bylaws of the Company is attached hereto as Exhibit 2. The attached Bylaws have not been amended, rescinded or repealed since that date and are in full force and effect on the date hereof.

(3) J.P. Grant is the sole shareholder of the Company and its duly appointed, qualified and acting President. The following signature of the President is his true and genuine manual signature:

J.P. Grant: _____

The President, who is also the Company's sole shareholder is authorized pursuant to § 4-303 of the Corporations and Associations Article of the Annotated Code of Maryland to exercise all powers of its director (as if the Company had a director) and individually manage the business and affairs of the Company, and has individually resolved and authorized Lessor to enter into and perform its obligations under the Lease and each of the Related Agreements.

(4) That the representations and warranties contained in the Lease and the Related Agreements are true and correct on and as of the date hereof.

(5) That no Event of Default (as defined in each of the Lease and the Related Agreements, with respect to each such agreement) has occurred and is continuing or would result from the execution, delivery or performance of the Lease or any of the Related Agreements.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of each of the Company to be affixed, this 20th day of September, 2013.

GRANT CAPITAL MANAGEMENT, INC.

By:  (SEAL)
Kimberly Brown, Secretary

ARTICLES OF INCORPORATION
OF
GRANT CAPITAL MANAGEMENT, INC.

A Close Corporation Pursuant to Title 4
of the Corporations & Associations Article
of the Annotated Code of Maryland

FIRST: I, Mark L. Renbaum whose post office address is c/o Blank Rome Comisky & McCauley LLP, 250 West Pratt Street, Suite 1100, Baltimore, Maryland 21201, being at least eighteen (18) years of age, hereby form a corporation under and by virtue of the General Laws of the State of Maryland.

SECOND: The name of the corporation (the "Corporation") is

"Grant Capital Management, Inc."

THIRD: The Corporation shall be a "Close Corporation" as authorized by the provisions of Title 4 of the Corporations & Associations Article of the Annotated Code of Maryland, as amended from time to time (the "Corporations Article").

FOURTH: The Corporation is formed for the purpose of carrying on any lawful business, which may include: (a) the entry into, making and performance of various contracts and undertakings and the engagement in all activities and transactions as may be necessary in order to conduct operations in the Medicaid management business; (b) the entry into, making and performance of various contracts and undertakings and the engagement in all activities and transactions as may be necessary in order to conduct operations in the equipment leasing business; (c) the entry into, making and performance of various contracts and undertakings and the engagement in all activities and transactions as may be necessary in order to conduct operations in the asset management business; and (d) anything permitted by Section 2-103 of the Maryland General Corporation Law, as amended from time to time (the "MGCL").

FIFTH: The post office address of the principal office of the Corporation in this State is 4803 West Forest Park Avenue, Baltimore, Maryland 21207. The name and post office address of the resident agent of the Corporation in this State is James P. Grant, 10606 Stray Camel Way, Columbia, Maryland 21044. The resident agent is an individual actually residing in this State.

SIXTH: The Corporation has the authority to issue Five Thousand (5,000) shares of capital stock, with a par value of \$.01 per share, and having an aggregate par value of \$50.00, all of which are designated as common stock.

SEVENTH: After completion of the organizational meeting of the directors and the issuance of one or more shares of stock of the Corporation, the Corporation shall have no Board

of Directors. Until such time, the Corporation shall have one (1) director, whose name is James P. Grant. At such time and for as long as the Corporation has no Board of Directors, any reference to directors in the Charter shall be deemed to include the stockholders.

EIGHTH: The Corporation shall have the power to indemnify, by express provision in its Bylaws, by Agreement, or by majority vote of either its stockholders or disinterested directors, any one or more of the following classes of individuals: (1) present or former directors of the Corporation, (2) present or former officers of the Corporation, (3) present or former agents and/or employees of the Corporation, (4) present or former administrators, trustees or other fiduciaries under any pension, profit sharing, deferred compensation, or other employee benefit plan maintained by the Corporation, and (5) persons serving or who have served at the request of the Corporation in any of these capacities for any other corporation, partnership, joint venture, trust, or other enterprises. However, the Corporation shall not have the power to indemnify any person to the extent such indemnification would be contrary to Section 2-418 of the Corporations and Associations Article of the Annotated Code of Maryland, or any statute, rule, or regulation of similar import. Neither the amendment or repeal of this Article, nor the adoption of any provision of these Articles of Incorporation inconsistent with this Article, shall eliminate or reduce the protection afforded by this Article to a director or officer or former director or officer of the Corporation with respect to any matter which occurred, or any cause of action, suit or claim which but for this Article would have accrued or arisen, prior to such amendment, repeal or adoption.

NINTH: No Stockholder of the Corporation shall have any preferential or pre-emptive right to acquire additional shares of stock of the Corporation except to the extent that, and on such terms as, the Board of Directors from time to time may determine.

TENTH: In carrying on its business, or for the purpose of attaining or furthering any of its objects, the Corporation shall have all of the rights, powers, and privileges granted to corporations by the laws of the State of Maryland, as well as the power to do any and all acts and things that a natural person or partnership could do, as now or hereafter authorized by law, either alone or in partnership or conjunction with others. In furtherance and not in limitation of the powers conferred by statute, the powers of the Corporation and of its Directors and Stockholders shall include the following:

(a) The Corporation reserves the right to adopt from time to time any amendment to its Charter, as now or hereafter authorized by law, including any amendment that alters the contract rights, as expressly set forth in the Charter, of any outstanding stock.


(1) To authorize the issuance of shares of the Corporation's stock of any class, whether now or hereafter authorized, or securities convertible into shares of its stock, of any class or classes, whether now or hereafter authorized, for such consideration as the Board of Directors deems advisable, subject to such restrictions or limitations, if any, as may be set forth in the Bylaws of the Corporation;

(2) By articles supplementary to these Articles of Incorporation, to classify or reclassify any unissued shares by fixing or altering in any one or more aspects, before issuance of those shares, the preferences, conversion or other rights, voting powers, restrictions, qualifications, dividends, or terms or conditions of redemption of those shares, including but not limited to the reclassification of unissued common shares to preferred shares or unissued preferred shares to common shares,

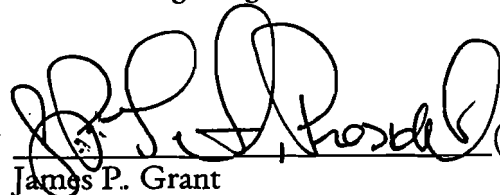
(3) To borrow and raise money, without limit and upon any terms, for any corporate purposes; and, subject to applicable law, to authorize the creation, issuance, assumption, or guaranty of bonds, debentures notes, or other evidences of indebtedness for money so borrowed, to include therein such provisions as to redeemability, convertibility, or otherwise, as the Board of Directors, in its sole discretion, determines, and to secure the payment of principal, interest, or sinking fund in respect thereof by mortgage upon, or the pledge of, or the conveyance or assignment in trust of, all or any part of the properties, assets, and goodwill of the Corporation then owned or thereafter acquired. No amendment to the Charter of the Corporation or repeal of any of its provisions shall limit or eliminate the benefits provided by this Article.

ELEVENTH: To the full extent permitted under the Maryland General Corporation Law as in effect on the date hereof, or as hereafter from time to time amended, no director or officer shall be liable to the Corporation or to its stockholders for money damages for any breach of any duty owed by such director or officer to the Corporation or any of its stockholders. Neither the amendment or repeal of this Article, nor the adoption of any provision of these Articles of Incorporation inconsistent with this Article, shall eliminate or reduce the protection afforded by this Article to a director or officer or former director or officer of the Corporation with respect to any matter which occurred, or any cause of action, suit or claim which but for this Article would have accrued or arisen, prior to such amendment, repeal or adoption.

IN WITNESS WHEREOF, I do hereby acknowledge these Articles of Incorporation to be my act this 4th day of May, 2000.

 (SEAL)
Mark L. Renbaum, Incorporator

IN WITNESS WHEREOF, I do hereby consent to being designated the resident agent of Grant Capital Management, Inc.

 (SEAL)
James P. Grant

State of Maryland
**Department of
Assessments and Taxation**

Charter Division



Parris N. Glendening
Governor

Ronald W. Wineholt
Director

Paul B. Anderson
Administrator

BLANK ROME ET AL
SUITE 1100
250 WEST PRATT STREET
BALTIMORE

MD 21201

Date: 05-05-2000

This letter is to confirm acceptance of the following filing:

ENTITY NAME: . . . GRANT CAPITAL MANAGEMENT, INC.
DEPARTMENT ID : D05785282
TYPE OF REQUEST : ARTICLES OF INCORPORATION
DATE FILED : 05-05-2000
TIME FILED : 02:37-PM
RECORDING FEE : \$20.00
ORG. & CAP FEE : \$20.00
EXPEDITED FEE : \$30.00
FILING NUMBER : 1000177420000000
CUSTOMER ID : 0000387121
WORK ORDER NUMBER : 0000311569

PLEASE VERIFY THE INFORMATION CONTAINED IN THIS LETTER. NOTIFY THIS DEPARTMENT IN WRITING IF ANY INFORMATION IS INCORRECT. INCLUDE THE CUSTOMER ID AND THE WORK ORDER NUMBER ON ANY INQUIRIES. EVERY YEAR THIS ENTITY MUST FILE A PERSONAL PROPERTY RETURN IN ORDER TO MAINTAIN ITS EXISTENCE EVEN IF IT DOES NOT OWN PERSONAL PROPERTY. A BLANK RETURN WILL BE MAILED BY FEBRUARY OF THE YEAR FOR WHICH THE RETURN IS DUE.

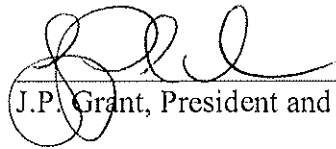
ENTITY TYPE: ORDINARY BUSINESS - STOCK
STOCK: Y
CLOSE: N
EFFECTIVE DATE: 05-05-2000
PRINCIPAL OFFICE: 4803 WEST FOREST PARK AVENUE
BALTIMORE MD 21207
RESIDENT AGENT: JAMES P. GRANT
10606 STRAY CAMEL WAY
COLUMBIA MD 21044

CERTIFICATE OF CORRECTION
OF
GRANT CAPITAL MANAGEMENT, INC.

The undersigned, being authorized to execute and file this Certificate of Correction as permitted by §1-207 of the Maryland General Corporation Law (the “**Certificate of Correction**”), hereby certifies that:

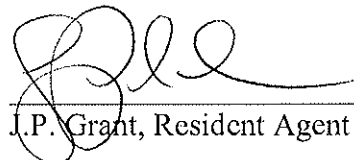
1. Articles of Revival (the “**Articles of Revival**”) for the Corporation (as herein defined) were filed with and the Maryland State Department of Assessments and Taxation (the “**Department**”), and the Articles of Revival require a correction as herein set forth.
2. The name of the corporation on the Articles of Revival is Grant Capital Management, Inc.
3. The Articles of Revival were filed with the Department on April 25, 2006.
4. The Company’s Articles of Incorporation were originally filed with the Department on May 5, 2000 (the “**Article of Incorporation**”). In Article Third of the Articles of Incorporation, the Company elected to be a Close Corporation as authorized by the provisions of Title 4 of the Corporations & Associations Article of the Annotated Code of Maryland. The Articles of Revival did not, however, clearly reference, as required by §4-202(a) of the Corporations & Associations Article of the Annotated Code of Maryland, that the Company was a close corporation, thus, the Department’s records do not currently show the Company to be a close corporation. Accordingly, the Articles of Revival are hereby corrected, such that each of the three (3) references therein to “Grant Capital Management, Inc.” are corrected to read “Grant Capital Management, Inc., a Close Corporation”.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Correction on this 10th day of March, 2010.



J.P. Grant, President and Secretary

I hereby ratify my prior consent to my designation, as set forth in the Articles of Revival, as resident agent for the Company.



J.P. Grant, Resident Agent

GRANT CAPITAL MANAGEMENT, INC.

CONSENT OF STOCKHOLDER

March 10, 2010

Pursuant to the provisions of Section 2-505 of the Maryland General Corporation Law, the undersigned, the sole stockholder (the "**Stockholder**") of Grant Management, Inc., a Maryland close corporation (the "**Corporation**"), hereby consents to the adoption of the following resolution:

WHEREAS, the Stockholder is the sole corporate officer of the Corporation, holding the offices of President, Secretary and Treasurer; and

WHEREAS, the Stockholder has determined that it appropriate and beneficial for the Corporation to have corporate officers in addition to the Shareholder.

NOW THEREFORE BE IT:

RESOLVED: That the following individuals are hereby elected as officers of the Corporation, for the offices set forth opposite their respective names, to undertake the duties of such office as set forth in the Corporation's Bylaws, and to serve until their successors are elected and qualified:

Paul J. Beckham	-	Treasurer
Kimberly N. Brown	-	Secretary

IN WITNESS WHEREOF, I have signed this consent of stockholder as of the day and year first above written.



J.P. Grant, Sole Stockholder

ARTICLES OF INCORPORATION

OF

GRANT CAPITAL MANAGEMENT, INC.

A Close Corporation pursuant to Title 4
of the Corporations & Associations Article
of the Annotated Code of Maryland

FIRST: I, Mark L. Renbaum whose post office address is c/o Blank Rome Cornisky & McCauley LLP, 250 West Pratt Street, Suite 1100, Baltimore, Maryland 21201, being at least eighteen (18) years of age, hereby form a corporation under and by virtue of the General Laws of the State of Maryland.

SECOND: The name of the corporation (the "Corporation") is

"Grant Capital Management, Inc."

THIRD: The Corporation shall be a "Close Corporation" as authorized by the provisions of Title 4 of the Corporations & Associations Article of the Annotated Code of Maryland, as amended from time to time (the "Corporations Article").

FOURTH: The Corporation is formed for the purpose of carrying on any lawful business, which may include: (a) the entry into, making and performance of various contracts and undertakings and the engagement in all activities and transactions as may be necessary in order to conduct operations in the Medicaid management business; (b) the entry into, making and performance of various contracts and undertakings and the engagement in all activities and transactions as may be necessary in order to conduct operations in the equipment leasing business; (c) the entry into, making and performance of various contracts and undertakings and the engagement in all activities and transactions as may be necessary in order to conduct operations in the asset management business; and (d) anything permitted by Section 2-103 of the Maryland General Corporation Law, as amended from time to time (the "MGCL").

FIFTH: The post office address of the principal office of the Corporation in this State is 4803 West Soren Park Avenue, Baltimore, Maryland 21207. The name and post office address of the resident agent of the Corporation in this State is James P. Grant, 10604 Stray Camel Way, Columbia, Maryland 21044. The resident agent is an individual actually residing in this State.

SIXTH: The Corporation has the authority to issue Five Thousand (5,000) shares of capital stock, with a par value of \$01 per share, and having an aggregate par value of \$50.00, all of which are designated as common stock.

SEVENTH: After completion of the organizational meeting of the directors and the issuance of one or more shares of stock of the Corporation, the Corporation shall have no Board

STATE OF MARYLAND

B142
1733

of Directors. Until such time, the Corporation shall have one (1) director, whose name is James P. Grant. At such time and for as long as the Corporation has no Board of Directors, any reference to directors in the Charter shall be deemed to include the stockholders.

EIGHTH: The Corporation shall have the power to indemnify, by express provision in its Bylaws, by Agreement, or by majority vote of either its stockholders or disinterested directors, any one or more of the following classes of individuals: (1) present or former directors of the Corporation, (2) present or former officers of the Corporation, (3) present or former agents and/or employees of the Corporation, (4) present or former administrators, trustees or other fiduciaries under any pension, profit sharing, deferred compensation, or other employee benefit plan maintained by the Corporation, and (5) persons serving or who have served at the request of the Corporation in any of these capacities for any other corporation, partnership, joint venture, trust, or other enterprise. However, the Corporation shall not have the power to indemnify any person to the extent such indemnification would be contrary to Section 2-411 of the Corporations and Associations Article of the Annotated Code of Maryland, or any statute, rule, or regulation of similar import. Neither the amendment or repeal of this Article, nor the adoption of any provision of these Articles of Incorporation inconsistent with this Article, shall eliminate or reduce the protection afforded by this Article to a director or officer or former director or officer of the Corporation with respect to any matter which occurred, or any cause of action, suit or claim which but for this Article would have accrued or arisen, prior to such amendment, repeal or adoption.

NINTH: No Stockholder of the Corporation shall have any preferential or pre-emptive right to acquire additional shares of stock of the Corporation except to the extent that, and on such terms as, the Board of Directors from time to time may determine.

TENTH: In carrying on its business, or for the purpose of attaining or furthering any of its objects, the Corporation shall have all of the rights, powers, and privileges granted to corporations by the laws of the State of Maryland, as well as the power to do any and all acts and things that a natural person or partnership could do, as now or hereafter authorized by law, either alone or in partnership or conjunction with others. In furtherance and not in limitation of the powers conferred by statute, the powers of the Corporation and of its Directors and Stockholders shall include the following:

(a) The Corporation reserves the right to adopt from time to time any amendment to its Charter, as now or hereafter authorized by law, including any amendment that alters the contract rights, as expressly set forth in the Charter, of any outstanding stock.

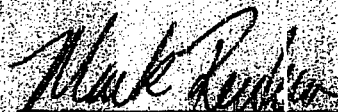
(1) To authorize the issuance of shares of the Corporation's stock of any class, whether now or hereafter authorized, or securities convertible into shares of its stock, of any class or classes, whether now or hereafter authorized, for such consideration as the Board of Directors deems advisable, subject to such restrictions or limitations, if any, as may be set forth in the Bylaws of the Corporation;

(2) By articles supplementary to these Articles of Incorporation, to classify or reclassify any unissued shares by fixing or stating in any one or more aspects the issuance of those shares, the preferences, conversion or other rights, voting powers, restrictions, qualifications, dividends, or terms or conditions of redemption of those shares, including but not limited to the reclassification of unissued common shares to preferred shares or unissued preferred shares to common shares.

(3) To borrow and raise money, without limit and upon any terms, for any corporate purposes, and, subject to applicable law, to authorize the creation, issuance, assumption, or guaranty of bonds, debentures, notes, or other evidences of indebtedness for money so borrowed, to include therein such provisions as to redeemability, convertibility, or otherwise, as the Board of Directors, in its sole discretion, determines, and to secure the payment of principal, interest, or sinking fund in respect thereof by mortgage upon, or the pledge of, or the conveyance or assignment in trust of, all or any part of the properties, assets, and goodwill of the Corporation then owned or thereafter acquired. No amendment to the Charter of the Corporation or repeal of any of its provisions shall limit or eliminate the benefits provided by this Article.

IN EVENT: To the full extent permitted under the Maryland General Corporation Law as in effect on the date hereof, or as hereafter from time to time amended, no director or officer shall be liable to the Corporation or to its stockholders for money damages for any breach of any duty owed by each director or officer to the Corporation or any of its stockholders. Neither the amendment or repeal of this Article, nor the adoption of any provision of these Articles of Incorporation inconsistent with this Article, shall eliminate or reduce the protection afforded by this Article to a director or officer or former director or officer of the Corporation with respect to any matter which occurred, or any cause of action, suit or claim which but for this Article would have accrued or arisen, prior to such amendment, repeal or adoption.

IN WITNESS WHEREOF, I do hereby acknowledge these Articles of Incorporation to be my act this 1st day of May, 2000.



(SEAL)

Mark L. Renbaum, Incorporator

IN WITNESS WHEREOF, I do hereby consent to being designated the resident agent of Grant Capital Management, Inc.



(SEAL)

James P. Grant

FOR DEPARTMENTAL USE ONLY

DEPARTMENT CODE

02

SUBJECT CODE

02

1

P.A.

Religion

Class

Sex

Monetary

Married
(Transferred)

Married
(Transferred)

PERMITTED

Basic Fee 20

Org. & Cn. Fee 30

Expense Fee 30

State, Federal, Local

State, Federal, Local

State, Federal, Local

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(New Name)

Change of Name

Change of Name

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CODE

ATTENTION

NAME

250 W. 1st St - 1150
St. Paul, MN 55101

(3)

State of Maryland
Department of Assessments and Taxation
Charter Division

ARTICLES OF REVIVAL
FOR

GRANT CAPITAL MANAGEMENT, INC.

(Insert exact name of corporation as it appears on records of the State Department of Assessments and Taxation)

FIRST: The name of the corporation at the time the charter was forfeited was

GRANT CAPITAL MANAGEMENT, INC.

SECOND: The name which the corporation will use after revival is

GRANT CAPITAL MANAGEMENT, INC.

THIRD: The address of the principal office in this state is

10606 Stray Camel Way, Columbia MD 21044

FOURTH: The name and address of the resident agent is J.P. GRANT

10606 Stray Camel Way, Columbia, MD 21044

FIFTH: These Articles of Revival are for the purpose of reviving the charter of the corporation.

SIXTH: At or prior to the filing of these Articles of Revival, the corporation has (a) Paid all fees required by law; (b) Filed all annual reports which should have been filed by the corporation if its charter had not been forfeited; (c) Paid all state and local taxes, except taxes on real estate, and all interest and penalties due by the corporation or which would have become due if the charter had not been forfeited whether or not barred by limitations.

Revised 02/05

I hereby consent to my designation in this document as resident agent for this corporation.


SIGNED: Resident Agent

CUST ID:0001774817
WORK ORDER:0001217835
DATE:04-23-2006 10:32 AM
AMT. PAID:\$190.00

02/05

reet - Baltimore, Maryland 21201
- TTY Users call Maryland Relay 1-800-735-2258
website: <http://www.dat.state.md.us>

STATE OF MARYLAND	
I hereby certify that this is a true and complete copy of the <u>3</u> page document on file in this office. DATED: <u>4/19/11</u>	
STATE DEPARTMENT OF ASSESSMENTS AND TAXATION	
BY: <u>Sharran S. Cooper</u>	Custodian
This stamp replaces our previous certification system. Effective: 6/95	

549-
257

(Use A for signatures. If that procedure is unavailable, use B. If A & B are not available, use C. **ONLY SIGN UNDER ONE SECTION.**)

A. The undersigned who were respectively the last acting president (or vice president) and secretary (or treasurer) of the corporation severally acknowledge the Articles to be their act.



Last Acting President/Vice President



Last Acting Secretary/Treasurer

(Use If A cannot be signed/acknowledged)

B. The last acting president, vice president, secretary, and treasurer are unwilling or unable to sign and acknowledge these Articles; therefore, the undersigned who represent the lessor of a majority or 3 of the last acting directors of the corporation severally acknowledge the Articles to be their act.

Last Acting Director

Last Acting Director

Last Acting Director

(Use If A and B cannot be signed/acknowledged)

C. The last acting president, vice president, secretary, and treasurer of the corporation are unable or unwilling to sign the Articles. There are less than the required number of directors able and willing to sign the Articles, therefore, the undersigned who were elected as directors for the purpose of reviving the charter of the corporation severally acknowledge the Articles to be their act.

Director

Director

Director

CORPORATE CHARTER APPROVAL SHEET

****EXPEDITED SERVICE****

**** KEEP WITH DOCUMENT ****

DOCUMENT CODE 18 BUSINESS CODE _____

D05785282

Close _____ Stock _____ Nonstock _____

P.A. _____ Religious _____

Merging (Transferor) _____

Surviving (Transferee) _____



1000361992900344

ID # D05785282 ACK # 1000361992900344
LIBER: 000949 FOLIO: 0237 PAGES: 0003
GRANT CAPITAL MANAGEMENT, INC.

04/25/2006 AT 10:32 A NO # 0001217855

New Name _____

FEES REMITTED

Base Fee: 100

Org. & Cap. Fee: _____

Expedite Fee: 70

Penalty: _____

State Recordation Tax: _____

State Transfer Tax: _____

Certified Copies

1 Certificates

Certificate of Status Fee: 20

Personal Property Filings: _____

Mail Processing Fee: _____

Other: _____

TOTAL FEES: 190

Credit Card _____ Check _____ Cash ✓

Documents on _____ Checks

Approved By: 10

Keyed By: _____

COMMENT(S):

TX Cle for How Co the 05/06 filed

Change of Name

✓ Change of Principal Office

Change of Resident Agent

✓ Change of Resident Agent Address

Resignation of Resident Agent

Designation of Resident Agent

and Resident Agent's Address

Change of Business Code

Adoption of Assumed Name

Other Change(s)

Code _____

Attention: _____

Mail Name and Address

GRANT Capital Management INC

4803 W. Forest Park Ave

Baltimore, Md 21207

Stamp Work Order and Customer Number HERE

CUST ID: 0001774817
WORK ORDER: 0001217855
DATE: 04-25-2006 10:32 AM
AMT. PAID: \$190.00

D

RESOLUTION TO CHANGE PRINCIPAL OFFICE OR RESIDENT AGENT

The directors/stockholders/general partner/authorized person of

GRANT Capital Management, Inc.
(Name of Entity)organized under the laws of MARYLAND, passed the following resolution:
(State)

[CHECK APPLICABLE BOX(ES)]

☒ The principal office is changed from: (old address)10606 Stray Camel Way
Columbia, MD 21044

to: (new address)

10420 Little Patuxent Parkway, STE. 490
Columbia, Maryland 21044☐ The name and address of the resident agent is changed from:

to:

I certify under penalties of perjury the foregoing is true.

Secretary or Assistant Secretary
General Partner
Authorized Person

I hereby consent to my designation in this document as resident agent for this entity.

CUST ID:0001961426
WORK ORDER:0001404464
DATE:05-08-2007 03:38 PM
AMT. PAID:\$116.00

SIGNED



Resident Agent

STATE OF MARYLAND

I hereby certify that this is a true and complete copy of the 2 page document on file in this office. DATED: 4/19/11

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: Shannon J. Cooper, Custodian

This stamp replaces our previous certification system. Effective: 6/95

1110-

1346

CORPORATE CHARTER APPROVAL SHEET

****EXPEDITED SERVICE****

**** KEEP WITH DOCUMENT ****

DOCUMENT CODE 80 BUSINESS CODE _____

D05785282



1000361994729238

Close _____ Stock _____ Nonstock _____

P.A. _____ Religious _____

Merging (Transferor) _____

ID # D05785282 ACK # 1000361994729238
LIBER: B01110 FOLIO: 1348 PAGES: 0002
GRANT CAPITAL MANAGEMENT, INC.

Surviving (Transferee) _____

05/07/2007 AT 02:35 P WO # 0001404464

New Name _____

FEES REMITTED

Base Fee:	<u>25</u>	Change of Name	_____
Org. & Cap. Fee:	_____	<input checked="" type="checkbox"/> Change of Principal Office	_____
Expedite Fee:	<u>70</u>	Change of Resident Agent	_____
Penalty:	_____	Change of Resident Agent Address	_____
State Recordation Tax:	_____	Resignation of Resident Agent	_____
State Transfer Tax:	_____	Designation of Resident Agent	_____
_____ Certified Copies	_____	and Resident Agent's Address	_____
<u>2</u> Certificates	_____	Change of Business Code	_____
Copy Fee:	_____	Adoption of Assumed Name	_____
Certificate of Status Fee:	<u>21</u>	_____	_____
Personal Property Filings:	_____	_____	_____
Mail Processing Fee:	_____	Other Change(s)	_____
Other:	_____	_____	_____
TOTAL FEES:	<u>116</u>	_____	_____

Credit Card _____ Check _____ Cash _____

Code _____

_____ Documents on _____ Checks

Attention: _____

Approved By: 9

JASMINE STEPHENS
SUITE 490
10420 LITTLE PATUXENT PKWY
COLUMBIA

Keyed By: _____

MD 21044-3533

COMMENT(S):

CUST ID: 0001961426
WORK ORDER: 0001404464
DATE: 05-08-2007 03:38 PM
AMT. PAID: \$116.00

DB

2

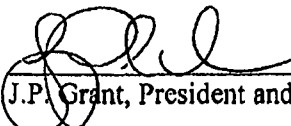
**CERTIFICATE OF CORRECTION
OF
GRANT CAPITAL MANAGEMENT, INC.**

**RECEIVED
2010 MAR 15 4:44
DEPARTMENT
OF ASSESSMENTS
& TAXATION**

The undersigned, being authorized to execute and file this Certificate of Correction permitted by §1-207 of the Maryland General Corporation Law (the "Certificate Correction"), hereby certifies that:


1. Articles of Revival (the "Articles of Revival") for the Corporation (as herein defined) were filed with and the Maryland State Department of Assessments and Taxation (the "Department"), and the Articles of Revival require a correction as herein set forth.
2. The name of the corporation on the Articles of Revival is Grant Capital Management, Inc.
3. The Articles of Revival were filed with the Department on April 25, 2006.
4. The Company's Articles of Incorporation were originally filed with the Department on May 5, 2000 (the "Article of Incorporation"). In Article Third of the Articles of Incorporation, the Company elected to be a Close Corporation as authorized by the provisions of Title 4 of the Corporations & Associations Article of the Annotated Code of Maryland. The Articles of Revival did not, however, clearly reference, as required by §4-202(a) of the Corporations & Associations Article of the Annotated Code of Maryland, that the Company was a close corporation, thus, the Department's records do not currently show the Company to be a close corporation. Accordingly, the Articles of Revival are hereby corrected, such that each of the three (3) references therein to "Grant Capital Management, Inc." are corrected to read "Grant Capital Management, Inc., a Close Corporation".

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Correction on this 10th day of March, 2010.



J.P. Grant, President and Secretary

I hereby ratify my prior consent to my designation, as set forth in the Articles of Revival, as resident agent for the Company.



J.P. Grant, Resident Agent

DM331266519.2

<u>STATE OF MARYLAND</u>	
I hereby certify that this is a true and complete copy of the <u>2</u> page document on file in this office. DATED: <u>4/19/11</u>	
STATE DEPARTMENT OF ASSESSMENTS AND TAXATION	
BY: <u>Shannon T. Cooper</u> , Custodian	
This stamp replaces our previous certification system. Effective: 6/95	

CORPORATE CHARTER APPROVAL SHEET

****EXPEDITED SERVICE****

**** KEEP WITH DOCUMENT ****

DOCUMENT CODE 17 BUSINESS CODE 03

D05785282

Close _____ Stock _____ Nonstock _____

P.A. _____ Religious _____

Merging (Transferor) _____

Surviving (Transferee) _____

Affix Barcode Label Here



1000361999486297

Affix Barcode Label Here

ID # D05785282 ACK # 1000361999486297

PAGES: 0002

GRANT CAPITAL MANAGEMENT, INC.

03/15/2010 AT 10:44 A WO # 0001842121

New Name _____

FEES REMITTED

Base Fee: 25
Org. & Cap. Fee: _____
Expedite Fee: 50
Penalty: _____
State Recordation Tax: _____
State Transfer Tax: _____
Certified Copies _____
Copy Fee: _____
Certificates _____
Certificate of Status Fee: _____
Personal Property Filings: _____
Mail Processing Fee: _____
Other: _____

TOTAL FEES: 75

_____ Change of Name
_____ Change of Principal Office
_____ Change of Resident Agent
_____ Change of Resident Agent Address
_____ Resignation of Resident Agent
_____ Designation of Resident Agent
_____ and Resident Agent's Address
_____ Change of Business Code
_____ Adoption of Assumed Name
_____ Other Change(s)

Credit Card _____ Check ☒ Cash _____

_____ Documents on _____ Checks

Approved By: 2

Keyed By: _____

COMMENT(S):

Code _____

Attention: _____

Mail: Name and Address

DUANE MORRIS

111 SOUTH CALVERT STREET

SUITE #2000

BALTIMORE, MARYLAND 21202

Stamp Work Order and Customer Number HERE

CUST ID: 0002399083
WORK ORDER: 0001842121
DATE: 03-15-2010 03:29 PM
AMT. PAID: \$75.00

(4)

ARTICLES OF INCORPORATION
OF
GRANT CAPITAL MANAGEMENT, INC.

A Close Corporation Pursuant to Title 4
of the Corporations & Associations Article
of the Annotated Code of Maryland

FIRST: I, Mark L. Benbaum whose post office address is c/o Blank Rome Comisky & McCauley LLP, 250 West Pratt Street, Suite 1100, Baltimore, Maryland 21201, being at least eighteen (18) years of age, hereby form a corporation under and by virtue of the General Laws of the State of Maryland.

SECOND: The name of the corporation (the "Corporation") is
"Grant Capital Management, Inc."

THIRD: The Corporation shall be a "Close Corporation" as authorized by the provisions of Title 4 of the Corporations & Associations Article of the Annotated Code of Maryland, as amended from time to time (the "Corporations Article").

FOURTH: The Corporation is formed for the purpose of carrying on any lawful business, which may include: (a) the entry into, making and performance of various contracts and undertakings and the engagement in all activities and transactions as may be necessary in order to conduct operations in the Medicaid management business; (b) the entry into, making and performance of various contracts and undertakings and the engagement in all activities and transactions as may be necessary in order to conduct operations in the equipment leasing business; (c) the entry into, making and performance of various contracts and undertakings and the engagement in all activities and transactions as may be necessary in order to conduct operations in the asset management business; and (d) anything permitted by Section 2-103 of the Maryland General Corporation Law, as amended from time to time (the "MGCL").

FIFTH: The post office address of the principal office of the Corporation in this State is 4803 West Forest Park Avenue, Baltimore, Maryland 21207. The name and post office address of the resident agent of the Corporation in this State is James P. Grant, 10606 Stray Camel Way, Columbia, Maryland 21041. The resident agent is an individual actually residing in this State.

SIXTH: The Corporation has the authority to issue Five Thousand (5,000) shares of capital stock, with a par value of \$01 per share, and having an aggregate par value of \$50.00, all of which are designated as common stock.

SEVENTH: After completion of the organizational meeting of the directors and the issuance of one or more shares of stock of the Corporation, the Corporation shall have no Board

of Directors. Until such time, the Corporation shall have one (1) director, whose name is James P. Grant. At such time and for as long as the Corporation has no Board of Directors, any reference to directors in the Charter shall be deemed to include the stockholders.

EIGHTH: The Corporation shall have the power to indemnify, by express provision in its Bylaws, by Agreement, or by majority vote of either its stockholders or disinterested directors, any one or more of the following classes of individuals: (1) present or former directors of the Corporation, (2) present or former officers of the Corporation, (3) present or former agents and/or employees of the Corporation, (4) present or former administrators, trustees or other fiduciaries under any pension, profit sharing, deferred compensation, or other employee benefit plan maintained by the Corporation, and (5) persons serving or who have served in the request of the Corporation in any of these capacities for any other corporation, partnership, joint venture, trust, or other enterprises. However, the Corporation shall not have the power to indemnify any person to the extent such indemnification would be contrary to Section 2-413 of the Corporations and Associations Article of the Annotated Code of Maryland, or any statute, rule, or regulation of similar import. Neither the amendment or repeal of this Article, nor the adoption of any provision of these Articles of Incorporation inconsistent with this Article, shall eliminate or reduce the protection afforded by this Article to a director or officer or former director or officer of the Corporation with respect to any matter which occurred, or any cause of action, suit, or claim which but for this Article would have accrued or arisen, prior to such amendment, repeal or adoption.

NINTH: No Stockholder of the Corporation shall have any preferential or pre-emptive right to acquire additional shares of stock of the Corporation except to the extent that, and on such terms as, the Board of Directors from time to time may determine.

TENTH: In carrying on its business, or for the purpose of attaining or furthering any of its objects, the Corporation shall have all of the rights, powers, and privileges granted to corporations by the laws of the State of Maryland, as well as the power to do any and all acts and things that a natural person or partnership could do, as now or hereafter authorized by law, either alone or in partnership or conjunction with others. In furtherance and not in limitation of the powers conferred by statute, the powers of the Corporation and of its Directors and Stockholders shall include the following:

(a) The Corporation reserves the right to adopt from time to time any amendment to its Charter, as now or hereafter authorized by law, including any amendment that alters the contract rights, as expressly set forth in the Charter, of any outstanding stock.

(1) To authorize the issuance of shares of the Corporation's stock of any class, whether now or hereafter authorized, or securities convertible into shares of its stock, of any class or classes, whether now or hereafter authorized, for such consideration as the Board of Directors deems advisable, subject to such restrictions or limitations, if any, as may be set forth in the Bylaws of the Corporation;

(2) By articles supplementary to these Articles of Incorporation, to classify or reclassify any unissued shares by fixing or altering in any one or more aspects, before issuance of those shares, the preferences, conversion or other rights, voting power, restrictions, qualifications, dividends, or terms or conditions of redemption of those shares, including but not limited to the reclassification of unissued common shares to preferred shares or unissued preferred shares to common shares.

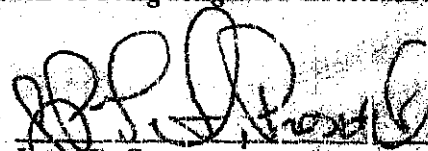
(3) To borrow and raise money, without limit and upon any terms, for any corporate purposes; and, subject to applicable law, to authorize the creation, issuance, assumption, or guaranty of bonds, debentures notes, or other evidences of indebtedness for money so borrowed, to include therein such provisions as to redeemability, convertibility, or otherwise, as the Board of Directors, in its sole discretion, determines, and to secure the payment of principal, interest, or sinking fund in respect thereof by mortgage upon, or the pledge of, or the conveyance or assignment in trust of, all or any part of the properties, assets, and good will of the Corporation then owned or thereafter acquired. No amendment to the Charter of the Corporation or repeal of any of its provisions shall limit or eliminate the benefits provided by this Article.

ELEVENTH: To the full extent permitted under the Maryland General Corporation Law as in effect on the date hereof, or hereafter from time to time amended, no director or officer shall be liable to the Corporation or to its stockholders for money damages for any breach of any duty owed by such director or officer to the Corporation or any of its stockholders. Neither the amendment or repeal of this Article, nor the adoption of any provision of these Articles of Incorporation inconsistent with this Article, shall eliminate or reduce the protection afforded by this Article to a director or officer or former director or officer of the Corporation with respect to any matter which occurred, or any cause of action, suit or claim which but for this Article would have accrued or arisen, prior to such amendment, repeal or adoption.

IN WITNESS WHEREOF, I do hereby acknowledge these Articles of Incorporation to be my act this ^{10th} day of May, 2000.


Mark L. Renbaum, Incorporator (SEAL)

IN WITNESS WHEREOF, I do hereby consent to being designated the resident agent of Grant Capital Management, Inc.


James P. Grant (SEAL)

BUSINESS CODE

#	P.A.	Religious	Close	Stock	Nonstock
---	------	-----------	-------	-------	----------

Merging (Transferor)

**Surviving
(Transferee)**

FEES REMITTED

Base Fee: 20
Org. & Cap. Fee: 30
Expedite Fee: 30

Penalty:
State Recordation Tax:

State Traffic Tax

Certified Copies:

Conf. Fee:

Certificates:

Certificate Fee:

Other:

TOTAL FEES: 00

Credit Card

Check

Cash

Documents on Checks

APPROVED BY:

ID # 105783222 AC. F. 1200177400000000
LEAF 000142 FOLIO 173 PAGES: 0004
GRANT CAPITAL MANAGEMENT, INC

05/05/2000 AT 02:31 P NO P 0000311550

COMMENCE 00 0241-1000 100
00 20 0000-60-2013150
000 120000-000000 0000
0012 000000-01 1000
000000 000000 0000
000000 000000 0000

(New Name)

Change of Name

Change of Principal Office

Change of Resident Agent

Change of Resultant Front Address

Resignation of Resident Agent

Designation of Russian Areas

and Resident Agents Address

Change of BUSKIN Code

Adoption of Assumed Name

Other Charges:

CODE

ATTENTION:

MAIL TO ADDRESS

Blank Range et al
250 W Pratt St #1100
Belt, MD 21201

State of Maryland
Department of Assessments and Taxation
Charter Division

ARTICLES OF REVIVAL
FOR

GRANT CAPITAL MANAGEMENT, INC.

(Insert exact name of corporation as it appears on records of the State Department of Assessments and Taxation)

FIRST: The name of the corporation at the time the charter was forfeited was

GRANT CAPITAL MANAGEMENT, INC.

SECOND: The name which the corporation will use after revival is

GRANT CAPITAL MANAGEMENT, INC.

THIRD: The address of the principal office in this state is

10606 Stray Camel Way, Columbia MD 21044

FOURTH: The name and address of the resident agent is J.P. GRANT

10606 Stray Camel Way, Columbia, MD 21044

FIFTH: These Articles of Revival are for the purpose of reviving the charter of the corporation.

SIXTH: At or prior to the filing of these Articles of Revival, the corporation has (a) Paid all fees required by law; (b) Filed all annual reports which should have been filed by the corporation if its charter had not been forfeited; (c) Paid all state and local taxes, except taxes on real estate, and all interest and penalties due by the corporation or which would have become due if the charter had not been forfeited whether or not barred by limitations.

Revised 02/05

I hereby consent to my designation in this document as resident agent for this corporation.


SIGNED: Resident Agent

CUST ID: 0001774817
WORK ORDER: 0001217855
DATE: 04-25-2006 10:32 AM
AMT. PAID: \$190.00

02/05

reet - Baltimore, Maryland 21201
- TTY Users call Maryland Relay 1-800-735-2258
website: <http://www.dat.state.md.us>

STATE OF MARYLAND

hereby certify that this is a true and complete copy of the
document on file in this office. DATED: 8-2-11 3

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: [Signature], Custodian

This stamp replaces our previous certification system. Effective: 6/95

(Use A for signatures. If that procedure is unavailable, use B. If A & B are not available, use C. ONLY SIGN UNDER ONE SECTION.)

A. The undersigned who were respectively the last acting president (or vice president) and secretary (or treasurer) of the corporation severally acknowledge the Articles to be their act.



Last Acting President/Vice President



Last Acting Secretary/Treasurer

(Use if A cannot be signed/acknowledged)

B. The last acting president, vice president, secretary, and treasurer are unwilling or unable to sign and acknowledge these Articles; therefore, the undersigned who represent the lessor of a majority or 3 of the last acting directors of the corporation severally acknowledge the Articles to be their act.

Last Acting Director

Last Acting Director

Last Acting Director

(Use if A and B cannot be signed/acknowledged)

C. The last acting president, vice president, secretary, and treasurer of the corporation are unable or unwilling to sign the Articles. There are less than the required number of directors able and willing to sign the Articles, therefore, the undersigned who were elected as directors for the purpose of reviving the charter of the corporation severally acknowledge the Articles to be their act.

Director

Director

Director

CORPORATE CHARTER APPROVAL SHEET

****EXPEDITED SERVICE****

**** KEEP WITH DOCUMENT ****

DOCUMENT CODE 18 BUSINESS CODE _____

D05785282

Close _____ Stock _____ Nonstock _____

P.A. _____ Religious _____

Merging (Transferor) _____

Surviving (Transferee) _____



1000361992900344

ID # D05785282 ACK # 1000361992900344
LIBER: B00949 FOLIO: 0237 PAGES: 0003
GRANT CAPITAL MANAGEMENT, INC.

04/25/2006 AT 10:32 A M O H 0001217855

New Name _____

FEES REMITTED

Base Fee: 100

Org. & Cap. Fee: _____

Expedite Fee: 70

Penalty: _____

State Recordation Tax: _____

State Transfer Tax: _____

Certified Copies

1 Certificates

Copy Fee: _____

Certificate of Status Fee: 20

Personal Property Filings: _____

Mail Processing Fee: _____

Other: _____

TOTAL FEES: 190

Credit Card _____ Check _____ Cash ☒

Documents on _____ Checks

Approved By: 10

Keyed By: _____

COMMENT(S):

TX Cle for How Co the 05/06 filed

Change of Name

Change of Principal Office

Change of Resident Agent

Change of Resident Agent Address

Resignation of Resident Agent

Designation of Resident Agent

and Resident Agent's Address

Change of Business Code

Adoption of Assumed Name

Other Change(s)

Code _____

Attention: _____

Mail Name and Address

GRANT Capital Management INC

4803 W. Forest Park Ave

Baltimore, Md 21207

Stamp Work Order and Customer Number HERE

CUST ID: 0001774817
WORK ORDER: 0001217855
DATE: 04-25-2006 10:32 AM
AMT. PAID: \$190.00

RESOLUTION TO CHANGE PRINCIPAL OFFICE OR RESIDENT AGENT

The directors/stockholders/general partner/authorized person of _____

GRANT Capital Management, Inc.
(Name of Entity)organized under the laws of MARYLAND, passed the following resolution:
(State)

[CHECK APPLICABLE BOX(ES)]

☒ The principal office is changed from: (old address)10606 STRAY Camel Way
Columbia, MD 21044

to: (new address)

10420 Little Patuxent Parkway, STE. 490
Columbia, Maryland 21044☐ The name and address of the resident agent is changed from:

to:

I certify under penalties of perjury the foregoing is true.

Secretary or Assistant Secretary
General Partner
Authorized Person

I hereby consent to my designation in this document as resident agent for this entity.

CUST ID:0001951426
WORK ORDER:0001404464
DATE:05-08-2007 03:38 PM
AMT. PAID:\$116.00SIGNED 

Resident Agent

STATE OF MARYLAND	
I hereby certify that this is a true and complete copy of the _____	
this document on file in this office, DATED: <u>8/2/07</u>	
STATE DEPARTMENT OF REVENUE AND TAXATION	
BY: <u>[Signature]</u>	Custodian
This stamp replaces our previous certification system. Effective: 6/95	

CORPORATE CHARTER APPROVAL SHEET

EXPEDITED SERVICE

** KEEP WITH DOCUMENT **

DOCUMENT CODE 80 BUSINESS CODE _____

1705785282

Close _____ Stock _____ Nonstock _____

P.A. _____ Religious _____

Merging (Transferor) _____

Surviving (Transferee) _____



1000361994729238

ID # D05785282 ACK # 1000361994729238
LIBER: 801110 FOLIO: 1348 PAGES: 0002
GRANT CAPITAL MANAGEMENT, INC.

05/07/2007 AT 02:35 P WO # 0001404464

New Name _____

FEES REMITTED

Base Fee: 25

Org. & Cap. Fee: _____

Expedite Fee: 70

Penalty: _____

State Recordation Tax: _____

State Transfer Tax: _____

Certified Copies _____

2 Certificates

Copy Fee: _____

Certificate of Status Fee: 21

Personal Property Filings: _____

Mail Processing Fee: _____

Other: _____

TOTAL FEES: 116

Change of Name

☒ Change of Principal Office

Change of Resident Agent

Change of Resident Agent Address

Resignation of Resident Agent

Designation of Resident Agent

and Resident Agent's Address

Change of Business Code

Adoption of Assumed Name

Other Change(s)

Credit Card _____ Check _____ Cash _____

Documents on _____ Checks

Approved By: 9

Keyed By: _____

COMMENT(S):

Code _____

Attention: _____

JASMINE STEPHENS

SUITE 490

10420 LITTLE PATUXENT PKWY

COLUMBIA

MD 21044-3533

CUST ID: 0001961426
WORK ORDER: 0001404464
DATE: 05-08-2007 03:38 PM
AMT. PAID: \$116.00

DB

CERTIFICATE OF CORRECTION
OF
GRANT CAPITAL MANAGEMENT, INC.

The undersigned, being authorized to execute and file this Certificate of Correction permitted by §1-207 of the Maryland General Corporation Law (the "Certificate Correction"), hereby certifies that:

RECEIVED
2010 MAR 15 4:44
DEPARTMENT OF ASSESSMENTS & TAXATION

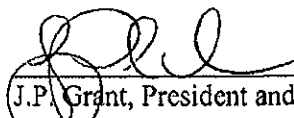
1. Articles of Revival (the "**Articles of Revival**") for the Corporation (as herein defined) were filed with and the Maryland State Department of Assessments and Taxation (the "**Department**"), and the Articles of Revival require a correction as herein set forth.

2. The name of the corporation on the Articles of Revival is Grant Capital Management, Inc.

3. The Articles of Revival were filed with the Department on April 25, 2006.

4. The Company's Articles of Incorporation were originally filed with the Department on May 5, 2000 (the "**Article of Incorporation**"). In Article Third of the Articles of Incorporation, the Company elected to be a Close Corporation as authorized by the provisions of Title 4 of the Corporations & Associations Article of the Annotated Code of Maryland. The Articles of Revival did not, however, clearly reference, as required by §4-202(a) of the Corporations & Associations Article of the Annotated Code of Maryland, that the Company was a close corporation, thus, the Department's records do not currently show the Company to be a close corporation. Accordingly, the Articles of Revival are hereby corrected, such that each of the three (3) references therein to "Grant Capital Management, Inc." are corrected to read "Grant Capital Management, Inc., a Close Corporation".

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Correction on this 10th day of March, 2010.



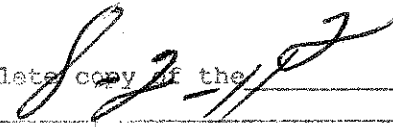
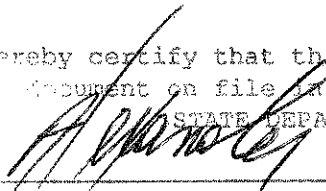
J.P. Grant, President and Secretary

I hereby ratify my prior consent to my designation, as set forth in the Articles of Revival, as resident agent for the Company.



J.P. Grant, Resident Agent

DM312665192

<u>STATE OF MARYLAND</u>	
I hereby certify that this is a true and complete copy of the	
document on file in this office. DATED: 	
STATE DEPARTMENT OF ASSESSMENTS AND TAXATION	
By: 	_____, Custodian
This stamp replaces our previous certification system. Effective: 6/95	

CORPORATE CHARTER APPROVAL SHEET

****EXPEDITED SERVICE****

**** KEEP WITH DOCUMENT ****

DOCUMENT CODE 17 BUSINESS CODE 03

#D05785282

Affix Barcode Label Here



1000361999486297

Close _____ Stock _____ Nonstock _____

P.A. _____ Religious _____

Merging (Transferor) _____

Affix Barcode Label Here

ID # D05785282 ACK # 1000361999486297

PAGES: 0002

GRANT CAPITAL MANAGEMENT, INC.

Surviving (Transferee) _____

03/15/2010 AT 10:44 A WO # 0001842121

New Name _____

FEES REMITTED

Base Fee: 25
Org. & Cap. Fee: _____
Expedite Fee: 50
Penalty: _____
State Recordation Tax: _____
State Transfer Tax: _____
Certified Copies: _____
Copy Fee: _____
Certificates: _____
Certificate of Status Fee: _____
Personal Property Filings: _____
Mail Processing Fee: _____
Other: _____

TOTAL FEES: 75

_____ Change of Name
_____ Change of Principal Office
_____ Change of Resident Agent
_____ Change of Resident Agent Address
_____ Resignation of Resident Agent
_____ Designation of Resident Agent
_____ and Resident Agent's Address
_____ Change of Business Code

_____ Adoption of Assumed Name

_____ Other Change(s)

Credit Card _____ Check ☒ Cash _____

_____ Documents on _____ Checks

Approved By: 2

Keyed By: _____

COMMENT(S):

Code _____

Attention: _____

Mail: Name and Address

DUANE MORRIS

111 SOUTH CALVERT STREET

SUITE #2000

BALTIMORE, MARYLAND 21202

Stamp Work Order and Customer Number HERE

CUST ID:0002399083
WORK ORDER:0001842121
DATE:03-15-2010 03:29 PM
AMT. PAID:\$75.00

Adopted: May 4, 2000

GRANT CAPITAL MANAGEMENT, INC.

BYLAWS

(A Maryland Close Corporation)

ARTICLE I

OFFICES AND AGENTS

Section 1.1. Principal Office. The principal office of the Corporation shall be located in the State of Maryland. The address of the principal office may be changed from time to time pursuant to the Corporations and Associations Article of the Annotated Code of Maryland, as amended from time to time (the "Corporations Article").

Section 1.2. Other Offices. The Corporation may have such other offices and places of business at such places within or without the State of Maryland as the Stockholders may determine from time to time.

Section 1.3. Resident Agent. The Corporation shall have at least one registered agent who shall be either a citizen of the State of Maryland or a Maryland corporation. The Corporation may designate or change its resident agent pursuant to the Corporations Article.

ARTICLE II

STOCKHOLDERS

Section 2.1. Annual Meeting of Stockholders. The annual meeting of the Stockholders shall be held on a date fixed from time to time by the Stockholders during the month of January, provided notice of the date is duly set forth in the notice of the meeting. However, the annual meeting need not be held unless requested by a Stockholder. The request shall be in writing and delivered to the President or Secretary of the Corporation at least thirty (30) days before January 1.

Section 2.2. Special Meetings. Special meetings of the Stockholders may be called at any time by the President or by the Vice President. Special meetings of the Stockholders shall be called by the Secretary upon the written request of the holders of shares entitled to cast not less than twenty-five (25) percent of all the votes entitled to be cast at such meeting. No special meeting need be called to consider any matter that is substantially the same as a matter voted upon at any special meeting of the Stockholders held during the preceding twelve (12) months unless requested by Stockholders entitled to cast a majority of all the votes entitled to be cast at such meeting.

unless requested by Stockholders entitled to cast a majority of all the votes entitled to be cast at such meeting.

Section 2.3. Place of Meetings. All meetings of Stockholders shall be held at the principal office of the Corporation in the State of Maryland or in such other place within the United States as may be designated by the Stockholders from time to time provided notice of the location is duly set forth in the notice of the meeting.

Section 2.4. Notice of Meetings. Not less than ten (10) nor more than ninety (90) days before the date of a Stockholders meeting, the Secretary shall give each Stockholder entitled to vote at or to receive notice of each Stockholders meeting, written or printed notice stating the date, hour and place of the meeting and, in the case of a special meeting or a meeting at which an action proposed to be taken requires advance notice of the purpose of such action, the purpose or purposes for which the meeting is called, either by mail or by presenting it to him in person or by leaving it at his residence or usual place of business. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the Stockholder at his post office address as it appears on the records of the Corporation at the time of such mailing, with postage thereon prepaid.

Section 2.5. Quorum; Action. Unless the Corporations Article or the Charter of the Corporation otherwise provide: (i) at any meeting of Stockholders the presence in person or by proxy of Stockholders entitled to cast a majority of all the votes entitled to be cast thereat shall constitute a quorum and (ii) a majority of all the votes cast at a meeting of Stockholders, duly called and at which a quorum is present, shall be sufficient to take or authorize action upon any matter that properly comes before the meeting.

Section 2.6. Adjournment of Meetings. If at any annual or special meeting of Stockholders a quorum shall fail to attend in person or by proxy, a majority in interest of the Stockholders entitled to vote attending in person or by proxy, may, without further notice, adjourn the meeting from time to time, not exceeding 120 days at any one time, to the same place until a quorum shall attend, and thereupon any business may be transacted that might have been transacted at the meeting as originally called had the same been then held.

Section 2.7. Chairman. The President or, in his absence, the Vice President shall call meetings of the Stockholders to order and shall act as chairman of such meetings. In the absence of the President and the Vice President, a chairman of the meeting shall be chosen by the Stockholders present.

Section 2.8. Secretary. The Secretary of the Corporation shall act as secretary of all meetings of the Stockholders, but, in the absence of the Secretary of the Corporation, the presiding officer may appoint any person to act as Secretary of the meeting.

Section 2.9. Voting. At each meeting of the Stockholders, every Stockholder then entitled to vote shall be entitled to vote in person or by proxy as provided by the Corporations Article. No proxy shall be valid after eleven (11) months from its date, unless otherwise provided in the

proxy. A proxy purporting to be executed by or on behalf of a Stockholder shall be deemed valid unless challenged at or prior to its exercise.

No share shall be entitled to any vote if any installment payable thereon is overdue and unpaid. Upon demand of any stockholder, the votes upon any questions before the meeting shall be by secret ballot, unless otherwise determined at the meeting.

Section 2.10. Voting of Shares in the Name of the Corporation. Shares of the Corporation's own stock owned directly or indirectly by the Corporation shall not be voted at any meeting and shall not be counted in determining the total number of outstanding shares entitled to vote at any given time, unless held by it in a fiduciary capacity, in which case they may be voted and shall be counted in determining the total number of outstanding shares at any given time. Shares of its own stock shall be deemed to be owned indirectly by the Corporation if owned by another corporation in which the Corporation owns shares entitled to cast a majority of all the votes entitled to be cast by all shares outstanding and entitled to vote. Shares standing in the name of the Corporation, when entitled to be voted, may be voted in person or by proxy by the President or the Vice President, unless the Stockholders authorize another person to do so.

Section 2.11. Telephone Meetings. Subject to the requirement of notice, the Stockholders may participate in and hold a meeting by means of a conference telephone or similar communications equipment if all persons participating can hear each other at the same time, and participation in the meeting shall constitute presence in person at the meeting

Section 2.12. Informal Action by Stockholders. Any action required or permitted to be taken at any meeting of Stockholders may be taken without a meeting, if a consent in writing, setting forth such action, is signed by all the Stockholders entitled to vote on the matter and if all other Stockholders entitled to notice of such meeting of Stockholders but not entitled to vote thereat have waived in writing any right to dissent from such action, and such consent and waiver are filed with the records of Stockholders meetings.

ARTICLE III

BOARD OF DIRECTORS

Section 3.1. Election to Have No Board of Directors. The Corporation has elected in its Charter to have no Board of Directors.

Section 3.2. Management. The business, property and affairs of the Corporation shall be managed under the direction of the Stockholders of the Corporation pursuant to a Unanimous Stockholders' Agreement or, if none has been entered into, pursuant to Section 4-303 of the Corporations Article.

ARTICLE IV

OFFICERS

Section 4.1. Executive Officers. The Executive Officers of the Corporation shall be a President, a Secretary, and a Treasurer and such other officers as appointed by the Stockholders.

Section 4.2. Election; Term of Office. The officers of the Corporation shall be elected by the Stockholders and shall serve at the pleasure of the Stockholders.

Section 4.3. Number of Offices Held by One Person. Any two (2) or more offices, except those of President and Vice President, may be held by the same person. A person who holds more than one (1) office may act in more than one capacity to execute, acknowledge or verify any instrument required by law to be executed, acknowledged or verified by more than one (1) officer.

Section 4.4. Subordinate Officers. The Stockholders from time to time may elect such other officers or agents as they may deem advisable, each of whom shall have such title, hold office for such period, have such authority and perform such duties as may be prescribed by the Stockholders. The Stockholders may delegate the power to appoint and remove, with or without cause, any such subordinate officers or agents and to prescribe their respective authority and duties.

Section 4.5. Vacancies. The Stockholders may fill a vacancy occurring in any office.

Section 4.6. Removal. Any officer or agent may be removed by the Stockholders whenever, in their judgment, the best interests of the Corporation will be served thereby. Such removal shall be without prejudice to the contractual rights, if any, of the person so removed.

Section 4.7. Resignation. Any officer may resign his office at any time by delivering a written resignation to the President or the Secretary. Unless otherwise specified therein, such resignation shall take effect upon delivery.

Section 4.8. President. The President shall be the chief executive officer of the Corporation and, subject to the supervision of the Stockholders, shall have the general direction over the business, affairs and property of the Corporation and of its officers, employees and agents. The President shall preside at all meetings of the Stockholders. The President shall also exercise such other powers and perform such other duties as from time to time may be assigned to him by the Stockholders.

Section 4.9. Vice President: Assistant Vice Presidents. The Vice President, if any, shall have such powers and perform such duties as may be assigned to him by the President or by the Stockholders and, in the absence of the President, the powers and duties of the President.

The Stockholders may elect one (1) or more Assistant Vice Presidents. Each Assistant Vice President shall have such powers and perform such duties as may be assigned to him by the President, the Vice President or by the Stockholders and, in the absence of the Vice President, the most senior of the Assistant Vice Presidents may perform all of the duties of the Vice President.

Section 4.10. Secretary; Assistant Secretaries. The Secretary shall keep the minutes of all meetings of the Stockholders in books to be kept for that purpose. The Secretary shall attend to the giving and serving of all notices of the Corporation and shall have charge of the records of the Corporation and such other books and papers as the Stockholders may direct or as may be required by law and shall execute such documents as may require his signature. The Secretary shall perform such other duties as pertain to his office or as may be required by the Stockholders.

The Stockholders may elect one (1) or more Assistant Secretaries. Each Assistant Secretary shall have such powers and shall perform such duties as may be assigned to him by the Stockholders, the President or the Secretary, and in the absence of the Secretary, the most senior of the Assistant Secretaries may perform all of the duties of the Secretary.

Section 4.11. Treasurer; Assistant Treasurer. The Treasurer shall be the principal financial and accounting officer of the Corporation and shall have general charge of the finances and books of account of the Corporation. Except as otherwise provided by the Stockholders, the Treasurer shall have general supervision of the funds and property of the Corporation. He shall render to the Stockholders, whenever directed by the Board, an account of the financial condition of the Corporation and of all his transactions as Treasurer, and as soon as possible after the close of each financial year he shall make and submit to the Stockholders a like report for such financial year. He shall perform all the acts incident to the office of Treasurer, including the general supervision and control of the accounts of the Corporation, subject to the control of the Stockholders. The Treasurer shall have custody of all funds and securities of the Corporation. When necessary or proper, the Treasurer shall endorse on behalf of the Corporation for collection, checks, notes and other obligations and shall deposit the same to the credit of the Corporation, in such bank or banks or depository as the Stockholders may designate. All checks and drafts for the payment of money by the Corporation may be signed in the name of the Corporation by the Treasurer. The Treasurer shall also perform such other duties as may be required by the Stockholders.

The Stockholders may elect one (1) or more Assistant Treasurers. Each Assistant Treasurer shall have such powers and shall perform such duties as may be assigned to him by the Stockholders, the President or the Treasurer and, in the absence of the Treasurer, the most senior of the Assistant Treasurers may perform all of the duties of the Treasurer.

Section 4.12. Voting Stock in Other Corporations. The President shall have full power and authority on behalf of the Corporation to attend and vote at any meeting of the Stockholders of any corporation in which the Corporation may hold stock, and at any such meeting shall possess and may exercise (in person or by proxy) any and all rights, powers and privileges incident to the ownership of such stock, and which, as the owner thereof, this Corporation might have

possessed and exercised if present. The President may grant proxies on behalf of the Corporation to any person or persons to act in his stead at such meetings.

Section 4.13. Surety Bonds. The Stockholders may require any officer or agent of the Corporation to execute a bond to the Corporation in such sum and with such surety or sureties as the Stockholders may determine, conditioned upon the faithful performance of his duties to the Corporation, including responsibility for negligence and for the accounting of any of the Corporation's property, funds or securities that may come into his possession.

Section 4.14. Remuneration. The salaries or other compensation of the Executive Officers of the Corporation shall be fixed from time to time by resolution of the Stockholders. The Stockholders may by resolution delegate to any person or group of persons the power to fix the salaries or other compensation of any subordinate officers or agents.

ARTICLE V

CAPITAL STOCK

Section 5.1. Stock Certificates. Each Stockholder shall be entitled to a certificate or certificates that shall represent and certify the number of shares of any class of stock owned by him in the Corporation. No certificate shall be issued for fractional shares or for any share of stock of any class until such share is fully paid in accordance with the Corporations Article.

Stock certificates of each class shall be in such form as shall be prepared or approved by the Stockholders. Each certificate shall be signed by the President or a Vice President or the Chairman of the Board, and countersigned by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer. The signatures may be either manual or facsimile signatures. Such a certificate shall be valid and may be issued whether or not an officer who signed it is still an officer when it is issued. The name of the Corporation and of the person owning the shares represented thereby, with the number and class of such shares and the date of issue, shall be on the face of the certificate and entered on the Corporation's books at the time of issuance.

Section 5.2. Regulations. The Stockholders shall have the power and authority to make such rules and regulations as it may deem expedient concerning the issuance, transfer and registration of certificates for shares of stock of any class of the Corporation.

Section 5.3. Record Date. The Stockholders may fix in advance a date as a record date for the determination of the Stockholders entitled to notice of or to vote at any meeting of Stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or to receive payments of any dividend or other distribution or allotment of any rights or to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, provided that such record date shall not be a date more than ninety (90) days nor less than ten (10) days prior to the date on which the particular action

requiring such determination of Stockholders is to be taken. In such case only such Stockholders as shall be Stockholders of record on the record date so fixed shall be entitled to such notice of, and to vote at, such meeting or adjournment, or to give such consent, or to receive payment of such dividend or other distribution, or to receive such allotment of rights, or to exercise such rights, or to take such other action, as the case may be, notwithstanding any transfer of any shares on the books of the Corporation after any such record date.

Section 5.4. Closing of Transfer Books. The Stockholders shall have the power at any time and from time to time to close the stock transfer books for a period not to exceed twenty (20) days for the determination of the Stockholders entitled to notice of or to vote at any meeting of Stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or to receive payments of any dividend or other distribution or allotment of any rights or to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, provided that the date of such closing of the stock transfer books shall not be a date less than ten (10) days prior to the date on which the particular action requiring such determination of Stockholders is to be taken. In such case only such Stockholders as shall be Stockholders of record on the date of such closing of the stock transfer books shall be entitled to such notice of, and to vote at, such meeting or adjournment, or to give such consent, or to receive payment of such dividend or other distribution, or to receive such allotment of rights, or to exercise such rights, or to take such other action, as the case may be.

Section 5.5. Transfer of Shares.

(a) Subject to compliance with the provisions of the Corporations Article and a Unanimous Stockholders' Agreement, if one has been entered into, transfers of shares of the stock of the Corporation shall be made on the books of the Corporation by the holder of record thereof (in person or by his attorney hereunto duly authorized by a power of attorney duly executed in writing and filed with the Secretary of the Corporation) (i) if a certificate or certificates have been issued, upon the surrender of the certificate or certificates, properly endorsed or accompanied by proper instruments of transfer, representing such shares, or (ii) as otherwise prescribed by the Stockholders.

(b) The Corporation shall be entitled to treat the holder of record of any share of stock as the absolute owner thereof for all purposes, including, without limitation, the rights to receive dividends or other distributions and to vote as the owner, and the Corporation shall not be bound to recognize any legal, equitable or other claim or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise expressly provided by the laws of the State of Maryland.

(c) Notwithstanding anything to the contrary contained in Section 5.5(b), the Stockholders may adopt by resolution a procedure by which a Stockholder of the Corporation may certify in writing to the Corporation that any shares of stock registered in the name of the stockholder are held for the account of a specified person other than the Stockholder. The

resolution shall set forth the class of Stockholders who may make the certification; the purpose for which the certification may be made; the form of certification and the information to be contained in it; if the certification is with respect to a record date or closing of the stock transfer books, the time after the record date or closing of the stock transfer books within which the certification must be received by the Corporation; and any other provisions with respect to the procedure which the Stockholders consider necessary or desirable. On receipt of a certification which complies with the requirements established by the Stockholder's resolution, the person specified in the certification shall be, for the purpose set forth in the certification, the holder of record of the specified stock in place of the Stockholder who makes the certification.

Section 5.6. Transfer Agent And Registrar. The Corporation may appoint a transfer agent and/or registrar of transfers and may require that all stock certificates representing shares of any class to bear the signatures of such transfer agent or registrar of transfers, or the signatures of both.

Section 5.7. Lost, Stolen or Destroyed Certificates. Before issuing a new certificate for stock of the Corporation alleged to have been lost, stolen or destroyed, the Stockholders or any officer authorized by the Stockholders may, in their discretion, require the owner of the lost, stolen or destroyed certificate (or his legal representative) to give the Corporation a bond or other indemnity, in such form and in such amount as the Stockholders or any such officer may direct and with such surety or sureties as may be satisfactory to the Stockholders or any such officer, sufficient to indemnify the Corporation against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate. Anything herein to the contrary notwithstanding, the Stockholders, in their absolute discretion, may refuse to issue any such new certificate except pursuant to legal proceedings under the laws of the State of Maryland.

ARTICLE VI

MISCELLANEOUS

Section 6.1. Insurance of Officers, Directors, Employees and Agents. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Stockholder, director, officer, employee or agent of the Corporation, or while a Stockholder, director, officer, employee or agent of the Corporation is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, other enterprise or employee benefit plan against any liability asserted against and incurred by such person in any such capacity or arising out of such person's position.

Section 6.2. Indemnification. The Corporation shall indemnify and advance expenses to Stockholders, directors and officers of the Corporation to the extent provided by the Charter of the Corporation. Employees and agents who are not Stockholders, directors or officers of the

Corporation may be indemnified and reasonable expenses may be advanced to such employees or agents to the extent provided by action of the Stockholders or by contract.

Section 6.3. Books and Records. The Corporation shall keep correct and complete books and records of its accounts and transactions and minutes of the proceedings of its Stockholders.

Section 6.4. Stock Ledger. The Corporation shall maintain, at its principal office in Maryland, an original or duplicate stock ledger containing the names and addresses of all Stockholders and the number of shares of each class held by each stockholder. Such stock ledger may be in written form or any other form which can be converted within a reasonable time into written form for visual inspection.

Section 6.5. Corporate Seal. The Corporation may have a corporate seal. The corporate seal of the Corporation shall be circular in form and shall bear the name of the Corporation, the year of its incorporation, and the word "Maryland. " The form of the seal shall be subject to alteration by the Stockholders and the seal may be used by causing it or a facsimile to be impressed or affixed or printed or otherwise reproduced. Any officer of the Corporation shall have authority to affix the corporate seal of the Corporation to any document requiring the same.

Section 6.6. Waiver of Notice. Whenever any notice of the date, hour, place and/or purpose of any meeting of Stockholders is required to be given under the provisions of the Corporations Article or under the provisions of the Corporation's Charter or by these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice and filed with the records of the meeting, whether before or after the holding thereof, or actual attendance at the meeting in person or, in the case of a meeting of Stockholders, by proxy, shall be deemed equivalent to the giving of such notice to such person.

ARTICLE VII

AMENDMENT OF BYLAWS

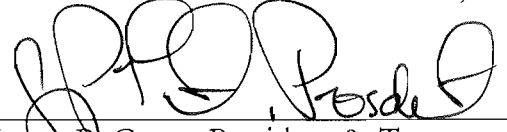
Section 7.1. Power of Directors to Amend. The Stockholders shall have power to adopt, alter or repeal the Bylaws of the Corporation.

To evidence its adoption of the foregoing Bylaws, the Corporation hereby executes these Bylaws as of the 4th day of May, 2000.

WITNESS:



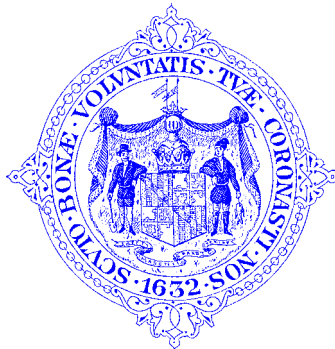
GRANT CAPITAL MANAGEMENT, INC.

By: 
James P. Grant, President & Treasurer

STATE OF MARYLAND
Department of Assessments and Taxation



Paul B. Anderson
Charter Division

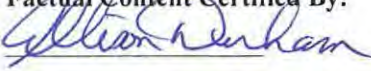


301 West Preston Street, Baltimore, Maryland 21201
Telephone Balto. Metro (410) 767-1340 / Outside Balto. Metro (888) 246-5941
MRS (Maryland Relay Service) (800) 735-2258 TT/Voice
Fax (410) 333-7097

Board Meeting Date: July 3, 2013

**RESOLUTION OF THE
HOUSING AUTHORITY OF THE CITY OF NEWARK**
RESOLUTION NO. H-13-03-07-02

Factual Content Certified By:



Approved for Legality Based on Facts Stated:


Chief Legal Officer

Commissioner Osborne submitted the following resolution

RESOLUTION: That the Board of Commissioners of the Housing Authority of the City of Newark ("NHA") authorizes the Executive Director and/or his authorized designee to negotiate, execute, deliver and make any necessary amendments to an Equipment Lease Purchase Agreement with Grant Capital Management, Inc., as Lessor, and other related parties to effectuate the financing of supplemental energy conservation scope of work items and interest payment costs in an amount not to exceed \$4.6 million at an interest rate not to exceed 3.5% with a closing date on or about July 15, 2013. The Board of Commissioners further authorizes the Executive Director or his authorized designee, as applicable, to negotiate, amend, execute, deliver and make or approve any necessary changes and corrections to all documents relating thereto, including but not limited to the March 2011 Water and Energy Services Agreement with Constellation Energy Projects & Services NJ as it relates to the supplemental energy conservation scope of work. All actions taken by the Executive Director or his authorized designee are hereby approved and ratified.

Commissioner Perez seconded the motion.

BOARD OF COMMISSIONERS VOTE OF FINAL PASSAGE

X - Indicates vote

AB - Absent

NV - Not Voting

COMMISSIONERS	AYE	NAY	AB	NV	COMMISSIONERS	AYE	NAY	AB	NV
BUTLER			X		PEREZ	X			
CARTWRIGHT	X				CRUZ			X	
PALMER	X								
OSBORNE	X								

I HEREBY CERTIFY THAT THE ABOVE RESOLUTION WAS ACCEPTED AT THE BOARD OF COMMISSIONERS MEETING OF THE HOUSING AUTHORITY OF THE CITY OF NEWARK, NJ ON July 3, 2013.


Keith D. Kinard
Secretary/Executive Director



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
09/10/2013

PRODUCER POLARIS RISK MANAGERS, INC. P.O. BOX 674			THIS CERTIFICATION IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
BOONTON NJ 07005			INSURERS AFFORDING COVERAGE	NAIC #
INSURED NEWARK HOUSING AUTHORITY 500 BROAD STREET			INSURER A: Argonaut Insurance Company	
			INSURER B: NY Marine & General	
			INSURER C:	
			INSURER D:	
NEWARK NJ 07102			INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR/ADD'L LTR/INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS		
A Y	GENERAL LIABILITY	4630368	04/30/2013	04/01/2014	EACH OCCURRENCE	\$ 1000000	
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100000	
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ excluded	
	<input checked="" type="checkbox"/> \$250,000 Retained limit				PERSONAL & ADV INJURY	\$ 1000000	
	GEN'L AGGREGATE LIMIT APPLIES PER:				GENERAL AGGREGATE	\$ 3000000	
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				PRODUCTS - COMP/OP AGG	\$ 300000	
						\$	
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident)	\$	
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$	
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$	
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$	
	<input type="checkbox"/> HIRED AUTOS						
	<input type="checkbox"/> NON-OWNED AUTOS						
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$	
	<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC	\$	
					AUTO ONLY: AGG	\$	
A Y	EXCESS / UMBRELLA LIABILITY	4630368	04/30/2013	04/01/2014	EACH OCCURRENCE	\$ 9000000	
	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$ 9000000	
	<input type="checkbox"/> DEDUCTIBLE					\$	
	<input type="checkbox"/> RETENTION \$					\$	
						\$	
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS	OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N				E.L. EACH ACCIDENT	\$	
	(Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	\$	
					E.L. DISEASE - POLICY LIMIT	\$	
	OTHER						

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

The Certificateholder is included as an Additional Insured under the "Blanket Additional Insured Endorsement" with respects Equipment Lease-Purchase Agreement between Certificate holder and named insured.

CERTIFICATE HOLDER

Capital One Public Funding, LLC
275 Broadhollow Road
Attn: Jonathan Lewis
Melville NY 11747

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Eileen Malvey

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

This Certificate of Insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

LOSS PAYABLE SCHEDULE

(The entries required to complete this endorsement
will be shown below or on the "schedule of coverages".)

Indicate applicable provision:

- ☒ Loss Payable
☐ Lender's Loss Payable
☐ Contract of Sale

SCHEDULE

<u>Location</u>	<u>Covered Property</u>	<u>Name and Address of Loss Payee</u>
214 SOUTH STREET, NEWARK, NJ 07105	PENNINGTON COURT NJ2-2	Capital One Public Funding, LLC
27 FOSTER STREET, NEWARK, NJ 07114	SETH BOYDEN ELDERLY 21E	275 Broadhollow Road
120 DAYTON STREET, NEWARK, NJ 07114	SETH BOYDEN ELDERLY 21E	Attention: Jonathan Lewis
130 DAYTON STREET, NEWARK, NJ 07114	SETH BOYDEN ELDERLY 21E	Melville, NY 11747

Schedule Continued On Next Page

AAIS

This endorsement changes the
Commercial
Property Coverages provided by this policy.

CO 1072 04 02

-- PLEASE READ THIS CAREFULLY --

Designated Interests

130 DAYTON ST., Newark, NJ 07114

120 DAYTON ST., Newark, NJ 07114

27 Foster STREET, Newark, NJ 07114

214 SOUTH STREET, Newark, NJ 07105

211150

CO 1072 04 02

Page 2 of 2

AAIS

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 20, 2013 (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):

Housing Insurance Services Inc.

189 Commerce Street - P.O. Box 189

Cheshire, CT 06410 (800) 873-0242

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 Assignee as Loss Payee.

Coverage Required: Termination Value Specified

- ☒ b. Public Liability Insurance evidenced by a Certificate of Insurance naming the Assignee 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 initial Assignee, 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 initial Assignee].

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

By 
Name: Keith Kinard
Title: Executive Director



AIA Document A312™ – 2010

Performance Bond

Bond No. 929560060

CONTRACTOR:

(Name, legal status and address)

CONSTELLATION ENERGY PROJECTS
& SERVICES NJ
100 Constellation Way, Suite 1000C
Baltimore, MD 21202

SURETY:

(Name, legal status and principal place
of business)

WESTERN SURETY COMPANY
101 South Phillips Avenue
Sioux Falls, SD 57104

OWNER:

(Name, legal status and address)

NEWARK HOUSING AUTHORITY
500 BROAD STREET
NEWARK, NJ 07102

This document has important legal
consequences. Consultation with
an attorney is encouraged with
respect to its completion or
modification.

Any singular reference to
Contractor, Surety, Owner or
other party shall be considered
plural where applicable.

AIA Document A312-2010
combines two separate bonds, a
Performance Bond and a
Payment Bond, into one form.
This is not a single combined
Performance and Payment Bond.

CONSTRUCTION CONTRACT

Date: 7/15/13

Amount: Three Million Five Hundred Thousand Seventy One and 00/100 Dollars
(\$3,500,071.00)

Description:

(Name and location)

Phase 1a Project under Energy Performance Contract

BOND

Date: 7/16/13

(Not earlier than Construction Contract Date)

Amount: Three Million Five Hundred Thousand Seventy One and 00/100 Dollars (\$3,500,071.00)

Modifications to this Bond: ☐ None ☒ See Section 16


CONTRACTOR AS PRINCIPAL

Company: (Corporate Seal)
CONSTELLATION ENERGY PROJECTS & SERVICES
NJ

SURETY

Company: (Corporate Seal)
WESTERN SURETY COMPANY

Signature: 
Name: Kevin Klages
and Title: Vice President

Signature: 
Name: Wayne G. Mc Vaughn, Attorney-in-Fact
and Title:

(Any additional signatures appear on the last page of this Performance Bond.)

(FOR INFORMATION ONLY — Name, address and telephone)

AGENT or BROKER:

Aon Risk Services Central, Inc.
One Liberty Place, 1650 Market Street
Philadelphia, PA 19103
215-255-2000

OWNER'S REPRESENTATIVE:

(Architect, Engineer or other party:)

§ 1 The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

§ 2 If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except when applicable to participate in a conference as provided in Section 3.

§ 3 If there is no Owner Default under the Construction Contract, the Surety's obligation under this Bond shall arise after

- .1 the Owner first provides notice to the Contractor and the Surety that the Owner is considering declaring a Contractor Default. Such notice shall indicate whether the Owner is requesting a conference among the Owner, Contractor and Surety to discuss the Contractor's performance. If the Owner does not request a conference, the Surety may, within five (5) business days after receipt of the Owner's notice, request such a conference. If the Surety timely requests a conference, the Owner shall attend. Unless the Owner agrees otherwise, any conference requested under this Section 3.1 shall be held within ten (10) business days of the Surety's receipt of the Owner's notice. If the Owner, the Contractor and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default;
- .2 the Owner declares a Contractor Default, terminates the Construction Contract and notifies the Surety; and
- .3 the Owner has agreed to pay the Balance of the Contract Price in accordance with the terms of the Construction Contract to the Surety or to a contractor selected to perform the Construction Contract.

§ 4 Failure on the part of the Owner to comply with the notice requirement in Section 3.1 shall not constitute a failure to comply with a condition precedent to the Surety's obligations, or release the Surety from its obligations, except to the extent the Surety demonstrates actual prejudice.

§ 5 When the Owner has satisfied the conditions of Section 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

§ 5.1 Arrange for the Contractor, with the consent of the Owner, to perform and complete the Construction Contract;

§ 5.2 Undertake to perform and complete the Construction Contract itself, through its agents or independent contractors;

§ 5.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and a contractor selected with the Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Section 7 in excess of the Balance of the Contract Price incurred by the Owner as a result of the Contractor Default; or

§ 5.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances:

- .1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, make payment to the Owner; or
- .2 Deny liability in whole or in part and notify the Owner, citing the reasons for denial.

§ 6 If the Surety does not proceed as provided in Section 5 with reasonable promptness, the Surety shall be deemed to be in default on this Bond seven days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Section 5.4, and the Owner refuses the payment or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

§ 7 If the Surety elects to act under Section 5.1, 5.2 or 5.3, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. Subject to the commitment by the Owner to pay the Balance of the Contract Price, the Surety is obligated, without duplication, for

- .1 the responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;
- .2 additional legal, design professional and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Section 5; and
- .3 liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

§ 8 If the Surety elects to act under Section 5.1, 5.3 or 5.4, the Surety's liability is limited to the amount of this Bond.

§ 9 The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators, successors and assigns.

§ 10 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 11 Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after a declaration of Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 12 Notice to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears.

§ 13 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 14 Definitions

§ 14.1 Balance of the Contract Price. The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made, including allowance to the Contractor of any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper payments made to or on behalf of the Contractor under the Construction Contract.

§ 14.2 Construction Contract. The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and changes made to the agreement and the Contract Documents.

§ 14.3 Contractor Default. Failure of the Contractor, which has not been remedied or waived, to perform or otherwise to comply with a material term of the Construction Contract.

§ 14.4 Owner Default. Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

§ 14.5 Contract Documents. All the documents that comprise the agreement between the Owner and Contractor.

§ 15 If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

§ 16 Modifications to this bond are as follows:

Dual Obligatee Rider

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL

SURETY

Company:

(Corporate Seal)

Company:

(Corporate Seal)

Signature: _____

Name and Title: _____

Address: _____

Signature: _____

Name and Title: _____, Attorney-in-Fact

Address: _____

AIA[®] Document A312[™] – 2010

Payment Bond

Bond No. 929560060

CONTRACTOR:

(Name, legal status and address)

CONSTELLATION ENERGY PROJECTS
& SERVICES NJ
100 Constellation Way, Suite 1000C
Baltimore, MD 21202

SURETY:

(Name, legal status and principal place
of business)

WESTERN SURETY COMPANY
101 South Phillips Avenue
Sioux Falls, SD 57104

OWNER:

(Name, legal status and address)

NEWARK HOUSING AUTHORITY
500 BROAD STREET
NEWARK, NJ 07102

CONSTRUCTION CONTRACT

Date: 7/15/13

Amount: Three Million Five Hundred Thousand Seventy One and 00/100 Dollars
(\$3,500,071.00)

Description:

(Name and location)

Phase 1a Project under Energy Performance Contract

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

AIA Document A312-2010 combines two separate bonds, a Performance Bond and a Payment Bond, into one form. This is not a single combined Performance and Payment Bond.

BOND

Date: 7/16/13

(Not earlier than Construction Contract Date)

Amount: Dollars
(\$3,500,071.00)

Modifications to this Bond: ☐ None ☒ See Section 18

CONTRACTOR AS PRINCIPAL

Company: (Corporate Seal)
CONSTELLATION ENERGY PROJECTS & SERVICES
NJ

Signature: 

Name: Kevin Klages
and Title: Vice President

(Any additional signatures appear on the last page of this Payment Bond.)

SURETY

Company: (Corporate Seal)
WESTERN SURETY COMPANY

Signature: 
Name: Wayne G. Mc Vaughn, Attorney-in-Fact
and Title:

(FOR INFORMATION ONLY — Name, address and telephone)

AGENT or BROKER:

Aon Risk Services Central, Inc.
One Liberty Place, 1650 Market Street
Philadelphia, PA 19103
215-255-2000

OWNER'S REPRESENTATIVE:

(Architect, Engineer or other party:)

§ 1 The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference, subject to the following terms.

§ 2 If the Contractor promptly makes payment of all sums due to Claimants, and defends, indemnifies and holds harmless the Owner from claims, demands, liens or suits by any person or entity seeking payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, then the Surety and the Contractor shall have no obligation under this Bond.

§ 3 If there is no Owner Default under the Construction Contract, the Surety's obligation to the Owner under this Bond shall arise after the Owner has promptly notified the Contractor and the Surety (at the address described in Section 13) of claims, demands, liens or suits against the Owner or the Owner's property by any person or entity seeking payment for labor, materials or equipment furnished for use in the performance of the Construction Contract and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety.

§ 4 When the Owner has satisfied the conditions in Section 3, the Surety shall promptly and at the Surety's expense defend, indemnify and hold harmless the Owner against a duly tendered claim, demand, lien or suit.

§ 5 The Surety's obligations to a Claimant under this Bond shall arise after the following:

§ 5.1 Claimants, who do not have a direct contract with the Contractor,

- .1 have furnished a written notice of non-payment to the Contractor, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were, or equipment was, furnished or supplied or for whom the labor was done or performed, within ninety (90) days after having last performed labor or last furnished materials or equipment included in the Claim; and
- .2 have sent a Claim to the Surety (at the address described in Section 13).

§ 5.2 Claimants, who are employed by or have a direct contract with the Contractor, have sent a Claim to the Surety (at the address described in Section 13).

§ 6 If a notice of non-payment required by Section 5.1.1 is given by the Owner to the Contractor, that is sufficient to satisfy a Claimant's obligation to furnish a written notice of non-payment under Section 5.1.1.

§ 7 When a Claimant has satisfied the conditions of Sections 5.1 or 5.2, whichever is applicable, the Surety shall promptly and at the Surety's expense take the following actions:

§ 7.1 Send an answer to the Claimant, with a copy to the Owner, within sixty (60) days after receipt of the Claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed; and

§ 7.2 Pay or arrange for payment of any undisputed amounts.

§ 7.3 The Surety's failure to discharge its obligations under Section 7.1 or Section 7.2 shall not be deemed to constitute a waiver of defenses the Surety or Contractor may have or acquire as to a Claim, except as to undisputed amounts for which the Surety and Claimant have reached agreement. If, however, the Surety fails to discharge its obligations under Section 7.1 or Section 7.2, the Surety shall indemnify the Claimant for the reasonable attorney's fees the Claimant incurs thereafter to recover any sums found to be due and owing to the Claimant.

§ 8 The Surety's total obligation shall not exceed the amount of this Bond, plus the amount of reasonable attorney's fees provided under Section 7.3, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

§ 9 Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any construction performance bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.

§ 10 The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for the payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligation to make payments to, or give notice on behalf of, Claimants or otherwise have any obligations to Claimants under this Bond.

§ 11 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

§ 12 No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the state in which the project that is the subject of the Construction Contract is located or after the expiration of one year from the date (1) on which the Claimant sent a Claim to the Surety pursuant to Section 5.1.2 or 5.2, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 13 Notice and Claims to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears. Actual receipt of notice or Claims, however accomplished, shall be sufficient compliance as of the date received.

§ 14 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 15 Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor and Owner shall promptly furnish a copy of this Bond or shall permit a copy to be made.

§ 16 Definitions

§ 16.1 Claim. A written statement by the Claimant including at a minimum:

- .1 the name of the Claimant;
- .2 the name of the person for whom the labor was done, or materials or equipment furnished;
- .3 a copy of the agreement or purchase order pursuant to which labor, materials or equipment was furnished for use in the performance of the Construction Contract;
- .4 a brief description of the labor, materials or equipment furnished;
- .5 the date on which the Claimant last performed labor or last furnished materials or equipment for use in the performance of the Construction Contract;
- .6 the total amount earned by the Claimant for labor, materials or equipment furnished as of the date of the Claim;
- .7 the total amount of previous payments received by the Claimant; and
- .8 the total amount due and unpaid to the Claimant for labor, materials or equipment furnished as of the date of the Claim.

§ 16.2 Claimant. An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Construction Contract. The term Claimant also includes any individual or entity that has rightfully asserted a claim under an applicable mechanic's lien or similar statute against the real property upon which the Project is located. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

§ 16.3 Construction Contract. The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and all changes made to the agreement and the Contract Documents.

§ 16.4 Owner Default. Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

§ 16.5 Contract Documents. All the documents that comprise the agreement between the Owner and Contractor.

§ 17 If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

§ 18 Modifications to this bond are as follows:

Dual Obligee Rider

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL

Company:

(Corporate Seal)

SURETY

Company:

(Corporate Seal)

Signature: _____

Name and Title: ,

Address: _____

Signature: _____

Name and Title: , Attorney-in-Fact

Address: _____

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Darella White, Richard A Jacobus, Douglas R Wheeler, Wayne G Mc Vaugh, Elizabeth Marrero, Maureen Mc Neill, Individually

of Philadelphia, PA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Senior Vice President and its corporate seal to be hereto affixed on this 4th day of June, 2012.



WESTERN SURETY COMPANY

Paul T. Bruflat, Senior Vice President

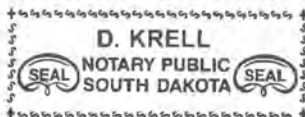
State of South Dakota }
County of Minnehaha }

ss

On this 4th day of June, 2012, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Senior Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

November 30, 2012



D. Krell, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 16th day of July, 2013



WESTERN SURETY COMPANY

L. Nelson, Assistant Secretary

ACKNOWLEDGMENT OF PRINCIPAL (Individual)

State of _____)

County of _____)

On this _____ day of _____, in the year _____, before me personally come(s) _____, to me known and known to me to be the person(s) who (is) (are) described in and executed the foregoing instrument and acknowledge(s) to me that she/he executed the same.

Notary Public**ACKNOWLEDGMENT OF PRINCIPAL (Partnership)**

State of _____)

County of _____)

On this _____ day of _____, in the year _____, before me personally come(s) _____, a member of the co-partnership of _____, to me known and known to me to be the person(s) who (is) (are) described in and executed the foregoing instrument and acknowledge(s) to me that she/he executed the same as for the act and deed of the said co-partnership.

Notary Public**ACKNOWLEDGMENT OF PRINCIPAL (Corporation)**

State of _____)

County of _____)

On this _____ day of _____, in the year _____, before me personally come(s) _____, to me known, who, being duly sworn, deposes and says that she/he is the _____ of the _____ the corporation described in and which executed the foregoing instrument; the she/he knows the seal of the said corporation; the seal affixed to the said instrument is such corporate seal; that it was so affixed by the order of the Board of Directors of said corporation, and that she/he signed her/his name thereto by like order.

Notary Public**ACKNOWLEDGMENT OF SURETY**State of New Jersey)County of Burlington)

On this 16th day of July, in the year 2013, before me personally come(s) _____, Wayne G. McVaugh, Attorney(s)-in-Fact of Western Surety Company with whom I am personally acquainted, and who, being by me duly sworn, says that she/he is (are) the Attorney(s)-in-Fact of Western Surety Company company described in and executed the within instrument; that she/he know(s) the corporate seal of such company; and that seal affixed to the within instrument is such corporate seal and that it was affixed by order of the Board of Directors of said company, and that she/he signed said instrument as Attorney(s)-in-Fact of the said company by like order.

JAQUANDA S. MARTIN
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 10/29/2013

Western Surety Company

Bond No. 929560060

SURETY DISCLOSURE STATEMENT AND CERTIFICATION

Western Surety Company, surety on the attached bond, hereby certifies the following:

(1) The surety meets the applicable capital and surplus requirements of R.S. 17:17-6 or R.S. 17:17-7 as of the surety's most current annual filing with the New Jersey Department of Insurance.

(2) The capital and surplus, as determined in accordance with the applicable laws of this State, of the surety(ies) participating in the issuance of the attached bond is (are) in the following amount(s) as of the calendar year ended December 31, 2011. The financial statements of Western Surety Company as of and for the year ended December 31, 2011 have been audited by Deloitte & Touche LLP, 111 S. Wacker Drive, Chicago, IL 60606-4301.

Surety Company	Capital	Policyholders' Surplus (including Capital)
Western Surety Company	\$4,000,000	\$889,484,633

(3) (a) With respect to each surety participating in the issuance of the attached bond that has received from the United States Secretary of the Treasury a certificate of authority pursuant to 31 U.S.C. § 9305, the underwriting limitation established therein on July 1, 2012, is as follows:

Surety Company	Underwriting Limitation
Western Surety Company	\$88,171,000

(b) With respect to each surety participating in the issuance of the attached bond that has not received such a certificate of authority from the United States Secretary of the Treasury, the underwriting limitation of that surety as established pursuant to R.S. 17.18.9 as of (date of which such limitation was so established) is as follows: N/A

(4) The amount of the bond to which this statement and certification is attached is \$ 3,500,071.00

(5) If, by virtue of one or more contracts of reinsurance, the amount of the bond indicated under item (4) above exceeds the total underwriting limitation of all sureties on the bond as set forth in items (3)(a) or (3)(b) above, or both, then for each such contract of reinsurance:

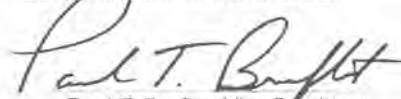
(a) The name and address of each such reinsurer under that contract and the amount of that reinsurer's participation in the contract is as follows: N/A
and

(b) Each surety that is party to any such contract of reinsurance certifies that each reinsurer listed under item (5)(a) satisfies the credit for reinsurance requirement established under P.L.1993, c. 243 (C.17:51B-1 et seq.) and any applicable regulations in effect as of the date on which the bond to which this statement and certification is attached shall have been filed with the appropriate public agency. N/A

CERTIFICATE

I, Paul T. Bruflat, as Vice President, for Western Surety Company, a corporation domiciled in South Dakota, DO HEREBY CERTIFY that, to the best of my knowledge, the foregoing statements made by me are true, and ACKNOWLEDGE that, if any of those statements made by me are false, this bond is VOIDABLE.

Date: July 16, 2013


Paul T. Bruflat, Vice President

WESTERN SURETY COMPANY
Sioux Falls, South Dakota
Statement of Net Admitted Assets and Liabilities
December 31, 2012

ASSETS

Bonds	\$1,544,217,378
Stocks	23,405,721
Cash and short-term investments	85,332,658
Uncollected premiums and agents' balances	32,034,747
Amounts recoverable from reinsurers	163,180
Net deferred tax asset	23,141,708
Electronic data processing equipment and software	47,102
Investment income due and accrued	18,997,674
Other assets	5,203,942
Total Assets	<u>\$1,732,544,110</u>

LIABILITIES AND SURPLUS

Losses	\$310,752,443
Loss adjustment expense	79,546,495
Contingent and other commissions payable	6,404,001
Other expense	1,046,332
Taxes, licenses and fees	1,652,483
Unearned premiums	249,533,795
Other liabilities	31,210,018
Total Liabilities	<u>680,145,567</u>

Surplus Account:	
Capital paid up	\$4,000,000
Gross paid in and contributed surplus	280,071,836
Unassigned funds	<u>768,326,707</u>
Surplus as regards policyholders	<u>\$1,052,398,543</u>
Total Liabilities and Capital	<u>\$1,732,544,110</u>



I, I. O. B. Magaña, Assistant Vice President of Western Surety Company hereby certify that the above is an accurate representation of the financial statement of the Company dated December 31, 2012, as filed with the various Insurance Departments and is a true and correct statement of the condition of Western Surety Company as of that date.

Western Surety Company

By [Signature]
Assistant Vice President

Subscribed and sworn to me this 25th day of March, 2013.

My commission expires: "OFFICIAL SEAL"
KATHLEEN M. SCHROEDER
Notary Public, State of Illinois
My Commission Expires 08/16/15

Kathleen M Schroeder
Notary Public

DUAL OBLIGEE RIDER

This Rider is executed concurrently with and shall be attached to and form a part of Bond No. 929560060
(hereafter "Bond") issued by the WESTERN SURETY COMPANY
as Surety, on behalf of CONSTELLATION ENERGY PROJECTS & SERVICES NJ

_____, hereafter referred
to as the Principal, in favor of NEWARK HOUSING AUTHORITY

_____, hereafter
referred to as the Owner for Phase 1a Project under Energy Performance Contract (the "Contract").

WHEREAS, the Owner requests that Surety and Principal add _____
Capital One Public Funding, LLC - 265 Broadhollow Rd., Melville, NY 11747 as an additional
obligee under the Bond; and

WHEREAS, the Surety and Principal agree to the above referenced changes requested by the Owner which are set forth
in this Rider which is executed concurrently with the execution of the Bond upon the conditions herein stated.

NOW, THEREFORE, the undersigned hereby agree as follows:

1. Capital One Public Funding, LLC - 265 Broadhollow Rd., Melville, NY 11747

is added to the Bond as an additional obligee ("Additional Obligor").

2. The Surety shall not be liable under the Bond to the Owner, the Additional Obligor, or either of them unless the
Owner, the Additional Obligor or either of them shall make payments to the Principal (or in the case the Surety arranges
for completion of the Contract, to the Surety) in accordance with the terms of the Contract as to payments and shall
perform all other obligations to be performed under the Contract at the time and in the manner therein set forth.
Notwithstanding anything in the Contract to the contrary, the Surety shall have no obligations or liability to the Additional
Obligors unless either or both fulfill all of the Owner's obligations under the Contract which shall include all of the Owner's
payment obligations to the Principal.

3. The aggregate liability of the Surety under this Bond to any, all or either of the Owner or the Additional Obligor, as
their interests may appear, is limited to the penal sum of the Bond as may be modified by the terms and conditions of this
Rider. Further, the Additional Obligor's rights hereunder are subject to the same defenses Principal and/or Surety have
against the Owner. The Surety may, at its option, make any payments under said Bond by check issued jointly to the
Owner and the Additional Obligor.

4. Except as modified herein, all other terms and conditions of the Bond shall remain in full force and effect.

SIGNED, SEALED AND DATED this 16th day of July, 2013

WESTERN SURETY COMPANY

By: _____ Surety
Wayne G. Mc Vaugh Attorney-in-fact

CONSTELLATION ENERGY PROJECTS & SERVICES NJ

By: K. A. Klages Principal
Title: Kevin Klages, Vice President

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Darella White, Richard A Jacobus, Douglas R Wheeler, Wayne G Mc Vaugh, Elizabeth Marrero, Maureen Mc Neill, Individually

of Philadelphia, PA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Senior Vice President and its corporate seal to be hereto affixed on this 4th day of June, 2012.



WESTERN SURETY COMPANY

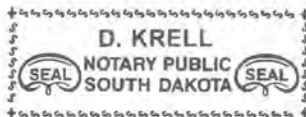
Paul T. Bruflat, Senior Vice President

State of South Dakota }
County of Minnehaha } ss.

On this 4th day of June, 2012, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Senior Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

November 30, 2012



D. Krell, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 10th day of July 2013



WESTERN SURETY COMPANY

L. Nelson, Assistant Secretary

RIDER INCREASING OR DECREASING PENALTY OF BOND

To be attached to and form part of Phase 1a Project under Energy Performance Contract
(Description of Bond)

Bond No. 929560060 issued on behalf of CONSTELLATION ENERGY PROJECTS & SERVICES NJ
as Principal in favor of NEWARK HOUSING AUTHORITY

Obligee.

WESTERN SURETY COMPANY, (hereinafter called the Company) hereby Increasing
the penalty from Three Million Five Hundred Seventy One and 00/100 DOLLARS (\$ 3,500,071.00),
to Three Million Five Hundred Seventy Thousand Five Hundred Fifty Six and 00/100 DOLLARS (\$ 3,570,556.00),
subject to the covenants and conditions of said bond, except as herein stated.

This rider becomes effective on the 30th day of July, 2013, at
twelve and one minute o'clock AM standard time.

Signed and dated this 30th day of July, 2013.

CONSTELLATION ENERGY PROJECTS & SERVICES NJ
Principal

By 

ACCEPTED

WESTERN SURETY COMPANY

By 

Wayne G. McVaugh

Obligee

By _____

By _____



Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

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Darella White, Richard A Jacobus, Sandra E Bronson, Mary C O Leary, Douglas R Wheeler, Wayne G Mc Vaughn, Individually

of Philadelphia, PA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Senior Vice President and its corporate seal to be hereto affixed on this 21st day of September, 2009.



WESTERN SURETY COMPANY

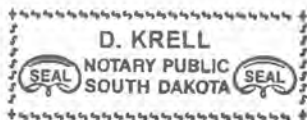
Paul T. Bruflat, Senior Vice President

State of South Dakota }
County of Minnehaha } ss

On this 21st day of September, 2009, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Senior Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

November 30, 2012



D. Krell, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 30th day of July 2013.



WESTERN SURETY COMPANY

L. Nelson, Assistant Secretary

HOUSING AUTHORITY OF THE CITY OF NEWARK

CERTIFICATE


The undersigned, in his capacity as Chairman of the Housing Authority of the City of Newark (the "**Authority**"), does hereby certify as follows:

1. The representations and warranties of the Authority contained in that certain Equipment Lease-Purchase Agreement dated as of September 20, 2013 (the "**Lease**") and other Related Agreements (as defined in the Lease) to which the Authority is a party are true and correct as of the date of the Lease (the "**Commencement Date**").

2. No Event of Default (as defined under the Lease) has occurred and is continuing or would result from the execution, delivery or performance of the Lease or any other Related Agreement to which the Authority is a party.

3. There has been no event or circumstance since the date of the audited annual financial statements of the Authority for the fiscal year ended March 31, 2012, that has resulted or could be reasonably expected to result, either individually or in the aggregate, in a Material Adverse Change (as defined in the Lease).

4. The following person is duly serving in the office listed below and is authorized to execute the Related Agreements to which the Authority is a party on behalf of the Authority, and the signature set forth opposite the name of such person is his accurate and genuine signature:

<u>Incumbent</u>	<u>Office</u>	<u>Signature</u>
Keith Kinard	Executive Director/Secretary	

5. Attached hereto as Exhibit A are true and complete copies of the resolutions of the Board of Commissioners of the Authority approving the execution and delivery of the Related Agreements to which the Authority is a party and the other matters contemplated by the Lease. The resolutions have not been amended or appealed and are in full force and effect as of the date hereof.

IN WITNESS WHEREOF, the undersigned has signed this Certificate.

HOUSING AUTHORITY OF THE CITY
OF NEWARK

By:



Name: Modia Butler

Title: Chairman

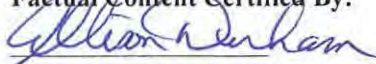
Date: September 20, 2013

EXHIBIT A

Board Meeting Date: July 3, 2013

**RESOLUTION OF THE
HOUSING AUTHORITY OF THE CITY OF NEWARK**
RESOLUTION NO. H-13-03-07-02

Factual Content Certified By:



Approved for Legality Based on Facts Stated:


Chief Legal OfficerCommissioner Osborne submitted the following resolution

RESOLUTION: That the Board of Commissioners of the Housing Authority of the City of Newark ("NHA") authorizes the Executive Director and/or his authorized designee to negotiate, execute, deliver and make any necessary amendments to an Equipment Lease Purchase Agreement with Grant Capital Management, Inc., as Lessor, and other related parties to effectuate the financing of supplemental energy conservation scope of work items and interest payment costs in an amount not to exceed \$4.6 million at an interest rate not to exceed 3.5% with a closing date on or about July 15, 2013. The Board of Commissioners further authorizes the Executive Director or his authorized designee, as applicable, to negotiate, amend, execute, deliver and make or approve any necessary changes and corrections to all documents relating thereto, including but not limited to the March 2011 Water and Energy Services Agreement with Constellation Energy Projects & Services NJ as it relates to the supplemental energy conservation scope of work. All actions taken by the Executive Director or his authorized designee are hereby approved and ratified.

Commissioner Perez seconded the motion.

BOARD OF COMMISSIONERS VOTE OF FINAL PASSAGE

X - Indicates vote

AB - Absent

NV - Not Voting

COMMISSIONERS	AYE	NAY	AB	NV	COMMISSIONERS	AYE	NAY	AB	NV
BUTLER			X		PEREZ	X			
CARTWRIGHT	X				CRUZ			X	
PALMER	X								
OSBORNE	X								

I HEREBY CERTIFY THAT THE ABOVE RESOLUTION WAS ACCEPTED AT THE BOARD OF COMMISSIONERS MEETING OF THE HOUSING AUTHORITY OF THE CITY OF NEWARK, NJ ON July 3, 2013.


 Keith D. Kinard
 Secretary/Executive Director

CERTIFICATE OF INCUMBENCY

I, the undersigned, do hereby certify that I am the duly elected or appointed and acting Chairman of the Board of Commissioners 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 20, 2013 (the "*Lease*"), between Lessee and Grant Capital Management, Inc., as Lessor, and (b) the Related Agreements, as defined in the Lease.

Keith Kinard
Name

Secretary/Executive Director
Title

Signature

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

Keith Kinard
Name

Secretary/Executive Director
Title

Signature

IN WITNESS WHEREOF, I have duly executed this Certificate and affixed the seal of Lessee on this 20th day of September, 2013.

Modi B
Housing Authority of the City of Newark

[SEAL]

Print Name: Modi Butler
Official Title: Chairman, Board of Commissioners
(other than the person signing the documents)

From: Roseanne Vega <vega@chapman.com>
Subject: Newark Housing Authority - Section 3
Date: September 30, 2011 12:01:33 PM CDT
▶ 1 Attachment, 980 KB



From: Fleischman, David [mailto:David.Fleischman@hud.gov]
Sent: Thursday, September 01, 2011 03:22 PM
To: Allison Durham; Keith Kinard
Cc: Blom, Dominique G <Dominique.G.Blom@hud.gov>; Riddel, Jeffrey <Jeffrey.Riddel@hud.gov>; Longosz, Vickie S <Vickie.S.Longosz@hud.gov>; Thumar, Balu K <balu.k.thumar@hud.gov>; Sun, Shie-Fong <shiefong.sun@hud.gov>; Gallagher, Kevin J <Kevin.J.Gallagher@hud.gov>
Subject: Newark Housing Authority - Section 30

Mr. Kinard and Ms. Durham:

Thank you for your patience during the Department's review of your EPC Section 30 application. HUD's Office of General Counsel has determined that ownership v. beneficial ownership under NJ law as outlined in the attached request for an opinion is rather nuanced as you have suggested as well. In the course of writing the HUD Notice 2011-14, we were focusing on legal ownership and that has been the construct for our interpretations under the 1937 Act, ACC and DOT. For this reason, I would agree that legal ownership of the energy equipment in the lessor/ trustee leads to the determination that Section 30 does not apply. Similarly, they are not creating a security interest in Operating Funds. They are expecting payment from the Operating Funds, but those funds would not be pledged and it would be as you suggest, merely a payment arrangement. It is also true that because the trustee is the legal owner of the equipment, in the case of default under the loan, it may remove the energy equipment from the PHA project. We should continue to require a modernization DOT in first place on the public housing project. An additional legal opinion will be required of HUD's analysis of NJ law, and that would best come from the lender and PHA counsel.

Best regards,

David Fleischman
US Department of Housing and Urban Development
Office of Capital Improvements
451 7TH Street SW
Washington, DC 20410

Office: 202 402 2071
Email: David.Fleischman@hud.gov

From: Gallagher, Kevin J
Sent: Thursday, August 25, 2011 7:58 AM
To: 'Allison Durham'
Cc: Riddel, Jeffrey; Fleischman, David
Subject: RE: Newark Housing Authority - Section 30 Authorization

Good Morning Alison,

Let me start by stating that I understand and appreciate the sense of urgency associated with your transaction and share your desire to enable the Newark Housing Authority to proceed to a financial closing and begin construction. I received your email of last Saturday transmitting the letter dated August 17th. David received the letter on Friday from Toni Logan and forwarded it on to our counsel. The letter was clear and comprehensive and, I believe, reflected an understanding of the issues involved. After reviewing the letter on Monday, I consulted with our counsel. Once we hear back from counsel I will have a better sense of timeline for providing a response. I have followed up with counsel to see if they can provide a sense of timing, and either David or I will follow up with you as soon as we hear back from them.

Regards,

Kevin

From: Allison Durham [mailto:ADurham@NewarkHA.org]
Sent: Wednesday, August 24, 2011 1:12 PM
To: Gallagher, Kevin J
Subject: Newark Housing Authority - Section 30 Authorization

Hello Mr. Gallagher,
I understand Mr. Riddel is out of town on business today and will be back in the office tomorrow. I left a voicemail for him but I wanted to touch base with you as well. As you can imagine we are quite anxious to get rolling with the financial closing and construction of our project. The Newark Housing Authority essentially started down this path in 2007 and we've now got all the players in place and are ready to go. We've been working with our funders since November of 2010, our ESCo (Constellation Energy) for two years now and their sub-contractor for about a year now. The Section 30 authorization is essentially the very last action item before closing and construction can begin.

I hope the narrative we submitted provided a clear understanding of our financial structure but should there be any questions we are available to discuss. I'm attempting to manage expectations from our partners and my Executive Director and wonder if you have some sense as to a timeline we might receive feedback on our Section 30 request. Any guidance you can provide would be greatly appreciated.

Regards,

Allison

Allison Durham
Executive Manager
Executive Office
Newark Housing Authority
500 Broad Street
Newark, NJ 07102
(973) 273-6600 /phone



Executive Office
500 Broad Street • Newark, NJ 07102
t (973) 273-6000 • f (973) 642-1242
www.newarkha.org

August 17, 2011

VIA ELECTRONIC MAIL

Mr. Jeffrey Riddel, Director of Capital Improvements
United States Department of Housing and
Urban Development
Office of Public Housing Investments
451 Seventh Street, SW
Room 4130
Washington, DC 20410

Re: Section 30 and Lease/Purchase Financing of Energy Improvement Project

Dear Mr. Riddel:

The Newark Housing Authority (the "Authority") is currently preparing to embark on a comprehensive energy management and energy improvement project through a guaranteed energy performance contract pursuant to which various energy conservation measures will be installed at several of the public housing sites owned by the Authority (the "Project") and held in trust for the benefit of the United States Department of Housing and Urban Development ("HUD") under declarations of trust (collectively, the "Declarations of Trust").

The purpose of this correspondence is to offer a narrative of the Authority's financing structure to fund our energy improvement project. Upon your review of this structure, we seek guidance and clarification regarding: (1) whether or not the Authority is required to obtain HUD's written authorization in accordance with Section 30 of the U.S. Housing Act of 1937 ("Section 30") in order to enter into the Agreement for third-party bank financing of the Project as described in detail below; (2) whether or not the Agreement (including rights of repossession of the Equipment) would violate the Authority's covenants with respect to its property that is held in trust for the benefit of HUD under the Declarations of Trust; and (3) if HUD determines that Section 30 authorization is not required, will HUD treat the Agreement as a financing that is not secured by the Authority's public housing assets for purposes of, and subject to compliance with, Notice PIH 2011-14(HA) issued on February 24, 2011.

I. Lease/Purchase Financing of the Project

The Authority anticipates financing the Project pursuant to an Equipment Lease Purchase Agreement (the "Agreement") to be entered into between the Authority and a financing intermediary acting as the initial equipment lessor (in such capacity, the "Initial Lessor"). Simultaneously with the financing, the Initial Lessor will assign all of its right, title and interest under the Agreement to a trustee (the "Trustee") pursuant to a trust agreement (the "Trust Agreement") under which certificates of participation ("COPs") will be sold

to bank lenders (the “Bank Lenders”). Pursuant to the provisions of the Agreement, the Authority will agree to make installment payments over an expected 17-year term, including interest, to purchase the energy and water conservation equipment comprising the Project (the “*Equipment*”) on a lease/purchase (*i.e.*, installment) basis. The Authority’s lease/purchase financing pursuant to the Agreement and the Trust Agreement will be structured to qualify as a tax-exempt obligation under the Internal Revenue Code of 1986, as amended (the “Code”).

In connection with the lease/purchase financing, the Authority provides in the Agreement for the creation of two separate trust funds, the Equipment Acquisition Fund and the Rent Payment Fund (together referred to herein as the “Pledged Funds”), that are to be held and administered by the Trustee under the Trust Agreement. The Authority will pledge and grant a security interest in the moneys, investments and income held from time to time in the Pledged Funds to secure the Authority’s obligations under the Agreement. The funds that the Authority borrows from the Bank Lenders pursuant to the lease/purchase financing are the only funds (together with investment earnings) that will be deposited into the Equipment Acquisition Fund and applied as directed by the Authority, with the approval of the Bank Lenders, to pay or reimburse the costs to acquire and install the Equipment as the project progresses. Revenues that the Authority receives from its operations and has on hand during the term of the Agreement (including operating fund subsidy payments that the Authority receives from HUD) that are legally available and sufficient to pay rent payments when due under the Agreement will be deposited into the Rent Payment Fund to make such payments when due. The Authority does not pledge any operating fund subsidy payments or other amounts to be received by the Authority from HUD, but will use such funds once received from HUD to pay its rent payments when due under the Agreement.

II. Section 30 and Related HUD Notices and Guidance

Section 30 provides that “[t]he Secretary may, upon such terms and conditions as the Secretary may prescribe, authorize a public housing agency to mortgage or otherwise grant a security interest in any public housing project or other property of the public housing agency.” On July 8, 2011, HUD issued its Notice PIH-2011-36(HA) regarding Guidance on Energy Performance Contracts in which Section 22 (titled “Section 30 of the 1937 Housing Act”) provides as follows:

“Where any financing transaction involves a security interest or other encumbrance in public housing property, PHAs are required to obtain written approval from HUD of the security interest or encumbrance pursuant to Section 30 of the U.S. Housing Act of 1937 (1937 Act). HUD approval of EPCs and associated ESAs do not constitute approval of the security interest, and a separate approval must be obtained. Under some lease-purchase agreements (otherwise known as municipal leases, the typical financing structure for an EPC), ownership of the equipment may reside with the third party, e.g., a bank, ESCo, etc. Under this scenario, where the ownership resides with a third party, a section 30 approval is not required. Where ownership of the equipment

resides with the PHA and a lien or other encumbrance exists on the equipment, a section 30 approval is required." [emphasis in original]

Notice PIH-2011-36(HA) adopted the position that HUD had previously taken in draft guidance titled "Guidance for Section 30 Proposals Related to EPC Transactions," which is now presumably superseded by such Notice.

On February 24, 2011, HUD issued its Notice PIH 2011-14(HA) regarding Guidelines for Undertaking Financing Unsecured by Public Housing Assets, which requires that financing documents contain certain non-recourse language and establishes a method for resolving conflicts between the financing documents and applicable public housing requirements. If HUD concludes that Section 30 authorization is not required for the Agreement, such conclusion would presumably be based on a determination that since ownership of the Equipment is not in the Authority that the Agreement is not secured by public housing assets. To assure compliance with the requirements of Notice PIH 2011-14(HA), if HUD concludes that Section 30 authorization is not required, the Authority is seeking written clarification whether HUD is of the view that Notice PIH 2011-14(HA) would be applicable to the Agreement.

III. Meaning of Ownership for Different Legal Purposes

The crux of the issue is what HUD intends by its use of the term "ownership" as the basis on which Section 30 authorization is or is not required. The meaning of "ownership" varies depending on the legal context, which may be generally described as the difference between legal ownership and beneficial ownership.

Pursuant to the requirements of Section 40A:11-4.6.c.(1)¹ of the New Jersey Local Public Contracts Law (the "New Jersey Contracts Law"), ownership of the Equipment under the Agreement may not pass to the Authority until such time that all lease payments have been made. Accordingly, the Agreement provides that during the term of the Agreement legal title in the Equipment will be vested in the Lessor (*i.e.*, the Trustee by virtue of the assignment from the Initial Lessor, for the benefit of the Bank Lenders as owners of the COPs) to the extent required by the New Jersey Contracts Law; *provided* that during the term of the Agreement and so long as the Authority is not in default under the Agreement, all beneficial right and interest in and to, and duties and obligations with respect to, the use and possession of the Equipment are in the Authority. During the term of the Agreement, the Authority will agree at all times to protect and defend, at its own cost and expense, the Lessor's legal title and the Authority's beneficial rights and interests in and to the Equipment from and against all claims, liens and legal processes of the Lessor's or the Authority's creditors and other persons and keep the Equipment free

¹ An energy savings improvement program may be financed through a lease-purchase agreement between a contracting unit and an energy services company or other public or private entity. *Under a lease-purchase agreement, ownership of the energy savings equipment or improved facilities shall pass to the contracting unit when all lease payments have been made.* Notwithstanding the provisions of any other law to the contrary, the duration of such a lease purchase agreement shall not exceed 15 years, except that the duration of a lease purchase agreement for a combined heat and power or cogeneration project shall not exceed 20 years.

and clear of all such claims, liens and processes except the Declarations of Trust. Under the Agreement, the Authority will pledge not to create, incur, assume or permit to exist any pledge, lien, security interest or other encumbrance, directly or indirectly, on any of the Equipment, subject to the rights and interests of HUD.

If an event of default occurs under the Agreement, full and unencumbered legal and beneficial title to the Equipment will, at the Lessor's option, vest in the Lessor, and the Authority will have no further interest in the Equipment. In addition, the Trustee would be entitled for the benefit of the owners of the Certificates (*i.e.*, the Bank Lenders) to exercise its remedies under the Agreement, including requiring the Authority to return the Equipment (which the Authority agrees to do) and the Trustee may sell, lease or otherwise dispose of the Equipment, in whole or in part, in one or more public or private transactions. In substance, the Agreement encumbers the Equipment to secure the Authority's lease/purchase financing of the Equipment pursuant to the Agreement.

Upon payment or prepayment of all amounts due under the Agreement, the Lessor's legal title will automatically transfer to the Authority without any additional consideration, at which point the Authority will own all legal and beneficial interest in the Equipment free and clear of the Agreement.

Except for the New Jersey Contracts Law requirement that ownership of the Equipment may not pass to the Authority until all amounts are paid under the Agreement, the Authority has all beneficial rights and interests in the Equipment during the term of the Agreement and will automatically acquire full legal and beneficial ownership of the Equipment so long as all rent payments and other amounts are paid pursuant to the Agreement. The Authority is required as a condition to the Agreement to provide evidence to the Lessor that the Lessor's legal title to the Equipment for purposes of the New Jersey Contracts Law will not result in a New Jersey State sales tax or *ad valorem* property tax as a result of such legal title in the Lessor. The Authority's beneficial rights and interests under the Agreement will support New Jersey sales and property tax exemptions with respect to the purchase and holding of the Equipment for use and consumption by the Authority.

Notwithstanding State law legal ownership in the Lessor, for Federal income tax purposes, the Authority must be deemed to own the Equipment in order to finance its acquisition of the Equipment on a federally tax-exempt installment purchase basis under the Agreement. For Federal income tax purposes, ownership of the Equipment means that the Authority must have the most significant burdens and benefits of ownership with respect to the Equipment. The manner of determining tax ownership is not specified in the Code, but exists under a long line of interpretive cases and rulings. Examples of the burdens of ownership include the Authority being obligated to pay costs to operate, maintain and insure the Equipment and bearing the risk of loss as a result of damage to or destruction of the Equipment and loss in value of the Equipment through depreciation or obsolescence. Examples of the benefits of ownership include exclusive use, possession and control of the Equipment and accumulation of equity in the Equipment. Legal title, in and of itself, does not mean ownership for Federal income tax purposes. Accordingly,

for Federal income tax purposes only, based on the existence of certain indicia of ownership, the Authority will be deemed to own the Equipment during the term of the Agreement, subject to the Declarations of Trust and the Lessor's rights and remedies under the Agreement. Since the Authority will be deemed to own the Equipment for Federal income tax purposes, the Lessor will not be entitled to any Federal income tax benefits that are based on ownership of the Equipment.

IV. Statement of Legal Issues

Simply stated, the primary legal issue is whether HUD interprets "ownership" of the Equipment and the Pledged Funds for purposes of Section 30 and the related Notices and guidance as based on State law ownership, federal income tax law ownership or other standard of ownership that serves HUD's interests as trust beneficiary with respect to public housing property.

An equally significant and related legal issue is the extent to which, if at all, the Authority's entering into and performing the Agreement (including returning the Equipment upon an event of default under the Agreement) would violate its covenants to HUD under the Declarations of Trust. The Authority covenants under the Declarations of Trust to "remain seized of the title to" the subject property and "refrain from transferring, conveying, assigning, leasing, mortgaging, pledging, or otherwise encumbering or permitting or suffering any transfer, conveyance, assignment, lease, mortgage, pledge or other encumbrance of [the subject property] or any part thereof, appurtenances thereto, or any rent, revenues, income, or receipts therefrom or in connection therewith" subject to exceptions not relevant to this request. If HUD determines that Section 30 authorization is not required because the Authority does not own the Equipment during the term of the Agreement, HUD would presumably have concluded that the Authority's covenants in the Declarations of Trust are not violated since the Equipment and the Pledged Funds would not be the Authority's public housing property. If HUD determines that Section 30 authorization is required, the Authority requests written clarification that the Authority's covenants to HUD in the Declarations of Trust would not be violated by the Agreement notwithstanding the absence of an applicable exception on the face of the Declarations of Trust.

V. Request for Written Clarification

The Authority desires to enter into the lease/purchase financing of the Equipment pursuant to the Agreement as described above in compliance the requirements of Section 30 and the related Notices and guidance. The Authority, therefore, requests written clarification from the Secretary of HUD, or his appropriate designee, with respect to the following:

1. whether or not the Authority is required to obtain HUD authorization under Section 30 in connection with the ownership and security arrangement of the Lessor and the Authority with respect to the Equipment under the Agreement as described above;

2. if HUD determines that Section 30 authorization is not required as described under item 1 above because ownership of the Equipment is not in the Authority during the term of the Agreement within the meaning of Section 30 and the applicable Notices and guidance, confirmation that (a) HUD has no interest in the Equipment to which the Lessor has legal title; (b) the Equipment may be acquired and installed on the Authority's public housing property, facilities and buildings with the proceeds of the lease/purchase financing pursuant to the Agreement; and (c) upon the occurrence and during the continuation of an event of default under the Agreement, the Lessor may enforce its rights and remedies as a secured party with respect to the Equipment, subject to applicable State law, including the Lessor's rights to repossession of the Equipment;

3. whether or not the Authority is required to obtain HUD authorization under Section 30 in connection with the pledge and security interest to be granted by the Authority in each of the Pledged Funds as described above;

4. if HUD determines that Section 30 authorization is not required as described under item 3 above because moneys and investments in the Pledged Funds are not owned by the Authority within the meaning of Section 30 and the applicable Notices and guidance, confirmation that (a) HUD has no interest in the moneys and investments held from time to time in either of the Pledged Funds; and (b) upon the occurrence and during the continuation of an event of default under the Agreement, the Lessor may enforce its rights and remedies as a secured party with respect to the Pledged Funds, subject to applicable State law;

5. whether or not the Agreement (including its ownership and security provisions, and rights of repossession, with respect to the Equipment) would violate the Authority's covenants with respect to its property that is held in trust for the benefit of HUD under the Declarations of Trust; and

6. if HUD determines that Section 30 authorization is not required as described under item 1 or item 3 above, will HUD treat the Agreement as a financing that is not secured by the Authority's public housing assets so that the Agreement must contain the provisions required by Notice PIH 2011-14(HA) as described above.

We appreciate your continued assistance with this Project.

Please feel free to contact me at (973) 273-6600 if you require any additional information with respect to this request.

Sincerely,



Allison Durham
Executive Manager



Housing Authority of the City of Newark - Energy Conservation Program

General

The Newark Housing Authority (the “Authority”) is the largest public housing authority in New Jersey, charged with providing low-income residents in Newark with decent, safe and affordable housing. The Authority owns and operates over 8,000 rental units located in 44 communities, consisting of high-rise buildings, family town house complexes, and family low-rise complexes. It is the Authority’s mission to invest in families by building and maintaining affordable housing to encourage economic independence and healthy communities.

Energy Conservation Program

The U.S. Department of Housing & Urban Development (HUD) permits public housing authorities to employ financing techniques that use cost savings from reduced energy consumption to repay the cost of installing energy conservation work. As such, the project itself requires no upfront capital expense to the Authority. On March 31, 2011 the Authority executed an agreement to implement a comprehensive energy management and energy improvement program¹ through a guaranteed energy performance contract (“EPC”). The project anticipates significant energy and cost savings generated through the energy conservation measures that, after debt servicing, will accrue long after the hardware has been installed. Investing in new technology today will help ease the considerable capital improvements needs years from now. On October 15, 2011 the Authority closed on a loan at a desirable interest rate to finance the project including design, acquisition and installation costs. The loan borrowed by the Authority will be repaid exclusively from operational cost savings generated after the installation of the energy conservation equipment. An added feature of the project is that performance of the equipment and the potential consumption savings are being guaranteed by the contractor, Constellation Energy. The guarantee, backed by the parent company of Constellation Energy, is added assurance the Authority will achieve the consumption savings projected over the 15 year contract term.

Update

In May 2013, the Authority took steps to refinance its \$49,560,203 loan. The loan was refinanced with a 3.5% interest rate which produced a cost savings of \$3,570,556. These funds allow the Authority to incorporate additional work into its energy conservation program and increase program savings throughout the term of its guaranteed energy performance contract with Constellation Energy. The additional work being added includes new boilers at a family site and new windows at three (3) senior hi-rise buildings.

Environmental Impact

Due to the reduction in electric and fossil fuel consumption associated with this project, this project will minimize the creation of pollutants, the impact of which is approximately equal to turning off 31,154 100-watt light bulbs for a year, eliminating the average daily use of water for 2,800 persons, removing 2,800 cars off the road each year and planting 76,212 trees each year. The total carbon footprint reduction will be equal to 16,596 tons of carbon dioxides per year.

¹ Additional information relating to the Authority's Energy Conservation Program, including a full copy of the Authority's Energy Conservation Program Plan, is available at the offices of the Authority located at 500 Broad Street, Newark, NJ. The additional information, includes, but is not limited to: 1) an assessment of risks involved in the implementation of the Program; 2) schedules showing calculations of all costs of implementation of the energy conservation measures, and the projected energy savings; 3) a description of Program maintenance requirements; 4) a description of the energy services guarantee associated with the Program; 5) a description of design requiring the professional services of architects and engineers, and the identity thereof; and 5) eligibility for, and costs/revenues associated with the PJM Independent System Operator for certain service activities.

Energy Project Snapshot

Energy Conservation Measures (ECM)

Lighting (hallways, apartments, common space):

The primary design strategy includes upgrading existing lighting components to a high-efficiency system in an effort to improve both energy and material savings. Existing fluorescent fixtures, which cannot be upgraded by re-lamp/re-ballast or retrofit, will be either replaced with new luminaries or re-lamped and/or re-ballasted based on their current condition. Existing incandescent and compact fluorescent exit signs will be replaced with new polycarbonate LED exit signs containing battery back-up. Existing incandescent and compact fluorescent illuminating fixtures will be replaced with high performance compact fluorescent equivalents.

Water (toilets, showerheads, aerators):

Water and sewer savings for this measure are derived from reduced flow of fixtures, resulting from a combination of fixture replacements and replacement of regulating devices within specific fixture types. The residential water consumers consist of water closets (toilets), shower heads, bathroom and kitchen sink faucet aerators.

Windows:

The Authority intends to replace existing windows at several senior high-rise buildings with new, energy efficient, cost effective windows. The windows being replaced are single paned, metal frame windows. The new windows will decrease air infiltration and heat loss problems and provide additional energy savings to the housing authority.

Boiler Decentralization & Replacements:

Energy losses associated with the existing central plant at Stephen Crane Village are high due to multiple leaks in the steam piping distribution system, a nonoperational condensate recovery system, and heat losses throughout the extensive underground distribution piping system to remote buildings. Decentralization is the most cost effective solution to address energy losses in the existing centralized system. New efficient boilers will replace boilers constructed in 1939 with limited updates at a 236-unit family residential facility.

Boiler Controls (Outside Air Reset, Stack Economizer):

This measure eliminates much of the waste associated with overheating buildings in winter months, effectively wasting valuable energy. With the addition of zone control valves, outdoor air temperature sensors and indoor rate thermostats, the steam delivered to heating units are reduced to prevent unnecessary consumption. System pressure may be controlled to balance input to terminal heating equipment with outdoor air temperature. This will alleviate the problem of overheating and reduce the losses associated with distribution piping.

Boiler stack economizers recover waste heat that would otherwise be exhausted to the atmosphere and essentially lost from the heating boiler. Condensing economizers take the sensible heat from the exhaust and latent heat from the water vapor contained in the exhaust and transfer it to water that can be used for domestic purposes such as showering and kitchen use. Both measures will reduce energy consumption and indirectly lower emissions.

Cogeneration:

Cogeneration involves the efficient simultaneous production of electricity and hot water using natural gas to reduce energy costs. This technology is also known as combined heat and power or CHP. These systems are typically installed to provide thermal supply with electricity as an ancillary output providing economic benefit to overall electricity purchase. It typically has the benefits of: lower energy costs, excellent payback, high efficiency and reduced carbon emissions.

Energy Service Company (ESCO)

Constellation Energy / CLT

Project Cost

Phase I - \$49,560,203

Phase Ia - \$3,570,556

Total - \$53,130,759

Total Guaranteed Savings - \$80,557,146

Residential Sites – Family, Hi-Rise and Townhomes (34 different communities) affecting 6,443 homes.

Equipment Useful Life Cycle – up to 25 years.

Projected Consumption Savings (1st year): Water= 109,420,000 gallons, Electricity= 7,512,716 kWh, Therms= 1,259,253.

**NEWARK HOUSING AUTHORITY
AMENDMENT NO. 2
WATER/ENERGY SERVICES AGREEMENT**

Schedule E-1a
Limited Warranty on Guaranteed Cost Savings

Section 3: Estimated Consumption and Cost Savings

Table E.2 below represents the revised Total Estimated Annual Consumption and Cost Savings for the First Year, which, if Substantial Completion for the Combined Project is obtained by December 31, 2013, shall be 2014, for the Combined Phase 1 Project as installed.

Option C Savings Authority Paid	Baseline Consumption	Estimated Future Consumption	Estimated Consumption Savings	Effective* Rate	Estimated \$\$ Savings
Natural Gas (AP) (Therms)	4,662,695	3,689,365	973,330	\$1.7144	\$1,723,292
Water (AP) (Mgal)	1,598,900	1,489,480	109,420	\$5.7352	\$633,958
				SUB TOTAL:	\$2,357,250
OPTION A SAVINGS - Authority Paid			Estimated Consumption Savings	Effective* Rate	Estimated \$\$ Savings
Electricity (AP) (kWh)			5,099,608	\$0.1889	\$971,267
				SUB TOTAL AP:	\$3,328,517
TOTAL ESTIMATED ANNUAL COAST SAVINGS (AP)					\$3,328,517
OPTION A SAVINGS - Resident Paid			Estimated Consumption Savings	Effective* Rate	Estimated \$\$ Savings
Electricity (RP) (kWh)			2,716,693	\$0.2032	\$503,328
Natural Gas (RP) (Therms)			255,788	\$1.5649	\$380,283
Water (RP) (MGAL)			N/A		
				SUB TOTAL RP:	\$883,611
TOTAL ESTIMATED ANNUAL COST SAVINGS (RP)					\$883,611
TOTAL ESTIMATED ANNUAL COST SAVINGS (AP and RP)					\$4,212,128

* Effective Rates depicted above for the purposes of this chart are the average of all AMPS, as AMP rates vary.

**Table E2. Total Estimated Annual Consumption and Cost Savings
for the First Year**

Section 5: Guaranteed Cost Savings

Table E.5 below shows the Guaranteed Cost Savings for each Guarantee Year for the Combined Phase 1 Project (Phase 1 as installed and Phase 1a), commencing 2014, provided that Substantial Completion for the Combined Phase 1 Project is achieved by December 31, 2013.

Guarantee Year	Guaranteed Cost Savings
1	\$ 4,212,128
2	\$ 4,391,143
3	\$ 4,577,767
4	\$ 4,772,322
5	\$ 4,975,146
6	\$ 5,186,589
7	\$ 5,407,019
8	\$ 5,636,818
9	\$ 5,876,383
10	\$ 6,126,129
11	\$ 6,386,489
12	\$ 6,657,915
13	\$ 6,940,877
14	\$ 7,235,864
15	\$ 7,543,388

Table E.5. Guaranteed Cost Savings for Guarantee Years 1 - 15

As set forth in Section 18.2 of the Agreement, the savings guarantee is provided to NHA at no additional cost.



State of New Jersey
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
PO Box 269
TRENTON NJ 08695-0269

TAX ID
22-6002507

JON S. CORZINE
Governor

BRADLEY I. ABELOW
State Treasurer

IN REPLY RESPOND TO:

May 25, 2006

City of Newark Housing Authority
500 Broad Street
Newark, NJ 07102

Dear Purchasing Officers and Vendors:

The City of Newark Housing Authority is a public authority of a political subdivision of the State of New Jersey and is exempt from sales and use taxes, pursuant to Section 9 (a)(1) of the New Jersey Sales and Use Tax Act (N.J.S.A. 54:32B-1 et seq.). An exempt organization certificate (ST-5) or number is not required for the City of Newark Housing Authority to make tax exempt purchases. Your official letterhead or official purchase order signed by a qualified officer is sufficient proof for your vendor that you are exempt from paying the sales tax. Payment must be made by government check or voucher.

Federal agencies, New Jersey state agencies and municipal agencies making purchases in the amount of one hundred fifty dollars (\$150) or less from imprest funds may use the Exempt Use Certificate (Form ST-4) to be relieved of making such purchases by government check or voucher. The Exempt Use Certificate must be signed by a qualified officer of the agency.

In the block marked "Purchaser's Certificate of Authority Number" on the Exempt Use Certificate, the words "Governmental Entity" should be inserted. In the block provided for the exempting citation, the indicia "9(a)" should be written. The name and position of the person dealing with the vendor must be given at the bottom of the certificate. We are enclosing a copy of the Exempt Use Certificate for your convenience.

Very truly yours,


Arthur J. Guenther
Assistant Chief
Regulatory Services Branch

AJG:np
Enclosure

From: Juliet H Huang <jhuang@chapman.com>
Subject: Fwd: NJ Tax Exemptions
Date: September 29, 2011 11:35:17 AM CDT
To: Roseanne Vega <vega@chapman.com>



Juliet Huang
Chapman and Cutler LLP
111 West Monroe Street
Chicago, Illinois 60603-4080
Tel: (312) 845-3414
Fax: (312) 516-3214
Email: jhuang@chapman.com

Begin forwarded message:

From: "O'Brien, Joy C. (Phila)" <OBrienJC@ballardspahr.com>
Date: September 29, 2011 11:00:11 AM CDT
To: "larsen@chapman.com" <larsen@chapman.com>, "jhuang@chapman.com" <jhuang@chapman.com>
Cc: "DeLapenha, Monique Y. (Phila)" <DeLapenhaM@ballardspahr.com>, "ADurham@NewarkHA.org" <ADurham@NewarkHA.org>
Subject: NJ Tax Exemptions

Buzz and Juliet,

Monique asked me to provide you the following additional information with respect to the NJ sales tax exemption and the ad valorem property taxes.

NJ Sales Tax Exemption

NHA is exempt from both the sales and use taxes under the NJ Sales and Use Tax Act. Section 9(a)(1) of the statute exempts "[t]he State of New Jersey, or any of its agencies, instrumentalities, public authorities, public corporations (including a public corporation created pursuant to agreement or compact with another state) or political subdivisions where it is the purchaser, user or consumer" from the sales and use taxes imposed on "any sale, service or amusement charge ... or any use or occupancy." NJSA 54:32B-9.

Ad Valorem Taxes

NJSA 54:4-3.6 exempts from ad valorem taxes property used by a non-profit entity subject to the provisions of Section 15A of the New Jersey Statutes, the New Jersey Nonprofit Corporation Act, which includes NHA. The property used by such entities that is exempt from ad valorem taxes includes buildings owned by such entities that are used for charitable purposes, the land whereon such buildings are erected, and "the furniture and personal property in said buildings if used in and devoted to the purposes above mentioned".

Please let us know if you have any further questions.

Thanks,
Joy

Joy C. O'Brien
Ballard Spahr LLP
1735 Market Street
51st Floor
Philadelphia, PA 19103-7599
Direct 215.864.8856
Fax 215.864.8999
obrienjc@ballardspahr.com | www.ballardspahr.com

AMENDMENT No. 2
TO THE WATER/ENERGY SERVICES AGREEMENT

THIS AMENDMENT No. 2 TO THE WATER/ENERGY SERVICES AGREEMENT ("Amendment") is entered into this 7th day of August, 2013, by and between the following parties:

NEWARK HOUSING AUTHORITY, within the state of New Jersey, with its principal offices at 500 Broad Street, Newark, NJ 07102 (hereinafter referred to as the "Client" or "NHA")

And

CLT EFFICIENT TECHNOLOGIES, d/b/a Constellation Energy Projects & Services NJ, a Delaware limited liability company with an office located at 2090 Greentree Road, Suite 200, Pittsburgh PA 15220 (hereinafter referred to as the "Company" or "Constellation").

This Amendment amends the Water/Energy Services Agreement (hereinafter referred to as "Agreement"), dated March 31, 2011. To the extent any inconsistencies exist between the terms of the Agreement and the terms of this Amendment, the terms of this Amendment shall govern.

RECITALS

WHEREAS, Constellation and NHA entered into a Water/Energy Services Agreement, dated March 31, 2011, (the "Agreement"), as amended on September 30, 2011, for the purpose of installing certain energy saving equipment and providing other services designed to save energy for NHA's Facilities located in Newark, New Jersey over a fifteen (15) year term; and

WHEREAS, the Scope of Work under the Agreement identified a series of Energy Conservation Measures (ECMs), which is nearing construction completion, and the Parties seek to modify the original scope of work to add additional ECMs as set forth and referred to in this Amendment No. 2 as the Phase 1a Project (the "Phase 1a Project"); and

WHEREAS, Section 1.7 of the Agreement authorizes the implementation of additional phases under the Agreement via an Amendment. Therefore, all terms and conditions of the Agreement not amended by this Amendment No. 2 for the additional work stated herein, including but not limited to the definitions, compliance, representations, and warranties sections, will remain in full force and effect as of the initial date of execution of the Agreement; and

WHEREAS, Constellation agrees that the Phase 1 and Phase 1a's projected amount of energy and other cost savings have been reasonably ascertained and can be guaranteed in an amount sufficient to cover all costs associated with the Phase I and Phase 1a Project, which shall collectively be referred to herein as the "Combined Phase 1 Project", over a combined fifteen (15) year contracting period; and

WHEREAS, Constellation further agrees that the additional work encompassing the Phase 1a Project is supported by the Investment Grade Audit Verification referenced in Section 1.4 of the Agreement; and

WHEREAS, Constellation is authorized under New Jersey State law and any other applicable Federal and local laws to perform the obligations hereunder and execute this Amendment No. 2,

WHEREAS, the Term of the Contract shall remain the same at fifteen (15) years, and shall incorporate therein the Combined Phase 1 Project, utilizing the Add-on Subsidy and Resident Paid Incentives as provided for under HUD provisions for its Energy Incentive Program for Public and Indian Housing; and,

WHEREAS, the Authority is in the process of refinancing its debt service under the initial Agreement for the Phase 1 project, and certain additional funding resulting from said refinancing will be placed in an escrow account to be utilized for the implementation of the additional scope of work for the Phase 1a Project; and

WHEREAS, this Amendment shall be effective as of the first date written above.

NOW THEREFORE, for valuable mutual consideration and intending to be legally bound hereby, the parties agree as follows:

1. The foregoing recitals are incorporated herein and made a part hereof.
2. The Term of the Agreement as set forth in Section 3.2 of the Agreement shall remain at fifteen (15) years from the Commencement Date.
3. The following Schedules are hereby added to the Agreement to reflect changes to address the additional Scope of Work for the Phase 1a project (such changes being more fully described and defined in the Schedules attached hereto and made a part of this Amendment). For purposes of clarity, in the event of conflict between the Agreement and the attached Amendment Schedules, the attached Amendment Schedules shall control.
 - a. Schedule A-1a– Part 1: Construction Plan Summary and Cash Flow. The Phase 1a Project Scope of Work includes the addition of ECMs for Boiler Decentralization (Replacement), and Window Replacements. The Schedule A-1a – Part 1 - Construction Plan Summary and Cash Flow, represents the reconciled Combined Phase 1 Project (Phase 1 as installed and Phase 1a).
 - b. Schedule A-1a– Part 2: HUD Cost Summary Detail Form. The Schedule A-1a – Part 2 – HUD Cost Summary Detail Form, represents the Scope of Work as installed for the Phase 1 Project together with the proposed Phase 1a Project.
 - c. Schedule A-1a– Part 3: Scope of Work for Standard Installation. The Schedule A-1a – Part 3 – Scope of Work for Standard Installation includes descriptions for the additional ECMs under the Phase 1a Project that are not already set forth in the corresponding Schedule A – Part 3 of the original Agreement.

- d. Schedule A-1a– Part 4: Contingency Items and Amounts. The Schedule A-1a – Part 4 – Contingency Items and Amounts, represents the Combined Phase 1 Project (Phase 1 as installed and Phase 1a).
 - e. Schedule B-1a: Fee Schedule. The Schedule B-1a: Fee Schedule includes Implementation Fees (Part 1) and Post-Implementation M&V Fees and Overhead and Profit (Part 2) for the additional ECMs and other work under the Phase 1a Project.
 - f. Schedule D-1a: Construction Schedule. The Schedule D-1a: Construction Schedule includes scheduling for the additional ECMs and other work under the Phase 1a Project.
 - g. Schedule E-1a: Limited Warranty of Guaranteed Cost Savings. With respect to Schedule E from the initial Agreement, Table E.2 in Section 3 (Total Estimated Annual Consumption and Cost Savings for the First Year) and Section 5, which includes Table E.5 (Guaranteed Cost Savings for Guarantee Years 1-15), are to be incorporated therein. This Schedule E-1a represents the revised savings and guarantee amounts as installed for the Combined Phase 1 Project.
 - h. Schedule I-1a: List of Facilities The Schedule I-1a represents the Facilities in which work was installed under the Phase 1 Project together with those in which work will be installed under the proposed Phase 1a Project.
5. The following Agreement Sections are hereby modified to reflect changes to address the additional Scope of Work for the Phase 1a project:
- a. Section 4.1 Total Implementation Cost for the Project
The Implementation Cost for the Phase 1a Project under this Amendment is three million, five hundred seventy thousand, five hundred fifty-six dollars (\$3,570,556). For the Combined Phase 1 Project (Phase 1 and Phase 1a combined), Constellation shall be paid for the Total Implementation Cost in the sum of fifty-three million, one hundred thirty thousand, seven hundred and fifty-nine dollars (\$53,130,759) as listed on the Schedule A HUD Cost Summary Detail Form and Cash Flow for the Combined Phase 1 Project, plus an additional administration fee for any received incentives and rebates for which it applies on behalf of Client, and which are received by Client.
 - b. Section 4.2 Separate Tax Exempt Municipal Lease Agreement
Client financed the base Phase 1 Project under the initial Agreement via execution of a Tax-Exempt Municipal Lease Agreement (“Lease”) with a third-party lender in the amount of forty-nine million, five hundred sixty thousand,

two hundred and three dollars (\$49,560,203), the terms and conditions of which were reviewed and approved by Client and its counsel. To finance the Combined Phase 1 Project, which includes the Phase 1a Project, for a total of fifty-three million, one hundred thirty thousand, seven hundred and fifty-nine dollars (\$53,130,759), Client has refinanced its initial Lease for a more favorable interest rate, enabling Client to secure the funds necessary for the Combined Phase 1 Project.

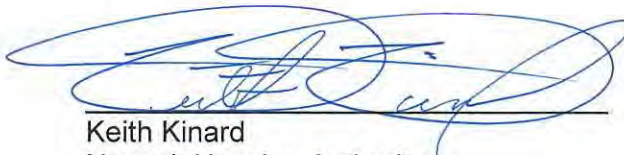
- c. Section 8.3 Constellation's Measurement & Verification (M&V) Fee
Constellation's Annual M&V Fee for the complete Phase 1 Project (Phase 1 and Phase 1a) shall be the same as set forth in the original Agreement.
 - d. Section 9.2 Warranted Project Completion
The Final Warranted Project Completion for the Combined Phase 1 Project (Phase 1 and Phase 1a) shall extend to March 31, 2014.
-
- 6. The Parties acknowledge and agree that the Boiler Replacement ECM is the primary priority ECM for installation under the Phase 1a Project, as its implementation is the basis for the cost savings as presented in this Amendment. The remaining ECMs under the Phase 1a Project (Windows) shall be secondary ECMs for installation. In the event that the Boiler Replacement ECM is not implemented under this Amendment for any reason, the Parties hereby agree to amend the Agreement, as amended by this Amendment No. 2, accordingly, including but not limited to Constellation's cost savings guarantee.
 - 7. The Parties further acknowledge and agree that the pricing as set forth in the Amendment for the Phase 1a Project are good faith estimates and have not been firm fixed as of the time of execution of the Amendment. In the event that firm costs for the ECMs under the Phase 1a Project exceed the estimated costs, herein, Contingency funds will be utilized to cover any excess costs for installation. As stated in Section 6 above, priority shall be given to installation of the Boiler Replacement ECM, per its fixed price.
 - 8. This Amendment is in addition to, and not in substitution of prior amendments, and except as specifically amended herein, all other terms and conditions of the Agreement and any prior amendments shall remain unchanged and in full force and effect.
 - 9. The Parties signing below represent and bind their respective agency and organization.

IN WITNESS WHEREOF, and intending to be legally bound, the Parties hereto subscribe their names to this Amendment No. 2 to the Water/Energy Services Agreement dated March 31, 2011, as amended, between the parties, by their duly authorized persons on the date first written above.

CLIENT:

Attest:

By:



Keith Kinard
Newark Housing Authority
Executive Director

CONSTELLATION:

Attest:

By:

Name: _____

Name: _____

Title: _____

Title: _____

Constellation Energy Projects & Services NJ

Constellation Energy Projects & Services NJ

IN WITNESS WHEREOF, and intending to be legally bound, the Parties hereto subscribe their names to this Amendment No. 2 to the Water/Energy Services Agreement dated March 31, 2011, as amended, between the parties, by their duly authorized persons on the date first written above.

CLIENT:

Attest:

By:

Keith Kinard
Newark Housing Authority
Executive Director

CONSTELLATION:

Attest:

By:

Joshua Voller

Name: Joshua Voller

Title: Assistant General Counsel

K.A. Klages

JK Name: Kevin A. Klages

Title: VP

**NEWARK HOUSING AUTHORITY
AMENDMENT NO. 2
WATER/ENERGY SERVICES AGREEMENT**

Schedule A-1a - Part 1
Construction Plan Summary and Cash Flow

(Includes Reconciliation of Phase 1 Project)

I. Phase 1 Project Reconciliation.

During the construction phase of the Phase 1 Project, there were changes agreed upon between the Parties, that affected what was actually installed, the result of which impacted the estimated and guaranteed Phase 1 Project savings. The purpose of this section is to specify what was originally proposed and contracted, define what actually occurred and was implemented, and present the Combined Phase 1 Project (Phase 1 as installed together with Phase 1a), including but not limited to the Combined Phase 1 Project estimated savings.

- a. Project Summary - Original Phase 1 Project. The original Phase 1 Project as proposed and approved by HUD is outlined below.

ECM #	ECM	Contractor Installation Costs	Consumption Decrease/(Increase)			Cost Savings Year 1			
			Water & Sewer	Electric	Natural Gas	Water & Sewer	Electric	Natural Gas	Total
			M Gallons	kWh	Therms				
1	High Efficiency Lighting	\$ 5,018,794		5,916,310		\$ -	\$ 1,084,805	\$ -	\$ 1,084,805
2	Low Flow/Flush Equipment	\$ 3,965,204	101,792		491,467	\$ 537,421	\$ -	\$ 740,112	\$ 1,277,533
10	Window Replacement	\$ 4,311,604			60,111	\$ -	\$ -	\$ 97,272	\$ 97,272
11	Outside Air Reset	\$ 5,820,840	906		488,390	\$ 4,812	\$ -	\$ 773,558	\$ 778,369
13	Boiler Stack Economizer	\$ 3,596,000			112,226	\$ -	\$ -	\$ 177,095	\$ 177,095
15	Boiler Decentralization	\$ 6,500,000			138,860	\$ -	\$ -	\$ 212,223	\$ 212,223
23	Cogeneration	\$ 2,591,600		1,596,406	(31,802)	\$ -	\$ 273,127	\$ (49,938)	\$ 223,189
	Totals	\$ 31,804,042	102,698	7,512,716	1,259,253	\$ 542,233	\$1,357,932	\$ 1,950,322	\$ 3,850,486

Total Project Cost	
Hard Cost	\$34,027,114
Soft Cost	\$15,533,089
Total	\$49,560,203

The events that occurred during construction that impacted original savings estimates are listed below:

- i. Boiler stack economizers were to be installed at the following NHA family sites: NJ02-07; NJ02-09; NJ02-14. During final design, it was determined that the stack economizers would not fit into the boiler rooms so the funds for such ECM implementation was returned to Contingency for NHA to purchase additional energy conservation measures.
 - ii. The following sites were removed from the project per NHA's request: NJ02-01; NJ02-30. The funds allocated for these sites' energy conservation measures was returned to Contingency.
 - iii. The following sites were added to the project: NJ02-25; NJ02-39b; NJ02-40a; NJ02-40b; NJ02-42b; NJ02-50c; and NJ02-50d. Lighting and water conservation measures were installed at these sites to help regain lost savings resulting from the above subsections (i) and (ii).
 - iv. NHA used contingency funds to purchase new windows at the following sites: NJ02-22b; NJ02-21f.
- b. HUD Summary - Combined Phase 1 Project. The HUD Summary Detail form in Schedule A-1A – Part 2 represents the Combined Phase 1 Project (Phase 1 as installed and Phase 1a), with all estimated consumption savings. Updated cost savings depicted are using HUD approved 2012 utility rates.
- c. Construction Plan – Combined Phase 1 Project.
The Construction Plan Summaries below represent: the Combined Phase 1 Project (Phase 1 as installed and Phase 1a). The savings depicted in the tables below were calculated using the 2012 rates approved by HUD. They are depicted below to show HUD that all lost savings from the removal of sites and boiler stack economizers, as set out in subsection (a)(i)-(iv) above, has been regained through the installation of other energy conservation measures under the Combined Phase 1 Project.

Phase 1 - Reconciled Project Savings Summary

ECM #	ECM Description	Contractor Installation Costs	Consumption Decrease/(Increase)			Savings			
			Water & Sewer M Gallons	Electric kWh	Natural Gas Therms	Water & Sewer	Electric	Natural Gas	Total
1	High Efficiency Lighting		-	5,865,706	-	\$ -	\$ 1,074,356	\$ -	\$ 1,074,356
2	Low Flow/Flush Equipment		108,685	354,189	498,951	573,554	47,132	748,586	1,369,271
10	Window Replacement		-	-	143,436	-	-	233,878	233,878
11	Outside Air Reset		735	-	395,980	3,871	-	628,115	631,986
13	Boiler Stack Economizer		-	-	33,707	-	-	54,460	54,460
15	Boiler Decentralization / Upgrades		-	-	138,860	-	-	212,223	212,223
23	Cogeneration		-	1,596,406	(31,802)	-	273,127	(49,938)	223,189
	Totals	\$ 49,560,203	109,420	7,816,301	1,179,132	\$ 577,425	\$ 1,394,615	\$ 1,827,325	\$ 3,799,364

Phase 1A - Window Replacement (10) Savings Summary

ECM #	AMP / Project Description		Contractor Installation Costs	Consumption Decrease/(Increase)			Savings			
				Water & Sewer M Gallons	Electric kWh	Natural Gas Therms	Water & Sewer	Electric	Natural Gas	Total
10	AMP2017	NJ02-21.5 Seth Boyden Elderly	\$ 1,837,299	-	-	16,314	\$ -	\$ -	\$ 25,618	\$ 25,618
	Totals		\$ 1,837,299	-	-	16,314	\$ -	\$ -	\$ 25,618	\$ 25,618

Rates		
Water & Sewer Gallons	Electric kWh	Natural Gas Therms
\$ -	\$ -	1.5703

Phase 1A - Boiler Upgrades (15) Savings Summary

ECM #	AMP / Project Description		Contractor Installation Costs	Consumption Decrease/(Increase)			Savings			
				Water & Sewer M Gallons	Electric kWh	Natural Gas Therms	Water & Sewer	Electric	Natural Gas	Total
15	AMP2002	NJ02-02.0 Pennington Court	\$ 785,000	-	-	33,672	\$ -	\$ -	\$ 50,712	\$ 50,712
	Totals		\$ 785,000	-	-	33,672	\$ -	\$ -	\$ 50,712	\$ 50,712

Rates		
Water & Sewer Gallons	Electric kWh	Natural Gas Therms
\$ -	\$ -	1.5061

Phase 1A - Refinance Savings Summary

ECM #	ECM Description	Contractor Installation Costs	Consumption Decrease/(Increase)			Savings			
			Water & Sewer M Gallons	Electric kWh	Natural Gas Therms	Water & Sewer	Electric	Natural Gas	Total
10	Window Replacement	1,837,299	-	-	16,314	-	-	25,618	25,618
15	Boiler Upgrades	785,000	-	-	33,672	-	-	50,712	50,712
	Totals	\$ 2,622,299	-	-	49,986	\$ -	\$ -	\$ 76,329	\$ 76,329

Combined Project Totals

ECM #	ECM Description	Contractor Installation Costs	Consumption Decrease/(Increase)			Savings			
			Water & Sewer M Gallons	Electric kWh	Natural Gas Therms	Water & Sewer	Electric	Natural Gas	Total
1	High Efficiency Lighting	\$ -	-	5,865,706	-	\$ -	\$ 1,074,356	\$ -	\$ 1,074,356
2	Low Flow/Flush Equipment	-	108,685	354,189	498,951	573,554	47,132	748,586	1,369,271
10	Window Replacement	9,148,022.77	-	-	159,750	-	-	259,496	259,496
11	Outside Air Reset	-	735	-	395,980	3,871	-	628,115	631,986
13	Boiler Stack Economizer	-	-	-	33,707	-	-	54,460	54,460
15	Boiler Decentralization / Upgrades	785,000.00	-	-	172,532	-	-	262,935	262,935
23	Cogeneration	-	-	1,596,406	(31,802)	-	273,127	(49,938)	223,189
	Totals	\$ 52,182,502	109,420	7,816,301	1,229,118	\$ 577,425	\$ 1,394,615	\$ 1,903,654	\$ 3,875,694

**The rates used to define the savings in the tables above depict the 2012 rates approved by HUD for reconciliation purposes only.*

**Contractor total cost depicted above does not include Contingency (\$99,673), soft costs (\$283,546), overhead (\$300,552) and profit (\$264,486).*

II. Cash Flow.

- a. The Cash Flow below represents the Combined Phase 1 Project which depicts NHA's actual annual Add-on subsidy request from HUD (for the Phase 1 Project), together with the Phase 1a Project, and NHA's actual debt service.

Newark Housing Authority

Energy Performance Contract - Savings & Cash Flow Analysis

		Est. Combined Project Savings			Actual NHA Program Cost					
		Savings Escalated by 4.25% Annually			Assumed Interest Rate 3.50%					
		Authority Paid	Resident Paid	Total	Monitoring & Verification 102%	Equipment Replacement Light Bulbs	Debt Service			Grand Total
Year							Principle	Interest	Total	
0	2012	\$ 758,585	\$ -	\$ 758,585	\$ 110,000	\$ -	\$ -	\$ 648,585	\$ 648,585	\$ 758,585
0	2013	3,709,165	-	3,709,165	112,200	-	1,856,239	1,740,725	3,596,965	3,709,165
1	2014	3,148,329	769,452	3,917,781	114,444	-	1,838,308	1,965,029	3,803,337	3,917,781
2	2015	3,282,132	802,154	4,081,711	116,733	-	2,066,699	1,898,280	3,964,978	4,081,711
3	2016	3,421,623	836,245	4,252,558	119,068	-	2,310,138	1,823,352	4,133,490	4,252,558
4	2017	3,567,042	871,786	4,430,612	121,449	258,857	2,569,456	1,739,707	4,309,163	4,430,612
5	2018	3,718,641	908,837	4,616,181	123,878	-	2,845,524	1,646,779	4,492,303	4,616,181
6	2019	3,876,684	947,462	4,809,582	126,356	-	3,139,257	1,543,969	4,683,226	4,809,582
7	2020	4,041,443	987,729	5,011,146	128,883	-	3,451,617	1,430,646	4,882,263	5,011,146
8	2021	4,213,204	1,029,708	5,221,220	131,461	-	3,783,613	1,306,146	5,089,759	5,221,220
9	2022	4,392,265	1,073,470	5,440,164	134,090	-	4,136,308	1,169,766	5,306,074	5,440,164
10	2023	4,578,936	1,119,093	5,668,354	136,772	309,089	4,510,814	1,020,768	5,531,582	5,668,354
11	2024	4,773,541	1,166,654	5,906,181	139,507	-	4,908,301	858,373	5,766,674	5,906,181
12	2025	4,976,417	1,216,237	6,154,055	142,297	-	5,329,997	681,761	6,011,758	6,154,055
13	2026	5,187,914	1,267,927	6,412,400	145,143	-	5,777,191	490,067	6,267,257	6,412,400
14	2027	5,408,401	1,321,814	6,681,662	148,046	-	6,251,235	282,380	6,533,616	6,681,662
15	2028	5,638,258	1,377,991	3,485,790	151,007	-	3,277,040	57,743	3,334,783	3,485,790
		\$ 68,692,581	\$ 15,696,561	\$ 80,557,146	\$ 2,201,334	\$ 567,946	\$ 58,051,735	\$ 20,304,077	\$ 78,355,812	\$ 80,557,146

* highlighted years in table above denote construction years

** Highlighted total savings depict NHA's Add-on Subsidy payments from HUD

- b. The Reconciled Combined Project Savings shown below represents the Combined Phase 1 Project, . Years 2012 and 2013 savings values were calculated for HUD reconciliation purposes only.

		Reconciled Combined Est. Project Savings		
		<i>Savings Escalated by 4.25% Annually</i>		
Year		Authority Paid	Resident Paid	Total
0	2012	\$ 3,062,659	\$ 813,034	\$ 3,875,694
0	2013	\$ 3,192,822	\$ 847,588	\$ 4,040,410
1	2014	\$ 3,328,517	\$ 883,611	\$ 4,212,128
2	2015	\$ 3,469,979	\$ 921,164	\$ 4,391,143
3	2016	\$ 3,617,453	\$ 960,314	\$ 4,577,767
4	2017	\$ 3,771,195	\$ 1,001,127	\$ 4,772,322
5	2018	\$ 3,931,471	\$ 1,043,675	\$ 4,975,146
6	2019	\$ 4,098,558	\$ 1,088,031	\$ 5,186,589
7	2020	\$ 4,272,747	\$ 1,134,272	\$ 5,407,019
8	2021	\$ 4,454,339	\$ 1,182,479	\$ 5,636,818
9	2022	\$ 4,643,648	\$ 1,232,734	\$ 5,876,383
10	2023	\$ 4,841,003	\$ 1,285,126	\$ 6,126,129
11	2024	\$ 5,046,746	\$ 1,339,743	\$ 6,386,489
12	2025	\$ 5,261,233	\$ 1,396,683	\$ 6,657,915
13	2026	\$ 5,484,835	\$ 1,456,042	\$ 6,940,877
14	2027	\$ 5,717,940	\$ 1,517,923	\$ 7,235,864
15	2028	\$ 5,960,953	\$ 1,582,435	\$ 7,543,388
		\$ 74,156,098	\$ 19,685,982	\$ 93,842,081

* highlighted years in table above denote construction years

**NEWARK HOUSING AUTHORITY
AMENDMENT NO. 2
WATER/ENERGY SERVICES AGREEMENT**

Schedule A-1a - Part 2
HUD Cost Summary Detail Forms

Both the Original HUD Cost Summary Detail Form and the new HUD Cost Summary Detail Form for the Combined Phase 1 Project (Phase 1 as installed and Phase 1a) are depicted to show HUD the before and after state of the Combined Phase 1 Project.

EPC Cost Summary (Tab 4a)

Newark Housing Authority

EPC Cost Summary (Tab 4a)				Installation Cost Per Audit	First Year Energy Savings - Per Energy Audit																Total Savings Year 1 Post ECM (\$)	Guaranteed Savings @ 100% (\$)	Simple Payback (years)	Useful Life (years)	Utility Meter Type Post ECM Installation M = Master Meter PHA Paid R = Retail Meter Resident			Subsidy Incentive A = Add-On F = Frozen Base R = Resident Paid			M&V Protocol Per IPMVP Option - A Option - B Option - C Option - D			Weather Adjustment Yes No		
					Water & Sewer			Electricity			Natural Gas			W&S			Elec			Gas					W&S			Elec			Gas					
ECM	AMP / Project Description				Description of ECM	(M Gallons)	(\$)	Rate	(KWH)	(\$)	Rate	(Therms)	(\$)	Rate	(11)	(12)	(13)	(14)	(15)	(16)					(17)	(18)	(19)	(20)	(18)	(19)	(20)	(18)	(19)		(20)	(21)
(1)	(2)			(3)	(4)	(5)	(6)	Rate	(7)	(8)	Rate	(9)	(10)	Rate	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(18)	(19)	(20)	(21)	(22)	(23)	(24)					
1	1	AMP2001	NJ02-01.0	Seth Boyden Terrace	HE Lighting	\$	302,245	-	\$	-	-	286,497	\$	49,178	0.1717	-	\$	-	-	\$	49,178	\$	49,178	6.15	20.0	M	M	M	A	A	A		A		No	
2	1	AMP2002	NJ02-02.0	Pennington Court	HE Lighting		140,867	-	-	-		175,784		30,984	0.1763	-	-	-	\$	30,984	\$	30,984	4.55	20.0	M	M	M	A	A	A		A		No		
3	1	AMP2006	NJ02-06.0	Stephen Crane Village	HE Lighting		177,626	-	-	-		104,902		19,635	0.1872	-	-	-	\$	19,635	\$	19,635	9.05	20.0	M	M	M	A	A	A		A		No		
4	1	AMP2007	NJ02-07.0	John W. Hyatt Court	HE Lighting		159,969	-	-	-		252,038		51,286	0.2035	-	-	-	\$	51,286	\$	51,286	3.12	20.0	M	M	M	A	A	A		A		No		
5	1	AMP2009	NJ02-09.0	Millard E.Terrell Homes	HE Lighting		189,450	-	-	-		186,957		30,767	0.1646	-	-	-	\$	30,767	\$	30,767	6.16	20.0	M	M	M	A	A	A		A		No		
6	1	AMP2014	NJ02-14.0	Joseph P. Bradley Court I	HE Lighting		221,214	-	-	-		175,359		34,874	0.1989	-	-	-	\$	34,874	\$	34,874	6.34	20.0	M	M	M	A	A	A		A		No		
7	1	AMP2016	NJ02-16.0	Stephen Crane Elderly	HE Lighting		116,761	-	-	-		153,072		26,206	0.1712	-	-	-	\$	26,206	\$	26,206	4.46	20.0	M	M	M	A	A	A		A		No		
8	1	AMP2016	NJ02-22.3	Stephen Crane Elderly	HE Lighting		259,005	-	-	-		599,496		102,635	0.1712	-	-	-	\$	102,635	\$	102,635	2.52	20.0	M	M	M	A	A	A		A		No		
9	1	AMP2016	NJ02-22.4	Stephen Crane Elderly	HE Lighting		258,234	-	-	-		632,068		108,211	0.1712	-	-	-	\$	108,211	\$	108,211	2.39	20.0	M	M	M	A	A	A		A		No		
10	1	AMP2017	NJ02-17.0	Otto E. Kretchmer Elderly	HE Lighting		133,511	-	-	-		182,168		31,167	0.1711	-	-	-	\$	31,167	\$	31,167	4.28	20.0	M	M	M	A	A	A		A		No		
11	1	AMP2017	NJ02-21.1	Otto E. Kretchmer Elderly	HE Lighting		314,096	-	-	-		361,311		61,816	0.1711	-	-	-	\$	61,816	\$	61,816	5.08	20.0	M	M	M	A	A	A		A		No		
12	1	AMP2017	NJ02-21.5	Seth Boyden Elderly	HE Lighting		186,709	-	-	-		247,923		42,417	0.1711	-	-	-	\$	42,417	\$	42,417	4.40	20.0	M	M	M	A	A	A		A		No		
13	1	AMP2017	NJ02-21.6	Seth Boyden Elderly	HE Lighting		122,820	-	-	-		172,665		29,541	0.1711	-	-	-	\$	29,541	\$	29,541	4.16	20.0	M	M	M	A	A	A		A		No		
14	1	AMP2221	NJ02-22.2	James Baxter Terrace Elderly	HE Lighting		152,564	-	-	-		259,459		43,894	0.1692	-	-	-	\$	43,894	\$	43,894	3.48	20.0	M	M	M	A	A	A		A		No		
15	1	AMP3001	NJ02-36.0	Janice Cromer Village	HE Lighting		67,858	-	-	-		42,511		8,458	0.1990	-	-	-	\$	8,458	\$	8,458	8.02	20.0	M	R	R	A	R	R		A		No		
16	1	AMP3001	NJ02-37.0	Oriental Village	HE Lighting		76,764	-	-	-		43,782		8,711	0.1990	-	-	-	\$	8,711	\$	8,711	8.81	20.0	M	R	R	A	R	R		A		No		
17	1	AMP3002	NJ02-20.2	Joseph P. Bradley Court II	HE Lighting		4,473	-	-	-		2,898		570	0.1966	-	-	-	\$	570	\$	570	7.85	20.0	M	R	R	A	R	R		A		No		
18	1	AMP3002	NJ02-31.2	Stephanie Thompson Village	HE Lighting		28,809	-	-	-		19,778		3,887	0.1966	-	-	-	\$	3,887	\$	3,887	7.41	20.0	M	R	R	A	R	R		A		No		
19	1	AMP3002	NJ02-42.1	Kemsco	HE Lighting		81,335	-	-	-		131,245		25,797	0.1966	-	-	-	\$	25,797	\$	25,797	3.15	20.0	M	R	R	A	R	R		A		No		
20	1	AMP3003	NJ02-29.0	Woodlawn Village	HE Lighting		40,002	-	-	-		16,627		3,301	0.1985	-	-	-	\$	3,301	\$	3,301	12.12	20.0	M	R	R	A	R	R		A		No		
21	1	AMP3003	NJ02-35.0	Westside Village	HE Lighting		39,996	-	-	-		15,300		3,037	0.1985	-	-	-	\$	3,037	\$	3,037	13.17	20.0	M	R	R	A	R	R		A		No		
22	1	AMP3003	NJ02-43.0	Bellemead	HE Lighting		124,560	-	-	-		92,221		18,307	0.1985	-	-	-	\$	18,307	\$	18,307	6.80	20.0	M	R	R	A	R	R		A		No		
23	1	AMP3003	NJ02-44.2	La Villa Dr. Jose Rosario	HE Lighting		16,978	-	-	-		15,216		3,021	0.1985	-	-	-	\$	3,021	\$	3,021	5.62	20.0	M	R	R	A	R	R		A		No		
24	1	AMP3003	NJ02-45.0	Claremont	HE Lighting		126,965	-	-	-		112,473		22,328	0.1985	-	-	-	\$	22,328	\$	22,328	5.69	20.0	M	R	R	A	R	R		A		No		
25	1	AMP3004	NJ02-39.1	Betty Shabazz Village	HE Lighting		85,372	-	-	-		97,482		19,252	0.1975	-	-	-	\$	19,252	\$	19,252	4.43	20.0	M	R	R	A	R	R		A		No		
26	1	AMP3004	NJ02-41.1	Oscar Miles Village	HE Lighting		198,684	-	-	-		181,471		35,839	0.1975	-	-	-	\$	35,839	\$	35,839	5.54	20.0	M	R	R	A	R	R		A		No		
27	1	AMP3006	NJ02-40.3	Serenity Village	HE Lighting		6,995	-	-	-		8,836		1,762	0.1994	-	-	-	\$	1,762	\$	1,762	3.97	20.0	M	R	R	A	R	R		A		No		
28	1	AMP3006	NJ02-47.0	Clinton Ave Townhomes	HE Lighting		138,718	-	-	-		107,791		21,489	0.1994	-	-	-	\$	21,489	\$	21,489	6.46	20.0	M	R	R	A	R	R		A		No		
29	1	AMP3006	NJ02-48.0	Century 21	HE Lighting		126,302	-	-	-		101,110		20,157	0.1994	-	-	-	\$	20,157	\$	20,157	6.27	20.0	M	R	R	A	R	R		A		No		
30	1	AMP3006	NJ02-50.2	Townhomes @ South Point	HE Lighting		16,536	-	-	-		11,917		2,376	0.1994	-	-	-	\$	2,376	\$	2,376	6.96	20.0	M	R	R	A	R	R		A		No		
31	1	AMP3007	NJ02-41.2	Oscar Miles Village	HE Lighting		58,145	-	-	-		68,436		13,511	0.1974	-	-	-	\$	13,511	\$	13,511	4.30	20.0	M	R	R	A	R	R		A		No		
32	1	AMP3007	NJ02-44.1	La Villa Dr. Jose Rosario	HE Lighting		119,851	-	-	-		122,284		24,143	0.1974	-	-	-	\$	24,143	\$	24,143	4.96	20.0	M	R	R	A	R	R		A		No		
33	1	AMP3009	NJ02-70.0	Otto E. Kretchmer Homes	HE Lighting		149,168	-	-	-		149,294		29,832	0.1998	-	-	-	\$	29,832	\$															

EPC Cost Summary (Tab 4a)

Newark Housing Authority

			Installation Cost Per Audit	First Year Energy Savings - Per Energy Audit												Simple Payback (years)	Useful Life (years)	Utility Meter Type Post ECM Installation M = Master Meter PHA Paid R = Retail Meter Resident			Subsidy Incentive A = Add-On F = Frozen Base R = Resident Paid			M&V Protocol Per IPMVP Option - A Option - B Option - C Option - D			Weather Adjustment Yes No
ECM	AMP / Project Description		(1)	(M Gallons)	(2)	Rate	(KWH)	(3)	Rate	(Therms)	(4)	Rate	(5)	(6)	Rate			W&S	Elec	Gas	W&S	Elec	Gas	W&S	Elec	Gas	
(1)	(2)		(4)	(5)	(6)	Rate	(7)	(8)	Rate	(9)	(10)	Rate	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
61	2	AMP3003 NJ02-43.0 Bellemead	Low Flow Equip.	73,650	1,181	6,193	5.2449	-	-	-	5,865	8,446	1.4400	\$ 14,639	\$ 14,639	5.03	15.0	M	R	R	A	R	R	C		A	No
62	2	AMP3003 NJ02-44.2 La Villa Dr. Jose Rosario	Low Flow Equip.	12,042	94	492	5.2449	-	-	-	1,401	2,018	1.4400	\$ 2,510	\$ 2,510	4.80	15.0	M	R	R	A	R	R	C		A	No
63	2	AMP3003 NJ02-45.0 Claremont	Low Flow Equip.	57,300	2,295	12,038	5.2449	-	-	-	11,206	16,136	1.4400	\$ 28,174	\$ 28,174	2.03	15.0	M	R	R	A	R	R	C		A	No
64	2	AMP3004 NJ02-39.1 Betty Shabazz Village	Low Flow Equip.	74,307	960	5,006	5.2137	-	-	-	5,905	8,465	1.4335	\$ 13,471	\$ 13,471	5.52	15.0	M	R	R	A	R	R	C		A	No
65	2	AMP3004 NJ02-41.1 Oscar Miles Village	Low Flow Equip.	98,485	6,756	35,226	5.2137	-	-	-	31,992	45,860	1.4335	\$ 81,086	\$ 81,086	1.21	15.0	M	R	R	A	R	R	C		A	No
66	2	AMP3006 NJ02-40.3 Serenity Village	Low Flow Equip.	12,010	284	1,515	5.3442	-	-	-	2,049	2,957	1.4428	\$ 4,472	\$ 4,472	2.69	15.0	M	R	R	A	R	R	C		A	No
67	2	AMP3006 NJ02-47.0 Clinton Ave Townhomes	Low Flow Equip.	98,340	3,958	21,155	5.3442	-	-	-	21,123	30,477	1.4428	\$ 51,632	\$ 51,632	1.90	15.0	M	R	R	A	R	R	C		A	No
68	2	AMP3006 NJ02-48.0 Century 21	Low Flow Equip.	55,008	4,940	26,398	5.3442	-	-	-	24,198	34,914	1.4428	\$ 61,312	\$ 61,312	0.90	15.0	M	R	R	A	R	R	C		A	No
69	2	AMP3006 NJ02-50.2 Townhomes @ South Point	Low Flow Equip.	17,196	398	2,126	5.3442	-	-	-	2,335	3,369	1.4428	\$ 5,495	\$ 5,495	3.13	15.0	M	R	R	A	R	R	C		A	No
70	2	AMP3007 NJ02-41.2 Oscar Miles Village	Low Flow Equip.	45,262	102	549	5.3639	-	-	-	10,372	14,847	1.4315	\$ 15,396	\$ 15,396	2.94	15.0	M	R	R	A	R	R	C		A	No
71	2	AMP3007 NJ02-44.1 La Villa Dr. Jose Rosario	Low Flow Equip.	91,034	2,636	14,139	5.3639	-	-	-	11,084	15,867	1.4315	\$ 30,005	\$ 30,005	3.03	15.0	M	R	R	A	R	R	C		A	No
72	2	AMP3009 NJ02-70.0 Otto E. Kretchmer Homes	Low Flow Equip.	84,444	2,662	14,265	5.3593	-	-	-	12,737	18,372	1.4423	\$ 32,637	\$ 32,637	2.59	15.0	M	R	R	A	R	R	C		A	No
73	2	AMP3010 NJ02-52.0 Wynona Lipman Gardens	Low Flow Equip.	287,325	5,307	26,960	5.0805	-	-	-	27,825	40,812	1.4667	\$ 67,772	\$ 67,772	4.24	15.0	M	R	R	A	R	R	C		A	No
74	2	AMP3011 NJ02-67.0 Riverside Villa I	Low Flow Equip.	54,491	386	1,970	5.0991	-	-	-	1,006	1,446	1.4371	\$ 3,416	\$ 3,416	15.95	15.0	M	R	R	A	R	R	C		A	No
75	2	AMP3011 NJ02-68.0 Riverside Villa II	Low Flow Equip.	54,069	372	1,895	5.0991	-	-	-	975	1,401	1.4371	\$ 3,297	\$ 3,297	16.40	15.0	M	R	R	A	R	R	C		A	No
76	2	AMP3011 NJ02-69.0 Riverside Villa III	Low Flow Equip.	96,820	796	4,060	5.0991	-	-	-	1,740	2,500	1.4371	\$ 6,560	\$ 6,560	14.76	15.0	M	R	R	A	R	R	C		A	No
77	2	AMP3012 NJ02-30.0 Bergen Street Village	Low Flow Equip.	36,280	540	2,837	5.2572	-	-	-	2,750	3,934	1.4309	\$ 6,771	\$ 6,771	5.36	15.0	M	R	R	A	R	R	C		A	No
78	2	AMP3012 NJ02-46.0 Avon Ave Redevelopment	Low Flow Equip.	105,184	4,028	21,177	5.2572	-	-	-	19,150	27,402	1.4309	\$ 48,579	\$ 48,579	2.17	15.0	M	R	R	A	R	R	C		A	No
79	10	AMP2016 NJ02-22.3 Stephen Crane Elderly	Windows	2,155,802	-	-	-	-	-	-	30,056	48,636	1.6182	\$ 48,636	\$ 48,636	44.33	27.5	M	M	M	A	A	A			C	No
80	10	AMP2016 NJ02-22.4 Stephen Crane Elderly	Windows	2,155,802	-	-	-	-	-	-	30,056	48,636	1.6182	\$ 48,636	\$ 48,636	44.33	27.5	M	M	M	A	A	A			C	No
81	11	AMP2001 NJ02-01.0 Seth Boyden Terrace	Outside Air Reset	836,280	172	941	5.4835	-	-	-	92,410	145,442	1.5739	\$ 146,383	\$ 146,383	5.71	25.0	M	M	M	A	A	A	C		C	No
82	11	AMP2007 NJ02-07.0 John W. Hyatt Court	Outside Air Reset	638,940	76	401	5.2816	-	-	-	40,880	62,165	1.5207	\$ 62,566	\$ 62,566	10.21	25.0	M	M	M	A	A	A	C		C	No
83	11	AMP2009 NJ02-09.0 Millard E. Terrell Homes	Outside Air Reset	641,700	85	441	5.1674	-	-	-	46,010	72,156	1.5683	\$ 72,597	\$ 72,597	8.84	25.0	M	M	M	A	A	A	C		C	No
84	11	AMP2014 NJ02-14.0 Joseph P. Bradley Court I	Outside Air Reset	594,780	100	534	5.3486	-	-	-	53,750	86,150	1.6028	\$ 86,684	\$ 86,684	6.86	25.0	M	M	M	A	A	A	C		C	No
85	11	AMP2016 NJ02-16.0 Stephen Crane Elderly	Outside Air Reset	263,580	43	232	5.3711	-	-	-	23,310	37,720	1.6182	\$ 37,953	\$ 37,953	6.94	25.0	M	M	M	A	A	A	C		C	No
86	11	AMP2016 NJ02-22.3 Stephen Crane Elderly	Outside Air Reset	454,020	65	350	5.3711	-	-	-	35,090	56,783	1.6182	\$ 57,132	\$ 57,132	7.95	25.0	M	M	M	A	A	A	C		C	No
87	11	AMP2016 NJ02-22.4 Stephen Crane Elderly	Outside Air Reset	507,840	65	350	5.3711	-	-	-	35,090	56,783	1.6182	\$ 57,132	\$ 57,132	8.89	25.0	M	M	M	A	A	A	C		C	No
88	11	AMP2017 NJ02-17.0 Otto E. Kretchmer Elderly	Outside Air Reset	237,360	44	231	5.2045	-	-	-	23,890	37,514	1.5703	\$ 37,745	\$ 37,745	6.29	25.0	M	M	M	A	A	A	C		C	No
89	11	AMP2017 NJ02-21.1 Otto E. Kretchmer Elderly	Outside Air Reset	612,720	90	467	5.2045	-	-	-	48,370	75,955	1.5703	\$ 76,422	\$ 76,422	8.02	25.0	M	M	M	A	A	A	C		C	No
90	11	AMP2017 NJ02-21.5 Seth Boyden Elderly	Outside Air Reset	427,800	72	375	5.2045	-	-	-	38,820	60,958	1.5703	\$ 61,333	\$ 61,333	6.97	25.0	M	M	M	A	A	A	C		C	No
91	11	AMP2017 NJ02-21.6 Seth Boyden Elderly	Outside Air Reset	300,840	42	216	5.2045	-	-	-	22,400	35,174	1.5703	\$ 35,391	\$ 35,391	8.50	25.0	M	M	M	A	A	A	C		C	No
92	11	AMP2221 NJ02-22.2 James Baxter Terrace Elderly	Outside Air Reset	304,980	53	274	5.2077	-	-	-	28,370	46,757	1.6481	\$ 47,031	\$ 47,031	6.48	25.0	M	M	M	A	A	A	C		C	No
93	13	AMP2001 NJ02-01.0 Seth Boyden Terrace	Boiler Stack Economizer	420,000	-	-	-	-	-	-	13,489	21,230	1.5739	\$ 21,230	\$ 21,230	19.78	25.0	M	M	M	A	A	A			C	No
94	13	AMP2007 NJ02-07.0 John W. Hyatt Court	Boiler Stack Economizer	422,000	-	-	-	-	-	-	23,542	35,800	1.5207	\$ 35,800	\$ 35,800	11.79	25.0	M	M	M	A	A	A			C	No
95	13	AMP2009 NJ02-09.0 Millard E. Terrell Homes	Boiler Stack Economizer	1,320,000	-	-	-	-	-	-	25,837	40,519	1.5683	\$ 40,519	\$ 40,519	32.58	25.0	M	M	M	A	A	A			C	No
96	13	AMP2014 NJ02-14.0 Joseph P. Bradley Court I	Boiler Stack Economizer	620,000	-	-	-	-	-	-	15,651	25,085	1.6028	\$ 25,085	\$ 25,085	24.72	25.0	M	M	M	A	A	A			C	No
97	13	AMP2016 NJ02-16.0 Stephen Crane Elderly	Boiler Stack Economizer	326,000	-	-	-	-	-	-	15,655	25,333	1.6182	\$ 25,333	\$ 25,333	12.87	25.0	M	M	M	A	A	A			C	No
98	13	AMP2017 NJ02-17.0 Otto E. Kretchmer Elderly	Boiler Stack Economizer	240,000	-	-	-	-	-	-	8,023	12,598	1.5703	\$ 12,598	\$ 12,598	19.05	25.0	M	M	M	A	A	A			C	No
99	13	AMP2221 NJ02-22.2 James Baxter Terrace Elderly	Boiler Stack Economizer	248,000	-	-	-	-	-	-	10,029	16,529	1.6481	\$ 16,529	\$ 16,529	15.00	25.0	M	M	M	A	A	A			C	No
100	15	AMP2006 NJ02-06.0 Stephen Crane Village	Boiler Decentralization	6,500,000	-	-	-	-	-	-	138,860	212,223	1.5283	\$ 212,223	\$ 212,223	30.63	25.0	M	M	M	A	A	A			C	No
101	23	AMP2017 NJ02-21.1 Otto E. Kretchmer Elderly	Cogeneration	1,116,600	-	-	-	665,278	113,822	0.1711	(13,253)	(20,811)	-	\$ 93,011	\$ 93,011	12.01	25.0	M	M	M	A	A	A		A	C	No
102	23	AMP2017 NJ02-21.5 Seth Boyden Elderly	Cogeneration	982,400	-	-	-	680,994	116,510	0.1711	(13,566)	(21,302)	-	\$ 95,208	\$ 95,208	10.32	25.0	M	M	M	A	A	A		A	C	No
103	23	AMP2017 NJ02-21.6 Seth Boyden Elderly	Cogeneration	492,600	-	-	-	250,134	42,795	0.1711	(4,983)	(7,825)	-	\$ 34,970	\$ 34,970	14.09	25.0	M	M	M	A	A	A		A	C	No
104	-																										No
105	Contingency - Unused Contingency Reserve Returned to PHA			\$ 2,223,072																							
106	Total - PHA Paid Utilities			\$ 25,556,333	102,698	\$ 542,233	5.2799	5,386,105	\$ 935,737	0.1737	1,027,236	\$ 1,616,112	1.5733	\$ 3,094,082	\$ 3,094,082	8.26		M	M	M	M	M	M				
107	Total - Resident Paid Utilities			6,247,709	-	-	-	2,126,611	422,194	0.1985	232,016	334,210	1.4405	756,404	756,404	8.26		R	R	R	R	R	R				
108	Grand Total - Installation Costs			\$ 34,027,114	102,698	\$ 542,233	5.2799	7,512,716	\$ 1,357,932	0.1808	1,259,253	\$ 1,950,322	1.5488	\$ 3,850,486	\$ 3,850,486	8.84											

Soft Costs			
Bonding	0.00%	\$	-
Const. & Project Mgmt/Admin	9.92%		3,375,936
Design & Specifications	4.39%		1,493,570
Financing Enhancement	0.00%		-
M&V / Commissioning	0.32%	110,000	-
M&V Start Up	0.00%		-
Grant Admin. Assistance	0.00%		-
Contract Preparation	0.33%	111,406	-
Financing & Legal	0.00%		-
Training	0.18%		60,000
Total Soft Costs			\$ 5,150,912

Project	
Installation Costs	\$ 34,027,114
Project Soft Costs	5,150,912
	\$ 39,178,026
Overhead (ESCo)	15.

EPC Summary - Amendment No. 2 **Newark Housing Authority**

Combined Phase 1a Project

EPC Summary - Amendment No. 2			First Year Energy Savings - Per Energy Audit														Total Savings	Guaranteed Savings	Useful Life	Utility Meter Type	Subsidy Incentive	M&V Protocol	Weather Adjustment	
Newark Housing Authority			Water & Sewer		Electricity		Natural Gas		Total Savings		Guaranteed Savings		Useful Life	Post ECM Installation			Subsidy Incentive			M&V Protocol			Weather Adjustment	
Combined Phase 1A Project			Per Audit												W&S	Elec	Gas	W&S	Elec	Gas	W&S	Elec	Gas	Yes
ECM	AMP / Project Description	Description of ECM	(\$)	(M Gallons)	(\$)	(KWH)	(\$)	(Therms)	(\$)	(\$)	(\$)	(\$)	(years)											
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	
1	AMP2001 NJO2-01.0 Seth Boyden Terrace	HE Lighting	0	-	\$ -	-	\$ -	-	-	\$ -	-	-	20.0	M	M	M	A	A	A	A	A	A	No	
2	AMP2002 NJO2-02.0 Pennington Court	HE Lighting	140,867.00	-	-	175,784	30,984	0.1763	-	-	\$ 30,984	\$ 30,984	20.0	M	M	M	A	A	A	A	A	A	No	
3	AMP2006 NJO2-06.0 Stephen Crane Village	HE Lighting	177,626.00	-	-	104,902	19,635	0.1872	-	-	\$ 19,635	\$ 19,635	20.0	M	M	M	A	A	A	A	A	A	No	
4	AMP2007 NJO2-07.0 John W. Hyatt Court	HE Lighting	159,969.00	-	-	252,038	51,286	0.2035	-	-	\$ 51,286	\$ 51,286	20.0	M	M	M	A	A	A	A	A	A	No	
5	AMP2009 NJO2-09.0 Milard E. Terrell Homes	HE Lighting	189,450.00	-	-	186,957	30,767	0.1646	-	-	\$ 30,767	\$ 30,767	20.0	M	M	M	A	A	A	A	A	A	No	
6	AMP2014 NJO2-14.0 Joseph P. Bradley Court I	HE Lighting	221,214.00	-	-	175,359	34,874	0.1989	-	-	\$ 34,874	\$ 34,874	20.0	M	M	M	A	A	A	A	A	A	No	
7	AMP2016 NJO2-16.0 Stephen Crane Elderly	HE Lighting	116,761.00	-	-	153,072	26,206	0.1712	-	-	\$ 26,206	\$ 26,206	20.0	M	M	M	A	A	A	A	A	A	No	
8	AMP2016 NJO2-22.3 Stephen Crane Elderly	HE Lighting	259,005.00	-	-	599,496	102,635	0.1712	-	-	\$ 102,635	\$ 102,635	20.0	M	M	M	A	A	A	A	A	A	No	
9	AMP2016 NJO2-22.4 Stephen Crane Elderly	HE Lighting	258,234.00	-	-	632,068	108,211	0.1712	-	-	\$ 108,211	\$ 108,211	20.0	M	M	M	A	A	A	A	A	A	No	
10	AMP2017 NJO2-17.0 Otto E. Kretschmer Elderly	HE Lighting	133,511.00	-	-	182,168	31,167	0.1711	-	-	\$ 31,167	\$ 31,167	20.0	M	M	M	A	A	A	A	A	A	No	
11	AMP2017 NJO2-21.1 Otto E. Kretschmer Elderly	HE Lighting	314,096.00	-	-	361,311	61,816	0.1711	-	-	\$ 61,816	\$ 61,816	20.0	M	M	M	A	A	A	A	A	A	No	
12	AMP2017 NJO2-21.5 Seth Boyden Elderly	HE Lighting	186,709.00	-	-	247,923	42,417	0.1711	-	-	\$ 42,417	\$ 42,417	20.0	M	M	M	A	A	A	A	A	A	No	
13	AMP2017 NJO2-21.6 Seth Boyden Elderly	HE Lighting	122,820.00	-	-	172,665	29,541	0.1711	-	-	\$ 29,541	\$ 29,541	20.0	M	M	M	A	A	A	A	A	A	No	
14	AMP2221 NJO2-22.2 James Baxter Terrace Elderly	HE Lighting	152,564.00	-	-	259,459	43,894	0.1692	-	-	\$ 43,894	\$ 43,894	20.0	M	M	M	A	A	A	A	A	A	No	
15	AMP3001 NJO3-36.0 Janice Cromer Village	HE Lighting	67,858.00	-	-	42,511	8,458	0.1990	-	-	\$ 8,458	\$ 8,458	20.0	M	R	R	A	R	R	A	R	A	No	
16	AMP3001 NJO3-37.0 Oriental Village	HE Lighting	76,764.00	-	-	43,782	8,711	0.1990	-	-	\$ 8,711	\$ 8,711	20.0	M	R	R	A	R	R	A	R	A	No	
17	AMP3002 NJO3-20.2 Joseph P. Bradley Court II	HE Lighting	4,473.00	-	-	2,896	570	0.1966	-	-	\$ 570	\$ 570	20.0	M	R	R	A	R	R	A	R	A	No	
18	AMP3002 NJO3-31.2 Stephanie Thompson Village	HE Lighting	28,809.00	-	-	19,778	3,867	0.1966	-	-	\$ 3,867	\$ 3,867	20.0	M	R	R	A	R	R	A	R	A	No	
19	AMP3002 NJO3-42.1 Kemsco	HE Lighting	81,335.00	-	-	131,245	25,797	0.1966	-	-	\$ 25,797	\$ 25,797	20.0	M	R	R	A	R	R	A	R	A	No	
20	AMP3003 NJO3-29.0 Woodlawn Village	HE Lighting	40,002.00	-	-	16,527	3,301	0.1985	-	-	\$ 3,301	\$ 3,301	20.0	M	R	R	A	R	R	A	R	A	No	
21	AMP3003 NJO3-35.0 Westside Village	HE Lighting	39,096.00	-	-	15,500	3,037	0.1985	-	-	\$ 3,037	\$ 3,037	20.0	M	R	R	A	R	R	A	R	A	No	
22	AMP3003 NJO3-43.0 Bolemsend	HE Lighting	124,560.00	-	-	92,221	18,307	0.1985	-	-	\$ 18,307	\$ 18,307	20.0	M	R	R	A	R	R	A	R	A	No	
23	AMP3003 NJO3-44.2 La Villa Dr. Jose Rosario	HE Lighting	16,978.00	-	-	15,216	3,021	0.1985	-	-	\$ 3,021	\$ 3,021	20.0	M	R	R	A	R	R	A	R	A	No	
24	AMP3003 NJO3-45.0 Claremont	HE Lighting	126,965.00	-	-	112,473	22,328	0.1985	-	-	\$ 22,328	\$ 22,328	20.0	M	R	R	A	R	R	A	R	A	No	
25	AMP3004 NJO3-39.1 Betty Shabazz Village	HE Lighting	85,372.00	-	-	97,482	19,252	0.1975	-	-	\$ 19,252	\$ 19,252	20.0	M	R	R	A	R	R	A	R	A	No	
26	AMP3004 NJO3-41.1 Oscar Miles Village	HE Lighting	198,684.00	-	-	181,471	35,839	0.1975	-	-	\$ 35,839	\$ 35,839	20.0	M	R	R	A	R	R	A	R	A	No	
27	AMP3006 NJO3-40.3 Serenity Village	HE Lighting	6,995.00	-	-	8,836	1,762	0.1994	-	-	\$ 1,762	\$ 1,762	20.0	M	R	R	A	R	R	A	R	A	No	
28	AMP3006 NJO3-47.0 Clinton Ave Townhomes	HE Lighting	138,718.00	-	-	107,791	21,489	0.1994	-	-	\$ 21,489	\$ 21,489	20.0	M	R	R	A	R	R	A	R	A	No	
29	AMP3006 NJO3-48.0 Century 21	HE Lighting	126,302.00	-	-	101,110	20,157	0.1994	-	-	\$ 20,157	\$ 20,157	20.0	M	R	R	A	R	R	A	R	A	No	
30	AMP3006 NJO3-50.2 Townhomes @ South Point	HE Lighting	16,536.00	-	-	11,917	2,376	0.1994	-	-	\$ 2,376	\$ 2,376	20.0	M	R	R	A	R	R	A	R	A	No	
31	AMP3007 NJO3-41.2 Oscar Miles Village	HE Lighting	58,145.00	-	-	68,436	13,511	0.1974	-	-	\$ 13,511	\$ 13,511	20.0	M	R	R	A	R	R	A	R	A	No	
32	AMP3007 NJO3-44.1 La Villa Dr. Jose Rosario	HE Lighting	119,851.00	-	-	122,284	24,143	0.1974	-	-	\$ 24,143	\$ 24,143	20.0	M	R	R	A	R	R	A	R	A	No	
33	AMP3009 NJO3-70.0 Otto E. Kretschmer Homes	HE Lighting	149,168.00	-	-	149,294	29,832	0.1998	-	-	\$ 29,832	\$ 29,832	20.0	M	R	R	A	R	R	A	R	A	No	
34	AMP3010 NJO3-02.0 Wynona Lipman Gardens	HE Lighting	384,584.00	-	-	376,918	75,469	0.2002	-	-	\$ 75,469	\$ 75,469	20.0	M	R	R	A	R	R	A	R	A	No	
35	AMP3011 NJO3-67.0 Riverside Villa I	HE Lighting	64,764.00	-	-	74,901	14,858	0.1984	-	-	\$ 14,858	\$ 14,858	20.0	M	R	R	A	R	R	A	R	A	No	
36	AMP3011 NJO3-68.0 Riverside Villa II	HE Lighting	71,376.00	-	-	81,604	16,187	0.1984	-	-	\$ 16,187	\$ 16,187	20.0	M	R	R	A	R	R	A	R	A	No	
37	AMP3011 NJO3-69.0 Riverside Villa III	HE Lighting	108,609.00	-	-	133,073	26,397	0.1984	-	-	\$ 26,397	\$ 26,397	20.0	M	R	R	A	R	R	A	R	A	No	
38	AMP3012 NJO3-30.0 Bergan Street Village	HE Lighting	-	-	-	-	-	-	-	-	\$ -	\$ -	20.0	M	R	R	A	R	R	A	R	A	No	
39	AMP3012 NJO3-46.0 Avon Ave Redevelopment	HE Lighting	105,537.00	-	-	97,257	19,141	0.1968	-	-	\$ 19,141	\$ 19,141	20.0	M	R	R	A	R	R	A	R	A	No	
40	AMP2025 NJO2-25.0 James C. White	HE Lighting	141,441.00	-	-	121,802	16,208	0.1331	-	-	\$ 16,208	\$ 16,208	20.0	M	R	R	A	R	R	A	R	A	No	
41	AMP3012 NJO3-39.2 Rose & Livingston	HE Lighting	13,163.00	-	-	21,010	4,135	0.1968	-	-	\$ 4,135	\$ 4,135	20.0	M	R	R	A	R	R	A	R	A	No	
42	AMP3012 NJO3-40.1 Serenity Village	HE Lighting	35,756.00	-	-	58,847	11,582	0.1968	-	-	\$ 11,582	\$ 11,582	20.0	M	R	R	A	R	R	A	R	A	No	
43	AMP3007 NJO3-40.2 Serenity Village	HE Lighting	-	-	-	10,521	2,077	0.1974	-	-	\$ 2,077	\$ 2,077	20.0	M	R	R	A	R	R	A	R	A	No	
44	AMP3001 NJO3-42.2 Kemsco	HE Lighting	18,810.00	-	-	26,263	5,225	0.1990	-	-	\$ 5,225	\$ 5,225	20.0	M	R	R	A	R	R	A	R	A	No	
45	AMP3007 NJO3-50.3 Townhomes @ Sherman Ave	HE Lighting	-	-	-	5,406	1,067	0.1974	-	-	\$ 1,067	\$ 1,067	20.0	M	R	R	A	R	R	A	R	A	No	
46	AMP3012 NJO3-50.4 Townhomes South	HE Lighting	-	-	-	14,231	2,801	0.1968	-	-	\$ 2,801	\$ 2,801	20.0	M	R	R	A	R	R	A	R	A	No	
47	AMP2001 NJO2-01.0 Seth Boyden Terrace	Low Flow Equip.	-	-	-	-	-	-	-	-	\$ -	\$ -	15.0	M	M	M	A	A	A	C	C	C	No	
48	AMP2002 NJO2-02.0 Pennington Court	Low Flow Equip.	126,094.00	7,574	40,310	5,3225	-	-	30,474	45,895	1,5061	86,206	86,206	15.0	M	M	M	A	A	A	C	C	C	No
49	AMP2006 NJO2-06.0 Stephen Crane Village	Low Flow Equip.	201,123.00	10,261	54,109	5,2733	-	-	45,970	70,257	1,5283	124,366	124,366	15.0	M	M	M	A	A	A	C	C	C	No
50	AMP2007 NJO2-07.0 John W. Hyatt Court	Low Flow Equip.	228,054.00	4,924	26,007	5,2816	-	-	23,924	36,381	1,5207	62,387	62,387	15.0	M	M	M	A	A	A	C	C	C	No
51	AMP2009 NJO2-09.0 Milard E. Terrell Homes	Low Flow Equip.	147,693.00	1,599	8,263	5,1674	-	-	6,234	9,777	1,5683	18,040	18,040	15.0	M	M	M	A	A	A	C	C	C	No
52	AMP2014 NJO2-14.0 Joseph P. Bradley Court I	Low Flow Equip.	170,754.00	6,565	35,111	5,3486	-	-	32,847	52,647	1,6028	87,758	87,758	15.0	M	M	M	A	A	A	C	C	C	No
53	AMP2016 NJO2-16.0 Stephen Crane Elderly	Low Flow Equip.	110,682.00	480	2,576	5,3711	-	-	1,650	2,670	1,6182	5,246	5,246	15.0	M	M	M	A	A	A	C	C	C	No
54	AMP2016 NJO2-22.3 Stephen Crane Elderly	Low Flow Equip.	209,625.00	1,972	10,590	5,3																		

EPC Summary - Amendment No. 2 Newark Housing Authority

Continued Phase 1a Project

EPC Summary - Amendment No. 2			Installation Cost		First Year Energy Savings - Per Energy Audit																Total Savings Year 1 Post ECM	Guaranteed Savings	Useful Life	Utility Meter Type Post ECM Installation	Subsidy Incentive			M&V Protocol Per IPMVP			Weather Adjustment					
ECM	AMP / Project Description	Description of ECM	(\$)	(M Gallons)	(\$)	(KWH)	(\$)	Rate	(Therms)	(\$)	Rate	(\$)	Rate	(\$)	Rate	(\$)	Rate	(years)	W&S	Elec	Gas	W&S	Elec	Gas	W&S	Elec	Gas	Option - A	Option - B	Option - C	Option - D	Yes	No			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)			
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**NEWARK HOUSING AUTHORITY
AMENDMENT NO. 2
WATER/ENERGY SERVICES AGREEMENT**

Schedule A-1a - Part 3
Scope of Work

This Schedule reflects the Scopes of Work for Standard Installation for the additional ECMs under the Phase 1a Project that are not already set forth in the corresponding Schedule A – Part 3 of the original Agreement.

I. Boiler Decentralization (Replacement) - Pennington Court (NJ2-02)

Existing Conditions

Pennington Court currently has a centralized system heating all four buildings in the development. The central plant is located in the basement of Building 4. There are two boilers there which are original to the building and date back to 1939 when the buildings were built. These boilers initially were fired on coal but were later converted to natural gas. The boilers were manufactured by Gibraltar and assembled in place during construction. Conversion to burning natural gas made their operation much more convenient but it did not improve their efficiency to a large degree. Recently, one of the boilers (#1) had the gas burner replaced while the other one (#2) still has an old burner which, from the comments of the maintenance personnel, we understand doesn't operate properly. During the heating season the boiler with the new burner is used most of the time.

The boilers generate low pressure steam which is distributed to all four buildings. Underground pipes are laid to deliver steam to Buildings #1, 2, and 3. Condensate is returned to the central boiler plant through underground pipes also but the condensate system has its own inherent problems which developed over the years that impede on the performance of the whole heating system. These problems include: faulty steam traps, steam/water leaks, and a myriad of dysfunctional condensate return system components.

The steam traps throughout the system are in poor condition. Faulty steam traps allow pressurized steam into the condensate return pipes and cause problems like water hammer which destroys other components of the system including other traps and condensate return pumps.

Proposed Improvements:

The intent of this work is to remove and replace 2 boilers at NHA Family Site NJ2-02 Pennington Court located at 214 South Street Newark NJ. New boilers to be Easco series FTS stell scotch Marine (or approved equivalent). The scope of work includes the new boilers, concrete curb, feed tank, breeching, combustion air components, related piping and valves, pipe insulation, and boiler controls within the boiler room.

This scope does not include the replacement or repair of steam traps, valves, zone valves, condensate pumps, pipe insulation, or any other components located outside of the mechanical room where the 2 boilers are being replaced. It is understood that this work will be performed by others. The proposed improvements will be undertaken in such a manner that avoids a loss of heat to the residents of the site during NHA's heating season.

The measure includes following changes to the boiler plant:

1. Demolition and removal of 2 boilers and any unneeded piping and electrical services and breeching throughout the boiler room at NHA Family Site NJ2-02 Pennington Court.
2. Prepare the space for the boilers by pouring a new concrete pad(s) for leveling and providing protection from minor flooding.
3. Install 2 new boilers with new boiler feed tank and chemical feed.
4. Install new piping, breeching, and combustion air for the new boilers.
5. Install new make-up and feed water and blow-down tanks
6. Install new chemical feed system.
7. Install new pumps to serve the new boilers.
8. Include any necessary supply gas pipes, steam distribution system components within the boiler room.
9. Install new flue breeching and combustion air systems.
10. Replace one zone valve that is located in the boiler room.
11. Insulate exposed steam and condensate pipe in the boiler room.
12. Paint and insulate ceiling of mechanical room.
13. Install new boiler control systems and electrical components.
14. Commission new boilers and include emissions testing.

Scope of Work:

This is a turn-key, all inclusive, design-build project and any and all costs associated with or stemming from this work shall be included in the price.

Subcontractor shall provide all of the design-build services necessary for the design, procurement and installation of the work. Design drawings and specifications shall be prepared and submitted to Constellation for approval prior to construction. As-built drawings shall be submitted subsequent to construction and prior to acceptance of the system.

Subcontractor shall prepare and submit a Commissioning Plan to Constellation for review and approval prior to commissioning of the system.

Work shall be coordinated such that the existing domestic hot water systems remain operational. HUD regulations state that the shutdown cannot exceed 12 hours.

Workmanship and materials shall be in accordance with all state and local codes and the building regulations. Equipment and materials shall be new, unless otherwise specified.

Obtain and pay for all required permits and fees.

Comply with rules, regulations of state, county, and city authorities having jurisdiction over the premises, including safety requirements of OSHA.

Provide and install all interconnecting control wiring as required for a complete and operable installation. This subcontractor is to assume complete responsibility for installation of control wiring with appropriate connections.

Furnish and install all necessary labor and materials for a complete system. Any appliances or materials obviously a part of the system and necessary for its proper operation but not specified herein, shall be furnished and installed as if called for in the detail and follow manufacturer's instruction.

Subcontractor shall provide all start-up services and Operator training. The entire affected system shall be fully warranted for a period of one year beginning after Customer Acceptance of the system.

Subcontractor shall submit specification sheets for all proposed materials describing performance standards and warranty information for approval before proceeding with work.

***NOTE:** The NHA claims that the boilers and pipes in the steam plant were abated for asbestos but Subcontractor shall exercise caution and cease work if asbestos is suspected.*

Steam Piping insulation Requirements:

The subcontractor shall insulate all repaired or replaced steam piping in the boiler room. Insulation of pipes outside of the boiler room is not included in this work.

New Boiler feed tank and pump system – New Boiler Chemical feed pump system

The Subcontractor shall remove and dispose of existing boiler feed tank and pumps system and provide new fully operation feed tank/pump system with controls to service the new boilers. The subcontractor shall install a new low-water cut-off/alarm and feed water controller. Subcontractor shall interface new controls to match existing heat timer exemption 6 standards on maintaining boiler operations.

The Subcontractor shall provide all required new electrical panels, circuit breakers, conduits, wiring and point to point connections for fully operation and complete boiler feed pump system. The pumps shall have spare pumps with automatic switching to compensate during shut down for repairs or failures. All electrical wiring shall meet compliance for State and local code requirements.

The Subcontractor shall remove and dispose of existing chemical boiler feed system and provide new fully operation chemical feed pump system. Provide as required all new panels for the operations of new chemical feed tank/pump system. The chemical feed pumps shall have spare capacity to operate automatically when pump is down for repairs.

The Subcontractor shall provide all required new electrical panels, circuit breakers, conduits, wiring and point to point connections for fully operation and complete chemical boiler feed pump system. The pumps shall have spare pumps with automatic switching to compensate during shut down for repairs or failures. All electrical wiring shall meet compliance for State and local code requirements

Boiler Controls New Panels and interface with Existing Heat Timer – Exemption 6 Boiler Operation System for NHA Boiler Room Systems:

The Subcontractor shall coordinate with NHA Exemption 6 Heat Timer. Subcontractor to ensure new boiler controls and operations shall conform to existing standards in full compliance with NJ State requirements for existing operation boiler functioning conditions pre-approved for NHA Boiler Room System operations. The subcontractor shall carry all required cost to meet full compliance period.

General References for Boiler Replacement ECM:

The following drawings can be obtained from the NHA Central Office or at this location:
<http://www.newarkhousing.org/drawings/>

Original Design & Construction drawings for Pennington Court, Dated April 1939.

1. Drawing No. Unknown: S-E Building, First Floor Heating, Electrical, Plumbing Drawing No. A-101: N-E Group, Basement Plan
2. Drawing No. A-102: N-E Group, Typical Floor Plan
3. Drawing No. A-201: N-W Group, Basement Plan
4. Drawing No. A-202: N-W Group, Typical Floor Plan
5. Drawing No. A-300: S-E Group, Basement Plan - Boiler and Transformer Room Sections
6. Drawing No. A-301: S-E Group, First Floor Plan
7. Drawing No. A-302: S-E Group, Typical Floor Plan

II. Window Replacement- Seth Boyden Elderly (NJ2-21E)

Existing Conditions

The Seth Boyden Elderly development (NJ2-21E) has windows and doors that are compromised due to wear and tear and improper installation. This causes excessive infiltration of unconditioned air from outside to the living spaces. Aesthetically and visually, the current windows and doors are not attractive and create negative image and REAC inspection problems for the developments as well as for the Newark Housing Authority.

Proposed Improvements

Constellation proposes window and balcony door replacements at the following site:

Seth Boyden Elderly (NJ2-21E)

Seth Boyden (NJ2-21E) comprises three buildings: 27 Foster Avenue, 120 Dayton Avenue, and 130 Dayton Avenue, Newark, NJ.

Residential Unit Windows: Constellation proposes replacing all residential unit windows and balcony doors.

Blinds: Constellation proposes installing new blinds for the residential unit windows and balcony doors

Exclusions: This scope of work does not include common area windows, building entry doors, storefront windows on ground floor, casement windows around the ground floor, and curtain wall windows, if present.

Window and Door Specifications

- Windows shall be Northern Model 5000, or approved equivalent.
 - Residential unit living room windows shall be equipped with a trickle vent feature allowing air to move in and out the unit. The location, quantity and function of these vents will be determined prior to beginning work. If it is determined that the trickle vent is not appropriate for this application, an alternative venting method may be proposed.
- Patio doors shall be Northern Model 7000, or approved equivalent.
- Patio door thresholds shall be Northern, Low Profile, or approved equivalent.
- Window blinds shall be Bali Classics mini blinds, or approved equivalent.
- Patio door blinds shall be PS vertical blinds, or approved equivalent.

Scope of Work

- Subcontractor shall ensure all required preparations to protect the interior finishes and furnishings from damage associated with any services regarding the demolition or installation work.
- Subcontractor shall include the removal, storage and re-installation of all window dressings (i.e. – drapes, curtains, blinds, window shades, etc.) if necessary.
- Subcontractor shall include the removal and re-installation of all existing window mounted air-conditioners, exhaust/intake grilles, refrigerant line penetrations fitted into newly furnished Insulating panels, where applicable.
- Subcontractor shall include panning and caulking per manufacturer's requirements and standard practices.
- Subcontractor shall include cleaning of newly installed window assemblies.
- Subcontractor shall include touch-up of painted surfaces impacted by work. Matching paint to be provided by subcontractor.
- Subcontractor shall assemble and install window units according to manufacturer's installation instructions. All work must be done in a neat, safe and workmanlike manner in strict accordance with the highest of industry acceptance standards.
- Subcontractor shall supply and install sample products upon the request of Constellation.
- Subcontractor shall be responsible for the complete turnkey installation of the windows.
- Subcontractor shall complete all work in strict accordance with the manufacturer's specifications and recommendations for the installation of window units, hardware, operators and other components as well as the approved project shop drawings and requirements in this Scope of Work.

- Subcontractor shall take all necessary measures to ensure that the units are set plumb, level and true to line without warp or crack of frames or sash. Compress fiberglass insulation between frames of new windows and construction that remains, as applicable.
- Subcontractor shall seal all exterior perimeter joints between windows and surrounding construction in accordance with manufacturer recommendations and to form a water and airtight seal. Joints and other surfaces that are to receive sealant shall be clean, free from loose debris or construction stains and totally dry. Prepare all surfaces that are to receive sealant according to that manufacturer's instructions. Apply sealant according to the manufacturer requirements and recommendations.
- Subcontractor shall carefully remove all applicable items of the existing sash, stops, mullions, screens, storm windows, and trim as required for proper installation of the new windows avoiding damage to the existing work that remains.
- Existing window items that are removed from the construction shall not be reused in the new installation except for any devices (such as security grates, grilles, etc.) that may be mounted to the building structure.
- No window shall be removed until the opening size is confirmed by the subcontractor to insure the proper fit. Insofar as practical, the existing window parts shall be removed and the replacement window shall be installed in one continuous operation.
- No window shall be removed unless it can be fully replaced by the end of the same workday.
- Subcontractor shall adjust operating sash and sash hardware to provide smooth operation and a tight fit at all contact points and at the full perimeter of weather-stripping.
- Subcontractor shall adjust the sash hardware so that the sash is perfectly square in the primary frame member.
- Subcontractor shall lubricate hardware and all moving parts as recommended.
- Subcontractor shall clean surfaces promptly after installation of window units. Exercise extreme care to avoid damage to the finish. Subcontractor shall remove excess glazing materials and sealant compounds, dirt and other substances.
- Subcontractor shall clean interior and exterior surfaces of glass promptly after installation of window units. Subcontractor shall warrant all workmanship to be free from defect for a period of one (1) year from the date of Substantial Completion. All materials shall have a ten (10) year commercial warranty against defects related to manufacturing.
- Blinds shall be installed per manufacturer's recommendations and shall be sized by the subcontractor to properly fit the window or balcony door as appropriate.

**NEWARK HOUSING AUTHORITY
AMENDMENT NO. 2
WATER/ENERGY SERVICES AGREEMENT**

Schedule A-1a - Part 4
Contingency Items and Amounts

This Schedule reflects Contingency Items and Amounts, is representative of the Combined Phase 1 Project (Phase 1 as installed and Phase 1a).

- A. As of the Closing Date of this Amendment No. 2, the amount remaining in Contingency for the original Phase 1 Project is four hundred twenty seven thousand, dollars (\$427,180), which shall be used as specified herein for the Combined Phase 1a Project.
- B. Of the existing Contingency amount set forth in Section A above, the Parties agree that two hundred twenty eight thousand, four hundred seventy nine dollars (\$228,479) is reserved specifically for installing other related window project items (i.e. trickle vents) at NJ02-21E.
- C. The amount that shall be specifically added to the Contingency amount (as set forth in Section A above) for the Phase 1a Project, is ninety nine thousand, six hundred, seventy three dollars (\$99,673).
- D. The remaining Contingency amount may be utilized in accordance with the terms in Section 7.1, subsections (vi) and (vii), including but not limited to additional work resulting from unforeseen conditions, equipment upgrades and/or unit count changes above that which is defined in this Agreement as the "Standard Installation" of the Equipment.
- E. Upon 80% of substantial completion of installation of the ECMs for the Combined Phase 1a Project, as mutually determined by both Parties, NHA may define how any remaining funds held in Contingency at that time are to be spent, by order of priority. The Warranted Project Completion time period, as referenced in Section 9.2 of this Agreement, and as amended by this Amendment No. 2, shall not include installation of any additional "wish list" items, such as those included in this Schedule A-1a, Part 4. In the event that any additional "wish list" items require a specific time frame or more fully defined scope of work as mutually determined by the Parties, an Amendment to the Water/Energy Services Agreement shall be executed by the Parties accordingly.

WISH LIST ITEMS	ESTIMATED COST
1. Common Area Windows for NJ2-21E	\$209,090
2. Boiler Room Pipe Insulation NJ02-09	Will be determined before 100% design is completed.
3. Repair Utility pole and replace transformer at NJ02-09	Will be determined before 100% design is completed

**NEWARK HOUSING AUTHORITY
AMENDMENT NO. 2
WATER/ENERGY SERVICES AGREEMENT**

Schedule B-1a
Fee Schedule

Part 1: IMPLEMENTATION FEES

The Implementation Fees below are with respect to the additional ECMs and other work under the Phase 1a Project.

Item for Fee/Cost	Unburdened Cost	Overhead (10%)	Profit (8%)	Burdened Cost	Due and Payable
Bonding	\$20,798	\$2,080	\$1,830	\$24,708	Total due at loan closing
Construction and Project Management and Administration (General Conditions)	\$162,006	\$16,200	\$14,256	\$192,462	Total due at loan closing
Design & Specifications	\$100,742	\$10,074	\$ 8,865	\$119,681	Total due at loan closing
Contractor Cost and Contingency	\$2,721,972	\$272,197	\$239,534	\$3,233,703	Per progress billing upon equipment installation
Total	\$3,005,518	\$300,551	\$264,485	\$3,570,554	

Part 2. CONSTELLATION'S POST-IMPLEMENTATION M&V FEE AND OVERALL OVERHEAD AND PROFIT:

- (a) Measurement & Verification Fee. Constellation's Annual M&V Fee for the complete Phase 1 Project (Phase 1 and Phase 1a) shall be the same as set forth in the original Agreement.
- (b) Overhead and Profit. Overhead for the project shall be 10% and for its Phase 1a work under this Agreement, Constellation shall receive a profit of 8% for the Phase 1a work. Overhead and Profit shall be applied to the unburdened hard and soft costs/fees as shown in Part 1 of this Schedule B.

**NEWARK HOUSING AUTHORITY
AMENDMENT NO. 2
WATER/ENERGY SERVICES AGREEMENT**

Schedule D-1a
Construction Schedule*

The below includes scheduling for the additional ECMs and other work under the Phase 1a Project.

I. Boiler Decentralization (Replacement) - Pennington Court (NJ2-02)

A. Implementation of the Boiler Decentralization ECM is anticipated to be substantially completed by December 31, 2013, to the extent there are no delays incurred that are outside of the control of Constellation.

B. The following timeframes may be amended by the mutual consent of the Parties:

Final Design Completion: Constellation shall complete final design of the Boiler Decentralization ECM within three (3) weeks of execution of this Amendment No. 2.

Final Design Review: Customer shall review final design within two (2) weeks of presentation by Constellation and suggest any changes thereto.

Commence Installation: Approximately two (2) weeks after Customer's Final Design Approval.

Substantial Completion: Within eight (8) weeks after installation commencement.

Final Completion: Within three (3) weeks of Substantial Completion.

II. Window Replacement- Seth Boyden Elderly (NJ2-21E)

A. Implementation of the Window Replacement ECM is anticipated to be substantially completed by December 31, 2013, to the extent there are no delays incurred that are outside of the control of Constellation.

B. The following timeframes may be amended by the mutual consent of the Parties:

Final Design Completion:	Constellation shall complete final design of the Window ECM within two (2) weeks of execution of this Amendment No. 2.
Final Design Review:	Customer shall review final design within two (2) weeks of presentation by Constellation and suggest any changes thereto.
Commence Installation:	Approximately four (4) weeks after Customer's Final Design Approval.
Substantial Completion:	Within ten (10) weeks after installation commencement.
Final Completion:	Within two (2) weeks of Substantial Completion.

In the event that all ECMs are not substantially complete by December 31, 2013, through no fault of Constellation and/or as a result of delays outside of Constellation's control, Constellation will present a budget amount for additional construction time (Construction & Project Management costs) to NHA for its review and approval, which will not be unreasonably withheld, so that Project completion may be extended to March 31, 2014. Any such additional funds may be payable from the Project's Contingency funds.

Due to the significant number of variables associated with this project, the following disclaimers are affixed to the Schedule:

- 1) Constellation shall update the schedule when actual start date is determined.
- 2) The Parties may mutually agree to revise the schedule, in writing, as deemed necessary.
- 3) Any changes in the ECMs and/or Scope of Work, or delays attributable to Client (outside of the control of Company) shall require the schedule to be updated.
- 4) The schedule does not account for other construction projects that may be started by the Authority independently of this project. The schedule shall be updated if conflicts result from these projects.
- 5) The schedule does not account for unforeseen environmental factors. The schedule shall be updated if asbestos, lead base paint or other toxic materials are uncovered.
- 6) The schedule does not account for concealed/unknown and undocumented conditions, which may delay construction. The schedule shall be updated if any such conditions occur.

If the schedule must be updated, then an extension to the Term of the Agreement and Warranted Project Completion may be required pursuant to Section 9.2 of the Agreement.

**All "days" referenced in this Construction Schedule are hereby defined as "business days."*

**NEWARK HOUSING AUTHORITY
AMENDMENT NO. 2
WATER/ENERGY SERVICES AGREEMENT**

Schedule E-1a
Limited Warranty on Guaranteed Cost Savings

Section 3: Estimated Consumption and Cost Savings

Table E.2 below represents the revised Total Estimated Annual Consumption and Cost Savings for the First Year, which, if Substantial Completion for the Combined Project is obtained by December 31, 2013, shall be 2014, for the Combined Phase 1 Project as installed.

Option C Savings Authority Paid	Baseline Consumption	Estimated Future Consumption	Estimated Consumption Savings	Effective* Rate	Estimated \$\$ Savings
Natural Gas (AP) (Therms)	4,662,695	3,689,365	973,330	\$1.7144	\$1,723,292
Water (AP) (Mgal)	1,598,900	1,489,480	109,420	\$5.7352	\$633,958
				SUB TOTAL:	\$2,357,250
OPTION A SAVINGS - Authority Paid			Estimated Consumption Savings	Effective* Rate	Estimated \$\$ Savings
Electricity (AP) (kWh)			5,099,608	\$0.1889	\$971,267
				SUB TOTAL AP:	\$3,328,517
TOTAL ESTIMATED ANNUAL COAST SAVINGS (AP)					\$3,328,517
OPTION A SAVINGS - Resident Paid			Estimated Consumption Savings	Effective* Rate	Estimated \$\$ Savings
Electricity (RP) (kWh)			2,716,693	\$0.2032	\$503,328
Natural Gas (RP) (Therms)			255,788	\$1.5649	\$380,283
Water (RP) (MGAL)			N/A		
				SUB TOTAL RP:	\$883,611
TOTAL ESTIMATED ANNUAL COST SAVINGS (RP)					\$883,611
TOTAL ESTIMATED ANNUAL COST SAVINGS (AP and RP)					\$4,212,128

* Effective Rates depicted above for the purposes of this chart are the average of all AMPS, as AMP rates vary.

**Table E2. Total Estimated Annual Consumption and Cost Savings
for the First Year**

Section 5: Guaranteed Cost Savings

Table E.5 below shows the Guaranteed Cost Savings for each Guarantee Year for the Combined Phase 1 Project (Phase 1 as installed and Phase 1a), commencing 2014, provided that Substantial Completion for the Combined Phase 1 Project is achieved by December 31, 2013.

Guarantee Year	Guaranteed Cost Savings
0*	\$2,594,341
1	\$ 4,212,128
2	\$ 4,391,143
3	\$ 4,577,767
4	\$ 4,772,322
5	\$ 4,975,146
6	\$ 5,186,589
7	\$ 5,407,019
8	\$ 5,636,818
9	\$ 5,876,383
10	\$ 6,126,129
11	\$ 6,386,489
12	\$ 6,657,915
13	\$ 6,940,877
14	\$ 7,235,864
15	\$ 7,543,388

Table E.5. Guaranteed Cost Savings for Guarantee Years 0 - 15

**Guaranteed Cost Savings for Guarantee Year 0 above, depicts the Interim Guarantee Year that remains in effect from Section 3.6 of the original Phase 1 Agreement.*

As set forth in Section 18.2 of the original Phase 1 Agreement, the savings guarantee is provided to NHA at no additional cost.

NEWARK HOUSING AUTHORITY AMENDMENT NO. 2 WATER/ENERGY SERVICES AGREEMENT

Schedule I-1a List of Facilities

NHA Facilities Under Water/Services Agreement

Combined Phase 1 and 1a Project

				Unit Count						
				Total	0	1	2	3	4	5
AMP2001	NJ002002001	NJ02-01.0	Seth Boyden Terrace	503		134	244	107	4	14
AMP2002	NJ002002002	NJ02-02.0	Pennington Court	227		76	111	36	4	
AMP2006	NJ002002006	NJ02-06.0	Stephen Crane Village	351		133	147	71		
AMP2007	NJ002002007	NJ02-07.0	John W. Hyatt Court	398		109	186	88	15	
AMP2009	NJ002002009	NJ02-09.0	Millard E.Terrell Homes	273		100	109	64		
AMP2014	NJ002002014	NJ02-14.0	Joseph P. Bradley Court I	298		45	178	75		
AMP2016	NJ002002016	NJ02-16.0	Stephen Crane Elderly	198	44	132	22			
AMP2017	NJ002002017	NJ02-17.0	Otto E. Kretchmer Elderly	197	44	131	22			
AMP3002	NJ002003002	NJ02-20.2	Joseph P. Bradley Court II	6	-	-	3	3	-	-
AMP2017	NJ002002017	NJ02-21.1	Otto E. Kretchmer Elderly	438	175	220	43			
AMP2017	NJ002002017	NJ02-21.5	Seth Boyden Elderly	286		251	35			
AMP2017	NJ002002017	NJ02-21.6	Seth Boyden Elderly	199	80	99	20			
AMP2221	NJ002002221	NJ02-22.2	James Baxter Terrace Elderly	250	96	130	24			
AMP2016	NJ002002016	NJ02-22.3	Stephen Crane Elderly	375	151	194	30			
AMP2016	NJ002002016	NJ02-22.4	Stephen Crane Elderly	374	152	193	29			
AMP2025	NJ002002025	NJ02-25.0	James C. White	206		168	38			
AMP3003	NJ002003003	NJ02-29.0	Woodlawn Village	47	-	-	-	33	9	5
AMP3012	NJ002003012	NJ02-30.0	Bergen Street Village	50	-	-	-	36	10	4
AMP3002	NJ002003002	NJ02-31.2	Stephanie Thompson Village	27	-	-	-	-	27	-
AMP3003	NJ002003003	NJ02-35.0	Westside Village	48	-	-	-	36	8	4
AMP3001	NJ002003001	NJ02-36.0	Janice Cromer Village	89	-	-	38	39	10	2
AMP3001	NJ002003001	NJ02-37.0	Oriental Village	95	-	-	72	17	4	2
AMP3004	NJ002003004	NJ02-39.1	Betty Shabazz Village	104	-	-	-	77	19	8
AMP3012	NJ002003012	NJ02-39.2	Rose & Livingston	20				14	4	2
AMP3012	NJ002003012	NJ02-40.1	Serenity Village	75				53	16	6
AMP3007	NJ002003007	NJ02-40.2	Serenity Village	14				10	2	2
AMP3006	NJ002003006	NJ02-40.3	Serenity Village	11	-	-	-	9	2	-
AMP3004	NJ002003004	NJ02-41.1	Oscar Miles Village	150			52	75	16	7
AMP3007	NJ002003007	NJ02-41.2	Oscar Miles Village	49			16	25	8	
AMP3002	NJ002003002	NJ02-42.1	Kemsco	163	-	-	-	114	42	7
AMP3001	NJ002003001	NJ02-42.2	Kemsco	27			21	6		
AMP3003	NJ002003003	NJ02-43.0	Bellemead	100	-	-	-	70	25	5
AMP3007	NJ002003007	NJ02-44.1	La Villa Dr. Jose Rosario	83				58	20	5
AMP3003	NJ002003003	NJ02-44.2	La Villa Dr. Jose Rosario	11				8	3	
AMP3003	NJ002003003	NJ02-45.0	Claremont	100	-	25	70	5	-	-
AMP3012	NJ002003012	NJ02-46.0	Avon Ave Redevelopment	96	-	-	-	67	24	5
AMP3006	NJ002003006	NJ02-47.0	Clinton Ave Townhomes	100	-	20	40	40	-	-
AMP3006	NJ002003006	NJ02-48.0	Century 21	96	-	20	38	38	-	-
AMP3006	NJ002003006	NJ02-50.2	Townhomes @ South Point	13	-	4	2	7	-	-
AMP3007	NJ002003007	NJ02-50.3	Townhomes @ Sherman Ave	6			4	2		
AMP3012	NJ002003012	NJ02-50.4	Townhomes South	15			5	10		
AMP3010	NJ002003010	NJ02-52.0	Wynona Lipman Gardens	300	-	74	211	15	-	-
AMP3011	NJ002003011	NJ02-67.0	Riverside Villa I	50	-	2	26	20	2	-
AMP3011	NJ002003011	NJ02-68.0	Riverside Villa II	59	-	25	10	20	3	1
AMP3011	NJ002003011	NJ02-69.0	Riverside Villa III	87	-	12	34	27	9	5
AMP3009	NJ002003009	NJ02-70.0	Otto E. Kretchmer Homes	142	-	27	70	39	6	-
Grand Total				6,806	742	2,324	1,950	1,414	292	84

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) CHAPMAN AND CUTLER LLP (312) 845-3773	
B. E-MAIL CONTACT AT FILER (optional) vega@chapman.com	
C. SEND ACKNOWLEDGMENT TO (Name and Address) Chapman and Cutler 111 West Monroe St Chicago, IL 60603	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME Housing Authority of the City of Newark, New Jersey				
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS 500 Broad Street		CITY Newark	STATE NJ	POSTAL CODE 07102
			COUNTRY USA	

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
			COUNTRY USA	

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME Capital One Public Funding, LLC				
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS 275 Broadhollow Road		CITY Melville	STATE NY	POSTAL CODE 11747
			COUNTRY USA	

4. COLLATERAL: This financing statement covers the following collateral:

For a description of the collateral covered by this Financing Statement, see Schedule A attached hereto and incorporated herein by reference.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

☐ Public Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility ☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:

Filed with: NJ - Secretary of State

F#394358

A#565650

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here ☐

9a. ORGANIZATION'S NAME

Housing Authority of the City of Newark, New Jersey

OR

9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR

10b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

10c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

11. ☐ ADDITIONAL SECURED PARTY'S NAME or ☒ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

Grant Capital Management, Inc.

OR

11b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

11c. MAILING ADDRESS

8894 Standford Boulevard, Suite 203

CITY

Columbia

STATE

MD

POSTAL CODE

221045

COUNTRY

USA

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. ☐ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT:

☐ covers timber to be cut

☐ covers as-extracted collateral

☐ is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:

17. MISCELLANEOUS:

EXHIBIT A
TO
UCC-1 FINANCING STATEMENT

DEBTOR: Housing Authority of the City of Newark, New Jersey

ASSIGNOR S/P: Grant Capital Management, Inc.

TOTAL ASSIGNEE
OF ASSIGNOR S/P: Capital One Public Funding, LLC

DESCRIPTION OF COLLATERAL

The collateral consists of equipment and other property of Debtor, whether now owned or hereafter acquired, which collateral has been financed with the proceeds of the Equipment Lease-Purchase Agreement dated as of September 20, 2013 (the "*Agreement*") between Debtor and Assignor S/P, together with all amendments thereof and supplements and schedules thereto, including (without limitation) the following: (a) the lien and security interest created in favor of the Secured Party as Lessor under the Agreement in and to the moneys and investments held from time to time in the Escrow Fund (as defined in the Agreement) and any energy savings guarantee payments made by any Supplier (as defined in the Agreement) pursuant to its energy savings guarantee with Debtor with respect to the Equipment described in clauses (b) and (c) hereof; (b) the Secured Party's right, title and interest in the two new boilers and related equipment and improvements (whether such goods constitute inventory, equipment or fixtures under, and as such terms are defined in, Article 9 of the Uniform Commercial Code of the State of New Jersey) that replace existing boilers at NHA Family Site NJ2-02 Pennington Court located at 214 South Street, Newark, New Jersey, and consist of two new Easco series FTS stell scotch Marine (or equivalent) boilers, concrete curb, feed tank, breeching, combustion air components, related piping and valves, insulation and boiler controls with the boiler room, all as more specifically described in the Energy Services Agreement (as defined in the Agreement); (c) the Secured Party's right, title and interest in the residential unit window and balcony door replacements, new blinds and related improvements (whether such goods constitute inventory, equipment or fixtures under, and as such terms are defined in, Article 9 of the Uniform Commercial Code of the State of New Jersey) to be installed at Seth Boyden Elderly (NJ2-21E) which comprises three buildings located at 27 Foster Avenue, 120 Dayton Avenue and 130 Dayton Avenue, all in Newark, New Jersey, all as more specifically described in the Energy Services Agreement; (d) all accessories, equipment, parts and appurtenances appertaining or attached to any of the property described in clauses (b) and (c), except such thereof as is or remains the property of the Debtor under the Agreement, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of such property, except such thereof as is or remains the property of the Debtor under the Agreement, together with all the rents, issues, income, profits, proceeds and avails therefrom, and (e) all accounts, chattel paper, deposit accounts, documents, instruments, general intangibles and investment property (including any securities accounts and security entitlements relating thereto) evidenced by or arising out of or otherwise relating to the foregoing collateral described in clauses (a), (b), (c) and (d) above, as such terms are defined in Article 9 of the Uniform Commercial Code of the State of New Jersey.

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) CHAPMAN AND CUTLER (312) 845-3000	
B. E-MAIL CONTACT AT FILER (optional) vega@chapman.com	
C. SEND ACKNOWLEDGMENT TO: (Name and Address) Chapman and Cutler 111 West Monroe St Chicago, IL 60603	

2013 SEP 23 A 9:43

2644339-3

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME Housing Authority of the City of Newark, New Jersey				
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
500 Broad Street	Newark	NJ	07102	USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME Capital One Public Funding, LLC				
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
275 Broadhollow Road	Melville	NY	11747	USA

4. COLLATERAL: This financing statement covers the following collateral

For a description of the collateral covered by this Financing Statement, see Schedule A attached hereto and incorporated herein by reference.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

6b. Check only if applicable and check only one box:

☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility ☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

Filed with: NJ - Essex County

F#394360

A#565652

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here ☐

9a. ORGANIZATION'S NAME

Housing Authority of the City of Newark, New Jersey

OR 9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

2644339-3
THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR 10b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

10c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

11. ☐ ADDITIONAL SECURED PARTY'S NAME or ☒ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

Grant Capital Management, Inc.

OR 11b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S)

SUFFIX

11c. MAILING ADDRESS

8894 Standford Boulevard, Suite 203

CITY

Columbia

STATE

MD

POSTAL CODE

221045

COUNTRY

USA

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

13. ☒ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT:

☐ covers timber to be cut

☐ covers as-extracted collateral

☒ is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

Debtor is record owner

16. Description of real estate:

17. MISCELLANEOUS:

**EXHIBIT A
TO
UCC-1 FINANCING STATEMENT**

DEBTOR: Housing Authority of the City of Newark, New Jersey

ASSIGNOR S/P: Grant Capital Management, Inc.

**TOTAL ASSIGNEE
OF ASSIGNOR S/P:** Capital One Public Funding, LLC

DESCRIPTION OF COLLATERAL

The collateral consists of equipment and other property of Debtor, whether now owned or hereafter acquired and located on the land described in *Schedule 1* attached hereto and made a part hereof, which collateral has been financed with the proceeds of the Equipment Lease-Purchase Agreement dated as of September 20, 2013 (the "*Agreement*") between Debtor and Assignor S/P, together with all amendments thereof and supplements and schedules thereto, including (without limitation) the following: (a) the Secured Party's right, title and interest in the two new boilers and related equipment and improvements (whether such goods constitute inventory, equipment or fixtures under, and as such terms are defined in, Article 9 of the Uniform Commercial Code of the State of New Jersey) that replace existing boilers at NHA Family Site NJ2-02 Pennington Court located at 214 South Street, Newark, New Jersey, and consist of two new Easco series FTS stell scotch Marine (or equivalent) boilers, concrete curb, feed tank, breeching, combustion air components, related piping and valves, insulation and boiler controls with the boiler room, all as more specifically described in the Energy Services Agreement (as defined in the Agreement); (b) the Secured Party's right, title and interest in the residential unit window and balcony door replacements, new blinds and related improvements (whether such goods constitute inventory, equipment or fixtures under, and as such terms are defined in, Article 9 of the Uniform Commercial Code of the State of New Jersey) to be installed at Seth Boyden Elderly (NJ2-21E) which comprises three buildings located at 27 Foster Avenue, 120 Dayton Avenue and 130 Dayton Avenue, all in Newark, New Jersey, all as more specifically described in the Energy Services Agreement; (c) all accessories, equipment, parts and appurtenances appertaining or attached to any of the property described in clauses (b) and (c), except such thereof as is or remains the property of the Debtor under the Agreement, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of such property, except such thereof as is or remains the property of the Debtor under the Agreement, together with all the rents, issues, income, profits, proceeds and avails therefrom, and (d) all accounts, chattel paper, deposit accounts, documents, instruments, general intangibles and investment property (including any securities accounts and security entitlements relating thereto) evidenced by or arising out of or otherwise relating to the foregoing collateral described in clauses (a), (b) and (c) above, as such terms are defined in Article 9 of the Uniform Commercial Code of the State of New Jersey.

SCHEDULE I

**LEGAL DESCRIPTION OF REAL PROPERTY
TO WHICH FIXTURES ARE OR ARE TO BE ATTACHED**

DEBTOR: Housing Authority of the City of Newark, New Jersey

ASSIGNOR S/P: Grant Capital Management, Inc.

**TOTAL ASSIGNEE
OF ASSIGNOR S/P:** Capital One Public Funding, LLC

The Collateral is or will become fixtures on those certain facilities located on the land in the County of Essex, State of New Jersey, more particularly described as follows:

See two-page attachment hereto.

Seth Boyden Terrace

PROJECT NO. NJ 2-1

(1) following described property, being the NJ 2-1 or SETH BOYDEN COURT site:

BEGINNING at a point in the Westerly side of Pralinguysen Avenue, therein distant 223.95 feet Southerly from its intersection with the Southerly side of Foster Street; and running thence (1) North 32 degrees 01 minute West 471.18 feet; and running thence (2) South 46 degrees 49 minutes West 50.34 feet; and running thence (3) North 43 degrees 11 minutes West 53.35 feet; and running thence (4) South 43 degrees 47 minutes West 353.13 feet; and running thence (5) North 55 degrees 58 minutes West 101.46 feet to the Southeasterly side of Dayton Street; and running thence (6) along said side of Dayton Street South 44 degrees 19 minutes West 299.95 feet to an angle in said side of Dayton Street; and running thence (7) and still along said side of Dayton Street South 44 degrees East 264.01 feet to a point in said side of Dayton Street; and running thence (8) South 55 degrees 30 minutes East and along line of lands heretofore conveyed by the Housing Authority of the City of Newark to the Board of Education of the City of Newark, New Jersey, 248.21 feet; and running thence (9) South 34 degrees 30 minutes West and still along line of lands heretofore conveyed by the Housing Authority of the City of Newark to the Board of Education of the City of Newark, New Jersey, 236.50 feet; and running thence (10) South 61 degrees 36 minutes East 616.24 feet to the aforementioned Westerly side of Pralinguysen Avenue; and running thence (11) along said side of Pralinguysen Avenue North 34 degrees 30 minutes East 938.42 feet to the point or place of BEGINNING.

The foregoing description being in accordance with a property line map of the Dreamland Park site made for the Housing Authority of the City of Newark by John J. Brackan, Surveyor, dated December 15, 1938, and known as Project No. NJ 2-1, Plan No. 2.

BK5080PG0671

Pennington Court

PROJECT NO. NJ 2-2

(2) following described property, being the NJ 2-2 or PENNINGTON COURT site:

BEGINNING at the intersection of the Northerly side of South Street and the Westerly side of Pacific Street; and running thence (1) along said Westerly side of Pacific Street North 23 degrees 20 minutes East 398.80 feet to the intersection of the Southerly side of Pennington Street with the Westerly side of Pacific Street; and running thence (2) along the Southerly side of Pennington Street North 58 degrees 32 minutes West 473.35 feet to the intersection of said side of Pennington Street with the Easterly side of Dawson Street; and running thence (3) along said Easterly side of Dawson Street South 30 degrees 01 minute West 407.34 feet to the intersection formed by said Easterly side of Dawson Street with the Northerly side of South Street; and running thence (4) along said side of South Street South 59 degrees 54 minutes East 519.60 feet to the point or place of BEGINNING.

Being known as Project No. NJ 2-2. The foregoing description being prepared from a survey made by Ralph A. Accella, surveyor, dated January 4, 1939. Project No. U.S.R.A. 418.

PURCHASER'S LETTER

The undersigned authorized officer of Capital One Public Funding, LLC (the "*Purchaser*"), does hereby certify for and on behalf of the Purchaser as follows with regard to its execution of that certain Absolute Assignment Agreement dated the date hereof (the "*Assignment Agreement*"), between the Purchaser and Grant Capital Management, Inc., as seller and assignor ("*GCMI*"), relating to the assignment, sale and transfer by GCMI to the Purchaser of all of GCMI's right, title and interest in, to and under that certain Equipment Lease-Purchase Agreement dated as of September 20, 2013 (the "*Lease*"), with the Housing Authority of the City of Newark, New Jersey (the "*Lessee*"), and the other Assigned Property (as defined in the Assignment Agreement), all as more fully provided in the Assignment Agreement, that:

1. The Purchaser has full power and authority to carry on its business as now conducted, deliver this certificate and make the representations and certifications contained herein.

2. The Purchaser is a lender that regularly extends credit by purchasing loans in the form of state and local government obligations such as the Lease; has knowledge and experience in financial and business matters that make it capable of evaluating the Lessee, the Lease and the risks associated with entering into the Assignment Agreement; has the ability to bear the economic risk of an investment in the Lease; and is a "*qualified institutional buyer*" within the meaning of Rule 144A(a)(1) promulgated under the Securities Act of 1933, as amended. The Purchaser is acting and has acted solely as lender for its own loan account and not as a fiduciary for the Lessee and is not acting as a broker, dealer, municipal advisor or municipal securities underwriter in connection with the execution, sale or delivery of the Lease or the execution and delivery of the Assignment Agreement or any documents relating thereto.

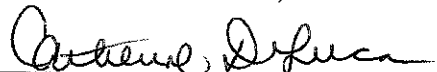
3. The Purchaser has conducted its own investigation of the financial condition of the Lessee, the purpose for which the Lease and the Assignment Agreement are being entered into and the security for the payment of the principal and interest components of rent payments payable under the Lease, and has obtained such information regarding the Lease and the Lessee and its operations, financial condition and financial prospects as the Purchaser deems necessary to make an informed investment decision with respect to its execution of the Assignment Agreement and purchase of all right, title and interest of GCMI in, to and under the Lease.

4. The Purchaser is acquiring its interest in the Lease for its own account solely and not with a present view to any distribution of the Lease or any interest therein or portion thereof and without a present intention of distributing or selling the Lease or any interest therein or portion thereof, provided that the Purchaser retains the right at any time to dispose of the Lease or any interest therein or portion thereof as it may determine to be in its best interests. In the event that the Purchaser disposes of its interest in the Lease or any interest therein or portion thereof in the future, the Purchaser understands that it has the responsibility for complying with any applicable federal and state securities laws and all rules and regulations promulgated pursuant thereto.

5. The Purchaser acknowledges that the Lease has not been registered under the Securities Act of 1933, as amended.

DATED this 20th day of September, 2013.

CAPITAL ONE PUBLIC FUNDING, LLC

By: 
Catherine DeLuca
Assistant Manager

1735 Market Street, 51st Floor
Philadelphia, PA 19103-7599
TEL 215.665.8500
FAX 215.864.8999
www.ballardspahr.com

September 20, 2013

Capital One Public Funding, LLC
275 Broadhollow Road
Melville, NY 11747

Re: Equipment Lease – Purchase Agreement, dated as of September 20, 2013 between Grant Capital Management, Inc., as Lessor and the Housing Authority of the City of Newark, New Jersey, as Lessee

Ladies and Gentlemen:

We have acted as special counsel to the Housing Authority of the City of Newark (the “**Lessee**”), an agency and instrumentality of the City of Newark, New Jersey, constituted in accordance with the Act (as defined herein), in connection with the Equipment Lease – Purchase Agreement (the “**Lease**”), dated as of September 20, 2013 between Grant Capital Management, Inc., as Lessor (the “**Lessor**”) and the Lessee. We have reviewed the Lease and the “Related Agreements”, which, for purposes of this opinion, shall include the Tax Agreement, the Escrow Agreement and the Addendum No. 2 to the Energy Services Agreement, as such terms are defined in the Lease.

In our capacity as special counsel to Lessee, we have considered such matters of law and fact, including the examination of originals or copies, certified or otherwise identified to our satisfaction, of the following documents and laws:

1. The New Jersey Local Redevelopment and Housing Law, *N.J.S.A 40A:12A-1 et seq.* (the “**Act**”).
2. The New Jersey Local Public Contracts Law, *N.J.S.A 40A:11-2 et seq.* (the “**Local Public Contracts Law**”).
3. Resolution No H-13-03-07-02, adopted by the Board of Commissioners of the Lessee (the “**Board**”) on July 3, 2013, approving among other things, the execution and delivery of the Lease and Related Agreements.

4. Amended Bylaws of the Lessee, adopted by the Board by Resolution No. H-06-12-21-10 dated December 21, 2006 and Resolution No. H-07-10-19-06 dated December 19, 2007.

5. Letter dated January 12, 2011 from the United States Department of Housing and Urban Development ("HUD") approving the Lessee entering into that certain energy performance contract with Constellation Energy Project and Services Group, Inc., subject to certain conditions as provided therein.

6. The Lessee's Certificate, attached hereto as Exhibit A (the "**Certificate**"), as to questions of fact material to our opinion.

The law covered by the opinions expressed herein is limited to the Federal law of the United States and the law of the State of New Jersey (the "**State**"). Unless otherwise defined herein, the terms used in this legal opinion shall have the same meaning as such terms used and defined in the Lease.

The opinions expressed herein are subject to the following assumptions and qualifications, in addition to the assumptions and qualifications set forth elsewhere herein:

(a) All copies of all documents, records, and letters, which we have examined, are true, accurate, complete, and correct copies of the originals thereof, and all factual warranties, representations, and statements made by the parties in such documents are true, accurate, and correct as of the date hereof.

(b) Each of the individuals executing the Lease and Related Agreements has requisite legal capacity, and all signatures on the Lease and Related Agreements other than those of the Lessee are genuine.

(c) The Lease and Related Agreements have been duly authorized, executed, and delivered by all parties, other than the Lessee, and constitute the legal, valid, and binding obligations of each such other party enforceable in accordance with their terms.

(d) Each party to the Lease and Related Agreements, other than the Lessee, is duly organized or formed, as applicable, has all requisite certification of authority, licenses, permits, consents, qualifications, and documentation, and all requisite organizational power and authority to execute such documents to which it is a party, to perform its obligations under documents to which it is a party, and to enforce documents to which it is a party.

(e) As to questions of fact material to our opinion, we have relied upon the representations of the Lessee as contained in the Certificate, the Lease and the Related Agreements. We have no reason to believe that such representations are incomplete, false or inaccurate, and we deem such reliance to be reasonable under the circumstances.

(f) The validity, binding effect or enforceability of any document or any provision thereof may be limited or otherwise affected by (a) bankruptcy, insolvency, involuntary liquidation, fraudulent conveyance, reorganization, moratorium or other similar laws or regulations, (b) equitable principles affecting the enforcement of creditors' rights in general or (c) the unavailability of, or any limitation upon the availability of, any particular right or remedy because of the discretion of a court, the principle of election of remedies or any requirement as to commercial reasonableness, unconscionability or good faith. Furthermore, we express no opinion concerning (i) usury, (ii) the validity, binding effect or enforceability of any provision of any document giving consent, waiving a right, remedy or defense or granting any power of attorney, (iii) the validity, binding effect or enforceability of a document or a provision of any document with respect to any person or entity other than the Lessee or (iv) the status of any security arrangement granted to the Lessor pursuant to the Lease and Related Agreements.

(g) We do not purport to be experts on, or express any opinion herein concerning, any law other than the present internal laws of the State and the Federal law of the United States.

(h) This opinion deals only with specific legal issues that it explicitly addresses and no opinions shall be implied as to matters not so addressed. Without limiting the foregoing, we express no opinion herein as to any provision affording indemnification, or any provision waiving the right to jury trial, and we give no opinion as to matters relating to federal or state tax or securities laws.

(i) Our opinions are rendered only in our capacity as counsel to the Lessee as set forth above and are based solely on our examination of the Related Agreements and the Lease and our review of such relevant laws, guidance and documents as we deemed appropriate. For purposes of our opinions, our "knowledge" is based solely on our examination of the Lease and Related Agreements and our review of such relevant laws and documents as we deemed appropriate.

Based upon the foregoing examination, and upon an examination of such other proceedings, documents and certificates and matters of law as we have deemed necessary or appropriate, we are of the opinion that:

1. Lessee is a public housing authority duly organized and legally existing as a public housing authority under the Constitution and laws of the State of New Jersey with full power and authority to enter into and perform its obligations under the Lease and the Related Agreements.

2. The Lease and Related Agreements have each been duly authorized, executed and delivered by Lessee. Assuming due authorization, execution and delivery thereof by the other parties thereto, the Lease and the Related Agreements constitute legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with their respective terms.

3. The authorization, execution and delivery of the Lease and the Related Agreements and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with, to the best of our knowledge and based on the attached Certificate: (i) all applicable open meeting laws, property acquisition laws, public bidding laws; and (ii) all other applicable State laws, including, but not limited to, the Act and the Local Public Contracts Law, and Federal laws, including HUD regulations with respect to the security arrangement in the Equipment and the other Collateral, as provided under the Lease.

4. No litigation or proceeding is pending or, to the best of our knowledge, based on the attached Certificate, threatened, that challenges the organization or existence of Lessee; the authority of the Board or the officers of Lessee; the authorization and execution of the Lease and/or Related Agreements; the ability of Lessee to otherwise perform its obligations under the Lease and/or the Related Agreements and the transaction contemplated thereby.

5. To the best of our knowledge, including, but not limited to the Certificate, the entering into and performance of the Lease and Related Agreements does not and will not violate any judgment, order, law or regulation applicable to Lessee (including, without limitation, HUD regulations), or constitute a default under, or result in the creation of any lien (other than pursuant to the HUD Declaration of Trust), 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 the Lease.

6. Based on the application of the Local Public Contracts Law to the transactions referenced herein and HUD's guidance issued to Lessee on September 1, 2011 in connection with Section 30 of the United States Housing Act of 1937, as amended (the "Housing Act"), the entering into and performance of the Lease and Related Agreements by Lessee does not violate the provisions of Section 30 of the Housing Act.

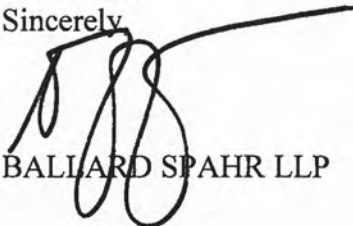
The correct legal name of Lessee for purposes of the Uniform Commercial Code in effect in the State is the Housing Authority of the City of Newark.

This opinion may be relied upon by Duane Morris LLP and any purchasers and assignees of Lessor's interests in the Lease. Except as otherwise indicated, this opinion is solely for the benefit and use of the parties to whom it is addressed and their respective successors and assigns, and is not to be relied upon in any manner or for any purpose by any other party or entity, whether such person or entity claims any reliance or entitlement by right of assignment, subrogation, or otherwise. This opinion applies only to matters referred to herein and existing on this date. By rendering this opinion, we do not undertake to advise you of any changes in such laws or facts or our knowledge which may occur after the date hereof. This opinion letter shall

Capital One Public Funding, LLC
Grant Capital Management, Inc.
September 20, 2013
Page 5

not be quoted, used, published or otherwise referred to or relied upon in any manner, including, without limitation, in any financial or other document.

Sincerely,

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

BALLARD SPAHR LLP

EXHIBIT A

CERTIFICATE OF THE HOUSING AUTHORITY OF THE CITY OF NEWARK

**HOUSING AUTHORITY OF THE CITY OF NEWARK
LITIGATION AND PRIOR PROCEEDINGS CERTIFICATION**

Equipment Lease Purchase Agreement by and between The Housing Authority of the City of
Newark, and Grant Capital Management, Inc.
dated as of September 20, 2013 ("Lease")

I, Ellen Harris, do hereby certify that I am the duly serving General Counsel of the Housing Authority of the City of Newark ("HACN"), a housing authority and public instrumentality created and existing under the laws of the State of New Jersey (the "State"), that I have custody of the records of such entity, and that, as of date hereof, certify to the following:

1. All proceedings of HACN relating to the Lease and Related Agreements (as such terms are defined in the September 20, 2013 Ballard Spahr LLP legal opinion relating to the above-referenced transaction) have been performed in accordance with all applicable Federal and State laws, including, but not limited to the United States Housing Act of 1937, as amended, the New Jersey Local Redevelopment and Housing Law, as amended, and the New Jersey Local Public Contracts Law, as amended, and any such other applicable open meeting laws, property acquisition laws, and public bidding laws.

2. HACN has no litigation or proceeding pending or, to the best of my knowledge, threatened to restrain or enjoin or which otherwise challenges the execution, delivery or performance by HACN of the Lease and/or Related Agreements; in any way contests the validity of the Lease and/or the Related Agreements, contests or questions the creation or existence of HACN or its governing body, the authority or ability of HACN to execute or deliver the Lease and/or Related Agreements or HACN's ability to comply with or perform its obligations thereunder or the transactions contemplated thereby.

3. The entering into and performance of the Lease and Related Agreements do not and will not violate any judgment, order, law or regulation applicable to HACN or result in any breach of, or constitute a default under, or result in the creation of any lien (other than the lien pursuant to the Declaration of Trust), charge, security interest or other encumbrance upon any assets of HACN or on the Equipment (as such term is defined in the Lease) pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which HACN is a party or by which it or its assets may be bound.

4. To the best of my knowledge, the Ordinance adopted by the Board of Commissioners of the City of Newark, New Jersey on March 23, 1938 pursuant to which HACN was created has not been amended, rescinded or repealed.

This Certification is being provided to Ballard Spahr LLP in connection with the issuance of its September 20, 2013 legal opinion addressed to Capital One Public Funding LLC, with respect to the above-referenced transaction.

IN WITNESS WHEREOF, I have set my hand this 20th day of September, 2013.

By: Ellen Harris
Name: Ellen Harris, Esq.
Title: General Counsel, Housing Authority
of the City of Newark

[Signature Page for the Housing Authority of the City of Newark – Litigation and Prior Proceeding Certification with respect to the Equipment Lease Purchase Agreement by and between The Housing Authority of the City of Newark, and Grant Capital Management, Inc. dated as of September 20, 2013]

www.duanemorris.com

September 20, 2013

Capital One Public Funding, LLC
275 Broadhollow Road
Melville, New York 11747

NEW YORK
LONDON
SINGAPORE
PHILADELPHIA
CHICAGO
WASHINGTON, DC
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BOSTON
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BALTIMORE
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MIAMI
PITTSBURGH
NEWARK
LAS VEGAS
CHERRY HILL
BOCA RATON
LAKE TAHOE
MUSCAT, OMAN
"A GCC REPRESENTATIVE
OFFICE OF DUANE MORRIS"

MEXICO CITY
ALLIANCE WITH
MIRANDA & ESTAVILLO

Ladies and Gentlemen:

We have acted as special counsel to Grant Capital Management, Inc., a Maryland corporation ("**Assignor**") in connection with the execution and delivery of the Transaction Documents (as hereinafter defined), and the transactions contemplated thereby. Assignor has entered in that certain Absolute Assignment Agreement with Capital One Public Funding, LLC ("**Assignee**"), dated September 20, 2013 (the "**Assignment Agreement**"), pursuant to which Assignor is assigning to Assignee all of its right, title and interest in: (i) the Equipment-Lease Purchase Agreement by and between Assignor and the Housing Authority of the City of Newark, a public housing authority and political subdivision existing under the laws of the State of New Jersey ("**Lessee**") dated as of September 20, 2013 (the "**Lease**"), (ii) the Equipment, and (iii) the Pledged Funds. Assignor is also an added party, for limited purposes specified therein, of the Escrow Agreement by and among Assignee, Lessee and Deutsche Bank Trust Company Americas, a New York banking corporation, as escrow agent, dated as of September 20, 2013 (the "**Escrow Agreement**"). We are delivering this opinion letter as directed by Assignor, to satisfy the closing condition set forth in Section 5.2(e)(2)(B) of the Lease. Capitalized terms used herein, but not otherwise defined herein, shall have the meaning given them in the Lease.

For purposes of our opinions, we have examined copies of the following fully executed transactional documents (collectively, the "**Transaction Documents**"):

1. the Assignment Agreement;
2. the Lease; and

3 the Escrow Agreement.

We have further examined, for purposes of rendering our opinions, the following corporate documents of, or related to, Assignor:

1. Assignor's Articles of Incorporation, as amended ("**Assignor's Articles**"), certified by the Maryland State Department of Assessments and Taxation (the "**SDAT**");
2. Assignor's Bylaws, provided to us by Assignor and represented to us by officers of Assignor as a true and complete copy of the duly adopted original and currently effective Bylaws (and together with Assignor's Articles, "**Assignor's Organizational Documents**"); and
3. the good standing certificate attached hereto as Exhibit A issued by the SDAT on September 4, 2013 (the "**Good Standing Certificate**").

We have also examined such other certificates of public officials, such other certificates of officers of Assignor and such other records, agreements, documents and instruments as we have deemed relevant and necessary as a basis for the opinions hereafter set forth.

In such examination, we have assumed: (i) the genuineness of all signatures, (ii) the legal capacity of all natural persons, (iii) the authenticity of all documents submitted to us as originals, (iv) the conformity to original documents of all documents submitted to us as certified, conformed or other copies and the authenticity of the originals of such documents, (v) that all records and other information made available to us by Assignor on which we have relied are complete in all material respects (vi) that there has not been any mutual mistake of fact or misunderstanding, fraud, duress or undue influence and (vii) that the conduct of the parties has complied with the requirements of good faith, fair dealing and conscionability. As to all questions of fact material to these opinions, we have relied upon the above-referenced certificates or comparable documents and upon the representations and warranties contained in the Transaction Documents and other documents delivered pursuant thereto, have not performed or had performed any independent research of public records and have assumed that certificates of or other comparable documents from public officials dated prior to the date hereof remain accurate as of the date hereof. Except as expressly set forth in this opinion, we have not undertaken any independent investigation, examination or inquiry to confirm or determine the existence or absence of facts, searched the books or records of Assignor, searched any internal files, court files, public records, or other information, collected or examined or reviewed any communications, instruments, agreements, documents, financial statements or tax filings, minutes, records or liens.

We have also assumed that the Transaction Documents have been duly authorized, executed and delivered by each party thereto other than Assignor and constitute the legal, valid and binding obligations of such parties, enforceable against such parties in accordance with their respective terms.

As used herein with respect to any opinion or statement, the phrase "to our knowledge," "known to us" or "of which we are aware," or any other phrase of similar meaning, limits the opinion or statement it qualifies to the current conscious awareness by lawyers in the Primary Lawyer Group of factual matters or other information such lawyers recognize as being relevant to the opinion or statement so qualified. **"Primary Lawyer Group"** means any lawyer in this firm who (i) signs this opinion on behalf of the firm or (ii) actively renders legal services in connection with negotiating, documenting or reviewing the Transaction Documents or actively and directly renders legal advice regarding the transactions contemplated by the Transaction Documents. In connection with delivering this opinion, the lawyers in the Primary Lawyer Group, with your consent, have not made any inquiry of other lawyers practicing law with this firm or any review of files maintained by this firm.

Based on the foregoing, and subject to the qualifications herein stated, we are of the opinion that:

(a) Assignor is a corporation validly existing and in good standing under the laws of the State of Maryland.

(b) Assignor has all corporate power and authority and the legal right to own and operate its property, to lease the property it leases, and to conduct its business as such business is presently conducted, including the corporate power and authority and legal right to execute, deliver and perform its obligations under each of the Transaction Documents. The execution and delivery by Assignor of the Transaction Documents and the performance by Assignor of its obligations thereunder have been duly authorized by all necessary corporate action on the part of Assignor.

(c) The execution, delivery and performance by Assignor of the Transaction Documents (i) will not violate any Applicable Law (as hereinafter defined), and (ii) will not contravene, result in a breach of, or constitute a default under, Assignor's Organizational Documents, or, to our knowledge, any lease, mortgage, note, loan or other agreement or any judgment, injunction, order or decree to which Assignor or any of Assignor's assets is subject.

(d) Each of the Transaction Documents constitutes a legal, valid and binding agreement of Assignor and is enforceable against Assignor in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally, and the effect of general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

(e) To our knowledge, there is no litigation, proceeding or governmental investigation pending or threatened in writing against Assignor that, if adversely determined, would adversely affect the transactions contemplated by the Transaction Documents or of Assignor or its assigns, as the case may be, in the Equipment.

The foregoing opinions are subject to the following qualifications:

(i) in delivering our opinion in Paragraph (a) hereof regarding the valid existence and good standing of Assignor, we have relied solely upon the Good Standing Certificate;

(ii) we express no opinion as to the attachment, perfection or priority of any liens granted pursuant to the Lease; and

(iii) in delivering our opinion in Paragraph (d) hereof, we express no opinion with respect to any provision of the Transaction Documents relating to:

A. the payment or reimbursement of costs and expenses or indemnification or contribution (1) for claims, losses, or liabilities in excess of a reasonable amount determined by a court or other tribunal or attributable to the indemnified party's or any of its agents' negligence, bad faith, or misconduct or (2) otherwise under circumstances where such payment, reimbursement, or indemnification or contribution is contrary to public policy;

B. the ability of any person to obtain specific performance, injunctive relief, liquidated damages, rescission or any similar remedy in any proceeding;

C. the establishment or waiver of measures of damages or methods of proof;

D. late charges or other amounts deemed to be penalties;

E. interest on interest;

F. any right to the appointment of a receiver;

G. any right to obtain possession of any property or to exercise self-help remedies or other remedies without judicial process;

H. any waiver or limitation concerning mitigation of damages;

I. confession of judgment;

J. any waiver of any course of dealing or delay in action by any party or of any rights arising from any such course of dealing or delay;

K. any waiver of a right to interpose a defense, counterclaim or setoff or to recover special or consequential damages;

L. any waiver of the right to a trial by jury;

- M. mandatory arbitration or mediation;
- N. any waiver of the right to attack or appeal a judgment;
- O. any waiver of the right to raise a claim of an inconvenient forum with respect to any judicial proceedings;
- P. the consent to, or any waiver of the right to receive, service of process, the establishment of a method or appointment of an agent for service of process, or any waiver of the right to require such service be made in the manner provided by applicable law;
- Q. the appointment of any person as attorney-in-fact; or
- R. any savings provision.

(iv) our delivery of the opinion in Paragraph (d) hereof is subject to the qualifications that certain remedial provisions of the Lease are or may be unenforceable in whole or in part under the laws of the State of New Jersey, but the inclusion of such provisions does not affect the validity of the Lease, and the Lease contains adequate provisions for the practical realization of the rights and benefits afforded thereby.

The opinions expressed herein are limited to (i) the Corporations and Associations Article of the Annotated Code of Maryland, (ii) those laws of the State of Maryland, which, in our experience, and to our best knowledge, without having made any special investigation as to the applicability of any specific law are customarily applicable to transactions of the type contemplated by the Transaction Documents, (iii) with respect to opinion (d) regarding its application to the Lease, the laws of the State of New Jersey, (iv) with respect to opinion (d) regarding its application to the Assignment and the Escrow Agreement, the laws of the State of New York and (v) any applicable federal law (collectively, the “**Applicable Laws**”). No opinion is expressed as to the effect on the matters covered by this letter of the laws of (x) the State of Maryland other than the Applicable Laws or (y) any jurisdiction other than States of Maryland, New Jersey or New York or the United States of America, as applicable, whether in any such case applicable directly or through the Applicable Laws.

We have assumed that your counsel has not given you any advice that is contrary to any opinion rendered herein and that neither you nor your counsel has any actual knowledge that causes you to reasonably believe that any of the opinions expressed herein are incorrect. If, to your actual knowledge, circumstances are such that that our reliance on the assumptions in this paragraph is inappropriate, and you have not informed us thereof in writing prior to our delivery to you of this opinion, any of our opinions included herein that specifically relate to or are affected by such circumstances shall be deemed not to have been so included herein.

The opinions expressed herein are rendered as of the date hereof and are based on existing law, which is subject to change. Where our opinions expressed herein refer to events to

occur at a future date, we have assumed that there will have been no changes in the relevant law or facts between the date hereof and such future date. We do not undertake to advise you of any changes in the opinions expressed herein from matters that may hereafter arise or be brought to our attention or to revise or supplement such opinions should the present laws of any jurisdiction be changed by legislative action, judicial decision or otherwise.

Our opinions expressed herein are limited to the matters expressly stated herein and no opinion is implied or may be inferred beyond the matters expressly stated.

This opinion letter is solely for the use of the addressee hereof, and this opinion letter may not be relied on by any other persons without our prior written approval.

Very truly yours,

A handwritten signature in black ink that reads "Duane Morris LLP". The signature is written in a cursive, flowing style with a large initial "D" and "M".

www.duanemorris.com

September 20, 2013

Capital One Public Funding, LLC
275 Broadhollow Road
Melville, New York 11747

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NEWARK
LAS VEGAS
CHERRY HILL
BOCA RATON
LAKE TAHOE
MUSCAT, OMAN
"A GCC REPRESENTATIVE
OFFICE OF DUANE MORRIS"

MEXICO CITY
ALLIANCE WITH
MIRANDA & ESTAVILLO

Ladies and Gentlemen:

We have acted as special tax counsel to Grant Capital Management, Inc., a Maryland corporation ("**Lessor**") for the limited purpose of rendering an opinion with respect to the status under federal income tax laws of a portion of the payments to be made under the Equipment-Lease Purchase Agreement by and between Lessor and the Housing Authority of the City of Newark, a public housing authority existing under the laws of the State of New Jersey ("**Lessee**") dated as of September 20, 2013 (the "**Lease**"). Lessor has entered in that certain Absolute Assignment Agreement with Capital One Public Funding, LLC ("**Assignee**"), dated September 20, 2013, pursuant to which Assignor is assigning to Assignee all of its right, title and interest in: (i) the Lease, (ii) the Equipment, and (iii) the Pledged Funds. We are delivering this opinion letter as directed by Assignor, to satisfy the closing condition set forth in Section 5.2(e)(2)(C) of the Lease. Capitalized terms used herein, but not otherwise defined herein, shall have the meaning given them in the Lease or the Escrow Agreement (as herein defined).

In our capacity as special tax counsel, for purpose of rendering the tax opinions herein set forth, we have reviewed fully executed copies of: (i) the Lease, including its Exhibit A, that describes the equipment (the "**Equipment**") to be leased under and subject to the Lease, and the Payment Schedule, in Exhibit B, that sets forth the Rent Payments to be paid with respect to the Equipment, including a breakdown of the principal and interest component of each such Rent Payment (the "**Payment Schedule**"); (ii) other pertinent exhibits to the Lease; (iii) the Escrow Agreement by and among Assignee, Lessee and Deutsche Bank Trust Company Americas, a New York banking corporation, as escrow agent (the "**Escrow Agent**"), and to which Lessor is an added party for limited purposes specified therein, dated as of September 20, 2013 (the "**Escrow Agreement**"), and (iv) the legal opinion dated September 20, 2013 given by Ballard Spahr, LLP ("**Lessee's Counsel**") with respect to the Lease, as to, among other things, Lessee

being a public housing authority under the Constitution and laws of the State of New Jersey, and the Lease being a legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance its terms ("**Lessee's Counsel Opinion**"). The Lease and all such attachments, in addition to the Escrow Agreement are sometimes collectively hereinafter referred to as the "**Transaction Documents**."

The scope of our engagement as special tax and transactional counsel extends solely to an examination of the facts and law incident to rendering the opinions specifically expressed herein. Our engagement with respect to this matter has concluded with the issuance of this opinion letter, and we disclaim any obligation to update this opinion letter. We have assumed (i) that all documents submitted to us as copies conform to the originals, (ii) the genuineness of the signatures appearing on the Transaction Documents, (iii) the accuracy of the representations and certifications in, or related to, the Transaction Documents, (iv) the continuous compliance with the covenants made by Lessee therein and (v) the binding effect of each of the Transactions Documents on the parties thereto. We have assumed that Lessee has complied with, and will continue to comply with, its representations in the Lease as well as its tax representations and covenants under its Tax Exemption Agreement and Certificate dated the date hereof (the "**Tax Certificate**"), and we have relied on such representations and covenants and Lessee's compliance therewith in rendering our opinions. Further, we have assumed, without adopting as our own opinion and without any investigation, the correctness of those opinions expressed in the Lessee's Counsel Opinion with respect to, among other matters, the Lease being a legal, valid and binding obligation of Lessee, and Lessee being a public housing authority under the Constitution and laws of the State of New Jersey, and further have relied thereupon in rendering our opinions herein. You should be aware, however, that no ruling has been sought from the Internal Revenue Service, and our opinion is not binding on the Internal Revenue Service or courts. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result.

In accordance with the Lease and the Escrow Agreement, Lessor has agreed to finance for Lessee the acquisition of the Equipment, by depositing or causing to be deposited \$3,579,271.89 into the "Housing Authority of the City of Newark, New Jersey, 2013 Equipment Acquisition Escrow Fund" established by, and with, the Escrow Agent under the Escrow Agreement (the "**Escrow Fund**"). Such amount, together with the interest earnings thereon, are expected to be fully spent within twenty-four (24) months from the date hereof (the "**Acquisition Period**"), on the purchase and installation of the Equipment. Any funds remaining in the Escrow Fund and not applied to the purchase and installation of the Equipment by the expiration of the Acquisition Period shall be applied to prepay the unpaid principal component of the Rent Payments in part, in inverse order of Rent Payments, plus accrued interest. Lessee has covenanted in the Lease and the Tax Certificate to fully comply with all federal tax requirements to maintain the exclusion of the Interest Component (as hereinafter defined) from gross income for federal income tax purposes. The Lease and the Payment Schedule reflect that Lessee is leasing the Equipment from Lessor, and undertaking to make thirty (30), semiannual Rent Payments. The Rent Payments will be in unequal installments, the greatest installment in the

amount of \$281,294.66 being due on October 1, 2013, the smallest installment in the amount of \$109,419.50 being due on April 1, 2014 and the final installment in the amount of \$195,956.48 being due on April 1, 2028. The Payment Schedule references a portion of each Rent Payment being paid as, and representing payment of, interest (the "**Interest Component**"), and also sets forth the accretion of Lessee's principal investment in the Equipment at the due date of each Rent Payment (expressed as part of the decreasing "*Termination Value*") on each Rent Payment date. After all Rental Payments are made, the Termination Value is \$0.00. Title to the Equipment remains with Lessor until Lessee exercises its purchase option with respect thereto, or otherwise pays all scheduled Rent Payments, as set forth in the Lease.

Based on the foregoing, and subject to any qualifications herein stated, we are of the opinion that:

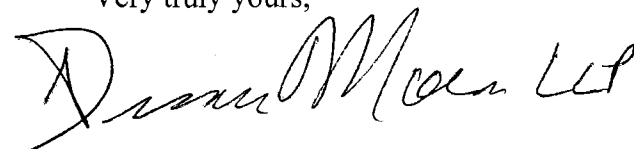
(a) The Interest Component is excluded from gross income for federal income tax purposes under Section 103(a) of the Code. It should be noted that the Code imposes certain restrictions that must be met subsequent to the execution and delivery of the Lease in order for the Interest Component to remain excluded from gross income for federal income tax purposes. A number of these restrictions, including without limitation, arbitrage rebate and private use restrictions, must be complied with throughout the term of the Lease. Failure to comply with one or more of the restrictions could result in the inclusion of the Interest Component in gross income for federal income tax purposes, retroactive to the execution and delivery date of the Lease. Lessee has covenanted to comply with such restrictions and for purposes of this opinion, we have relied on Lessee's covenants and assumed its compliance therewith, and assuming such compliance, we are of the opinion that the Interest Component will remain excluded from gross income for federal income tax purposes under Section 103(a) of the Code.

(b) The Interest Component is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

The opinions expressed herein are rendered as of the date hereof and are based on existing law, which is subject to change. Where our opinions expressed herein refer to events to occur at a future date, we have assumed that there will have been no changes in the relevant law or facts between the date hereof and such future date. We do not undertake to advise you of any changes in the opinions expressed herein from matters that may hereafter arise or be brought to our attention or to revise or supplement such opinions should the present laws of any jurisdiction be changed by legislative action, judicial decision or otherwise.

This opinion is for the sole benefit of Lessor and Assignee, and may only be relied upon by any other permitted assignee or subassignee of all of Lessor's right, title and interest in and to the Lease. The opinions expressed in this letter are limited to the matters set forth in this opinion letter, and no other opinions should be inferred beyond the matters expressly herein stated.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Duane Morris LLP", is written over a horizontal line.

ALLOCATION AGREEMENT

THIS ALLOCATION AGREEMENT dated as of September 20, 2013 (this "Agreement") is entered into by and among HOUSING AUTHORITY OF THE CITY OF NEWARK, NEW JERSEY ("NHA"), CITIBANK, N.A. (together with its successors and assigns, "Citibank"), CAPITAL ONE PUBLIC FUNDING, LLC (together with its successors and assigns, "Capital One," and together with Citibank and any Additional Lenders (defined below) from time to time party hereto, the "Lenders"), and is accepted and acknowledged by GRANT CAPITAL MANAGEMENT, INC. ("GCM"), as lessor under the Equipment Leases (defined below).

WHEREAS, GCM, as lessor, and NHA, as lessee, entered into that certain 2013 Equipment Lease-Purchase Agreement dated as of May 31, 2013 (together with any amendments and modifications, the "Citibank Equipment Lease") pursuant to which GCM agreed to lease to NHA certain equipment financed pursuant to the Citibank Equipment Lease and NHA agreed to make Rent Payments (as defined in the Citibank Equipment Lease) from Legally Available Funds (as defined in the Citibank Equipment Lease) to GCM;

WHEREAS, GCM, in its capacity as trustor, and Deutsche Bank National Trust Company, as trustee (the "Trustee"), entered into that certain Trust Agreement dated as of May 31, 2013 (the "Trust Agreement"), pursuant to which certificates of participation (the "Certificates") evidencing ownership interest in the Lease Revenues (as defined in the Trust Agreement) were executed and delivered, and GCM, as lessor, assigned all of its rights, title and interest in, to and under the Citibank Equipment Lease to the Trustee pursuant to the Absolute Assignment Agreement dated May 31, 2013;

WHEREAS, GCM, with the authorization and at the direction of NHA pursuant to the Citibank Equipment Lease, arranged for Public Finance Authority ("PFA") to purchase the Certificates executed and delivered pursuant to the Trust Agreement, in the aggregate principal amount of \$54,481,179.30;

WHEREAS, pursuant to that certain Loan Agreement dated as of May 31, 2013 between PFA and Citibank (the "Citibank Loan Agreement"), Citibank agreed to make a loan to PFA to finance the purchase of the Certificates (the "Citibank Loan"), and PFA assigned and granted a security interest in collateral, including the Certificates, to secure repayment of the Citibank Loan and appointed Citibank as the "Owner Representative" for all purposes set forth in the Trust Agreement;

WHEREAS, GCM, as lessor, and NHA, as lessee, now seek to enter into a certain Equipment Lease-Purchase Agreement dated as of September 20, 2013 (together with any amendments and modifications, the "Capital One Equipment Lease"), pursuant to which GCM will lease to NHA certain equipment financed pursuant to the Capital One Equipment Lease and NHA would make certain Rent Payments (as defined in the Capital One Equipment Lease) from Legally Available Funds (as defined in the Capital One Equipment Lease) to GCM;

WHEREAS, pursuant to the Capital One Equipment Lease, that certain Escrow Agreement dated as of September 20, 2013 among NHA, Capital One, GCM (with respect to Section 2(i) thereof) and Deutsche Bank Trust Company Americas as Escrow Agent and the Absolute Assignment Agreement from GCM to Capital One dated September 20, 2013 (the “Capital One Assignment Agreement”), Capital One will agree to finance the equipment to be leased to NHA under the Capital One Equipment Lease in the aggregate principal amount of \$3,574,478.34, and GCM will assign all of its rights, title and interest under the Capital One Equipment Lease and other assigned property identified in the Capital One Assignment Agreement to Capital One;

WHEREAS, as a condition of NHA entering into the Capital One Equipment Lease, the parties hereto desire to enter into this Agreement to set forth certain terms with respect to the Rent Payments under each of the Equipment Leases (as defined below) and other terms and conditions provided herein;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and in consideration of the premises contained in this Agreement, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.01. Definitions. Capitalized terms used herein but not defined herein shall have the meanings ascribed to such terms in the Citibank Equipment Lease and the Capital One Equipment Lease, copies of which are attached hereto as Exhibits A-1 and A-2. The following terms used herein will have the meanings indicated below unless the context clearly requires otherwise:

“*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 due or to become due to NHA from time to time from HUD that are attributable to the Add-On Subsidy Incentive.

“*Equipment Leases*” means, collectively, the Citibank Equipment Lease and the Capital One Equipment Lease and any other HUD Energy Conservation Lease which may hereafter be entered into by NHA.

“*HUD Energy Conservation Lease*” means any and all leases, equipment purchase agreements, credit agreements or other similar agreements, including any amendments, supplements and restatements, payable from any Legally Available Funds relating to the acquisition and installation of equipment to be used for implementation of energy conservation measures and energy infrastructure upgrades under 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, as amended or supplemented from time to time.

“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 due or to become due to NHA from time to time from HUD that are attributable to any HUD Financial Incentive.

“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 NHA; (c) Resident Paid Incentive Payments; (d) energy savings guarantee payments made by any Supplier pursuant to its energy savings guarantee with NHA with respect to any equipment financed by a HUD Energy Conservation Lease; and (e) all other revenues, grants, awards and moneys that are available to NHA and are not legally precluded from NHA’s use and application to pay rent payments and other amounts under a HUD Energy Conservation Lease, including without limitation the general and other funds of NHA that are legally available therefor.

“Pro Rata” means, with respect to any calculation or allocation to be made hereunder as to each Lender as of the date of determination, the outstanding principal balance under the Equipment Lease of such Lender divided by the aggregate outstanding principal balances under all of the Equipment Leases.

“Resident Paid Incentive” means the HUD Financial Incentive under applicable HUD Regulations, 24 C.F.R. Section 990.185, that allows NHA 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 due or to become due to NHA from time to time from HUD that are attributable to the Resident Paid Incentive.

Section 1.02. Rules of Construction. (a) The singular form of any word used herein, including the terms defined in Section 1.01, shall include the plural, and vice versa. The use herein of a word of any gender shall include correlative words of all genders.

(b) Unless otherwise specified, references to Articles, Sections and other subdivisions of this Agreement are to the designated Articles, Sections and other subdivision of this Agreement as originally executed. The words “hereof,” “herein,” “hereunder” and words of similar import refer to this Agreement as a whole.

(c) The headings or titles of the several articles and sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of the provisions hereof.

(d) In the event of any conflict between the Equipment Leases or any Related Agreements and this Agreement, the provisions of this Agreement shall prevail.

ARTICLE II

PAYMENTS

Section 2.01. *Application of Regular Rent Payments.* NHA shall make all regularly scheduled Rent Payments (as defined in the respective Equipment Leases) due and owing on each Rental Payment Due Date under each of the Equipment Leases. If on any regularly scheduled Rent Payment Due Date, sufficient amounts are not available from Legally Available Funds to pay all scheduled Rent Payments due and owing under all Equipment Leases, NHA shall apply any Legally Available Funds to pay the Rent Payments on a Pro Rata basis without regard to whether such amounts are actually accelerated under any Equipment Lease. If with respect to any accelerated Rent Payments, sufficient amounts are not available from Legally Available Funds to pay all Rent Payments due and owing under all Equipment Leases, NHA shall apply any Legally Available Funds to pay the Rent Payments on a Pro Rata basis.

ARTICLE III

EVENTS OF DEFAULT AND REMEDIES

The failure by NHA to perform its obligations under this Agreement shall, subject to any applicable cure and grace periods herein, constitute an Event of Default under the Equipment Leases.

ARTICLE IV

COVENANTS

Section 4.01. *Additional Lenders.* Prior to NHA (a) entering into any other HUD Energy Conservation Lease, or (b) otherwise modifying or refinancing either the Citibank Equipment Lease or the Capital One Equipment Lease without terminating such Equipment Lease, which in either case adds an additional lender of funds to finance, directly or indirectly, equipment under such additional or existing Equipment Lease (each, an “Additional Lender”), NHA shall give thirty (30) days’ advance written notice to each of the Lenders then party to this Agreement (the “Original Lenders”) and shall require that each Additional Lender become a party to this Agreement by signing the form attached hereto as Exhibit B, and thereupon, such Additional Lender shall become a Lender under the terms of this Agreement. Any regularly scheduled rent payments to any Additional Lender under a HUD Energy Conservation Lease shall be due on the same dates as the Rent Payments are due to the Original Lenders. NHA shall also provide each Original Lender with a full copy of the transcript relating to the transaction referenced in (a) and (b) above no later than the date ten (10) days following the date on which such transaction is closed.

If any Lender has the right to assign, transfer or convey any of its rights under its respective Equipment Lease (including with respect to any fractionalized or certificated interest therein) or this Agreement (the "Assigned Rights"), the other Lenders hereto shall, with respect to matters arising hereunder, at the direction of the assigning Lender, (i) continue to deal with the assigning Lender or (ii) deal with a trustee, agent or other fiduciary appointed by such assigning Lender (referred to herein as the "Lender Representative") and any assignment agreement, trust agreement, custodial agreement or other agreement under which the multiple ownership interests in, or assignment of, the Assigned Rights are created shall provide the method by which the owners or assignees (either, a "Transferee") shall establish the rights and duties of a single Lender Representative to act on their behalf with respect to such Assigned Rights, including with respect to the exercise of rights and remedies on behalf of such Transferees upon the occurrence of an Event of Default under the related Lease or under this Agreement. Whether or not so provided in the instrument of assignment, transfer or conveyance, every such owner, assignee, transferee or other recipient of Assigned Rights (including any holder of any fractionalized or certificated interest as provided above) shall be bound by the terms of this Agreement.

Any assigning Lender shall provide written notice to the other Lenders of any assignment, transfer or conveyance and the name and contact information for any Lender Representative no later than 5 days following such assignment, transfer or conveyance.

Section 4.02. Ratings Downgrade. In the event that any rating of NHA shall be reduced to or below "BBB-" by S&P, "BBB-" by Fitch or "Baa3" by Moody's (or equivalent ratings) or shall for any reason be withdrawn, removed or suspended, then NHA shall cooperate with Citibank, on behalf of the Lenders, in connection with all reasonable requests (i) in obtaining an assignment of the Add-On Subsidy Incentive Payments, the HUD Financial Incentive Payments and the Resident Paid Incentive Payments to Citibank, on behalf of the Lenders, (ii) in obtaining HUD's consent or acknowledgement to such assignment and (iii) in executing and delivering any financing statements, amendments to any of the Related Agreements and any other documents or instruments as may be necessary or reasonably required by Citibank and the other Lenders in connection with such assignment. The Lenders and NHA agree that any funds actually received by any party hereto from HUD as a result of any such assignment being effectuated shall be distributed to the Lenders to pay Rent Payments on a Pro Rata basis in accordance with an agreement or other document mutually satisfactory to all Lenders. Any expenses associated with obtaining any such HUD assignment shall be borne by the Lenders.

Section 4.03. Consents. To the extent any waivers of consents of the Lenders are required or are requested under the terms of the Equipment Leases, directly or indirectly through the assigned rights of the Lessors assigned to the Lenders, NHA shall provide each Lender with a written request not less than 15 days prior to the proposed event or action requiring such consent.

ARTICLE V
MISCELLANEOUS

Section 5.01. *Notices.* All notices, certificates, requests, demands and other communications provided for hereunder shall be in writing and shall be given as provided in Equipment Leases.

Section 5.02. *Binding Effect.* This Agreement shall inure to the benefit of and shall be binding upon NHA and the Lenders and, subject to Section 4.01 hereof, their respective successors and assigns. Nothing herein, whether express or implied, shall be construed to give any other party any legal or equitable right, remedy or claim under or in respect of this Agreement.

Section 5.03. *Severability.* In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 5.04. *Amendments.* To the extent permitted by law, the terms of this Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the parties hereto, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given.

Section 5.05. *Execution in Counterparts.* This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart.

Section 5.06. *Applicable Law.* THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW JERSEY APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED THEREIN (EXCLUDING CONFLICT-OF-LAWS PRINCIPLES THEREOF). In connection with any issue or controversy arising in relation to this Agreement, the parties consent to the jurisdiction of the state courts of the State of New Jersey and the United States District Court for the District of New Jersey, and further consent that any process or notice or other application to any court or any judgment thereof may be served within or without the State of New Jersey, by certified mail or personal service, to the notice address as provided in Section 5.01, so long as a reasonable time for appearance is allowed.

Section 5.07. *Waiver of Jury Trial.* NHA AND LENDERS HERBY WAIVE THEIR RESPECTIVE RIGHT TO A JURY TRIAL OR ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS AGREEMENT AND ANY DEALINGS AMONG NHA AND LENDERS RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED AMONG NHA AND LENDERS. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT (INCLUDING, WITHOUT

LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUORY CLAIMS). THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR ANY RELATED DOCUMENT, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

Section 5.08. *Captions.* The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 5.09. *Notice to the Trustee.* A copy of this Agreement shall be provided to the Trustee.

Section 5.10. *Entire Agreement.* This Agreement constitutes the entire agreement among NHA and Lenders with respect to the subject matter hereof. There are no understandings, agreements, representations or warranties, express or implied, not specified herein or in such documents regarding this Agreement.

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

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

HOUSING AUTHORITY OF THE CITY OF
NEWARK, NEW JERSEY

By: 
Title: EXECUTIVE DIRECTOR

CITIBANK, N.A.

By: _____
Title: _____

CAPITAL ONE PUBLIC FUNDING, LLC

By: _____
Title: _____

ACCEPTED AND ACKNOWLEDGED BY:

GRANT CAPITAL MANAGEMENT, INC.,
as Lessor under the Citibank Equipment Lease and
as Lessor under the Capital One Equipment Lease

By: _____
Title: _____

[EXECUTION PAGE OF AGREEMENT]

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

HOUSING AUTHORITY OF THE CITY OF
NEWARK, NEW JERSEY

By: _____
Title: _____

CITIBANK, N.A.

By: Tina Ly
Title: Vice President

CAPITAL ONE PUBLIC FUNDING, LLC

By: _____
Title: _____

ACCEPTED AND ACKNOWLEDGED BY:

GRANT CAPITAL MANAGEMENT, INC.,
as Lessor under the Citibank Equipment Lease and
as Lessor under the Capital One Equipment Lease

By: _____
Title: _____

[EXECUTION PAGE OF AGREEMENT]

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

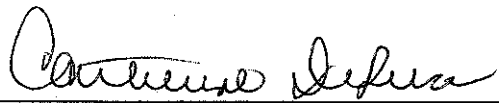
HOUSING AUTHORITY OF THE CITY OF
NEWARK, NEW JERSEY

By: _____
Title: _____

CITIBANK, N.A.

By: _____
Title: _____

CAPITAL ONE PUBLIC FUNDING, LLC

By: 
Title: ASST MGR

ACCEPTED AND ACKNOWLEDGED BY:

GRANT CAPITAL MANAGEMENT, INC.,
as Lessor under the Citibank Equipment Lease and
as Lessor under the Capital One Equipment Lease

By: _____
Title: _____

[EXECUTION PAGE OF AGREEMENT]

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HOUSING AUTHORITY OF THE CITY OF
NEWARK, NEW JERSEY

By: _____
Title: _____

CITIBANK, N.A.

By: _____
Title: _____

CAPITAL ONE PUBLIC FUNDING, LLC

By: _____
Title: _____

ACCEPTED AND ACKNOWLEDGED BY:

GRANT CAPITAL MANAGEMENT, INC.,
as Lessor under the Citibank Equipment Lease and
as Lessor under the Capital One Equipment Lease

By:  _____
Title: _____

[EXECUTION PAGE OF AGREEMENT]

EXHIBIT A-1

COPY OF CITIBANK EQUIPMENT LEASE

2013 EQUIPMENT LEASE-PURCHASE AGREEMENT

This 2013 Equipment Lease-Purchase Agreement dated as of May 31, 2013 (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. The proceeds of this Lease shall be used to exercise Lessee’s purchase option under the Equipment Lease-Purchase Agreement by and between Lessor and Lessee dated as of September 30, 2011 (the “*Original Lease*”) and pay the Termination Value (set forth in Exhibit B, Payment Schedule, to the Original Lease) in full on June 3, 2013. Such amounts will simultaneously be used to pay in full the Original Certificates (as herein defined) and discharge the Original Trust Agreement (as herein defined).

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).

Lessee hereby acknowledges that the initial Certificate will be delivered to the Public Finance Authority, a unit of government and a body corporate and politic of the State of Wisconsin (the “*Authority*”) and approves of the Authority financing its purchase of the Certificate using proceeds of a loan (the “*Loan*”) made by Citibank, N.A., as initial lender (the “*Initial Lender*”) pursuant to a Loan Agreement, dated May 31, 2013, by and among the Authority, the Initial Lender, Citibank, N.A., as Agent and the other persons from time to time party thereto (the “*Loan Agreement*”). This paragraph is intended to satisfy the requirement for approval by an “*Approving Agency*” contained in the second paragraph of Section 4 of that certain Amended and Restated Joint Exercise of Powers Agreement Relating to the Public Finance Authority, dated as of September 28, 2010.

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 May 31, 2013, 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 Owner” means, on the Commencement Date, the initial registered owner of the Certificate (initially, the Authority) and thereafter the registered owners of the Certificate(s) from time to time as provided in the Trust Agreement.

“Certificate(s)” means the certificate(s) 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.

“Collateral” has the meaning set forth in Section 6.1(b) hereof.

“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 (including but not limited to the Equipment originally acquired by Lessor in the Original Lease), 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.

“*Initial Lender*” has the meaning given to that term in Section 1 hereof.

“*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 Incentive; (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.

“*Lessee Letter*” means that certain letter from Lessee to the Certificate Owner and the Initial Lender attached to the Loan Agreement as Exhibit C.

“*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).

“Loan Agreement” has the meaning given to that term in Section 1 hereof.

“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.

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

“Original Certificate Owners” means the registered owners of the Original Certificates as provided in the Original Trust Agreement.

“Original Lease” means the Equipment Lease-Purchase Agreement by and between Lessor and Lessee dated as of September 30, 2011.

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

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

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

“Pledged Funds” means the Equipment Acquisition Fund, the Rent Payment Fund, and any energy savings guarantee payments made by any Supplier pursuant to its energy savings guarantee with Lessee with respect to the Equipment, collectively.

“Related Agreements” means this Lease, the Tax Agreement, the Energy Services Agreement, the Absolute Assignment Agreement, the Loan Agreement, the NHA Letter 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(a)(2), 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 the written determination from HUD that (a) Section 30 of the U.S. Housing Act of 1937, as amended, did not apply to the Original Lease because title to the Equipment 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, did not apply to the security interest granted to the Original Trustee for the benefit of the Original Certificate Owners in and to the Pledged Funds, as neither Lessor nor the Original Trustee took a security interest in the operating funds of Lessee and (c) Lessor as legal owner of the Equipment could repossess the Equipment upon an Event of Default under the Original Lease pursuant to the terms of the Original 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 May 31, 2013 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, May 31, 2013 (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 set forth in the Payment Schedule, and to make each Rent Payment on or before the respective due dates set forth in the Payment Schedule. Each Rent Payment is due and fully payable no later than its respective Rent Payment Due Date. In furtherance of the foregoing, but not in limitation thereof, to the extent that Lessee receives any Add-On Subsidy Incentive Payments from HUD, or any energy savings guarantee payments made by any Supplier pursuant to its energy savings guarantee with respect to the Equipment after October 1, 2013 (together, "*Equipment Payments*"), then Lessee agrees to pay over to Lessor, within five (5) business days of its receipt thereof, the full amount of the Equipment Payments received. 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. Rent Payments, including, without limitation, the payment over of Equipment Payments, and other amounts under this Lease shall be paid 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). Lessor acknowledges that Rent Payments and other amounts under this Lease will be paid from all Legally Available Funds.

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, as a late charge, five percent (5%) of such overdue amount, such late charge limited, however, to the maximum amount or percentage allowed by law.

5. DISCHARGE OF ORIGINAL TRUST AGREEMENT; EQUIPMENT ACQUISITION FUND; EQUIPMENT DELIVERY AND ACCEPTANCE; FUNDING CONDITIONS.

5.1 To provide financing for the Equipment described in the Equipment Schedule of the Original Lease, the proceeds from the sale of the Original Certificates were deposited in the "Housing Authority of the City of Newark, New Jersey, 2011 Energy Conservation Project Equipment Acquisition Fund" (the "*Original Equipment Acquisition Fund*") established under the Original Trust Agreement. Proceeds of the Original Lease in the amount of \$12,046,202.69 remain in the Original Equipment Acquisition Fund (the "*Unexpended Original Lease Proceeds*"). In order to provide financing to pay the Equipment Costs with respect to the Equipment described in the Equipment Schedule (through the exercise of the purchase option in the Original Lease and payment of the Original Certificates with the proceeds of this Lease deposited in the Original Lease Termination Account (the "*Original Lease Termination Account*") of the Housing Authority of the City of Newark, New Jersey, 2013 Energy Conservation Project Equipment Acquisition Fund (the "*Equipment Acquisition Fund*") established under the Trust Agreement) 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 Certificate to the initial Certificate Owner in exchange for the purchase price therefor for deposit into the Original Lease Defeasance 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 initial Certificate, and the initial Certificate Owner shall have no obligation to purchase such initial Certificate and thereby cause the deposit into the Original Lease Termination Account as provided in Section 5.1 hereof unless all reasonable conditions established by the Trustee at the direction of the initial Certificate Owner, as directed by the Initial Lender pursuant to the Loan Agreement, ("*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 the Related Agreements;

(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) as a consequence of the consummation of the transaction contemplated under this Lease, Lessee shall cause the Unexpended Original Lease Proceeds to be deposited in the Equipment Acquisition Fund";

(d) as a consequence of the consummation of the transaction contemplated under this Lease, Lessee shall cause title of any Equipment acquired under the Original Lease to remain vested in Lessor (or its assigns);

(e) the Equipment is reasonably satisfactory to the Trustee (as directed by the initial Certificate Owner, as directed by the Initial Lender) and is free and clear of any Liens (except the Declaration of Trust);

(f) the Equipment previously acquired under the Original Lease and placed in service by Lessee is, in all material respects, in good operating condition;

(g) the purchase option under the Original Lease is currently exercisable and will be exercised by Lessee;

(h) the Original Certificates may currently be prepaid and will be prepaid contemporaneously with the execution of this Lease and the Original Trust Agreement may currently be discharged upon such payment and will be discharged contemporaneously with the such prepayment;

(i) 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;

(j) 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 Owner (as directed by the Initial Lender) dated as of the Commencement Date unless noted otherwise herein:

(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 the initial Certificate Owner, 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 Owner in and to the Collateral; (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 Owner at the direction of the Initial Lender) may reasonably request;

(B) an opinion of Duane Morris LLP, special counsel to Lessor, addressed to the Trustee and the initial Certificate Owner, 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 Owner at the direction of the Initial Lender) may reasonably request;

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

(D) an opinion of Duane Morris LLP, as special tax and transaction counsel, addressed to the Trustee and the initial Certificate Owner, to the effect that the interest component of Rent Payments paid pursuant to this Lease and distributed with respect to the Certificate is excludible from gross income of the owner thereof for federal income tax purposes, the Certificate is 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 Owner at the direction of the Initial Lender) 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 Owner at the direction of the Initial Lender), 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 Collateral and the transfer of ownership of the Lease as chattel paper from Lessor to the Trustee;

(6) a copy of the Section 30 Determination from HUD dated September 30, 2011;

(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 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 Owner at the direction of the Initial Lender), 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, 2012, 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 initial Certificate 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, in definitive physical form as provided in the Trust Agreement, executed by the Trustee and registered in the name of the initial Certificate Owner;

(15) such documents and certificates as the Trustee (as directed by the initial Certificate Owner at the direction of the Initial Lender) may request relating to federal tax-exemption of the interest component of Rent Payments under this Lease and distributable with

respect to the Certificate, 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 Owner at the direction of the Initial Lender) 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 sixteen (16) month 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 under the Original Lease and during such sixteen month 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 COLLATERAL; PLEDGE OF AND FIRST PRIORITY LIEN ON COLLATERAL; 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 Owner and, with respect to the Equipment Acquisition Fund, Lessee as provided in this Lease: (i) 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, 2013 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 all of Lessee's right, title and interest in and to (i) the Pledged Funds, together with all cash and securities, if any, credited thereto; (ii) the Lease, (iii) the Energy Services Agreement, including but not limited to any guaranteed cost savings payments which Lessee is entitled to receive from the Supplier (or a related entity) thereunder, and (iv) any and all proceeds of the foregoing (the foregoing clauses (i) through (iv), collectively, the "*Collateral*"). To perfect and protect Lessor's pledge and first priority security interest in and to the Collateral, Lessee hereby agrees to execute and deliver to the Trustee such documents, in form satisfactory to the Trustee (as directed by the initial Certificate Owner at the direction of the Initial Lender), which the Trustee (as so directed) deems necessary or appropriate to establish, perfect and maintain Lessor's security interest in the Collateral.

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 amend, modify, rescind or alter any Supplier Agreement (including, without limitation, the Energy Services Agreement) without the prior written consent of the Trustee (as Lessor's assignee) and the Initial Lender in accordance with the Trust Agreement and the Loan Agreement (provided, however, that any immaterial modification to a Supplier Agreement, in the form of change orders or the like, shall not require consent under this Section 7(b)). 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 Owner). 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 other 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 and in a timely manner: (a) repair and maintain all Equipment in good condition and working order, in accordance with manufacturer's instructions and the Energy Services Agreement, and supply and install all replacement parts or other devices when required to so maintain the Equipment or when required by applicable law, regulation or the Energy Services Agreement, 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 the Energy Services Agreement; and (c) comply with all laws, regulations and the Energy Services Agreement 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 Collateral. 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 Owner at the direction of the Initial Lender) 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 Lessor's assignee), as directed by the initial Certificate Owner at the direction of the Initial Lender, 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 sixty (60) 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 Collateral 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 Owner are true and correct and made to induce Lessor to enter into this Lease and to induce the initial Certificate Owner to purchase the initial Certificate;

(v) Lessee has provided Lessor and the initial Certificate Owner with audited financial statements through March 31, 2012;

(w) Lessee is not in default under any of the Related Agreements to which it is a party; and

(x) Lessee has no knowledge of any Supplier defaults under the Energy Services Agreement.

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 Certificate 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).

(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 Collateral, 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 Collateral or any interest in any thereof.

18.2 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 Certificate to be executed and delivered pursuant to the Trust Agreement; *provided* that the Certificate 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 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 (i) fails to make any Rent Payment or any other payment (other than as described in clause (ii) of this Section 19(a)) 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 or (ii) fails to pay over to the Trustee all Equipment Payments within the time period specified in Section 4.1 hereof;

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

(c) Lessee fails to perform or observe any other covenant, condition or agreement to be performed or observed by it under this Lease (other than as specified in Section 19(a) above) 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; and

(g) Lessee defaults under any of the other Related Agreements to which it is a party.

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 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 Certificate Owner at Citibank, N.A., 390 Greenwich Street, 2nd Floor, New York, NY 10013, Attention: Account Specialist.

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, Lessor acknowledges that any indemnity amount paid by Lessee as provided in this Section 24.2 shall be paid 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*

GRANT CAPITAL MANAGEMENT, INC.,
as Lessor

By:



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

By:

Kimberly N. Brown,
Secretary and Assistant Vice 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.

Signature Page to Equipment Lease Purchase Agreement

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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.


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GRANT CAPITAL MANAGEMENT, INC.,
as Lessor

By: _____

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

By: _____


Kimberly N. Brown,
Secretary and Assistant Vice President
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Signature Page to Equipment Lease Purchase Agreement

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: May 31, 2013.

By: Modia Butler
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 May 31, 2013 between Grant Capital Management, Inc., as Lessor, and Housing Authority of the City of Newark, New Jersey, as Lessee;

EQUIPMENT DESCRIPTION AND LOCATIONS

(Beginning on Following Page)



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. Kretschmer 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. Kretschmer 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. Kretschmer 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 replace:

- 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 May 31, 2013 between Grant Capital Management, Inc., as Lessor, and Housing Authority of the City of Newark, New Jersey, as Lessee;

Rent Payment Due Date	Interest Portion	Principal Portion	Total Payment	Principal Balance	Termination Value
7/1/2013	164,208.20		164,208.20	54,481,179.30	59,929,297.23
8/1/2013	158,903.44		158,903.44	54,481,179.30	59,929,297.23
9/1/2013	158,903.44		158,903.44	54,481,179.30	59,929,297.23
10/1/2013	158,903.44	1,593,775.78	1,752,679.22	52,887,403.52	58,176,143.87
4/1/2014	932,304.52	820,374.70	1,752,679.22	52,067,028.82	57,273,731.70
10/1/2014	917,842.87	909,325.22	1,827,168.09	51,157,703.60	56,273,473.96
4/1/2015	901,813.19	925,354.90	1,827,168.09	50,232,348.70	55,255,583.57
10/1/2015	885,500.94	1,019,321.79	1,904,822.73	49,213,026.91	54,134,329.60
4/1/2016	867,532.23	1,037,290.50	1,904,822.73	48,175,736.41	52,993,310.05
10/1/2016	849,246.77	1,136,530.93	1,985,777.70	47,039,205.48	51,743,126.03
4/1/2017	829,211.89	1,156,565.81	1,985,777.70	45,882,639.67	50,470,903.64
10/1/2017	808,823.83	1,261,349.42	2,070,173.25	44,621,290.25	49,083,419.28
4/1/2018	786,588.63	1,283,584.62	2,070,173.25	43,337,705.63	47,671,476.19
10/1/2018	763,961.47	1,394,194.14	2,158,155.61	41,943,511.49	46,137,862.64
4/1/2019	739,384.48	1,418,771.13	2,158,155.61	40,524,740.36	44,577,214.40
10/1/2019	714,374.24	1,535,502.99	2,249,877.23	38,989,237.37	42,888,161.11
4/1/2020	687,306.23	1,562,571.00	2,249,877.23	37,426,666.37	41,169,333.01
10/1/2020	659,761.07	1,685,735.94	2,345,497.01	35,740,930.43	39,315,023.47
4/1/2021	630,044.75	1,715,452.26	2,345,497.01	34,025,478.17	37,428,025.99
10/1/2021	599,804.58	1,845,376.05	2,445,180.63	32,180,102.12	35,398,112.33
4/1/2022	567,274.11	1,877,906.52	2,445,180.63	30,302,195.60	33,332,415.16
10/1/2022	534,170.18	2,014,930.63	2,549,100.81	28,287,264.97	31,115,991.47
4/1/2023	498,650.78	2,050,450.03	2,549,100.81	26,236,814.94	26,236,814.94
10/1/2023	462,505.24	2,194,932.35	2,657,437.59	24,041,882.59	24,041,882.59
4/1/2024	423,812.75	2,233,624.84	2,657,437.59	21,808,257.75	21,808,257.75
10/1/2024	384,438.18	2,385,940.51	2,770,378.69	19,422,317.24	19,422,317.24
4/1/2025	342,378.58	2,428,000.11	2,770,378.69	16,994,317.13	16,994,317.13
10/1/2025	299,577.55	2,588,542.23	2,888,119.78	14,405,774.90	14,405,774.90
4/1/2026	253,946.46	2,634,173.32	2,888,119.78	11,771,601.58	11,771,601.58
10/1/2026	207,510.99	2,803,353.88	3,010,864.87	8,968,247.70	8,968,247.70
4/1/2027	158,093.18	2,852,771.69	3,010,864.87	6,115,476.01	6,115,476.01
10/1/2027	107,804.23	3,031,022.40	3,138,826.63	3,084,453.61	3,084,453.61
4/1/2028	54,373.06	3,084,453.61	3,138,826.67		
Totals	17,508,955.49	54,481,179.30	71,990,134.79		

Housing Authority of the City of Newark, as Lessee

By: _____
Keith Kinard, Executive Director

Grant Capital Management, Inc. as Lessor


By: 
Kimberly N. Brown, Secretary & AVP

EXHIBIT A-2

COPY OF CAPITAL ONE EQUIPMENT LEASE

EQUIPMENT LEASE–PURCHASE AGREEMENT

This Equipment Lease-Purchase Agreement dated as of September 20, 2013 (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.

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.

2. CERTAIN DEFINITIONS.

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

“*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.

“*Assigned Rights*” means all of Lessor’s rights, title and interest under this Lease and in, to and under the Collateral and other Assigned Property (as defined in the Assignment), as more particularly described in the Assignment, that are assigned and transferred by Lessor to the initial Assignee pursuant to the Assignment.

“*Assignee*” means (a) initially, Capital One Public Funding, LLC, as assignee of all of Lessor’s rights, title and interest hereunder, and (b) any other entity to whom the rights, title and interest of Lessor hereunder are assigned and transferred as provided in Section 18.3.

“*Assignment*” means that certain Absolute Assignment Agreement dated September 20, 2013, from the initial Lessor as assignor to the initial Assignee as assignee, with respect to the Lease and the other Assigned Rights as therein provided.

“*Collateral*” has the meaning set forth in Section 6.1(b) hereof.

“*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*” has the meaning set forth in the Escrow 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, as amended, including by Addendum No. 2 to the Water/Service Agreement dated as of August 7, 2013, between Lessee and CLT Efficient Technologies, Inc., d/b/a Constellation Energy Projects & Services NJ, a Delaware corporation, as energy services company, and any amendment, supplement or modification thereto.

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

“*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.

“Escrow Fund” means the fund of that name established and to be administered under the Escrow Agreement and described in Section 6.1(a) hereof.

“Escrow Agreement” means that certain Escrow Agreement dated as of September 20, 2013, among Lessee, Assignee and Escrow Agent, relating to the establishment and administration of the Escrow Fund.

“Escrow Agent” means Deutsche Bank Trust Company Americas, its successors and assigns, as holder of the Escrow Fund under the Escrow Agreement.

“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.

“Investment Direction Agreement” shall mean that certain Investment Direction Agreement dated as of September 20, 2013, between Lessee and Escrow Agent relating to the investment and reinvestment of moneys on deposit in the Escrow Fund as therein provided.

“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 Incentive; (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 by the initial Lessor of the Assigned Rights pursuant to the Assignment, the initial Assignee (and any successor or transferee Assignee) acting in such capacity as Lessor, 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 Escrow Fund and any energy savings guarantee payments made by any Supplier pursuant to its energy savings guarantee with Lessee with respect to the Equipment, collectively.

"Related Agreements" means this Lease, the Tax Agreement, the Energy Services Agreement, the Assignment and the Escrow Agreement.

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

"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 (a) 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 and (b) any

resident-paid utility payments that are paid to Lessee and are legally available to pay Rental Payments.

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

“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)(C) 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.

3. LEASE TERM.

The term of this Lease (the *“Lease Term”*) commences on, and interest accrues from, September 20, 2013 (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 or before the dates set forth in the Payment Schedule. In furtherance of the foregoing, but not in limitation thereof, to the extent that Lessee receives any Add-On Subsidy Incentive Payments from HUD, or any energy savings guarantee payments made by any Supplier pursuant to its energy savings guarantee with respect to the Equipment after October 1, 2013 (together, *“Equipment Payments”*), then Lessee agrees to pay over to Lessor, within five (5) business days of its receipt thereof, the full amount of the Equipment

Payments received. 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 Lessor identified below (or such other place as Assignee 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. ESCROW 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 18.2 hereof, upon satisfaction of all of the Funding Conditions provided in Section 5.2 hereof Lessor shall assign, sell and transfer the Assigned Rights to the initial Assignee on the Commencement Date pursuant to the Assignment in exchange for the purchase price therefor for deposit into the Escrow Fund, all in accordance with the Escrow Agreement.

5.2. Notwithstanding anything in this Lease to the contrary, neither the initial Lessor nor the initial Assignee shall have any obligation to enter into and perform its respective obligations under this Lease or the Assignment and thereby cause the deposit into the Escrow Fund as provided in Section 5.1 hereof unless all reasonable conditions established by the initial Assignee ("*Funding Conditions*") have been satisfied and delivered to the initial Assignee, 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 initial Assignee 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 initial Assignee has received all of the following agreements, opinions, certificates and other documents, which shall be reasonably satisfactory, in form and substance, to the initial Assignee:

(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 initial Assignee, 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 Lessor in and to the Collateral; (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 initial Assignee may reasonably request;

(B) an opinion of Duane Morris LLP, special counsel to Lessor, addressed to the initial Assignee, 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 initial Assignee may reasonably request; and

(C) an opinion of Duane Morris LLP, as special tax and transactional counsel, addressed to the initial Assignee, to the effect that the interest component of Rent Payments paid pursuant to this Lease is excludible from gross income of the owners thereof for federal income tax purposes and such other matters as the initial Assignee 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 initial Assignee, which the initial Assignee deems necessary or appropriate, with respect to the Assignee's interests under this Lease, its security interest in the Collateral and the transfer of ownership of the Lease as chattel paper from Lessor to the initial Assignee;

(6) 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;

(7) 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;

(8) 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;

(9) a written agreement between Lessee and each Supplier, in form and substance acceptable to the initial Assignee, 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 that is executed and delivered by Lessee and submitted to the Escrow Agent for disbursement in accordance with the Escrow Agreement shall vest in Lessor (or its assigns) for purposes of this Lease immediately upon the Escrow Agent's disbursement of moneys from the Escrow Fund in accordance with each such Disbursement Request, 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;

(10) 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, 2012, 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;

(11) 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;

(12) such documents and certificates as the initial Assignee may request relating to federal tax-exemption of the interest component of Rent Payments under this Lease, 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

(13) such other documents and information previously identified by the initial Assignee or otherwise reasonably requested by the initial Assignee.

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 Escrow Agent a Disbursement Request in the form and manner required by the Escrow 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 Escrow 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 Escrow Fund and then from Legally Available Funds and other moneys available for such purpose as a result of the exercise by Lessor of its rights and remedies hereunder. Any funds on deposit in the Escrow 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 second anniversary of the Commencement Date, the amount then on deposit in the Escrow 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 Escrow 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 two 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 Lessor'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 COLLATERAL; PLEDGE OF AND FIRST PRIORITY LIEN ON COLLATERAL;
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 Escrow Agent shall establish and maintain under the Escrow Agreement a special fund, which shall be held for the benefit of Lessor and Lessee as therein provided, identified as the "Housing Authority of the City of Newark, New Jersey, 2013 Equipment Acquisition Escrow Fund" (the "*Escrow Fund*"), which shall be applied pursuant to the Escrow Agreement for payment of the Equipment Costs for the Equipment described on the Equipment Schedule.

(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 all of Lessee's right, title and interest in and to (i) the Pledged Funds, together with all cash and securities, if any, credited thereto; (ii) the Lease, (iii) the Energy Services Agreement, including but not limited to any guaranteed cost savings payments which Lessee is entitled to receive from the Supplier (or a related entity) thereunder, and (iv) any and all proceeds of the foregoing (the foregoing clauses (i) through (iv), collectively, the "*Collateral*"). To perfect and protect Lessor's pledge and first priority security interest in and to the Collateral, Lessee hereby agrees to execute and deliver to Lessor such documents, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish, perfect and maintain Lessor's security interest in the Collateral.

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 Lessor, which consent shall not be unreasonably withheld or delayed and in all such instances shall be provided within five (5) business days after delivery to Lessor of the final draft of any such proposed amendment, modification, rescission or alteration. 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. 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 Escrow 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 Collateral. 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 Lessor) 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 Lessor as loss payee to be applied as provided in Section 13.3.

(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 Lessor, 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 Lessor 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 Lessor 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 Lessor 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 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 Collateral 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, together with the equipment financed or refinanced under the Equipment Lease-Purchase Agreement dated as of September 30, 2011, and the Equipment Lease-Purchase Agreement dated as of May 31, 2013, each by and between Lessor (as defined in each respective Equipment Lease-Purchase Agreement) and Lessee, comprise 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 Assignee are true and correct and made to induce Lessor to enter into this Lease and to induce the initial Assignee to enter into the Assignment with Lessor on the Commencement Date;

(w) Lessee has provided Lessor and the Assignee with audited financial statements through March 31, 2012; and

(x) Lessee has previously received a written determination from HUD to the effect that (i) Section 30 of the U.S. Housing Act of 1937, as amended, does not apply to transactions similar to this Lease because title to leased equipment was vested in the lessor to the extent required by the ESIP Law and the Act, (ii) Section 30 of the U.S. Housing Act of 1937, as amended, does not apply to the security interest granted in and to pledged funds similar to the Pledged Funds, as the lessor was not taking a security interest in the operating funds of Lessee and (iii) the lessor as legal owner of equipment similar to the Equipment under this Lease could repossess the leased equipment upon an event of default under the lease in a similar transaction. Lessee has not received any notice from HUD (whether written or oral) to the effect that Lessee may not continue to rely on such determination or threatening to withdraw or modify in any manner such determination.

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 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 Escrow Fund from time to time in a manner that will not cause this Lease 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 Escrow 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 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 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 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 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 Collateral, Lessor's rights and interests under this Lease and the other Related Agreements and the assignment thereof to the initial Assignee.

(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 Escrow 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 (other than the lien under the Declaration of Trust) on, nor otherwise dispose of, this Lease, the Equipment, the Collateral or any interest in any thereof.

18.2. The initial Lessor shall, on the Commencement Date, assign and transfer the Assigned Rights to the Assignee pursuant to the Assignment. Lessee hereby consents to such assignment and transfer. Lessor hereby directs Lessee, and Lessee hereby agrees, to pay to Assignee all payments payable by Lessee under Sections 4 and 15 hereof. Whenever in this Lease any reference is made to Lessor and such reference concerns any Assigned Rights, such reference shall be deemed to refer to the Assignee.

18.3. The Assigned Rights, and all proceeds therefrom, may be further assigned and reassigned in whole or in part to one or more assignees or subassignees by an Assignee, without the necessity of obtaining the consent of Lessee; *provided*, that (a) prior to such assignment, transfer or conveyance, Assignee shall provide to Lessee in writing the name of the proposed assignee(s) or subassignee(s) and if, within five business days, Lessee informs Assignee that any such assignee or subassignee is an entity listed on HUD's list of debarred, excluded or suspended entities as set forth at sam.gov (which information the Assignee shall have the right, but not the obligation, to confirm to its own satisfaction), Assignee shall not assign, transfer or convey the Assigned Rights to such entity; and (b) any such assignment, transfer or conveyance (i) shall be made only to investors each of whom the transferor Assignee reasonably believes is a "*qualified institutional buyer*" as defined in Rule 144A(a)(1) promulgated under the Securities Act of 1933, as amended, or an "*accredited investor*" as defined in Sections 501(a)(1), (2), (3) and (7) of Regulation D promulgated under the Securities Act of 1933, as amended, and is purchasing the related Assigned Rights (or any interest therein) for its own account with no present intention to resell or distribute such Assigned Rights (or interest therein), subject to each investor's right at any time to dispose of its Assigned Rights or any interest therein as it determines to be in its best interests, (ii) shall not result in more than 35 owners of Assigned Rights or the creation of any interest in Assigned Rights in an aggregate principal component that is less than \$100,000 and (iii) shall not require Lessee to make Rent Payments under this Lease, send notices or otherwise deal with respect to matters arising under the Lease with or to more than one trustee, owner,

servicer or other fiduciary or agent (herein referred to as the “*Lease Servicer*”) and any trust agreement, participation agreement or custodial agreement under which multiple ownership interests in the Assigned Rights are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single Lease Servicer to act on their behalf with respect to such Assigned Rights, including with respect to the exercise of rights and remedies on behalf of such owners upon the occurrence of an Event of Default under the Lease or the Project Lease. Lessor (including the initial Assignee pursuant to the Assignment) and Lessee hereby acknowledge and agree that the restrictions and limitations on transfer as provided in this Section 18.3 shall apply to the first and subsequent assignees and sub-assignees of any of the Assigned Rights (or any interest therein).

18.4. No assignment, transfer or conveyance permitted by Section 18.3 that changes the Lease Servicer or its payment instructions or mailing address shall be effective until Lessee shall have received a written notice of assignment that discloses the name, payment instructions and address of each such assignee; *provided*, that if such assignment is made to a bank or trust company as trustee or paying agent for owners of certificates of participation, trust certificates or partnership interests evidencing interests in the Assigned Rights, it shall thereafter be sufficient that Lessee receives notice of the name, payment instructions and address of such bank or trust company that acts as the Lease Servicer. During the Lease Term, Lessee shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149 of the Code. Lessee hereby appoints Lessor to act as its agent for the purpose of complying with Section 149 of the Code, which appointment Lessor hereby accepts. Lessor shall retain all such notices as a register of all Assignees. Lessee shall make all payments to Assignee or the Lease Servicer designated in such register. Lessee shall not have the right to, and shall not, assert against the initial Assignee or any subsequent Assignee any claim, counterclaim or other right that Assignee may have against initial Lessor. If an Assignee notifies Lessee of its intent to assign the Assigned Rights (or any interest therein) to a different Assignee or Lease Servicer, Lessee agrees that it shall execute and deliver to the requesting Assignee a notice and acknowledgment of assignment in form reasonably required by such Assignee within five (5) Business Days after its receipt of such request.

18.5. 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 or Lessee fails to pay over to the Lessor all Equipment Payments within the time period specified in Section 4.1 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 its rights and remedies with respect to the Escrow Fund under the Escrow Agreement;

(f) 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

(g) 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. Such rights and remedies as are given to Lessor under this Section 20 have been assigned by initial Lessor to the initial Assignee under the Assignment as provided in Section 18.2. Such rights and remedies shall be exercised solely by Assignee.

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 initial Assignee at Capital One Public Funding, LLC, 275 Broadhollow Road, Melville, New York 11747; and (b) to any subsequent Assignee as directed in writing by such Assignee to the respective parties hereunder.

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. 3 of 3 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 3 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 SECRETARY OF LESSEE

I, the undersigned, do hereby certify that I am the duly authorized Chairman of the Board of Commissioners of Lessee and the officer of Lessee who executed the foregoing Equipment Lease-Purchase Agreement on behalf of Lessee, and whose genuine signature appears thereon, is the duly qualified and acting officer 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 20, 2013.

By: 
Modia Butler, Chairman of the Board of
Commissioners of the 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 20, 2013 between Grant Capital Management, Inc., as Lessor, and Housing Authority of the City of Newark, New Jersey, as Lessee:

EQUIPMENT DESCRIPTION AND LOCATIONS

The Equipment consists of the following: (a) two new boilers and related equipment and improvements that replace existing boilers at NHA Family Site NJ2-02 Pennington Court located at 214 South Street, Newark, New Jersey, and consist of two new Easco series FTS stell scotch Marine (or equivalent) boilers, concrete curb, feed tank, breeching, combustion air components, related piping and valves, insulation and boiler controls with the boiler room, all as more specifically described in the Energy Services Agreement; and (b) the residential unit window and balcony door replacements, new blinds and related improvements to be installed at Seth Boyden Elderly (NJ2-21E) which comprises three buildings located at 27 Foster Avenue, 120 Dayton Avenue and 130 Dayton Avenue, all in Newark, New Jersey, all as more specifically described in the Energy Services Agreement.

EXHIBIT B

PAYMENT SCHEDULE

Attached to and made a part of that certain Equipment Lease-Purchase Agreement dated as of September 20, 2013 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 at 3.500%: **\$3,579,271.89**

(b) Payment Schedule:

Payment Number	Payment Date	Payment Amount	Interest Component	Principal Component	Purchase Price
1	10/01/13	\$ 281,294.66	\$ 3,775.40	\$ 277,519.26	\$ 3,466,840.26
2	04/01/14	109,419.50	58,203.63	51,215.87	3,413,063.60
3	10/01/14	114,069.83	57,300.79	56,769.04	3,353,456.11
4	04/01/15	114,069.83	56,300.06	57,769.77	3,292,797.85
5	10/01/15	118,917.80	55,281.69	63,636.11	3,225,979.93
6	04/01/16	118,917.80	54,159.91	64,757.89	3,157,984.15
7	10/01/16	123,971.80	53,018.35	70,953.45	3,083,483.03
8	04/01/17	123,971.80	51,767.57	72,204.23	3,007,668.58
9	10/01/17	129,240.60	50,494.75	78,745.85	2,924,985.44
10	04/01/18	129,240.60	49,106.61	80,133.99	2,840,844.75
11	10/01/18	134,733.33	47,694.00	87,039.33	2,749,453.46
12	04/01/19	134,733.33	46,159.66	88,573.67	2,656,451.10
13	10/01/19	140,459.49	44,598.28	95,861.21	2,555,796.83
14	04/01/20	140,459.49	42,908.42	97,551.07	2,453,368.21
15	10/01/20	146,429.02	41,188.78	105,240.24	2,342,865.96
16	04/01/21	146,429.02	39,333.60	107,095.42	2,230,415.76
17	10/01/21	152,652.26	37,445.71	115,206.55	2,109,448.89
18	04/01/22	152,652.26	35,414.84	117,237.42	1,986,349.60
19	10/01/22	159,139.98	33,348.16	125,791.82	1,854,268.19
20	04/01/23	159,139.98	31,130.69	128,009.29	1,719,858.43
21	10/01/23	165,903.43	28,874.13	137,029.30	1,575,977.67
22	04/01/24	165,903.43	26,458.57	139,444.86	1,429,560.56
23	10/01/24	172,954.32	24,000.42	148,953.90	1,273,158.97
24	04/01/25	172,954.32	21,374.64	151,579.68	1,114,000.30
25	10/01/25	180,304.89	18,702.58	161,602.31	944,317.88
26	04/01/26	180,304.89	15,853.84	164,451.05	771,644.28
27	10/01/26	187,967.84	12,954.88	175,012.96	587,880.67
28	04/01/27	187,967.84	9,869.73	178,098.11	400,877.65
29	10/01/27	195,956.48	6,730.20	189,226.28	202,190.06
30	04/01/28	<u>195,956.48</u>	<u>3,394.52</u>	<u>192,561.96</u>	0.00
Grand Totals		<u>\$4,636,116.30</u>	<u>\$1,056,844.41</u>	<u>\$3,579,271.89</u>	

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

By 
Keith Kinard
Executive Director

GRANT CAPITAL MANAGEMENT, INC.,
as Lessor

By _____
J.P. Grant
President

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 Board of Commissioners 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 20, 2013 (the "*Lease*"), between Lessee and Grant Capital Management, Inc., as Lessor, and (b) the Related Agreements, as defined in the Lease.

Keith Kinard	Secretary/Executive Director	
Name	Title	Signature

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

Keith Kinard	Secretary/Executive Director	
Name	Title	Signature

IN WITNESS WHEREOF, I have duly executed this Certificate and affixed the seal of Lessee on this 20th day of September, 2013.

	[SEAL]
Housing Authority of the City of Newark	

Print Name: Modia Butler
Official Title: Chairman, Board of Commissioners
(other than the person signing the documents)

**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 20, 2013 (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 Assignee as Loss Payee.

Coverage Required: Termination Value Specified

- ☐ b. Public Liability Insurance evidenced by a Certificate of Insurance naming the Assignee 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 initial Assignee, 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 initial Assignee].

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:

- LESSOR AND ITS ASSIGNS 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:

Capital One Public Funding, LLC
275 Broadhollow Road
Melville, New York 11747, Attention: Jonathan Lewis

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

The original should be mailed to the same at:

Capital One Public Funding, LLC
275 Broadhollow Road
Melville, New York 11747, Attention: Jonathan Lewis

Please call _____, if you have any questions.

SELF-INSURANCE LETTER

[TO BE TYPED ON LESSEE'S LETTERHEAD]

[Date]

Capital One Public Funding, LLC
275 Broadhollow Road
Melville, New York 11747
Attention: Jonathan Lewis

Re: Equipment Lease-Purchase Agreement
 dated as of September 20, 2013 ("*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 addressee. 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: _____

EXHIBIT B

JOINDER AGREEMENT

THIS JOINDER AGREEMENT (the “Agreement”), dated as of _____, _____, is by and between _____, (the “Additional Lender”), HOUSING AUTHORITY OF THE CITY OF NEWARK, NEW JERSEY (“NHA”), CITIBANK, N.A, as Lender, CAPITAL ONE PUBLIC FUNDING, LLC, as Lender, [_____, as Lender [any other existing Lenders]. Capitalized terms used herein but not otherwise defined shall have the meanings provided in the Allocation Agreement dated as of September 20, 2013 among NHA and the Lenders party thereto (as amended from time to time, the “Allocation Agreement”).

WHEREAS, NHA seeks to have the Additional Lender become a “Lender” pursuant to the terms of the Allocation Agreement.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and in consideration of the premises contained in this Agreement, the parties hereto agree as follows:

1. The parties agree and confirm that, by their execution and delivery of this Agreement, the Additional Lender will become a party to the Allocation Agreement and a “Lender” for all purposes of the Allocation Agreement, and shall have all of the rights and obligations of a Lender thereunder as if it had executed the Allocation Agreement.
2. The Additional Lender acknowledges and confirms that it has received a copy of the Allocation Agreement and the schedules and exhibits thereto.
3. NHA confirms that all of its obligations under the Allocation Agreement are, and upon the Additional Lender becoming a Lender under the Allocation Agreement, shall continue to be, in full force and effect.
4. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute one contract.
5. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New Jersey.

[Signature on Following Page]

IN WITNESS WHEREOF, each of the parties hereto has caused this Joinder Agreement to be duly executed by its authorized officer as of the day and year first above written.

[ADDITIONAL LENDER]

By: _____
Title: _____

HOUSING AUTHORITY OF THE CITY OF
NEWARK, NEW JERSEY

By: _____
Title: _____

CITIBANK, N.A.

By: _____
Title: _____

CAPITAL ONE PUBLIC FUNDING, LLC

By: _____
Title: _____

[OTHER LENDERS, IF ANY]

By: _____
Title: _____

1735 Market Street, 51st Floor
Philadelphia, PA 19103-7599
TEL 215.665.8500
FAX 215.864.8999
www.ballardspahr.com

September 20, 2013

Deutsche Bank National Trust Company, as Trustee
6810 Crumpler Boulevard
Olive Branch, MS 38654

Citibank, NA
390 Greenwich Street
2nd Floor
New York, NY 10013

Re: Equipment Lease - Purchase Agreement, dated as of September 20, 2013 between Grant Capital Management, Inc. as Lessor and the Housing Authority of the City of Newark, New Jersey, as Lessee

Ladies and Gentlemen:

We have acted as special counsel to the Housing Authority of the City of Newark (the "**Lessee**"), an agency and instrumentality of the City of Newark, New Jersey, constituted in accordance with the Act (as defined herein), in connection with the Equipment Lease – Purchase Agreement (the "**Lease**"), dated as of September 20, 2013 between Grant Capital Management, Inc., (the "**Lessor**") and the Lessee. In such capacity, we have reviewed the Lease, Amendment No. 2 to the Water/Energy Services Agreement ("**Amendment No. 2**") dated August 7, 2013 by and between the Lessee and CLT Efficient Technologies d/b/a Constellation Energy Projects Services NJ ("**Constellation**"); and that certain Allocation Agreement dated as of September 20, 2013 between the Lessee, Citibank, N.A., Capital One Public Funding, LLC, and accepted by Lessor.

In our capacity as special counsel to Lessee, we have considered such matters of law and fact, including the examination of originals or copies, certified or otherwise identified to our satisfaction, of the following documents and laws:

1. The New Jersey Local Redevelopment and Housing Law, *N.J.S.A 40A:12A-1 et seq.* (the "**Act**").
2. Resolution No. H-13-03-07-02, adopted by the Board of Commissioners of the Lessee on July 3, 2013.
3. Amended Bylaws of the Lessee, adopted by the Board by Resolution No. H-06-12-21-10 dated December 21, 2006 and Resolution No. H-07-10-19-06 dated December 19, 2007.
4. The Lessee's Certificate, attached hereto as Exhibit A (the "**Certificate**"), as to questions of fact material to our opinion.

DMEAST #17602537 v4

5. The Equipment Lease – Purchase Agreement dated May 31, 2013 between the Lessor and Lessee (the "**May Lease**"), that certain Trust Agreement dated as of May 31, 2013 by and between Lessor, as Trustor, and Deutsche Bank National Trust Company, as Trustee (the "**Trust Agreement**"), the Water/Energy Services Agreement dated March 31, 2013 by and between Lessee and Constellation (the "**Water Services Agreement**", together with the May Lease and the Trust Agreement are referred to herein as the "**Related Agreements**") and certain other documents relating thereto.

The law covered by the opinions expressed herein is limited to the Federal law of the United States and the law of the State of New Jersey (the "**State**"). Unless otherwise defined herein, the terms used in this legal opinion shall have the same meaning as such terms are used and defined in the Lease.

The opinions expressed herein are subject to the following assumptions and qualifications, in addition to the assumptions and qualifications set forth elsewhere herein:

(a) All copies of all documents, records, and letters, which we have examined, are true, accurate, complete, and correct copies of the originals thereof, and all factual warranties, representations, and statements made by the parties in such documents are true, accurate, and correct as of the date hereof.

(b) Each of the individuals executing the Lease, the Allocation Agreement and the Related Agreements has requisite legal capacity, and all signatures on such documents other than those of the Lessee are genuine.

(c) The Lease, the Allocation Agreement and the Related Agreements have been duly authorized, executed, and delivered by all parties, other than the Lessee, and constitute the legal, valid, and binding obligations of each such other party and are enforceable in accordance with their terms.

(d) Each party to the Lease, the Allocation Agreement and Related Agreements, other than the Lessee, is duly organized or formed, as applicable, has all requisite certification of authority, licenses, permits, consents, qualifications, and documentation, and all requisite organizational power and authority to execute such documents to which it is a party, to perform its obligations under documents to which it is a party, and to enforce documents to which it is a party.

(e) As to questions of fact material to our opinion, we have relied upon the representations of the Lessee as contained in the Certificate, the Lease and the Related Agreements. We have no reason to believe that such representations are incomplete, false or inaccurate, and we deem such reliance to be reasonable under the circumstances.

(f) The validity, binding effect or enforceability of any document or any provision thereof may be limited or otherwise affected by; (a) bankruptcy, insolvency, involuntary

liquidation, fraudulent conveyance, reorganization, moratorium or other similar laws or regulations, (b) equitable principles affecting the enforcement of creditors' rights in general or (c) the unavailability of, or any limitation upon the availability of, any particular right or remedy because of the discretion of a court, the principle of election of remedies or any requirement as to commercial reasonableness, unconscionability or good faith. Furthermore, we express no opinion concerning (i) usury, (ii) the validity, binding effect or enforceability of any provision of any document giving consent, waiving a right, remedy or defense or granting any power of attorney, (iii) the validity, binding effect or enforceability of a document or a provision of any document with respect to any person or entity other than the Lessee or (iv) the status of any security arrangement granted to the Lessor pursuant to the Lease and Related Agreements.

(g) We do not purport to be experts on, or express any opinion herein concerning, any law other than the present internal laws of the State and the Federal law of the United States.

(h) This opinion deals only with specific legal issues that it explicitly addresses and no opinions shall be implied as to matters not so addressed. Without limiting the foregoing, we express no opinion herein as to any provision affording indemnification, or any provision waiving the right to jury trial, and we give no opinion as to matters relating to federal or state tax or securities laws.

(i) Our opinions are rendered only in our capacity as special counsel to the Lessee as set forth above and are based solely on our examination of the documents referenced herein and our review of such relevant laws, guidance and documents as we deemed appropriate.

Based upon the foregoing examination, and upon an examination of such other proceedings, documents and certificates and matters of law as we have deemed necessary or appropriate, we are of the opinion that:

1. The Allocation Agreement has been duly authorized, executed and delivered by Lessee. Assuming due authorization, execution and delivery thereof by the other parties thereto, the Allocation Agreement constitutes a legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms.

2. The terms of the Amendment No. 2 are consistent with the terms of the Lease and Trust Agreement.

Except as otherwise indicated, this opinion is solely for the benefit and use of the parties to whom it is addressed and their respective successors and assigns, and is not to be relied upon in any manner or for any purpose by any other party or entity, whether such person or entity claims any reliance or entitlement by right of assignment, subrogation, or otherwise. This opinion applies only to matters referred to herein and existing on this date. By rendering this opinion, we do not undertake to advise you of any changes in such laws or facts or our knowledge which may occur after the date hereof.

Deutsche Bank National Trust Company, as Trustee
Citibank, NA
September 20, 2013
Page 4

This opinion letter shall not be quoted, used, published or otherwise referred to or relied upon in any manner, including, without limitation, in any financial or other document.

Sincerely,

A handwritten signature in black ink that reads "Ballard Spahr LLP". The signature is written in a cursive, flowing style.

BALLARD SPAHR LLP

EXHIBIT A

CERTIFICATE OF THE HOUSING AUTHORITY OF THE CITY OF NEWARK

HOUSING AUTHORITY OF THE CITY OF NEWARK
PRIOR PROCEEDINGS CERTIFICATION

Equipment Lease Purchase Agreement by and between the Housing Authority of the City of Newark,
and Grant Capital Management, Inc.
dated as of September 20, 2013 ("Lease")

I, Ellen Harris, do hereby certify that I am the duly serving General Counsel of the Housing Authority of the City of Newark ("HACN"), a housing authority and public instrumentality created and existing under the laws of the State of New Jersey (the "State"), that I have custody of the records of such entity, and that, as of date hereof, certify to the following:

1. All proceedings of HACN relating to the Lease, the Allocation Agreement and the Amendment No. 2, as such terms are defined in the Ballard Spahr Legal Opinion (defined below), have been performed in accordance with all applicable Federal and State laws, including, but not limited to the United States Housing Act of 1937, as amended, the New Jersey Local Redevelopment and Housing Law, as amended, and any such other applicable open meeting laws, property acquisition laws, and public bidding laws.

2. HACN has no litigation or proceeding pending or, to the best of my knowledge, threatened to restrain or enjoin or which otherwise challenges the execution, delivery or performance by HACN of the Lease, the Allocation Agreement or the Amendment No. 2; in any way contests the validity of the Lease, the Allocation Agreement or the Amendment No. 2, contests or questions the creation or existence of HACN or its governing body, the authority or ability of HACN to execute or deliver the Lease, the Allocation Agreement or the Amendment No. 2 or HACN's ability to comply with or perform its obligations thereunder or the transactions contemplated thereby.

3. The entering into and performance of the Lease, the Allocation Agreement and the Amendment No. 2 do not and will not violate any judgment, order, law or regulation applicable to HACN or result in any breach of, or constitute a default under, or result in the creation of any lien (other than the lien pursuant to the Declaration of Trust), charge, security interest or other encumbrance upon any assets of HACN or on the Equipment (as such term is defined in the Lease) pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which HACN is a party or by which it or its assets may be bound.

4. To the best of my knowledge, the Ordinance adopted by the Board of Commissioners of the City of Newark, New Jersey, on March 23, 1938 pursuant to which HACN was created, has not been amended, rescinded or repealed.

This Certification is being provided to Ballard Spahr LLP in connection with the issuance of its September 20, 2013 legal opinion (the "Ballard Spahr Legal Opinion") addressed to Deutsche Bank National Association Trust Company and Citibank, NA., with respect to the above-referenced transaction.

IN WITNESS WHEREOF, I have set my hand this 20th day of September, 2013.

By: 

Name: Ellen Harris, Esq.

Title: General Counsel, Housing
Authority of the City of Newark

[Signature Page for the Housing Authority of the City of Newark Prior Proceeding Certification with respect to the Equipment Lease Purchase Agreement by and between The Housing Authority of the City of Newark, and Grant Capital Management, Inc. dated as of September 20, 2013]



Executive Office
500 Broad Street • Newark, NJ 07102
t (973) 273-6000 • f (973) 642-1242
www.newarkha.org

July 30, 2013

Citibank, N.A.
390 Greenwich Street, 2nd Floor
New York, NY 10013

Attention: Manager Credit and Financial Products

NOTICE OF AMENDMENT TO ENERGY SERVICES AGREEMENT

Pursuant to that certain Equipment Lease-Purchase Agreement ("Lease") dated as of May 31, 2013 between Grant Capital Management, Inc. (the "Lessor") and the Housing Authority of the City of Newark (the "Lessee") and that certain Loan and Security Agreement (the "Loan Agreement") dated as of May 31, 2013 between Citibank, N.A., as Initial Lender and Agent, and Public Finance Authority, as Borrower.

Ladies and Gentlemen:

I am an authorized representative of the Housing Authority of the City of Newark (the "Lessee") and am familiar with the matters set forth herein. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in the Lease.

This written notice is given to Citibank, N.A., as Initial Lender under the Loan Agreement and Deutsche Bank National Trust Company as Trustee under the Trust Agreement dated as of May 31, 2013 between Lessor and Trustee that Lessee intends to amend that certain Water/Energy Services Agreement ("Energy Services Agreement") dated as of March 31, 2011 between Lessee and CLT Efficient Technologies, Inc. d/b/a Constellation Energy Projects and Services NJ.

Please be further advised that the Lessee intends to amend the Energy Services Agreement to add certain additional energy conservation measures (the "Additional Energy Conservation Measures") which shall be financed with debt service savings realized as a result of the project debt refinancing accomplished on May 31, 2013 pursuant to the Lease. A list of the

Additional Energy Conservation Measures, the savings realized from the installation of such measures and the debt service schedule associated therewith is attached for your reference.

Kindly sign and return a copy of this letter to the undersigned at the address above to evidence your consent to the matters set forth herein and the amendment of the Energy Services Agreement.

In witness hereof, I hereunto set my hand this 30 day of July, 2013.

Housing Authority of the City of Newark,
New Jersey

By: 

Name: Keith Kinard

Title: Executive Director

Citibank N.A., as Initial Lender

By: _____

Name: _____

Title: _____

Date: _____

Additional Energy Conservation Measures, the savings realized from the installation of such measures and the debt service schedule associated therewith is attached for your reference.

Kindly sign and return a copy of this letter to the undersigned at the address above to evidence your consent to the matters set forth herein and the amendment of the Energy Services Agreement.

In witness hereof, I hereunto set my hand this 30 day of July, 2013.

Housing Authority of the City of Newark,
New Jersey

By: 

Name: Keith Kinard

Title: Executive Director

Citibank N.A., as Initial Lender

By: 

Name: Trina Yarger

Title: Vice President

Date: September 18, 2013

Exhibit A **Additional Energy Conservation Measures,** **Savings and Debt Service Schedule**

Phase I Installation Cost \$49,560,203

Phase 1A - Refinance Savings Summary

ECM #	ECM Description	Contractor Installation Costs	Consumption Decrease/(Increase)			Savings			
			Water & Sewer M Gallons	Electric kWh	Natural Gas Therms	Water & Sewer	Electric	Natural Gas	Total
10	Window Replacement	1,837,299	-	-	16,314	-	-	25,618	25,618
15	Boiler Decentralization	785,000	-	-	33,672	-	-	50,712	50,712
	Totals	\$ 2,622,299	-	-	49,986	\$ -	\$ -	\$ 76,329	\$ 76,329

Combined Project Totals

ECM #	ECM Description	Contractor Installation Costs	Consumption Decrease/(Increase)			Savings			
			Water & Sewer M Gallons	Electric kWh	Natural Gas Therms	Water & Sewer	Electric	Natural Gas	Total
1	High Efficiency Lighting	\$ -	-	5,865,706	-	\$ -	\$ 1,074,356	\$ -	\$ 1,074,356
2	Low Flow/Flush Equipment	-	108,685	354,189	488,951	573,554	47,132	748,585	1,369,271
10	Window Replacement	9,148,022.77	-	-	159,750	-	-	259,496	259,496
11	Outside Air Reset	-	735	-	395,980	3,871	-	628,115	631,986
13	Boiler Stack Economizer	-	-	-	33,707	-	-	54,460	54,460
14	Electrical Infrastructure Upgrade	-	-	-	-	-	-	-	-
15	Boiler Upgrades	785,000.00	-	-	172,532	-	-	262,935	262,935
23	Cogeneration	-	-	1,596,406	(31,802)	-	273,127	(48,938)	223,189
	Totals	\$ 52,182,502	109,420	7,816,301	1,229,118	\$ 577,425	\$ 1,394,615	\$ 1,903,654	\$ 3,875,694

Contingency - Unused Contingency Reserve Returned to PHA	\$ 99,673
Total - PHA Paid Utilities	26,271,793
Total - Resident Paid Utilities	7,676,380
Grand Total - Refinance Installation Costs	\$ 2,721,972

Refinance Soft Costs			Project Totals		
Bonding	0.76%	\$ 20,798	Installation Costs		\$ 2,721,972
Const. & Project Mgmt/Admin	6.95%	162,006	Project Soft Costs		283,546
Design & Specifications	3.70%	100,742			\$ 3,005,518
Financing Enhancement	0.00%	-	Overhead (ESCO)	10.00%	300,552
M&V / Commissioning	0.00%	-			3,306,070
M&V Start Up	0.00%	-	Profit (ESCO)	8.00%	264,488
Grant Admin. Assistance	0.00%	-	Project Total		\$ 3,570,556
Contract Preparation	0.00%	-			
Financing & Legal	0.00%	-			
Training	0.00%	-			
Total Soft Costs		\$ 283,546			

Combined Phase I/Phase 1A Project Total= \$53,130,759

Newark Housing Authority

Energy Performance Contract - Savings & Cash Flow Analysis - Combined Phase I / Phase IA

Year		HUD Funded Subsidy <i>Savings Escalated by 4.25% Annually</i>			Actual NHA Program Cost <i>Assumed Interest Rate 3.50%</i>					
		Authority Paid	Resident Paid	Total	Monitoring & Verification 102%	Equipment Replacement Light Bulbs	Debt Service			Grand Total
							Principle	Interest	Total	
0	2012	\$ 758,585	\$ -	\$ 758,585	\$ 110,000	\$ -	\$ -	\$ 648,585	\$ 648,585	\$ 758,585
0	2013	3,709,165	-	3,709,165	112,200	-	1,856,239	1,740,725	3,596,965	3,709,165
1	2014	3,148,329	769,452	3,917,781	114,444	-	1,838,308	1,965,029	3,803,337	3,917,781
2	2015	3,282,132	802,154	4,081,711	116,733	-	2,066,699	1,898,280	3,964,978	4,081,711
3	2016	3,421,623	836,245	4,252,558	119,068	-	2,310,138	1,823,352	4,133,490	4,252,558
4	2017	3,567,042	871,786	4,430,612	121,449	258,857	2,569,456	1,739,707	4,309,163	4,430,612
5	2018	3,718,641	908,837	4,616,181	123,878	-	2,845,524	1,646,779	4,492,303	4,616,181
6	2019	3,876,684	947,462	4,809,582	126,356	-	3,139,257	1,543,969	4,683,226	4,809,582
7	2020	4,041,443	987,729	5,011,146	128,883	-	3,451,617	1,430,646	4,882,263	5,011,146
8	2021	4,213,204	1,029,708	5,221,220	131,461	-	3,783,613	1,306,146	5,089,759	5,221,220
9	2022	4,392,265	1,073,470	5,440,164	134,090	-	4,136,308	1,169,766	5,306,074	5,440,164
10	2023	4,578,936	1,119,093	5,668,354	136,772	309,089	4,510,814	1,020,768	5,531,582	5,668,354
11	2024	4,773,541	1,166,654	5,906,181	139,507	-	4,908,301	858,373	5,766,674	5,906,181
12	2025	4,976,417	1,216,237	6,154,055	142,297	-	5,329,997	681,761	6,011,758	6,154,055
13	2026	5,187,914	1,267,927	6,412,400	145,143	-	5,777,191	490,067	6,267,257	6,412,400
14	2027	5,408,401	1,321,814	6,681,662	148,046	-	6,251,235	282,380	6,533,616	6,681,662
15	2028	5,638,258	1,377,991	3,485,790	151,007	-	3,277,040	57,743	3,334,783	3,485,790
		\$ 68,692,581	\$ 15,696,561	\$ 80,557,146	\$ 2,201,334	\$ 567,946	\$ 56,197,059	\$ 20,304,077	\$ 78,355,812	\$ 80,557,146

* highlighted years in table above denote construction years

** Highlighted total savings depict NHA's Add-on Subsidy payments from HUD

**NEWARK HOUSING AUTHORITY
AMENDMENT NO. 2
WATER/ENERGY SERVICES AGREEMENT**

Schedule A-1a - Part 3
Scope of Work

This Schedule reflects the Scopes of Work for Standard Installation for the additional ECMs under the Phase 1a Project that are not already set forth in the corresponding Schedule A – Part 3 of the original Agreement.

I. Boiler Decentralization (Replacement) - Pennington Court (NJ2-02)

Existing Conditions

Pennington Court currently has a centralized system heating all four buildings in the development. The central plant is located in the basement of Building 4. There are two boilers there which are original to the building and date back to 1939 when the buildings were built. These boilers initially were fired on coal but were later converted to natural gas. The boilers were manufactured by Gibraltar and assembled in place during construction. Conversion to burning natural gas made their operation much more convenient but it did not improve their efficiency to a large degree. Recently, one of the boilers (#1) had the gas burner replaced while the other one (#2) still has an old burner which, from the comments of the maintenance personnel, we understand doesn't operate properly. During the heating season the boiler with the new burner is used most of the time.

The boilers generate low pressure steam which is distributed to all four buildings. Underground pipes are laid to deliver steam to Buildings #1, 2, and 3. Condensate is returned to the central boiler plant through underground pipes also but the condensate system has its own inherent problems which developed over the years that impede on the performance of the whole heating system. These problems include: faulty steam traps, steam/water leaks, and a myriad of dysfunctional condensate return system components.

The steam traps throughout the system are in poor condition. Faulty steam traps allow pressurized steam into the condensate return pipes and cause problems like water hammer which destroys other components of the system including other traps and condensate return pumps.

Proposed Improvements

Constellation proposes the replacement of 2 boilers with new, high-efficiency boilers along with the replacement of various steam traps, valves, and pipe insulation. It may be necessary to modify the existing boiler room conditions to bring the mechanical room up to code. The proposed improvements will be undertaken in such a manner that avoids a loss of heat to the residents of the site during NHA's heating season.

Equipment Specifications

This work is currently being developed and the scope of work may change significantly. This is a design/build project that requires further investigation to identify a concise and most beneficial system.

- Boilers shall be properly sized to handle the load of the system.
- Pipe insulation shall meet system requirements.

II. Window Replacement- Seth Boyden Elderly (NJ2-21E)

Existing Conditions

The Seth Boyden Elderly development (NJ2-21E) has windows and doors that are compromised due to wear and tear and improper installation. This causes excessive infiltration of unconditioned air from outside to the living spaces. Aesthetically and visually, the current windows and doors are not attractive and create negative image and REAC inspection problems for the developments as well as for the Newark Housing Authority.

Proposed Improvements

Constellation proposes window and balcony door replacements at the following site:

Seth Boyden Elderly (NJ2-21E)

Seth Boyden (NJ2-21E) comprises three buildings: 27 Foster Avenue, 120 Dayton Avenue, and 130 Dayton Avenue, Newark, NJ.

Residential Unit Windows: Constellation proposes replacing all residential unit windows and balcony doors.

Blinds: Constellation proposes installing new blinds for the residential unit windows and balcony doors

Common Area Windows: Constellation proposes replacing all non-residential building windows in common areas such as hallways, stairs, storage rooms, and compactor rooms. The installation of these windows does not include blinds.

Exclusions: This scope of work does not include building entry doors, storefront windows on ground floor, casement windows around the ground floor, and curtain wall windows, if present.

Window and Door Specifications*

- Windows shall be Northern Model 5000, or approved equivalent.
 - Residential unit living room windows shall be equipped with a trickle vent feature allowing air to move in and out the unit. The location, quantity and function of these vents will be determined prior to beginning work. If it is determined that the trickle vent is not appropriate for this application, an alternative venting method may be proposed.
- Patio doors shall be Northern Model 7000, or approved equivalent.
- Patio door thresholds shall be Northern, Low Profile, or approved equivalent.
- Window blinds shall be Bali Classics mini blinds, or approved equivalent.
- Patio door blinds shall be PS vertical blinds, or approved equivalent.



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www.newarkha.org

September 18, 2013

Deutsche Bank National Trust Company
Trust and Agency Services
100 Plaza One, Mailstop JCY03-0699
Jersey City, NJ 07311

Attention: Corporate Team-NHA

Notice of amendment to that certain Energy Services Agreement (defined herein) pursuant to the Equipment Lease-Purchase Agreement ("Lease") dated as of May 31, 2013 between Grant Capital Management, Inc. (the "Lessor") and the Housing Authority of the City of Newark (the "Lessee") and that certain Trust Agreement (the "Trust Agreement") dated as of May 31, 2013 between Grant Capital Management, Inc., as Trustor and Deutsche Bank National Trust Company, as Trustee (the "Trustee").

Ladies and Gentlemen:

I am an authorized representative of the Housing Authority of the City of Newark (the "Lessee") and am familiar with the matters set forth herein. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in the Lease.

Pursuant to that certain Notice of Amendment to Energy Services Agreement and letter of direction dated September 20, 2013 from Citibank N.A. to the Trustee, this written notice is given to Deutsche Bank National Trust Company, as Trustee under the Trust Agreement that Lessee intends to amend that certain Water/Energy Services Agreement ("Energy Services Agreement") dated as of March 31, 2011 between Lessee and CLT Efficient Technologies, Inc. d/b/a Constellation Energy Projects and Services NJ.

Please be further advised that the Lessee intends to amend the Energy Services Agreement to add certain additional energy conservation measures pursuant to the terms of that certain Amendment No. 2 ("Amendment No. 2") to the Water/Energy Services Agreement dated August 7, 2013 by and between the Lessee and CLT Efficient Technologies d/b/a Constellation Energy Projects and Services NJ.

Kindly sign and return a copy of this letter to the undersigned at the address above to evidence your consent to the Amendment No. 2.

In witness hereof, I hereunto set my hand this 20th day of September, 2013.

Housing Authority of the City of Newark,
New Jersey

By: 

Name: Keith Kinard

Title: Executive Director

Consented to by:

Deutsche Bank National Trust Company,
as Trustee

By: 

Name: _____

Title: _____

Date: _____

Irina Golovashchuk

Vice President

EXECUTION COPY

NOTICE OF AMENDMENT TO ENERGY SERVICES AGREEMENT
AND LETTER OF DIRECTION

CITIBANK, N.A. ("Owner Representative") to DEUTSCHE BANK NATIONAL
TRUST COMPANY ("Trustee")

Date: September 20, 2013

Citibank, N.A., as Initial Lender, entered into a Loan and Security Agreement ("Loan Agreement") with Public Finance Authority ("Borrower") dated as of May 31, 2013, whereby Initial Lender made a loan of \$54,481,179.30 to Borrower. Borrower used those loan proceeds to purchase certificates of participation ("COP") in an Equipment Lease pursuant to an Equipment Lease Purchase Agreement ("Lease Purchase Agreement") dated as of May 31, 2013, between Grant Capital Management, Inc. as Lessor and Housing Authority of the City of Newark, New Jersey, as Lessee. Lessee directed Lessor to cause the COP to be executed and delivered by the Trustee. Grant Capital Management, Inc., in its capacity as Trustor, and Trustee entered into a Trust Agreement dated as of May 31, 2013, pursuant to which the COP were executed and delivered to the Borrower. Lessor arranged for Borrower to purchase the COP, and Borrower then assigned 100% of its interest in the COP to Citibank, N.A., as collateral agent for the security for the loan made by Initial Lender.

By a "Notice of Amendment to Energy Services Agreement" dated as of July 30, 2013 ("Notice"), Initial Lender and Trustee were notified that Lessee intended to amend that certain Water/Energy Services Agreement dated as of March 31, 2011, ("Energy Services Agreement") between Lessee and CLT Efficient Technologies, Inc. d/b/a Constellation Energy Projects and Services NJ.

Pursuant to Section 7(b) of the Lease Purchase Agreement,

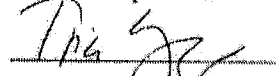
"Lessee covenants that it shall not amend, modify, rescind or alter any Supplier Agreement (including, without limitation, the Energy Services Agreement) without the prior written consent of the Trustee (as Lessor's assignee) and the Initial Lender in accordance with the Trust Agreement and the Loan Agreement (provided, however, that any immaterial modification to a Supplier Agreement, in the form of change orders or the like, shall not require consent under this Section 7(b))."

Initial Lender will provide its consent to the proposed amendment of the Energy Services Agreement as evidenced by the attached, signed Notice. Citibank, N.A., in its capacity as Owner Representative under the Trust Agreement, hereby directs Trustee, pursuant to Section

9.2(e) of the Trust Agreement, to provide Trustee's consent to the proposed amendment of the Energy Services Agreement, by signing below and returning this letter to Lessee.

CITIBANK, N.A.

Owner Representative



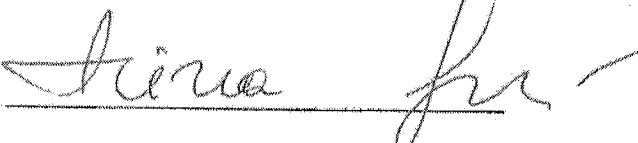
Name: Tiana Yarger

Title: Vice President

In accordance with the foregoing direction, the Trustee hereby consents to the proposed amendment of the Energy Services Agreement:

Date: September 20, 2013

DEUTSCHE BANK NATIONAL TRUST COMPANY



Name: **Irina Golovashchuk**

Title: **Vice President**